

Copenhagen Game Productions ApS

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

Company reg. no. 32 66 47 84

Annual report

1 May 2021 - 30 April 2022

The annual report was submitted and approved by the general meeting on the 27 October 2022.

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 statement

Today, the Executive Board has approved the annual report of Copenhagen Game Productions ApS for the financial year 1 May 2021 - 30 April 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2022 and of the results of the Company's operations for the financial year 1 May 2021 – 30 April 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København S, 27 October 2022

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 2021 - 30 April 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2022, and of the results of the Company's operations for the financial year 1 May 2021 - 30 April 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. 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.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the 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 in preparing the financial statements 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether 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 conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 27 October 2022

Grant Thornton

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

Per Lundahl

State Authorised Public Accountant
mne27832

Anders Flymer-Dindler

State Authorised Public Accountant
mne35423

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 Bank

Subsidiary

NapNok Doel Skopje, Macedonia

Management's review

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.

Uncertainties about recognition or measurement

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

Unusual circumstances

There has been no unusual matters in the financial year.

Development in activities and financial matters

The results from ordinary activities after tax totals DKK -253.000 against DKK 879.000 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.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which may have a material impact on the company's financial position.

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 other external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of 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 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 expenses comprise expenses incurred for distribution, sales, advertising, administration and premises.

Staff costs

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

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 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.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

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

Investments in subsidiaries

Investments in subsidiaries 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. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting policies

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income 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.

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.

Income statement 1 May - 30 April

Amounts concerning 2021/22: DKK.

Amounts concerning 2020/21: DKK thousand.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
Gross profit	304.411	1.625
2 Staff costs	-738.565	-477
Operating profit	-434.154	1.148
Other financial expenses	-64.471	-12
Pre-tax net profit or loss	-498.625	1.136
3 Tax on net profit or loss for the year	245.648	-257
Net profit or loss for the year	-252.977	879
Proposed appropriation of net profit:		
Dividend for the financial year	200.000	0
Transferred to retained earnings	0	879
Allocated from retained earnings	-452.977	0
Total allocations and transfers	-252.977	879

Balance sheet at 30 April

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
4 Investments in subsidiaries	37.265	37
Total investments	37.265	37
Total non-current assets	37.265	37
Current assets		
Trade receivables	595.059	642
Income tax receivables	245.648	497
Other receivables	122.699	123
Prepayments	9.142	0
Total receivables	972.548	1.262
Cash and cash equivalents	1.371.303	742
Total current assets	2.343.851	2.004
Total assets	2.381.116	2.041

Balance sheet at 30 April

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	125.004	125
Retained earnings	868.544	1.321
Proposed dividend for the financial year	200.000	0
Total equity	<u>1.193.548</u>	<u>1.446</u>
Liabilities other than provisions		
Trade payables	158.535	31
Income tax payable	79.200	79
Other payables	949.833	485
Total short term liabilities other than provisions	<u>1.187.568</u>	<u>595</u>
Total liabilities other than provisions	<u>1.187.568</u>	<u>595</u>
Total equity and liabilities	<u>2.381.116</u>	<u>2.041</u>

1 Special items

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 May 2021	125.004	1.321.521	0	1.446.525
Profit or loss for the year brought forward	0	-452.977	200.000	-252.977
	125.004	868.544	200.000	1.193.548

Notes

Amounts concerning 2021/22: DKK.

Amounts concerning 2020/21: DKK thousand.

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.

	<u>2021/22</u>	<u>2020/21</u>
Income:		
Covid-19, Revenue compensation - final statement repayment	-23.000	61.334
	<u>-23.000</u>	<u>61.334</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	-23.000	61.334
Profit of special items, net	<u>-23.000</u>	<u>61.334</u>

2. Staff costs

Salaries and wages	726.192	469
Other costs for social security	12.373	8
	<u>738.565</u>	<u>477</u>
Average number of employees	<u>1</u>	<u>2</u>

3. Tax on net profit or loss for the year

Tax of the results for the year, parent company	-245.648	79
Adjustment for the year of deferred tax	0	675
Adjustment of tax for previous years	0	-497
	<u>-245.648</u>	<u>257</u>

Notes

Amounts concerning 2021/22: DKK.

Amounts concerning 2020/21: DKK thousand.

	<u>30/4 2022</u>	<u>30/4 2021</u>
4. Investments in subsidiaries		
Acquisition sum, opening balance 1 May 2021	<u>37.265</u>	<u>37</u>
Carrying amount, 30 April 2022	<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>479.841</u>	<u>28.226</u>	<u>37.265</u>
		<u>479.841</u>	<u>28.226</u>	<u>37.265</u>