

**ANNUAL REPORT**

**1. September 2016 - 31. December 2017**

**GHOST SHIP GAMES APS**

**Njalsgade 76  
2300 København S**

**CVR-No. 37 98 98 19**

**1. Financial year**

The Annual Report was presented and  
adopted by the Annual General Meeting  
3. May 2018

Søren Lundgaard  
Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

**The Company:**

Ghost Ship Games ApS  
Njalsgade 76  
2300 København S

**Board of Directors:**

Mikkel Martin Pedersen  
Henrik Edwards  
Per Anton Westbergh

**Executive Board:**

Søren Lundgaard

**Auditors:**

Lægård Revision  
Statsautoriseret revisionsfirma  
Østerbrogade 62  
2100 København Ø

Today the Board of Directors and the Executive Board presented the Annual Report for 2016/17 for Ghost Ship Games ApS.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 3. May 2018.

**Executive Board:**

\_\_\_\_\_  
Søren Lundgaard

**Board of Directors:**

\_\_\_\_\_  
Mikkel Martin Pedersen  
(Chairman)

\_\_\_\_\_  
Henrik Edwards

\_\_\_\_\_  
Per Anton Westbergh

**To the shareholders of Ghost Ship Games ApS.****Opinion:**

We have audited the Financial Statements of Ghost Ship Games ApS for the financial year 1. September 2016 - 31. December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are 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 31. December 2017 and of the results of the Company's operations for the financial year 1. September 2016 - 31. December 2017 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' 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 rules and requirements. 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 of accounting information 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:

- 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.

**Auditor's Responsibilities for the Audit of the Financial Statements - continued:**

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.

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, 3. May 2018.  
Lægård Revision, CVR-No. 18 43 70 82  
State Authorised Public Accountants

Kurt Lægård  
State Authorised Public Accountant  
MNE-No. mne15013

**Principal activities:**

Ghost Ship Games ApS' principal activities are development and marketing of computer games.



The annual report of Ghost Ship Games ApS for 2016/ 17 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

The significant areas of the accounting policies are mentioned below.

## **GENERALLY REGARDING RECOGNITION AND MEASUREMENT**

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

## **THE INCOME STATEMENT:**

### **Gross income:**

Gross income comprises the net turnover, other operating income, development costs, grants and other external costs.

### **Revenue:**

Revenue from services is recognized in the income statement, when the service have been delivered.

**Development costs:**

Development costs are recognized in the income statement as costs in the acquisition year.

**Grants:**

Grants relating to development projects are recognized in the income statement as the expenses are held. Grants are recognized at the time when a final and binding entitlement to the grant has been obtained.

**Other operating income:**

Other operating income comprises items of a secondary activity, including profit on sale of intangible and tangible fixed assets.

**Other external costs:**

Other external costs include costs relating to sales, advertising, administration and premises.

**Staff costs:**

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

**Financials:**

Financial income and costs are recognised in the income statement, with the amounts concerning the financial year. Financial income and costs include interest and transactions in foreign currency.

**Tax on results for the year:**

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

**AKTIVER:****Intangible fixed assets:**

Acquired other similar rights are measured at cost less accumulated amortisations and impairments. Acquired other similar rights are amortized on a straight-line basis over the estimated economic useful life, which is estimated to be 5 years.

**Financial assets:**

Other receivables are measured at amortized cost, which normally corresponds to the nominal value.

**Receivables:**

Receivables are measured at amortised cost which usually equals nominal value. The value will be adjusted to meet expected losses.

**Prepayments:**

Prepayments recognized under assets include incurred expenses relating to subsequent financial years.

**Cash funds:**

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

**LIABILITIES:****Prepayments from customers:**

Received prepayments from customers, recognized under liabilities, include payments relating to revenue in subsequent years.

**Tax payable and deferred tax:**

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

**Liabilities:**

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

<u>Note</u>	<u>(16 months) 2016/17</u>
GROSS PROFIT	2.422.167
1 Staff costs	<u>-5.548.758</u>
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES	-3.126.591
Depreciation	<u>-66.667</u>
PROFIT/LOSS BEFORE INTEREST AND TAX	-3.193.258
Financial expenses	<u>-1.308</u>
PROFIT/LOSS BEFORE TAX	-3.194.565
Tax on profit for the year	<u>696.100</u>
<b>PROFIT/LOSS AFTER TAX</b>	<b><u>-2.498.465</u></b>
 <b>PROPOSED DISTRIBUTION OF PROFIT</b>	
Dividend for the year	0
Retained earnings	<u>-2.498.465</u>
<b>TOTAL DISTRIBUTION</b>	<b><u>-2.498.465</u></b>

**BALANCE SHEET AS AT 31. DECEMBER 2017**  
**ASSETS**

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<u>Note</u>	<u>31/12 2017</u>
Acquired other similar rights	<u>183.334</u>
<b>INTANGIBLE ASSETS</b>	<u>183.334</u>
Other receivables	<u>83.414</u>
<b>FINANCIAL ASSETS</b>	<u>83.414</u>
<b>NON-CURRENT ASSETS</b>	<u>266.748</u>
Deferred Tax	696.100
Other receivables	86.275
Prepayments	<u>17.000</u>
<b>RECEIVABLES</b>	<u>799.375</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>467.534</u>
<b>CURRENT ASSETS</b>	<u>1.266.909</u>
<b>TOTAL ASSETS</b>	<u><u>1.533.657</u></u>

**BALANCE SHEET AS AT 31. DECEMBER 2017**  
**LIABILITIES**

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<u>Note</u>	<u>31/12 2017</u>
Contributed capital	80.000
Retained earnings	121.535
Proposed dividend for the financial year	<u>0</u>
<b><u>EQUITY</u></b>	<b><u>201.535</u></b>
Prepayments received from customers	630.000
Trade payables	1.950
Other short-term payables	<u>700.171</u>
<b>SHORT-TERM LIABILITIES</b>	<b><u>1.332.121</u></b>
<b><u>LIABILITIES</u></b>	<b><u>1.332.121</u></b>
<b><u>LIABILITIES AND EQUITY</u></b>	<b><u>1.533.657</u></b>

Note

2 Contingent liabilities

	(16 months) 2016/17
1 <u>Staff costs</u>	
Wages and salaries	5.298.475
Pensions	46.008
Other social security contributions	38.754
Other employee costs	<u>165.521</u>
<u>TOTAL</u>	<u>5.548.758</u>
<u>Average number of full time employees</u>	<u>13</u>

## 2 Contingent liabilities

The company's total contingent liabilities amount to approx. DKK 100.000

The Company is jointly and severally liable for the corporate tax of the Group's jointly taxed income and for certain withholding tax as dividend tax and royalties tax. The total corporation tax is stated in the annual report for Ghost Ship Holding ApS CVR nr. 37 86 40 05, which is management company in relation to the joint taxation. Any subsequent corrections of joint taxation income and withholding taxes, etc. could result in the company's liability amounting to a larger amount.



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## Kurt Lægård

### Statsautoriseret revisor

På vegne af: Lægård Revision - Statsautoriseret revisionsfirma

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IP: 91.236.186.191

2018-05-04 07:54:55Z

NEM ID 

## ANTON WESTBERGH

### Bestyrelsesmedlem

På vegne af: Ghost Ship Games ApS

Serienummer: 19850209xxxx

IP: 85.194.10.2

2018-05-04 12:29:45Z



## Henrik Edwards

### Bestyrelsesmedlem

På vegne af: Ghost Ship Games ApS

Serienummer: PID:9208-2002-2-806443320933

IP: 5.57.52.55

2018-05-04 13:44:27Z

NEM ID 

## Mikkel Martin Pedersen

### Bestyrelsesformand

På vegne af: Ghost Ship Games ApS

Serienummer: PID:9208-2002-2-382589736071

IP: 62.44.134.14

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