



Copenhagen, 20 May 2022

5th Planet Games A/S

INTERIM REPORT 1st Quarter 2022

Three months ended 31 March 2022

CEO-letter: Q1 2022

On reflecting on these Q1 results, my overall feelings are positive and optimistic, for largely the same reasons that I expressed in my letter accompanying the 2021 annual results a little earlier this year.

In reviewing our financial results for Q1, I note the following:

- Revenue improved DKK 2.2m to DKK 2.9m in Q1 2022 from DKK 0.7m in Q1 2021 (continued operations)
- EBITDA improved DKK 2.8m to DKK -0.7m in Q1 2022 from DKK -3.5m in Q1 2021 (continued operations)
- Cashflow positive by DKK 1,7m in Q1 2022 against DKK -6.4m in Q1 2021 (total operations)
- Loss for Q1 2022 total DKK 26.1m due to the calculated change in fair value of derivative financials instruments by DKK -25.6m

The final point above concerns a technical accounting requirement, but it should not serve as a distraction from the fact that our overall financial position shows marked signs of improvement. This issue is only temporary and will end when Investment Tranche 4 has been executed September 2023.

Before Your Eyes, the first title from last years investment agreement with Skybound Game Studios continues to exceed expectations in terms of sales and the fist distribution agreement had been entered between Skybound Games Studios and Netflix. We expect that Skybound will enter into more distribution agreements in the future

From a corporate development perspective, the listing of 5th Planet Games stock on the US OTC markets was a major achievement that we announced on February 10th this year, and that listing will get increasing focus and attention in the coming months.

Finally, and perhaps the most important and transformative element of our progress is the pipeline of new games that we are putting together; the games cover a variety of genres, but they are all aimed at global audiences and have been developed in conjunction with some of the very best development studios in the world; we look forward to sharing further details in due course.

So, rather like I stated earlier in the year, my positive outlook comes from the work that myself, the board and the management team have done in 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



OUTLOOK for 2022

Based on the result in Q1 2022, the financial guidance for 2022 remain the same as as announced in the annual report for 2021, a revenue at a level of DKK 10-20m and EBITDA at a level of DKK -5-1m.

Key figures and financial performance

DKK '000	Q1 2022	Q1 2021	FY 2021
*Revenue	2,914	713	4,809
*Gross profit	2,859	452	4,688
*Loss before special items (EBITDA)	-462	-3,512	-9,465
*Operating profit/loss (EBIT)	-727	-3,512	-15,066
*Net Financials exclusive change in derivative instrument	211	403	656
Change in derivative financials instruments, fair value	-25,630	0	7,729
Loss from discontinued operations	0	-3,542	-9,651
Net loss for the year	-26,146	-6,415	-16,254
Total assets	21,169	21,840	28,359
Investments other equipment	0	0	0
Capitalized and expenses costs development	571	1,180	3,998
Equity	-2,011	15,953	23,461

*Figures for Q1 2021 and FY2021 are only for continued operations.

Revenue for Q1 2022 amounted to DKK 2.9m, a 309% increase from DKK 0,7m in Q1 2021 (continued operations).

Gross profit for Q1 2022 amounted to DKK 2.8m, a 533% increase from DKK 0.5m in Q1 2021 (continued operations).

Costs for Q1 2022 decreased by DKK 0.6m (continued operations).

- Development expenses in Q1 2022 amounted to DKK 0.6m a decrease from DKK 1.2m in Q1 2021 (continued operations).
- Other expenses were in Q1 2022 on same level as in Q1 2021 (continued operations).

EBITDA before special items was a loss of DKK 0.5m in Q1 2022 against a loss of DKK 3.5m in Q1 2021 (continued operations). The increase was mainly driven by increase in revenue.

Financial income was an income of DKK 0.2m, covering financial income from exchange rate adjustments and financial expenses to cash accounts in bank.

Financial expenses were a cost of DKK 25.7m covering an interest expense of DKK 0.1 and calculated change in loss from derivative financials instruments of DKK 25.6m. The amount DKK 25.6m is the fair



calculated value change of Tranche 2-4 from the investment agreement with Skybound Games Studios. For further explanation please see note 4.

Loss before tax amounted to DKK 26.1m in Q1 2022 an increase from DKK -3.1m in Q1 2021 (continued operations).

Cash flows from operating activities.

Cash flows from operating activities was positive with DKK 1.7 in Q1 2022 against an outflow of DKK 6.5m in Q1 2021.

Cash position as of 30 June 2022 amounted to DKK 15.3m against DKK 17.1m as of 31 March 2021.

The Group's equity as of 31 March 2022 amounted DKK -2.0m. The reason for the negative equity as of 31 March 2022 is that the calculated value of the derivative financials instruments amounts DKK -17.9m as of 31 March 2022.

Events occurring after the balance sheet date.

On 26 April 2022 the company's equity was increased following tranche 2 in the investment agreement with Skybound Games Studios inc. was completed with a gross proceeds of NOK 22m. (DKK 16.9m).

Following the above-mentioned capital increase and an actual calculation of the fair value of the derivative financials instruments the equity at the time of this report is higher than the share capital and the company is no longer in a situation with capital loss.



5th Planet Games at a glance

- An international, publicly traded games development company founded in 2011.
- A company that creates, develops and publishes games on globally 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

5th Planet Games A/S

Gothersgade 11
1123 Copenhagen K
Denmark

E-mail:

mstanger@5thplanetgames.com

Phone: +44 7833690674

CVR no.: 3359 7142



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the interim report for the period 1 January - 31 March 2022 of 5th Planet Games Group.

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

In our opinion, the interim report gives a true and fair view of the 5th Planet Games Groups' assets, liabilities and financial position on 31 March 2022, and of the results of the 5th Planet Games Group's operations and cash flows for the period 1 January - 31 March 2022.

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

Copenhagen, 20 May 2022

Executive Board

Mark Stanger
CEO

Board of Directors

Jon Goldman
Chairman

Henrik Nielsen

David Alpert

Søren Kokbøl Jensen



Independent Auditors' review report

To the shareholders of 5th Planet Games A/S

We have reviewed the interim consolidated financial statements of 5th Planet Games A/S for the period 1 January 2022 – 31 March 2022 comprising income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity as well as selected explanatory notes, including summary of significant accounting policies (page 7-13).

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

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

Auditors' responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements for the period 1 January 2022 – 31 March 2022 are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies.

Copenhagen, 20 March 2022

Grant Thornton

Anders Flymer-Dindler

State-Authorized Public Accountant

MNE-nr 35423

Mathias John Vintersbølle

State-Authorized Public Accountant

MNE-nr. 47837



Consolidated statement of comprehensive income

DKK'000	Note	Q1 2022	Q1 2021	FY 2021
Revenue	2	2,914	713	4,809
Costs of sales		55	261	121
Gross Profit		2,859	452	4,688
Research and development costs		571	1,180	3,998
Marketing expenses		0	0	0
Other expenses		2,750	2,784	10,155
Loss before special items, depreciation and amortisation (EBITDA)		-462	-3,512	-9,465
Special items		0	0	5,262
Depreciation and amortisation		265	0	339
Operating loss (EBIT)		-727	-3,512	-15,066
Financial income		235	433	8,483
Financial expenses		25,654	30	98
Loss before tax		-26,146	-3,109	-6,681
Tax on loss for the year		0	-236	-78
Loss for the year from continuing operations		-26,146	-2,873	-6,603
Loss for the year from discontinued operations		0	-3,542	-9,651
Loss for the year		-26,146	-6,415	-16,254
Other comprehensive income		0	0	0
Comprehensive income		-26,146	-6,415	-16,254
Distribution of comprehensive income:				
Parent company's shareholders		-26,146	-6,415	-16,254
Non-controlling interests			0	0
Total		-26,146	-6,415	-16,254
Basic earnings per share:				
From Continued operations (DKK)	3	-0.204	-0.027	0.058
From discontinued operations (DKK)	3	0.000	-0.033	0.069
Total DKK)		-0.204	-0.060	0.127
Diluted earnings per share:				
From Continued operations (DKK)	3	-0.204	-0.027	0.058
From discontinued operations (DKK)	3	0.000	-0.033	0.069
Total DKK)		-0.204	-0.060	0.127



Consolidated balance sheet

DKK'000	Note	31.03.2022	31.03.2021	31.12.2021
Non-current assets				
Acquired rights		1,549	0	1,814
Completed development projects		0	0	0
Plant and equipment		0	78	0
Right-of-use assets		0	670	0
Income tax receivables			824	0
Total non-current assets		1,549	1,572	1,814
Current Assets:				
Trade receivables		3,847	908	1,924
Income tax receivable		54	2,196	52
Other receivables		60	57	2,911
Accrual expenses		322	0	322
Derivative financials instruments		0	0	7,729
Cash		15,337	17,107	13,607
Total current assets		19,620	20,268	26,545
Total assets		21,169	21,840	28,359
EQUITY AND LIABILITIES				
DKK'000	Note	31.03.2022	31.03.2021	31.12.2021
Equity:				
Share capital		6,400	5,316	6,400
Reserves			0	0
Retained earnings		-8,411	10,637	17,061
Total Equity		-2,011	15,953	23,461
Non-current liabilities				
Lease liabilities		0	462	0
Other payables		372	930	930
Total non-current liabilities		372	1,392	930
Current liabilities				
Lease liabilities		0	260	0
Received prepayments		97	0	0
Accrual income		572	0	572
Derivative financials instruments	4	17,901	0	0
Trade payables		2,637	1,689	1,746
Other payables		1,601	2,546	1,650
Total current liabilities		22,808	4,495	3,968
Total Liabilities		23,180	5,887	4,898
Total equity and liabilities		21,169	21,840	28,359



Consolidated statement of changes in equity

DKK'000	Reserves				Total equity
	Share capital	Share premium	Other reserves	Retained earnings	
Equity as at 01.01.2022	6,400	0	0	17,061	23,461
Net Loss				-26,146	-26,146
Other comprehensive income			0	0	0
Comprehensive income	0	0	0	-26,146	-26,146
Capital increase					0
Costs related to capital increase					0
Share-based payments				674	674
Transfer of reserves					0
Transactions with owners	0	0	0	674	674
Equity as at 31.03.2022	6,400	0	0	-8,411	-2,011
Equity as at 01.01.2021	5,316	0	0	15,573	20,889
Net Loss				-6,415	-6,415
Other comprehensive income			0	0	0
Comprehensive income	0	0	0	-6,415	-6,415
Capital increases					0
Costs related to capital increase					0
Share-based payment		0		1,479	1,479
Transfer of reserves					0
Transactions with owners	0	0	0	1,479	1,479
Equity as at 31.03.2021	5,316	0	0	10,637	15,953



Consolidated cash flow statement

DKK'000	Note	31.03.2022	31.03.2021	FY 2021
Loss before tax		-26,146	-7,231	-16,332
Depreciation, amortisation and impairment losses		265	80	5,364
Share-based payments		674	1,479	4,360
Financial income, reversed		-238	-433	-8,484
Financial expenses, reversed		25,654	43	135
Change in working capital		1,545	-385	-4,523
Operating cash flow		1,754	-6,447	-19,480
Financial income, received		0	0	0
Financial expenses, paid		-24	-43	-135
Income tax received		0	-8	2,222
Cash flow generated from operations		1,730	-6,498	-17,393
Purchase of equipment		0	0	0
Sale of right of use assests		0	0	544
Purchase of IP rights		0	0	-6,895
Cash flow from investing activities		0	0	-6,351
Proceeds from cash capital increase		0	0	7,573
Purchase of IP rights financed by issue of warrants		0	0	6,895
Lease liabilities, repayment		0	-61	-783
Cash flow from financing activities		0	-61	13,685
Total cash flow for the period		1,730	-6,559	-10,059
Cash, beginning of period		13,607	23,666	23,666
Net foreign exchange difference		0	0	0
Cash, end of period		15,337	17,107	13,607



1. Basis of preparation

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

The interim report does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

Significant accounting estimates and judgments

The most significant accounting estimates and judgments in the interim consolidated financial statements remain unchanged compared to those used in Annual Report 2021. The principles and key assumptions are described in the Annual Report 2021 in note 2.

2. Revenue

DKK'000	Q1 2022	Q1 2021	FY 2021
Sales of games and advertising for mobile devices	427	242	1,205
License income	2,497	471	3,589
Other revenue	0	0	15
Total	2,924	713	4,809

3. Earnings per share

DKK'000	Continued operations			Discontinued operations		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
Net loss for the period	-26,146	-2,873	-6,603	0	-3,542	-7,797
Average number of shares (in thousands)	127,996	106,318	113,148	127,996	106,318	113,148
Average number of treasury shares	0	0	0	0	0	0
Average number of shares in circulation	127,996	106,318	113,148	127,996	106,318	113,148
Diluted average number of shares in circulation	127,996	106,318	113,148	127,996	106,318	113,148
Earnings per share of DKK 0,05 each (in DKK)	-0.204	-0.027	-0.058	0.000	-0.033	-0.069
Diluted earnings per share of DKK 0,05 each (in DKK)	-0.204	-0.027	-0.058	0.000	-0.033	-0.069



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 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 liabilities amount DKK 17.9 per 31 March 2022 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 March 2022 had been used in the agreement for the investment Tranches 2-4.

Per 31 December 2021 the amount was an asset of DKK 7.7m. The costs incurred in Q1 2022 therefore is a expenses or DKK 25.6m.

Capital resources

As mentioned below under events occurred after the balance sheet date, the company has resolved a capital increase of DKK 16.9m the 26 April 2022. According to most recent budgets and plans the existing capital resources are sufficient to continue the operation until June 30th, 2023.

Events occurring after the balance sheet date

On 26 April 2022 the Equity was increased following tranche 2 in the investment agreement with Skybound Games Studios inc. was completed with a gross proceeds of NOK 22m. (DKK 16.9m).

Following the above-mentioned capital increase and a lower share price in the period from 31 March 2022 until 13 May 2022 the company’s share capital has been positive.

Following the increase in the share price on 16 May 2022, the company is at the time of this report in a situation with capital loss, only as it pertains to the fair value of the derivative financial instruments. The capital loss does not affect the groups capital resources, cash position or future outflow of cash. This situation is only temporary and will end when Investment Tranche 4 has been executed September 2023.



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.