



Copenhagen, 23 September 2021

5th Planet Games A/S

INTERIM REPORT 1st half year 2021

Six months ended 30 June 2021

CEO-letter: H1 Financial Results Prompt exciting new direction for 5PG

For 5th Planet Games, the primary focus in the first half of 2021 has been on 3 things:

- *Improving our key mobile game title, Tintin Match3 based on the Adventures of Tintin, which was released on August 31, 2020.*
- *Development of our new mobile Lego Match3 game.*
- *Finalizing the development of Vikings (working title) that has been developed external to the company.*

We have not achieved the level of success on these mobile titles that we want, and so have decided instead to focus on our partnership with Skybound.

Another main focus in the first half year has been to secure Strategic Financing. This has now been done successfully through a capital increase in September 2021 with Skybound Entertainment, which now secures the operations for the company for the long-term.

Following the closing of Skybound Entertainments NOK 86m investment in 5PG over the next two years, much work has been done in recent weeks on the strategy behind this investment. The strategy will initially focus on three pillars, all of which were outlined by Interim CEO Mark Stanger in an investor call on 14th Sept 2021, in summary the initial strategy will focus on:

- 1. 5PG mirroring the games publishing strategy of Skybound Games and coordinating publishing activity across the EMEA markets from its head office in Copenhagen.*
- 2. Looking at the broader range of products currently offered by Skybound and assessing their viability in the EMEA markets, these product categories include tabletop games (board games), merchandise, comics and graphical novels.*
- 3. Working in partnership with Skybound to review potential Nordic partnerships in terms of games development and IP. With its wide network and extensive history in the Nordic markets, 5PG will lead this initiative on behalf of the partnership.*

5PG and Skybound have identified the first two IPs from Skybound's rich catalogue of content, that will be the initial focus of their publishing efforts, the IPs are the recently released PC 'Before Your Eyes' and the global hit, 'The Walking Dead'.

Mark Stanger, CEO, 5th Planet Games A/S



Key figures and financial performance

DKK '000	H1 2021	H1 2020	FY 2020
Revenue	3.320	1.636	3.919
Gross profit	2.691	1.535	3.432
Loss before special items (EBITDA)	-14.521	-6.502	-15.297
Operating profit/loss (EBIT)	-14.671	-6.654	-15.606
Net Financials	233	-314	-777
Net loss for the year	-12.797	-6.159	-14.261
Total assets	16.448	9.731	27.380
Investments other equipment	-	65	149
Capitalized and expenses costs development	8.218	4.131	10.006
Equity	10.674	3.718	20.889

Revenue for H1 2021 amounted to DKK 3.3m, a 103% increase from DKK 1.6m in H1 2020.

Gross profit for H1 2021 amounted to DKK 2.7m, a 75% increase from DKK 1.5m in H1 2020.

Costs for H1 2021 increased by DKK 9,2m.

- Development expenses in H1 2021 amounted to DKK 8.2m (H1 2020: DKK 4.1m).
- Marketing expenses increased in H1 2021 by DKK 3.2m mainly due to marketing for the Tintin Game
- Other expenses increased in H1 2021 by DKK 1.9m mainly due cost reduction in the Copenhagen office

EBITDA before special items was a loss of DKK 14.7m in H1 2021 (H1 2020: loss of DKK 6.5m). The increase was mainly driven by development and marketing costs.

Net financials were an income of DKK 0.2m, covering financial income from exchange rate adjustments, financial expenses to cash accounts in bank and calculated interest according to IFRS 16.

Loss before tax amounted to DKK 14.4m in H1 2021 (H1 2020: loss of DKK 7.0m). Tax for the period was an income of DKK 1.6m leading to a **net loss** for the period of DKK 12.8m (H1 2020: loss of DKK 6.2m).

Cash flows from operating activities remaining negative

Cash flows from operating activities was an outflow of DKK 12.7m in H1 2021 (H1 2020: outflow of DKK 4.9m) and the cash flows from investment activities (mainly game development) was DKK -0.0 as all development has been expensed (H1 2020: DKK 0.0m). Cash flows from financing activities were DKK -0.1m from and repayment of lease liabilities.

The **cash position** as of 30 June 2021 amounted to DKK 11.0m (H1 2020: DKK 2.3m).



The Group's equity as of 30 June 2021 amounted DKK 10.7m. The equity ratio was 65% on 30 June 2021.

Events occurring after the balance sheet date.

In September 2021, a Private Placement has been completed with a gross proceeds of NOK 86m over the coming two years with Skybound Entertainment. On 7th September 2021 the first part of this was paid with 13m NOK. For further information, please see stock announcement 13-2021.



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 2021 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 2021, and of the results of the 5th Planet Games Group's operations and cash flows for the period 1 January - 30 June 2021.

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, 23 September 2021

Executive Board

Mark Stanger
CEO

Board of Directors

Jon Goldman
Chairman

Henrik Nielsen

David Alpert

Søren Kokbøl Jensen



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 2021 – 30 June 2021 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 2021 – 30 June 2021 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, 23 September 2021

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 2021	H1 2020	2020
Revenue		3.320	1.636	3.919
Costs of sales		629	101	487
Gross Profit		2.691	1.535	3.432
Research and development costs		8.218	4.131	10.006
Marketing expenses		3.237	60	1.669
Other expenses		5.757	3.846	7.054
Loss before special items, depreciation and amortisation (EBITDA)		-14.521	-6.502	-15.297
Special items		-	-	0
Depreciation and amortisation		150	152	309
Operating loss (EBIT)		-14.671	-6.654	-15.606
Financial income		313	1	117
Financial expenses		80	315	894
Loss before tax		-14.438	-6.968	-16.383
Tax on loss for the year		-1.641	-809	-2.134
Net loss for the year		-12.797	-6.159	-14.249
Other comprehensive income		-	-	-12
Comprehensive income		-12.797	-6.159	-14.261
Distribution of comprehensive income:				
Parent company's shareholders		-12.797	-6.159	-14.261
Total		-12.797	-6.159	-14.261
Earnings per share:				
From Continued operations (DKK)	2	-0,120	0,103	-0,186
From discontinued operations (DKK)	2	-	-	-
Total DKK)		-0,120	0,103	-0,186



Consolidated balance sheet

DKK'000	Note	30.06.2021	30.06.2020	31.12.2020
Non-current assets				
Plant and equipment		71	92	95
Right-of-use assets		607	859	733
Income tax receivables		1,664	865	0
Total non-current assets		2,342	1,816	828
Current Assets:				
Trade receivables		828	480	633
Income tax receivable		2,196	5,075	2,196
Other receivables		50	89	57
Cash		11,032	2,271	23,666
Total current assets		14,106	7,915	26,552
Total assets		16,448	9,731	27,380

EQUITY AND LIABILITIES

DKK'000	Note	30.06.2021	30.06.2020	31.12.2020
Equity:				
Share capital		5,316	3,066	5,316
Retained earnings		5,358	652	15,573
Total Equity		10,674	3,718	20,889
Non-current liabilities				
Lease liabilities		400	659	532
Other Payables		930	1,494	1,488
Total non-current liabilities		1,330	2,153	2,020
Current liabilities				
Lease liabilities		260	243	251
Received prepayments		0	0	86
Trade payables		1,394	1,565	1,374
Other payables		2,790	2,052	2,760
Total current liabilities		4,444	3,860	4,471
Total Liabilities		5,774	6,013	6,491
Total equity and liabilities		16,448	9,731	27,380



Consolidated statement of changes in equity

DKK '000	Reserves						Total Equity
	Share capital	Share premium	Convertible loan	Reserve Capitalised Development costs	Other reserves	Retained earnings	
Equity as at 01.01.2021	5.316	0	0	0	0	15.573	20.889
Net Loss						-12.797	-12.797
Other comprehensive income						0	0
Comprehensive income	0	0	0	0	0	-12.797	-12.797
Capital increases by							
'loan conversation							0
Convertible loans issued							0
Costs related to capital increase							0
Share-based payment						2.582	2.582
Transfer of reserves							0
Transactions with owners	0	0	0	0	0	2.582	2.582
Equity as at 30.06.2021	5.316	0	0	0	0	5.358	10.674
Equity as at 01.01.2020	2.685	0	0	0	-2.451	6.738	6.972
Net Loss						-6.159	-6.159
Other comprehensive income						0	0
Comprehensive income	0	0	0	0	0	-6.159	-6.159
Capital increases by							
'loan conversation	381	1.166	-1.547				0
Convertible loans issued			1.675				1.675
Costs related to capital increase						-338	-338
Share-based payment						1.568	1.568
Transfer of reserves		-1.166	-128		2.789	-1.495	0
Transactions with owners	381	0	0	0	2.451	73	2.905
Equity as at 30.06.2020	3.066	0	0	0	0	652	3.718



Consolidated cash flow statement

DKK' 000	H1 2021	H1 2020	FY2020
Loss before tax	-14,438	-6,968	-16,383
Depreciation, amortisation and impairment losses	150	152	309
Share-based payments	2,582	1,568	2,988
Financial income, reversed	-313	-1	-117
Financial expenses, reversed	80	315	894
Change in working capital	-782	82	673
Operating cash flow	-12,721	-4,852	-11,636
Financial income, received	0	1	2
Financial expenses, paid	-80	-40	-894
Income tax paid/received	-23	-56	5,013
Cash flow generated from operations	-12,824	-4,947	-7,515
Purchase of equipment	0	0	-34
Investment in intangible assets	0	0	0
Cash flow from investing activities	0	0	-34
Proceeds from cash capital increase	0	0	27,920
Proceeds convertible loans	0	1,337	1,675
Repayment convertible loan			-4,405
Lease liabilities, repayment	-123	-116	-235
Cash flow from financing activities	-123	1,221	24,955
Total cash flow for the period	-12,947	-3,726	17,406
Cash, beginning of period	23,666	6,272	6,272
Net foreign exchange difference	313	-275	-12
Cash, end of period	11,032	2,271	23,666



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 2020.

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 2020.

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 2020. The principles and key assumptions are described in the Annual Report 2020 in note 2.

2. Earnings per share

DKK´000	H1 2021	H1 2020	FY 2020
Net loss for the period	-12.797	-6.159	-14.249
Average number of shares (in thousands)	106.318	59.810	76.799
Average number of treasury shares	0	0	0
Average number of shares in circulation	106.318	59.810	76.799
Diluted average number of shares in circulation	106.318	59.810	76.799
Earnings per share of DKK 0,05 each (in DKK)	-0,120	-0,103	-0,186
Diluted earnings per share of DKK 0,05 each (in DKK)	-0,120	-0,103	-0,186



Capital resources

As mentioned below under events occurred after the balance sheet date, the company has resolved a capital increase of DKK 9.5m DKK the 7th September 2021 as part of agreed capital increase of totally approximately DKK 66m DKK in cash over the coming two years. 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 7th of September an Extra Ordinary General Meeting was held and an investment of USD 10,5 in cash from Skybound against issue of 151,744,355 shares was approved.

According to this agreement the share capital the 7th September 2021 was increased by 1,083,888.25 DKK after a cash payment of 9.5 DKK.

The result from the Extra ordinary General Meeting was announced in Company announcement 15-2021 of 7 September 2021.