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Copenhagen Game Productions ApS

c/o Univate, Njalsgade 76, 4., 2300 København S

Company reg. no. 32 66 47 84

Annual report

1 May 2020 - 30 April 2021

The annual report was submitted and approved by the general meeting on the 8 October 2021.

Dajana Dimovska
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of Copenhagen Game Productions ApS for the financial year 1 May 2020 - 30 April 2021.

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 April 2021 and of the company's results of activities in the financial year 1 May 2020 – 30 April 2021.

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.

København S, 8 October 2021

Executive board

Timothy Robert May
Managing director

Dajana Dimovska
Director

Independent auditor's report

To the shareholders of Copenhagen Game Productions ApS

Opinion

We have audited the financial statements of Copenhagen Game Productions ApS for the financial year 1 May 2020 - 30 April 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity 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 April 2021 and of the results of the company's activities for the financial year 1 May 2020 - 30 April 2021 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 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.

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

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

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.

Independent auditor's report

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, 8 October 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Per Lundahl

State Authorised Public Accountant
mne27832

Company information

The company

Copenhagen Game Productions ApS
c/o Univate
Njalsgade 76, 4.
2300 København S

Company reg. no. 32 66 47 84
Established: 15 December 2009
Domicile: Copenhagen
Financial year: 1 May - 30 April

Executive board

Timothy Robert May, Managing director
Dajana Dimovska, Director

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Nordea

Subsidiary

NapNok Doel Skopje, Macedonia

Management commentary

The principal activities of the company

The company's primary purpose is to develop computer games with own IPs for modern gaming consoles. Secondly, the company has a goal to provide consultancy services for web- and gaming development in general.

Unusual circumstances

There has been no unusual matters in the financial year.

Uncertainties about recognition or measurement

There has been no uncertainties as to recognition or measurement in the financial year.

Development in activities and financial matters

The results from ordinary activities after tax totals DKK 879.000 against DKK -1.157.000 last year. Management considers the net profit or loss for the year satisfactory.

Following the Covid-19 outbreak, the company has applied for revenue compensation, as shown in special items in note 1.

Accounting policies

The annual report for Copenhagen Game Productions ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

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 comprises costs concerning purchase of raw materials and consumables less discounts.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Accounting policies

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 and transactions in foreign currency.

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

Investments

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities

Other liabilities concerning payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 May - 30 April

Amounts concerning 2020/21: DKK.

Amounts concerning 2019/20: DKK thousand.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	1.626.120	-1.923
2 Staff costs	-477.471	-533
Depreciation and impairment of non-current assets	0	-7
Operating profit	1.148.649	-2.463
3 Other financial costs	-12.577	-58
Pre-tax net profit or loss	1.136.072	-2.521
4 Tax on net profit or loss for the year	-256.852	1.364
Net profit or loss for the year	879.220	-1.157
Proposed appropriation of net profit:		
Transferred to retained earnings	879.220	0
Allocated from retained earnings	0	-1.157
Total allocations and transfers	879.220	-1.157

Statement of financial position at 30 April

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
5 Equity investments in group enterprises	37.265	37
Total investments	37.265	37
Total non-current assets	37.265	37
Current assets		
Trade receivables	642.029	37
Deferred tax assets	0	675
Other receivables	620.059	817
Total receivables	1.262.088	1.529
Cash on hand and demand deposits	742.205	345
Total current assets	2.004.293	1.874
Total assets	2.041.558	1.911

Statement of financial position at 30 April

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	125.004	125
Retained earnings	1.321.451	442
Total equity	1.446.455	567
Liabilities other than provisions		
Trade payables	30.512	16
Income tax payable	79.200	0
Other payables	485.391	1.328
Total short term liabilities other than provisions	595.103	1.344
Total liabilities other than provisions	595.103	1.344
Total equity and liabilities	2.041.558	1.911

1 Special items

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 May 2020	125.004	442.231	567.235
Profit or loss for the year brought forward	0	879.220	879.220
	125.004	1.321.451	1.446.455

Notes

Amounts concerning 2020/21: DKK.

Amounts concerning 2019/20: DKK thousand.

	<u>2020/21</u>	<u>2019/20</u>
1. Special items		
As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
Income:		
Covid-19 Revenue compensation	61.334	30.666
	<u>61.334</u>	<u>30.666</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	61.334	30.666
Profit of special items, net	<u>61.334</u>	<u>30.666</u>
2. Staff costs		
Salaries and wages	468.985	523
Other costs for social security	8.486	10
	<u>477.471</u>	<u>533</u>
Average number of employees	<u>2</u>	<u>2</u>
3. Other financial costs		
Other financial costs	12.577	58
	<u>12.577</u>	<u>58</u>
4. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	79.200	0
Adjustment for the year of deferred tax	675.012	-675
Applied tax credit, approved for the previous year	-497.360	-689
	<u>256.852</u>	<u>-1.364</u>

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

	<u>30/4 2021</u>	<u>30/4 2020</u>
5. Equity investments in group enterprises		
Acquisition sum, opening balance 1 May 2020	<u>37.265</u>	<u>37</u>
Carrying amount, 30 April 2021	<u>37.265</u>	<u>37</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity DKK	Results for the year DKK	Carrying amount, Copenhagen Game Productions ApS DKK
NapNok Dooel Skopje, Macedonia	100 %	<u>449.811</u>	<u>29.966</u>	<u>37.265</u>
		<u>449.811</u>	<u>29.966</u>	<u>37.265</u>

ΠΕΝΝΕΟ

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Dajana Dimovska (SSN validated)

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