



Crey Games ApS

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

Annual report 2020

The Annual General Meeting adopted the
annual report on 17.06.2021

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

CVR No.: 40114033
Registered office: Copenhagen
Financial year: 01.01.2020 - 31.12.2020

Executive Board

Mariana Chucri, CFO
Janos Flösser

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board have today considered and approved the annual report of Crey Games ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We 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, 17.06.2021

Executive Board

Mariana Chucri
CFO

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, 17.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

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.

2020 was an important year for Crey Games ApS with further development of the platform with the introduction of new features to enable users to create better games. It was also a year of expansion of CREY's universe beyond PC as we expanded to the Android Mobile platform.

Development in activities and finances

Loss for the year amounts to DKK 7,897,260 which was expected by management.

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

Outlook

In 2021, CREY will continue development of the platform on PC and mobile to innovate and delight our growing community of users. We will improve our game engine to make it more accessible to users, and empower their creativity. We will make the platform more social by releasing features enhancing player interactions. We will also continue to pursue exciting and innovative opportunities 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 2020

	Notes	2020 DKK	2018/19 DKK
Gross profit/loss		(4,500,281)	(4,379,104)
Staff costs	1	(5,056,219)	(2,568,256)
Depreciation, amortisation and impairment losses	2	(2,247,056)	(6,790)
Operating profit/loss		(11,803,556)	(6,954,150)
Other financial income		10,140	0
Other financial expenses		(523,066)	(11,879)
Profit/loss before tax		(12,316,482)	(6,966,029)
Tax on profit/loss for the year	3	4,419,222	(1,005)
Profit/loss for the year		(7,897,260)	(6,967,034)
Proposed distribution of profit and loss			
Retained earnings		(7,897,260)	(6,967,034)
Proposed distribution of profit and loss		(7,897,260)	(6,967,034)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2018/19 DKK
Completed development projects	5	16,431,402	0
Development projects in progress	5	0	7,418,157
Intangible assets	4	16,431,402	7,418,157
Other fixtures and fittings, tools and equipment		30,106	39,330
Property, plant and equipment	6	30,106	39,330
Deposits		307,880	0
Financial assets	7	307,880	0
Fixed assets		16,769,388	7,457,487
Trade receivables		107,590	0
Receivables from group enterprises		540,631	544,953
Other receivables		401,676	714,125
Income tax receivable		2,786,222	1,632,188
Prepayments		63,668	6,454
Receivables		3,899,787	2,897,720
Cash		1,699,906	606,216
Current assets		5,599,693	3,503,936
Assets		22,369,081	10,961,423

Equity and liabilities

	Notes	2020 DKK	2018/19 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		12,816,493	5,786,162
Retained earnings		(27,680,787)	(12,753,196)
Equity		(14,814,294)	(6,917,034)
Deferred tax		0	1,633,000
Provisions		0	1,633,000
Payables to group enterprises		33,955,423	14,525,640
Other payables		1,178,339	403,310
Non-current liabilities other than provisions		35,133,762	14,928,950
Bank loans		149,107	66,913
Trade payables		502,188	183,552
Other payables		1,398,318	1,066,042
Current liabilities other than provisions		2,049,613	1,316,507
Liabilities other than provisions		37,183,375	16,245,457
Equity and liabilities		22,369,081	10,961,423

Contingent liabilities

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Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	5,786,162	(12,753,196)	(6,917,034)
Transfer to reserves	0	7,030,331	(7,030,331)	0
Profit/loss for the year	0	0	(7,897,260)	(7,897,260)
Equity end of year	50,000	12,816,493	(27,680,787)	(14,814,294)

Notes

1 Staff costs

	2020	2018/19
	DKK	DKK
Wages and salaries	10,459,559	8,682,630
Pension costs	356,252	620,188
Other social security costs	82,147	121,902
Other staff costs	412,025	561,693
	11,309,983	9,986,413
Staff costs classified as assets	(6,253,764)	(7,418,157)
	5,056,219	2,568,256
Average number of full-time employees	24	18

2 Depreciation, amortisation and impairment losses

	2020	2018/19
	DKK	DKK
Amortisation of intangible assets	2,237,832	0
Depreciation of property, plant and equipment	9,224	6,790
	2,247,056	6,790

3 Tax on profit/loss for the year

	2020	2018/19
	DKK	DKK
Current tax	(2,786,222)	(1,631,995)
Change in deferred tax	(1,633,000)	1,633,000
	(4,419,222)	1,005

4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	7,418,157
Transfers	7,418,157	(7,418,157)
Additions	11,251,077	0
Cost end of year	18,669,234	0
Amortisation for the year	(2,237,832)	0
Amortisation and impairment losses end of year	(2,237,832)	0
Carrying amount end of year	16,431,402	0

5 Development projects

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

6 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	(6,790)
Depreciation for the year	(9,224)
Depreciation and impairment losses end of year	(16,014)
Carrying amount end of year	30,106

7 Financial assets

	Deposits DKK
Additions	307,880
Cost end of year	307,880
Carrying amount end of year	307,880

8 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 certain 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 in progress 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 under 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.

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.