## **Deloitte.**



#### **Omnigame ApS**

Pilestræde 52 A, 3. 1112 København K CVR No. 36962348

#### Annual report 2022

The Annual General Meeting adopted the annual report on 31.05.2023

**Sune Alstrup** Chairman of the General Meeting

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## **Entity details**

#### Entity

Omnigame ApS Pilestræde 52 A, 3. 1112 København K

Business Registration No.: 36962348 Registered office: København Financial year: 01.01.2022 - 31.12.2022

#### **Board of Directors**

Sune Alstrup Rasmus Theet Fincke Richardt Funch Christian Kirk Rasmussen Jeffrey Michael Haas

#### **Executive Board**

Peter Weinreich Johansen Mia Nyland-Evers

#### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S

### **Statement by Management**

The Board of Directors and the Executive Board have today considered and approved the annual report of Omnigame ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 16.05.2023

**Executive Board** 

Peter Weinreich Johansen

**Mia Nyland-Evers** 

**Board of Directors** 

Sune Alstrup

**Rasmus Theet Fincke** 

**Richardt Funch** 

**Christian Kirk Rasmussen** 

**Jeffrey Michael Haas** 

## Independent auditor's extended review report

#### To the shareholders of Omnigame ApS

#### Conclusion

We have performed an extended review of the financial statements of Omnigame ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

#### **Basis for conclusion**

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 16.05.2023

#### Deloitte

Statsautoriseret Revisionspartnerselskab CVR No. 33963556

**Jens Sejer Pedersen** State Authorised Public Accountant Identification No (MNE) mne14986 **Torben Mortensen** Registered accountant Identification No (MNE) mne18040

### Management commentary

#### **Primary activities**

Omnigame ApS creates proprietary entertaining casual casino slot machines, which can be played on Omnigames own operator site, pip.dk in DK. The operator site is run on Omnigames in-house built platform. Omnigame ApS operates under the license #22-194205 from the Danish Gambling Authority ("DGA").

#### Description of material changes in activities and finances

The company continues to operate normally. There have been no individual events during the financial year which are so important that it requires mention in the management's report. The development and profit for the year are considered satisfactory.

#### **Development in activities and finances**

#### Scale up and upgrading the foundation

The year 2022 has been one of meaningful progress. Omnigame focuses on where the success originates from, and that is namely the magic of the in-house built games.

The company has onboarded +5 dedicated and creative people with an aim to develop more unique games and build a brand new platform that will sustainably maintain Omnigame's increasing customer base while ensuring continued stability and performance.

The new platform will also include new geo-expansion possibilities and enable an even more effective game production and implementation.

In 2022 Omnigame launched 6 new games: Dragon Haven, Fruits! (Wheel of Reels TM), Savannah (Wheel of Reels TM), Solaris, Safari - Big Bonus Bonanza and Ghost Manor. On balance sheet date, Omnigame owned and operated through Pip.dk 21 proprietary games.

Pip.dk is still positioned as one of the most known casino brands in the Danish population. Investment in this position was particularly done in the 1st half of 2022 and hereafter focus has changed to maintaining and capitalizing on the investment. In general the marketing activities has given a steady intake of loyal customers contributing to the continued growth of Omnigame.

#### **Compliance**

Omnigames steady transformation in regards to Compliance follows swiftly in tandem with the growth and maturity of the company. Through consistent awareness and information sharing, Omnigame does not only exist in a world of compliance, but compliance is one of the many heartbeats of the company.

Building and sustaining the trust of Omnigame's customers is also a constant overarching pillar within the company. With this in mind, Omnigame hosted a day which was only dedicated to Safer Gambling focusing on the regulatory landscape as well as the tools Omnigame uses to care for it's customers. It is also worth mentioning again that Omnigame was the first DK licensed operator to proactively choose to restrict their product to customers who are at least 21 years old.

Furthermore, Omnigame's continuous and systematic product development goes hand in hand with the consistent growth and commitment to our in-house subject matter experts.

#### Outlook

The loss of 2022 was expected due to the high investment in marketing and acquisition of new customers.

Management expected to make a small loss again in 2023 because of the continuing strategy to invest highly in marketing, game development and expand beyond Danish borders.

The Company have secured credit facilities for 2023, to make the Company financially stable, and from a going concern point of view independent of new funding.

#### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## **Income statement for 2022**

		2022	2021
	Notes	DKK	DKK
Gross profit/loss		21,474,195	9,517,231
Staff costs	1	(23,744,223)	(12,560,065)
Depreciation, amortisation and impairment losses	2	(10,025,361)	(7,270,332)
Operating profit/loss		(12,295,389)	(10,313,166)
Other financial income	3	11,033	0
Other financial expenses	4	(554,076)	(256,261)
Profit/loss before tax		(12,838,432)	(10,569,427)
Tax on profit/loss for the year	5	3,588,062	3,421,861
Profit/loss for the year		(9,250,370)	(7,147,566)
Proposed distribution of profit and loss			
Retained earnings		(9,250,370)	(7,147,566)
Proposed distribution of profit and loss		(9,250,370)	(7,147,566)

## Balance sheet at 31.12.2022

#### Assets

A35(3		2022	2021
	Notes	DKK	DKK
Completed development projects	7	24,418,265	21,192,610
Acquired intangible assets		403,880	32,801
Development projects in progress	7	7,361,392	7,523,813
Intangible assets	6	32,183,537	28,749,224
Other fixtures and fittings, tools and equipment		2,144,173	2,222,245
Leasehold improvements		7,947	10,878
Property, plant and equipment	8	2,152,120	2,233,123
Deposits		230,332	237,584
Financial assets	9	230,332	237,584
Fixed assets		34,565,989	31,219,931
Deferred tax	10	0	416,326
Other receivables		2,499,913	2,402,797
Prepayments		359,157	560,363
Receivables		2,859,070	3,379,486
Cash		5,817,855	11,947,298
Current assets		8,676,925	15,326,784
Assets		43,242,914	46,546,715

#### **Equity and liabilities**

Notes	2022 DKK	2021 DKK
	98,734	95,260
	24,788,132	22,398,810
	1,174,720	6,034,252
	26,061,586	28,528,322
10	101,586	0
	101,586	0
	969,027	969,027
11	969,027	969,027
	1,789,317	1,529,065
	5,793,035	6,527,558
12	8,528,363	8,992,743
	16,110,715	17,049,366
	17,079,742	18,018,393
	43,242,914	46,546,715
13		
14		
	11 12 13	1,174,720   26,061,586   10 101,586   101,586 101,586   969,027 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   11 969,027   12 1,789,317   5,793,035 16,110,715   16,110,715 17,079,742   43,242,914 13

# Statement of changes in equity for 2022

	Contributed	Share	Reserve for development	Retained	
	capital	premium	expenditure	earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity beginning of year	95,260	0	22,398,810	6,034,252	28,528,322
Increase of capital	4,385	8,322,435	0	0	8,326,820
Decrease of capital	(911)	(1,542,275)	0	0	(1,543,186)
Transferred from share premium	0	(6,780,160)	0	6,780,160	0
Transfer to reserves	0	0	2,389,322	(2,389,322)	0
Profit/loss for the year	0	0	0	(9,250,370)	(9,250,370)
Equity end of year	98,734	0	24,788,132	1,174,720	26,061,586

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 14 may 2024 once or several times to increase the Company's share capital with up to nominally 4.272 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

## Notes

#### **1 Staff costs**

	2022	2021
	DKK	DKK
Wages and salaries	21,588,843	11,894,688
Pension costs	1,632,491	213,800
Other social security costs	522,889	451,577
	23,744,223	12,560,065
Number of employees at balance sheet date	56	51

Staff cost recognized as development cost in the year is 10,6 mio DKK (2021: 15,7 mio. DKK).

#### 2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	9,366,800	6,744,356
Depreciation of property, plant and equipment	658,561	525,976
	10,025,361	7,270,332

#### **3 Other financial income**

	2022 DKK	2021 DKK
Exchange rate adjustments	11,033	0
	11,033	0

#### **4 Other financial expenses**

	2022 DKK	2021 DKK
Exchange rate adjustments	102	0
Other financial expenses	553,974	256,261
	554,076	256,261

#### 5 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Change in deferred tax	(3,588,062)	(3,421,861)
	(3,588,062)	(3,421,861)

The change in deferred tax includes the net value of paid tax credits of DKK 4,105,974.

#### **6 Intangible assets**

	Completed development	Acquired intangible	Development projects in
	projects	assets	progress
	DKK	DKK	DKK
Cost beginning of year	35,105,997	51,418	7,523,813
Transfers	4,615,580	0	(4,615,580)
Additions	7,904,673	443,281	4,453,159
Cost end of year	47,626,250	494,699	7,361,392
Amortisation and impairment losses beginning of year	(13,913,387)	(18,617)	0
Amortisation for the year	(9,294,598)	(72,202)	0
Amortisation and impairment losses end of year	(23,207,985)	(90,819)	0
Carrying amount end of year	24,418,265	403,880	7,361,392

#### 7 Development projects

In 2022, DKK 12.358 thousand has been capitalized which consists mainly of the development of new games for 2022 but also building a new platform. During 2022 Omnigame launched 6 new games which have all been capitalized. The capitalization solely relates to salary and G&A mark-up.

Cost of development projects are amortized on a straight-line basis over the projects estimated useful lifetime. Managements estimate of the useful lifetime are based on the earnings on the Company's existing game portfolio. Management assume that similar structure will occur going forward. All games launched throughout Omnigames lifetime, are still being played on a regular basis.

Based hereon, the amortization on development cost are recognized over a period of 5 years. Management will reevaluate the useful lifetime if material changes occur on the period where the games are played on a regular basis.

The Company's profit for the year has increased compared to last year which expresses that the development projects have market potentials.

#### 8 Property, plant and equipment

	Other fixtures and fittings,		
	tools and	Leasehold	
	equipment i	mprovements	
	DKK	DKK	
Cost beginning of year	2,930,385	14,654	
Additions	577,558	0	
Cost end of year	3,507,943	14,654	
Depreciation and impairment losses beginning of year	(708,140)	(3,776)	
Depreciation for the year	(655,630)	(2,931)	
Depreciation and impairment losses end of year	(1,363,770)	(6,707)	
Carrying amount end of year	2,144,173	7,947	

#### 9 Financial assets

	Deposits
	DKK
Cost beginning of year	237,584
Disposals	(7,252)
Cost end of year	230,332
Carrying amount end of year	230,332

#### **10 Deferred tax**

	2022	2021
	DKK	DKK
Intangible assets	6,996,513	6,317,490
Property, plant and equipment	76,019	83,352
Financial assets	79,015	123,280
Tax losses carried forward	(7,049,961)	(6,940,448)
Deferred tax	101,586	(416,326)

#### 11 Non-current liabilities other than provisions

	Due after
	more than 12
	months
	2022
	DKK
Other payables	969,027
	969,027

#### 12 Other payables

	2022	2021
	DKK	DKK
VAT and duties	342,766	454,240
Wages and salaries, personal income taxes, social security costs, etc. payable	650,469	444,315
Holiday pay obligation	1,108,616	782,034
Other costs payable	6,426,512	7,312,154
	8,528,363	8,992,743

#### **13 Contingent liabilities**

The Company has entered into house lease agreements of 6 months with a total grant of t.kr 646.

#### 14 Assets charged and collateral

The Company's bank connection has a business mortgage of t.kr. 3.500 in operating assets, etc.

## **Accounting policies**

#### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

#### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### **Income statement**

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

The net turnover consists of gambling income received by the company as soon as the risk transition to the player has taken place before the end of the year, less payment of winnings, silage tax, bonus to players, etc.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

#### Other financial income

Other financial income comprises net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

#### **Balance sheet**

#### Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

#### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.