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KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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OG Esports A/S

c/o Christensen Kjarulff, Store Kongensgade 68, 1264 København K

Company reg. no. 40 03 58 85

Annual report

1 October - 31 December 2021

The annual report was submitted and approved by the general meeting on the

Frederik Bruhn
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of OG Esports A/S for the financial year 1 October - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 October – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 30 June 2022

Managing Director

Juan Martinez Rivero
CEO

Johan Sundstein

Board of directors

Eivind Sundstein
Chairman

Frederik Bruhn

Johan Sundstein

Sébastien Félix Albert Debs



Independent auditor's report

To the Shareholders of OG Esports A/S

Opinion

We have audited the financial statements of OG Esports A/S for the financial year 1 October - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 October - 31 December 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 the 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 our report. We are independent of the Company 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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.



Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.



Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 30 June 2022

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Elan Schapiro

State Authorised Public Accountant
mne33765



Company information

The company

OG Esports A/S
c/o Christensen Kjærulff
Store Kongensgade 68
1264 København K

Web site <https://ogs.gg/>

Company reg. no. 40 03 58 85

Established: 20 November 2018

Domicile: Copenhagen

Financial year: 1 October 2021 - 31 December 2021
4th financial year

Board of directors

Eivind Sundstein, Chairman
Frederik Bruhn
Johan Sundstein
Sébastien Félix Albert Debs

Managing Director

Juan Martinez Rivero, CEO
Johan Sundstein

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

Subsidiaries

OG Esports France SAS, Paris
OG CSGO ApS, København



Management's review

The principal activities of the company

Like previous years, the principal activities of the company are to operate within e-sports and related business.

Development in activities and financial matters

The gross profit for the year totals EUR 762.000 against EUR 8.346.000 last year. Income or loss from ordinary activities after tax totals EUR -49.000 against EUR 4.913.000 last year, because the accounting period has been changed in the current financial year and comprises the period 1 October 2021 – 31 December 2021. The comparative figures in the income statement comprise the period 1 October 2020 – 30 September 2021. Management considers the net profit or loss for the year satisfactory.

Treasury shares

During the year, the enterprise acquired 77.935 treasury shares at EUR 1,90 each. The purchase price amounts to EUR 148.328.

The Seller is no longer an active member of the company, and the Parties accordingly wish to transfer the Seller's shares in OG Esports A/S to the company.



Income statement

All amounts in EUR.

<u>Note</u>	<u>1/10 2021 - 31/12 2021</u>	<u>1/10 2020 - 30/9 2021</u>
Gross profit	761.675	8.345.720
1 Staff costs	-1.239.469	-1.410.549
Depreciation and impairment of non-current assets	<u>-6.080</u>	<u>0</u>
Operating profit	-483.874	6.935.171
Other financial income	139.614	160.628
Impairment of financial assets	0	-368.724
2 Other financial expenses	<u>-8.364</u>	<u>-28.917</u>
Pre-tax net profit or loss	-352.624	6.698.158
3 Tax on net profit or loss for the year	<u>304.095</u>	<u>-1.784.931</u>
Net profit or loss for the year	<u>-48.529</u>	<u>4.913.227</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	0	4.913.227
Allocated from retained earnings	<u>-48.529</u>	<u>0</u>
Total allocations and transfers	<u>-48.529</u>	<u>4.913.227</u>



Balance sheet

All amounts in EUR.

<u>Note</u>	<u>31/12 2021</u>	<u>30/9 2021</u>
Assets		
Non-current assets		
4 Acquired concessions, patents, licenses, trademarks, and similar rights	72.952	0
Total intangible assets	72.952	0
5 Investments in subsidiaries	791.388	791.388
Total investments	791.388	791.388
Total non-current assets	864.340	791.388
Current assets		
Trade receivables	681.238	865.549
Receivables from subsidiaries	200.922	112.008
Income tax receivables	173.275	0
Other receivables	151.517	268.909
Total receivables	1.206.952	1.246.466
Cash and cash equivalents	5.396.222	6.547.024
Total current assets	6.603.174	7.793.490
Total assets	7.467.514	8.584.878



Balance sheet

All amounts in EUR.

Equity and liabilities		
Note	<u>31/12 2021</u>	<u>30/9 2021</u>
Equity		
Contributed capital	68.439	68.439
Retained earnings	3.788.042	3.984.897
Total equity	<u>3.856.481</u>	<u>4.053.336</u>
Long term liabilities other than provisions		
Trade payables	337.571	130.827
Payables to subsidiaries	415.430	254.444
Income tax payable	0	1.674.240
Income tax payable to subsidiaries	401.815	0
Other payables	2.085.108	1.333.600
Deferred income	371.109	1.138.431
Total short term liabilities other than provisions	<u>3.611.033</u>	<u>4.531.542</u>
Total liabilities other than provisions	<u>3.611.033</u>	<u>4.531.542</u>
Total equity and liabilities	<u>7.467.514</u>	<u>8.584.878</u>

6 Contingencies



Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 October 2020	53.647	0	-1.069.233	-1.015.586
Cash capital increase	14.792	194.668	0	209.460
Retained earnings for the year	0	0	4.913.227	4.913.227
Transferred to retained earnings	0	-194.668	194.668	0
Purchase of own shares, nom. 28.000 shares	0	0	-53.765	-53.765
Equity 1 October 2021	68.439	0	3.984.897	4.053.336
Retained earnings for the year	0	0	-48.529	-48.529
Purchase of own shares, nom. 77.935 shares	0	0	-148.326	-148.326
	68.439	0	3.788.042	3.856.481



Notes

All amounts in EUR.

	1/10 2021 - 31/12 2021	1/10 2020 - 30/9 2021
1. Staff costs		
Salaries and wages	1.239.319	1.410.170
Other costs for social security	115	229
Other staff costs	35	150
	<u>1.239.469</u>	<u>1.410.549</u>
Average number of employees	<u>22</u>	<u>21</u>
2. Other financial expenses		
Financial costs, group enterprises	6.884	28.370
Other financial costs	1.480	547
	<u>8.364</u>	<u>28.917</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	1.677.654
Adjustment of deferred tax for the year	0	107.277
Adjustment of tax for previous years	-304.095	0
	<u>-304.095</u>	<u>1.784.931</u>
4. Acquired concessions, patents, licenses, trademarks, and similar rights		
Additions during the year	<u>79.032</u>	<u>0</u>
Cost 31 December 2021	<u>79.032</u>	<u>0</u>
Amortisation and depreciation for the year	<u>-6.080</u>	<u>0</u>
Amortisation and writedown 31 December 2021	<u>-6.080</u>	<u>0</u>
Carrying amount, 31 December 2021	<u>72.952</u>	<u>0</u>



Notes

All amounts in EUR.

	<u>31/12 2021</u>	<u>30/9 2021</u>
5. Investments in subsidiaries		
Cost 1 October 2021	2.206.354	6.354
Additions during the year	<u>0</u>	<u>2.200.000</u>
Cost 31 December 2021	<u>2.206.354</u>	<u>2.206.354</u>
Revaluations, opening balance 1 October 2021	-1.414.966	0
Revaluations of the year	<u>0</u>	<u>-1.414.966</u>
Writedown 31 December 2021	<u>-1.414.966</u>	<u>-1.414.966</u>
Carrying amount, 31 December 2021	<u>791.388</u>	<u>791.388</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, OG Esports A/S
OG Esports France SAS, Paris	100 %	32.923	13.552	1.000
OG CSGO ApS, København	100 %	<u>768.604</u>	<u>-21.783</u>	<u>790.388</u>
		<u>801.527</u>	<u>-8.231</u>	<u>791.388</u>

6. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.



Accounting policies

The annual report for OG Esports A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR). The accounting period has been changed in the current financial year and comprises the period 1 October – 31 December 2021. The comparative figures in the income statement comprise the period 1 October 2020 – 30 September 2021.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs directly assembled with the net turnover.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.



Accounting policies

Other external costs comprise costs incurred for sales, advertising, administration and premises.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Contract rights

Contract rights are measured at cost less accumulated amortization and any amortization write-downs.

The cost price includes the acquisition price, probable performance payments and other costs directly associated with the acquisition.

The contract rights are amortized on a straight-line basis over the contract periods. The amortization is recognized in the income statement under depreciation.



Accounting policies

Individual purchases of contract rights are linked to payments that are only effected when a number of conditions have been met. Expenses in connection with this are recognized over the contract period.

Upon extension of a contract during the contract period, the amortization period is changed accordingly.

Gains and losses on disposal of contract rights are included in the income statement item "Other income / expenses" and are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

As administration company, OG Esports A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.



Accounting policies

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

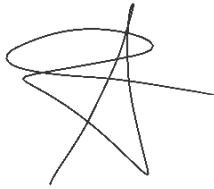
Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.



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Johan Sundstein
As Direktør
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Eivind Sundstein

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Frederik Bruhn

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Elan Lieck Schapiro

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NEM ID

Frederik Bruhn

As Dirigent
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NEM ID

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