



Copenhagen, 18 September 2020

5th Planet Games A/S

INTERIM REPORT 1st half year 2020

Six months ended 30 June 2020

CEO-letter: Financial result as expected in H1 2020

For 5th Planet Games, the primary focus in the first half of 2020 has been on the development of our key mobile game title, Tintin Match based on the Adventures of Tintin, which was released on August 31, 2020. Furthermore, H1 2020 was also our first H1 with a reduced cost base after the close down of our other studios.

Our other two titles in development, Doodle Jump Adventure (working title) and Vikings (working title) are being developed external to the company.

“Nyah Huston”, our 5th Casino game, was launched together with our partner Play’n Go on July 2nd, 2020. Due to the Olympics being moved to 2021, where skateboarding was on the program for the first time and Nyjah Huston should have participated as a gold medal favorite, then we expect lower performance on the Nyjah Huston game this year than expected. However we maintain our overall expectations for our casino games as Covid 19 have had a positive influence on the performance on the 4 Hugo Casino Games we have in the market together with our partner Play’n GO.

Another main focus in the first half year has been to secure Strategic Financing. This has been done successfully through a capital increase in July 2020 (raise of gross NOK 45m), which now secure the operations for the company in the medium future.

5th Planet Games A/S’ is working towards a two-step strategy. Short-term the focus is on continuing to run and develop our cost efficient studio and minimize time to market, utilize our Business Development to license global IPs for both our own studio and development partners in order to expand our market coverage, reduce our risk and achieve profitability – a necessary foundation for our long term strategy.

5th Planet Games A/S’ long term strategy continues to be focused on consolidating the market through acquisitions of sub-scale studios, i.e. developers with annual revenue of less than USD 10m. We see huge potential in consolidating companies under 5th Planet Games A/S’ position as a listed company. However, an important element for being successful as a consolidator is being profitable.



We expect our two external games Doodle Jump Adventure (working title) and Vikings (working title) to be released later this year if we get a greenlight on the games by the IP owners.

We appreciate the continuous dedication of our shareholders, and our strengthened team is committed to a deliver a focused effort bringing strong success to 5th Planet Games!

Henrik Nielsen

CEO, 5th Planet Games A/S



Key figures and financial performance

DKK '000	H1 2020	H1 2019	FY 2019
Revenue	1,636	1,066	2,180
Gross profit	1,535	986	2,044
Loss before special items (EBITDA)	-6,502	-7,432	-17,814
Operating profit/loss (EBIT)	-6,654	-8,505	-18,391
Net Financials	-314	38	-126
Loss from discontinued operations	-	-3,526	-15,866
Net loss for the year	-6,159	-10,694	-32,223
Total assets	9,731	34,182	13,267
Investments other equipment	-	65	149
Capitalized and expenses costs development	7,689	10,316	18,381
Equity	3,718	21,900	6,972

Revenue for H1 2020 amounted to DKK 1.6m, a 53% increase from DKK 1.1m in H1 2019 (continued operations).

Gross profit for H1 2020 amounted to DKK 1.5m, a 56% increase from DKK 1.0m in H1 2019 (continued operations).

Costs for H1 2020 decreased by DKK 0.4m for continued operations.

- Development expenses in H1 2020 amounted to DKK 4.1m (H1 2019: DKK 3.4m).
- Other costs decreased by DKK 0.9m mainly due cost reduction in the Copenhagen office

EBITDA before special items was a loss of DKK 6.5m in H1 2020 (H1 2019: loss of DKK 7.4m for continued operations). The decrease was mainly driven by cost reduction in the Copenhagen office.

Depreciation and Amortization charges for H1 2020 amounted to DKK 0.2m (H1 2019: DKK 1.1m for continued operations).

EBIT was a loss of DKK 6.6m in H1 2020 against a loss of DKK 8.5m in H1 2019 (for continued operations).

Net financials were a loss of DKK 0.3m, covering financial income and expenses from exchange rate adjustments, financial expenses to cash accounts in bank and calculated interest according to IFRS 16.

Loss before tax amounted to DKK 7.0m in H1 2020 (H1 2019: loss of DKK 8.5m for continued operations). Tax for the period was an income of DKK 0.3m leading to a **net loss** for the period of DKK 6.7m (H1 2019: loss of DKK 7.2m for continued operations).

Net loss for total operations for H1 2020 amounted to DKK 6.2 against a net loss of DKK 10.7m in H1 2019.



Cash flows from operating activities remaining negative

Cash flows from operating activities was an outflow of DKK 4.8m in H1 2020 (H1 2018: outflow of DKK 10.3m) and the cash flows from investment activities (mainly game development) was DKK 0.0 as all development has been expensed (H1 2019: DKK 3.6m). Cash flows from financing activities were 1.2m from issued convertible notes and repayment of lease liabilities.

The **cash position** as of 30 June 2020 amounted to DKK 2.2m (H1 2019: DKK 6.3m).

The Group's equity as of 30 June 2020 amounted DKK 3.7m. The equity ratio was 38% on 30 June 2020.

Equity / Capital increases:

There have been issued convertible loans for DKK 1.7m in H1 2020 and there has been loan conversion for DKK 1.6m in H1 2020

Events occurring after the balance sheet date.

In July 2020, a Right Issue has been completed with a gross proceeds of NOK 45m and a net proceed after repayment of convertible loan and cost on NOK 32.5m (DKK 22.5m).

Financial guidance

With the lower cost base and with "The Adventures of Tintin" launched 31st August 2020 we expect the net result for financial year 2020 to be significantly better than in 2019. How much better depends mainly of the success of "The Adventures of Tintin" which for the moment is very difficult to estimate with reasonable certainty.

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, changes in the mobile game market, market acceptance of new products as well as development delays and disputes regarding licensing agreements about use of IP rights.



5th Planet Games at a glance

- An international, publicly traded games development company founded in 2011.
- A company that creates, develops and publishes mobile and web-based games globally.
- Strong portfolio of games available on iOS and Android.
- Truly passionate about games and committed to making titles that will engage and bring genuine joy to people for years.
- Enters into strategic partnerships with global IP holders for increased visibility, awareness and games performance

5th Planet Games A/S

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the interim report for the period 1 January - 30 June 2020 of 5th Planet Games Group.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies. The interim report has been subject to review.

In our opinion, the interim report gives a true and fair view of the 5th Planet Games Groups' assets, liabilities and financial position at 30 June 2020, and of the results of the 5th Planet Games Group's operations and cash flows for the period 1 January - 30 June 2020.

We also find that the management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period and the financial position of the Group, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 18 September 2020

Executive Board

Henrik Nielsen
CEO

Board of Directors

Caspar Rose
Chairman

Henrik Nielsen

Peter Ekman



Independent Auditors' review report

To the shareholders of 5th Planet Games A/S

We have reviewed the interim consolidated financial statements of Hugo Games A/S for the period 1 January 2019 – 30 June 2020 comprising income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity as well as selected explanatory notes, including summary of significant accounting policies (pages 8-14).

The Board of Directors' and the Management's responsibility for the interim consolidated financial statements

The Board of Directors and the Management are responsible for the preparation of interim consolidated financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with ethical requirements.

A review of interim consolidated financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements for the period 1 January 2020 – 30 June 2020 are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies.

Copenhagen, 18 September 2020

Grant Thornton

Statsautoriseret Revisionspartnerselskab

Ulrik Bloch-Sørensen
State Authorised Public Accountant

Martin Bomholtz
State Authorised Public Accountant



Consolidated statement of comprehensive income

DKK'000	Note	H1 2020	H1 2019	2019
Revenue		1,636	1,066	2,180
Costs of sales		101	80	136
Gross Profit		1,535	986	2,044
Research and development costs		4,131	3,402	9,222
Marketing expenses		60	68	304
Other expenses		3,846	4,948	10,332
Loss before special items, depreciation and amortisation (EBITDA)		-6,502	-7,432	-17,814
Special items		-	-	-306
Depreciation and amortisation		152	1,073	883
Operating loss (EBIT)		-6,654	-8,505	-18,391
Financial income		1	128	31
Financial expenses		315	90	157
Loss before tax		-6,968	-8,467	-18,517
Tax on loss for the year		-809	-1,299	-2,160
Net loss for the year		-6,159	-7,168	-16,357
Loss for the year from discontinued operations		-	-3,526	-15,866
		-6,159	-10,694	-32,223
Other comprehensive income		-	-	-38
Comprehensive income		-6,159	-10,694	-32,261
Distribution of comprehensive income:				
Parent company's shareholders		-6,159	-10,750	-32,317
Non-controlling interests		-	56	56
Total		-6,159	-10,694	-32,261
Earnings per share:				
From Continued operations (DKK)	2	-0.103	-0.145	-0.339
From discontinued operations (DKK)	2	-	-0.071	-0.329
Total DKK)		-0.103	-0.216	-0.668



Consolidated balance sheet

DKK'000	Note	30.06.2020	30.06.2019	31.12.2019
Non-current assets				
Completed development projects		0	40	0
Acquired rights		0	3,744	0
Goodwill		0	5,567	0
Development projects in progress		0	5,210	0
Plant and equipment		0	291	0
Other equity investments		92	0	118
Right-of-use assets		859	2,445	985
Income tax receivables		865	2,295	0
Total non-current assets		1,816	19,592	1,103
Current Assets:				
Trade receivables		480	765	620
Income tax receivable		5,075	4,036	5,075
Other receivables		89	415	181
Prepayments		0	818	16
Cash		2,271	8,556	6,272
Total current assets		7,915	14,590	12,164
Total assets		9,731	34,182	13,267

EQUITY AND LIABILITIES

DKK'000	Note	30.06.2020	30.06.2019	31.12.2019
Equity:				
Share capital		3,066	25,528	2,687
Reserves		0	5,428	0
Retained earnings		652	-9,056	4,285
Total Equity	3	3,718	21,900	6,972
Non-current liabilities				
Lease liabilities		659	1,328	783
Other Payables		1,494	0	2,054
Total non-current liabilities		2,153	1,328	2,837
Current liabilities				
Lease liabilities		243	1,151	235
Provisions		0	5,460	0
Related parties		0	0	47
Trade payables		1,565	981	597
Other payables		2,052	3,362	2,579
Total current liabilities		3,860	10,954	3,458
Total Liabilities		6,013	12,282	6,295
Total equity and liabilities		9,731	34,182	13,267



Consolidated statement of changes in equity

DKK '000	Reserves						Planet Games shareholder's	Non-controlling interests	Total equity
	Share capital	Share premium	Convertible loan	Reserve Capitalised Development costs	Other reserves	Retained earnings			
Equity as at 01.01.2020	2,685	0	0	0	-2,451	6,738	6,972	0	6,972
Net Loss						-6,159	-6,159	0	-6,159
Other comprehensive income						0	0		0
Comprehensive income	0	0	0	0	0	-6,159	-6,159	0	-6,159
Capital increases by									
loan conversion	381	1,166	-1,547				0		0
Convertible loans issued			1,675				1,675		1,675
Costs related to capital increase					-338		-338		-338
Share-based payment						1,568	1,568		1,568
Transfer of reserves		-1,166	-128		2,789	-1,495	0		0
Transactions with owners	381	0	0	0	2,451	73	2,905	0	2,905
Equity as at 30.06.2020	3,066	0	0	0	0	652	3,718	0	3,718
Equity as at 01.01.2019	21,761	0	0	0	1,652	3,280	26,693	-56	26,637
Net Loss						-10,750	-10,750	56	-10,694
Other comprehensive income						-9	-9	0	-9
Comprehensive income	0	0	0	0	0	-10,759	-10,759	56	-10,703
Capital Increase	3,767	233					4,000		4,000
Costs related to capital increase		-15					-15		-15
Share-based payment						1,981	1,981		1,981
Transfer of reserves		0			3,558	-3,558	0		0
Transactions with owners	3,767	218	0	0	3,558	-1,577	5,966	0	5,966
Equity as at 30.06.2019	25,528	218	0	0	5,210	-9,056	21,900	0	21,900



Consolidated cash flow statement

DKK'000	H1 2019	H1 2018	FY2019
Loss before tax	-6,968	-13,002	-37,299
Depreciation, amortisation and impairment losses	152	1,628	12,706
Share-based payments	1,568	1,981	5,116
Financial income, reversed	-1	-128	-31
Financial expenses, reversed	315	90	438
Change in working capital	82	-831	-4,519
Operating cash flow	-4,852	-10,262	-23,589
Financial income, received	1	17	31
Financial expenses, paid	-40	-90	-94
Income tax paid/received	-56	-56	3,968
Cash flow generated from operations	-4,947	-10,391	-19,684
Purchase of equipment	0	0	-149
Investment in intangible assets	0	-3,558	0
Cash flow from investing activities	0	-3,558	-149
Proceeds from cash capital increase	0	3,983	0
Proceeds convertible loans	1,337	0	7,479
Lease liabilities, repayment	-116	-476	-215
Cash flow from financing activities	1,221	3,507	7,264
Total cash flow for the period	-3,726	-10,442	-12,569
Cash, beginning of period	6,272	18,895	18,895
Net foreign exchange difference	-275	103	-54
Cash, end of period	2,271	8,556	6,272



1. Basis of preparation

The interim report has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

The interim report does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

Significant accounting estimates and judgments

The most significant accounting estimates and judgments in the interim consolidated financial statements remain unchanged compared to those used in Annual Report 2019. The principles and key assumptions are described in the Annual Report 2019 in note 2.

2. Earnings per share

DKK'000	Continued operations			Discontinued operations		
	H1 2020	H1 2019	FY 2019	H1 2020	H1 2019	FY 2019
Net loss for the period	-6,159	-7,168	-16,357	-	-3,526	-15,866
Average number of shares (in thousands)	59,810	49,496	48,235	-	49,496	48,235
Average number of treasury shares	0	0	0	-	0	0
Average number of shares in circulation	59,810	49,496	48,235		49,496	48,235
Diluted average number of shares in circulation	59,810	49,496	48,235	-	49,496	48,235
Earnings per share of DKK 0,05 each (in DKK)	-0.103	-0.145	-0.339	-	-0.071	-0.329
Diluted earnings per share of DKK 0,05 each (in DKK)	-0.103	-0.145	-0.339	-	-0.071	-0.329



3. Equity and Convertible loan

Convertible loan Formue Nord Fokus:

DKK'000	H1 2020	
Issued as at 01.01.2020		5.929
Issued during the period		1.675
Total issued as at 30.06.2020		7.604
Conversation of loans to shares during the period:		
	Shares	DKK'000
Conversation as at 01.01.2019	2.678.808	1.069
Conversation during the period	7.582.200	1.547
Total Conversation as at 30.06.2020	10.261.008	2.616
Outstanding amount as at 30.06.2020 (TNOK 6,352)		4.988

According to Company announcement 33-2020 of 3rd July 2020 it is decided to repay the loan including a repayment premium of NOK 635,215 (DKK 440.585); Total NOK 6,987,363 (DKK 4.846.434) has been repaid. The Repayment is a part of the agreements regarding Right Issue agreed on the same date 3rd July 2020 and the loan is recorded as Equity.

Capital resources

As mentioned below under events occurred after the balance sheet date the company has resolved a Rights Issue. According to most recent budgets and plans the existing capital resources are sufficient to continue the operation until June 30th, 2021.

Events occurring after the balance sheet date

On the 3rd July it was decided to offer a Right Issue of minimum 35,000,000 offer shares and maximum 45,000,000 offer shares at a Subscription Price of NOK 1.00 per Offer Share with Subscription Rights for Existing Shareholders.



The result was announced in Company announcement 40-2020 of 24th July 2020 and the company received subscriptions for approximately 83 million shares in the Right issue. Hence, the maximum number of shares of 45,000,000 was issued and the company received gross proceeds of NOK 45,000,000 (DKK 31.212.000).

After repayment of convertible loan and costs connected to the Rights Issue the company has received a net cash proceed of NOK 32.5m (DKK 22.5m).