

Logic Artists ApS

Bredgade 23 A, 1.

1260 København K

CVR no. 33 88 17 97

Annual report for 2020

(10th Financial year)

Adopted at the annual general
meeting on 9. April 2021

Ali Emek
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Logic Artists ApS for the financial year 1 January - 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 9 April 2021

Executive board

Ali Emek
CEO

Independent auditor's report on extended review

To the shareholders of Logic Artists ApS

Opinion

We have performed extended review of the financial statements of Logic Artists ApS for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the 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.

Independent auditor's report on extended review

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

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 extended review 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 extended review, 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.

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 Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report on extended review

Taastrup, 9 April 2021

JH Revision
Godkendt Revisionspartnerselskab
CVR no. 55 39 97 19

Frederik Bille
Statsautoriseret revisor
MNE no. mne33208

Company details

The company

Logic Artists ApS
Bredgade 23 A, 1.
1260 København K

CVR no.: 33 88 17 97

Reporting period: 1 January - 31 December 2020

Incorporated: 31 august 2011

Financial year: 10th financial year

Domicile: Copenhagen

Executive board

Ali Emek, CEO

Auditors

JH Revision
Godkendt Revisionspartnerselskab
Struergade 12, 1. th.
2630 Taastrup

Management's review

Business review

The company's purpose is the production of video games and computer games.

Financial review

The company's income statement for the year ended 31. december 2020 shows a loss of DKK 676.236, and the balance sheet at 31 December 2020 shows equity of DKK 85.598.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Logic Artists ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act for klasse B-virksomheder.

The accounting policies applied are consistent with those of last year.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less other external expenses.

Accounting policies

Revenue

Income from the sales is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external costs

Other external costs include direct cost and expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

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

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

Accounting policies

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Income tax and deferred tax

As management company, Logic Artists ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January 2020 - 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		6.157.450	6.789.687
Staff costs	1	<u>-6.859.282</u>	<u>-7.184.257</u>
Resultat før af- og nedskrivninger		-701.832	-394.570
Depreciation of property, plant and equipment		<u>-49.106</u>	<u>-17.792</u>
Profit/loss before net financials		-750.938	-412.362
Income from investments in subsidiaries		0	41.727
Financial income		0	36.759
Financial costs	2	<u>-42.646</u>	<u>-165.812</u>
Profit/loss before tax		-793.584	-499.688
Tax on profit/loss for the year		<u>117.348</u>	<u>20.223</u>
Profit/loss for the year		<u>-676.236</u>	<u>-479.465</u>
Retained earnings		<u>-676.236</u>	<u>-479.465</u>
		<u>-676.236</u>	<u>-479.465</u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		164.273	213.379
Tangible assets		164.273	213.379
Investments in subsidiaries	3	306.580	306.580
Deposits		174.355	337.889
Fixed asset investments		480.935	644.469
Total non-current assets		645.208	857.848
Trade receivables		0	896.832
Other receivables		117.781	259.512
Joint taxation contributions receivable		20.900	23.564
Prepayments		12.211	982.898
Receivables		150.892	2.162.806
Cash at bank and in hand		956.239	913.415
Total current assets		1.107.131	3.076.221
Total assets		1.752.339	3.934.069

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		80.000	80.000
Retained earnings		5.598	681.834
Equity		<u>85.598</u>	<u>761.834</u>
Other payables		0	358.343
Total non-current liabilities	4	<u>0</u>	<u>358.343</u>
Trade payables		0	1.307.423
Payables to subsidiaries		379.222	753.118
Payables to shareholders and management		0	4.385
Other payables		1.287.519	748.966
Total current liabilities		<u>1.666.741</u>	<u>2.813.892</u>
Total liabilities		<u>1.666.741</u>	<u>3.172.235</u>
Total equity and liabilities		<u>1.752.339</u>	<u>3.934.069</u>
Rent and lease liabilities	5		
Contingent liabilities	6		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	80.000	681.834	761.834
Net profit/loss for the year	0	-676.236	-676.236
Equity at 31 December 2020	<u>80.000</u>	<u>5.598</u>	<u>85.598</u>

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	6.751.950	7.079.194
Other social security costs	<u>107.332</u>	<u>105.063</u>
	<u>6.859.282</u>	<u>7.184.257</u>
Average number of employees	<u>17</u>	<u>16</u>
2 Financial costs		
Interest paid to subsidiaries	12.765	64.246
Other financial costs	12.735	88.767
Exchange loss	<u>17.146</u>	<u>12.799</u>
	<u>42.646</u>	<u>165.812</u>

Notes

	2020 DKK	2019 DKK
3 Investments in subsidiaries		
Cost at 1 January 2020	3.922.110	3.922.110
Cost at 31 December 2020	3.922.110	3.922.110
Revaluations at 1 January 2020	-3.615.530	-357.257
Revaluations for the year, net	0	-3.258.273
Revaluations at 31 December 2020	-3.615.530	-3.615.530
Carrying amount at 31 December 2020	306.580	306.580

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Cardinal Directions ApS	København	100%

4 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Other payables	358.343	0	0	0
	358.343	0	0	0

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
5 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	<u>348.710</u>	<u>339.039</u>
	<u>348.710</u>	<u>339.039</u>

6 Contingent liabilities

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Ali Emek

Som Direktør
PID: 9208-2002-2-843993119687 NEM ID
Tidspunkt for underskrift: 09-04-2021 kl.: 14:23:43
Underskrevet med NemID

Frederik Bille

Som statsautoriseret revisor
RID: 30614065 NEM ID
Tidspunkt for underskrift: 09-04-2021 kl.: 14:24:32
Underskrevet med NemID

Ali Emek

Som Dirigent
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