



## Crey Holding ApS

Christian IX's Gade 10, 2.  
1111 København K  
CVR No. 40112774

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 29.06.2022

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**Amer Ramzan**

Chairman of the General Meeting

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# Entity details

## Entity

Crey Holding ApS  
Christian IX's Gade 10, 2.  
1111 København K

Business Registration No.: 40112774  
Registered office: Copenhagen  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Amer Ramzan  
Mathias Gredal Nørvig  
Janos Flösser

## Executive Board

Janos Flösser

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Crey Holding ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.06.2022

## Executive Board

**Janos Flösser**

## Board of Directors

**Amer Ramzan**

**Mathias Gredal Nørvig**

**Janos Flösser**

# Independent auditor's report

## To the shareholders of Crey Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Crey Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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.

Copenhagen, 29.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Wolff Mikkelsen**

State Authorised Public Accountant  
Identification No (MNE) mne33747

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000
<b>Key figures</b>		
Gross profit/loss	(6,442)	(6,623)
Operating profit/loss	(20,460)	(15,865)
Net financials	(2,385)	(114)
Profit/loss for the year	(18,195)	(10,520)
Balance sheet total	67,119	52,824
Investments in property, plant and equipment	233	0
Equity	12,673	30,868
Cash flows from operating activities	(9,327)	(8,285)
Cash flows from investing activities	(23,341)	(18,712)
Cash flows from financing activities	31,315	17,177
<b>Ratios</b>		
Return on equity (%)	(83.58)	(68.16)
Equity ratio (%)	18.88	58.44

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

### Return on equity (%):

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

### Equity ratio (%):

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



**Primary activities**

The Group's primary activity is to develop and market an online platform that allows users to express their creativity, share their creations and interact with the Community.

**Development in activities and finances**

Loss for the year amounts to DKK 18,195,135 which was expected by management. The same applies for the parent company, which realised a loss of DKK 926,424.

2021 was an important year for the Group with further development of its platform with the introduction of new user experiences in game creation. The platform also continued its growth journey.

**Profit/loss for the year in relation to expected developments**

The Group's overall performance for the year is satisfactory and in line with plans and expectations.

**Outlook**

In 2022, the Group will continue development of the platform and expanding its reach.

**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.

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(6,441,592)</b>	<b>(6,622,938)</b>
Staff costs	3	(4,897,406)	(5,295,277)
Depreciation, amortisation and impairment losses	4	(9,121,394)	(3,946,553)
<b>Operating profit/loss</b>		<b>(20,460,392)</b>	<b>(15,864,768)</b>
Other financial income	5	33,431	1,332
Other financial expenses	6	(2,418,334)	(115,018)
<b>Profit/loss before tax</b>		<b>(22,845,295)</b>	<b>(15,978,454)</b>
Tax on profit/loss for the year	7	4,650,160	5,458,115
<b>Profit/loss for the year</b>	8	<b>(18,195,135)</b>	<b>(10,520,339)</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	10	42,287,895	28,554,365
Acquired patents		104,454	81,222
Acquired rights		0	0
<b>Intangible assets</b>	9	<b>42,392,349</b>	<b>28,635,587</b>
Other fixtures and fittings, tools and equipment		28,637	45,242
Leasehold improvements		153,340	0
<b>Property, plant and equipment</b>	11	<b>181,977</b>	<b>45,242</b>
Deposits		1,024,775	698,546
<b>Financial assets</b>	12	<b>1,024,775</b>	<b>698,546</b>
<b>Fixed assets</b>		<b>43,599,101</b>	<b>29,379,375</b>
Trade receivables		92,097	107,590
Other receivables		275,944	420,974
Tax receivable		5,849,061	4,577,268
Prepayments	13	581,097	264,265
<b>Receivables</b>		<b>6,798,199</b>	<b>5,370,097</b>
<b>Cash</b>		<b>16,721,851</b>	<b>18,074,786</b>
<b>Current assets</b>		<b>23,520,050</b>	<b>23,444,883</b>
<b>Assets</b>		<b>67,119,151</b>	<b>52,824,258</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		61,243	61,243
Reserve for development costs		32,984,558	22,272,405
Retained earnings		(20,372,955)	8,534,333
<b>Equity</b>		<b>12,672,846</b>	<b>30,867,981</b>
Deferred tax	14	1,998,310	1,575,046
<b>Provisions</b>		<b>1,998,310</b>	<b>1,575,046</b>
Convertible and profit-sharing debt instruments		27,867,000	16,320,000
Deposits		155,980	187,176
Other payables	16	21,104,296	1,178,339
<b>Non-current liabilities other than provisions</b>	17	<b>49,127,276</b>	<b>17,685,515</b>
Bank loans		22,653	149,107
Trade payables		1,345,082	760,184
Other payables	18	1,952,686	1,775,187
Deferred income	19	298	11,238
<b>Current liabilities other than provisions</b>		<b>3,320,719</b>	<b>2,695,716</b>
<b>Liabilities other than provisions</b>		<b>52,447,995</b>	<b>20,381,231</b>
<b>Equity and liabilities</b>		<b>67,119,151</b>	<b>52,824,258</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	21		
Transactions with related parties	22		
Subsidiaries	23		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	61,243	22,272,405	8,534,333	30,867,981
Transfer to reserves	0	10,712,153	(10,712,153)	0
Profit/loss for the year	0	0	(18,195,135)	(18,195,135)
<b>Equity end of year</b>	<b>61,243</b>	<b>32,984,558</b>	<b>(20,372,955)</b>	<b>12,672,846</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(20,460,392)	(15,864,768)
Amortisation, depreciation and impairment losses		9,121,394	3,946,553
Working capital changes	20	595,148	(228,946)
<b>Cash flow from ordinary operating activities</b>		<b>(10,743,850)</b>	<b>(12,147,161)</b>
Financial income received		33,431	1,332
Financial expenses paid		(2,418,334)	(115,018)
Taxes refunded/(paid)		3,801,631	3,975,728
<b>Cash flows from operating activities</b>		<b>(9,327,122)</b>	<b>(8,285,119)</b>
Acquisition etc. of intangible assets		(23,014,891)	(18,439,727)
Other cash flows from investing activities		(326,229)	(271,841)
<b>Cash flows from investing activities</b>		<b>(23,341,120)</b>	<b>(18,711,568)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(32,668,242)</b>	<b>(26,996,687)</b>
Loans raised		31,315,308	17,177,223
<b>Cash flows from financing activities</b>		<b>31,315,308</b>	<b>17,177,223</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(1,352,934)</b>	<b>(9,819,464)</b>
Cash and cash equivalents beginning of year		18,074,786	27,894,250
<b>Cash and cash equivalents end of year</b>		<b>16,721,852</b>	<b>18,074,786</b>
Cash and cash equivalents at year-end are composed of:			
Cash		16,721,851	18,074,786
<b>Cash and cash equivalents end of year</b>		<b>16,721,851</b>	<b>18,074,786</b>

# Notes to consolidated financial statements

## 1 Going concern

The Group's continued operation is conditional on the ability to attract capital from investors and loan providers. Management is confident that such capital will be provided to the company as the needs occur.

Based on this assessment the financial statements have been prepared on the condition of the company's and the Group's continued operations.

## 2 Uncertainty relating to recognition and measurement

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

### Valuation of development projects

Development projects consist of completed development projects, that are amortized over their useful lives. Completed development projects are assessed for impairment whenever there is an indication that the development asset may be impaired. The amortisation period for completed development projects are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as amortisation. The estimated values of intangible assets are based on Management estimates and assumptions and are by nature subject to uncertainty.

## 3 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	18,083,858	15,447,766
Pension costs	356,647	356,252
Other social security costs	123,049	82,147
Other staff costs	655,047	473,986
	<b>19,218,601</b>	<b>16,360,151</b>
Staff costs classified as assets	(14,321,195)	(11,064,874)
	<b>4,897,406</b>	<b>5,295,277</b>
Average number of full-time employees	<b>47</b>	<b>35</b>

**4 Depreciation, amortisation and impairment losses**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	9,025,421	3,698,478
Depreciation on property, plant and equipment	95,973	101,477
Profit/loss from sale of intangible assets and property, plant and equipment	0	146,598
	<b>9,121,394</b>	<b>3,946,553</b>

**5 Other financial income**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	0	870
Exchange rate adjustments	33,431	0
Other financial income	0	462
	<b>33,431</b>	<b>1,332</b>

**6 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	564,030	115,129
Exchange rate adjustments	146,904	(111)
Other financial expenses	1,707,400	0
	<b>2,418,334</b>	<b>115,018</b>

**7 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(5,083,155)	(3,980,053)
Change in deferred tax	432,995	(1,479,428)
Adjustment concerning previous years	0	1,366
	<b>(4,650,160)</b>	<b>(5,458,115)</b>

**8 Proposed distribution of profit/loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	(18,195,135)	(10,520,339)
	<b>(18,195,135)</b>	<b>(10,520,339)</b>



## 9 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Acquired rights DKK
Cost beginning of year	32,236,220	325,504	1,947,412
Additions	22,705,182	77,001	0
<b>Cost end of year</b>	<b>54,941,402</b>	<b>402,505</b>	<b>1,947,412</b>
Amortisation and impairment losses beginning of year	(3,681,855)	(244,282)	(1,947,412)
Amortisation for the year	(8,971,652)	(53,769)	0
<b>Amortisation and impairment losses end of year</b>	<b>(12,653,507)</b>	<b>(298,051)</b>	<b>(1,947,412)</b>
<b>Carrying amount end of year</b>	<b>42,287,895</b>	<b>104,454</b>	<b>0</b>

## 10 Development projects

The Group develops its own technology for a social gaming platform which allows users to build, create and play games together.

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	364,168	0
Additions	79,368	153,340
<b>Cost end of year</b>	<b>443,536</b>	<b>153,340</b>
Depreciation and impairment losses beginning of year	(318,926)	0
Depreciation for the year	(95,973)	0
<b>Depreciation and impairment losses end of year</b>	<b>(414,899)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>28,637</b>	<b>153,340</b>

## 12 Financial assets

	Deposits DKK
Cost beginning of year	698,546
Additions	716,895
Disposals	(390,666)
<b>Cost end of year</b>	<b>1,024,775</b>
<b>Carrying amount end of year</b>	<b>1,024,775</b>

## 13 Prepayments

The item comprises miscellaneous prepaid costs.

#### 14 Deferred tax

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	1,575,046	3,057,433
Recognised in the income statement	423,264	(1,482,387)
<b>End of year</b>	<b>1,998,310</b>	<b>1,575,046</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

#### 15 Convertible and profit-sharing debt instruments

	<b>Amounts outstanding</b>	<b>Interest rate agreed</b>
	<b>DKK</b>	<b>%</b>
Convertible debt instruments	27,867,000	5.00
	<b>27,867,000</b>	

Convertible debt instruments comprise promissory notes that entitle the loan providers the right to convert the debt into equity based on certain predetermined terms.

#### 16 Other payables

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Holiday pay obligation	883,138	1,178,339
Other costs payable	20,221,158	0
	<b>21,104,296</b>	<b>1,178,339</b>

#### 17 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2021 DKK</b>
Convertible and profit-sharing debt instruments	27,867,000
Deposits	155,980
Other payables	21,104,296
	<b>49,127,276</b>

## 18 Other payables

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	322,912	144,391
Wages and salaries, personal income taxes, social security costs, etc. payable	1,331,900	1,102,225
Holiday pay obligation	285,258	361,839
Other costs payable	12,616	166,732
	<b>1,952,686</b>	<b>1,775,187</b>

## 19 Deferred income

The item comprises miscellaneous deferred income.

## 20 Changes in working capital

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in receivables	(156,309)	153,027
Increase/decrease in trade payables etc.	751,457	(381,973)
	<b>595,148</b>	<b>(228,946)</b>

## 21 Unrecognised rental and lease commitments

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>2,375,375</b>	<b>0</b>

## 22 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.

## 23 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Crey A/S	Denmark	A/S	100.00
Crey Games ApS	Denmark	ApS	100.00
Bit-Globe ApS	Denmark	ApS	100.00
Bit-Globe Hungary Kft.	Hungary	Kft.	100.00

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(148,748)</b>	<b>(42,392)</b>
Other financial income	1	1,429,942	144,601
Other financial expenses	2	(2,207,618)	(70,595)
<b>Profit/loss before tax</b>		<b>(926,424)</b>	<b>31,614</b>
Tax on profit/loss for the year	3	0	(1,366)
<b>Profit/loss for the year</b>	4	<b>(926,424)</b>	<b>30,248</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		4,394,820	4,394,820
Receivables from group enterprises		84,695,885	50,844,358
<b>Financial assets</b>	5	<b>89,090,705</b>	<b>55,239,178</b>
<b>Fixed assets</b>		<b>89,090,705</b>	<b>55,239,178</b>
<b>Cash</b>		<b>11,708,805</b>	<b>14,547,847</b>
<b>Current assets</b>		<b>11,708,805</b>	<b>14,547,847</b>
<b>Assets</b>		<b>100,799,510</b>	<b>69,787,025</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		61,243	61,243
Retained earnings		50,250,678	51,177,102
<b>Equity</b>		<b>50,311,921</b>	<b>51,238,345</b>
Convertible and profit-sharing debt instruments	6	27,867,000	16,320,000
Other payables		20,221,159	0
<b>Non-current liabilities other than provisions</b>	<b>7</b>	<b>48,088,159</b>	<b>16,320,000</b>
Trade payables		153,589	26,875
Payables to group enterprises		2,245,841	2,201,805
<b>Current liabilities other than provisions</b>		<b>2,399,430</b>	<b>2,228,680</b>
<b>Liabilities other than provisions</b>		<b>50,487,589</b>	<b>18,548,680</b>
<b>Equity and liabilities</b>		<b>100,799,510</b>	<b>69,787,025</b>
Contingent liabilities	8		
Related parties with controlling interest	9		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	61,243	51,177,102	51,238,345
Profit/loss for the year	0	(926,424)	(926,424)
<b>Equity end of year</b>	<b>61,243</b>	<b>50,250,678</b>	<b>50,311,921</b>

# Notes to parent financial statements

## 1 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	1,429,942	144,601
	<b>1,429,942</b>	<b>144,601</b>

## 2 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	44,036	0
Other interest expenses	456,181	70,595
Exchange rate adjustments	1	0
Other financial expenses	1,707,400	0
	<b>2,207,618</b>	<b>70,595</b>

## 3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Adjustment concerning previous years	0	1,366
	<b>0</b>	<b>1,366</b>

## 4 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	(926,424)	30,248
	<b>(926,424)</b>	<b>30,248</b>

## 5 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	4,394,820	50,844,358
Additions	0	33,851,527
<b>Cost end of year</b>	<b>4,394,820</b>	<b>84,695,885</b>
<b>Carrying amount end of year</b>	<b>4,394,820</b>	<b>84,695,885</b>

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



## 6 Convertible and profit-sharing debt instruments

	<b>Amounts outstanding DKK</b>	<b>Interest rate agreed %</b>
Convertible debt instruments	27,867,000	5.00
	<b>27,867,000</b>	

Convertible debt instruments comprise promissory notes that entitle the loan providers the right to convert the debt into equity based on certain predetermined terms.

## 7 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2021 DKK</b>
Convertible and profit-sharing debt instruments	27,867,000
Other payables	20,221,159
	<b>48,088,159</b>

## 8 Contingent liabilities

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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The company has submitted a declaration of support to its subsidiaries.

## 9 Related parties with controlling interest

No parties are holding controlling interest and thus exercising control over the entity.

# 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).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## 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.

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

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

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

## **Income statement**

### **Gross profit or loss**

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

### **Other operating income**

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

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise 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 property, 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 financial income**

Other financial income comprises exchange gains on transactions in foreign currencies.

**Other financial expenses**

Other financial expenses comprise interest expenses, 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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise completed development projects with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity 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.

Development projects are amortised on a straight-line basis over their useful lives, which is estimated at 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

**Property, plant and equipment**

Land and buildings, 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.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 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.

### **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.

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **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.

### **Other financial liabilities**

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

### **Deferred income**

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

### **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 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 less short-term bank loans.