



Crey Games ApS

Christian IX's Gade 10, 2.
1111 København K
CVR No. 40114033

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.06.2022

Janos Flösser

Chairman of the General Meeting

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Entity details

Entity

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

Business Registration No.: 40114033
Registered office: Copenhagen
Financial year: 01.01.2021 - 31.12.2021

Executive Board

Janos Flösser

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Crey Games 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 my 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.

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

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

Copenhagen, 29.06.2022

Executive Board

Janos Flösser

Independent auditor's report

To the shareholders of Crey Games ApS

Opinion

We have audited the financial statements of Crey Games 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. 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 design, develop and market an online gaming platform and game creation system with no coding requirement that allows users to create their own games, share them and play with the Gaming Community.

Development in activities and finances

2021 was a significant year for Crey Games ApS with further development of the platform with the introduction of new user experiences in game creation. The platform also continued its growth journey.

Loss for the year amounts to DKK 12,186,119 which was expected by management.

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

Outlook

In 2022, CREY will continue the development of the platform to innovate and excite our growing community of users. The focus will be on continuous improvement of the game platform to enable and empower creators to express their creativity and also taking engagement and entertainment of players to a new level. CREY will also continue to pursue innovative opportunities to enhance the attractiveness of the platform, as well as expand the reach and will keep recruiting and retaining best in class talent.

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		(3,966,200)	(4,500,281)
Staff costs	3	(5,097,555)	(5,056,219)
Depreciation, amortisation and impairment losses	4	(5,324,316)	(2,247,056)
Operating profit/loss		(14,388,071)	(11,803,556)
Other financial income	5	8,190	10,140
Other financial expenses	6	(1,081,449)	(523,066)
Profit/loss before tax		(15,461,330)	(12,316,482)
Tax on profit/loss for the year	7	3,275,211	4,419,222
Profit/loss for the year		(12,186,119)	(7,897,260)
Proposed distribution of profit and loss			
Retained earnings		(12,186,119)	(7,897,260)
Proposed distribution of profit and loss		(12,186,119)	(7,897,260)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	9	24,885,735	16,431,402
Intangible assets	8	24,885,735	16,431,402
Other fixtures and fittings, tools and equipment		20,882	30,106
Property, plant and equipment	10	20,882	30,106
Deposits		331,000	307,880
Financial assets	11	331,000	307,880
Fixed assets		25,237,617	16,769,388
Trade receivables		92,097	107,590
Receivables from group enterprises		398,505	540,631
Other receivables		208,890	401,676
Income tax receivable		3,274,339	2,786,222
Prepayments		438,861	63,668
Receivables		4,412,692	3,899,787
Cash		2,734,300	1,699,906
Current assets		7,146,992	5,599,693
Assets		32,384,609	22,369,081

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		19,410,873	12,816,493
Retained earnings		(46,461,286)	(27,680,787)
Equity		(27,000,413)	(14,814,294)
Payables to group enterprises		56,644,444	33,955,423
Other payables		883,138	1,178,339
Non-current liabilities other than provisions		57,527,582	35,133,762
Bank loans		22,653	149,107
Trade payables		781,411	502,188
Other payables		1,053,376	1,398,318
Current liabilities other than provisions		1,857,440	2,049,613
Liabilities other than provisions		59,385,022	37,183,375
Equity and liabilities		32,384,609	22,369,081
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	12,816,493	(27,680,787)	(14,814,294)
Transfer to reserves	0	6,594,380	(6,594,380)	0
Profit/loss for the year	0	0	(12,186,119)	(12,186,119)
Equity end of year	50,000	19,410,873	(46,461,286)	(27,000,413)

Notes

1 Going concern

The company's continued operation is conditional on the continued support of its parent company, Crey Holding ApS, and that the parent company has the ability to provide support to the necessary extent.

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 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	11,163,969	10,459,559
Pension costs	356,647	356,252
Other social security costs	78,101	82,147
Other staff costs	315,657	412,025
	11,914,374	11,309,983
Staff costs classified as assets	(6,816,819)	(6,253,764)
	5,097,555	5,056,219
Average number of full-time employees	24	18

4 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	5,315,092	2,237,832
Depreciation of property, plant and equipment	9,224	9,224
	5,324,316	2,247,056

5 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	8,190	9,270
Other interest income	0	870
	8,190	10,140

6 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	969,653	481,578
Other interest expenses	73,810	41,605
Exchange rate adjustments	37,986	(117)
	1,081,449	523,066

7 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(3,275,211)	(2,786,222)
Change in deferred tax	0	(1,633,000)
	(3,275,211)	(4,419,222)

8 Intangible assets

	Completed development projects DKK
Transfers	18,669,234
Additions	13,769,425
Cost end of year	32,438,659
Amortisation and impairment losses beginning of year	(2,237,832)
Amortisation for the year	(5,315,092)
Amortisation and impairment losses end of year	(7,552,924)
Carrying amount end of year	24,885,735

9 Development projects

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

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	46,120
Cost end of year	46,120
Depreciation and impairment losses beginning of year	(16,014)
Depreciation for the year	(9,224)
Depreciation and impairment losses end of year	(25,238)
Carrying amount end of year	20,882

11 Financial assets

	Deposits DKK
Cost beginning of year	307,880
Additions	23,120
Cost end of year	331,000
Carrying amount end of year	331,000

12 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	2,375,375	0

13 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.

This annual report has been presented in accordance with the provisions of the Greenlandic 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.

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 revenue and 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 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 salaries and wages, 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, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

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.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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	5 years
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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.

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.

Other financial liabilities

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