

**ANNUAL REPORT**

**1. January - 31. December 2022**

**SHAPESCAPE APS**

**Roskildevej 100 3. mf  
2000 Frederiksberg**

**CVR-No. 41 43 63 36  
5. Financial year**

The Annual Report was presented and  
adopted by the Annual General Meeting  
13. July 2023

August Gade Johansen  
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:**

Shapescape ApS  
Roskildevej 100 3. mf  
2000 Frederiksberg

**Executive Board:**

August Gade Johansen  
Bram Wulteputte

**Auditors:**

Lægård Revision  
Statsautoriseret revisionsfirma  
Østbanegade 123  
2100 København Ø

Today the Executive Board presented the Annual Report for 2022 for Shapescape 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.

Frederiksberg, 13. July 2023.

**Executive Board:**

\_\_\_\_\_  
August Gade Johansen

  
\_\_\_\_\_  
Bram Wulteputte

**To the shareholders of Shapescap ApS.****Opinion:**

We have audited the Financial Statements of Shapescap ApS for the financial year 1. January - 31. December 2022, 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 2022 and of the results of the Company's operations for the financial year 1. January - 31. December 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 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, 13. July 2023.  
Lægård Revision, CVR-No. 18 43 70 82  
State Authorised Public Accountants

Kurt Lægård  
State Authorised Public Accountant  
MNE-No. mne15013

**Principal activities:**

Shapescape ApS' principal activities are development and marketing of computer games.

**Development in activities and financial affairs:**

The annual financial statement for 2022 has been a disappointing year in terms of income, but with savings and significant streamlining in 2023, we have reduced our expenses while simultaneously increasing our production capacity. As a result, we have managed to achieve a more stable income base compared to the explosive but short-lived growth we experienced in 2021. The company is now operating steadily with new production methods, and we do not anticipate any further changes due to the poor financial results of 2022.



The specifications to the annual report and the taxable income of Shapescape ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding medium-sized class B enterprises, with the adaptations in the presentation format and the specification level, resulting from the fact, that it is a specification booklet.

The significant areas of the accounting policies, which are presented using the same policies as last year, 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 recognised in the Income Statement, are 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 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 is reliable.

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 intangible- and 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, direct costs, grants and other external costs.

**Revenue:**

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

**Direct costs:**

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

**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.

**ASSETS:****Tangible fixed assets:**

Tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less expected residual value after the end of the asset's life.

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Assets are depreciated under the straight-line method over the expected useful lives of the assets and the scrap value:

	Operating time	Scrap value
Leasehold improvements	5 year	0%
Other plants, fixtures and equipment	3-5 year	0%

Small assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement in other operating income or other operating expenses.

**Financial assets:**

Other securities etc. which consists of listed shares and bonds, are measured at fair value at the balance sheet date. Changes in fair value are recognised as financial income or financial expenses. Unlisted investments are measured at cost.

**Receivables:**

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

**Cash funds:**

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

**LIABILITIES:****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. 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 carry forwards, 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.

**Prepayments and accrued income**

Prepayments recognized under liabilities include receivables received for profit or loss in subsequent financial years.

**Conversion of foreign currency:**

Transactions in foreign currency are translated at the exchange rates on the transaction date. Differences in exchange rates arising between the transaction date and the payment date are recognized in the income statement as financial income and expenses.

Receivables, debt and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are measured at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the time of the origin of the debt and receivables is recognized in the income statement under financial income and expenses.

<u>Note</u>	<u>2022</u>	<u>2021</u>
GROSS PROFIT	5.432.901	15.254.164
1 Staff costs	<u>-7.496.030</u>	<u>-4.164.063</u>
PROFIT FROM ORDINARY OPERATING ACTIVITIES (EBITDA)	-2.063.129	11.090.101
Depreciation, amortisation expense and impairment losses	<u>-45.542</u>	<u>-30.386</u>
PROFIT/LOSS BEFORE INTEREST & TAX	-2.108.671	11.059.715
Financial income	103.620	119.483
Financial expenses	<u>-512.377</u>	<u>-36.075</u>
PROFIT BEFORE TAX	-2.517.427	11.143.124
Tax on profit for the year	<u>193.821</u>	<u>-2.402.408</u>
<b>PROFIT/LOSS AFTER TAX</b>	<b><u>-2.323.607</u></b>	<b><u>8.740.716</u></b>
 <b>PROPOSED DISTRIBUTION OF PROFIT</b>		
Dividend for the year	0	0
Extraordinary dividend in the financial year	2.000.000	0
Retained earnings	<u>-4.323.607</u>	<u>8.740.716</u>
<b>TOTAL DISTRIBUTION</b>	<b><u>-2.323.607</u></b>	<b><u>8.740.716</u></b>

**BALANCE SHEET AS AT 31. DECEMBER 2022**  
**ASSETS**

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<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Leasehold improvements	93.477	47.218
Other fixtures and fittings, tools and equipment	0	16.020
<b>TANGIBLE ASSETS</b>	<b>93.477</b>	<b>63.239</b>
Deposits	820.353	0
2 Other investments	2.713.756	3.111.139
<b>FINANCIAL ASSETS</b>	<b>3.534.109</b>	<b>3.111.139</b>
<b>NON-CURRENT ASSETS</b>	<b>3.627.587</b>	<b>3.174.378</b>
Trade receivables	246.431	119.389
Deferred Tax	308.000	0
Other receivables	322.637	167.696
Prepayments	0	175.314
<b>RECEIVABLES</b>	<b>877.068</b>	<b>462.399</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>201.930</b>	<b>5.400.632</b>
<b>CURRENT ASSETS</b>	<b>1.078.998</b>	<b>5.863.031</b>
<b>TOTAL ASSETS</b>	<b>4.706.585</b>	<b>9.037.409</b>

**BALANCE SHEET AS AT 31. DECEMBER 2022**  
**LIABILITIES**

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<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Contributed capital	50.978	50.978
Other reserves	87.960	87.960
Retained earnings	4.316.648	8.640.254
Proposed dividend for the financial year	0	0
<b>EQUITY</b>	<b>4.455.585</b>	<b>8.779.192</b>
Provisions for deferred tax	0	4.400
<b>PROVISIONS</b>	<b>0</b>	<b>4.400</b>
Short-term tax payables	0	23.218
Other short-term payables	251.000	230.599
<b>SHORT-TERM LIABILITIES</b>	<b>251.000</b>	<b>253.817</b>
<b>LIABILITIES</b>	<b>251.000</b>	<b>253.817</b>
<b>LIABILITIES AND EQUITY</b>	<b>4.706.585</b>	<b>9.037.409</b>

Note

3 Contingent liabilities

1	Staff costs	2022	2021
	Wages and salaries	6.391.782	4.084.111
	Pensions	60.836	45.329
	Other social security contributions	5.205	6.074
	Other employee costs	1.038.206	28.549
	<b>TOTAL</b>	<b>7.496.030</b>	<b>4.164.063</b>
	<u>Average number of full time employees</u>	<u>11</u>	<u>9</u>

2	Fair value of listed securities	2022
	Value in the end of the year	2.713.756
	Unrealized loss of the year presented in the income statement	449.156

### 3 Contingent liabilities

The company's total contingent liabilities amount to approx. DKK 4.741.000.



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## Kurt Lægård

Statsautoriseret revisor

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2023-07-14 11:31:58 UTC

NEM ID 

## August Gade Johansen

Direktør og dirigent

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