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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 2020 - 30 September 2021

The annual report was submitted and approved by the general meeting on the 28 February 2022.

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 2020 - 30 September 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 30 September 2021 and of the results of the Company's operations for the financial year 1 October 2020 – 30 September 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, 25 February 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 2020 - 30 September 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 30 September 2021, and of the results of the Company's operations for the financial year 1 October 2020 - 30 September 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.

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.



Independent auditor's report

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, 25 February 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 2020 - 30 September 2021
3rd 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 8.346.000 against EUR 646.000 last year. Income or loss from ordinary activities after tax totals EUR 4.913.000 against EUR -1.434.000 last year. Management considers the net profit or loss for the year satisfactory.

Treasury shares

During the year, the enterprise acquired 28.000 treasury shares at DKK 1 each. The purchase price amounts to DKK 28.000 with an addition of EUR 50.000.

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

Events occurring after the end of the financial year

Subsequent to the balance sheet date, the company has decided to change its fiscal year to follow the calendar year. Therefore, there will be a conversion period of 3 months, meaning the next annual report will report on the period of october - december 2021.



Income statement 1 October - 30 September

All amounts in EUR.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	8.345.723	646.489
1 Staff costs	-1.410.549	-1.208.601
Operating profit	6.935.174	-562.112
Other financial income	160.628	99.075
Impairment of financial assets	-368.724	-1.046.242
Other financial expenses	-28.920	-24.914
Pre-tax net profit or loss	6.698.158	-1.534.193
2 Tax on net profit or loss for the year	-1.784.931	100.541
Net profit or loss for the year	4.913.227	-1.433.652
Proposed appropriation of net profit:		
Transferred to retained earnings	4.913.227	0
Allocated from retained earnings	0	-1.433.652
Total allocations and transfers	4.913.227	-1.433.652



Balance sheet at 30 September

All amounts in EUR.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Non-current assets			
3	Investments in subsidiaries	791.388	6.354
	Total investments	791.388	6.354
	Total non-current assets	791.388	6.354
Current assets			
	Trade receivables	865.549	158.776
	Receivables from subsidiaries	112.008	470.106
4	Deferred tax assets	0	107.277
	Other receivables	268.909	88.776
	Total receivables	1.246.466	824.935
	Cash and cash equivalents	6.547.024	248.943
	Total current assets	7.793.490	1.073.878
	Total assets	8.584.878	1.080.232



Balance sheet at 30 September

All amounts in EUR.

Equity and liabilities

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	68.439	53.647
Retained earnings	3.984.897	-1.069.233
Total equity	4.053.336	-1.015.586
Long term liabilities other than provisions		
Payables to associates	0	903.154
Total long term liabilities other than provisions	0	903.154
Trade payables	130.827	100.003
Payables to subsidiaries	254.444	210.995
Income tax payable	1.674.240	0
Other payables	1.333.600	881.666
Deferred income	1.138.431	0
Total short term liabilities other than provisions	4.531.542	1.192.664
Total liabilities other than provisions	4.531.542	2.095.818
Total equity and liabilities	8.584.878	1.080.232

5 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 2019	53.647	0	364.419	418.066
Retained earnings for the year	<u>0</u>	<u>0</u>	<u>-1.433.652</u>	<u>-1.433.652</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	<u>0</u>	<u>0</u>	<u>-53.765</u>	<u>-53.765</u>
	<u>68.439</u>	<u>0</u>	<u>3.984.897</u>	<u>4.053.336</u>



Notes

All amounts in EUR.

	<u>2020/21</u>	<u>2019/20</u>
1. Staff costs		
Salaries and wages	1.410.170	1.208.066
Other costs for social security	229	343
Other staff costs	150	192
	<u>1.410.549</u>	<u>1.208.601</u>
Average number of employees	<u>21</u>	<u>9</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	1.677.654	0
Adjustment of deferred tax for the year	107.277	-107.277
Lost foreign withholding tax	0	6.736
	<u>1.784.931</u>	<u>-100.541</u>
3. Investments in subsidiaries		
Cost 1 October 2020	6.354	1.000
Additions during the year	2.200.000	5.354
Cost 30 September 2021	<u>2.206.354</u>	<u>6.354</u>
Revaluations of the year	<u>-1.414.966</u>	<u>0</u>
Writedown 30 September 2021	<u>-1.414.966</u>	<u>0</u>
Carrying amount, 30 September 2021	<u>791.388</u>	<u>6.354</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 %	790.388	-363.370	790.388
		<u>823.311</u>	<u>-349.818</u>	<u>791.388</u>



Notes

All amounts in EUR.

	<u>30/9 2021</u>	<u>30/9 2020</u>
4. Deferred tax assets		
Deferred tax assets 1 October 2020	107.277	0
Deferred tax of the net profit or loss for the year	<u>-107.277</u>	<u>107.277</u>
	<u>0</u>	<u>107.277</u>
The following items are subject to deferred tax:		
Losses carried forward from previous years	<u>0</u>	<u>107.277</u>
	<u>0</u>	<u>107.277</u>

5. 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).

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.

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



Accounting policies

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.

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

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.



Accounting policies

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.

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.



Accounting policies

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.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.



Juan Martinez Rivero
Som Direktør

IP-adresse:

Tidspunkt for underskrift: 01-03-2022 kl.: 11:18:29

Underskrevet med esignatur EasySign



Johan Sundstein
Som Direktør

IP-adresse:

Tidspunkt for underskrift: 01-03-2022 kl.: 10:58:50

Underskrevet med esignatur EasySign



Frederik Bruhn

Som Bestyrelsesmedlem

PID: 9208-2002-2-534569018065

Tidspunkt for underskrift: 04-03-2022 kl.: 06:14:03

Underskrevet med NemID

NEM ID



Sébastien Félix Albert Debts
Som Bestyrelsesmedlem

IP-adresse:

Tidspunkt for underskrift: 01-03-2022 kl.: 16:45:35

Underskrevet med esignatur EasySign



Johan Sundstein
Som Bestyrelsesmedlem

IP-adresse:

Tidspunkt for underskrift: 04-03-2022 kl.: 14:28:19

Underskrevet med esignatur EasySign



Eivind Sundstein

Som Bestyrelsesformand

PID: 9208-2002-2-821337794753

Tidspunkt for underskrift: 01-03-2022 kl.: 12:41:46

Underskrevet med NemID

NEM ID

Elan Schapiro

Som Revisor

RID: 1174558287756

Tidspunkt for underskrift: 04-03-2022 kl.: 14:36:21

Underskrevet med NemID

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Frederik Bruhn

Som Dirigent

PID: 9208-2002-2-534569018065

Tidspunkt for underskrift: 08-03-2022 kl.: 16:20:44

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