



## BLAST ApS

Lergravsvej 57, 1.  
2300 Copenhagen  
CVR No. 38074466

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 01.08.2022

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**Tom Greene**

Chairman of the General Meeting

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# Entity details

## Entity

BLAST ApS

Lergravsvej 57, 1.

2300 Copenhagen

Business Registration No.: 38074466

Date of foundation: 08.10.2016

Registered office: Copenhagen

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Jimmy Fussing Nielsen

Erik Balck Sørensen

Johan Harald Gedda

René Efraim Rechtman

Robert Marc Douek

## Executive Board

Robert Marc Douek, CEO

Lin Lei, Acting CFO

## 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 BLAST ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Copenhagen, 01.08.2022

## Executive Board

**Robert Marc Douek**  
CEO

**Lin Lei**  
Acting CFO

## Board of Directors

**Jimmy Fussing Nielsen**

**Erik Balck Sørensen**

**Johan Harald Gedda**

**René Efraim Rechtman**

**Robert Marc Douek**

# Independent auditor's report

## To the shareholders of BLAST ApS

### Opinion

We have audited the financial statements of BLAST ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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.

### Material uncertainty related to going concern

We refer to Note 1 which describes the assumptions applied by Management in determining that it is appropriate to prepare the financial statements on a going-concern basis. Our opinion has not been modified with respect to this matter.

### Other matter

During 2021, the Company has in multiple cases failed to report VAT on time, whereby management can be held responsible.

### 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.

Copenhagen, 01.08.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Kim Takata Mücke**

State Authorised Public Accountant  
Identification No (MNE) mne10944

# Management commentary

## Primary activities

BLAST ApS ("BLAST" or "the Company") is a the global esports and technology company, delivering world class entertainment experiences in person and online. Whether it be intimate broadcast studio shows, arena events, digital platforms or top-class multi-platform content, BLAST creates the most exciting, exhilarating and euphoric moments in esports. BLAST owns BLAST Premier; a worldwide Counter-Strike Global Offensive tournament where the best teams and brightest stars fight it out for a \$2.5m total prize pool. This is broadcast around the world in 100 territories to over 150m households.

BLAST now also works with a number of other gaming publishers to host online and in-person events, including Fortnite, FIFA and Valorant.

## Development in activities and finances

BLAST have made a significant investment into the development of Blast.TV, a platform that will allow users to stream live BLAST Premier matches, interact with other fans and immerse themselves in BLAST events.

These investments are the contributory factor for the Company reporting a loss of DKK 93 million for 2021 compared to a loss of DKK 86 million in 2020.

During 2021, the Company received equity funding of DKK 103 million.

## Events after the balance sheet date

In July 2022, the Company has obtained a loan of 10mEUR, which will contribute to secure that the Company has sufficient cash funds to carry out its planned activities for the remaining part of 2022.

In addition, the Company plans to secure further funding from new investors via a C-series investment to fund the further development of the Company's business.



# Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		50,176,919	25,165,954
Other operating income	2	29,411,556	0
Cost of sales		(83,979,956)	(65,762,176)
Other external expenses		(9,321,723)	(31,153,549)
<b>Gross profit/loss</b>		<b>(13,713,204)</b>	<b>(71,749,771)</b>
Staff costs	3	(11,075,244)	(7,944,692)
Depreciation, amortisation and impairment losses		(9,970,273)	(4,238,399)
<b>Operating profit/loss</b>		<b>(34,758,721)</b>	<b>(83,932,862)</b>
Other financial income		1,854,079	827,386
Impairment losses on financial assets	4	(58,863,432)	0
Other financial expenses		(1,034,782)	(2,491,040)
<b>Profit/loss for the year</b>		<b>(92,802,856)</b>	<b>(85,596,516)</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		(92,802,856)	(85,596,516)
<b>Proposed distribution of profit and loss</b>		<b>(92,802,856)</b>	<b>(85,596,516)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	6	5,801,932	7,588,227
Goodwill		30,112,396	0
Development projects in progress	6	4,966,456	0
<b>Intangible assets</b>	5	<b>40,880,784</b>	<b>7,588,227</b>
Other fixtures and fittings, tools and equipment		9,001,779	7,660,637
Property, plant and equipment in progress		2,602,630	0
<b>Property, plant and equipment</b>	7	<b>11,604,409</b>	<b>7,660,637</b>
Investments in group enterprises		1,190,421	36,512,071
Receivables from group enterprises		70,361,335	0
Deposits		493,000	343,000
<b>Financial assets</b>	8	<b>72,044,756</b>	<b>36,855,071</b>
<b>Fixed assets</b>		<b>124,529,949</b>	<b>52,103,935</b>
Trade receivables		26,100,684	15,510,831
Receivables from group enterprises		1,382,903	34,745,182
Other receivables		5,804,811	850,847
Prepayments		563,279	1,108,102
<b>Receivables</b>		<b>33,851,677</b>	<b>52,214,962</b>
<b>Cash</b>		<b>8,526,259</b>	<b>16,780,470</b>
<b>Current assets</b>		<b>42,377,936</b>	<b>68,995,432</b>
<b>Assets</b>		<b>166,907,885</b>	<b>121,099,367</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		305,310	240,074
Reserve for development expenditure		8,344,313	5,918,817
Retained earnings		44,764,115	36,574,702
<b>Equity</b>		<b>53,413,738</b>	<b>42,733,593</b>
Lease liabilities		3,412,047	3,757,210
Convertible and dividend-yielding debt instruments		21,472,709	20,414,584
Other payables		747,167	736,125
<b>Non-current liabilities other than provisions</b>		<b>25,631,923</b>	<b>24,907,919</b>
Lease liabilities		1,190,012	1,979,031
Trade payables		7,462,144	5,566,248
Payables to group enterprises		0	852,506
Other payables		68,816,914	35,760,298
Deferred income		10,393,154	9,299,772
<b>Current liabilities other than provisions</b>		<b>87,862,224</b>	<b>53,457,855</b>
<b>Liabilities other than provisions</b>		<b>113,494,147</b>	<b>78,365,774</b>
<b>Equity and liabilities</b>		<b>166,907,885</b>	<b>121,099,367</b>
Going concern	1		
Contingent assets	9		
Contingent liabilities	10		

# Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	240,074	5,918,817	36,574,702	42,733,593
Increase of capital	65,236	0	103,417,765	103,483,001
Transfer to reserves	0	2,425,496	(2,425,496)	0
Profit/loss for the year	0	0	(92,802,856)	(92,802,856)
<b>Equity end of year</b>	<b>305,310</b>	<b>8,344,313</b>	<b>44,764,115</b>	<b>53,413,738</b>

# Notes

## 1 Going concern

BLAST ApS have in 2021 secured significant funding and have made significant investments in the business areas of the Company.

The Company secured an additional DKK 103 million of funding through a B-series investment round in July 2021, as well as a loan of 10mEUR which was secured in July 2022.

The Company plans to secure further funding from new investors via a C-series investment to fund the further development of the Company's business.

On this basis, Management concludes that it is appropriate to adopt the going-concern basis in preparing the financial statements for 2021.

## 2 Other operating income

Other operating income consist of granted COVID-19 compensation amount DKK 1.4 million. Remaining other operating income consist of cost coverage from other group companies with effect from 2021.

## 3 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	11,066,897	7,470,575
Pension costs	366,070	198,548
Other social security costs	21,210	84,169
Other staff costs	432,605	191,400
	<b>11,886,782</b>	<b>7,944,692</b>
Staff costs classified as assets	(811,538)	0
	<b>11,075,244</b>	<b>7,944,692</b>
Average number of full-time employees	<b>23</b>	<b>18</b>

## Warrant program

The key elements of the programme are:

- Warrant programme gives the Board of Directors the right to grant warrants, which entitles the warrant holders to subscribe shares at a price of DKK 5.00 per share in BLAST ApS for up to nominal DKK 64,631.49 equal to 6,463,149 shares of DKK 0.01 each of which 4,503,557 warrants have been granted at 31 Dec. 2021.
- The issued warrants vest over a 48-month period.

## 4 Impairment losses on financial assets

Impairment losses on financial assets consist of DKK 57 million of impairment for the loan with BLAST UK Ltd. and DKK 1,8 million for impairment of investments in Blast Tech ApS. See note 8 for further explanation.

## 5 Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	11,392,371	0	558,779
Transfers	2,165,917	33,458,218	(2,165,917)
Additions	0	0	7,132,373
<b>Cost end of year</b>	<b>13,558,288</b>	<b>33,458,218</b>	<b>5,525,235</b>
Amortisation and impairment losses beginning of year	(3,804,144)	0	(558,779)
Amortisation for the year	(3,952,207)	(3,345,822)	0
<b>Amortisation and impairment losses end of year</b>	<b>(7,756,351)</b>	<b>(3,345,822)</b>	<b>(558,779)</b>
<b>Carrying amount end of year</b>	<b>5,801,937</b>	<b>30,112,396</b>	<b>4,966,456</b>

Transfer of goodwill relate to the goodwill amount which end 2020 was included in the cost of investments in group enterprises from the acquisition of Blast Tech ApS. In 2021, the activities of Blast Tech ApS have been integrated into the the Blast ApS business, and hence the underlying goodwill amount from the acquisition is from 2021 accounted for as a separate asset; amortised over 10 years.

## 6 Development projects

Development projects in progress relate to the development of the concept and design of the Blast Premier Pro Series and BLAST TV. The Company has designed in-game advertising; bespoke gaming platforms configured to individual sponsors to architectural stage drawings. The cost of development projects comprises of costs primarily to external suppliers. The assumptions related to the measurement and recognition of development projects are based on the future earnings potential from the globalisation and future expansion of the BLAST Premier in the coming years.

In 2021 the carrying amount of Blast ApS' development project has only been subject to amortization, since recoverable amount is considered to be at least equal to the carrying value based on the market value of the Company applied in connection with the fund raising carried out in 2021.

## 7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	9,190,063	0
Additions	4,014,886	2,602,630
<b>Cost end of year</b>	<b>13,204,949</b>	<b>2,602,630</b>
Depreciation and impairment losses beginning of year	(1,529,426)	0
Depreciation for the year	(2,673,744)	0
<b>Depreciation and impairment losses end of year</b>	<b>(4,203,170)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>9,001,779</b>	<b>2,602,630</b>

## 8 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	36,512,071	0
Transfers	(33,458,218)	127,361,335
<b>Cost end of year</b>	<b>3,053,853</b>	<b>127,361,335</b>
Impairment losses for the year	(1,863,432)	(57,000,000)
<b>Impairment losses end of year</b>	<b>(1,863,432)</b>	<b>(57,000,000)</b>
<b>Carrying amount end of year</b>	<b>1,190,421</b>	<b>70,361,335</b>

Some of the activities in the Blast Group is carried out in subsidiaries. These activities are financed by the parent company through equity funding and intercompany loans. At year-end the investments and value of intercompany loans are assessed and tested for potential impairment.

The Company has recognised impairment losses of totally DKK 59 million relating to investments in group enterprises and receivables from group enterprises reflecting the estimated recoverable amounts at 31 December 2021. The Company will be able to reverse the impairment losses recognized in 2021 in future years when the subsidiaries expectedly will begin to materialize profits.

With respect to transfer of DKK 33,458,218 reference is made to note 5.

## 9 Contingent assets

The Company has a non-recognised deferred tax asset of DKK 62.7m primarily related to tax losses to be carried forward. Due to current earnings history the Company has determined that it is not yet appropriate to recognise the deferred tax asset.

## 10 Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which the Company serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the joint taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Commitments under rental agreements until expiry equal TDKK 770.

The Company has received tax credit for 2018 and 2019 with a total amount of DKK 11 million. The Danish tax authorities are claiming that the Company does not meet the requirements for receiving the tax credit for these years. The Company claims that they for these years as well as subsequent years have made considerable investments in concept and design of the BLAST Pro Series, Blast Premier and BLAST TV, which to a large extent involve first-mover technological innovations and thereby the Company is convinced it meet all requirements for receiving tax credits for all years where applications have been made. If needed, the Company will bring the case to the National Tax Court, and hence no provision for a potential repayment of tax credit has been deemed relevant at 31 December 2021.

# 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.

## Consolidated financial statements

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

## 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.

## Income statement

### Revenue

Revenue from sponsorships is recognised in the income statement over the duration of the sponsorships.

Revenue from ticket sales and other revenue from events are recognised in the income statement when the events take place.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Other operating income

Other operating income include government grants received in relation to covid-19 and from 2021 it also include cost coverage from other group companies for services performed on behalf of other group companies.

### Cost of sales

Cost of sales comprise direct costs related to prize money, venue and events to achieve the revenue for the year.

### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for IT, marketing costs, etc.

### Staff costs

Staff costs comprise salaries and wages, as well as 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 for the financial



year, calculated on the basis of the residual values and useful lives of the individual assets as well as any gains and losses from the sale of property, plant and equipment.

#### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, and currency gains.

#### **Impairment losses on financial assets**

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

#### **Other financial expenses**

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

### **Balance sheet**

#### **Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life. The useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### **Development projects**

Development projects comprises the development of the concept and design of BLAST Pro Series, BLAST Premier and BLAST TV.

Development projects on clearly defined and identifiable product and processes, for which the utilisation, adequate resources and a potential future market and development opportunity can be established, 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 equaling 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 only comprises costs that are directly attributable to the development 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. The amortisation periods used are 3 years.

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 & leasehold improvements are measured at cost less accumulated depreciation.

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.

Other fixtures and fittings, tools and equipment

5-10 years

Estimated useful lives and residual values are reassessed annually.

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments 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.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value. The item includes accrued revenue share to the teams participating in BLAST Premier.

**Deferred income**

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