



Copenhagen, 22nd May 2023

5th Planet Games A/S

INTERIM REPORT 1st Quarter 2023

Three months ended 31 March 2023

CEO-letter: Q1 2023

As with the 2022 Annual Report published a few weeks ago, I take great pleasure in writing this letter to accompany the 2023 Q1 results. The single most important consideration in the results is that we are once again able to report on a profitable quarter with a positive EBITDA for the period of DKK 8k; when I dig a little deeper into the results, I observe that;

Our back catalogue continues to outperform budget.

The cost of maintaining our back catalogue is under budget.

The titles co-published with Skybound make a significant contribution to revenue.

Our total OPEX is under budget with historically low operating costs.

Operating and maintaining a profitable business continues to be my number one priority and objective and that will not change as we progress through this year, or indeed, through the years to come.

In reflecting on the first 3 months of the year, and part from the positive financial results, there have been several other highlights, these have included;

5th Planet Games building on its relationship with Skybound and investing in the Regulation A Tier 2 offering of Skybound Holdings LLC

The BAFTA award winning game Before Your Eyes being selected as a launch title for the Sony PlayStation VR2 on March 10th.

The new game from Toylogic and Skybound Glitchbusters: Stuck on You confirmed for a launch date of May 23.

We have lots more to look forward to in 2023, but I am really delighted to have started the year with such a solid financial statement for Q1; we now have considerable momentum behind us and so many exciting new opportunities ahead of us.

Thank you for your interest and support,

Yours sincerely,

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



OUTLOOK for 2023

Based on the result in Q1 2023, the financial guidance for 2023 remain the same as announced in the annual report for 2023, a revenue at a level of DKK 15-25m and EBITDA at a level of DKK 7-9m.

Key figures and financial performance

| DKK '000 | Q1 2023 | Q1 2022 | FY 2022 |
|---|------------|------------|------------|
| Revenue | 2.474 | 2.914 | 11.300 |
| Gross profit | 2.416 | 2.859 | 11.143 |
| Loss before special items (EBITDA) | 8 | -462 | 1.677 |
| Operating profit/loss (EBIT) | -791 | -727 | -736 |
| Net Financials exclusive change in derivative instruments | -681 | 211 | -179 |
| Change in derivative financials instruments, fair value | -1.806 | -25.630 | -32.793 |
| Loss from discontinued operations | 0 | 0 | 0 |
| Net loss for the year | -3.278 | -26.146 | -33.708 |
| Total assets | 55.875 | 21.169 | 58.845 |
| Investments other equipment | 0 | 0 | 0 |
| Capitalized and expenses costs development | 84 | 571 | 17.442 |
| Equity | 25.946 | -2.011 | 28.886 |

Revenue for Q1 2023 amounted to DKK 2.5m.

Gross profit for Q1 2023 amounted to DKK 2.4m.

Costs for Q1 2023 decreased by DKK 0.9m.

- Development expenses in Q1 2023 amounted to DKK 0.1m a decrease from DKK 0.6m in Q1 2022.
- Other expenses were in Q1 2023 DKK 2.4m, a decrease of DKK 0.4m compared to Q1 2022.

EBITDA before special items was a gain DKK 8k in Q1 2023 against a loss of DKK 0.5m in Q1 2022. The increase in EBITDA is mainly driven by cost control and a solid revenue.

Financial income was an income of DKK 1k, covering financial income from cash accounts in bank.

Financial expenses were a cost of DKK 2.5m covering a calculated change in loss from derivative financials instruments of DKK 1.8m and exchange rate adjustments.

The amount DKK 26.871m is the fair calculated value change of Tranche 4 from the investment agreement with Skybound Games Studios. For further explanation please see note 4.



Loss before tax amounted to DKK 3.3m in Q1 2023 an increase from DKK 22.9m in Q1 2022.

Cash flows from operating activities.

Cash flows from operating activities was positive with DKK 2.5m in Q1 2023 against a positive flow of DKK 1.7m in Q1 2022.

Cash position as of 31 December 2022 amounted to DKK 36.3m against DKK 15.3m as of 31 March 2022.

The Group's equity as of 31 March 2023 amounted DKK 25.9m.



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,
- 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



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the interim report for the period 1 January - 31 March 2023 of 5th Planet Games Group.

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

In our opinion, the interim report gives a true and fair view of the 5th Planet Games Groups' assets, liabilities and financial position on 31 March 2023, and of the results of the 5th Planet Games Group's operations and cash flows for the period 1 January - 31 March 2023.

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

Copenhagen, 22 May 2023

Executive Board

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Mark Stanger

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Mark Stanger

CEO

Board of Directors

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Jon Goldman

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Chairman

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Independent Auditors' review report

To the shareholders of 5th Planet Games A/S

We have reviewed the interim consolidated financial statements of 5th Planet Games A/S for the period 1 January 2023 – 31 March 2023 comprising income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity as well as selected explanatory notes, including summary of significant accounting policies (page 8-13).

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

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

Auditors' responsibility

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

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

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements for the period 1 January 2023 – 31 March 2023 are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies.

Copenhagen, 22 May 2023

Grant Thornton

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State-Authorized Public Accountant

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State-Authorized Public Accountant

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Consolidated statement of comprehensive income

| DKK'000 | Note | Q1 2023 | Q1 2022 | FY 2022 |
|--|------|---------------|----------------|----------------|
| Revenue | 2 | 2.474 | 2.914 | 11.300 |
| Costs of sales | | 58 | 55 | 157 |
| Gross Profit | | 2.416 | 2.859 | 11.143 |
| Research and development costs | | 84 | 571 | 164 |
| Marketing expenses | | 0 | 0 | 0 |
| Other expenses | | 2.324 | 2.750 | 9.302 |
| Loss before special items, depreciation and amortization (EBITDA) | | 8 | -462 | 1.677 |
| Special items | | 0 | 0 | 0 |
| Depreciation and amortization | | 799 | 265 | 2.413 |
| Operating loss (EBIT) | | -791 | -727 | -736 |
| Financial income | | 1 | 235 | 286 |
| Financial expenses | | 2.488 | 25.654 | 33.258 |
| Loss before tax | | -3.278 | -26.146 | -33.708 |
| Tax on loss for the year | | 0 | 0 | 0 |
| Loss for the year | | -3.278 | -26.146 | -33.708 |
| Other comprehensive income | | 0 | 0 | 0 |
| Comprehensive income | | -3.278 | -26.146 | -33.708 |
| Distribution of comprehensive income: | | | | |
| Parent company's shareholders | | -3.278 | -26.146 | -33.708 |
| Non-controlling interests | | | | 0 |
| Total | | -3.278 | -26.146 | -33.708 |
| Basic earnings per share: | | | | |
| From operations (DKK) | 3 | -0,016 | -0,204 | -0,201 |
| Total DKK) | | -0,016 | -0,204 | -0,201 |
| Diluted earnings per share: | | | | |
| From operations (DKK) | 3 | -0,016 | -0,204 | -0,201 |
| Total DKK) | | -0,016 | -0,204 | -0,201 |



Consolidated balance sheet

| DKK'000 | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---------------------------------|------|---------------|---------------|---------------|
| Non-current assets | | | | |
| Acquired rights | | 472 | 1.549 | 737 |
| Completed development projects | | 2.455 | 0 | 2.988 |
| Development in progress | | 12.953 | 0 | 12.953 |
| Total non-current assets | | 15.880 | 1.549 | 16.678 |
| Current Assets: | | | | |
| Prepayment | | 1.505 | 0 | 0 |
| Trade receivables | | 1.335 | 3.847 | 5.694 |
| Income tax receivable | | 107 | 54 | 107 |
| Other receivables | | 142 | 60 | 105 |
| Accrual expenses | | 303 | 322 | 0 |
| Cash | | 36.603 | 15.337 | 36.261 |
| Total current assets | | 39.995 | 19.620 | 42.167 |
| Total assets | | 55.875 | 21.169 | 58.845 |

EQUITY AND LIABILITIES

| DKK'000 | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|--------------------------------------|------|---------------|---------------|---------------|
| Equity: | | | | |
| Share capital | | 10.398 | 6.400 | 10.398 |
| Retained earnings | | 15.548 | -8.411 | 18.488 |
| Total Equity | | 25.946 | -2.011 | 28.886 |
| Non-current liabilities | | | | |
| Other payables | | 372 | 372 | 372 |
| Total non-current liabilities | | 372 | 372 | 372 |
| Current liabilities | | | | |
| Received prepayments | | 136 | 97 | 0 |
| Accrual income | | 558 | 572 | 0 |
| Derivative financials instruments | 4 | 26.871 | 17.901 | 25.065 |
| Trade payables | | 697 | 2.637 | 2.721 |
| Other payables | | 1.295 | 1.601 | 1.801 |
| Total current liabilities | | 29.557 | 22.808 | 29.587 |
| Total Liabilities | | 29.929 | 23.180 | 29.959 |
| Total equity and liabilities | | 55.875 | 21.169 | 58.845 |



Consolidated statement of changes in equity

| DKK'000 | Reserves | | | | Total equity |
|---------------------------------|---------------|---------------|----------------|-------------------|----------------|
| | Share capital | Share premium | Other reserves | Retained earnings | |
| Equity as at 01.01.2023 | 10.398 | 0 | 0 | 18.488 | 28.886 |
| Net Loss | 0 | 0 | 0 | -3.278 | -3.278 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Comprehensive income | 0 | 0 | 0 | -3.278 | -3.278 |
| Share-based payments | 0 | 0 | 0 | 338 | 338 |
| Transfer of reserves | 0 | 0 | 0 | 0 | 0 |
| Transactions with owners | 0 | 0 | 0 | 338 | 338 |
| Equity as at 31.03.2023 | 10.398 | 0 | 0 | 15.548 | 25.946 |
| Equity as at 01.01.2022 | 6.400 | 0 | 0 | 17.061 | 23.461 |
| Net Loss | 0 | 0 | 0 | -26.146 | -26.146 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Comprehensive income | 0 | 0 | 0 | -26.146 | -26.146 |
| Share-based payment | 0 | 0 | 0 | 674 | 674 |
| Transfer of reserves | 0 | 0 | 0 | 0 | 0 |
| Transactions with owners | 0 | 0 | 0 | 674 | 674 |
| Equity as at 31.03.2022 | 6.400 | 0 | 0 | -8.411 | -2.011 |



Consolidated cash flow statement

| DKK'000 | Note | 31.03.2023 | 31.03.2022 | FY 2022 |
|--|------|---------------|---------------|----------------|
| Loss before tax | | -3.278 | -26.146 | -33.708 |
| Depreciation, amortization and impairment losses | | 799 | 265 | 2.413 |
| Share-based payments | | 338 | 674 | 2.325 |
| Financial income, reversed | | -1 | -238 | -286 |
| Financial expenses, reversed | | 2.488 | 25.654 | 33.258 |
| Change in working capital | | 2.183 | 1.545 | -552 |
| Operating cash flow | | 2.529 | 1.754 | 3.450 |
| Financial income, received | | 1 | 0 | 286 |
| Financial expenses, paid | | 0 | -24 | -54 |
| Cash flow generated from operations | | 2.530 | 1.730 | 3.682 |
| Investment in shares | | -1.505 | 0 | 0 |
| Purchase of IP rights | | 0 | 0 | -17.278 |
| Cash flow from investing activities | | -1.505 | 0 | -17.278 |
| Proceeds from cash capital increase | | 0 | 0 | 36.808 |
| Repayment convertible loan | | 0 | 0 | -558 |
| Cash flow from financing activities | | 0 | 0 | 36.250 |
| Total cash flow for the period | | 1.025 | 1.730 | 22.654 |
| Cash, beginning of period | | 36.261 | 13.607 | 13.607 |
| Net foreign exchange difference | | -683 | 0 | 0 |
| Cash, end of period | | 36.603 | 15.337 | 36.261 |



1. Basis of preparation

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

The interim report does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2022.

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

Significant accounting estimates and judgments

The most significant accounting estimates and judgments in the interim consolidated financial statements remain unchanged compared to those used in Annual Report 2022. The principles and key assumptions are described in the Annual Report 2022 in note 2.

2. Revenue

| DKK'000 | Q1 2023 | Q1 2022 | FY 2022 |
|---|--------------|--------------|---------------|
| Sales of games and advertising for mobile devices | 336 | 427 | 1.448 |
| License income | 2.123 | 2.487 | 9.692 |
| Other revenue | 15 | 0 | 160 |
| Total | 2.474 | 2.914 | 11.300 |

3. Earnings per share

| DKK'000 | Q1 2023 | Q1 2022 | FY 2022 |
|--|---------|---------|---------|
| Net loss for the period | -3.278 | -26.146 | -33.708 |
| Average number of shares (in thousands) | 207.959 | 127.996 | 167.315 |
| Average number of treasury shares | 0 | 0 | 0 |
| Average number of shares in circulation | 207.959 | 127.996 | 167.315 |
| Diluted average number of shares in circulation | 207.959 | 127.996 | 167.315 |
| Earnings per share of DKK 0,05 each (in DKK) | -0,016 | -0,204 | -0,201 |
| Diluted earnings per share of DKK 0,05 each (in DKK) | -0,016 | -0,204 | -0,201 |



4. Derivative financial instruments

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

The liability amount DKK 26.9m per 31 March 2023 is variable with the development in exchange rate in NOK/DKK and the company’s share price. The amount is the calculated fair value that the company would have received less if the company’s share price and exchange rate NOK/DKK as per 31 March 2023 had been used in the agreement for the investment Tranche 4.

Per 31 December 2022 the amount was a liability of DKK 25.1m. The costs incurred in Q1 2023 therefore is an expenses of DKK 1.8m.

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 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.