



Crey A/S

Christian IX's Gade 10, 2.
1111 København K
CVR No. 40112987

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.06.2022

Amer Ramzan

Chairman of the General Meeting

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Entity details

Entity

Crey A/S

Christian IX's Gade 10, 2.

1111 København K

Business Registration No.: 40112987

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

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

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Copenhagen, 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 A/S

Opinion

We have audited the financial statements of Crey A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 29.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

The company'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 8,561,541 which was expected by management.

The company has lost its share capital. Management expects to reestablish the share capital by future profits.

2021 was an important year for Crey A/S with further development of its platform within the gaming space. The company's overall performance for the year is satisfactory and in line with plans and expectations.

Outlook

In 2022, Crey 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.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(3,790,656)	(2,926,314)
Depreciation, amortisation and impairment losses	3	(3,656,560)	(1,444,023)
Operating profit/loss		(7,447,216)	(4,370,337)
Other financial income	4	740,193	336,977
Other financial expenses	5	(3,996,245)	(423)
Profit/loss before tax		(10,703,268)	(4,033,783)
Tax on profit/loss for the year		2,141,727	1,637,371
Profit/loss for the year		(8,561,541)	(2,396,412)
Proposed distribution of profit and loss			
Retained earnings		(8,561,541)	(2,396,412)
Proposed distribution of profit and loss		(8,561,541)	(2,396,412)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	7	17,402,160	12,122,963
Intangible assets	6	17,402,160	12,122,963
Investments in group enterprises		1,844,081	4,444,824
Receivables from group enterprises		45,024,759	22,811,157
Financial assets	8	46,868,840	27,255,981
Fixed assets		64,271,000	39,378,944
Receivables from group enterprises		0	5,586
Other receivables		15,519	15,173
Income tax receivable		2,574,722	1,790,943
Prepayments		3,700	121,574
Receivables		2,593,941	1,933,276
Cash		1,740,110	970,787
Current assets		4,334,051	2,904,063
Assets		68,605,051	42,283,007

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		400,000	400,000
Reserve for development expenditure		13,573,685	9,471,739
Retained earnings		(21,720,819)	(9,057,332)
Equity		(7,747,134)	814,407
Deferred tax		2,011,000	1,578,005
Provisions		2,011,000	1,578,005
Payables to group enterprises		73,076,200	39,700,092
Non-current liabilities other than provisions	9	73,076,200	39,700,092
Trade payables		217,000	190,503
Payables to group enterprises		1,047,985	0
Current liabilities other than provisions		1,264,985	190,503
Liabilities other than provisions		74,341,185	39,890,595
Equity and liabilities		68,605,051	42,283,007
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	10		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	9,471,739	(9,057,332)	814,407
Transfer to reserves	0	4,101,946	(4,101,946)	0
Profit/loss for the year	0	0	(8,561,541)	(8,561,541)
Equity end of year	400,000	13,573,685	(21,720,819)	(7,747,134)

Notes

1 Going concern

The company's continued operation is conditional on the parent company's ability to provide financial support to the company.

The company has received a statement of support valid for the coming year and Management estimates that the parent company also has the ability to support the company, for which reason the financial statements have been prepared on the condition of the company'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 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	3,656,560	1,444,023
	3,656,560	1,444,023

4 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	706,762	336,977
Exchange rate adjustments	33,431	0
	740,193	336,977

5 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	3,872,894	0
Other interest expenses	14,434	417
Exchange rate adjustments	108,917	6
	3,996,245	423

6 Intangible assets

	Completed development projects DKK
Cost beginning of year	13,566,986
Additions	8,935,757
Cost end of year	22,502,743
Amortisation and impairment losses beginning of year	(1,444,023)
Amortisation for the year	(3,656,560)
Amortisation and impairment losses end of year	(5,100,583)
Carrying amount end of year	17,402,160

7 Development projects

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

8 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	4,444,824	22,811,157
Additions	100,000	22,213,602
Cost end of year	4,544,824	45,024,759
Impairment losses for the year	(2,700,743)	0
Impairment losses end of year	(2,700,743)	0
Carrying amount end of year	1,844,081	45,024,759

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Crey Games ApS	Denmark	ApS	100
Bit-Globe ApS	Denmark	ApS	100
Bit-Globe Hungary Kft.	Hungary	Kft.	100

9 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Payables to group enterprises	73,076,200
	73,076,200

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Crey Holding ApS serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are the following.

Consolidated financial statements

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Revenue

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.

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.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation,

amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Other financial income

Other financial income comprises 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.

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.

The Entity is jointly taxed with all 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**

Development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 of 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 years.

Intellectual property rights etc 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.

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.

Other financial liabilities

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