BLAST ApS

Lergravsvej 57, 1.
2300 Copenhagen
CVR No. 38074466

Annual report 2022

The Annual General Meeting adopted the annual report on 30.06.2023

Tom Greene
Chairman of the General Meeting

Contents

Entity details

Entity
BLAST ApS

Lergravsvej 57, 1.

2300 Copenhagen

Business Registration No.: 38074466

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors
Jimmy Fussing Nielsen
Erik Balck Sørensen
Johan Harald Gedda
René Efraim Rechtman
Robert Marc Douek
Matthew Samuel Bromberg

Executive Board
Robert Marc Douek, CEO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

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

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows 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.

Copenhagen, 30.06.2023

Executive Board

Robert Marc Douek
CEO

Board of Directors

Jimmy Fussing Nielsen

Erik Balck Sørensen

Johan Harald Gedda

René Efraim Rechtman

Robert Marc Douek

Matthew Samuel Bromberg

Independent auditor's report

To the shareholders of BLAST ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of BLAST 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 30.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Kasper Vildrich Jessen
State Authorised Public Accountant
Identification No (MNE) mne42784

Management commentary

Financial highlights

	2022 EUR'000	2021 EUR'000
Key figures		
Revenue	31,631	13,470
Gross profit/loss	203	(5,783)
Operating profit/loss	(9,796)	(12,809)
Net financials	(1,156)	128
Profit/loss for the year	(11,576)	(12,701)
Balance sheet total	26,797	22,603
Investments in property, plant and equipment	3,734	2,994
Equity	(4,892)	6,892
Cash flows from operating activities	(7,898)	(8,119)
Cash flows from investing activities	(5,505)	(2,391)
Cash flows from financing activities	12,065	14,017
Ratios		
Gross margin (%)	0.64	(42.93)
Net margin (%)	(36.60)	(94.29)
Equity ratio (%)	(18.26)	30.49

As a result of this being the group's first year in accounting class C, there are no other comparative figures in the main and key figures overview.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$$

Net margin (%):

$$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$$

Equity ratio (%):

$$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$$

Primary activities

BLAST ApS ("BLAST" or "the Company") is a 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 year-long tournament where the best teams and brightest stars fight it out to be crowned champions. This is broadcast around the world. BLAST Premier has 12 Member Teams who play in the 7 yearly tournaments alongside the best of the rest of the Teams in the world who qualify for BLAST Premier. BLAST Premier is fully commercialized through media rights sales, sponsorship, ticketing and other revenue lines.

Alongside BLAST Premier, BLAST also ran the Fortnite ecosystem throughout 2022. BLAST co-creates the FNCS Fortnite ecosystem alongside Epic. FNCS is the pinnacle of competitive Fortnite, which is considered to be one of, if not the most popular game in the world. BLAST ran three month-long studio events and 1 live arena event for FNCS.

BLAST.tv, launched in late 2022, is a consumer-facing platform that allows users to stream live BLAST esports, watch VOD content, interact with other fans and immerse themselves in BLAST events and content. BLAST.tv is a home for our fans and all esports fans to engage with esports in an always-on capacity.

Development in activities and finances

BLAST Premier revenue increased driven by growth in Blast Commercial revenue. Sponsorship and Media Rights continued to be key contributors of revenue. Premier signed a new three-year city agreement with Abu Dhabi to host the Premier World Final, covering 2022-2024.

FNCS revenue grew significantly versus 2021. The relationship with Epic significantly expanded in 2022. BLAST co-created three online events and the Raleigh Fortnite Invitational arena event.

Revenue from other tournaments declined. This is due to our strategy to concentrate our activities on ecosystems where we can build meaningful scale.

Cost of Sales growth was attributable to the Company's growth and the celebration of more arena events as Covid restrictions mostly came to an end. Gross Margin improved, a result of the larger scale achieved in Premier and the accretive contribution of FNCS.

Capital expenditure investments were made into our Copenhagen studio and broadcast technology equipment. These investments enabled BLAST to increase broadcast production volume and production specification. For example, on Fortnite, BLAST delivered 3 studio and 1 live arena productions. For the live arena production, BLAST invested in technology to deliver broadcast streams for 100 simultaneous competing players and at 4K resolution.

Capital expenditure investments were also made into the continued development of the BLAST.tv consumer platform. We built a custom Content Management System, proprietary video streaming stack, user profile system and various Mini-Games.

Liquidity
In 2022, BLAST secured a €10m loan from an entity wholly owned by one of our major shareholders. The cash position at the end of 2022 was €9m. It is management's assessment that BLAST has sufficient liquidity to continue operations in FY23 and beyond.

Profit/loss for the year in relation to expected developments
Net loss narrowed in 2022. Premier's gross profit margin increased significantly, driven by growth in Brand Commercial and Consumer revenue, which came at very low incremental cost. Co-creations also made a strong contribution, driven by the growth in scale and attractive margin profile of FNCS. Operating costs as % of revenue decreased due to strong cost discipline and operating efficiencies across multiple tournaments.

Profit for the year in the parent company's income statement is positively affected by 7,661 t.EUR because of an impairment assessment regarding a group entity. The effect is presented on a separate line in the income statement: Impairment losses on financial assets.

Uncertainty relating to recognition and measurement
The Company invests in its studio, broadcast equipment and in the development of BLAST.tv. Expenses in the development phase of BLAST.tv are capitalized at cost on initial recognition and are valued on an ongoing basis by management.

Management assesses the expected future value and profitability of our studio operations, broadcast technology and BLAST.tv platform. An impairment loss is recognized if management estimates that the future value or cash flow contribution is less than the value of the capitalized value.

The management has carried out a DCF-analysis regarding the receivable from group entreprises. Because of the growth in the group is previous years impairment retracted. The analysis is carried out with future net income numbers. Future net income is based on significant estimates and is thus associated with some uncertainty.

Outlook
In 2023 management expects brand commercialization's strong growth to continue. Early renewals and new partnerships signed in December 2022 support this view.

In combination with strong like-for-like commercial growth, BLAST has also won the contracts to deliver the Rainbow Six global esports ecosystems in partnership with Ubisoft from 2023 onwards and to run the CSGO Major in 2023. Across BLAST Premier/Major (CSGO), FNCS (Fortnite) and BLAST R6 (Rainbow Six), BLAST now occupies a strong position in three of the largest esports ecosystems globally. The increased output, delivered in a more efficient way with increased commercialisation will drive revenue growth and improved profitability.

Overall, revenue will grow at a rate that is comparable to the growth rate seen in 2022. The increased operating efficiency will result in improved gross margin and EBITDA margin. We expect to be near or at EBITDA breakeven for 2023. Capital Expenditures will be comparable to 2022 as the Company will continue to invest in its studio, production technology and BLAST.tv. BLAST expects a loss in the range of 4-6 m.EUR for the year of 2023.

Globally, esports audience base is forecasted to grow at an annual rate of 8.1% to 2025, reaching 641 million; industry revenue is forecast to grow at an annual rate of 13.4% to 2025, reaching $1.9 billion.

BLAST's long term focus is to strategically enter new games where there are commercially viable opportunities and build coherent, exciting and commercial ecosystems around those games. As this grows our output, we remain focused on scaling our delivery capacity in an efficient and scalable way.

Risks relating to foreign exchange rates and interest rates
Blast is exposed to risks from movements in exchange and interest rates.

Exchange risk: the Company's reporting currency is the EUR and we do not currently hedge exchange rate risks. We have some exposure to costs denominated in DKK but we expect DKK to remain pegged to EUR. The main foreign exchange exposure is to the USD. In 2022, BLAST's exposure to the USD was fairly balanced as USD income was matched by a similar amount in USD costs. For 2023, we expect that USD revenue will exceed USD costs for 2023 but we don't expect the impact to be meaningful.

Interest rates risk: interest rate risk primarily results from changes in market interest rates impacting BLAST's floating-rate interest liabilities, which amounts to approx €3.1 million. The floating rate is determined at CIBOR + fixed spread. Blast does not use any instruments to hedge against changes in interest rates.

Knowledge resources
The Company's principal assets in terms of knowledge resources consist of its workforce and accumulated experience in the development and broadcasting of online, studio and arena esports events.

BLAST has in-housed all of its broadcast technology stack, a unique move in the esports industry, and made investments in industry leading technology and equipment that allow for premium, 4K experiences.

In parallel the Company has made significant investment in a competitive esports studio that offers space for live audiences and can accommodate multiple events simultaneously.

Finally BLAST.tv constitutes the go-to, D2C platform in esports, offering a revolutionizing viewing experience to consumers

Environmental performance
Management believes that environmental and social sustainability is essential to BLAST's long-term success. The Company is committed to making a difference, and is confident that its actions will help to create a more sustainable future for all.

BLAST fosters a culture of inclusivity, diversity, and respect within the organization, prioritizing the well-being and safety of its employees and supporting work-life balance.

Practices and policies are continually evaluated to identify opportunities for improvement, seeking input from stakeholders and leveraging on their expertise to enhance sustainability efforts.

Research and development activities
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.

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.

In June 2023, we signed a term sheet with our existing shareholders to invest approximately €11m of new equity capital to support the growth ambitions.

Consolidated income statement for 2022

	Notes	2022 EUR	2021 EUR
Revenue		31,630,713	13,469,701
Own work capitalised		732,425	109,078
Other operating income	2	10,412	190,896
Cost of sales		(29,049,882)	(17,943,539)
Other external expenses		(3,120,534)	(1,609,414)
Gross profit/loss		**203,134**	**(5,783,278)**
Staff costs	3	(8,038,053)	(5,496,233)
Depreciation, amortisation and impairment losses	4	(1,949,447)	(1,529,304)
Other operating expenses		(11,853)	0
Operating profit/loss		**(9,796,219)**	**(12,808,815)**
Other financial income		46,756	634,113
Other financial expenses		(1,202,990)	(505,958)
Profit/loss before tax		**(10,952,453)**	**(12,680,660)**
Tax on profit/loss for the year	5	(623,981)	(20,796)
Profit/loss for the year	6	**(11,576,434)**	**(12,701,456)**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 EUR	2021 EUR
Completed development projects	8	5,891,753	4,827,195
Development projects in progress	8	0	667,534
Intangible assets	7	**5,891,753**	**5,494,729**
Other fixtures and fittings, tools and equipment		4,083,988	1,650,443
Property, plant and equipment in progress		930,799	349,816
Property, plant and equipment	9	**5,014,787**	**2,000,259**
Deposits		749,418	174,360
Financial assets	10	**749,418**	**174,360**
Fixed assets		**11,655,958**	**7,669,348**
Trade receivables		4,010,616	3,531,450
Deferred tax	11	883,064	0
Other receivables		977,891	927,227
Prepayments	12	300,611	167,163
Receivables		**6,172,182**	**4,625,840**
Cash		**8,969,020**	**10,307,524**
Current assets		**15,141,202**	**14,933,364**
Assets		**26,797,160**	**22,602,712**

Equity and liabilities

	Notes	2022 EUR	2021 EUR
Contributed capital	13	41,036	41,036
Translation reserve		(397,710)	0
Retained earnings		(4,535,630)	6,851,250
Equity		**(4,892,304)**	**6,892,286**
Deferred tax	11	0	4,088
Provisions		**0**	**4,088**
Lease liabilities		292,044	458,608
Payables to owners and management		12,745,320	2,886,117
Other payables		439,338	100,426
Non-current liabilities other than provisions	14	**13,476,702**	**3,445,151**
Current portion of non-current liabilities other than provisions	14	1,482,018	159,948
Trade payables		12,989,379	10,066,708
Tax payable		9,218	9,742
Other payables		929,450	627,860
Deferred income	15	2,802,697	1,396,929
Current liabilities other than provisions		**18,212,762**	**12,261,187**
Liabilities other than provisions		**31,689,464**	**15,706,338**
Equity and liabilities		**26,797,160**	**22,602,712**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Transactions with related parties	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2022

	Contributed capital EUR	Translation reserve EUR	Retained earnings EUR	Total EUR
Equity beginning of year	41,036	0	6,851,250	6,892,286
Exchange rate adjustments	0	(212,025)	0	(212,025)
Other entries on equity	0	(185,685)	189,554	3,869
Profit/loss for the year	0	0	(11,576,434)	(11,576,434)
Equity end of year	**41,036**	**(397,710)**	**(4,535,630)**	**(4,892,304)**

Consolidated cash flow statement for 2022

	Notes	2022 EUR	2021 EUR
Operating profit/loss		(9,796,219)	(12,808,815)
Amortisation, depreciation and impairment losses		1,888,221	1,495,715
Working capital changes	16	2,677,450	3,127,222
Cash flow from ordinary operating activities		**(5,230,548)**	**(8,185,878)**
Financial income received		46,756	634,113
Financial expenses paid		(1,202,990)	(505,958)
Taxes refunded/(paid)		(2,394,721)	(57,107)
Other cash flows from operating activities		883,064	(4,088)
Cash flows from operating activities		**(7,898,439)**	**(8,118,918)**
Acquisition etc. of intangible assets		(1,299,222)	(958,652)
Acquisition etc. of property, plant and equipment		(4,244,723)	(1,451,808)
Sale of property, plant and equipment		38,478	19,416
Cash flows from investing activities		**(5,505,467)**	**(2,391,044)**
Free cash flows generated from operations and investments before financing		**(13,403,906)**	**(10,509,962)**
Loans raised		13,220,640	302,169
Repayments of loans etc.		(765,038)	0
Repayment of lease liabilities		(182,044)	(171,488)
Cash capital increase		0	13,900,237
Other cash flows from financing activities		(208,156)	(13,835)
Cash flows from financing activities		**12,065,402**	**14,017,083**
Increase/decrease in cash and cash equivalents		**(1,338,504)**	**3,507,121**
Cash and cash equivalents beginning of year		10,307,524	6,800,403
Cash and cash equivalents end of year		**8,969,020**	**10,307,524**
Cash and cash equivalents at year-end are composed of:			
Cash		8,969,020	10,307,524

Cash and cash equivalents end of year	**8,969,020**	**10,307,524**

Notes to consolidated financial statements

1 Events after the balance sheet date

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

In June 2023, we signed a term sheet with our existing shareholders to invest approximately €11m of new equity capital to support the growth ambitions.

2 Other operating income

Other operating income includes compensation received from the support scheme relating to fixed costs that was established as a result of the outbreak and spread of COVID-19. In 2021, the company received support for a total of EUR 190,986. No support has been received in 2022.

3 Staff costs

	2022 EUR	**2021 EUR**
Wages and salaries	6,306,099	4,438,321
Pension costs	339,113	131,538
Other social security costs	461,254	314,085
Other staff costs	931,587	612,289
	8,038,053	**5,496,233**

Average number of full-time employees	86	63

	Remuneration of management 2022 EUR	**Remuneration of management 2021 EUR**
Total amount for management categories	399,277	304,333
	399,277	**304,333**

Special incentive programmes
The company's general meeting has authorized the Board of Directors to issue warrants for total nom. EUR 5,018.18 corresponding to 5,018,177 shares a nom. EUR 0.001. Warrants can be issued to employees in the Entity. Warrants give the right to subscribe for C shares in the company against payment of an exercise price determined by the Board of Directors.

As of 31 December 2022, the company has issued 4,960,177 warrants, of which 0 warrants have been used to subscribe for shares. Thus, 4,960,177 warrants have been issued, corresponding to a nominal value of EUR 4,960.18, which have not yet been exercised.

4 Depreciation, amortisation and impairment losses

	2022 EUR	2021 EUR
Amortisation of intangible assets	998,102	980,918
Depreciation on property, plant and equipment	869,757	542,468
Profit/loss from sale of intangible assets and property, plant and equipment	81,588	5,918
	1,949,447	**1,529,304**

5 Tax on profit/loss for the year

	2022 EUR	2021 EUR
Current tax	74,240	9,742
Change in deferred tax	(883,064)	4,088
Adjustment concerning previous years	1,432,805	6,966
	623,981	**20,796**

Adjuestment concerning previous years are related to received tax credit for 2018 and 2019 with a total amount of EUR 1,433 million. The adjustment have been made as The Danish tax authorities are claiming that the Company does not meet the requirements for using LL §§8B og 8X, and have stated that the Company are obligated to repay the recieved tax credit.

BLAST has appealed SKATs decision to The Danish Tax Appeals Agency and are currently awaiting ruling.

6 Proposed distribution of profit/loss

	2022 EUR	2021 EUR
Retained earnings	(11,576,434)	(12,701,456)
	(11,576,434)	**(12,701,456)**

7 Intangible assets

	Completed development projects EUR	Development projects in progress EUR
Cost beginning of year	6,319,423	742,639
Transfers	2,041,861	(2,408,083)
Additions	0	1,665,444
Disposals	(1,531,233)	0
Cost end of year	**6,830,051**	**0**
Amortisation and impairment losses beginning of year	(1,492,228)	(75,105)
Transfers	20,799	75,105
Amortisation for the year	(998,102)	0
Reversal regarding disposals	1,531,233	0
Amortisation and impairment losses end of year	**(938,298)**	**0**
Carrying amount end of year	**5,891,753**	**0**

8 Development projects

Completed development projects 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 from internal development. 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 2022 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 2022.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost beginning of year	2,614,551	349,816
Transfers	366,223	0
Additions	3,153,049	580,983
Disposals	(162,057)	0
Cost end of year	**5,971,766**	**930,799**
Depreciation and impairment losses beginning of year	(964,108)	0
Transfers	(95,904)	0
Depreciation for the year	(869,757)	0
Reversal regarding disposals	41,991	0
Depreciation and impairment losses end of year	**(1,887,778)**	**0**
Carrying amount end of year	**4,083,988**	**930,799**
Recognised assets not owned by Entity	370,563	0

10 Financial assets

	Deposits EUR
Cost beginning of year	174,360
Additions	575,058
Cost end of year	**749,418**
Carrying amount end of year	**749,418**

11 Deferred tax

	2022 EUR	2021 EUR
Intangible assets	(504,704)	(15,323)
Property, plant and equipment	(227,016)	(219,355)
Liabilities other than provisions	96,774	128,629
Tax losses carried forward	1,518,010	106,049
Deferred tax	**883,064**	**0**

Changes during the year	2022 EUR
Recognised in the income statement	883,064
End of year	**883,064**

Deferred tax assets

Deferred tax asset related to the tax losses carried forward has been recognized as it is expected that EUR 4,032,258 of the carried foward tax losses will be used in the joint taxation within 3-5 years.

12 Prepayments

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

13 Contributed capital

	Number	Par value EUR	Nominal value EUR	Recorded par value EUR
A-shares	13,491,747	0.00	18,134	18,134
B-shares	14,687,622	0.00	19,741	19,741
Common shares	2,351,611	0.00	3,161	3,161
	30,530,980		**41,036**	**41,036**

The Par Value of the above is 0.001 EUR

14 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
Lease liabilities	148,121	159,948	292,044
Payables to owners and management	558,999	0	12,745,320
Other payables	774,898	0	439,338
	1,482,018	**159,948**	**13,476,702**

Payables to owners and management is purely related to shareholder loans and the non-current liabilities for the company are all due within 5 years.

15 Deferred income

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

16 Changes in working capital

	2022 EUR	2021 EUR
Increase/decrease in receivables	167,432	(1,877,418)
Increase/decrease in trade payables etc.	2,448,792	4,971,051
Other changes	61,226	33,589
	2,677,450	**3,127,222**

17 Unrecognised rental and lease commitments

	2022 EUR	2021 EUR
Total liabilities under rental or lease agreements until maturity	3,077,350	103,495

18 Contingent liabilities

	2022 EUR
Recourse and non-recourse guarantee commitments	283,191
Contingent liabilities	**283,191**

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity EUR	Profit/loss EUR
Blast Tech ApS	Copenhagen, Denmark	ApS	100.00	557,922	409,515
Blast Esport Limited	London, England	Limited	100.00	(12,776,956)	(5,024,841)

Parent income statement for 2022

	Notes	2022 EUR	2021 EUR
Revenue		31,583,999	13,366,092
Own work capitalised		536,633	109,078
Other operating income	3	3,421,940	4,002,807
Cost of sales		(29,049,882)	(17,909,511)
Other external expenses		(7,140,358)	(967,605)
Gross profit/loss		**(647,668)**	**(1,399,139)**
Staff costs	4	(3,426,407)	(1,932,640)
Depreciation, amortisation and impairment losses	5	(1,265,710)	(890,383)
Operating profit/loss		**(5,339,785)**	**(4,222,162)**
Income from investments in group enterprises		700,169	(700,169)
Other financial income	6	779,934	330,675
Impairment losses on financial assets		7,661,290	(7,661,290)
Other financial expenses	7	(1,380,531)	(220,556)
Profit/loss before tax		**2,421,077**	**(12,473,502)**
Tax on profit/loss for the year	8	(566,987)	0
Profit/loss for the year	9	**1,854,090**	**(12,473,502)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 EUR	2021 EUR
Completed development projects	11	2,294,095	779,830
Development projects in progress	11	0	667,534
Intangible assets	10	**2,294,095**	**1,447,364**
Other fixtures and fittings, tools and equipment		3,654,122	1,209,917
Property, plant and equipment in progress		930,799	349,816
Property, plant and equipment	12	**4,584,921**	**1,559,733**
Investments in group enterprises		4,907,536	4,207,367
Receivables from group enterprises		12,770,214	9,457,169
Deposits		661,905	66,263
Financial assets	13	**18,339,655**	**13,730,799**
Fixed assets		**25,218,671**	**16,737,896**
Trade receivables		4,002,974	3,508,156
Receivables from group enterprises		0	185,874
Deferred tax	14	887,097	0
Other receivables		910,266	780,216
Prepayments	15	240,576	75,710
Receivables		**6,040,913**	**4,549,956**
Cash		**8,475,085**	**1,146,003**
Current assets		**14,515,998**	**5,695,959**
Assets		**39,734,669**	**22,433,855**

Equity and liabilities

	Notes	2022 EUR	2021 EUR
Contributed capital		41,036	41,036
Translation reserve		(397,710)	0
Reserve for development costs		1,789,395	1,121,548
Retained earnings		7,202,924	6,016,681
Equity		**8,635,645**	**7,179,265**
Lease liabilities		292,044	458,608
Payables to owners and management		12,745,320	2,886,117
Other payables		439,338	100,426
Non-current liabilities other than provisions	16	**13,476,702**	**3,445,151**
Current portion of non-current liabilities other than provisions	16	1,482,018	159,948
Trade payables		12,369,074	9,863,258
Payables to group enterprises		490,824	0
Other payables		477,709	389,304
Deferred income	17	2,802,697	1,396,929
Current liabilities other than provisions		**17,622,322**	**11,809,439**
Liabilities other than provisions		**31,099,024**	**15,254,590**
Equity and liabilities		**39,734,669**	**22,433,855**
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2022

	Contributed capital EUR	Translation reserve EUR	Reserve for development costs EUR	Retained earnings EUR	Total EUR
Equity beginning of year	41,036	0	1,121,548	6,016,681	7,179,265
Exchange rate adjustments	0	(397,710)	0	0	(397,710)
Transfer to reserves	0	0	667,847	(667,847)	0
Profit/loss for the year	0	0	0	1,854,090	1,854,090
Equity end of year	**41,036**	**(397,710)**	**1,789,395**	**7,202,924**	**8,635,645**

Notes to parent financial statements

1 Events after the balance sheet date

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

In June 2023, we signed a term sheet with our existing shareholders to invest approximately €11m of new equity capital to support the growth ambitions.

2 Uncertainty relating to recognition and measurement

The Company invests in its studio, broadcast equipment and in the development of BLAST.tv. Expenses in the development phase of BLAST.tv are capitalized at cost on initial recognition and are valued on an ongoing basis by management.

Management assesses the expected future value and profitability of our studio operations, broadcast technology and BLAST.tv platform. An impairment loss is recognized if management estimates that the future value or cash flow contribution is less than the value of the capitalized value.

The management has carried out a DCF-analysis regarding the receivable from group entreprises. Because of the growth in the group is previous years impairment retracted. The analysis is carried out with future net income numbers. Future net income is based on significant estimates and is thus associated with some uncertainty.

3 Other operating income

Other operating income includes compensation received from the support scheme relating to fixed costs that was established as a result of the outbreak and spread of COVID-19. In 2021, the company received support for a total of EUR 190,896. No support has been received in 2022.

4 Staff costs

	2022 EUR	2021 EUR
Wages and salaries	2,525,422	1,530,767
Pension costs	223,674	49,203
Other social security costs	42,526	9,384
Other staff costs	634,785	343,286
	3,426,407	**1,932,640**
Average number of full-time employees	35	23

	Remuneration of Management 2022 EUR	Remuneration of Management 2021 EUR
Total amount for management categories	399,277	304,333
	399,277	**304,333**

Special incentive programmes
The company's general meeting has authorized the Board of Directors to issue warrants for total nom. EUR 5,018.18 corresponding to 5,018,177 shares a nom. EUR 0.001. Warrants can be issued to employees in the Entity. Warrants give the right to subscribe for C shares in the company against payment of an exercise price determined by the Board of Directors.

As of 31 December 2022, the company has issued 4,960,177 warrants, of which 0 warrants have been used to subscribe for shares. Thus, 4,960,177 warrants have been issued, corresponding to a nominal value of EUR 4,960.18, which have not yet been exercised.

5 Depreciation, amortisation and impairment losses

	2022 EUR	2021 EUR
Amortisation of intangible assets	548,395	510,411
Depreciation on property, plant and equipment	726,322	380,174
Profit/loss from sale of intangible assets and property, plant and equipment	(9,007)	(202)
	1,265,710	**890,383**

6 Other financial income

	2022 EUR	2021 EUR
Financial income from group enterprises	733,178	194,401
Other interest income	29,199	0
Exchange rate adjustments	17,557	136,274
	779,934	**330,675**

7 Other financial expenses

	2022 EUR	2021 EUR
Other interest expenses	1,079,003	188,473
Exchange rate adjustments	250,937	3,350
Other financial expenses	50,591	28,733
	1,380,531	**220,556**

8 Tax on profit/loss for the year

	2022 EUR	2021 EUR
Current tax	21,279	0
Change in deferred tax	(887,097)	0
Adjustment concerning previous years	1,432,805	0
	566,987	**0**

Adjuestment concerning previous years are related to received tax credit for 2018 and 2019 with a total amount of EUR 1.433 million. The adjustment have been made as The Danish tax authorities are claiming that the Company does not meet the requirements for using LL §§8B og 8X, and have stated that the Company are obligated to repay the recieved tax credit.

9 Proposed distribution of profit and loss

	2022 EUR	2021 EUR
Retained earnings	1,854,090	(12,473,502)
	1,854,090	**(12,473,502)**

10 Intangible assets

	Completed development projects EUR	Development projects in progress EUR
Cost beginning of year	1,822,350	742,639
Transfers	2,041,861	(2,408,083)
Additions	0	1,665,444
Disposals	(1,531,233)	0
Cost end of year	**2,332,978**	**0**
Amortisation and impairment losses beginning of year	(1,042,520)	(75,105)
Transfers	20,799	75,105
Amortisation for the year	(548,395)	0
Reversal regarding disposals	1,531,233	0
Amortisation and impairment losses end of year	**(38,883)**	**0**
Carrying amount end of year	**2,294,095**	**0**

11 Development projects

A description of development projects is evident from the notes to the consolidated financial statements.

12 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost beginning of year	1,774,859	349,816
Transfers	366,223	0
Additions	2,943,285	580,983
Disposals	(59,804)	0
Cost end of year	**5,024,563**	**930,799**
Depreciation and impairment losses beginning of year	(564,942)	0
Transfers	(95,904)	0
Depreciation for the year	(726,322)	0
Reversal regarding disposals	16,727	0
Depreciation and impairment losses end of year	**(1,370,441)**	**0**
Carrying amount end of year	**3,654,122**	**930,799**
Recognised assets not owned by entity	370,563	0

13 Financial assets

	Investments in group enterprises EUR	Receivables from group enterprises EUR	Deposits EUR
Cost beginning of year	4,907,536	17,118,459	66,263
Exchange rate adjustments	0	(397,710)	0
Additions	0	692,238	595,642
Disposals	0	(4,642,773)	0
Cost end of year	**4,907,536**	**12,770,214**	**661,905**
Impairment losses beginning of year	(700,169)	(7,661,290)	0
Reversal of impairment losses	700,169	7,661,290	0
Impairment losses end of year	**0**	**0**	**0**
Carrying amount end of year	**4,907,536**	**12,770,214**	**661,905**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

In connection with the year's top-line growth, and the budgeted growth in the coming years, management has carried out an impairmenttest of the company's financial assets. This test shows that due to the expected positive cash flows in the coming years, the company does not see any reason to make any impairment in the company's assets. As a result, these have been reversed during the financial year.

14 Deferred tax

	2022 EUR	2021 EUR
Intangible assets	(456,989)	(15,323)
Property, plant and equipment	(275,672)	(219,355)
Liabilities other than provisions	96,774	128,629
Tax losses carried forward	1,522,984	106,049
Deferred tax	**887,097**	**0**

Changes during the year	2022 EUR
Recognised in the income statement	887,097
End of year	**887,097**

Deferred tax assets
Deferred tax asset related to the tax losses carried forward has been recognized as it is expected that EUR 4,032,258 of the carried foward tax losses will be used in the joint taxation within 3-5 years.

15 Prepayments

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

16 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
Lease liabilities	148,121	159,948	292,044
Payables to owners and management	558,999	0	12,745,320
Other payables	774,898	0	439,338
	1,482,018	**159,948**	**13,476,702**

Payables to owners and management is purely related to shareholder loans and the non-current liabilities for the company are all due within 5 years.

17 Deferred income

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

18 Unrecognised rental and lease commitments

	2022 EUR	2021 EUR
Total liabilities under rental or lease agreements until maturity	2,655,947	103,495

19 Contingent liabilities

	2022 EUR
Recourse and non-recourse guarantee commitments	283,191
Contingent liabilities	**283,191**

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

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies
The Entity has changed its accounting policies with regard to presentation of own work capitalized.

The change in accounting policies has not led to a decrease or increase in equity, assets or liabilities. Own work capitalized was previous shown as a deduct of staff cost, but is now presented on a seperate line, as part of gross profit.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year with some reclassifications.

Errors in previous years
Last year, the company's revenue in the Parent income statement was presented as EUR 6.7 million. However, this year we have ensured that there was a error of a total of EUR 6.6 million because costs which should have been recognized in cost of sales were set of in the revenue. The revenue in the comparative figures is changed to EUR 13.3 million.

The same applies to the company's cost of sales, which is shown to be DKK 6.6 million higher than stated in last year's annual report.

The error have no impact on the profit, totalt assets and equity.

Changes in accounting estimates
A change has been made to the depreciation period for some of the company's development projects, so that they will in future be depreciated over 5 years and not 3 years as previously. The change has been made based on an assessment of the lifespan of the company's projects. The change means that the year's depreciation has been reduced by t.EUR 26 compared to previous estimates.

A change has been made to the depreciation period for some of the company's development projects, so that they will in future be depreciated over 10 years and not 3 years as the previous accounting policies. The change has been made based on an assessment of the lifespan of the company's projects. The change means that the year's depreciation has been reduced by t.EUR 1,050 compared to previous estimates.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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.

Own work capitalised

Own work capitalised comprises staff costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to 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 operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

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

Impairment losses on financial assets
Impairment losses on financial assets comprises 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, 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.

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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on 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 5-10 years.

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

Property, plant and equipment
Plant and 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. For self-constructed assets, cost comprises direct costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset’s fair value and present value of future lease payments.

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	5-10 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 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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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

Cash
Cash comprises bank deposits and PLEO cards.

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.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.