

Annual Report for



MindArk PE AB (publ)

Corporate identity SE - 556640-4769

Financial Year 2020



The Board of Directors and Chief Executive Officer of MindArk PE AB (publ) hereby present the Annual Report for January 1st – December 31st 2020.

Directors´ report

Business

MindArk PE AB (publ) develops and operates Entropia Universe and the Entropia Platform. Entropia Universe is a 3D internet virtual universe with a unique integrated economic system and stunning graphics. The client software is free-of-charge and available to anyone with internet access.

The Entropia Platform is a secure entertainment and business platform, enabling companies and organizations all over the world to build content on themed planets inside the Entropia Universe.

Market and Competition

The events of 2020 have affected Sweden and the world in many ways. Several industries have been hit hard by the pandemic and many people have lost their jobs.

By contrast, the computer game industry, along with other home entertainment industries, has done relatively well and perhaps even better than expected during this period. As the world entered lockdowns, many people worked from home and children did not go to school, it has been reported in several places that computer game companies both within and outside Sweden have benefited.

MindArk and Entropia Universe are no exception. The company noted that especially during the second quarter of 2020, many previous users who had not been active for extended periods, found their way back to Entropia Universe. Many of these have continued to be active users.

The gaming industry has continued to be the fastest growing segment of digital media. The industry turnover for 2020 was 174.9 billion USD according to Newzoo (October 2020), which represents an increase of 19.6% compared to the results for 2019. The forecast for 2021 is that revenue will increase to more than 189 billion USD, also according to Newzoo (December 2020).

As MindArk does not have a direct competitor in the segment of virtual interactive universes with a real cash economy, the closest gaming genre to what MindArk offers is the MMO genre (Massively Multiplayer Online game). If we look at the MMO genre in detail, MindArk competes with other global gaming studios such as the largest MMO game in the western world, Blizzard's "World of Warcraft". The MMO genre worldwide includes several million customers.

The PC platform increased revenue by 6.2% in 2020, and the PC platform still accounted for 22% of the activity within the gaming industry in 2020 according to Newzoo (October 2020). World of Warcraft remains the largest MMO game in the world, according to bestreamer.com and mmo-population.com.

MindArk's Differentiation

One factor that differentiates MindArk and Entropia Universe from the competition is the game's virtual economy with microtransactions, and its currency, the Project Entropia Dollar (PED), which has a fixed value against the USD (10 PED = 1 USD), and provides the opportunity for participants to both deposit and withdraw money in a safe manner.

A further differentiation is the Planet Partner model, which allows other developers to partner with MindArk and build their own planets within Entropia Universe, sharing revenues generated on the planet.

MindArk has more than 18 years of experience developing and managing technology for virtual economies in an interactive 3D online environment. Today MindArk offers secure microtransactions for a large number of concurrent users that interact with one another online via their computers.

With the Entropia Platform, MindArk has a leading position in this area.

MindArk and its Affiliates

MindArk is the parent company of a group comprising the parent company and three subsidiaries, Entropia Universe AB, Planet Calypso AB and Green Fund Finance Sweden AB. All are located in Gothenburg, Sweden.

Planet Calypso AB was the operator and developer of Planet Calypso, the first planet in Entropia Universe. Since January 1, 2015, all operations are handled by the parent company.

The subsidiary Entropia Universe AB previously provided much of the support for and operation of Entropia Universe. Since May 2012, the company has primarily been used for marketing purposes.

Green Fund Finance AB is a next generation investment house providing funding for commercial, innovative and sustainable technologies promoting a green economy.

Employees

In 2020, MindArk averaged 46 employees, including six women.

The company's CEO since December 2017 is Henrik Nel Jerkrot. Other senior officials of the company are Magnus Eriksson (COO), David Simmonds (Business Development Manager), Mats Kling (CTO), Malin Gustafsson (Human Resources) and Gunilla Krogh (CFO).

Shares

The shares of MindArk are unlisted. The total number of shares is 157 623 125. The distribution of shares among major shareholders is as follows:

<i>Shareholders</i>	<i>Shareholding</i>	<i>Proportion of shares and votes</i>
Tetiana Karunna	55 000 000	34,89%
C-G Bothén AB	25 600 000	16,24%
Others approx 900	77 023 125	48,87%
Totalt	157 623 125	100%

Important events during 2020

During 2020, MindArk has adapted its organization and working methods due to the COVID-19 pandemic. The focus has been on continuous improvements of the gaming experience that make the company better equipped to accommodate an increased number of users in the future.

Item Tiering system update

MindArk had received feedback regarding the Item Tiering system in Entropia Universe. This system was updated to improve accessibility and usability. The effect of this update is that more users get involved and use the system.

Mutant Adventure

The mutant adventure that was released and well received in Entropia Universe in 2019 has been further developed in 2020, with the second part made available to users. They have been able to discover an abandoned laboratory taken over by the mythical Calamusoid mutants. The third part of the adventure will continue to be developed during the first half of 2021.

Audio update

Both audio and music inside Entropia Universe have been updated to enhance the gaming experience for users.

Launch of Release Videos

In 2020, MindArk produced several videos in connection with new releases and updates for Entropia Universe. In the clips, different people from the company are interviewed to give their views and thoughts on upcoming updates and development.

Planet Partners

Planet Next Island - In 2020, the sale of Ancient Greece, an area operated by Next Island, began, with each deed sold for 10 PED (1 USD), providing the holders with revenue share based on the activity in Ancient Greece.

Planet Arkadia - Continued to develop its planet and associated moon in 2020. Arkadia Moon has continued its sales of deeds to users and those who own deeds receive a share of the revenue generated on the moon.

Planet Toulan - Beladcom, the company behind Planet Toulan, has entered into a partnership agreement with Virtualsense, which already operates Monria. Virtualsense has taken over the development of Planet Toulan and has also started marketing Planet Toulan.

Planet Cyrene - Has increased its rate of development of the planet in 2020, which has given the planet significantly more users.

Planet Rocktropa - Rocktropa is continuing to cater to their Rock and Zombie theme customers.

Unconsumed user holdings i.e. player debt from "Contingent Liabilities" to Liabilities in the Balance Sheet

The player debt, i.e. unconsumed user holdings, increased during the fiscal year from 113.9 million PED to 128.9 million PED, an increase of 15 million PED. The total debt in SEK decreased however, as the SEK/USD exchange rate decreased from 9.32 SEK/USD at the end of the year 2019 to 8.19 SEK/USD in December 2020 (10 PED = 1 USD). As a result, the debt decreased by 0.5 million SEK, from 106.1 million SEK to 105.6 million SEK.

The total amount of "Unconsumed user holdings" is an amount that fluctuates with the various activities within Entropia Universe. Historical figures show that 30 - 35% (average over the last 17 years) of the funds deposited by users are later withdrawn. The remaining funds are either consumed or remain in the accounts of users in the form of inventory, or cash in the form of the virtual currency PED.

However, it is a prerequisite for the survival of Entropia Universe that MindArk pays out the requested withdrawals and therefore the part of the player debt that is likely to be withdrawn is booked as a debt.

With these facts in hand, the assessment is that the actual debt, which would be entered in the balance sheet, is 33% of the player debt at the time of the entry. This means that the actual debt at year-end of 2020 was 42.5 million PED, or 34.8 million SEK. The allocation for unconsumed user holdings has been adjusted for this and for the change in the USD/SEK exchange rate.

Economic Development

Net deposits in 2020 amounted to 97.6 million PED (90.7 million SEK) compared to 2019 net deposits, which totaled 74 million PED (70 million SEK). If a deduction is made for deposits related to financial purchases, such as deeds, the figure for 2020 is 94.6 million PED (87.9 million SEK) compared to 72.2 million PED (68.3 million SEK) in 2019, representing an increase in net deposits of PED of 31%. Net deposits in SEK have not increased by the same extent, due to the exchange rate between USD and SEK having decreased. This year the average exchange rate has been 9.29 SEK/USD compared to last year's exchange rate of 9.46 SEK/USD.

Net sales for the company amounted to 80.3 million SEK (previous year SEK 64.6 million), an increase of 24.3%. Approximately 3.1 million SEK (last year 5.1 million SEK) of net sales is related to inactive accounts, i.e. an account that has not been active for at least one year. Remaining funds in those accounts have been moved from player debt to net sales.

Net sales in SEK exceeded the company's budget target by 25%. There are several reasons for this. One reason is that Entropia Universe has been optimized to handle more concurrent users, which has made it easier and more fun for customers to be active. Consumption in PED has increased by 21%, but slightly less in SEK, i.e. 18.6%. This is due to a 1.7% lower average exchange rate between SEK and USD during 2020 compared to 2019. Also, more time at home due to Covid-19 has meant that many users have had the opportunity to spend more time playing Entropia Universe than in the past. Another significant reason for the increase in net sales is that part of the player debt is income when it increases, that is, when users deposit more funds than they consume. This was the case in 2020 and it has also happened to a great extent. As only 33% of the player debt (see explanation in previous paragraphs) is set aside in the balance sheet as a liability, the remaining increase has been recognized as income, which resulted in 10.4 million SEK in increased income.

Other income includes mostly sale of deeds.

Personnel costs are 9 million SEK higher than last year. There are several reasons behind this. One reason is that the number of employees has increased during the year, from 41 employees at the beginning of the year to 48 employees at the end of the year. This in turn has generated higher recruitment costs. Other reasons are a provision for Mindarkkoncernens vinstandelsstiftelse, which is the company's personnel foundation, and salary increases.

Total operating expenses amounted to approximately 66.6 million SEK (approximately 57.8 million SEK in 2019), an increase of 8.8 million SEK. The explanation for this increase can be found in the last section. Operating profit before depreciation and amortization amounted to 27.8 million SEK (15.8 million SEK in 2019).

Depreciation and write-downs of tangible and intangible fixed assets decreased from 11.3 million SEK in 2019 to 9.5 million SEK in 2020. The decrease is partly because in 2019 the previously balanced asset ComPet Game was fully written off. Operating profit after depreciation amounts to 18.3 million SEK (4.5 million SEK in 2019).

A loan to the company's subsidiary Green Fund Finance Sweden AB (GFF) was deemed to be a doubtful receivable during the previous year, which is why a conditional shareholder contribution was given to the subsidiary to cover the write-down in the subsidiary. This led to a write-down of shares in the subsidiary of just under 2.3 million SEK in 2019. During 2020, GFF was able to repay the loan to the parent company with the help of shares in the company Swestep AB to a value of SEK 2.3 million SEK. Hence a positive entry on earnings from participation in group companies. Finally, financial items consist of an exchange rate difference of 5.3 million SEK related to the player debt described in the previous paragraph.

After net financial items, but before appropriations and tax, profit amounted to 25.3 MSEK (last year -381 TSEK).

The equity of the company amounted at year-end to 58.4 million SEK (previous year 40 million SEK).

Cash Flow and Liquid Assets

During the year, the company acquired fixed assets of 1.5 million SEK and capitalized development costs regarding Entropia Universe and the Entropia Platform in the amount of 11.6 million SEK.

The company's liquidity has increased significantly during the year and at year end amounted to 46.7 million SEK versus 24.2 million SEK the previous year.

Group in Summary

No consolidated financial statements have been prepared for fiscal year 2020, as no or insignificant operations have been conducted by the subsidiaries during the year.

Listing of MindArk Shares

The timing of the listing of MindArk shares has not yet been established, any further information will be published on our website.

Annual Meeting

The 2020 Annual General Meeting was held digitally on April 24 due to Covid-19 restrictions. In addition to the decision to determine the previous year's accounts, elections were made to the Board. All three of the Board's current members, elected at the Extraordinary General Meeting on November 21, 2019, David Simmonds, Anders Fröjd and Jan Rasmuson, declared that they were available for re-election.

The meeting resolved that the Board would consist of three members and no deputies until the next Annual General Meeting is held. David Simmonds was elected Chairman of the Board and a regular member for the period until the next Annual General Meeting. Anders Fröjd and Jan Rasmuson were re-elected as ordinary board members for the period until the next Annual General Meeting.

Final Words

Flexibility has been the keyword for 2020, where so many people's lives, companies and societies have adapted due to the pandemic. As a result of the period of uncertainty created by the COVID-19 pandemic, MindArk has adapted the organization's working methods to follow the guidelines and recommendations set by the authorities without jeopardizing its operations. The result of these adjustments has enabled continuous improvement work within Entropia Universe throughout 2020, where the company has also invested in increased communication with the user base compared to previously.

During the year, MindArk continued to make new investments in its core business, Entropia Universe. In 2020, the company has newly hired 12 people for the core business to meet the ambitions that the company has for the coming years. In 2020, MindArk also created the financial conditions for increasing investments in the platform in the coming years, as well as in the core product, Entropia Universe.

The Board's proposed appropriation of loss

The Board of Directors proposes that the net loss and retained earnings be carried forward (all amounts in SEK):

Retained losses	-43 177 104
Shared premium reserve	33 950 695
Net loss for the year	17 231 189
	8 004 780
Disposed of so that it is distributed to shareholders	7 881 156
Amount carried forward	123 624
	8 004 780

Further inquiries regarding the financial position and performance of the company are directed to the below listed income statement, balance sheet and cash flow statement with accompanying notes.

Several years summary (TSEK)

	2020	2019	2018	2017	2016
Net sales	80 252	64 604	62 091	57 471	63 764
Profit after amortization	18 255	4 537	6 137	2 740	8 161
Profit after financial items	25 339	-381	2 861	-864	10 745
Net profit for the year	17 231	-458	619	0	5 434
Total assets	128 260	97 542	98 206	94 697	59 138
Equity	58 387	40 043	39 392	37 089	38 515
Fixed assets	72 485	67 253	72 921	78 555	29 465
Solidity (%)	47	41	42	41	70

Changes in shareholders' equity (TSEK)

	Share capital	Revalu- tion reserve	Restricted Reserves	Fund for develop- ment	Share premium reserve	Profit carried forward	Total capital
Opening balance	1 576	30 925	50	13 689	33 951	-40 148	40 043
Shareholders meeting						0	0
Change deferred tax		1 113					1 113
Resolution revaluation reserve		-5 200				5 200	0
Resolution fund for development				-3 371		3 371	0
Fund for development				11 601		-11 601	0
Net profit for the year						17 231	17 231
Outgoing balance	1 576	26 838	50	21 919	33 951	-25 947	58 387

Income Statement	Not	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Net sales		80 252 158	64 604 344
Capitalized work		11 600 783	8 758 660
Other income		2 539 818	236 340
		94 392 758	73 599 344
Operating expenses			
Other external costs		-27 116 188	-27 168 406
Personnel costs	3	-39 517 245	-30 588 094
Amortization and depreciation		-9 504 429	-11 305 569
		-76 137 862	-69 062 069
Operating profit		18 254 896	4 537 275
Financial items			
Profit from shares in group companies	4	2 252 668	-2 259 168
Profit from other securities and receivables accounted for as non-current assets	5	-470 182	-1 273 598
Interest cost and similar items		-426	-1 086
Exchange rate differences in bank holdings	6	5 302 362	-1 384 029
		7 084 422	-4 917 882
Profit after financial items		25 339 318	-380 607
Transfers to/from untaxed reserves	7	-2 700 000	1 943 370
Net profit before tax		22 639 318	1 562 763
Income tax	8	-5 408 129	-2 020 285
Net profit		17 231 189	-457 522

Balance Sheet

Not 2020-12-31 2019-12-31

Assets

Non-current assets

Intangible assets

Entropia Platform and Entropia Universe	9	59 202 934	56 173 573
		59 202 934	56 173 573

Tangible assets

Equipment and computer hardware	10	2 417 157	1 858 853
		2 417 157	1 858 853

Financial assets

Shares in subsidiaries	11	4 952 500	4 960 000
Other long-term securities	12	2 759 168	500 000
Deferred tax		0	218 796
Other long-term receivables	13	3 153 330	3 542 240
		10 864 998	9 221 036

Total non-current assets

72 485 089 67 253 462

Current assets

Stock-in-trade

Commercial goods	14	71 498	104 975
Advanced to suppliers		0	5 840
		71 498	110 815

Short-term receivables

Account receivables		1 443 092	1 659 329
Receivables from payment providers	15	1 301 720	1 071 652
Receivables group companies		96 937	95 237
Other receivables		1 877 376	1 446 885
Prepaid expenses and accrued income		2 317 667	1 745 727
		7 036 792	6 018 830

Short-term investments

Other short-term investments		1 973 677	0
		1 973 677	0

Cash and bank balances

		46 693 202	24 159 249
Total current assets		55 775 169	30 288 894

Total assets

128 260 258 97 542 356

Equity and liabilities

Balance Sheet

	Not	2020-12-31	2019-12-31
Equity			
<i>Restricted equity</i>			
Share capital (157 623 125 shares)		1 576 231	1 576 231
Revaluation reserve		26 837 200	30 924 400
Restricted reserves		50 000	50 000
Fund for development		21 918 674	13 689 313
		50 382 105	46 239 944
<i>Non-restricted equity</i>			
Share premium reserve		33 950 695	33 950 695
Profit brought forward		-43 177 104	-39 690 221
Net profit		17 231 189	-457 522
		8 004 780	-6 197 048
Total equity		58 386 885	40 042 896
Untaxed reserves		2 700 000	0
<i>Allocations</i>			
	16		
Allocation unconsumed user holdings		34 839 020	35 013 250
Estimated deferred tax		7 629 926	8 075 600
Total allocations		42 468 946	43 088 850
Long-term liabilities			
Other liabilities		36 325	41 337
		36 325	41 337
Short-term liabilities			
Accounts payable		2 891 222	1 817 197
Liabilities group companies		3 899 461	3 901 986
Current tax liabilities		4 897 561	10 105
Other liability		4 406 880	2 624 336
Accrued expenses and prepaid income		8 572 978	6 015 649
Total short-term liabilities		24 668 102	14 369 273
Total equity and liabilities		128 260 258	97 542 356

Notes

Note 1 Supplementary disclosures & accounting principles

The annual report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles applied conform with the Annual Accounts Act as well as recommendations and comments from the Accounting Standard Committee.

The annual accounts and the consolidated accounts drawn up in accordance with *BFNAR 2012: 1 Årsredovisning och koncernredovisning (K3)*.

Receivables are entered at the amount in which they are expected to be received.

Other assets and liabilities have been valued at acquisition value unless otherwise stated.

Accrual allocation of revenues and expenses has been done according to the professional ethics for accountants.

Fixed assets are entered at their acquisition value reduced for accumulated amortization and depreciations. Amortization and depreciation is accounted for in a straight line over the assets anticipated economic life.

The following percentages are applied:

Entropia Platform and Entropia Universe	10-14.3 %
Equipment and tools	20 %
Computer hardware	20-33.3 %

Note 2 Estimates and assessments

The preparation of financial statements and application of accounting principles is often based on management's assessments, estimates and assumptions that are considered reasonable at the time the assessment is made. Estimates and assessments are based on historical experience and several other factors, which in the current circumstances are considered reasonable. The results of these are used to assess the reported values of assets and liabilities, which otherwise do not appear clearly from other sources. The actual outcome may deviate from these estimates and judgments. Estimates and assumptions are reviewed regularly.

No significant sources of uncertainty in estimates and assumptions on the balance sheet date are expected to entail a significant risk of a significant adjustment of the reported values for assets and liabilities during the next financial year.

Since mid-year 2017, the actual debt of the player debt is recognized in the balance sheet (previously a contingent liability) under the heading Allocations. The real debt is estimated to be about 33% of the actual player debt.

Note 3 Average employees

	2020	2019
Average employees	46	41

Note 4 Profit from shares in group companies

	2020	2019
Results on divestments	-6 500	0
Write-downs	0	-2 259 168
Reversal of impairment	2 259 168	0
	2 259 668	0

Note 5 Profit from other securities and receivables accounted for as non-current assets

	2020	2019
Interest	0	-1 455 373
Exchange revenues	-403 410	181 775
Unrealize changes in the value of securities	-66 772	0
	-470 182	-1 273 598

Note 6 Exchange rate differences

	2020	2019
Exchange difference player debt	5 334 866	-837 384
Other exchange differences	-32 504	-546 646
	5 302 362	-1 384 030

The reason for the large exchange difference is that the company has made an exchange rate adjustment on the player debt. The exchange rate at the end of 2020 was 8.19 SEK/USD and at the year-end 2019 the rate was 9.32 SEK/USD. In the 2019 annual accounts, there was a negative currency adjustment of about 837 TSEK, now it will instead be a positive currency adjustment of 5.3 million SEK. The reason is that the debt has increased during the fiscal year 2020, which means that a lower exchange rate will affect the company positively. See more in the note 16 Allocations.

Note 7 Transfers to/from untaxed reserves

	2020	2019
Transfer to tax allocation reserve	-2 700 000	0
Change in depreciation	0	1 943 370
	-2 700 000	1 943 370

Note 8 Current and deferred tax

	2020	2019
Tax on profit for the year		
Current tax	-4 522 207	0
Change in deferred tax asset	-218 796	-2 020 285
Change in deferred tax liability regarding temporary differences	-667 126	0
	-5 408 129	-2 020 285

Note 9 Entropia Platform and Entropia Universe

	2020-12-31	2019-12-31
Acquisition value brought forward	72 387 320	63 628 660
Purchase	11 600 783	8 758 660
	83 988 103	72 387 320
Amortization brought forward	-16 213 747	-9 008 878
Amortization according to plan	-8 571 422	-7 204 869
	-24 785 169	-16 213 747
Entered net value carried forward	59 202 934	56 173 573

Note 10 Equipment and computer hardware

	2020-12-31	2019-12-31
Acquisition value brought forward	13 233 815	12 282 243
Acquisitions	1 491 311	1 293 513
Sale/decommissioning	0	-341 941
	14 725 126	13 233 815
Depreciation brought forward	-11 374 962	-10 634 606
Sale/decommissioning	0	114 487
Depreciation for the year	-933 007	-854 843
	-12 307 969	-11 374 962
Entered net value carried forward	2 417 157	1 858 853

Note 11 Specification shares in subsidiaries

Corporate name	Proportion	Share of voting	Number of shares	Book value
Planet Calypso AB (publ)	100%	100%	450 000	3 910 000
Entropia Universe AB	100%	100%	2 000	1 000 000
Green Fund Finance Sweden AB	85%	85%	425	42 500
				4 960 000

	Corporate identity	Domicile	Equity	Net profit
Planet Calypso AB (publ)	556766-6416	Göteborg	3 900 505	-2 080
Entropia Universe AB	556767-3594	Göteborg	988 293	-2 240
Green Fund Finance Sweden AB	559170-3557	Göteborg	46 415	2 256 317

Note 12 Other long-term securities holdings

	2020-12-31	2019-12-31
Acquisition value brought forward	500 000	743 320
Acquisition	2 259 168	0
Sale/decommissioning	0	-243 320
	2 759 168	500 000
Entered net value carried forward	2 759 168	500 000

Note 13 Other liability

Refers to reverse loan according to agreement and a loan to Mindarkkoncernens vinstandelsstiftelse.

	2020-12-31	2019-12-31
Acquisition value brought forward	4 060 767	5 582 103
Capitalized interest	0	-1 513 111
Currency change	-403 410	181 775
Increase loan to Mindarkkoncernens vinstandelsstiftelse	14 500	25 000
	3 886 857	4 275 767
Revaluation brought forward	-733 527	-733 527
	-733 527	-733 527
Entered net value carried forward	3 153 330	3 542 240

Note 14 Stock

The inventory only consists of profile products that are sold through an online shop on the company's website.

Note 15 Receivables from payment providers

Refers to MindArk's outstanding receivables on all contracted payment providers. The open balance contains payments confirmed by the provider but not yet received by MindArk.

Note 16 Allocations

	2020-12-31	2019-12-31
Deferred tax liability		
Value brought forward	8 075 600	9 188 400
Allocation for the year	667 126	0
During the year reversed amount	-1 112 800	-1 112 800
	7 629 926	8 075 600
Allocations for unconsumed user holdings		
Value brought forward	35 013 250	33 180 044
Allocation for the year	-174 230	1 833 206
	34 839 020	35 013 250

Unconsumed user holdings:

Unconsumed user holdings, i.e. the player debt, is equivalent to user deposits which are not used or withdrawn. The debt increased during the fiscal year from PED 113.9 million PED to 128.9 million PED, an increase of 15 million PED. The total debt in SEK decreased though, as the SEK / USD exchange rate decreased from 9.32 SEK / USD at the end of the year to 8.19 SEK / USD last December 2020 (10 PED = 1 USD). As a result, the debt decreased by 0.5 million in SEK, from 106.1 million SEK to 105.6 million SEK.

User requested reimbursements not yet settled are recognized in the balance sheet under Accrued expenses.

Since mid-year 2017, the real part of the player debt is recognized in the balance sheet (previously a contingent liability) under the heading Allocations. The real debt is estimated to be about 33 % of the actual player debt. This means that this year's allocation is 34.8 million SEK.

Note 17 Pledged assets

Refers to SEB´s corporate mortgage.

	2020-12-31	2019-12-31
Mortgage companies	3 000 000	3 000 000
	3 000 000	3 000 000

Note 18 Important events in early 2021

MindArk continues to closely follow the authorities' recommendations regarding the COVID-19 pandemic. The precautionary measures implemented in 2020, including the fact that the majority of employees work from home, have continued in 2021.

Göteborg April 13, 2021

David Simmonds

Anders Fröjd

David Simmonds
Chairman of the Board

Anders Fröjd
Board Member

Jan Rasmuson

Henrik Nel Jerkrot

Jan Rasmuson
Board Member

Henrik Nel Jerkrot
CEO

My audit report concerning this annual report has been issued on April 13, 2021.

Öhrlings Pricewaterhouse Coopers AB

Konstantin Belogorcev

Konstantin Belogorcev
Authorized public accountant