

5th Planet Games A/S
Gothersgade 11, 1123 Copenhagen K
CVR no. DK 33 59 71 42

Annual report 2021

Approved on general meeting 26 April 2022

Chairman of the meeting

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5TH PLANET GAMES AT-A-GLANCE

- An international, publicly traded games publishing and development company founded in 2011.
- A company that creates, develops, and publishes games on a global basis.
- Strong portfolio of titles available across all platforms.
- Truly passionate about games and committed to making and publishing 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.
- Focused on games of the highest quality and a publishing function managed by an experienced executive team from Europe and the USA

CEO LETTER

I was appointed as Interim CEO of 5th Planet Games A/S in September 2021 having most recently served as EMEA General Manager and VP of Sales and Operations at Skybound Entertainment. I arrived at 5th Planet Games with over 25 years' experience in the European Video Games Market, my work largely focused on sales, distribution, and licensing.

With regard to the 2021 financial results; whilst I am obviously disappointed to report another year of loss-making operations, overall, I feel extremely positive about the business and will outline the reasons for this positive outlook here.

Reducing costs and re-focusing our efforts - after a detailed internal review, the decision was made in late September 2021 to close our studio in Berlin. This decision sees us reduce the operating costs of the business to historically low levels and allows us to focus on developing a more compelling pipeline of content, not just focused on mobile, but for all available games' platforms globally. I am particularly pleased to report that all the employees of the Berlin studio were able to secure new positions without delay.

Completing our investment agreement with Skybound Games Studios— in early September we were able to announce the closing of our investment agreement with Skybound Entertainment. This agreement not only brings significant new investment into the business, it delivers two proven, world-class IPs in the form of *Before Your Eyes* and the global hit *The Walking Dead*, but just as importantly it brings experienced and talented new board members into 5th Planet Games in Jon Goldman and David Alpert. 2022 will also see the next two tranches of Skybound's cash investment into 5th Planet Games which will total around USD 4,500,000 or DKK 29,000,000.

The performance of our back catalogue and our first new game – we continue to proactively manage our existing back catalogue of mobile games, and indeed secured new distribution agreements for several titles before the close of 2021; our mobile back catalogue continues to make a profitable contribution to the business and in *Hugo* we have another IP that continues to attract attention from new licensing and distribution partners. The first live game to come out of the agreement with Skybound, *Before Your Eyes*, continues to win critical acclaim, sales are ahead of forecast, and we have exciting new distribution agreements currently being closed.

Building a compelling pipeline of new publishing opportunities – in conjunction with the team at Skybound Games Studios we have already built a compelling pipeline of new potential publishing opportunities and have been working hard to close these opportunities as soon as possible; these new opportunities cover a range of different game genres and platforms, but they are all under-pinned by quality and have been validated by a proven and experienced evaluation and production team. I genuinely look forward to announcing details of these publishing opportunities in the coming weeks, months, and years; collectively, they are truly transformational for our business.

So, in summary, my positive outlook comes from the work that myself, the board, and the management team have done in late 2021, and starting 2022 with costs at an all-time low, a strong cash position, profitable products in the market and some truly exciting opportunities ahead of us.

Yours sincerely

Mark Stanger – Interim CEO, 5th Planet Games A/S, 4 April 2022.

BUSINESS DEVELOPMENT

In 2021 it was decided to stop all further development on the Viking game, close down the Berlin office, and stop all further development on the new Tintin and Lego games.

Following the investment agreement with Skybound Games Studio a co-publishing agreement on the new game *Before Your Eyes* now is a part of the game portfolio and we continue to focus on that, plus the back catalogue of mobile content already deployed.

OUTLOOK

Following the investment agreement with Skybound Games Studio we expect significant increase in revenue and improvement in EBITDA. Revenue is estimated to increase to a level of DKK 10-20m in 2022 while the EBITDA is expected to increase to a level of DKK-5-1m.

The Company has entered into investment agreement with Skybound which for 2022 and 2023 can have some significant impact on financial income and cost. Therefore, the company cannot estimate the net result for 2022. Reference is made to "Accounting impact FY 2022-2023 of the Skybound investment agreement" on page 7.

FINANCIAL REVIEW

It has been a year with focus on capital structure and cost control. The capital structure for the company has been secured with general meeting approval on 7 September 2021 of the investment agreement with Skybound Games Studios. The cost control has been secured by the close of the development activities in the Berlin office.

Skybound investment agreement:

The investment agreement with Skybound Games Studios secures an investment of around USD 10.5m over two years against an ownership of 58.8% (all else being equivalent).

The details from the investment agreement with Skybound Games Studios was announced on 10 August 2021 (approved on general meeting on 7 September 2021) and the main elements are:

Principal Investment Structure – NOK 92,515,500 (equivalent to USD 10.5 million)

The investment structure as set out in the investment agreement, which is contingent on the approval of the transaction by 5th Planet Games' shareholders at the general meeting (as defined below) and certain other conditions, will take place in the following four tranches over up to a two-year period (each, a "Tranche"):

- Tranche 1 subscription: Shortly after the general meeting, Skybound Games will subscribe for 21,677,765 shares of nominal DKK 0.05 at a subscription price of NOK 0.60968, total NOK 13,216,500 (equivalent to USD 1,500,000) against cash payment. Tranche 1 has been executed.
- Tranche 2 subscription: No later than 12 May 2022, Skybound Games will subscribe for 36,129,608 shares of nominal DKK 0.05 at a subscription price of NOK 0.60968, total NOK 22,027,500 (equivalent to USD 2,000,000) against cash payment.
- Tranche 3 subscription: No later than 51 weeks after the general meeting, Skybound Games will subscribe for 43,355,530 shares of nominal DKK 0.05 at a subscription price of NOK 0.60968, total NOK 26,433,000 (equivalent to USD 3,500,000) against cash payment.
- Tranche 4 subscription and exercise: At the general meeting, Skybound Games will subscribe for 50,581,452 warrants, each warrant entitling Skybound Games to subscribe for 1 share of nominal DKK 0.05, against an exercise price of NOK 0.60968, total NOK 30,838,500 (equivalent to USD 3,500,000). Skybound Games has contractually committed to exercising these warrants for a cash payment within 24 months of the general meeting.

Immediately following the general meeting and the completion of the Tranche 1 subscription, the total number of issued shares in 5th Planet Games is 127,995,975 and Skybound Games holds 21,677,765 shares in 5th Planet Games, which is equivalent to 16.94% of the outstanding and issued share capital of 5th Planet Games. This is also status a per 31 December 2021.

After completion of Tranches 1-4, the total number of shares in 5th Planet Games will, all else being equal, be 258,062,565 and Skybound Games will have subscribed for 151,744,355 shares in 5th Planet Games equivalent to 58.8% of its outstanding and issued share capital, assuming no other changes to the share capital.

All else being equal, following completion of Tranche 2 as set out above, Skybound Games will pass the threshold of 33% ownership as set out in the Danish Capital Markets Act and be obligated to make a mandatory offer to all shareholders in 5th Planet Games for all issued shares in 5th Planet Games at the same price as in the Tranche 2 subscription (NOK 0.60968 per share of nominal DKK 0.05).

Additional Warrants and Other Significant Items

Milestone Warrants

In addition to the Tranches described above, Skybound Games has the right to subscribe for 31,103,882 warrants, each warrant entitling Skybound Games to subscribe for one share of nominal DKK 0.05 at an exercise price of NOK 0.90, total NOK 27,993,494 (equivalent to USD 3,177,107) when the following milestones are met (the "**Milestone Warrants**"):

- 13.6% of the Milestone Warrants upon 5th Planet Games having a market value of USD 60,000,000 or more.
- 13.6% of the Milestone Warrants upon 5th Planet Games having a market value of USD 75,000,000 or more.
- 13.6% of the Milestone Warrants upon 5th Planet Games having a market value of USD 100,000,000 or more.
- 13.6% of the Milestone Warrants upon 5th Planet Games having a market value of USD 125,000,000 or more.
- 45.6% of the Milestone Warrants upon 5th Planet Games having a consolidated revenue of at least DKK 62,756,000 in any of the financial years 2022, 2023, or 2024.

Indemnification Warrants

As part of the investment agreement, 5th Planet Games has provided certain representations and warranties to Skybound Games. Should Skybound Games suffer a loss due to certain specific warranties not being true, accurate and not misleading, Skybound Games will, at its own discretion, have the option of being indemnified from its loss by exercising up to 2,200,000 warrants (depending on the loss), each warrant entitling Skybound Games to subscribe for 1 share of nominal DKK 0.05 at par value (the "**Indemnification Warrants**").

Warrant Pool

As part of the transactions contemplated by the investment agreement, the creation of a new warrant pool of 22,621,005 warrants was also decided. Each warrant entitles the holder to subscribe for 1 share of nominal DKK 0.05, with the exercise price to be decided by the board of directors, which shall generally be equal to the market value at the time of issuance, other than for warrants issued to employees of the Company as part of a general incentive program for which the exercise price under certain circumstances may be below the market value. The warrant pool will be reserved for the board of directors to grant to employees, management, board members, and consultants.

After completion of all transactions contemplated by the investment agreement, as summarized above, 5th Planet Games anticipates that there will be a total of 258,062,565 shares and 78,424,887 warrants issued in 5th Planet Games (excluding the 2,200,000 Indemnification Warrants), assuming no other changes to the share capital.

Co-Publishing Agreements

Subject to the necessary approvals on the general meeting, the satisfaction of all other conditions and the closing of the Tranche 1 investment contemplated by the investment agreement, Skybound Games and 5th Planet Games will enter into agreements granting 5th Planet Games certain co-publishing rights to *The Walking Dead* and to *Before Your Eyes* in exchange for a co-funding commitment. More information about this to follow after the general meeting.

The Skybound investment agreement secures the capital structure for the company and supports the strategy and long-term value creation for the company.

Accounting impact FY 2021 of the Skybound investment agreement:

Principal Investment Structure:

Tranche 1 has been executed and has been treated as capital increase less cost connected to the capital increase and the agreement.

Tranche 2-4 is qualified as a derivative financial assets/liability that is calculated on basis of the actual currency rate NOK/DKK and the share price for companies shares until the amount is received.

Milestone warrants and co-publishing agreements

Milestone warrants are classified as payments for the right to enter into agreements of co-publishing rights of *The Walking Dead* and *Before Your Eyes*. The value of the IP rights has been calculated using Monte Carlo simulations. The total value has been calculated to DKK 6.9m.

Indemnification Warrants

The indemnifications warrants are not considered to be a significant risk for the company and are therefore not recognized as an obligation in the report.

Accounting impact FY 2022-2023 of the Skybound investment agreement:

In the investment agreement between 5th Planet Games and Skybound, it has been agreed with regard to investment Tranches 1-4 that Skybound shall pay a fixed price of NOK 0.61 per share, which is settled in US dollars based on the official exchange rate at the time of each investment. As 5th Planet Games' functional currency is Danish kroner, this structure entails a currency risk from an accounting perspective to Norwegian kroner for future investment tranches (Tranche 2-4). From an accounting perspective, 5th Planet Games must assess the fair value of the future investment Tranches (Tranche 2-4) considering the development in the share price of the 5th Planet Games share as well as the DKK/NOK exchange rate. As the share price, in particular, may fluctuate significantly, this calculation may result in very significant fluctuations to the results before finance and shareholders' equity of 5th Planet Games in connection with financial statements prepared prior to the completion of the last investment tranche (Tranche 4) in September 2023. These significant fluctuations from an accounting perspective will be leveled in later periods and no later than in the first financial statements after September 2023.

Comments to the result of the year:

The result for 2021 has been disappointing.

5th Planet Games did not launch any games in 2021. Development of *Vikings* was stopped in the summer of 2021 after disappointing soft launch and the Berlin development studio was closed down in the autumn of 2021 where further development of *Tintin* and *Lego* was also stopped.

As a consequence of the studio closure, the result from the discontinuing operations is classified on its own line with a net loss according to IFRS rules. The 2020 figures have been reclassified in the same way. In note 28 a statement showing both continued, discontinued, and total income is specified.

Revenue in 2021 from continued operations was DKK 4.8m, up from DKK 2.8m in 2020 (continued operations). Revenue was primarily generated from license income - casino games and royalties from *Before Your Eyes*.

Research and development costs DKK 4.0m from continued operations compared with DKK 1.2m (continued operations) includes both internal and external costs related to the development of *Vikings* and *Before Your Eyes*.

Other external expenses from continued operations, which includes administrative salaries, administrative expenses, listing-related costs, etc. accounted for DKK 10.2m in 2021 compared with DKK 6.7m in 2020 (continued operation). The increase is primary due to increased cost regarding salaries, share based salaries and external consulting fees.

Financial performance not satisfactory

EBITDA before special items for continued operations was a loss of DKK 9.5m in 2021 (2020: DKK -5.6m for continuing operations). The increased loss was due to increase in costs.

Special Items was a loss of DKK 5.3m. The amount includes an impairment loss of DKK 4.7m regarding co-productions rights received in connection with Skybound investment agreement. Reference is made to note 12.

Depreciation and amortization for 2021 was DKK 0.3m (2020: DKK 0.0m for continued operations).

Net financials were a profit of DKK 8.4m (2020: DKK -0.7m for continued operations). The financial profit was mainly exchange rate profit for NOK and USD DKK 0.8m and calculated income from derivative financial instruments of DKK 7.7m. The amount DKK 7.7m is the fair calculated value of Tranche 2-4 from the investment agreement with Skybound Games Studios. For further explanation reference, please see note 16.

In 2021, 5th Planet Games incurred a loss before tax of DKK 6.7m (2020: loss of DKK 6.3m for continued operations) and a loss from discontinued operations of DKK 9.6 (2020m: loss of DKK10.1m for discontinued operations).

For total operations, the loss before tax was the same DKK 16.3m (2020: DKK 16.4m including discontinued operations) was incurred.

A net loss for total operations for the year of DKK 16.3m was recorded (2020: net loss of DKK 14.2m including discontinued operations).

Total assets increased in 2021

Total assets amounted to DKK 28.4m as of 31 December 2021, a DKK 1.0m decrease compared to 31 December 2020 due to decrease of cash position by DKK 10.1m, and a new asset "derivative financials instrument" of DKK 7.7m. The amount is the calculated fair value of Tranche 2-4 from the Investment agreement with Skybound Game Studios. The amount represents the value the agreement would have had as per 31 December 2021 if Skybound should have subscribed at the exchange rate NOK/DKK and the company's share price as per 31 December 2021.

For further explanation reference, please see note 16.

Cash flow negative due to loss of the year

In 2021, the cash flow from operating activities totaled a loss of DKK 17.4m (2020: loss of DKK 7.5m). Cash flows from financing activities totaled DKK 13.7m (2020: DKK 25.0m). The cash position as of 31 December 2021 amounted to DKK 13.6m (2020: DKK 23.7m).

Equity

The group's equity as of 31 December 2021 was DKK 23.4m (2020: DKK 20.9m). The equity ratio at year-end was 85% (2020: 76%).

Capital increases issued in 2021

In September 2021, Skybound Games Studios Inc, invested DKK 9.6m (NOK 13.2m) in the company and 21,677,765 new shares were issued to Skybound. Costs related the investment and prospectus etc. amounted to DKK 2.0m

KEY FIGURES

DKK '000	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
*Revenue	4,809	2,848	2,180	3,855	3,618
*Gross profit	4,688	2,663	2,044	3,550	3,457
*Loss before special items (EBITDA)	-9,465	-5,580	-17,814	-9,908	-18,834
*Operating profit/loss (EBIT)	-15,066	-5,580	-18,391	-22,830	-25,976
*Net Financials	8,385	-713	-126	65	-456
Loss from discontinued operations	-9,651	-8,248	-15,866	-20,779	-
Net loss for the year	-16,254	-14,249	-32,223	-43,544	-23,489
Total assets	28,359	27,380	13,267	37,331	70,188
Investments other equipment	0	34	149	426	301
Capitalized and expensed development costs	11,142	18,381	18,381	17,184	11,066
Equity	23,461	20,889	6,972	26,637	56,028

*Figures for 2021,2020, 2019 and 2018 are only for continued operations.

RISK MANAGEMENT IN PRACTICE

Risk management is a high priority at 5th Planet Games. The Board of Directors and the management monitor the company's risk factors closely to minimize risk exposure. This ensures quick reaction time if conditions change. A risk assessment is made prior to every major decision.

RISKS AND UNCERTAINTIES

The most important risks facing 5th Planet Games are related to market/commercial risk and development risk. However, where the conventional game development is associated with large risks due to long development periods with substantial associated costs and a high risk of failure, 5th Planet Games is focused on developing and utilizing modular code bases in order to reduce the development time and risk of failure significantly.

- **Financial risk**

5th Planet Games is in a development stage and does not yet generate positive cash flows. Therefore, the company relies on having credit facilities and/or on fresh capital from its owners.

- **Market/commercial risk**

For every launch of a new game there is a risk that it will not generate satisfactory downloads and revenue, which can lead to a decision to discontinue the game or stop updating it. In such case, the amount spent on development costs and other costs will be written down with a negative impact on the financial results for the period. To reduce that risk, all new games run a soft launch period in a limited market to test user response and use it to optimize the game.

- **Product development risk**

When developing new products there is a risk that the product will not be finished because of changes in market sentiment, for example. In such case, the amount spent on the project will be lost.

- **Foreign currency risk**

5th Planet Games' revenue, costs and cash position is for a significant part related to USD and a significant change in the DKK/USD exchange rate could result in loss related hereto.

Also, in the investment agreement between 5th Planet Games and Skybound, it has been agreed that investment Tranches 1-4 that Skybound must pay a fixed price of NOK 0.61 per share, which is settled in US dollars based on the official exchange rate at the time of each investment. As 5th Planet Games'

functional currency is DKK, this structure entails a currency risk from an accounting perspective to NOK for future investment tranches (Tranche 2-4).

The financial impact from currency fluctuations can be significant since management is not hedging the currency risk.

- **Disputes**

The company may from time to time be involved in disputes, including disputes regarding intellectual property rights, all with ensuing risks and costs, which could have a material adverse effect on 5th Planet Games' business, financial condition, and results of operations.

- **Partnership risk**

5th Planet Games enters into various agreements with celebrities and IP holders about developing and launching games. If such celebrities and IP holders lose popularity with the general public, revenue may fall dramatically. To minimize that risk, we carefully evaluate the celebrity persons involved before entering into any agreement.

- **Coronavirus/Covid-19 risk**

The consequence of the serious virus spreading worldwide is unpredictable at present but the board does not for now expect it to have substantial influence on the company. However, derivative effects of the global crisis can have unforeseen consequences for the company.

For further information on risk, see the section "Risk factors" on pp. 8-9 and 14-16 of the prospectus dated 11 November 2021.

CORPORATE GOVERNANCE

The Board of Directors serves as a qualified dialogue partner for the daily management. The Board of Directors combines key industry insights, important business- and financial skills as well as many years of management experience.

Environment impact

5th Planet Games products and co-production products are nonphysical products as all products are online products and most meetings are held online to reduce travel activities.

Social responsibility

5th Planet Games follows the ten recommendations in UN's Global Compact to ensure social responsibility.

Diversity policy

The Board of Directors has set a goal to have at least one female elected by the annual general meeting in 2024.

Data policy

The Company does not have a policy on data ethics as the Company does not use personal data for commercial purposes etc. and it is not a part of the company's business strategy for now.

Corporate governance report

5th Planet Games' Board of Directors and Management continually work with corporate governance principles to ensure that the management structure and control systems are appropriate and satisfactory. 5th Planet Games 2021 statutory report on corporate governance, cf. the Danish Financial Statements Act, Section 107b, is available on 5th Planet Games website at <https://www.5thplanetgames.com/investors/documents/> or direct link <https://www.5thplanetgames.com/wp-content/uploads/2022/03/CG-rapport-2021-1.pdf>

The Company complies with 22 of the 39 Danish recommendations on corporate governance <https://corporategovernance.dk/>

Remuneration report

At the General Meeting on 26 April 2022 the Board of Directors will propose approval of policies for Company remuneration, but until then the responsibility to propose such remuneration has lied with the Chairman of the Board.

Remuneration – Board of Directors

The remuneration of members of the Board of Directors is, due to the current size and structure of the company, comprised of direct payments and warrants.

Remuneration of the Board of Directors

DKK '000	Joined	Resigned	2021			2020			2019		
			Fixed base fee	Share-based payments	Total	Fixed base fee	Share-based payments	Total	Fixed base fee	Share-based payments	Total
*Jon Edward Goldman	07-09-2021		12	0	12	0	0	0	0	0	0
Henrik Nielsen	27-11-2019		38	389	427	0	0	0	0	0	0
David Alpert	07-09-2021		12	0	12	0	0	0	0	0	0
Søren Kokbøl	27-04-2021		38	32	70	0	0	0	0	0	0
Kim Friland	27-04-2021	07-09-2021	50	48	98	0	0	0	0	0	0
Bjarke Ingemann Finlov	27-04-2021	07-09-2021	25	0	25	0	0	0	0	0	0
Peter Ekman	27-11-2019	07-09-2021	25	0	25	0	0	0	0	0	0
Caspar Rose	06-02-2015	27-04-2021	0	15	15	30	107	137	15	163	178
Jesper Theill Eriksen	24-04-2018	27-11-2019	0	0	0	0	0	0	15	58	73
Kevin John Terkelsen	21-12-2017	27-11-2019	0	0	0	0	0	0	15	58	73
Total			200	484	684	30	107	137	45	279	324

*Chairman of the Board

Remuneration – Executive Management

The remuneration of the Executive Management teams is following the recommendation by the Chairman of the Board of Directors. The current remuneration program for the Executive Management team is comprised of both a monetary remuneration as well as a pool of warrants.

Remuneration of Executive Management

DKK '000	Joined	Resigned	2021			2020			2019		
			Fixed base fee	Share-based payments	Total	Fixed base fee	Share-based payments	Total	Fixed base fee	Share-based payments	Total
Mark Stanger, CEO	07-09-2021		372	0	372	0	0	0	0	0	0
Henrik Nielsen, CEO ¹	29-09-2017	22-01-2021	40	113	153	480	2,119	2,599	482	4,220	4,702
Caspar Rose, CEO ²	22-01-2021	07-09-2021	350	224	574	0	0	0	0	0	0
Anders Egholdt Søgard, CFO	01-02-2018	31-12-2019	0	0	0	0	0	0	752	260	1,012
Total			762	337	1,099	480	2,119	2,599	1,234	4,480	5,714

1. As of 22/1 2021 Henrik Nielsen retired as CEO from 5th Planet Games A/S. The remuneration until January 2021 is included in the above table whereas the severance payment 1.965 TDKK (Fixed base fee 213 TDKK and Share based Payments 982 TDKK) is not included.

2. As of 7/9 2021 Caspar Rose retired as CEO from 5th Planet Games A/S. The remuneration until September 2021 is included in the above table, whereas the severance payment 337 TDKK (Fixed base fee 150 TDKK and Share based Payments 187 TDKK) is not included.

MANAGEMENT

Company Board of Directors

<p>Jon Goldman (m) (1965) <i>Chairman of the Board</i></p>	<p>Henrik Nielsen (m) (1967) <i>Board Member</i></p>	<p>David Alpert (m) (1975) <i>Board Member</i></p>	<p>Søren Kokbøl Jensen (m) (1963) <i>Board Member</i></p>
<p>Position: Chairman of the Board Skybound Group</p>	<p>Position: CEO of HNI Trading ApS</p>	<p>Position: CEO of Skybound Group</p>	<p>Position: CEO of Gotskills ApS</p>
<p>Educational background: Harvard University Kyoto University UCLA Anderson School of Management</p>	<p>Educational background: M.Sc. in Marketing and Strategy from the Copenhagen Business School</p>	<p>Educational background: Harvard University New York University Law School</p>	<p>Educational background: N/A</p>
<p>Competencies: Financial strategy Capital Markets</p>	<p>Competencies: Strategy and Finance</p>	<p>Competencies: Digital Entertainment Strategic Partnerships Company Management</p>	<p>Competencies: Entrepreneurship Digital Media Business strategy</p>
<p>Current Directorships: none</p>	<p>Current Directorships: HNI TRADING ApS</p>	<p>Current Directorships: Skybound Games Studios and certain of its subsidiaries</p>	<p>Current Directorships: BOOTIDE ApS Gotskills ApS ECLIPSE HOLDING ApS</p>
<p>Member of the boards of: Skybound Games Studios and Group companies LiveLike Free Range WAVEXR, INC. FLAVOURWORKS</p>	<p>Member of the boards of: NIL TECHNOLOGY ApS Ejendomselskabet Green ApS and Holdingselskabet RED ApS</p>	<p>Member of the boards of: Skybound Games Studios and Group companies</p>	<p>Member of the boards of: Level UP Garage ApS HYDR ESPORT ApS</p>
<p>Shares in 5th Planet Games A/S: 0 shares</p>	<p>Shares in 5th Planet Games A/S: 4,619,262 shares</p>	<p>Shares in 5th Planet Games A/S: 0 shares</p>	<p>Shares in 5th Planet Games A/S: 0 shares</p>
<p>Warrants in 5th Planet Games A/S: 0 warrants</p>	<p>Warrants in 5th Planet Games A/S: 13,101,821 warrants</p>	<p>Warrants in 5th Planet Games A/S: 0 warrants</p>	<p>Warrants in 5th Planet Games A/S: 240,000 warrants</p>
<p>Independent Board Member: No</p>	<p>Independent Board Member: Yes</p>	<p>Independent Board Member: Yes</p>	<p>Independent Board Member: Yes</p>
<p>Election Term: 1 year</p>	<p>Election Term: 1 year</p>	<p>Election Term: 1 year</p>	<p>Election Term: 1 year</p>
<p>Board member since: 7 September 2021</p>	<p>Board member since: 27 November 2019</p>	<p>Board member since: 7 September 2021</p>	<p>Board member since: 27 April 2021</p>

Executive Management

Mark Stanger (m)
(1967)
CEO

Employed since September 2021

Educational background:
Economics and Business – Wyggeston
and Queen Elizabeth College,
Leicester.

Chairman of the board of:
n/a

Member of the boards of:
Skybound Games UK Limited
Skybound Games Europe BV

Shares in 5th Planet Games A/S:
0 shares

Warrants in 5th Planet Games A/S:
0 warrants

SHAREHOLDER INFORMATION

An investment in 5th Planet Games is an investment in games - a market in continuous strong growth.

5th Planet Games shares

The official share price as of 31 December 2021 was NOK 0.89 with a market capitalization of NOK 113.7m (DKK 85.0m). Total turnover of shares in 2021 was 246 million with a total transaction value of NOK 251m.

Master Data:	
Stock Exchange:	EURONEXT EXPAND OSLO
Sector:	Communication
ISIN Code:	DK0060945467
Symbol:	5PG
LEI Code:	213800MC2SGVSIBN7J53
Share capital DKK:	6,399,798.80
Denomination:	DKK 0.05
No. of Shares:	127,995,975
Negotiable instruments:	Yes
Voting restrictions:	No

Share Capital

The nominal share capital of 5th Planet Games as of 31 December 2021 was DKK 6,399,798,80, consisting of 127,995,975 shares of DKK 0.05 each. 5th Planet Games has only one share class. The Board of Directors and the Executive Management regularly assess whether the share capital and share structures are aligned with the interests of the shareholders and the company.

Shareholding structure

5th Planet Games shareholders are primarily residents of Denmark, Norway, and the United States of America. As of 31 December 2021, only Skybound Game Studios Inc. holds with their 21,677,765 shares (16.9%) more than 5% of the share capital or the votes.

As of 31 December 2021, members of the Board of Directors and their related parties held 26,297,027 shares (nominal value DKK 1,614,851), corresponding to 20,6% of the share capital and a market value of DKK 17.5m. As per 31 December 2021 members of management held 0 shares.

Annual general meeting

The Annual General Meeting will be held on 26 April 2022 at 13:00 at Charlottelhaven, Hjørringgade 12C, 2100 Copenhagen Ø, Denmark.

Dividend and allocation of profit

The Board of Directors recommends to the annual general meeting that no dividend be declared in respect of the 2021 financial year. The Board of Directors recommends to the shareholders that the loss for the year of DKK 16.3m, to be transferred to retained earnings.

Investor queries

Any questions or comments from shareholders, analysts, and other stakeholders should be addressed to CEO Mark Stanger via the investor e-mail: ir@5thplanetgames.com

Information in accordance with the Danish Financial Statements Act, Section 107 a

Adoption of amendments to the Articles of Association, dissolution of the company, merger, or demerger requires a resolution adopted by at least a two-thirds majority of the votes cast as well as of the share capital represented at the general meeting.

The Board of Directors consists of from three to seven members elected each year at the annual general meeting of the company for the period until the next annual general meeting. Board members are eligible for re-election. The Board of Directors appoints its own chairman and vice chairman.

The present 5th Planet Games' Board of Directors consists of four members headed by Jon Goldman as chairman. The present members of the Board of Directors are presented on page 13.

Going forward, two of the Members of the Board of Directors are independent of the company.

The Board of Directors proposes that the members of the Board of Directors for the year 2022 shall receive a fixed remuneration of DKK 50,000 for all board members.

For 2022 and 2023 however, it will be proposed at the general meeting on 26 April 2022 that Jon Goldman, David Alpert, and Henrik Nielsen shall receive an additional fee of DKK 345,000 (equal to USD 52,500) due to significant extra work to develop the business.

Furthermore, it is proposed, that the Board of Directors in the future may be granted warrants, exercisable at market value in the Company in combination with the above-mentioned fixed remuneration.

Until 3 April 2034 (AOA 2.2 – Warrants for employed etc.), the Board of Directors is authorized to increase the company's share capital in one or more issues without pre-emptive rights for the existing shareholders of the company by up to a total nominal amount of DKK 1,300,000 against cash. The current authorization amount is DKK 1,235,000.

Until 6 September 2023 (AOA 2.3 – investment warrants Skybound), the Board of Directors is authorized to increase the company's share capital in one issue without pre-emptive rights for the existing shareholders of the company with DKK 2,529,072,60 against issue of 50,581,452 shares to an exercise price of NOK 0.60968 against cash payment.

Without any time, limitation (AOA 2.4 – milestone warrants Skybound), the Board of Directors is authorized to increase the company's share capital in one issue without pre-emptive rights for the existing shareholders of the company with DKK 1,555,194.10 against issue of 31,103,882 shares to an exercise price of NOK 0.90 against cash payment if certain milestones have been achieved.

Without any time limitation (AOA 2.5 – indemnification warrants Skybound), the Board of Directors is authorized to increase the company's share capital in one issue without pre-emptive rights for the existing shareholders of the company with DKK 110,000 against issue of 2,200,000 shares to an exercise price of DKK 0.05.

Until 1 July 2036 (AOA 2.6 – Warrants for employed etc.), the Board of Directors is authorized to increase the company's share capital in one or more issues without pre-emptive rights for the existing shareholders of the company by up to a total nominal amount of DKK 1,131,050.25 against cash.

Until 3 April 2024 (AOA 2.6), the Board of Directors is authorized to increase the company's share capital in one or more issues without pre-emptive rights for the existing shareholders of the company by up to a total nominal amount of DKK 3,500,000 against cash or non-cash consideration or by conversion of debt. Such capital increase shall take place at market price. The current authorization amount is DKK 2,525,288.

Until 1 June 2025 (AOA 2.11), the Board of Directors is authorized to increase the company's share capital in one or more issues with pre-emptive rights for the existing shareholders of the company by up to a total nominal amount of DKK 10,000,000 against cash. Such capital increase can take place under market price. The current authorization amount is DKK 7,750,000.

The group has not entered into contracts with change of control clauses

The Board of Directors and the Executive Management have today considered and approved the annual report of 5th Planet Games A/S for the financial year 1 January 2021 – 31 December 2021

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent company, 5th Planet Games A/S, are prepared in accordance with the Danish Financial Statements Act (*Årsregnskabsloven*). Furthermore, the annual report has been prepared in accordance with the additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the accounting policies applied are appropriate, thus ensuring that the consolidated financial statements and the financial statements provide a fair presentation of the group's and the parent company's assets, liabilities, and financial position as of 31 December 2021 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 1 January 2021 - 31 December 2021.

We believe that the management review contains a true and fair review of the development and performance of the group's and the parent company's business activities and financial situation, the earnings for the year and the financial position of the parent company and the financial position as a whole of the entities comprised by the consolidated financial statements, together with a description of the principal risks and uncertainties that the group and the parent company face.

The annual report is submitted for adoption by the general meeting.

Copenhagen, 4 April 2022

Executive Management

Mark Stanger

Board of Directors:

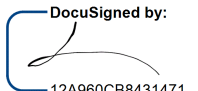
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Jon Goldman
Chairman

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Henrik Nielsen

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KC

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David Albert

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Søren Kokbøl Jensen

To the shareholders of 5th Planet Games A/S

Our opinion

We have audited the consolidated financial statements and the parent financial statements of 5th Planet Games A/S for the financial year 1 January – 31 December 2021, which comprise the income statement, statement of financial position, statement of changes in equity and notes, including a summary of significant accounting policies, for the group as well as the parent, and the statement of comprehensive income and the cash flow statement of the group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position at 31 December 2021 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

Further, in our opinion, the parent financial statements give a true and fair view of the parent's financial position at 31 December 2021 and of the results of its operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group 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. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of 5th Planet Games A/S in January 2016 for the financial year 2015. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of seven years, including the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition, measurement, and presentation of the investment agreement with Skybound Games Studios Inc. Reference is made to note 2, 6, 12, 16, 21 and 22 of the consolidated financial statements regarding the Skybound investment agreement.

On the general meeting on 7 September 2021, the shareholders of 5th Planet Games A/S approved the investment agreement with Skybound Games Studios Inc. The investment agreement includes three fixed future capital increases to be conducted in financial year 2022 and 2023, cf. Tranches 2-4 of the agreement, and

agreements regarding issuing of warrants vesting if certain market cap milestones are reached and agreements regarding issuing of warrants vesting if certain future revenue milestones are reached.

The management engaged an external valuation expert (management expert) to advise the management in the valuation of the milestone warrants and the recognition, measurement, and classification of the future fixed capital increases to be conducted in financial year 2022 and 2023, cf. Tranches 2-4 as well as the milestone warrants.

When performing the valuation of the milestone warrants, the management expert used Monte Carlo simulation applying parameters such as share prices, exercise terms, volatility, interest rates, and other assumptions. When performing the valuations of the fixed future capital increases to be conducted, the management applied more traditional valuation techniques in order to assess the fair value of Tranches 2-4 of the investment agreement.

We focused on the accounting treatment of the investment agreement with Skybound, as there in our opinion were a risk of material misstatement and misrepresentation due to the high complexity of the valuation methodology and the material estimates required to perform the valuations. Furthermore, we focused on the recognition, measurement, and classification of the assets, warrants and derivate financial instruments deriving from the investment agreement. We also assessed an inherent risk related to the classification due to the complexity of certain provisions of the investment agreement that determined the appropriate classification.

How our audit addressed the key audit matter

We obtained an understanding of the terms and conditions of the elements of the Skybound investment agreement affecting the consolidated financial statements. We consulted Grant Thornton valuation experts to assist us in evaluating the appropriateness of the valuation technique applied by the management's expert, to assist us ensuring that the valuation techniques were consistent with generally accepted valuation methodologies, to assist us assessing the appropriateness of the key assumptions used, and to determine whether the assumptions were reasonable and in line with the circumstances. Furthermore, we engaged Grant Thornton valuation experts to perform corresponding Monte Carlo simulations to recalculate the valuations performed by the management's expert. In relation to the classification of the warrants and derivate financial instruments deriving from the investment agreement, we evaluated the appropriateness of the management's expert interpretation on how to apply the relevant accounting guidance for the classification, including whether the instruments were classified as being an equity instrument or a financial assets/debt instrument.

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 in the audit, or otherwise appears to be materially misstated. Moreover, we considered whether management's review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, management's review is in accordance with the consolidated financial statements and the parent company 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 management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and in accordance with International Financial Reporting Standards as endorsed by the EU and further requirements in the Danish Financial Statements Act and for the preparation of the parent company 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 group's and the parent 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 unless Management either intends to liquidate the group or the parent 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 taken on the basis of these financial statements. As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 group's and the Company's 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 group's and the parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent 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 group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance (the Board of Directors) 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and parent company financial statements of 5th Planet Games A/S we performed procedures to express an opinion on whether the annual report of 5th Planet Games A/S for the financial year 1 January - 31 December 2021 with the file name 213800MC2SGVSIBN7J53-2021-12-31-en is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

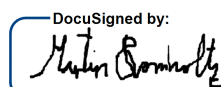
In our opinion, the annual report of 5th Planet Games A/S for the financial year 1 January - 31 December 2021 with the file name 213800MC2SGVSIBN7J53-2021-12-31-en is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 4 April 2022

Grant Thornton

Statsautoriseret Revisionspartnerselskab

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Martin Bommholtz

State-Authorized Public Accountant

MNE-nr 34117

DocuSigned by:



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Mathias John Vintersbølle

State-Authorized Public Accountant

MNE-nr. 47837

DKK '000	Note	2021	2020
Revenue	4	4,809	2,848
Costs of sales		121	185
Gross Profit		4,688	2,663
Research and development costs	5	3,998	1,289
Marketing expenses		0	277
Other expenses	5	10,155	6,677
Loss before special items, depreciation and amortisation (EBITDA)		-9,465	-5,580
Special items	7	5,262	0
Depreciation and amortisation	12,13,14	339	0
Operating loss (EBIT)		-15,066	-5,580
Financial income	7	8,483	117
Financial expenses	9	98	830
Loss before tax		-6,681	-6,293
Tax on loss for the year	10	-78	-292
Loss for the year from continuing operations		-6,603	-6,001
Loss for the year from discontinued operations	28	-9,651	-8,248
Loss for the year		-16,254	-14,249
Other comprehensive income		0	-12
Comprehensive income		-16,254	-14,261
Distribution of comprehensive income:			
Parent company's shareholders		-16,254	-14,249
Non-controlling interests		0	-12
Total		-16,254	-14,261
Basic earnings per share:			
From Continued operations (DKK)	11	-0.058	-0.078
From discontinued operations (DKK)	11	-0.069	-0.107
Total DKK)		-0.127	-0.185
Diluted earnings per share:			
From Continued operations (DKK)	11	-0.058	-0.078
From discontinued operations (DKK)	11	-0.069	-0.107
Total DKK)		-0.127	-0.185

ASSETS:

DKK'000	Note	2021	2020
Non-current assets			
Acquired rights	12	1,814	0
Completed development projects	12	0	0
Plant and equipment	13	0	95
Right-of-use assets	14	0	733
Total non-current assets		1,814	828
Current Assets:			
Trade receivables	15	1,924	633
Income tax receivable	10	52	2,196
Other receivables		2,911	57
Accrual expenses		322	0
Derivative financials instruments	16	7,729	0
Cash		13,607	23,666
Total current assets		26,545	26,552
Total assets		28,359	27,380

EQUITY AND LIABILITIES:

DKK´000	Note	2021	2020
Equity:			
Share capital		6,400	5,316
Reserves		0	0
Retained earnings		17,061	15,573
Total Equity	17	23,461	20,889
Non-current liabilities			
Lease liabilities	14	0	532
Other payables	17	930	1,488
Total non-current liabilities		930	2,020
Current liabilities			
Lease liabilities	14	0	251
Related parties		0	0
Received prepayments		0	86
Accrual income		572	0
Trade payables		1,746	1,374
Other payables	18	1,650	2,760
Total current liabilities		3,968	4,471
Total Liabilities		4,898	6,491
Total equity and liabilities		28,359	27,380

DKK´000	Reserves					Total equity
	Share capital	Share premium	Convertible loan	Other reserves	Retained earnings	
Equity as at 01.01.2021	5,316	0	0	0	15,573	20,889
Net Loss					-16,254	-16,254
Other comprehensive income				0	0	0
Comprehensive income	0	0	0	0	-16,254	-16,254
Capital increase	1,084	8,484				9,568
Costs related to capital increase		-1,995				-1,995
Share-based payments					11,253	11,253
Transfer of reserves		-6,489			6,489	0
Transactions with owners	1,084	0	0	0	17,742	18,826
Equity as at 31.12.2021	6,400	0	0	0	17,061	23,461
Equity as at 01.01.2020	2,687	0	0	0	4,285	6,972
Net Loss					-14,249	-14,249
Other comprehensive income				0	-12	-12
Comprehensive income	0	0	0	0	-14,261	-14,261
Capital increases by:						
Loan conversation	379		-379			0
Right Issue	2,250	28,962				31,212
Convertible loans issued			1,675			1,675
Convertible loans repaid			-4,405			-4,405
Costs related to capital increase				-3,292		-3,292
Share-based payment					2,988	2,988
Transfer of reserves		-28,962	3,109	3,292	22,561	0
Transactions with owners	2,629	0	0	0	25,549	28,178
Equity as at 31.12.2020	5,316	0	0	0	15,573	20,889

Consolidated cash flow statement

DKK '000	Note	2021	2020
Loss before tax		-16,332	-16,383
Depreciation, amortisation and impairment losses		5,364	309
Share-based payments		4,360	2,988
Financial income, reversed		-8,484	-117
Financial expenses, reversed		135	894
Change in working capital		-4,523	673
Operating cash flow		-19,480	-11,636
Financial income, received		0	2
Financial expenses, paid		-135	-894
Income tax received		2,222	5,013
Cash flow generated from operations		-17,393	-7,515
Purchase of equipment		0	-34
Sale of right of use assets		544	0
Purchase of IP rights		-6,895	0
Cash flow from investing activities		-6,351	-34
Proceeds from cash capital increase		7,573	27,920
Proceeds convertible loan		0	1,675
Repayment convertible loan		0	-4,405
Purchase of IP rights financed by issue of warrants		6,895	0
Lease liabilities, repayment		-783	-235
Cash flow from financing activities		13,685	24,955
Total cash flow for the period		-10,059	17,406
Cash, beginning of period		23,666	6,272
Net foreign exchange difference		0	-12
Cash, end of period		13,607	23,666

1. Accounting policies
2. Significant accounting estimates and judgments
3. Capital resources
4. Revenue
5. Staff costs
6. Share-based payments
7. Special Items
8. Financial income
9. Financial expenses
10. Tax
11. Earnings per share
12. Intangible assets
13. Other equipment
14. Right-of-use assets and lease liabilities
15. Trade receivables
16. Derivative financials instruments
17. Equity
18. Other payables
19. Contingent liabilities
20. Security provided
21. Financial risks and financial instruments
22. Financial assets and liabilities
23. Fair value measurement of financial instruments
24. Consolidated companies and related parties
25. Fee to parent company auditors appointed at the annual general meeting
26. Events occurring after the balance sheet date
27. Adoption of the annual report for publication
28. Discontinued operations

1. Accounting policies

5th Planet Games A/S is a limited liability company domiciled in Denmark. The consolidated financial statements for 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and additional Danish disclosure requirements.

Danish kroner (DKK) is the group's presentation currency and the functional currency of the parent company. The consolidated financial statements are presented in Danish kroner (DKK) rounded off to the nearest DKK 1,000.

Implementation of new and revised standards and interpretations

The IASB has issued new standards and revisions to existing standards and new interpretations that are mandatory for accounting periods commencing on or after 1 January 2020. The implementation of these new or revised standards and interpretations has not had any significant impact on the net loss for the year or the financial statement.

Principal accounting policies set out below have been consistently applied in the preparation of the consolidated financial statements for all the years presented.

Earnings per share

Basic earnings per share are calculated as the net result for the period that accrues to the parent company's shares divided by the weighted average number of ordinary shares outstanding.

Diluted earnings per share are calculated as the net result for the period that accrues to the parent company's shares divided by the weighted average number of ordinary shares outstanding adjusted by the dilutive effect of potential shares.

Segment reporting

No separate business areas or separate business units have been identified in connection with single games or geographical markets. As a consequence, no segment reporting is made concerning business areas or geographical areas. Assets located outside Denmark amounts to less than 10% of the group assets. Due to materiality no segment reporting is made on geographical criteria.

Consolidated financial statements

The consolidated financial statements comprise 5th Planet Games A/S (parent company) and the companies (subsidiaries) controlled by the parent company. A company is regarded as controlled by the parent company when the parent company is exposed or entitled to variable returns on its involvement in the company and has the ability to affect those returns through its power over the company.

The consolidated financial statements are prepared based on the financial statements of 5th Planet Games A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature calculated in accordance with the group's accounting policies, eliminating intercompany income and expenditure, intercompany balances, and dividends as well as gains and losses on transactions between the consolidated companies.

Business combinations

Newly acquired or newly-founded companies are recognized in the consolidated financial statements as from the time of acquisition and the time of foundation, respectively. The time of acquisition is the time at which control of the company is actually obtained. Divested or discontinued companies are recognized in the consolidated statement of comprehensive income up until the time when control ceases.

When new companies are acquired and the group obtains control of an acquired company, it is recognized in accordance with the acquisition method, according to which the newly acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition.

The acquisition price of a company is the fair value of the price paid for the acquired company. Costs relating to the acquisition are recognized in the income statement when paid.

Positive differences (goodwill) between the acquisition price of the acquired company on the one hand and the fair value of the assets, liabilities and contingent liabilities acquired on the other are recognized as goodwill and tested for impairment at least once a year.

Foreign currency translation

On initial recognition, transactions in currencies other than the functional currency of the individual company are recognized at the exchange rate applicable at the transaction date. Receivables, payables, and other monetary items denominated in foreign currency not settled at the balance sheet date are translated using the exchange rate applicable at the balance sheet date.

Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment and the balance sheet date, respectively, are recognized in the income statement as financial income or financial expenses. Property, plant and equipment and intangible assets, inventories, and other non-monetary assets purchased in foreign currency and measured based on historical cost are translated at the exchange rate applicable at the transaction date.

Tax

Tax for the year, consisting of current tax and changes in deferred tax, is recognized in the income statement at the portion attributable to tax on the profit or loss for the year, and directly in equity or in other comprehensive income at the portion attributable to amounts recognized directly in equity or in other comprehensive income, respectively.

Current tax payables and receivables are recognized in the balance sheet as tax computed on the basis of the taxable income for the year and taxes paid or refunded.

Current tax for the year is computed based on the tax rules and tax rates applicable at the balance sheet date.

Deferred tax is recognized using the balance sheet liability method on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences due to either initial recognition of goodwill or initial recognition of a transaction that is not a business combination, and where the temporary difference ascertained at the time of initial recognition does not affect either the tax result or the taxable income. The deferred tax is calculated based on the planned use of the individual asset or settlement of the individual liability.

Deferred tax is measured by applying the tax rules and tax rates expected to be applicable when the deferred tax is expected to crystallize as current tax. Any change in deferred tax as a result of changes in tax rules or rates is recognized in the income statement unless the deferred tax is attributable to transactions that have previously been recognized directly in equity or in other comprehensive income. In the latter case, the change is recognized directly in equity or in other comprehensive income, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are recognized in the balance sheet at the expected realizable value, either through offsetting against deferred tax liabilities or as a net tax asset for offsetting against future positive taxable incomes to the extent that there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized. An assessment is made at each balance sheet date of whether it is probable that sufficient taxable income will be generated in future to enable utilization of the deferred tax asset.

The group is subject to joint taxation. The current Danish income tax is allocated between the jointly taxed companies in proportion to their taxable incomes.

Statement of comprehensive income*Revenue*

Revenue from the sale of games and in-app purchases is recognized in the income statement if delivery has taken place and the risk has passed to the purchaser before the balance sheet date, and if the revenue can be determined reliably and is expected to be received. For sales of games and in-app purchases where delivery takes place via third parties (platform distribution partners), 5th Planet Games is the primary contractual party for the users and fixes the prices. Sales of games and in-app purchases are consequently measured as the fee paid by the user for the delivery, while costs for the third party are recognized under cost of sales.

Income from the provision of advertising services is recognized as revenue as the agreed services are provided. For sales of advertising services provided via third parties (platform distribution partners), 5th Planet Games is the primary contractual party for the users and fixes the prices. Income from advertising services is consequently measured exclusive of costs for such third parties.

Revenue is measured at the fair value of the fee received or receivable and is stated exclusive of VAT and discounts.

Cost of sales

Cost of sales comprises commission paid to stores handling app sales, such as iTunes, Google Play, etc.

Gross profit

Gross profit comprises revenue deducted with commissions to stores, such as iTunes, Google Play, etc.

Research and development costs

Research and development costs comprise external research and development costs and internal staff costs related to research and development activities that are not capitalized in the balance sheet.

Marketing expenses

Marketing expenses comprise expenses relating to marketing expenses and royalty expenses.

Other expenses

Other external expenses comprise expenses relating to administrative staff and other administrative expenses, costs of premises, bad debts, operating leases, etc.

Special items

Special items comprise material non-recurring expenses. These items are presented separately because they are treated as one-off occurrences.

Net financials

Net financials comprise interest income and interest expenses as well as realized and unrealized gains and losses on transactions in foreign currency.

Amortization of capital losses and borrowing costs relating to financial liabilities is recognized on an ongoing basis as part of interest expenses.

Share-based payments

Share-based payments of the group are equity-settled warrants granted to employees, for which an option pricing model is used to estimate the fair value at grant date. That fair value is charged on a straight-line basis as an expense in the consolidated statement of profit or loss over the period that the employee becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

Equity is also increased by the proceeds received, as and when employees choose to exercise their options.

Balance sheet

Fair value

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Acquired rights

On initial recognition, acquired rights is recognized and measured in the balance sheet at cost less accumulated amortization and impairment losses. The amortization period is the expected useful lives for the IP rights normally 2-5 years.

Development projects

Development costs comprise staff costs and fees for sub-suppliers directly attributable to the development of new games. Development projects which are clearly defined and whose technical feasibility and sufficiency of

resources have been demonstrated and which the company intends to complete, and market are recognized as development projects in the balance sheet if the costs can be determined reliably and there is sufficient certainty that future earnings will cover the development costs. Recognized development projects are measured at cost less accumulated amortization and impairment losses.

Other development costs are recognized in the income statement under other external expenses or staff costs when paid.

Once completed, development projects are amortized according to the straight-line method over their estimated useful lives from the time when the asset is ready for use. Development projects relating to a game are regarded as being ready for use at the time when the game is launched and made available to the users at the latest. The first launch may be either a soft launch whose main purpose is to gain experience about user preferences and behavior in the game with a view to making improvements, or a hard launch where the main purpose is to generate commercial income. The amortization period is usually five years from soft launch and three years from hard launch. Amortization methods, useful lives and residual values are reviewed every year.

Property, plant, and equipment

Property, plant, and equipment is measured in the balance sheet at the lower of cost less accumulated depreciation and the recoverable amount.

Cost comprises the acquisition price, costs directly related to the acquisition, and costs for preparation of the asset until such time as the asset is ready for use. The depreciation period is usually three to five years. Depreciation methods, useful lives and residual values are reviewed every year.

Leases

The company assesses whether a contract is or contains a lease at inception of the contract. The company recognizes right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short-term leases and leases of low value. For these leases, the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of the company's corresponding assets such as property, plants, and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed payments.
- Variable payments, dependent on an index or rate.
- The exercise price of a purchase option if it is reasonably certain that the option will be exercised.
- Amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if management changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Financial instruments

Financial assets and financial liabilities are recognized when the group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the

cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

All financial assets and liabilities are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets and liabilities, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships. The group only has financial instruments classified as FVTPL. Derivative financial instruments in this category are measured at fair value with gains or losses recognised in profit or loss. All income and expenses recognised in profit or loss are presented within finance costs or finance. The fair values of financial assets and liabilities in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Non-current financial assets

Other receivables recognized under non-current assets comprise deposits and are measured at the lower of accumulated cost and the recoverable amount.

Impairment of assets (impairment test)

The carrying amount of property, plant, and equipment, and intangible assets with determinable useful lives is tested for impairment every year. If indications of impairment are identified, the recoverable amount of the asset is calculated to determine the amount of any impairment loss.

The recoverable amount of development projects in progress and goodwill are determined every year, regardless of whether any indications of impairment exist.

If an asset does not produce inflows independently of other assets, the recoverable amount is determined for the smallest cash-generating unit of which the asset forms part.

The higher of fair value less selling costs and value in use is used as the recoverable amount of the asset. The value in use is determined as the present value of the expected net cash flows from use of the asset. If the recoverable amount of the asset is lower than the carrying amount, the carrying amount is written down to the recoverable amount.

Where cash-generating units are concerned, the impairment loss is distributed in such a way that goodwill is written down for impairment first, and subsequently any remaining impairment loss is distributed on the other assets in the unit. However, individual assets cannot be written down to a value lower than their fair value less expected selling costs. Impairment losses are recognized in the income statement.

Receivables

Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables, which are financial assets with fixed or determinable payments that are not listed in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at fair value and subsequently at amortized cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Any write-downs for bad debts are determined on the basis of an individual assessment of the individual receivable.

Prepayments

Prepayments recognized under assets comprise costs incurred in respect of the subsequent financial year. Prepayments are measured at cost.

Dividend

Dividend is recognized as a liability at the time of adoption by the general meeting.

Treasury shares

Acquisition costs and consideration for treasury shares and dividend from such are recognized directly in equity under retained earnings.

Liabilities

Non-current liabilities comprise other credit institutions. Payables to credit institutions are measured at cost at the time of contracting such payables (raising of loans). Subsequently, the liabilities are measured at amortized cost, meaning that the difference between the proceeds from the loan and the repayable amount is recognized in the income statement over the period of the loan as a financial expense according to the effective interest method.

Other financial liabilities comprise bank debt, trade payables, other payables to public authorities, and other liabilities. On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortized cost according to the effective interest method, so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the period of the loan.

Provisions

Provisions are recognized when the following criteria are fulfilled:

- we have a legal or constructive obligation as a result of an earlier event
- the settlement of the obligation is expected to result in an outflow of resources
- the obligation can be measured reliably

For onerous contracts, a provision is made when the expected income to be derived from a contract is lower than the unavoidable cost of meeting our obligations under the contract.

Mandatory subscription and investment shares and warrants

Generally, contracts on own shares that require physical settlement of a fixed number of own shares for a fixed consideration are classified as equity and added to or deducted from equity. This is referred to as the fixed-for-fixed criterion.

Rights to mandatory subscription of shares and investment warrants are financial instruments issued to an investor to subscribe shares of the parent company. These financial instruments are classified as derivative assets / liabilities when either the subscription or settlement amount is not fixed amount of a currency similar to the functional currency of the group or the number of shares is not fixed. When issued pro rata to all existing shareholders of the parent company the financial instruments are exempted from this accounting treatment and are classified as equity in the consolidated financial statements.

These financial instruments are initially recognized and measured at fair value. Subsequently, these are measured at fair value with changes recognized through profit or loss.

Cash flow statement

The cash flow statement shows cash flows from operating, investing, and financing activities as well as cash at the beginning and end of the year.

Cash flows from operating activities are presented in accordance with the indirect method and are determined as the operating profit or loss adjusted for non-cash operating items, changes in working capital and paid financial income, financial expenses, and income tax.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of companies and financial assets as well as the purchase, development, improvement, and sale of property, plant and equipment, and intangible assets.

Cash flows from financing activities comprise changes in the parent company's share capital and associated costs as well as the raising and repayment of loans, the repayment of interest-bearing debt, the purchase and sale of treasury shares and the payment of dividends.

Cash flows in currencies other than the functional currency are recognized in the cash flow statement using average exchange rates unless they deviate significantly from the actual exchange rates at the transaction dates.

Cash and cash equivalents comprise cash less overdraft facilities that are an integrated part of the cash management.

2. Significant accounting estimates and judgments

In connection with the preparation of the consolidated financial statements, management makes a number of accounting estimates and judgments that affect the recognized values of assets, liabilities, income, expenses, and cash flows as well as their presentation.

Accounting estimates reflect management's best estimates in terms of amounts where the measurement is subject to uncertainty, typically because the estimate is based on assumptions concerning future events. The accounting estimates are based on historical experience and other assumptions deemed relevant, but the actual results may, naturally, deviate from the estimates made. The estimates are regularly reassessed, and the effect of changes is recognized in the consolidated financial statements.

Accounting judgments reflect decisions made by management as to how the accounting policies are applied in specific situations where the accounting treatment depends on qualitative assessments. Examples could be when the risk passes or how a certain transaction or item is best presented to provide reliable and relevant information.

The following accounting estimates and judgments have had significant impact on the consolidated financial statements for 2020:

Impairment test

The carrying amount of property, plant and equipment, and intangible assets with determinable useful lives is tested for impairment every year. If indications of impairment are identified, the recoverable amount of the asset is calculated to determine the amount of any impairment loss.

The recoverable amount of development projects in progress and goodwill are determined every year, regardless of whether any indications of impairment exist.

Cash-generating units comprising goodwill and development projects in progress are tested for impairment at least once a year and more frequently in case of indications of impairment.

Valuation of warrants

The fair value of the initial warrants based on the Black & Scholes model. The fair value of issued warrants vesting if certain market cap milestones are reached and the fair value of issued warrants vesting if certain future revenue milestones are reached, are based on Monte Carlo Simulations and the Black & Scholes model.

The fair value valuations based on the Black & Scholes model were based on the following parameters:

- Underlying share price
- Exercise price
- Time to maturity
- Volatility
- Risk-free rate

The fair value valuations based on Monte Carlo simulations were based on the following parameters:

- Starting-point share price
- Exercise price
- Terms regarding timing of exercise
- Volatility
- Risk-free interest rate

The starting-point share price is estimated based on a ten-days weighted average up to the last trading day prior to the issue day. The exercise price for the warrants is stated in the individual warrant agreements and in the investment agreement between the company and Skybound. The initial warrants have a time to maturity of ten years. The milestone warrants have varying terms regarding the time to maturity. The volatility of 5th Planet Games has been estimated based on a peer group analysis of publicly listed comparable companies in Europe. The peer group consists of companies with diversified portfolios of free-to play/low-cost games. The

volatility has been estimated based on two-year rolling weekly volatilities of the peer group companies. As risk-free rate the yield-to-maturity on ten years Norwegian Government bonds has been applied.

The investment contract with Skybound of fixed future capital increases to be conducted in financial year 2022 and 2023, cf. Tranches 2-4 of the agreement. The future capital increases are mandatory for both parties. At inception the fair value of the contract is zero or minimal. At subsequent measurement the fair value is assessed applying similar valuation model as for forward sale of shares. Consequently, the fair value change in response to the change in the underlying parameters, NOK and the share price.

Classification of mandatory subscription and investment shares and warrants

On 7 September 2021, the parent company of the group entered into an investment agreement with Skybound Games Studios (the investor). The investor receives right to subscribe mandatorily and investment shares and warrants (collectively "rights") which can be exercised on different dates depending on the tranches. Each right can be exercised for one share (i.e., 1:1 conversion ratio) and the number of shares that will be issued is fixed for all these tranches. Upon settlement, the fixed exercise amount in Norwegian kroner (NOK) is settled by the investor by paying its US dollar (USD) equivalent. The functional and presentation currency of the parent company and the Group is Danish kroner (DKK). Hence, although the exercise amount is fixed in NOK, the equivalent amount in DKK is variable depending on the prevailing exchange rate between DKK and USD at settlement date. This variable amount does not qualify the definition of equity instrument and therefore, these rights are classified as derivative financial assets / liabilities.

3. Capital resources

The Company's capital resources as per 31.12.2021:

DKK´000	2021	2020
Short term capital assets		
Trade receivables	1,924	633
Other receivables	2,911	57
Cash	13,607	23,666
Total short term capital assets	18,442	24,356
Short term capital liabilities:		
Trade liabilities	1,746	1,374
Other payables	1,650	1,588
Lease liabilities	0	251
Total short capital liabilities	3,396	3,213
Total net capital recourses	15,046	21,143
Other capital recourses on a longer term but within one year:		
Tax refund	0	2,183
Estimated net proceeds from Tranche 2 and 3 from Skybound investment	28,950	0
Total other capital recourses on a longer term but within one year	28,950	2,183
Total net capital resources for the year	43,996	23,326

According to the most recent budgets approved by management, the existing capital resources are sufficient to continue the full operation of the group as planned for 2022.

4. Revenue

DKK'000	2021	2020
Sales of games and in-app purchases	554	656
Sales of Service (advertising devices)	651	309
License income	3,589	1,360
Other revenue	15	523
Total	4,809	2,848

5. Staff costs

DKK'000	2021	2020
Wages and salaries	2,811	1,752
Pensions	200	169
Other social security costs	15	10
Share-based payment	3,818	2,722
Total	6,844	4,653

Total Staff costs are recognized as follows:

Research and development costs	0	26
Administrative expenses	6,844	4,627
Total	6,844	4,653

Average number of employees during the year, continuing activities	4	4
Number of employees end of year, continuing activities	3	3
Average number of employees during the year, discontinuing activities	15	12
Number of employees end of year, discontinuing activities	0	17

Remuneration of board of directors and executive management:**Board of directors:**

Cash remuneration	200	30
Share-based payment	484	107
Total	684	137

Executive management

Gross Salary	1,125	480
Pension Contribution	0	0
Share-based payment	1,506	2,118
Total	2,631	2,598

6. Share-based payment

5th Planet Games has established a warrant program for executive management (CEO), board members, employees, and others and for 2021 there has been issued warrants according to Skybound Investment Agreement.



Specification of share-based payments in 2021 and 2020:

DKK´000	2021	2020
Share-based payments management	1,506	2,118
Share-based payments board of directors	484	107
Share-based payments employee	1,828	498
Share-based payments development, discontinued operations	-41	363
Share-based payments / reservation holiday payment adjustments	341	-98
Total share-based payments expensed	4,118	2,988
Share-based payments capital increase cost	240	0
Share-based payments IP rights	6,895	0
Total share-based payments	11,253	2,988

Warrant plans.

The plans provide board members, executive management, employees and other with the option to purchase ordinary shares of 5th Planet Games A/S at a fixed price. There are no cash settlement alternatives. Warrants has been granted with monthly vesting over 24-48 months subject to continued employment. The exercise price of the share options is, in general, equal to the market price less 25% at the date of grant.

The table below summarizes the number of options that were outstanding, their weighted average exercise price (WAEP) as of 31 December 2021, as well as the movements during the period.

	Number	Number	Number	Number	Number	The weighted average exercise price (VEAP)
	TOTAL	CEO	Member Board	Employee	Other	WAEP (NOK)
Outstanding, beginning of the period	22,933,695	13,101,821	1,648,535	7,750,339	433,000	0.90
Granted	56,384,356	1,722,167	17,871,279	0	36,790,910	0.91
Forfeited	-3,464,621	-1,243,787	-212,500	-2,008,334	0	0.79
Exercised	0	0	0	0	0	-
Expired	0	0	0	0	0	-
Outstanding, end of the period	75,853,430	13,580,201	19,307,314	5,742,005	37,223,910	0.91
Exercisable at end of the period	19,957,756	12,090,177	1,986,709	4,774,969	1,105,901	0.93
The range of exercise prices for options outstanding (NOK)	min: 0.4 	0.6	0.4	0.6	1.0	
	max: 2.9 	0.9	2.9	1.9	2.3	
The weighted average remaining contractual life for the share options outstanding (year)	9.1	7.9	9.5	7.0	9.7	

The estimate of the grant date fair value of each option issued is based on a Black & Scholes model, taking into account the terms and conditions on which the share options were granted. However, the performance conditions are only considered in determining the number of instruments that will ultimately vest.

Inputs to the model included the following factors

Warrant Plan	November 2017	June 2018	September 2018	Oktober 2018	November 2018	January 2019
Grant date	16/11 2017	1/6 2018	1/9 2018	1/10 2018	17/11 2018	1/1 2019
Weighted average share price (NOK)	2.5	2.9	2.4	1.76	1.3	0.94
Exercise price (NOK)	1.5 - 5.8	2.9	1.8	1.32	1.3	0.71
Historical and expected volatility	69.6	80	80	80	80	80
Option life (Years)	2 - 10	2 - 10	3 - 10	4 - 10	3 - 10	1 - 10
Expected dividends	0	0	0	0	0	0
Risk-free interest rate (%)	-0.62 - 0.17	0.64	0.31	0.41	0.34	0.39

Warrant Plan	May 2019	June 2019	January 2020	November 2020	September 2021	September 2021
Grant date	23/5 2019	3/6 2019	1/2 2020	1/2 2020	7/9 2021	7/9 2021
Weighted average share price (NOK)	0.76	0.9	0.41	0.88	0.91	0,94
Exercise price (NOK)	0.57	0.68	0.41	0.7	0.91	0,94
Historical and expected volatility	131	131	87	137	65	65
Option life (Years)	0 - 10	1 - 10	0 - 10	0 - 10	0 - 10	0 - 10
Expected dividends	0	0	0	0	0	0
Risk-free interest rate (%)	0.07	0.07	-0.4	-0.5	1.3	1.3

Expected volatility was determined taking into consideration the volatility of the company's share price over a 12-month period.

7. Special Items

DKK´000	2021	2020
IP rights, impairment losses	4,742	0
IP rights, expensed	520	0
Total	5,262	0

8. Financial income

DKK´000	2021	2020
Interest income on assets measured at amortized cost	0	2
Change in derivative financials instruments, fair value	7,729	0
Foreign exchange gains, net	754	115
Total	8,483	117

For change in derivative financials instruments reference is made to note 16.

Foreign exchange gains are due to increase in exchange rate of NOK and USD during the year.

9. Financial expenses

DKK´000	2021	2020
Interest income on liabilities measured at amortized cost	98	45
Interest Lease liabilities	0	0
Other financial costs	0	785
Total	98	830

10. Tax

DKK´000	2021	2020
Tax on loss for the year:		
Net result for the year before tax	-16,332	-16,383
Tax rate	22%	22%
Expected tax expenses	-3,593	-3,604
Adjustment for non-deductible expenses	794	715
Prior-year adjustments	-78	-155
Change in tax assets (not recognized)	2,799	910
Total tax on loss for the year	-78	-2,134

Specification of tax on loss for the year:

Current tax	0	49
Tax credit scheme/joint taxation contributions	0	-2,183
Prior-year adjustments	-78	0
Total tax on loss for the year	-78	-2,134

Breakdown on unrecognized deferred tax assets:

Tax losses carried forward (available indefinitely)	88,261	75,100
Other	1,271	5,878
Basis at year end	89,532	80,978
Tax rate	22%	22%
Calculated Potential deferred tax assets	19,697	17,815
Write-down of deferred tax assets	-19,697	-17,815
Recognized deferred tax assets	0	0

11. Earnings per share

	Continued operations		Discontinued operations	
	2021	2020	2021	2020
DKK'000				
Net loss for the period	-6,603	-6,001	-7,797	-8,248
Average number of shares (in thousands)	113,148	76,799	113,148	76,799
Average number of treasury shares	0	0	0	0
Average number of shares in circulation	113,148	76,799	113,148	76,799
Diluted average number of shares in circulation	113,148	76,799	113,148	76,799
Earnings per share of DKK 0,05 each (in DKK)	-0.058	-0.078	-0.069	-0.107
Diluted earnings per share of DKK 0,05 each (in DKK)	-0.058	-0.078	-0.069	-0.107

12 Intangible assets

DKK'000	Completed development s projects	Acquired rights	Total
Financial Year 2021			
Costs as at 01.01.2021	13,047	0	13,047
Additions	0	6,895	6,895
Transfer	0	0	0
Disposals	0	0	0
Costs as at 31.12.2021	13,047	6,895	19,942
Amortisation and impairment			
losses as at 01.01.2021	13,047	0	13,047
Impairment losses	0	4,742	4,742
Amortisation	0	339	339
Disposals	0	0	0
Amortisation and impairment			
losses as at 31.12.2021	13,047	5,081	18,128
Carrying amount as at 31.12.2021	0	1,814	1,814
Financial Year 2020			
Costs as at 01.01.2020	13,047	0	13,047
Additions	0	0	0
Transfer	0	0	0
Disposals	0	0	0
Costs as at 31.12.2020	13,047	0	13,047
Amortisation and impairment			
losses as at 01.01.2020	13,047	0	13,047
Impairment losses	0	0	0
Amortisation	0	0	0
Disposals	0	0	0
Amortisation and impairment			
losses as at 31.12.2020	13,047	0	13,047
Carrying amount as at 31.12.2020	0	0	0

Impairment test

Because of long time to market for one of the IP acquired, management has performed an impairment test using the DCF model and a discount rate on 20%. On this basis, management concluded that the IP right is impaired and consequently recognized the write-down of this by DKK 4.7m.

13 Other Equipment

DKK'000	2021	2020
Financial Year 2021		
Costs as at 01.01.2021	204	170
Additions	0	34
Disposals	-204	0
Effect of exchange rate adjustment	0	0
Costs as at 31.12.2021	0	204
Amortisation and impairment losses as at 01.01.2021	109	52
Impairment losses	0	0
Amortisation	66	57
Disposals	-175	0
Effect of exchange rate adjustment	0	0
Amortisation and impairment losses as at 31.12.2021	0	109
Carrying amount as at 31.12.2021	0	95

14. Right-of-use assets and lease liabilities

Right-of-use assets - rent facilities	2021	2020
Right-of-use assets as at 1.1.2021	733	985
Additions	0	0
Disposals	-544	0
Modifications	0	0
Depreciations	-189	-252
Right-of-use assets as at 31.12.2021	0	733
Lease liabilities	31.12.2021	31.12.2020
Non-current	0	532
Current	0	251
Lease liabilities	0	783
Amounts included in the income statement	2021	2020
Interest expense leases	37	64
Depreciation recognised on right-of-use assets	189	251
Amounts included in the income statement	226	315

15. Trade Receivables

DKK '000	2021	2020
Trade receivables (gross), beginning of year	633	620
Provision for bad debt	0	0
Change of provision in the year	0	0
Realised losses in the year	0	0
Provision for bad debt, end of year	0	0
Trade receivables (net), end of year	1,924	633
Trade receivables not due (due 0-3 months after the balance sheet date)	1,924	633
Trade receivables due from 0 to 1 month before the balance sheet date	0	0
Trade receivables due more than 1 month before the balance sheet date	0	0
Trade receivables (net), end of year	1,924	633

No trade receivables relates to contracts with customers.

With the implementation of IFRS 9 “Financial Instruments”, the company has applied the simplified approach to measure the expected credit loss and a lifetime expected loss allowance for all trade receivables. Historically the company hasn't recognized losses on receivables. The Group's customers are predominantly app-stores and companies like these and therefore the credit risk is very low. There are no overdue receivables as of December 31, 2021. No losses are expected on trade receivables and therefore no loss allowance for trade receivables has been recognized as of December 31, 2021. No loss allowance was recognized as of January 1, 2020 or January 1, 2021. Management continues to assess the credit risks in order to ensure the credit risk never exceeds the loss allowance on trade receivables.

16. Derivative financial instruments

On 7 September 2021, the parent company of the group entered into an investment agreement with Skybound Games Studios (the investor). The investor receives right to subscribe mandatorily and investment shares and warrants (collectively “rights”) which can be exercised on different dates depending on the tranches. Each right can be exercised for one share (i.e., 1:1 conversion ratio) and the number of shares that will be issued are fixed for all these tranches. Upon settlement, the fixed exercise amount in Norwegian kroner (NOK) is settled by the investor by paying its US dollar (USD) equivalent. The functional and presentation currency of the parent company and the Group is Danish kroner (DKK). Hence, although the exercise amount is fixed in NOK, the equivalent amount in DKK is variable depending on the prevailing exchange rate between DKK and USD at settlement date. This variable amount does not qualify the definition of equity instrument and therefore, these rights are classified as derivative financial assets / liabilities.

The asset amount DKK 7.7m per 31 December 2021 is variable with the development in exchange rate in NOK/DKK and the company's share price. The amount is the calculated fair value that the company would have received less if the company's share price and exchange rate NOK/DKK as per 31 December 2021 had been used in the agreement for the investment Tranches 2-4.

17. Equity

Share capital

As of 31 2021 the company's share capital consists of 127,677,765 shares of DKK 0.05 each. The shares are fully paid up. The shares are not divided into classes, and no shares enjoy special rights.

Treasury shares

The group held no treasury shares at the end of the 2021 or 2020 reporting periods.

Capital management

The group aims to ensure structural and financial flexibility as well as competitive strength. For that purpose, the group regularly assesses the appropriate capital structure for the group. Reference is made to the paragraph "Capital resources" in note 3 and significant accounting estimates and judgments in note 2.

Dividend

It is proposed that no dividend be paid.

Share capital development during 2020-2021

Date	Type of change	Change in Share Capital DKK	Per value DKK	Total share capital DKK	Number of new shares	Total number of shares
31.12.2019	Share capital increase		0.05	2,686,800		53,736,010
25.05.2020	Share capital increase	379,110	0.05	3,065,910	7,582,200	61,318,210
03.08.2020	Share capital increase	2,250,000	0.05	5,315,910	45,000,000	106,318,210
07.09.2021	Share capital increase	1,083,888	0.05	6,399,799	21,677,765	127,995,975

18. Other Payables

DKK´000	31.12.2021	31.12.2020
Non-current:		
Payable for use of IP rights	930	1,488
Total non-current other payables	930	1,488
Current:		
Payable for use of IP rights	558	558
Holiday pay liability	212	1,581
Discontinued operations	647	0
Other	233	621
Total current other payables	1,650	2,760

19. Contingent liabilities

Based on management's assessment the group is not involved in any lawsuits, arbitration cases or other matters which could have a material impact on the group's financial position or results of operations.

Acquired IP rights / co-productions rights.

As a part of the investment agreement with Skybound Games Studios the company has entered into two co-production agreements with a total co-funding obligation for the company on USD 5.5m.

As part of the investment agreement, 5th Planet Games has provided certain representations and warranties to Skybound Games. Should Skybound Games suffer a loss due to certain specific warranties not being true, accurate and not misleading, Skybound Games will, at its own discretion, have the option of being indemnified from its loss by exercising up to 2,200,000 warrants (depending on the loss), each warrant entitling Skybound Games to subscribe for 1 share of nominal DKK 0.05 at par value (the "Indemnification Warrants"). The potential loss from this warranty is estimated to be insignificant.

20. Security provided

None.

21. Financial risks and financial instruments

Risk management policy

The group's financial risks are managed by the Executive Management. The group has not prepared particular policies for the identification and handling of risks. Managing the group's risks forms part of the Executive Management's day-to-day monitoring of the group.

Interest rate risk

The group has no interest-bearing debt. The group is not subject to material credit risks

Credit risk

The maximum credit risk relating to receivables corresponds to the carrying amount. Information about trade receivables due appears from note 13. The group is not subject to material credit risks.

Currency risk

The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's monetary assets and liabilities denominated in foreign currencies.

The following tables demonstrate the sensitivity to a reasonably possible change in NOK and USD exchange rates, with all other variables held constant. The group's exposure to foreign currency changes for all other currencies is not material.

Amounts in DKK '000		Effect on loss before tax	Effect on pre- tax equity
Year end 31/12 2021			
Change in NOK rate	+ 5%	+7	+7
Change in NOK rate	- 5%	-7	-7
Change in USD rate	+5%	+505	+505
Change in USD rate	-5%	-505	-505

Amounts in DKK '000		Effect on loss before tax	Effect on pre- tax equity
Year end 31/12 2020			
Change in NOK rate	+ 5%	+532	+532
Change in NOK rate	- 5%	-532	-532
Change in USD rate	+5%	-1	-1
Change in USD rate	-5%	+1	+1

Foreign currency risks are managed as part of the Executive Management's day-to-day monitoring of the group.

Currently, the management is not hedging any currency risks.

Mandatory future capital increases amounting in total to NOK 79.3m, have been agreed with Skybound Games Studios Inc., cf. Tranches 2-4 of the Skybound investment agreement. The value of the future capital increases, to be carried out in Q2 2022, Q3 2022, and Q3 2023, is fully exposed of the future development in the NOK/DKK currency rate, since the proceeds from the capital increases is agreed to be paid in NOK while the group financial statements are presented in DKK. The financial impact is likely to be material. To demonstrate the sensitivity, a change in NOK/DKK with 5% could affect the future proceeds measured in DKK with approx. DKK 4m, with all other variables held consistent. Reference is made to note 16.

Liquidity risk

The group's liquidity risk covers the risk that the group is not able to meet its liabilities as they fall due. The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest. Reference is made to the paragraph "Capital resources" in note 3 and significant accounting estimates and judgments in note 2.

DKK'000	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31/12 2021					
Trade payables	1,746	0	0	0	1,746
Other payables	1,650	558	372	0	2,580
Total as at 31/12 2021	3,396	558	372	0	4,326
As at 31/12 2020					
Lease liabilities	251	269	263	0	783
Trade payables	1,374	0	0	0	1,374
Related parties	86	0	0	0	86
Other payables	2,760	558	930	0	4,248
Total as at 31/12 2020	4,471	827	1,193	0	6,491

Note 22. Financial assets and liabilities**31 December 2021**

DKK´000	Amortised costs	FVTPL	Total
Financial assets - short-term:			
Trade receivables	1,924	-	1,924
Other receivables	2,963	-	2,963
Derivative financial instruments	-	7,729	7,729
Cash	13,607	-	13,607
Total financial assets	18,494	7,729	26,223

Financial Liabilities:

Non-current other payables	930	-	930
Trade payables	1,746	-	1,746
Other payables	1,650	-	1,650
Total financial liabilities	4,326	0	4,326

31 December 2020

DKK´000	Amortised costs	FVTPL	Total
Financial assets - short-term:			
Trade receivables	633	-	633
Other receivables	2,253	-	2,253
Derivative financial instruments	-	-	0
ash	23,666	-	23,666
Total financial assets	26,552	0	26,552

Financial Liabilities:

Non-current lease liabilities	532	-	532
Non-current other payables	1,488	-	1,488
Trade payables	1,374	-	1,374
Other payables	3,011	-	3,011
Total financial liabilities	6,405	0	6,405

23. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

31 December 2021

DKK´000	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	7,729	-	-	7,729
Net fair value	7,729	0	0	7,729

31 December 2020

DKK´000	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	0	-	-	0
Net fair value	0	0	0	0

24. Consolidated companies and related parties*Ownership*

The following shareholders are registered in 5th Planet Games' register as being the owners of 5% or more of the voting rights or 5% or more of the share capital (1 share equals 1 vote) as of 31 December 2021:

Skybound Game Studios, Inc, 9570 W Pico Blvd. Los Angeles CA 90035, USA

Remuneration for management is disclosed in note 5. The group has not entered into contracts with change of control clauses.

Equity investments in other companies

DKK´000	Owner-ship	Municipality of registered office	Equity 31.12. 2021	Result 2021
5th Planet Games Development ApS	100.0%	København K	-16,340	-18,414
Ivanoff Interactive A/S	100.0%	København K	849	195
*5th Planet Games GmbH	100.0%	Berlin	-257	362
*Under liquidation				

Transactions with other related parties

Since September 2021, board Member Henrik Nielsen has worked as Strategic Advisor. In 2021, Henrik Nielsen received a payment of DKK 64t and 7,069,064 warrants with a value of DKK 929t expensed in 2021 under other expenses.

25. Fee to parent company auditors appointed at the general meeting

DKK´000	2021	2020
Grant Thornton		
Statutory audit	229	179
Other assurance engagements	148	44
Tax Consultancy	15	12
Other services	0	8
Total fees for the year	392	243

26. Events occurring after the balance sheet date

No important events have occurred after the end of the financial year.

27. Adoption of the annual report for publication

At the board meeting on 4 April 2022, the Board of Directors approved this annual report for publication. The shareholders of 5th Planet Games A/S have the power to amend the annual report. The annual report will be presented to the shareholders for approval at the annual general meeting on 26 April 2022.

28. Discontinued operations

In September 2021, it was decided to close the development studio 5th Planet Games GmbH in Berlin, working on Adventures of *Tintin* and *Lego Match 3* game.

Revenue and expenses, gains and losses relating to the discontinuation of 5th Planet Games GmbH have been eliminated from profit and loss from group's continuing operations and are shown as a single line item in the statement of profit and loss.

Consolidated income statement for continued, discontinued and total operations for the year:

DKK '000	Continuing operations		Discontinuing operations		Total	
	2021	2020	2021	2020	2021	2020
Revenue	4,809	2,848	2,379	1,071	7,188	3,919
Costs of sales	121	185	326	302	447	487
Gross Profit	4,688	2,663	2,053	769	6,741	3,432
Research and development costs	3,998	1,289	7,175	8,717	11,173	10,006
Marketing expenses	0	277	3,631	1,392	3,631	1,669
Other expenses	10,155	6,677	578	377	10,733	7,054
EBITDA	-9,465	-5,580	-9,331	-9,717	-18,796	-15,297
Special items	5,262		0		5,262	0
Depreciation and amortisation	339	0	283	309	622	309
Operating loss (EBIT)	-15,066	-5,580	-9,614	-10,026	-24,680	-15,606
Financial income	8,483	117	0	0	8,483	117
Financial expenses	98	830	37	64	135	894
Loss before tax	-6,681	-6,293	-9,651	-10,090	-16,332	-16,383
Tax on loss for the year	-78	-292	0	-1,842	-78	-2,134
Loss for the year from operations	-6,603	-6,001	-9,651	-8,248	-16,254	-14,249

PARENT COMPANY ACCOUNTING POLICIES

The financial statements of the parent company 5th Planet Games A/S have been prepared in accordance with the provisions of the Danish Financial Statements Act on listed companies.

The financial statements are presented in Danish kroner (DKK).

The parent company's accounting policies have been applied consistently with last year.

Differences in relation to the group's accounting policies

The parent company applies the same accounting policies for recognition and measurement as the group with the exceptions and additions set out below. For a complete description of the parent company's accounting policies, see note 1 to the consolidated financial statements. The difference between the parent company equity and the groups equity is due to share-based payments that is not expensed in parent company.

Income statement and balance sheet

Equity investments in subsidiaries

Equity investments in subsidiaries are recognized in the balance sheet at the proportionate share of the companies owned adjusted for any residual value of positive or negative goodwill as well as unrealized intercompany profits and losses.

Profits or losses in subsidiaries are recognized in the income statement in proportion to the shares equivalent to the equity investments. Newly acquired or newly founded enterprises are recognized in the financial statements as from the time of acquisition. Companies divested or discontinued are recognized until the date of divestment.

Newly-acquired companies are recognized in accordance with the acquisition method, according to which the identifiable assets and liabilities of newly-acquired companies are recognized at fair value at the date of acquisition.

The goodwill (positive difference) determined at the date of acquisition is recognized under equity investments in subsidiaries and amortized according to the straight-line method based on an individual assessment of the useful life of the asset, the maximum period, however, being 20 years.

Cash flow statement

No cash flow statement is prepared for the parent company, as the parent company is included in the consolidated cash flow statement in accordance with the Danish Financial Statements Act, Section 86(4).

Parent Company income statement

DKK´000	Note	2021	2020
Other external expenses		-1,654	-949
Staff costs	1	-1,322	-586
Other Operating income		6,895	0
Operating profit		3,919	-1,535
Share of loss from equity investments in group companies	2	-17,857	-9,631
Other financial income	3+4	8,560	293
Other financial expenses	3	-77	-822
Total net financials		-9,374	-10,160
Loss before tax		-5,455	-11,695
Tax on loss	5	85	-454
Nett Loss		-5,540	-11,241
Proposed distribution of net loss:			
Dividend for the financial year		0	0
Special reserve		0	0
Retained earnings		-5,540	-11,241
Total		-5,540	-11,241

Parent company balance sheet

ASSETS

DKK´000	Note	2021	2020
Equity investments in group companies	2	850	4,529
Total non-current assets		850	4,529
Current Assets:			
Receivables from group companies		22,008	0
Tax receivable		6	454
Derivative financials instruments	4	7,729	0
Other receivables		307	155
Total receivables		30,050	609
Cash		10,091	20,916
Total current assets		40,141	21,525
Total assets		40,991	26,054

EQUITY AND LIABILITIES

DKK´000	Note	2021	2020
Equity:			
Share Capital		6,400	5,315
Reserves		0	0
Retained earnings		17,034	15,848
Total equity		23,434	21,163
Provisions:			
Other provisions	2	16,597	619
Total provisions		16,597	619
Current liabilities:			
Payable to group companies		0	4,075
Trade payables		910	167
Other payables		50	30
Total current liabilities		960	4,272
Total Liabilities		960	4,272
Total equity and liabilities		40,991	26,054

Contingent liabilities	6
Security provided	7
Events occurring after the balance sheet date	8

Statement of change in equity

DKK '000	Share capital	Reserve capital reduction	Share premium	Convert-ible loan	Retained Earnings	Proposed dividend	5th Planet Games
							shareholder's share of equity
Equity as at 01.01.2021	5,315	0	0	0	15,848	0	21,163
Capital increase Skybound	1,085		8,482				9,567
Costs related to capital increase			-1,756				-1,756
Transfer of reserves			-13,622		13,622		0
Proposed distribution of net loss					-5,540		-5,540
Equity as at 31.12.2021	6,400	0	-6,896	0	23,930	0	23,434
Equity as at 01.01.2020	2,686	0	0	0	4,540	0	7,226
Capital increase by:							
Loan conversation	379		0	-379			0
Right issue	2,250		28,962				31,212
Convertible loans issued				1,675			1,675
Convertible loan repaid				-4,405			-4,405
Costs related to capital increase					-3,292		-3,292
Exchange rate adjustments					-12		-12
Transfer of reserves			-28,962	3,109	25,853		0
Proposed distribution of net loss					-11,241		-11,241
Equity as at 31.12.2020	5,315	0	0	0	15,848	0	21,163

History of share capital development since incorporation

Date	Type of change	Change in Share Capital DKK	Per value DKK	Total share capital DKK	Number of new shares	Total number of shares
13.04.2011	Formation	80,000	1.00	80,000	80,000	80,000
09.09.2014	Share capital increase	28,917	1.00	108,917	28,917	108,917
30.12.2015	Conversion to A/S	9,891,083	1.00	10,000,000	9,891,083	10,000,000
06.02.2016	Share split	0	0.50	10,000,000	10,000,000	20,000,000
26.06.2016	Share capital increase	2,500,000	0.50	12,500,000	5,000,000	25,000,000
27.01.2016	Share capital increase	137,074	0.50	12,637,074	274,148	25,274,148
03.08.2016	Share capital increase	10,000,000	0.50	22,637,074	20,000,000	45,274,148
12.04.2017	Share capital increase	2,239,948	0.50	24,877,022	4,479,895	49,754,043
12.06.2017	Share capital increase	31,948,835	0.50	56,825,857	63,897,670	113,651,713
31.10.2017	Share split	-22,460,686	0.50	34,365,171	-44,921,371	68,730,342
29.11.2017	Share split	-23,000,000	0.50	11,365,171	-46,000,000	22,730,342
01.12.2017	Share capital increase	9,261,680	0.50	20,626,851	18,523,361	41,253,703
01.01.2018	Share capital increase	650,000	0.50	21,276,851	1,300,000	42,553,703
24.01.2018	Share capital increase	485,434	0.50	21,762,285	970,868	43,524,571
23.05.2019	Share capital increase	1,963,865	0.50	23,726,150	3,927,729	47,452,300
24.05.2019	Share capital increase	1,802,451	0.50	25,528,601	3,604,902	51,057,202
27.11.2019	Share size reduction	-22,975,741	0.05	2,552,860	0	51,057,202
12.12.2019	Share capital increase	133,940	0.05	2,686,800	2,678,808	53,736,010
25.05.2020	Share capital increase	379,110	0.05	3,065,910	7,582,200	61,318,210
03.08.2020	Share capital increase	2,250,000	0.05	5,315,910	45,000,000	106,318,210
07.09.2021	Share capital increase	1,083,888	0.05	6,399,798	21,677,765	127,995,975

PARENT COMPANY NOTES

1. Staff Costs

DKK'000	2021	2020
Wages and salaries	1,322	586
Pensions	0	0
Other social security costs	0	0
Total	1,322	586
Average number of employees during the year	1	1

Remuneration of board of directors and executive management:

Board of directors:

Cash remuneration	200	30
Total	200	30

Executive management:

Gross Salary	762	482
Pension Contribution	0	0
Total	762	482

2. Investments in group companies

DKK'000	2021	2020
Costs at 01/01 2021	88,153	76,153
Additions during the year	0	0
Subsidy to Group company	0	12,000
Disposals during the year	0	0
Costs at 31/12 2021	88,153	88,153
Value adjustments as at 01/01 2021	-84,243	-75,023
Share of loss before amortisation of goodwill during the year	-17,857	-9,631
Foreign exchange loss investments group companies	0	-12
Disposals during the year	-1,800	423
Value adjusted as at 31/12 2021	-103,900	-84,243
Carrying amount as at 31/12 2021	-15,747	3,910
Group companies with negative equity	16,597	619
Group companies with positive equity	850	4,529

The group companies are:

DKK´000	Owner-ship	Municipality of registered office	Equity 31.12. 2021	Result 2021
5th Planet Games Development ApS	100%	København K	-16,340	-18,414
Ivanoff Interactive A/S	100%	København K	850	195
*5th Planet Games GmbH	100%	Berlin	-257	362
*Under Liquidation				

3. Financial Items

DKK´000	2021	2020
Financial income includes interest from group enterprises	296	230
Financial expenses include interests to group enterprises	0	0
Total	296	230

4. Derivative financial instruments

On 7 September 2021, the parent company of the group entered into an investment agreement with Skybound Games Studios (the investor). The investor receives right to subscribe mandatorily and investment shares and warrants (collectively "rights") which can be exercised on different dates depending on the tranches. Each right can be exercised for one share (i.e., 1:1 conversion ratio) and the number of shares that will be issued is fixed for all these tranches. Upon settlement, the fixed exercise amount in Norwegian kroner (NOK) is settled by the investor by paying its US dollar (USD) equivalent. The functional and presentation currency of the parent company and the Group is Danish kroner (DKK). Hence, although the exercise amount is fixed in NOK, the equivalent amount in DKK is variable depending on the prevailing exchange rate between DKK and USD at settlement date. This variable amount does not qualify the definition of equity instrument and therefore, these rights are classified as derivative financial assets / liabilities.

The asset amount DKK 7.7m per 31 December 2021 is variable with the development in exchange rate in NOK/DKK and the company's share price. The amount is the calculated fair value that the company would have received less if the company's share price and exchange rate NOK/DKK as per 31 December 2021 had been used in the agreement for the investment Tranches 2-4.

5. Tax

DKK´000	2021	2020
Current tax for the year	0	0
Prior year adjustments	91	0
Tax credit scheme/joint taxation contributions	-6	-454
Change in deferred tax	0	0
Total tax for the year	85	-454

Tax comprises:

Tax on loss for the year	85	-454
Tax on changes in equity	0	0
Total	85	-454

6. Contingent liabilities

Based on management's assessment the Company is not involved in any lawsuits, arbitration cases, or other matters which could have a material impact on the group's financial position or results of operations.

The parent company has provided the subsidiaries letter of support until 30 March 2023.

7. Security provided

None.

8. Events occurring after the balance sheet date

After the balance sheet date, the parent company has provided the subsidiary company 5th Planet Games Development ApS with a group contribution of DKK 21.9m.