

Copenhagen Game Productions ApS

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

Company reg. no. 32 66 47 84

Annual report

1 May 2019 - 30 April 2020

The annual report was submitted and approved by the general meeting on the 16 December 2020.

Dajana Dimovska
Chairman of the meeting

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 %.

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Management's report

The executive board has today presented the annual report of Copenhagen Game Productions ApS for the financial year 1 May 2019 to 30 April 2020.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2020 and of the company's results of its activities in the financial year 1 May 2019 to 30 April 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

København S, 16 December 2020

Executive board

Timothy Robert May

Dajana Dimovska

Independent auditor's report

To the shareholders of Copenhagen Game Productions ApS

Opinion

We have audited the annual accounts of Copenhagen Game Productions ApS for the financial year 1 May 2019 to 30 April 2020, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2020 and of the results of the company's operations for the financial year 1 May 2019 to 30 April 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 16 December 2020

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
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 Dooel 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 matters

There has been no unusual matters in the financial year.

Uncertainties as to 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 are DKK -1.157.000 against DKK -3.210.000 last year. The management consider the results as expected as the result was significantly affected by the development of gaming projects.

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

Events subsequent to the financial year

It is expected that the result for the financial year of 2020-21 won't be affected negatively by Covid-19. Furthermore it is the management expectations that the result for 2020-21 will be positive.

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 profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

Gross loss 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.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Accounting policies

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Accounting policies

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Technical plants and machinery	5-10 years	0-20 %
Other plants, operating assets, fixtures and furniture	3-5 years	0-20 %

Minor assets with a price of less than DKK 14,100 are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Writedown of fixed assets

Financial fixed assets

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

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.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Income statement 1 May - 30 April

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

<u>Note</u>	<u>2019/20</u>	<u>2018/19</u>
Gross loss	-1.922.057	2.131
2 Staff costs	-533.318	-5.248
Depreciation and writedown relating to tangible fixed assets	-6.844	-7
Operating profit	-2.462.219	-3.124
Other financial income	3	0
3 Other financial costs	-58.085	-86
Pre-tax net profit or loss	-2.520.301	-3.210
4 Tax on ordinary results	1.363.704	0
Net profit or loss for the year	-1.156.597	-3.210
Proposed appropriation of net profit:		
Allocated from retained earnings	-1.156.597	-3.210
Total allocations and transfers	-1.156.597	-3.210

Statement of financial position at 30 April

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
5 Other fixtures and fittings, tools and equipment	0	7
Total property, plant, and equipment	0	7
6 Equity investments in group enterprises	37.265	37
Total investments	37.265	37
Total non-current assets	37.265	44
Current assets		
Trade debtors	36.841	22
Deferred tax assets	675.012	0
Other debtors	816.100	270
Accrued income and deferred expenses	0	51
Total receivables	1.527.953	343
Available funds	344.543	3.449
Total current assets	1.872.496	3.792
Total assets	1.909.761	3.836

Statement of financial position at 30 April

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
7 Contributed capital	125.004	125
8 Retained earnings	442.231	1.599
Total equity	567.235	1.724
Liabilities other than provisions		
Trade creditors	16.000	624
Corporate tax	0	965
Other debts	1.326.526	523
Total short term liabilities other than provisions	1.342.526	2.112
Total liabilities other than provisions	1.342.526	2.112
Total equity and liabilities	1.909.761	3.836

1 Special items

Notes

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

	<u>2019/20</u>	<u>2018/19</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	30.666	0
	<u>30.666</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross loss	30.666	0
Profit of special items, net	<u>30.666</u>	<u>0</u>
2. Staff costs		
Salaries and wages	523.221	5.122
Other costs for social security	10.097	126
	<u>533.318</u>	<u>5.248</u>
Average number of employees	<u>2</u>	<u>12</u>
3. Other financial costs		
Other financial costs	58.085	86
	<u>58.085</u>	<u>86</u>
4. Tax on ordinary results		
Adjustment for the year of deferred tax	-675.012	0
Applied tax credit for 2018-19, approved	-688.692	0
	<u>-1.363.704</u>	<u>0</u>

Due to the emphasis of matter described in the Independent auditor's report in the annual report of 2018-19, the deferred tax asset of DKK 688.692 was not allocated in the previous year.

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	30/4 2020	30/4 2019		
5. Other fixtures and fittings, tools and equipment				
Cost 1 May 2019	22.400	22		
Cost 30 April 2020	22.400	22		
Depreciation and writedown 1 May 2019	-15.556	-8		
Depreciation for the year	-6.844	-7		
Depreciation and writedown 30 April 2020	-22.400	-15		
Carrying amount, 30 April 2020	0	7		
6. Equity investments in group enterprises				
Acquisition sum, opening balance 1 May 2019	37.265	37		
Book value 30 April 2020	37.265	37		
The financial highlights for the enterprises according to the latest approved annual reports (2019)				
	Share of ownership	Equity DKK	Results for the year DKK	Book value at Copenhagen Game Productions ApS DKK
NapNok Dooel Skopje, Macedonia	100 %	420.076	94.358	37.265
		420.076	94.358	37.265
7. Contributed capital				
Contributed capital 1 May 2019			125.004	125
			125.004	125
8. Retained earnings				
Retained earnings 1 May 2019			1.598.828	4.809
Profit or loss for the year brought forward			-1.156.597	-3.210
			442.231	1.599

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Dajana Dimovska

Direktør

På vegne af: Copenhagen Game Productions ApS

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Timothy Robert May

Direktør

På vegne af: Copenhagen Game Productions ApS

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Per Lundahl

Statsautoriseret revisor

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Dajana Dimovska

Dirigent

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