

Framebunker ApS

Emil Holms Kanal 14
2300 København S
CVR no. 35 23 72 75

**Annual report for the period
1 October 2020 to 30 September 2021**

Adopted at the annual general meeting on 14
March 2022

Emil Evald Johansen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report on extended review	2
Management's review	
Company details	4
Management's review	5
Financial statements	
Income statement 1 October - 30 September	6
Balance sheet 30 September	7
Statement of changes in equity	9
Notes	10
Accounting policies	13

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Framebunker ApS for the financial year 1 October 2020 - 30 September 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2021 and of the results of the company's operations for the financial year 1 October 2020 - 30 September 2021.

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

Management recommends to the company in general meeting that the financial statements for 2021/22 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

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

Copenhagen, 14 March 2022

Executive board

Emil Evald Johansen
CEO

Charles Michael Hinshaw
director

Supervisory board

Charles Michael Hinshaw
chairman

Per-Arne Lundberg

Karl Magnus Troedsson

Emil Evald Johansen

The company in general meeting has resolved that the financial statements for the coming financial year are not be audited.

Independent auditor's report on extended review

To the shareholder of Framebunker ApS

Report on extended review of the Financial Statements

Opinion

We have performed extended review of the financial statements of Framebunker ApS for the financial year 1 October 2020 - 30 September 2021, 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 30 September 2021 and of the results of the company's operations for the financial year 1 October 2020 - 30 September 2021 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 and IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We refer to note 8 in the financial statements which reflects that the company for the financial year 2020/21 realized a profit, but due to previous years loss's, the share capital is still lost and the company's liabilities as of 30th of September 2021 exceeds the company's assets. This indicates that the Company's ability to remain a going concern is associated with material uncertainty. We have not modified our opinion in respect of this matter.

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.

Report on other legal and regulatory requirements

Violation of the provisions of the Danish Companies Act regarding the duty to draw up rules of procedure

Contrary to the Danish Companies Act, the Company has not drawn up any rules of procedure. Management may incur liability in this respect.

Kgs. Lyngby, 14 March 2022

ECOMENTOR

statsautoriseret revisionsaktieselskab

CVR no. 26 06 32 21

Christian Agerholm

State Authorised Public Accountant

MNE no. mne34367

Company details

The company

Framebunker ApS
Emil Holms Kanal 14
2300 København S
CVR no.: 35 23 72 75
Reporting period: 1 October 2020 - 30 September 2021
Incorporated: 7 April 2006
Domicile: Copenhagen

Supervisory board

Charles Michael Hinshaw, chairman
Per-Arne Lundberg
Karl Magnus Troedsson
Emil Evald Johansen

Executive board

Emil Evald Johansen, CEO
Charles Michael Hinshaw, director

Auditors

ECOMENTOR
statsautoriseret revisionsaktieselskab
Engelsborgvej 31
2800 Kgs. Lyngby

Management's review

Business review

The company's aim is to run IT business, investment, trade and service.

Financial review

The company's income statement for the year ended 30 September 2021 shows a profit of DKK 360.362, and the balance sheet at 30 September 2021 shows negative equity of DKK 866.821. The resultat for 2020/2021 is positiv effected with income on DKK 258.822 from waived holiday pay from former employess.

The company has for the financial year 2020/21 realized a profit as expected, but as a result of previous years' loss, the share capital is still lost and is not reestablished. The company's liabilities as of 30th of September 2021 exceeds the company's assets. The company has debt to shareholder of DKK 995.454 which the lender has declared will not be claimed the following year and not before 30th September 2023. The financial year 2020/2021 has been a turnaround year with a focus on contracting work instead of internal games development. This is expected to continue into 2021/2022 to re-build operating capital. On this basis, it is management's assessment that the company will be able to continue operation.

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.

Income statement 1 October - 30 September

	Note	2020/21 DKK	2019/20 DKK
Gross profit	6	1.265.342	-756.138
Staff costs	2	-891.329	-4.260.840
Profit/loss before net financials		374.013	-5.016.978
Income from investments in subsidiaries		0	19.599
Financial income	3	0	14
Financial costs	4	-13.651	-23.383
Profit/loss before tax		360.362	-5.020.748
Tax on profit/loss for the year	5	0	2.420
Profit/loss for the year		360.362	-5.018.328
Distribution of profit			
Retained earnings		360.362	-5.018.328
		360.362	-5.018.328

Balance sheet 30 September

	<u>Note</u>	<u>2020/21</u> DKK	<u>2019/20</u> DKK
Assets			
Investments in subsidiaries		<u>100.000</u>	<u>100.000</u>
Fixed asset investments		<u>100.000</u>	<u>100.000</u>
Total non-current assets		<u>100.000</u>	<u>100.000</u>
Trade receivables		193.348	0
Receivables from subsidiaries		31.367	0
Other receivables		5.403	272.180
Joint taxation contributions receivable		2.420	2.420
Prepayments		<u>5.937</u>	<u>0</u>
Receivables		<u>238.475</u>	<u>274.600</u>
Cash at bank and in hand		<u>147.865</u>	<u>305.536</u>
Total current assets		<u>386.340</u>	<u>580.136</u>
Total assets		<u><u>486.340</u></u>	<u><u>680.136</u></u>

Balance sheet 30 September

	Note	2020/21 DKK	2019/20 DKK
Equity and liabilities			
Share capital		173.297	172.297
Share premium account		0	7.477.401
Retained earnings		-1.040.118	-8.876.881
Equity		-866.821	-1.227.183
Other payables		195.768	454.590
Shareholders and management		995.454	0
Total non-current liabilities	7	1.191.222	454.590
Trade payables		58.000	50.000
Payables to shareholders and management		50.000	1.045.454
Corporation tax		0	60.141
Other payables		53.939	297.134
Total current liabilities		161.939	1.452.729
Total liabilities		1.353.161	1.907.319
Total equity and liabilities		486.340	680.136
Uncertainty about the continued operation (going concern)	8		
Contingent liabilities	9		
Mortgages and collateral	10		
Special items	6		

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
Equity at 1 October 2020	173.297	7.476.401	-8.876.881	-1.227.183
Net profit/loss for the year	0	0	360.362	360.362
Transfer from share premium account	0	-7.476.401	7.476.401	0
Equity at 30 September 2021	173.297	0	-1.040.118	-866.821

Notes

	2020/21 DKK	2019/20 DKK
1 Other operating income		
Waived holiday pay, former employees	258.822	0
	258.822	0
2 Staff costs		
Wages and salaries	861.728	4.226.285
Other social security costs	29.601	34.555
	891.329	4.260.840
Average number of employees	2	9
3 Financial income		
Other financial income	0	14
	0	14
4 Financial costs		
Other financial costs	1.903	23.383
Exchange loss	3.622	0
Percentage surcharge, corporation tax	8.126	0
	13.651	23.383
5 Tax on profit/loss for the year		
Current tax for the year	0	-2.420
	0	-2.420

Notes

	<u>2020/21</u> DKK	<u>2019/20</u> DKK
6 Special items		
Waived holiday pay, former employees, Other operating income	258.822	0
	<u>258.822</u>	<u>0</u>

7 Long term debt

	Debt at 1 October 2020	Debt at 30 September 2021	Instalment next year	Debt outstanding after 5 years
Shareholders and management	0	995.454	0	0
Other payables	454.590	195.768	0	0
	<u>454.590</u>	<u>1.191.222</u>	<u>0</u>	<u>0</u>

The loan to shareholder is not expected to be repaid claimed before 30th September 2023 why it is presented as long-term debt.

Other payables consist of holiday payment which is not expected to be paid in the coming year.

8 Uncertainty about the continued operation (going concern)

The company has for the financial year 2020/21 realized a profit, but as a result of previous years' loss, the share capital is still lost and is not reestablished. The company's liabilities as of 30th of September 2021 exceeds the company's assets. The company has debt to shareholder of DKK 995.454 which the lender has declared will not be claimed the following year and not before 30th September 2023. The financial year 2020/2021 has been a turnaround year with a focus on contracting work instead of internal games development. This is expected to continue into 2021/2022 to re-build operating capital. On this basis, it is management's assessment that the company will be able to continue operation.

9 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 for the income year 2020/21 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

The company has assumed a liability to hand over a share of future income from acquired activity. The acquisition is included without value in the annual report.

Notes

10 Mortgages and collateral

The company has no mortgages or collateral.

Accounting policies

The annual report of Framebunker ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2020/21 is presented in DKK

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 and other operating income less other external expenses.

Revenue

Income from services and consulting hours is recognised in the income statement, provided that the transfer of risk, 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.

Accounting policies

Other external expenses

Other external expenses include expenses related to 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. Average number of employees is calculated based on the ATP-method.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and 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, foreign currency transactions, and allowances under the Danish Tax Prepayment Scheme, etc.

Profit/loss from investments in subsidiaries

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

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 is therefor jointly taxes with Static Sky ApS. The Company is not in a international joint taxation with the Group's foreign subsidiaries.

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.

Accounting policies

Balance sheet

Tangible assets

Items of 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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

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

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

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.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

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

Accounting policies

Cash and cash equivalents

Cash which are subject only to insignificant risks of changes in value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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 liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.