

Copenhagen Game Productions ApS

c/o Blue Barn Collective, J.M.Thieles Vej 7B, 1961 Frederiksberg C

Company reg. no. 32 66 47 84

Annual report

1 May 2024 - 30 April 2025

The annual report was submitted and approved by the general meeting on the 31 October 2025.

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 2024 - 30 April 2025.

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 2025 and of the results of the Company's operations for the financial year 1 May 2024 – 30 April 2025.

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.

Frederiksberg C, 31 October 2025

Executive board

Timothy Robert May
Managing director

Dajana Dimovska
Director

The independent practitioner's report

To the Shareholders of Copenhagen Game Productions ApS

Opinion

We have performed an extended review of the financial statements of Copenhagen Game Productions ApS for the financial year 1 May 2024 - 30 April 2025, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 April 2025 and of the results of the Company's operations for the financial year 1 May 2024 - 30 April 2025 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner'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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The independent practitioner's report

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 the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the 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 the Management's Review and, in doing so, consider whether the 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 the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 in the Management's Review.

Copenhagen, 31 October 2025

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Peter Birk Stokholm

State Authorised Public Accountant
mne48468

Company information

The company

Copenhagen Game Productions ApS
c/o Blue Barn Collective
J.M.Thieles Vej 7B
1961 Frederiksberg C

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, Godkendt Revisionspartnerselskab
Lautrupsgade 11
2100 København Ø

Bankers

Nordea Bank

Subsidiary

NapNok Dooel Skopje, Macedonia

Management's review

Description of key activities of the company

The company's main activity remains the **development of original IP computer games** for modern gaming systems. Additionally, the company provides **consultancy services** within web and game development.

Performance and Financial Results

For the financial year ended April 30, 2025, the company recorded a net loss of DKK -754 thousand compared to a profit of DKK 683 thousand in the prior year.

Management views the result as **unsatisfactory but temporary**, primarily driven by necessary salary adjustments and restructuring in its QA business, increased **R&D investment, and product development activity** expected to yield future revenue growth. The company maintains **strong underlying operations** and continues to apply **strict cost control**.

- In the QA division, the target for next year is a **10% revenue increase**, with **cost growth limited to 5%**, reflecting efficiency gains.
- In the **robotics and game development division**, we expect to **launch new proprietary software next year**, which we expect to begin generating revenue. This will be partially offset by **planned investment in the associated hardware platform**. This launch and roll out has been negatively affected by the Danish tax authorities retroactive declination of previously granted R&D tax credits.

Due to continued uncertainty in the broader game development and gaming services markets, the company will **not provide projections beyond next year**. The **robotic gaming platform's post-launch performance data** will inform future forecasts.

Research and development

The company remains committed to **innovation and R&D** as the foundation of its activities. Our development projects combine **game design, robotics, and mixed-reality technology**, supporting Denmark's growing interactive entertainment industry. Management continues to believe the company's R&D expenditures **meet the legal criteria for innovation-related tax incentives**.

Status of the Tax Credit Case

The company's application for **R&D tax credits and increased deductions** has been declined by the Danish tax authorities. This decision has been **appealed**, and the case is now under consideration by the **District Court**, where an **expert technical assessment** has been requested. The process is being handled by our legal advisors. The company has received confirmation from the **Danish Tax Appeals Agency** that **all advisory costs will be reimbursed** upon completion of the proceedings. Management remains **confident in its position** and continues to pursue the matter proactively.

Events After the Reporting Period

No events have occurred after the balance sheet date that materially affect the company's financial position.

Income statement 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2024/25</u>	<u>2023/24</u>
Gross profit	252.459	1.719.770
1 Staff costs	-936.620	-944.861
Depreciation and impairment of non-current assets	-27.980	-27.980
Operating profit	-712.141	746.929
Other financial income	14.916	31.251
2 Other financial expenses	-53.309	-68.650
Pre-tax net profit or loss	-750.534	709.530
3 Tax on net profit or loss for the year	-3.246	-26.139
Net profit or loss for the year	-753.780	683.391
Proposed distribution of net profit:		
Transferred to retained earnings	0	683.391
Allocated from retained earnings	-753.780	0
Total allocations and transfers	-753.780	683.391

Balance sheet at 30 April

All amounts in DKK.

Assets			
<u>Note</u>		<u>2025</u>	<u>2024</u>
Non-current assets			
4	Other fixtures, fittings, tools and equipment	55.960	83.940
	Total property, plant, and equipment	55.960	83.940
5	Investment in group enterprise	37.265	37.265
	Total investments	37.265	37.265
	Total non-current assets	93.225	121.205
Current assets			
	Trade receivables	1.867.576	2.292.830
6	Deferred tax assets	0	3.246
	Income tax receivables	0	19.569
	Other receivables	219.398	111.567
	Prepayments	16.066	15.253
	Total receivables	2.103.040	2.442.465
	Cash and cash equivalents	835.575	1.650.031
	Total current assets	2.938.615	4.092.496
	Total assets	3.031.840	4.213.701

Balance sheet at 30 April

All amounts in DKK.

Equity and liabilities	<u>2025</u>	<u>2024</u>
<u>Note</u>		
Equity		
Contributed capital	125.004	125.004
Retained earnings	<u>2.097.565</u>	<u>2.851.345</u>
Total equity	<u>2.222.569</u>	<u>2.976.349</u>
Liabilities other than provisions		
Income tax payable	0	116.298
7 Other payables	<u>0</u>	<u>20.911</u>
Total long term liabilities other than provisions	<u>0</u>	<u>137.209</u>
Current portion of long term liabilities	22.911	33.366
Trade payables	240.998	631.620
Payables to shareholders and management	424.335	410.506
Income tax payable	90.729	0
Other payables	<u>30.298</u>	<u>24.651</u>
Total short term liabilities other than provisions	<u>809.271</u>	<u>1.100.143</u>
Total liabilities other than provisions	<u>809.271</u>	<u>1.237.352</u>
Total equity and liabilities	<u>3.031.840</u>	<u>4.213.701</u>
8 Charges and security		
9 Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 May 2024	125.004	2.851.345	2.976.349
Profit or loss for the year brought forward	<u>0</u>	<u>-753.780</u>	<u>-753.780</u>
	<u>125.004</u>	<u>2.097.565</u>	<u>2.222.569</u>

Notes

All amounts in DKK.

	<u>2024/25</u>	<u>2023/24</u>
1. Staff costs		
Salaries and wages	924.120	932.733
Other costs for social security	<u>12.500</u>	<u>12.128</u>
	<u>936.620</u>	<u>944.861</u>
Average number of employees	<u>2</u>	<u>2</u>
2. Other financial expenses		
Other financial costs	<u>53.309</u>	<u>68.650</u>
	<u>53.309</u>	<u>68.650</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	0	122.298
Adjustment for the year of deferred tax	3.246	-3.246
Adjustment of tax for previous years	<u>0</u>	<u>-92.913</u>
	<u>3.246</u>	<u>26.139</u>
	<u>30/4 2025</u>	<u>30/4 2024</u>
4. Other fixtures, fittings, tools and equipment		
Cost 1 May 2024	<u>162.300</u>	<u>162.300</u>
Cost 30 April 2025	<u>162.300</u>	<u>162.300</u>
Depreciation and write-down 1 May 2024	-78.360	-50.380
Depreciation for the year	<u>-27.980</u>	<u>-27.980</u>
Depreciation and write-down 30 April 2025	<u>-106.340</u>	<u>-78.360</u>
Carrying amount, 30 April 2025	<u>55.960</u>	<u>83.940</u>

Notes

All amounts in DKK.

	<u>30/4 2025</u>	<u>30/4 2024</u>
5. Investment in group enterprise		
Acquisition sum, opening balance 1 May 2024	37.265	37.265
Carrying amount, 30 April 2025	<u>37.265</u>	<u>37.265</u>

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity DKK	Results for the year DKK	Carrying amount, Copenhagen Game Productions ApS DKK
NapNok Dooel Skopje, Macedonia	100 %	128.463	-725.452	37.265
		<u>128.463</u>	<u>-725.452</u>	<u>37.265</u>

6. Deferred tax assets

Deferred tax assets 1 May 2024	3.246	0
Deferred tax of the net profit or loss for the year	-3.246	3.246
	<u>0</u>	<u>3.246</u>
The following items are subject to deferred tax:		
Property, plant, and equipment	0	-1.154
Current assets	0	4.400
	<u>0</u>	<u>3.246</u>

Notes

All amounts in DKK.

	<u>30/4 2025</u>	<u>30/4 2024</u>
7. Other payables		
Total other payables	22.911	54.277
Share of amount due within 1 year	<u>-22.911</u>	<u>-33.366</u>
	<u>0</u>	<u>20.911</u>

8. Charges and security

As collateral for mortgage loans, DKK 23 thousand, security has been granted on land and buildings representing a carrying amount of DKK 56 thousand at 30 April 2025.

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

As mentioned in the management review, Copenhagen Game Production ApS involved in a tax case with the Danish tax authorities concerning our application for tax credits and an increased tax-deduction for development expenses. The tax authorities have declined our application, disputing the eligibility conditions for the tax credit.

We strongly disagree with this assessment, as we are confident that our development efforts fully meet the necessary conditions, given that our work is both innovative and groundbreaking, which we firmly consider eligible for these tax incentives.

Consequently, we have actively challenged this ruling and are pursuing all available avenues to reverse this decision.

We have engaged with legal and tax advisory experts to ensure a comprehensive and thorough appeal process.

Management is committed to protecting the company's right to benefit from the incentives that support innovation within Denmark's Game development industry. We will continue to contest the decision, maintaining our view that the company's expenses meet the necessary criteria for increased tax relief.

Status of the tax credit case

The Danish Tax Agency's decision not to approve the company's tax credit has been appealed to the relevant appeals body, where we have requested an expert assessment (court-appointed technical evaluation).

The expert assessment process is currently ongoing at the District Court, with our legal advisor managing the proceedings. At present, we are awaiting the court's approval of the terms of reference and the appointment of the expert.

We have received confirmation from the Danish Tax Appeals Agency that the advisory costs related to the case will be fully reimbursed by the government once the proceedings have been concluded.

Our financial statements, as of April 30, 2025, reflect this position, as we work to resolve this matter in a manner favorable to the company and in alignment with the applicable tax regulations.

Should the company not succeed in its appeal, there is a potential liability to repay the tax credit previously claimed. Management continues to actively contest this decision, as we believe the company meets the required conditions for the tax incentives. The financial impact of this contingent liability will depend on the final outcome of the case. A potential obligation exists for a repayment of up to approximately DKK 750,000, contingent on the outcome of an ongoing tax dispute.

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.

Changes to comparative figures

The comparative figures for 2023/2024 have been changed for the following financial statement line items.

Other payables are changes from DKK 517 thousand to DKK 25 thousand and trade payables are changed from DKK 550 thousand to DKK 632 thousand. Furthermore, payables to shareholders and management are changed from DKK 0 thousand to DKK 411 thousand.

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, write-downs 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.

Accounting policies

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.

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 write-down 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, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and 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. Revenue is measured at the fair value of the consideration promised 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 external expenses comprise expenses incurred for distribution, sales, advertising, administration and premises.

Accounting policies

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets, respectively.

Results from investment in group enterprise

Dividend from investment in group enterprise is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

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.

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

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

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.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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.

Accounting policies

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.

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.