



Playable ApS

Tueager 1
8200 Aarhus N
CVR No. 36986476

Annual report 2022

The Annual General Meeting adopted the
annual report on 23.06.2023

Klaus Bülow Davidsen
Chairman of the General Meeting

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Entity details

Entity

Playable ApS

Tueager 1

8200 Aarhus N

Business Registration No.: 36986476

Date of foundation: 03.08.2015

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

Phone number: +45 86 10 19 00

E-mail: contact@playable.com

Board of Directors

Jeppe Schytte-Hansen, chairman of the board

Thomas Kragh

Kim Elsass

Klaus Bülow Davidsen

Executive Board

Marianne Sejr Pharsen

Andreas Fabricius Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Playable 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.

Aarhus, 23.06.2023

Executive Board

Marianne Sejr Pharsen

Andreas Fabricius Rasmussen

Board of Directors

Jeppe Schytte-Hansen
chairman of the board

Thomas Kragh

Kim Elsass

Klaus Bülow Davidsen

Independent auditor's report

To the shareholders of Playable ApS

Opinion

We have audited the financial statements of Playable 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.

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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion 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 audit 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 audit 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 the 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.

Aarhus, 23.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

The company's primary activity consists in developing and commercializing a Marketing Gamification platform and other business associated herewith.

Development in activities and finances

Result of the year for 2022 was a deficit of EUR 5,679k which reflects the following:

1. The Company is a growth company and in 2022 we have continued to successfully grow the revenue of the Company even further, confirming our strong offering. At the same time we have revised our strategic direction to pursue growth in a more sustainable way and re-establish equity. Affected by changes in the macro environment (covid-19, energy crisis and the financial market situation) we decided to aim for cash positive operations during 2023. Internally we implemented a number of organisational changes, reducing the number of employees and restructuring our operation securing a balance between revenue and costs while maintaining a strong customer orientation and capacity for growth. We changed name from Leadfamly to Playable in September to more fully represent our offering and strengthen our brand in one simple word: Playable. We enable companies to benefit from playable marketing, create meaningful and memorable engagements for their customers while building out their relationships, in a very effective manner.
2. The Company has chosen to write off its deferred tax asset based on a precautionary principle. The tax loss carry forward has a contingent asset value of EUR 2,975k.

Capital

As at 31 December 2022, the Company's equity stands at EUR (5,739)k and thus the Company has lost all of its equity. However, the Company has received significant owner support during both 2021 and 2022 and continues to enjoy strong shareholder support.

Equity end of 2022	EUR (5,739)k (increased capital two times)
Subordinate loan capital	EUR 3,634k (obtained in 2021)
Total capital	EUR (2,105)k

The Company has the full support of its investors and a capital raise of EUR 2,953k has taken place in May 2022 and EUR 1,179k in December 2022 (referring to note 1) underlining the firm belief in Playable.

Based on the above outcome, actions taken and our firm belief in the company's continued potential, Playable ApS looks forward with confidence to further broaden market presence.

Macro level effects

The company has been affected by macro changes in the market (covid-19, energy crisis and the financial market situation) but has retained its growth strategy and grown its business. The company has received neither wage compensation nor funding to cover its fixed expenditure.

Foreign branches

The Company has a branch in Finland. The financial statements of the branch are recognised line by line in the

annual report as an integrated entity of the Danish company.

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 except from the capital raise as mentioned above and reflected in note 1.

Income statement for 2022

	Notes	2022 EUR	2021 EUR
Gross profit/loss		3,341,444	2,635,247
Staff costs	2	(8,156,186)	(5,730,179)
Depreciation, amortisation and impairment losses	3	(451,343)	(268,201)
Operating profit/loss		(5,266,085)	(3,363,133)
Income from investments in group enterprises		54,006	46,168
Other financial income	4	17,237	16,909
Financial expenses from group enterprises		(4,079)	(1,554)
Other financial expenses		(489,934)	(215,760)
Profit/loss before tax		(5,688,855)	(3,517,370)
Tax on profit/loss for the year	5	9,511	(519,098)
Profit/loss for the year		(5,679,344)	(4,036,468)
Proposed distribution of profit and loss			
Retained earnings		(5,679,344)	(4,036,468)
Proposed distribution of profit and loss		(5,679,344)	(4,036,468)

Balance sheet at 31.12.2022

Assets

	Notes	2022 EUR	2021 EUR
Completed development projects	7	1,588,091	960,171
Acquired intangible assets		70,351	0
Development projects in progress	7	274,594	218,924
Intangible assets	6	1,933,036	1,179,095
Other fixtures and fittings, tools and equipment		34,216	42,074
Leasehold improvements		69,770	52,290
Property, plant and equipment	8	103,986	94,364
Investments in group enterprises		129,540	77,553
Deposits		21,431	69,950
Financial assets	9	150,971	147,503
Fixed assets		2,187,993	1,420,962
Trade receivables		1,220,873	1,414,329
Receivables from group enterprises		0	6,644
Other receivables		48,378	79,787
Prepayments		97,856	173,325
Receivables		1,367,107	1,674,085
Cash		1,275,769	2,333,542
Current assets		2,642,876	4,007,627
Assets		4,830,869	5,428,589

Equity and liabilities

	Notes	2022 EUR	2021 EUR
Contributed capital		15,536	13,415
Reserve for net revaluation according to the equity method		129,538	77,551
Reserve for development expenditure		1,507,768	919,695
Retained earnings		(7,391,773)	(5,202,245)
Equity		(5,738,931)	(4,191,584)
Subordinate loan capital		3,633,898	3,355,705
Debt to other credit institutions		1,300,861	1,155,975
Other payables		485,615	485,179
Non-current liabilities other than provisions	10	5,420,374	4,996,859
Current portion of non-current liabilities other than provisions	10	651,398	161,433
Trade payables		140,200	154,830
Payables to group enterprises		182,393	99,461
Other payables		911,337	1,735,438
Deferred income	11	3,264,098	2,472,152
Current liabilities other than provisions		5,149,426	4,623,314
Liabilities other than provisions		10,569,800	9,620,173
Equity and liabilities		4,830,869	5,428,589
Going concern	1		
Unrecognised rental and lease commitments	12		
Contingent assets	13		

Statement of changes in equity for 2022

	Contributed capital EUR	Share premium EUR	Reserve for net revaluation according to the equity method EUR	Reserve for development expenditure EUR	Retained earnings EUR
Equity beginning of year	13,415	0	77,551	919,695	(5,202,245)
Increase of capital	2,121	4,131,894	0	0	0
Transferred from share premium	0	(4,131,894)	0	0	4,131,894
Exchange rate adjustments	0	0	(2,018)	0	0
Transfer to reserves	0	0	0	588,073	(588,073)
Profit/loss for the year	0	0	54,005	0	(5,733,349)
Equity end of year	15,536	0	129,538	1,507,768	(7,391,773)

	Total EUR
Equity beginning of year	(4,191,584)
Increase of capital	4,134,015
Transferred from share premium	0
Exchange rate adjustments	(2,018)
Transfer to reserves	0
Profit/loss for the year	(5,679,344)
Equity end of year	(5,738,931)

As at 31 December 2022, the company's equity stands at EUR (5.739)k and thus the company has lost all of its equity.

It is management's expectation that the equity will be re-established through its own operations in the coming years.

Notes

1 Going concern

Playable ApS has the funds and liquidity to support the investment and businesses throughout 2023. The Company has closed a significant capital raise of EUR 4,132k in 2022, which ensures and supports the budget and outlook. On that basis the Management has presented the annual report on the assumption of going concern.

2 Staff costs

	2022	2021
	EUR	EUR
Wages and salaries	6,166,442	4,443,324
Pension costs	654,100	395,215
Other social security costs	49,126	35,723
Other staff costs	1,286,518	855,917
	8,156,186	5,730,179
Average number of full-time employees	85	67

3 Depreciation, amortisation and impairment losses

	2022	2021
	EUR	EUR
Amortisation of intangible assets	397,802	221,070
Depreciation of property, plant and equipment	53,541	47,131
	451,343	268,201

4 Other financial income

	2022	2021
	EUR	EUR
Other interest income	363	0
Exchange rate adjustments	16,874	16,909
	17,237	16,909

5 Tax on profit/loss for the year

	2022	2021
	EUR	EUR
Current tax	9,375	11,715
Change in deferred tax	0	507,383
Adjustment concerning previous years	(18,886)	0
	(9,511)	519,098

6 Intangible assets

	Completed development projects EUR	Acquired intangible assets EUR	Development projects in progress EUR
Cost beginning of year	1,385,186	0	218,924
Transfers	218,924	0	(218,924)
Additions	805,301	71,848	274,594
Cost end of year	2,409,411	71,848	274,594
Amortisation and impairment losses beginning of year	(425,015)	0	0
Amortisation for the year	(396,305)	(1,497)	0
Amortisation and impairment losses end of year	(821,320)	(1,497)	0
Carrying amount end of year	1,588,091	70,351	274,594

7 Development projects

Completed development projects comprise development of a new version of the Company's most significant sales product, the Playable platform, as well as new features for the platform. Recognition takes place when the future return on the development project is expected to exceed the investment. Completed development projects are recognised at cost, and the amortisation period is 5 years.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR
Cost beginning of year	81,757	114,462
Additions	9,592	53,571
Cost end of year	91,349	168,033
Depreciation and impairment losses beginning of year	(39,683)	(62,172)
Depreciation for the year	(17,450)	(36,091)
Depreciation and impairment losses end of year	(57,133)	(98,263)
Carrying amount end of year	34,216	69,770

9 Financial assets

	Investments in group enterprises EUR	Deposits EUR
Cost beginning of year	2	69,950
Additions	0	1,464
Disposals	0	(49,983)
Cost end of year	2	21,431
Revaluations beginning of year	77,551	0
Exchange rate adjustments	(2,018)	0
Share of profit/loss for the year	63,083	0
Other adjustments	(9,078)	0
Revaluations end of year	129,538	0
Carrying amount end of year	129,540	21,431

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
LeadFamily B.V	Nederlands	B.V	100
Playable Marketing Ltd	United Kingdom	Ltd.	100

10 Non-current liabilities other than provisions

	Due within 12 months 2022 EUR	Due within 12 months 2021 EUR	Due after more than 12 months 2022 EUR
Subordinate loan capital	75,418	0	3,633,898
Debt to other credit institutions	0	161,433	1,300,861
Other payables	575,980	0	485,615
	651,398	161,433	5,420,374

There are no liabilities due after more than 5 years.

11 Deferred income

Deferred income represents unearned income from subscriptions. Deferred income does not represent an actual debt, but income to be recognized over the subscription period.

12 Unrecognised rental and lease commitments

	2022	2021
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	951,301	97,187

The Company has entered into rental agreements with a total liability of EUR 855k with a residual term of up to 39.5 months and leases with a liability of EUR 97k with a residual term of up to 30 months.

13 Contingent assets

The total tax base of tax loss carryforwards are not recognized in the balance sheet as of 31.12.2022.

Tax loss carryforward amounts to EUR 13,524k which amounts to EUR 2,975k (tax value with a tax rate of 22%), whereof EUR 425k is activated as a withdrawal in deferred tax liabilities.

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, with some reclassifications.

The Company has chosen to change presentation currency from DKK to EUR for the financial year with reference to the Danish Financial Statements Act section 16. When translating to EUR, all items are translated to the exchange rate 7,45 between DKK and EUR (at 31.12.2022 and 31.12.2021, respectively) as this does not differ significantly from the average exchange rate over the year nor the rate at the balance sheet day.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill

is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Subscriptions and licences are recognised as delivery takes place and thus accrued over the contract period.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

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 comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, amortisation of financial assets.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises 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.

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 under 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. 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

Other fixtures and fittings, tools and equipment and leasehold improvement are measured at cost less accumulated depreciation and impairment losses.

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	1-3 years
Leasehold improvements	1-3 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises 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.

Prepayments

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

Cash

Cash comprises bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.