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KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

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# OG CSGO ApS

c/o Christensen Kjarulff, Store Kongensgade 68, 1264 København K

Company reg. no. 40 91 47 22

## Annual report

1 October 2019 - 30 September 2020

The annual report was submitted and approved by the general meeting on the 16.03.2021

Eivind Sundstein  
Chairman of the meeting



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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.



## Management's report

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Today, the executive board has presented the annual report of OG CSGO ApS for the financial year 1 October 2019 - 30 September 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 September 2020 and of the company's results of activities and cash flows in the financial year 1 October 2019 – 30 September 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 15 March 2021

### Executive board

Sébastien Félix Albert Debs

Johan Sundstein

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## **Independent auditor's report**

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### **To the shareholders of OG CSGO ApS**

#### **Opinion**

We have audited the financial statements of OG CSGO ApS for the financial year 1 October 2019 - 30 September 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement of cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 September 2020 and of the results of the company's activities and cash flows for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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



## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.



## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 15 March 2021

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

**Elan Schapiro**

State Authorised Public Accountant  
mne33765



## Company information

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### **The company**

OG CSGO ApS  
c/o Christensen Kjærulff  
Store Kongensgade 68  
1264 København K

Company reg. no. 40 91 47 22  
Established: 5 November 2019  
Domicile: Copenhagen  
Financial year: 1 October - 30 September

### **Executive board**

Sébastien Félix Albert Debs  
Johan Sundstein

### **Auditors**

Christensen Kjærulff  
Statsautoriseret Revisionsaktieselskab  
Store Kongensgade 68  
1264 København K

### **Parent company**

OG Esports A/S



## Financial highlights

EUR in thousands.	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>
<b>Income statement:</b>					
Revenue	763	0	0	0	0
Gross profit	518	0	0	0	0
Profit from operating activities	-1.025	0	0	0	0
Net financials	-27	0	0	0	0
Net profit or loss for the year	-1.052	0	0	0	0
<b>Statement of financial position:</b>					
Balance sheet total	731	0	0	0	0
Equity	-1.046	0	0	0	0
<b>Cash flows:</b>					
Operating activities	1.142	0	0	0	0
Investing activities	-1.075	0	0	0	0
Financing activities	5	0	0	0	0
Total cash flows	73	0	0	0	0
<b>Employees:</b>					
Average number of full-time employees	6	0	0	0	0
<b>Key figures in %:</b>					
Gross margin ratio	67,9	-	-	-	-
Profit margin (EBIT-margin)	-134,3	-	-	-	-
Acid test ratio	4,8	-	-	-	-
Solvency ratio	-143,1	-	-	-	-

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Acid test ratio} = \frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$





## Management commentary

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### **The principal activities of the company**

The principal activities of the company are to operate withing e-sports and related business.

### **Unusual circumstances**

The impact of COVID-19 has led to significantly fewer tournaments in 2020 and a generally lower activity level, which has subsequently had a negative effect on operations. Expansion of the activities has been adjusted and reduced during the year. Tournaments and other income providing activities are expected to normalize in the coming year. Based on the current situation, the management estimates that COVID-19 will not affect the company's future operations.

### **Uncertainties about recognition or measurement**

No unusual matters as to recognition or measurement occurred during the financial year.

### **Development in activities and financial matters**

The revenue for the year totals EUR 763.000. Income or loss from ordinary activities after tax totals EUR -1.052.000. Management considers the net profit or loss for the year as expected.

### **Capitalization**

The company has lost its equity, and is thus covered by section 119 of the Danish Companies Act on capital losses. In this context, the parent company has in Q1 2021 decided to grant the company a group contribution of EUR 1,5 million, completely reestablishing the company's equity. Moreover, the parent company has signed a letter of intent stating that they will contribute the needed capital and liquidity for the company to run for another year. It is therefore the management's assessment that the annual report can be reported under the premise of Going Concern.

### **Treasury shares**

The enterprise does not hold own shares.

### **Special risks**

#### *Operating risks*

Our most important operating risks relate to the team's performance. In order to limit this risk, it is necessary to limit our dependence to one team's performance.

We look at entering a major title, but also diversify our revenue lines while confirming and scaling our performance model.

The struction of the group under the OG brand is also an efficient protection.

#### *Financial risks*

Our financial risks relate to the operating risks, as most of our financing comes from sponsorships agreements and prize money. Therefore, the answers to these risks are the same as the above.



## **Management commentary**

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### *Foreign currency risks*

Foreign cash-flows are affected by exchange rates and interest rates. It is our policy to continuously monitor and reduce currency risks and the currency risk is therefore assessed as very limited.

### *Interest rate risks*

Our interest-bearing financing is limited and the interest risk is therefore considered immaterial compared with our activity level.

### **Expected developments**

The company's development - and the business concept in general - are assessed positive, and a controlled future expansion of the activities with participation in other e-sports games is presumed.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the position of the company.



## Income statement

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All amounts in EUR.

<u>Note</u>	<u>1/10 2019</u> <u>- 30/9 2020</u>
Revenue	762.738
Direct costs	-22.973
Other external costs	-221.738
<b>Gross profit</b>	<b>518.027</b>
2 Staff costs	-1.112.933
Amortisation and impairment of intangible assets	-429.934
<b>Operating profit</b>	<b>-1.024.840</b>
Other financial income	1.435
Other financial costs	-28.191
<b>Pre-tax net profit or loss</b>	<b>-1.051.596</b>
Tax on net profit or loss for the year	0
<b>3 Net profit or loss for the year</b>	<b>-1.051.596</b>



## Statement of financial position at 30 September

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All amounts in EUR.

<b>Assets</b>		
<u>Note</u>		<u>2020</u>
<b>Non-current assets</b>		
4	Concessions, patents, licenses, trademarks, and similar rights acquired	644.904
	Total intangible assets	<u>644.904</u>
	<b>Total non-current assets</b>	<b><u>644.904</u></b>
<b>Current assets</b>		
	Trade receivables	16.960
	Other receivables	<u>375</u>
	Total receivables	<u>17.335</u>
	Cash on hand and demand deposits	<u>68.581</u>
	<b>Total current assets</b>	<b><u>85.916</u></b>
	<b>Total assets</b>	<b><u>730.820</u></b>



## Statement of financial position at 30 September

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All amounts in EUR.

<u>Note</u>	<u>2020</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Contributed capital	5.354
Retained earnings	<u>-1.051.596</u>
<b>Total equity</b>	<b><u>-1.046.242</u></b>
<b>Liabilities other than provisions</b>	
Trade payables	53.617
Payables to group enterprises	1.516.348
Other payables	<u>207.097</u>
Total short term liabilities other than provisions	<u>1.777.062</u>
<b>Total liabilities other than provisions</b>	<b><u>1.777.062</u></b>
<b>Total equity and liabilities</b>	<b><u>730.820</u></b>
<b>1 Capitalization</b>	
<b>5 Contingencies</b>	



## Statement of changes in equity

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All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 October 2019	0	0	0
Cash capital increase	5.354	0	5.354
Retained earnings for the year	0	-1.051.596	-1.051.596
	<b>5.354</b>	<b>-1.051.596</b>	<b>-1.046.242</b>



## Statement of cash flows

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All amounts in EUR.

	1/10 2019 - 30/9 2020
Net profit or loss for the year	-1.051.596
6 Adjustments	456.690
7 Change in working capital	<u>1.759.727</u>
Cash flows from operating activities before net financials	1.164.821
Interest received, etc.	1
Interest paid, etc.	<u>-22.482</u>
Cash flows from ordinary activities	<u>1.142.340</u>
<b>Cash flows from operating activities</b>	<b><u>1.142.340</u></b>
Purchase of intangible assets	<u>-1.074.838</u>
<b>Cash flows from investment activities</b>	<b><u>-1.074.838</u></b>
Cash capital increase	<u>5.353</u>
<b>Cash flows from investment activities</b>	<b><u>5.353</u></b>
<b>Change in cash and cash equivalents</b>	<b>72.855</b>
Foreign currency translation adjustments (cash and cash equivalents)	<u>-4.274</u>
<b>Cash and cash equivalents at 30 September 2020</b>	<b><u>68.581</u></b>
<b>Cash and cash equivalents</b>	
Cash on hand and demand deposits	<u>68.581</u>
<b>Cash and cash equivalents at 30 September 2020</b>	<b><u>68.581</u></b>



## Notes

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All amounts in EUR.

### 1. Capitalization

The company has lost its equity, and is thus covered by section 119 of the Danish Companies Act on capital losses. In this context, the parent company has in Q1 2021 decided to grant the company a group contribution of EUR 1,5 million, completely reestablishing the company's equity. Moreover, the parent company has signed a letter of intent stating that they will contribute the needed capital and liquidity for the company to run for another year. It is therefore the management's assessment that the annual report can be reported under the premise of Going Concern.

	1/10 2019 - 30/9 2020
<b>2. Staff costs</b>	
Salaries and wages	1.107.945
Pension costs	3.756
Other costs for social security	724
Other staff costs	508
	<u><b>1.112.933</b></u>
 Average number of employees	 <u>6</u>
<b>3. Proposed appropriation of net profit</b>	
Allocated from retained earnings	<u>-1.051.596</u>
<b>Total allocations and transfers</b>	<u><b>-1.051.596</b></u>
 <b>4. Concessions, patents, licenses, trademarks, and similar rights acquired</b>	
Additions during the year	<u>1.074.838</u>
<b>Cost 30 September 2020</b>	<u><b>1.074.838</b></u>
Amortisation and depreciation for the year	<u>-429.934</u>
<b>Amortisation and writedown 30 September 2020</b>	<u><b>-429.934</b></u>
 <b>Carrying amount, 30 September 2020</b>	 <u><b>644.904</b></u>





## Notes

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All amounts in EUR.

### 5. Contingencies

#### Contingent assets

The company has contingent assets in the form of tax losses carried forward. The maximum tax value hereof amounts to approx. EUR 231 thousand. The amount is not recognised in the balance sheet due to material uncertainty associated with measuring the net asset value of the tax asset.



## Notes

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All amounts in EUR.

	1/10 2019 - 30/9 2020
<b>6. Adjustments</b>	
Depreciation, amortisation, and impairment	429.934
Other financial income	-1.435
Other financial costs	28.191
	<u>456.690</u>
<b>7. Change in working capital</b>	
Change in receivables	-17.335
Change in trade payables and other payables	1.777.062
	<u>1.759.727</u>



## Accounting policies

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The annual report for OG CSGO ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in euro (EUR). The annual report comprises the first financial year and hence comparative figures are not available.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Revenue**

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

#### **Cost of sales**

Cost of sales comprises costs directly assembled with the net turnover.

#### **Other external costs**

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

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.



## Accounting policies

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### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Intangible assets**

#### **Contract rights**

Contract rights are measured at cost less accumulated amortization and any amortization write-downs.

The cost price includes the acquisition price, probable performance payments and other costs directly associated with the acquisition.

The contract rights are amortized on a straight-line basis over the contract periods. The amortization is recognized in the income statement under depreciation.

Individual purchases of contract rights are linked to payments that are only effected when a number of conditions have been met. Expenses in connection with this are recognized over the contract period.

Upon extension of a contract during the contract period, the amortization period is changed accordingly.

Gains and losses on disposal of contract rights are included in the income statement item "Other income / expenses" and are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

#### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.



## Accounting policies

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The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Statement of cash flows**

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### **Cash flows from investment activities**

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

### **Cash flows from financing activities**

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.



## Accounting policies

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### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

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## Elan Lieck Schapiro

Statsautoriseret revisor

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