

# **5th Planet Games A/S**

Gothersgade 11, 1123 Copenhagen K  
CVR no. DK 33 59 71 42

## **Annual report 2022**

Approved on general meeting 27 April 2023

Chairman of the meeting

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**5TH PLANET GAMES AT-A-GLANCE**

- 5th Planet Games A/S, Gothersgade 11, 1123 Copenhagen K, Denmark, CVR no.: 3359 7142.
- CEO Mark Stanger, E-mail: [mstanger@5thplanetgames.com](mailto:mstanger@5thplanetgames.com),
- An international, publicly traded games financing and publishing company founded in 2011.
- A company that finances and publishes games on a global basis.
- A small, lean publishing company able to react quickly to new opportunities within the global video games market.
- Strong portfolio of titles available across all platforms and all from outstanding development partners
- 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

It is with great pleasure that I write this letter for the 2022 Annual Report and have the opportunity to confirm that 5th Planet Games is now a profitable business.

Through the hard work of the executive team and the 5th Planet Games Board we have been able to turnaround an EBITDA loss in 2021 of over DKK 9m, to an EBITDA profit in 2022 of over DKK 1.6m, and in doing so, have fully delivered on the updated guidance that was issued in August of 2022 in terms of both revenue and profit (EBITDA)

Clearly our partnership with Skybound is now having a profound and positive impact on the financial performance of our business, the access to high quality content, world-class IP and the best game developments talent in the industry; games such as Before Your Eyes have made a significant contribution to our business.

Whilst we have been very focused on optimizing all the new and exciting opportunities that came our way in 2022, we have remained equally focused on costs, and running the business in the most cost-effective way that we can. This focus on cost efficiency will not change as we head into 2023 and beyond.

My pleasure in reporting on a profitable 2022 is matched by my excitement in what lies ahead of us in 2023, this includes;

- The release of many of the games we announced recently from our partnership with Skybound
  - Glitch Busters: Stuck on You from Toylogic
  - Wrestlequest from Mega Cat Studios
  - New game based on The Walking Dead IP from Other Ocean Interactive
- Launching the promotion and communications campaign on our OTC listing in the US
- Our first investor road show

In addition to these games, we are in the final stages of evaluating several more new games, all from world class development teams and all representing outstanding opportunities for our business.

Our results in 2022 have not been solely contingent on the titles we have secured through our partnership with Skybound; our back catalogue continues to make a meaningful contribution to our business and our own IP 'Hugo' continues to find new routes to market with several new development and publishing agreements completed last year. We will continue to manage our back catalogue in a pro-active manner through 2023 and look for new opportunities for 'Hugo'

Whilst I am delighted with the progress that we have made as a business, I can confirm that there is zero complacency in the way we are preparing for 2023, we are committed to finding the right games to publish, and equally committed to cost-efficiency in our business operations.

It's great to close this letter on a positive note and reflect on the significant progress we have made since the Autumn of 2021, the high-quality content that we have already brought to market, the exciting pipeline of new content that we have in front of us, and best of all, a company that is now operating at a profit.

Thanks again for your continued support,

Mark Stanger – CEO, 5th Planet Games A/S, 29 March 2023.



## BUSINESS DEVELOPMENT

Our partnership with Skybound is providing a significant volume of new and exciting co-publishing and co-financing opportunities, with the two companies meeting on a regular basis to assess and review these opportunities. As in 2022, we anticipate several new product announcements in 2023 that result directly from our agreement with Skybound; we note, once again the calibre of the games that are being presented to us from this partnership.

In addition to Skybound, we maintain our own independent Business Development capability and are routinely being presented with new publishing and financing opportunities; we continue to assess these opportunities on a case-by-case basis to ensure that they meet the ever-increasing quality threshold that we have now established.

Finally, we continue to proactively manage our own back catalogue and the Hugo IP. We expect that catalogue to once again make a positive contribution to our business in 2023.

## OUTLOOK

With the increasing contribution of the titles secured from our partnership agreement with Skybound, we expect to once again see significant increases in both revenue and EBITDA. Revenue is estimated to increase to a level of DKK 15-25m in 2023 while EBITDA is expected to increase to the level of DKK 7m – 9m

## FINANCIAL REVIEW

It has been a year with focus on new investments made possible by the investment agreement entered with Skybound in 2021.

### Skybound investment agreement:

The investment agreement with Skybound Games Studios is described in more detail in the annual report for 2021.

The annual report for 2022 is affected by the investment agreement with Skybound, Tranche 1-3 have been executed according to the agreement and has secured the capital structure. Tranche 4 will be executed in 2023 and supports the strategy and long-term value creation for the company.

- Tranche 4 subscription and exercise: In 2022 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 on 7<sup>th</sup> September 2021.

### Additional Warrants and Other Significant Items

#### *Milestone Warrants*

In addition to the Tranche 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 certain 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**").

### **Accounting impact FY 2022 of the Skybound investment agreement:**

#### *Principal Investment Structure:*

Tranche 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. The derivate is in 2022 a liability with a value of DKK 25.1m, and the adjustment of the liability negatively affects financial expenses with DKK 32.793m.

#### *Milestone warrants and co-publishing agreements*

Milestone warrants are classified as payments for the right to enter into agreements of co-publishing. The value of the IP rights has been calculated using Monte Carlo simulations. The total value has been calculated to DKK 6.9m. The book value is DKK 0.7 m

#### *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.

### **Comments to the result of the year:**

#### **The results from 2022 have been extremely positive**

5<sup>th</sup> Planet Games was involved in publishing, co-publishing or co-financing several new games that all released in 2022, *Hugo Up and Away* in conjunction with Funfair Games of London, the mobile versions of *Before Your Eyes* in partnership with Netflix and *Escape Academy* developed by Coin Crew Games; in addition to these titles, 5<sup>th</sup> Planet Games was also able to announce new agreements for *Wrestlequest* from Mega Cat Studios, *Glitchbusters*; *Stuck on You* from Toylogic and the new game based on *The Walking Dead* IP being developed by revered development studio Other Ocean Interactive. It was an impressive year of releases and announcements.

#### **Financial performance affected positive by increase in revenue**

EBITDA shows a gain of DKK 1.7m in 2022 (2021: DKK -9.5m for continuing operations). The positive result is due to the increased revenue from new publishing agreements and continuous cost control.

Depreciation and amortization for 2022 was DKK 2.4m (2020: DKK 0.3m).

Net financials were a loss of DKK 32.972m, the loss is caused by the calculated loss from derivate financials instrument of DKK -32.793m. For further explanation reference, please see note 16.

In 2022, 5th Planet Games incurred a loss before tax of DKK 33.708m, the loss is mainly caused by the negative affect of the calculation of the fair value of the derivate, which will be leveled in 2023. Without the effect from the derivate, earnings show a loss of 0.9m (2021: loss of DKK 6.603m for continued operations and a loss from discontinued operations of DKK 9.7m in total a loss of DKK 16.254m).

### Total assets increased in 2022

Total assets amounted to DKK 58.8m as of 31 December 2022, a DKK 30.4m increase compared to 31 December 2021 due to increase of cash position by DKK 22.7m, and DKK 15.4m from capitalizing of several new development projects.

### Cash flow positive due to execution of investment agreement

In 2022, the cash flow from operating activities shows a gain of DKK 3.7m (2021: loss of DKK 17.4m). The total cash flow was also positively affected by the execution of Tranche 2-3 in the investment agreement with DKK 36.8m. Investing activities affects cash flow negatively with DKK 17.3m. In total cash flow was positive in 2022 with DKK 22.7m (2021: loss DKK 10.1m). The cash position as of 31 December 2022 amounted to DKK 36.3m (2021: DKK 13.6m).

### Equity

The group's equity as of 31 December 2022 was DKK 28.9m (2021: DKK 23.5m). The equity ratio at year-end was 49% (2021: 83%).

### Capital increases issued in 2022

In April and August 2022, Skybound Games Studios Inc, executed Tranche 2 and 3 of the investor agreement from 2021, as described in the annual report for 2021. They invested DKK 34.775m (NOK 48.461m) in the company and 79.485.138 new shares were issued to Skybound. In November 2022 warrants were executed and 478.380 new shares were issued.

## KEY FIGURES

DKK '000	IFRS 2022	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018
*Revenue	11.300	4.809	2.848	2.180	3.855
*Gross profit	11.143	4.688	2.663	2.044	3.550
*Profit / loss before special items (EBITDA)	1.677	-9.465	-5.580	-17.814	-9.908
*Operating profit/loss (EBIT)	-736	-15.066	-5.580	-18.391	-22.830
*Net Financials exclusive change in derivative instruments	-179	656	-713	-126	65
Change in derivative financials instruments, fair value	-32.793	7.729	-	-	-
*Net Financials	-32.972	8.385	-713	-126	65
Loss from discontinued operations	0	-9.651	-8.248	-15.866	-20.779
Net loss for the year	-33.708	-16.254	-14.249	-32.223	-43.544
Net loss for the year exclusive fair value of derivative financials instruments	-915	-23.983	-14.249	-32.223	-43.544
Total assets	58.845	28.359	27.380	13.267	37.331
Investments other equipment	0	0	34	149	426
Capitalized and expensed development costs	17.278	11.142	18.381	18.381	17.184
Equity	28.886	23.461	20.889	6.972	26.637
*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**

The games market is volatile and despite all the due diligence undertaken by 5th Planet Games and its publishing partners, the performance of any individual game cannot be guaranteed. This is main financial risk that 5th Planet Games faces.

- **Product development risk**

Product development is a creative process and regularly subject to delays, which invariably means additional costs. Whilst 5th Planet Games looks to mitigate this risk, by increasingly working with experienced development teams, the risk remains of delays and additional expense.

- **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 Tranche 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 tranche 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**

In the short term, 5th Planet Games is heavily reliant on Skybound as a source of new games; whilst in general terms this is a positive thing it also carries a certain risk; in order to mitigate this risk 5th Planet Games continues to proactively manage its own catalogue of titles and maintains a business development function to find new games, new financing and new publishing opportunities.

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 2022 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/>.

The Company complies with 23 of the 40 Danish recommendations on corporate governance <https://corporate-governance.dk/>

## Remuneration report

On 26th April 2022 the remuneration policy was approved at the Company's general meeting with the required majority

### 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	2022			2021			2020			2019		
			Fixed base fee	Share-based payments	Total	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		395	0	395	12	0	12	0	0	0	0	0	0
Henrik Nielsen	27-11-2019		395	687	1,082	38	389	427	0	0	0	0	0	0
David Alpert	07-09-2021		395	0	395	12	0	12	0	0	0	0	0	0
Søren Kokbal	27-04-2021		50	57	107	38	32	70	0	0	0	0	0	0
Kim Friland	27-04-2021	07-09-2021	0	0	0	50	48	98	0	0	0	0	0	0
Bjarke Ingemann Finlov	27-04-2021	07-09-2021	0	0	0	25	0	25	0	0	0	0	0	0
Peter Elman	27-11-2019	07-09-2021	0	0	0	25	0	25	0	0	0	0	0	0
Caspar Rose	06-02-2015	27-04-2021	0	0	0	0	15	15	30	107	137	15	163	178
<b>Total</b>			<b>1,235</b>	<b>744</b>	<b>1,979</b>	<b>200</b>	<b>484</b>	<b>684</b>	<b>30</b>	<b>107</b>	<b>137</b>	<b>45</b>	<b>279</b>	<b>324</b>

\*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	2022			2021			2020			2019		
			Fixed base fee	Share-based payments	Total	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		962	0	962	372	0	372	0	0	0	0	0	0
Henrik Nielsen, CEO <sup>1</sup>	29-09-2017	22-01-2021	0	0	0	40	113	153	480	2.119	2.599	482	4.220	4.702
Caspar Rose, CEO <sup>2</sup>	22-01-2021	07-09-2021	0	0	0	350	224	574	0	0	0	0	0	0
<b>Total</b>			<b>962</b>	<b>0</b>	<b>962</b>	<b>762</b>	<b>337</b>	<b>1.099</b>	<b>480</b>	<b>2.119</b>	<b>2.599</b>	<b>1.234</b>	<b>4.480</b>	<b>5.714</b>

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 1.905 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

**Jon Goldman (m)**  
(1965)  
**Chairman of the Board**

**Position:**  
Chairman of the Board  
Skybound Group

**Educational background:**  
Harvard University  
Kyoto University  
UCLA Anderson School of  
Management

**Competencies:**  
Financial strategy  
Capital Markets

**Current Directorships:**  
**none**

**Member of the boards of:**  
Skybound Games Studios and  
Group companies  
LiveLike  
Free Range  
WAVEXR, INC.  
FLAVOURWORKS

**Shares in 5th Planet Games  
A/S:**  
135,000 shares

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

**Independent Board Member:**  
No

**Election Term:**  
1 year

**Board member since:**  
7 September 2021

**Henrik Nielsen (m)**  
(1967)  
**Board Member**

**Position:**  
CEO of HNI Trading ApS

**Educational background:**  
M.Sc. in Marketing and Strat-  
egy from the Copenhagen  
Business School

**Competencies:**  
Strategy and Finance

**Current Directorships:**  
HNI TRADING ApS

**Member of the boards of:**  
NIL TECHNOLOGY ApS  
Ejendomsselskabet Green  
ApS and Holdingselskabet  
RED ApS

**Shares in 5th Planet Games  
A/S:**  
4,844.262 shares

**Warrants in 5th Planet  
Games A/S:**  
30,633,100 warrants

**Independent Board Member:**  
Yes

**Election Term:**  
1 year

**Board member since:**  
27 November 2019

**David Alpert (m)**  
(1975)  
**Board Member**

**Position:**  
CEO of Skybound Group

**Educational background:**  
Harvard University  
New York University Law  
School

**Competencies:**  
Digital Entertainment  
Strategic Partnerships  
Company Management

**Current Directorships:**  
Skybound Games Studios and  
certain of its subsidiaries

**Member of the boards of:**  
Skybound Games Studios and  
Group companies

**Shares in 5th Planet Games  
A/S:**  
135,000 shares

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

**Independent Board Member:**  
Yes

**Election Term:**  
1 year

**Board member since:**  
7 September 2021

**Søren Kokbøl Jensen (m)**  
(1963)  
**Board Member**

**Position:**  
CEO of BOOTIDE ApS  
CEO of ECLIPSE HOLDING  
ApS

**Educational background:**  
N/A

**Competencies:**  
Entrepreneurship  
Digital Media  
Business strategy

**Current Directorships:**  
BOOTIDE ApS  
ECLIPSE HOLDING ApS

**Member of the boards of:**  
Level UP Garage ApS  
HYDR ESPORT ApS

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

**Warrants in 5th Planet  
Games A/S:**  
240,000 warrants

**Independent Board Member:**  
Yes

**Election Term:**  
1 year

**Board member since:**  
27 April 2021

**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:**  
282,563 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 2022 was NOK 2,13 with a market capitalization of NOK 442,984m (DKK 328,052m). Total turnover of shares in 2022 was 520 million with a total transaction value of NOK 911m.

<b>Master Data:</b>	
Stock Exchange:	EURONEXT EXPAND OSLO
Sector:	Communication
ISIN Code:	DK0060945467
Symbol:	5PG
LEI Code:	213800MC2SGVSIBN7J53
Share capital DKK:	10.397.974,65
Denomination:	DKK 0.05
No. of Shares:	207.959.493
Negotiable instruments:	Yes
Voting restrictions:	No

### Share Capital

The nominal share capital of 5th Planet Games as of 31 December 2022 was DKK 10,397,975, consisting of 207,959,493 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 2022, only Skybound Game Studios Inc. holds with their 101,204,659 shares (48,7%) more than 5% of the share capital or the votes.

As of 31 December 2022, members of the Board of Directors and their related parties held 5,114,262 shares (nominal value DKK 2,577,131), corresponding to 20,6% of the share capital and a market value of DKK 14,6m. As per 31 December 2022 members of management held 282,563 shares.

### Annual general meeting

The Annual General Meeting will be held on 27 April 2023 at 12:00 at Gothersgade 11, 1123 København K.

### Dividend and allocation of profit

The Board of Directors recommends to the annual general meeting that no dividend be declared in respect of the 2022 financial year. The Board of Directors recommends to the shareholders that the loss for the year of DKK 33,708m, 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](mailto: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.

At the general meeting on the 26<sup>th</sup> April 2022 it was decided that the Board of Directors shall receive a fixed remuneration of DKK 50,000 for all board members for the year 2023 and 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 was decided, 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

**Statement by the Board of Directors and the Executive Management on the annual report**

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 2022 – 31 December 2022

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 2022 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 2022 - 31 December 2022.

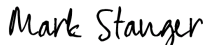
We believe that the management review contains a true and fair review of the development and performance of the group's and the parent company's business activities and financial situation, the earnings for the year and the financial position of the parent company and the financial position as a whole 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, 29 March 2023

**Executive Management**

DocuSigned by:



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Mark Stanger

**Board of Directors:**

DocuSigned by:



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Jon Goldman

Chairman

DocuSigned by:



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Henrik Nielsen

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DocuSigned by:



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David Albert

DocuSigned by:



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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 January 1 – December 31, 2022, 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 December 31, 2022 and of the results of its operations and cash flows for the financial year January 1 – December 31, 2022 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 December 31, 2022 and of the results of its operations for the financial year January 1 – December 31, 2022 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 and parent company 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, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no.537/2014.

### 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 8 years including the financial year 2022.

### 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 2022. 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, 16, 21 and 22 of the consolidated financial statements regarding the Skybound investment agreement.

On the general meeting 7th September 2021, the shareholders of 5th Planet Games A/S approved the investment agreement with Skybound Games Studios Inc. The investment agreement included 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 tranches 2 and 3 was completed in 2022 and tranche 4 is to be conducted in 2023.

The management engaged upon entering into the investment agreement an external valuation expert (management expert) to advise the management in the valuation, recognition, measurement and classification of the future fixed capital increases cf. tranches 2-4.

When performing the valuations of the fixed future capital increases to be conducted, the management applied a 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. We focused on the recognition, measurement and classification of the derivative 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.

In relation to the classification of the warrants and derivative 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.

*Impairment assessment*

The value of 5th Planet Games A/S' intangible assets, of which relates to development projects, is supported by the value-in-use calculations, which are based on future cash flow forecasts (i.e. 'recoverable amount'). We focused on this area because the impairment assessments of these assets are dependent on complex and subjective judgements by Management. Refer to note 12 in the consolidated financial statements.

*How our audit addressed the Key Audit Matter*

We considered the overall impairment assessments prepared by the Management, and we tested the underlying calculations and reviewed the relevant internal procedures in place to check that the impairment assessments are prepared appropriately. We considered the assumptions and estimates used by Management to determine the value-in-use of the intangible assets. This includes those relating to the Management's key assumptions such as revenue, development cost and operating cost forecasts. The input for the calculations is provided by the collaboration partner Skybound Games Studios Inc. We performed a sensitivity analysis around the key drivers and assumptions used by management.

**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, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, 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 to 31 December 2022 with the file name 213800MC2SGVSIBN7J53-2022-12-31-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 resented 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 to 31 December 2022 with the file name 213800MC2SGVSIBN7J53-2022-12-31-en is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 29 March 2023

**Grant Thornton**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 34 20 99 36

DocuSigned by:

*Claus Carlsen*

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Claus Carlsen

State-Authorized Public Accountant

MNE-nr 23451

DocuSigned by:

*Mathias John Stensgaard Vintersbølle*

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Mathias John Stensgaard Vintersbølle

State-Authorized Public Accountant

MNE-nr. 47837



DKK'000	Note	2022	2021
Revenue	4	11.300	4.809
Costs of sales		157	121
<b>Gross Profit</b>		<b>11.143</b>	<b>4.688</b>
Research and development costs	5	164	3.998
Marketing expenses		0	0
Other expenses	5	9.302	10.155
<b>Loss before special items, depreciation, and amortization (EBITDA)</b>		<b>1.677</b>	<b>-9.465</b>
Special items	7	0	5.262
Depreciation and amortization	12,13,14	2.413	339
<b>Operating loss (EBIT)</b>		<b>-736</b>	<b>-15.066</b>
Financial income	8	286	8.483
Financial expenses	9	33.258	98
<b>Loss before tax</b>		<b>-33.708</b>	<b>-6.681</b>
Tax on loss for the year	10	0	-78
<b>Loss for the year from continuing operations</b>		<b>-33.708</b>	<b>-6.603</b>
Loss for the year from discontinued operations	28	0	-9.651
<b>Loss for the year</b>		<b>-33.708</b>	<b>-16.254</b>
Other comprehensive income		0	0
<b>Comprehensive income</b>		<b>-33.708</b>	<b>-16.254</b>
<b>Distribution of comprehensive income:</b>			
Parent company's shareholders		-33.708	-16.254
Non-controlling interests		0	0
<b>Total</b>		<b>-33.708</b>	<b>-16.254</b>
<b>Basic earnings per share:</b>			
From Continued operations (DKK)	11	-0,201	- 0,058
From discontinued operations (DKK)	11	0,000	- 0,069
<b>Total DKK)</b>		<b>0,201</b>	<b>0,127</b>
<b>Diluted earnings per share:</b>			
From Continued operations (DKK)	11	-0,201	- 0,058
From discontinued operations (DKK)	11	0,000	- 0,069
<b>Total DKK)</b>		<b>0,201</b>	<b>0,127</b>

**ASSETS:**

<b>DKK'000</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Non-current assets</b>			
Acquired rights	12	737	1.814
Completed development projects	12	2.988	0
Development projects in progress	12	12.953	0
Plant and equipment	13	0	0
Right-of-use assets	14	0	0
<b>Total non-current assets</b>		<b>16.678</b>	<b>1.814</b>
<b>Current assets:</b>			
Trade receivables	15	5.694	1.924
Income tax receivable	10	107	52
Other receivables		105	2.911
Accrual expenses		0	322
Derivative financials instruments	16	0	7.729
Cash		36.261	13.607
<b>Total current assets</b>		<b>42.167</b>	<b>26.545</b>
<b>Total assets</b>		<b>58.845</b>	<b>28.359</b>

**EQUITY AND LIABILITIES:****EQUITY AND LIABILITIES**

<b>DKK '000</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Equity:</b>			
Share capital		10.398	6.400
Reserves		0	0
Retained earnings		18.488	17.061
<b>Total Equity</b>	<b>17</b>	<b>28.886</b>	<b>23.461</b>
<b>Non-current liabilities</b>			
Lease liabilities	14	0	0
Other payables	18	372	930
<b>Total non-current liabilities</b>		<b>372</b>	<b>930</b>
<b>Current liabilities</b>			
Lease liabilities	14	0	0
Accrual income		0	572
Derivative financials instruments	16	25.065	0
Trade payables		2.721	1.746
Other payables	18	1.801	1.650
<b>Total current liabilities</b>		<b>29.587</b>	<b>3.968</b>
<b>Total Liabilities</b>		<b>29.959</b>	<b>4.898</b>
<b>Total equity and liabilities</b>		<b>58.845</b>	<b>28.359</b>

## Consolidated cash flow statement

DKK'000	Reserves				Total equity
	Share capital	Share premium	Other reserves	Retained earnings	
<b>Equity as at 01.01.2022</b>	<b>6.400</b>	<b>0</b>	<b>0</b>	<b>17.061</b>	<b>23.461</b>
Net Loss				-33.708	-33.708
Other comprehensive income				0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-33.708</b>	<b>-33.708</b>
Capital increase	3.998	33.328			37.326
Costs related to capital increase		-518			-518
Share-based payments				2.325	2.325
Transfer of reserves		-32.810		32.810	0
<b>Transactions with owners</b>	<b>3.998</b>	<b>0</b>	<b>0</b>	<b>35.135</b>	<b>39.133</b>
<b>Equity as at 31.12.2022</b>	<b>10.398</b>	<b>0</b>	<b>0</b>	<b>18.488</b>	<b>28.886</b>
<b>Equity as at 01.01.2021</b>	<b>5.316</b>	<b>0</b>	<b>0</b>	<b>15.573</b>	<b>20.889</b>
Net Loss				-16.254	-16.254
Other comprehensive income				0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-16.254</b>	<b>-16.254</b>
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
<b>Transactions with owners</b>	<b>1.084</b>	<b>0</b>	<b>0</b>	<b>17.742</b>	<b>18.826</b>
<b>Equity as at 31.12.2021</b>	<b>6.400</b>	<b>0</b>	<b>0</b>	<b>17.061</b>	<b>23.461</b>

**Consolidated cash flow statement**

<b>DKK'000</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Loss before tax</b>		-33.708	-16.332
Depreciation, amortisation and impairment losses		2.413	5.364
Share-based payments		2.325	4.360
Financial income, reversed		-286	-8.484
Financial expenses, reversed		33.258	135
Change in working capital		-552	-4.523
<b>Operating cash flow</b>		<b>3.450</b>	<b>-19.480</b>
Financial income, received		286	0
Financial expenses, paid		-54	-135
Income tax received		0	2.222
<b>Cash flow generated from operations</b>		<b>3.682</b>	<b>-17.393</b>
Purchase of equipment		0	0
Sale of right of use assets		0	544
Purchase of IP rights		-17.278	-6.895
<b>Cash flow from investing activities</b>		<b>-17.278</b>	<b>-6.351</b>
Proceeds from cash capital increase		36.808	7.573
Repayment convertible loan		-558	0
Purchase of IP rights financed by issue of warrants		0	6.895
Lease liabilities, repayment		0	-783
<b>Cash flow from financing activities</b>		<b>36.250</b>	<b>13.685</b>
<b>Total cash flow for the period</b>		<b>22.654</b>	<b>-10.059</b>
Cash, beginning of period		13.607	23.666
Net foreign exchange difference		0	0
<b>Cash, end of period</b>		<b>36.261</b>	<b>13.607</b>

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 2022 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 not issued new standards or revisions to existing standards and new interpretations that are mandatory for accounting periods commencing on or after 1 January 2022 that have a significant impact on the accounts.

**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.

Royalty revenue from the co-production projects is recognized in the income statement when the delivery has taken place and the risk has passed to the purchaser before the balance sheet date.

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 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 2022:

### 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 2023, cf. Tranches 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 31.12.2022:

DKK'000	2022	2021
<b>Short term capital assets</b>		
Trade receivables	5.694	1.924
Other receivables	105	2.911
Cash	36.261	13.607
<b>Total short term capital assets</b>	<b>42.060</b>	<b>18.442</b>
<b>Short term capital liabilities:</b>		
Trade liabilities	2.721	1.746
Other payables	1.801	1.650
<b>Total short capital liabilities</b>	<b>4.522</b>	<b>3.396</b>
<b>Total net capital recourses</b>	<b>37.538</b>	<b>15.046</b>
<b>Other capital recourses on a longer term but within one year:</b>		
Estimated net proceeds from Tranche 4 (2021; 2 and 3) from Skybound investment	20.950	28.950
<b>Total other capital recourses on a longer term but within one year</b>	<b>20.950</b>	<b>28.950</b>
<b>Total net capital resources for the year</b>	<b>58.488</b>	<b>43.996</b>

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 2023.

**4. Revenue**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Sales of games and in-app purchases	1.448	554
Sales of Service (advertising devices)	0	651
License income	9.692	3.589
Other revenue	160	15
<b>Total</b>	<b>11.300</b>	<b>4.809</b>

**5. Staff costs**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Wages and salaries	3.832	2.811
Pensions	127	200
Other social security costs	18	15
Share-based payment	2.308	3.818
<b>Total</b>	<b>6.285</b>	<b>6.844</b>

**Total Staff costs are recognized as follows:**

Administrative expenses	6.285	6.844
<b>Total</b>	<b>6.285</b>	<b>6.844</b>

Average number of employees during the year, continuing activities

3 4

Number of employees end of year, continuing activities

3 3

Average number of employees during the year, discontinuing activities

0 15

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

Cash remuneration	1.269	200
Share-based payment	744	484
<b>Total</b>	<b>2.013</b>	<b>684</b>

**Executive management**

Gross Salary	962	1.125
Share-based payment	0	1.506
<b>Total</b>	<b>962</b>	<b>2.631</b>

## 6. Share-based payment

5th Planet Games has established a warrant program for executive management (CEO), board members, employees, and others.

*Specification of share-based payments in 2022 and 2021:*

### Specification of share-based payments

DKK'000	2022	2021
Share-based payments management	0	1.506
Share-based payments board of directors	744	484
Share-based payments employee	164	1.828
Share-based payments development, discontinued operations	0	-41
Share-based payments / reservation holiday payment adjustments	-17	341
Total share-based payments expensed	891	4.118
Share-based payments capital increase cost	0	240
Share-based payments IP rights	0	6.895
<b>Total share-based payments</b>	<b>891</b>	<b>11.253</b>

### 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 2022, as well as the movements during the period.

	Number	Number	Number	Number	The weighted average exercise price (VEAP)	
	TOTAL	CEO	Board Member	Employee	Other	WAEP (NOK)
Outstanding, beginning of the period	75.853.430	13.580.201	19.307.314	5.742.005	37.223.910	0,91
Granted	0	0	0	0	0	-
Forfeited	-5.014.127	0	0	0	5.014.127	0,94
Exercised	-478.380	-478.380	0	0	0	0,89
Expired	0	0	0	0	0	-
Outstanding, end of the period	70.360.923	13.101.821	19.307.314	5.742.005	42.238.037	0,91
Exercisable at end of the period	38.180.273	13.101.821	8.055.551	5.549.040	11.473.862	0,92
The range of exercise prices for options outstanding (NOK)	min: 0,4 max: 2,9	0,6 0,9	0,4 2,9	0,6 1,9	1,0 2,3	
The weighted average remaining contractual life for the share options outstanding (year)	9,1	7,8	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	2022	2021
IP rights, impairment losses	0	4.742
IP rights, expensed	0	520
<b>Total</b>	<b>0</b>	<b>5.262</b>

**8. Financial income**

DKK '000	2022	2021
Other financial income	286	0
Change in derivative financials instruments, fair value	0	7.729
Foreign exchange gains, net	0	754
<b>Total</b>	<b>286</b>	<b>8.483</b>

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	2022	2021
Interest income on liabilities measured at amortized cost	411	98
Change in derivative financials instruments, fair value	32.793	0
Other financial costs	54	0
<b>Total</b>	<b>33.258</b>	<b>98</b>

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

**10. Tax**

DKK'000	2022	2021
<b>Tax on loss for the year:</b>		
Net result for the year before tax	-33.708	-16.332
Tax rate	22%	22%
Expected tax expenses	-7.416	-3.593
Adjustment for non-deductible expenses	7.214	794
Prior-year adjustments	0	-78
Change in tax assets (not recognized)	202	2.799
<b>Total tax on loss for the year</b>	<b>0</b>	<b>-78</b>

**Specification of tax on loss for the year:**

Current tax	0	0
Tax credit scheme/joint taxation contributions	0	0
Prior-year adjustments	0	-78
<b>Total tax on loss for the year</b>	<b>0</b>	<b>-78</b>

**Breakdown on unrecognized deferred tax assets:**

Tax losses carried forward (available indefinitely)	110.331	88.261
Other	0	1.271
<b>Basis at year end</b>	<b>110.331</b>	<b>89.532</b>
Tax rate	22%	22%
Calculated Potential deferred tax assets	24.273	19.697
Write-down of deferred tax assets	-24.273	-19.697
<b>Recognized deferred tax assets</b>	<b>0</b>	<b>0</b>

**11. Earnings per share**

	Continued operations		Discontinued operations	
<b>DKK '000</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net loss for the period	-33.708	-6.603	0	-7.797
Average number of shares (in thousands)	167.315	113.148	0	113.148
Average number of treasury shares	0	0	0	0
Average number of shares in circulation	167.315	113.148	0	113.148
Diluted average number of shares in circulation	167.315	113.148	0	113.148
Earnings per share of DKK 0,05 each (in DKK)	-0,201	-0,058	0,000	-0,069
Diluted earnings per share of DKK 0,05 each (in DKK)	-0,201	-0,058	0,000	-0,069

## 12 Intangible assets

DKK'000	Completed development projects	Develop- ment projects in pro- gress	Acquired rights	Total
<b>Financial Year 2022</b>				
<b>Costs as at 01.01.2022</b>	<b>13.047</b>	<b>0</b>	<b>6.895</b>	<b>19.942</b>
Additions	0	17.278	0	17.278
Transfer	4.325	-4.325	0	0
Disposals	0	0	0	0
<b>Costs as at 31.12.2022</b>	<b>17.372</b>	<b>12.953</b>	<b>6.895</b>	<b>37.220</b>
<b>Amortization and impairment</b>				
<b>losses as at 01.01.2022</b>	<b>13.047</b>	<b>0</b>	<b>5.081</b>	<b>18.128</b>
Impairment losses	0	0	0	0
Amortization	1.337	0	1.077	2.414
Disposals	0	0	0	0
<b>Amortization and impairment</b>				
<b>losses as at 31.12.2022</b>	<b>14.384</b>	<b>0</b>	<b>6.158</b>	<b>20.542</b>
<b>Carrying amount as at 31.12.2022</b>	<b>2.988</b>	<b>12.953</b>	<b>737</b>	<b>16.678</b>
<b>Financial Year 2021</b>				
<b>Costs as at 01.01.2021</b>	<b>13.047</b>	<b>0</b>	<b>0</b>	<b>13.047</b>
Additions	0	0	6.895	6.895
Transfer	0	0	0	0
Disposals	0	0	0	0
<b>Costs as at 31.12.2021</b>	<b>13.047</b>	<b>0</b>	<b>6.895</b>	<b>19.942</b>
<b>Amortization and impairment</b>				
<b>losses as at 01.01.2021</b>	<b>13.047</b>	<b>0</b>	<b>0</b>	<b>13.047</b>
Impairment losses	0	0	4.742	4.742
Amortization	0	0	339	339
Disposals	0	0	0	0
<b>Amortization and impairment</b>				
<b>losses as at 31.12.2021</b>	<b>13.047</b>	<b>0</b>	<b>5.081</b>	<b>18.128</b>
<b>Carrying amount as at 31.12.2021</b>	<b>0</b>	<b>0</b>	<b>1.814</b>	<b>1.814</b>

### Impairment test

Cash-generating units comprising development projects in progress are tested for impairment at least once a year and more frequently in case of indications of impairment. The recoverable amount is determined at a calculated value in use based on budgets and prognoses for the coming 2 financial years approved by the Board of Directors. Key assumptions for the determination of the recoverable amount of the cash-generating units are based on historical data and experience with comparable projects provided by Skybound Game Studios, Inc.

The group's budgets and prognoses for the coming 2 years and thus the determination of the recoverable amount of the cash-generating units are substantially impacted by the management's expectations for growth in connection with the launch of new games.

Development projects in progress consists of three cash generating units with a book value of DKK 12.953m. Because of long time to market for the development projects in progress, management has performed an impairment test using the DCF model and a discount rate on 15% showing a fair value of DKK 43.009m and therefore none of the cash generating units have been impaired at year end 2022.

**13 Other Equipment**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
<b>Financial Year 2022</b>		
<b>Costs as at 01.01.2022</b>	<b>0</b>	<b>204</b>
Additions	0	0
Disposals	0	-204
Effect of exchange rate adjustment	0	0
<b>Costs as at 31.12.2022</b>	<b>0</b>	<b>0</b>
<b>Amortization and impairment losses as at 01.01.2022</b>	<b>0</b>	<b>109</b>
Impairment losses	0	0
Amortization	0	66
Disposals	0	-175
Effect of exchange rate adjustment	0	0
<b>Amortization and impairment losses as at 31.12.2022</b>	<b>0</b>	<b>0</b>
<b>Carrying amount as at 31.12.2022</b>	<b>0</b>	<b>0</b>

**14. Right-of-use assets and lease liabilities**

<b>Right-of-use assets - rent facilities</b>	<b>2022</b>	<b>2021</b>
<b>Right-of-use assets as at 1.1.2021</b>	0	733
Additions	0	0
Disposals	0	-544
Modifications	0	0
Depreciations	0	-189
<b>Right-of-use assets as at 31.12.2021</b>	<b>0</b>	<b>0</b>
<b>Lease liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Non-current</b>	0	0
<b>Current</b>	0	0
<b>Lease liabilities</b>	<b>0</b>	<b>0</b>
<b>Amounts included in the income statement</b>	<b>2022</b>	<b>2021</b>
Interest expense leases	0	37
Depreciation recognized on right-of-use assets	0	189
<b>Amounts included in the income statement</b>	<b>0</b>	<b>226</b>

**15. Trade Receivables**

DKK´000	2022	2021
Trade receivables (gross), beginning of year	1.924	633
Provision for bad debt	0	0
Change of provision in the year	0	0
Realized losses in the year	0	0
Provision for bad debt, end of year	0	0
Trade receivables (net), end of year	5.694	1.924
Trade receivables not due (due 0-3 months after the balance sheet date)	5.694	1.924
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	5.694	1.924

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, 2022. No losses are expected on trade receivables and therefore no loss allowance for trade receivables has been recognized as of December 31, 2022. No loss allowance was recognized as of January 1, 2021 or January 1, 2022. 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 liability amount DKK 25.1m per 31 December 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 December 2022 had been used in the agreement for the investment Tranche 4.

**17. Equity***Share capital*

As of 31 2022 the company's share capital consists of 207,959,493 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 2022 or 2021 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 2021-2022**

Date	Type of change	Change in Share Capital DKK	Per value DKK	Total share capital DKK	Number of new shares	Total number of shares
07.09.2021	Share capital increase	1.083.888	0,05	6.399.799	21.677.765	127.995.975
31.12.2021	Share capital increase	0	0,05	6.399.799	0	127.995.975
26.04.2022	Share capital increase	1.806.480	0,05	8.206.279	36.129.608	164.125.583
30.08.2022	Share capital increase	2.167.777	0,05	10.374.056	43.355.530	207.481.113
14.11.2022	Share capital increase	23.919	0,05	10.397.975	478.380	207.959.493

**18. Other Payables**

DKK '000	2022	2021
<b>Non-current:</b>		
Payable for use of IP rights	372	930
<b>Total non-current other payables</b>	<b>372</b>	<b>930</b>
<b>Current:</b>		
Payable for use of IP rights	558	558
Holiday pay liability	195	212
Discontinued operations	587	647
Other	461	233
<b>Total current other payables</b>	<b>1.801</b>	<b>1.650</b>

**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 5.2m.

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 2022			
Change in NOK rate	+ 5%	+21	+21
Change in NOK rate	- 5%	-21	-21
Change in USD rate	+5%	+1,780	+1,780
Change in USD rate	-5%	-1,780	-1,780
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

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 30.8m, have been agreed with Skybound Games Studios Inc., cf. Tranches 4 of the Skybound investment agreement. The value of the future capital increases, to be carried out in 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 1.5m, 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
<b>As at 31/12 2022</b>					
Trade payables	2.721	0	0	0	2.721
Other payables	1.801	372	0	0	2.173
<b>Total as at 31/12 2022</b>	<b>4.522</b>	<b>372</b>	<b>0</b>	<b>0</b>	<b>4.894</b>
<b>As at 31/12 2021</b>					
Trade payables	1.746				1.746
Other payables	1.650	558	372		2.580
<b>Total as at 31/12 2021</b>	<b>3.396</b>	<b>558</b>	<b>372</b>	<b>0</b>	<b>4.326</b>

**Note 22. Financial assets and liabilities****31 December 2022**

<b>DKK'000</b>	<b>Amortized costs</b>	<b>FVTPL</b>	<b>Total</b>
<b>Financial assets - short term:</b>			
Trade receivables	5.694	-	5.694
Other receivables	212	-	212
Cash	36.261	-	36.261
<b>Total financial assets</b>	<b>42.167</b>	<b>0</b>	<b>42.167</b>

**Financial Liabilities:**

Non-current other payables	372	-	372
Derivative financial instruments	-	25.065	25.065
Trade payables	2.721	-	2.721
Other payables	1.801	-	1.801
<b>Total financial liabilities</b>	<b>4.894</b>	<b>25.065</b>	<b>29.959</b>

**31 December 2021**

<b>DKK'000</b>	<b>Amortized costs</b>	<b>FVTPL</b>	<b>Total</b>
<b>Financial assets - short term:</b>			
Trade receivables	1.924	-	1.924
Other receivables	2.963	-	2.963
Derivative financial instruments	-	7.729	7.729
cash	13.607	-	13.607
<b>Total financial assets</b>	<b>18.494</b>	<b>7.729</b>	<b>26.223</b>

**Financial Liabilities:**

Non-current lease liabilities	930	-	930
Non-current other payables	1.746	-	1.746
Trade payables	1.650	-	1.650
Other payables	0	-	0
<b>Total financial liabilities</b>	<b>4.326</b>	<b>0</b>	<b>4.326</b>

**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:

**Note 23 Fair value measurement of financial instruments****31 December 2022**

DKK´000	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Derivative financial instruments	25.065	-	-	25.065
<b>Net fair value</b>	<b>25.065</b>	<b>0</b>	<b>0</b>	<b>25.065</b>

**31 December 2021**

DKK´000	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative financial instruments	7.729	-	-	7.729
<b>Net fair value</b>	<b>7.729</b>	<b>0</b>	<b>0</b>	<b>7.729</b>

**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 2022:

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		Municipality of registered office		
5th Planet Games Development ApS	100,0%	København K	22.916	5.311
Ivanoff Interactive A/S	100,0%	København K	842	-8
*5th Planet Games GmbH	100,0%	Berlin	-279	-22
*Under liquidation				

**Transactions with other related parties**

The Group's related parties includes members of the board and Skybound.

Since September 2021, board Member Henrik Nielsen has worked as Strategic Advisor. In 2022, Henrik Nielsen received a payment of DKK 192t.

Transactions with Skybound consists of co-production agreement, all transactions are on arm-length terms.

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

DKK´000	2022	2021
<b>Grant Thornton</b>		
Statutory audit	225	229
Other assurance engagements	114	148
Tax Consultancy	0	15
Other services	0	0
<b>Total fees for the year</b>	<b>339</b>	<b>392</b>

**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 29 March 2023, 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 27 April 2023.

**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 in 2021 figures.

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

	Continuing operations		Discontinuing operations		Total	
DKK'000	2022	2021	2022	2021	2022	2021
Revenue	11.300	4.809	0	2.379	11.300	7.188
Costs of sales	157	121	0	326	157	447
<b>Gross Profit</b>	<b>11.143</b>	<b>4.688</b>	<b>0</b>	<b>2.053</b>	<b>11.143</b>	<b>6.741</b>
Research and development costs	164	3.998	0	7.175	164	11.173
Marketing expenses	0	0	0	3.631	0	3.631
Other expenses	9.302	10.155	0	578	9.302	10.733
<b>EBITDA</b>	<b>1.677</b>	<b>-9.465</b>	<b>0</b>	<b>-9.331</b>	<b>1.677</b>	<b>-18.796</b>
Special items	0	5.262	0	0	0	5.262
Depreciation and amortization	2.413	339	0	283	2.413	622
<b>Operating loss (EBIT)</b>	<b>-736</b>	<b>-15.066</b>	<b>0</b>	<b>-9.614</b>	<b>-736</b>	<b>-24.680</b>
Financial income	286	8.483	0	0	286	8.483
Financial expenses	33.258	98	0	37	33.258	135
<b>Loss before tax</b>	<b>-33.708</b>	<b>-6.681</b>	<b>0</b>	<b>-9.651</b>	<b>-33.708</b>	<b>-16.332</b>
Tax on loss for the year	0	-78	0	0	0	-78
<b>Loss for the year from operations</b>	<b>-33.708</b>	<b>-6.603</b>	<b>0</b>	<b>-9.651</b>	<b>-33.708</b>	<b>-16.254</b>

## 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	2022	2021
Other external expenses		-1.369	-1.654
Staff costs	1	-2.232	-1.322
Other operating income		0	6.895
<b>Operating loss</b>		<b>-3.601</b>	<b>3.919</b>
Share of loss from equity investments in group companies	2	5.281	-17.857
Other financial income	3+4	540	8.560
Other financial expenses	3	-33.621	-77
<b>Total net financials</b>		<b>-27.800</b>	<b>-9.374</b>
<b>Loss before tax</b>		<b>-31.401</b>	<b>-5.455</b>
Tax on loss	5	0	85
<b>Net Loss</b>		<b>-31.401</b>	<b>-5.540</b>
<b>Proposed distribution of net loss:</b>			
Dividend for the financial year		0	0
Special reserve		0	0
Retained earnings		-31.401	-5.540
<b>Total</b>		<b>-31.401</b>	<b>-5.540</b>

## Parent company balance sheet

### ASSETS

DKK'000	Note	2022	2021
Equity investments in group companies	2	23.758	850
<b>Total non-current assets</b>		<b>23.758</b>	<b>850</b>
<b>Current Assets:</b>			
Receivables from group companies		0	22.008
Tax receivable		0	6
Derivative financials instruments		0	7.729
Other receivables		30	307
<b>Total receivables</b>		<b>30</b>	<b>30.050</b>
Cash		32.901	10.091
<b>Total current assets</b>		<b>32.931</b>	<b>40.141</b>
<b>Total assets</b>		<b>56.689</b>	<b>40.991</b>

### EQUITY AND LIABILITIES

DKK'000	Note	2022	2021
<b>Equity:</b>			
Share Capital		10.398	6.400
Reserves		0	0
Retained earnings		18.488	17.034
<b>Total equity</b>		<b>28.886</b>	<b>23.434</b>
<b>Provisions:</b>			
Other provisions	2	279	16.597
<b>Total provisions</b>		<b>279</b>	<b>16.597</b>
<b>Current liabilities:</b>			
Payable to group companies		1.014	0
Trade payables		1.040	910
Derivative financials instruments		25.065	0
Other payables		405	50
<b>Total current liabilities</b>		<b>27.524</b>	<b>960</b>
<b>Total Liabilities</b>		<b>27.524</b>	<b>960</b>
<b>Total equity and liabilities</b>		<b>56.689</b>	<b>40.991</b>

Contingent liabilities 6

Security provided 7

## Statement of change in equity

DKK'000	Share capital	Reserve capital reduction	Share premium	Retained Earnings	Proposed dividend	5th Planet Games shareholder's share of equity
<b>Equity as at 01.01.2022</b>	<b>6.400</b>	<b>0</b>	<b>0</b>	<b>17.034</b>	<b>0</b>	<b>23.434</b>
Capital increase	3.998	0	33.328	0	0	<b>37.326</b>
Costs related to capital increase	0	0	-473	0	0	<b>-473</b>
Transfer of reserves	0	0	-32.855	32.855	0	<b>0</b>
Proposed distribution of net loss	0	0	0	-31.401	0	<b>-31.401</b>
<b>Equity as at 31.12.2022</b>	<b>10.398</b>	<b>0</b>	<b>0</b>	<b>18.488</b>	<b>0</b>	<b>28.886</b>
<b>Equity as at 01.01.2021</b>	<b>5.315</b>	<b>0</b>	<b>0</b>	<b>15.848</b>	<b>0</b>	<b>21.163</b>
Capital increase	1.085	0	8.482	0	0	<b>9.567</b>
Costs related to capital increase	0	0	-1.756	0	0	<b>-1.756</b>
Warrants payment IP Rights	0	0	0	0	0	<b>0</b>
Transfer of reserves	0	0	-6.726	6.726	0	<b>0</b>
Proposed distribution of net loss	0	0	0	-5.540	0	<b>-5.540</b>
<b>Equity as at 31.12.2021</b>	<b>6.400</b>	<b>0</b>	<b>0</b>	<b>17.034</b>	<b>0</b>	<b>23.434</b>

## 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	6.399.799	21.677.765	127.995.975
26.04.2022	Share capital increase	1.806.480	0,05	8.206.279	36.129.608	164.125.583
30.08.2022	Share capital increase	2.167.777	0,05	10.374.056	43.355.530	207.481.113
14.11.2022	Share capital increase	23.919	0,05	10.397.975	478.380	207.959.493



**PARENT COMPANY NOTES****1. Staff Costs**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Wages and salaries	2.232	1.322
Pensions	0	0
Other social security costs	0	0
Share-based payment	0	0
<b>Total</b>	<b>2.232</b>	<b>1.322</b>

Average number of employees during the year	1	1
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**Remuneration of board of directors and executive management:****Board of directors:**

Cash remuneration	1.270	0
Share-based payment	744	200
<b>Total</b>	<b>2.014</b>	<b>200</b>

**Executive management:**

Gross Salary	962	762
Pension Contribution	0	0
<b>Total</b>	<b>962</b>	<b>762</b>

**2. Investments in group companies**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Costs at 01/01 2022	88.153	88.153
Additions during the year	33.900	0
Subsidy to Group company	0	0
Disposals during the year	0	0
<b>Costs at 31/12 2022</b>	<b>122.053</b>	<b>88.153</b>
Value adjustments as at 01/01 2022	-103.900	-84.243
Share of loss before amortization of goodwill during the year	5.281	-17.857
Foreign exchange loss investments group companies	45	0
Disposals during the year	0	-1.800
<b>Value adjusted as at 31/12 2022</b>	<b>-98.574</b>	<b>-103.900</b>
Carrying amount as at 31/12 2022	23.479	-15.747
Group companies with negative equity	279	16.597
<b>Group companies with positive equity</b>	<b>23.758</b>	<b>850</b>

**The group companies are:**

<b>DKK'000</b>	<b>Ownership</b>	<b>Municipality of registered office</b>	<b>Equity 31.12. 2022</b>	<b>Result 2022</b>
5th Planet Games Development ApS	100%	København K	22.916	5.311
Ivanoff Interactive A/S	100%	København K	842	-8
*5th Planet Games GmbH	100%	Berlin	-279	-22
*Under Liquidation				

**3. Financial Items**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Financial income includes interest from group enterprises	271	296
Financial expenses include interests to group enterprises	0	0
<b>Total</b>	<b>271</b>	<b>296</b>

**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 liability amount DKK 25.1m per 31 December 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 December 2022 had been used in the agreement for the investment Tranche 4. Trance 1-3 have been executed previous years.

**5. Tax**

<b>DKK'000</b>	<b>2022</b>	<b>2021</b>
Current tax for the year	0	0
Prior year adjustments	0	91
Tax credit scheme/joint taxation contributions	0	-6
Change in deferred tax	0	0
<b>Total tax for the year</b>	<b>0</b>	<b>85</b>

**Tax comprises:**

Tax on loss for the year	0	85
Tax on changes in equity	0	0
<b>Total</b>	<b>0</b>	<b>85</b>

**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 company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

**7. Security provided**

None.

**8. Events occurring after the balance sheet date**

