



5th Planet Games A/S

# INTERIM REPORT 1st Half Year 2023

Six months ended 30 June 2023



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# About

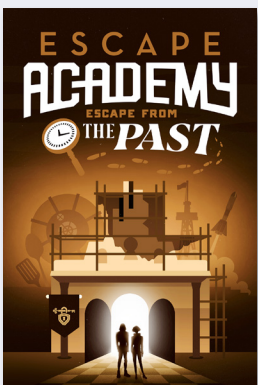
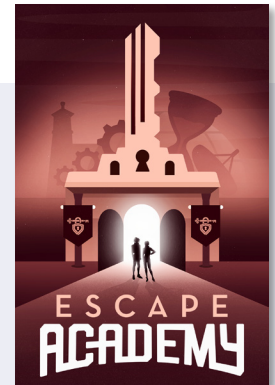
5th Planet Games is an international, publicly traded company founded in 2011 and focused on financing and publishing video games entertainment.

We are a small, lean company that is backed by a highly driven executive team from Europe and the USA, each of whom have decades of experience in video games and entertainment creation, publishing, and distribution.

5th Planet Games enters into strategic partnerships with global IP holders to create unique opportunities for game content creation by our outstanding development partners worldwide and secures co-publishing status in games across all platforms, mobile, console and PC.

With a strong and growing portfolio of titles and, since 2021, a partnership with Skybound Entertainment, 5th Planet Games now has access to compelling, proven, world-famous IP including The Walking Dead and Invincible.

Due to a high-quality back catalogue of games and an exciting release schedule ahead, 5th Planet Games has seen a significant improvement in financial results over the last 18 months with many more exciting opportunities ahead!





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# CEO letter: H1 2023

It is my pleasure to announce a profitable quarter once again; this profitability is testament to many months of hard work, the financial turnaround that's taking place and the positive new direction of the company, and as such it's a very pleasing result.

EBITDA before special items was a gain of DKK 9k in Q2 2023 against a loss of DKK 0.7m in Q2 2022. The increase in EBITDA is driven by cost control and a solid revenue stream across the catalogue; as usual this report contains a detailed breakdown of our audited accounts, but to summarize some of the key metrics here in relation to Q2.

**Revenue** for Q2 2023 amounted to DKK 1.9 m, an 8% increase from DKK 1.8m in Q2 2022.

**Gross profit** for Q2 2023 amounted to DKK 1.9m, an 8% increase from DKK 1.8m in Q2 2022.

**Costs** for Q2 2023 decreased by DKK 0.6m compared to Q2 2022.



**Mark Stanger - CEO**

The story that underlies these financial headlines is perhaps even more compelling than the headlines themselves. Due directly to our strict control of costs and the increasingly robust contribution from a growing back catalogue of high-quality games, we are much better able to deal with the challenges that are inherent to the business of publishing games. The eagerly awaited release of WrestleQuest was moved out of H1 to allow for further development time and was launched successfully on August 22nd; we now look forward to seeing WrestleQuest contributing to an exciting H2 release schedule.

Another part of the story that sits alongside the financial results we are presenting here are the announcements that we have made so far this year, these have included;

- The launch of Before Your Eyes on the Sony PlayStation VR2 in March.
- Escape Academy becoming available on Nintendo Switch later this year which we announced in April.
- The strategic opportunity to potentially invest in Sagafilm which we announced in June, and which is currently in due diligence.
- Our co-publishing agreement on Invincible presents Atom Eve.
- The collaboration with Other Ocean Interactive and Skybound on the eagerly awaited The Walking Dead:Betrayal. The game has been getting rave reviews from test audiences!

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With increasingly solid financial foundations in place and with a release schedule that includes WrestleQuest, Invincible presents Atom Eve and The Walk Dead:Betrayal I feel incredibly positive about the remainder of 2023 and look forward to building on the solid start to the year that we are reporting today.

Our financial guidance for the full year remains unchanged from that published in March in the 2022 Annual Report i.e., revenue in the range of DKK 15m – 25m and EBITDA in the range of DKK 7 - 9m.

I feel confident that this is only the beginning of a significant move in the right direction, and I very much believe in our ability to continue to grow profits based on a proven back catalogue and the incredible quality of our upcoming release schedule.

Thanks for the continued support,

Yours sincerely,

DocuSigned by:

*Mark Stanger*

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**Mark Stanger, CEO**

Autumn 2023



WrestleQuest

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# Outlook for 2023

Based on the results in HI 2023, the financial guidance for 2023 remains that same as announced in the 2022 Annual Report: a revenue in the range of DKK 15m–25m and EBITDA in the range of DKK 7–9m.

# Key figures and financial performance

| DKK '000  | Q2<br>2023 | Q2<br>2022 | HI<br>2023 | HI<br>2022 | FY<br>2022 |
|---|------------|------------|------------|------------|------------|
| Revenue   | 1 949      | 1 813      | 4 423      | 4 727      | 11 300     |
| Gross Profit  | 1 890      | 1 775      | 4 306      | 4 634      | 11 143     |
| Profit / loss before special items (EBITDA)                             | 9          | -656       | 17         | -1 118     | 1 677      |
| Operating profit/loss (EBIT)  | -1 300     | -925       | -2 091     | -1 652     | -736       |
| Net Financials exclusive change in derivative instruments               | 52         | 1 010      | -629       | 1 221      | -179       |
| Change in derivative financials instruments, fair value                 | -308       | -42 652    | -2 114     | -68 282    | -32 793    |
| Profit / loss for the year  | -1 556     | -42 567    | -4 834     | -68 713    | -33 708    |
| Profit / loss exclusive fair value of derivative financials instruments | -1 248     | 85         | -2 720     | -431       | -915       |
| Total assets  | 54 055     | 51 764     | 54 055     | 51 764     | 58 845     |
| Capitalized development costs   | 973        | 14 089     | 973        | 14 089     | 17 278     |
| Equity  | 24 691     | -27 328    | 24 691     | -27 328    | 28 886     |
| Equity exclusive fair value derivative financials instruments           | 51 870     | 33 226     | 51 870     | 33 226     | 53 951     |

**Revenue** for Q2 2023 amounted to DKK 1.9 m, an 8% increase from DKK 1.8m in Q2 2022.

**Gross profit** for Q2 2023 amounted to DKK 1.9m, an increase from DKK 1.8m in Q2 2022.

**Costs** for Q2 2023 decreased by DKK 0.6m compared to Q2 2022.

- Development expenses in Q2 2023 amounted to DKK 0.1m.
- Other expenses were in Q2 2023 DKK 1.8m, a decrease of DKK 0.7m compared to Q2 2022.

**EBITDA** before special items was a gain DKK 9k in Q2 2023 against a loss of DKK 0.7m in Q2 2022. The increase in EBITDA is mainly driven by cost control and a solid revenue.

**Financial expenses** were a cost of DKK 0.2m covering a calculated change in loss from derivative financials instruments of DKK 0.3m and a gain from exchange rate adjustments.

The amount DKK 27.179m 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 1.6m in Q2 2023 an increase from the loss of DKK 42.3m in Q2 2022.

**Cash flows from operating activities.**

Cash flows from operating activities was negative with DKK 1.4m in Q2 2023 against a positive flow in Q2 2022.

**Cash position** as of 31 June 2023 amounted to DKK 32.2m against DKK 33.4m as of 30 June 2022.

**The Group's equity** as of 30 June 2023 amounted DKK 24.7m.



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# H1 2023 Game Releases

## BEFORE YOUR EYES

Developer: **GoodbyeWorld Games** Release Date: **March 10, 2023** Platforms: **PlayStation 5 (PlayStation VR2)**



The BAFTA award-winning game was released for the first time for VR as part of the highly publicized PlayStation VR2 launch line-up, and instantly became a must-have game for the new PlayStation 5 VR platform.



## GLITCH BUSTERS: STUCK ON YOU

Developer: **Toylogic Inc.** Release Date: **May 23, 2023** Platforms: **PC, PlayStation 4, Nintendo Switch**

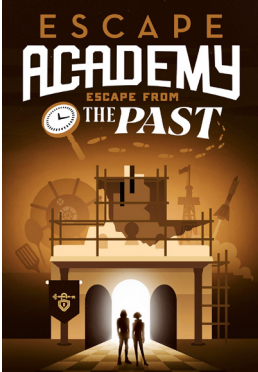


A colorful and fun co-op game from Japanese developer Toylogic, Glitch Busters : Stuck On You released as a rare game that is perfect for families and friends to play together online or offline with 1-4 players on the same system.



## ESCAPE ACADEMY: ESCAPE FROM THE PAST

Developer: **Coin Crew Games** Release Date: **June 19, 2023** Platforms: **PC, PS4, PS5, Xbox One, Xbox Series X|S**



The second DLC for the celebrated escape room puzzle game Escape Academy added brand new challenging content for the over 1 million players that have played the base game since launch.



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# Upcoming Releases For 2023

## WRESTLEQUEST

Developer:  
**Mega Cat Studios**

Release Date:  
**August 22, 2023**

Platforms:  
**PC, PlayStation 4, PlayStation 5, Xbox Series X|S, Nintendo Switch, iOS/Android (Netflix)**



This highly-anticipated game from Mega Cat Studios combines beloved turn-based JRPG gameplay with Pro Wrestling in a unique combination that has surprised and enticed players and media alike.

Featuring famous wrestling legends like Jeff Jarrett, Jake The Snake, Andre The Giant, Macho Man Randy Savage, Sgt. Slaughter and many more, WrestleQuest is a dream game for fans of Pro Wrestling and RPG gameplay alike.

Reviews have already lauded WrestleQuest as one of the best wrestling games in years. Media have especially highlighted how the game successfully translates the thrills and excitement of a wrestling match into an RPG setting, as well as its amazing pixel art, charming voice, and well-designed combat.

*"WrestleQuest from developer Mega Cat Studios is by far one of the most creative video game releases of 2023."*

Bleacher Report

*"WrestleQuest is by far one of the most fun experiences I've ever had with a wrestling game, and I've played just about all of them."*

GameTyrant - 10/10





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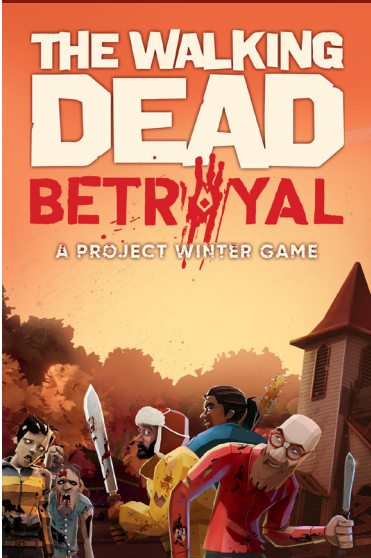


## THE WALKING DEAD: BETRAYAL

Developer:  
**Other Ocean Interactive**

Release Date:  
**Early Access – Coming Soon**

Platforms:  
**PC**



A unique multiplayer game of cooperation and social deception, The Walking Dead: Betrayal builds upon Other Ocean's hugely successful Project Winter – which has over 2.5 million players – and brings its highly successful gameplay formula to the world of The Walking Dead.

Fans of Project Winter and The Walking Dead have already taken part in a first Closed Beta and both players and media are excited to play more when The Walking Dead: Betrayal enters Early Access on Steam later this year.



## INVINCIBLE PRESENTS: ATOM EVE

Developer:  
**Terrible Posture Games**

Release Date:  
**Late 2023**

Platforms:  
**PC**



The first original video game in the Invincible franchise will allow fans to play as Atom Eve, one of the most powerful superheroes in the universe! Invincible Presents: Atom Eve was announced at San Diego Comic-Con 2023 to applause from fans, and an special Atom Eve episode of the Invincible animated series was released by Amazon Prime Video the same day to critical acclaim.

With the anticipation for Season 2 of the Invincible series at record levels, Invincible Presents: Atom Eve will offer a unique way for players to further explore the world of Invincible and their favorite characters.



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# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the interim report for the period 1 January - 30 June 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 30 June 2023, and of the results of the 5th Planet Games Group's operations and cash flows for the period 1 January - 30 June 2023.

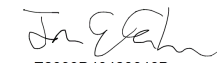
We also find that the management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period and the financial position of the Group and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 25 August 2023

## Executive Board

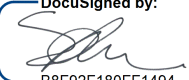
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**Mark Stanger**  
 CEO

## Board of Directors

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**Jon Goldman**  
 Chairman of the Board

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**Henrik Nielsen**  
 Board Member

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**David Alpert**  
 Board Member

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**Søren Kokbøl Jensen**  
 Board Member

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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 – 30 June 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.



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## 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 – 30 June 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, 25 August 2023

**Grant Thornton**

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**Claus Carlsen**

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**Mathias John Vintersbølle**

**State-Authorized Public Accountant**

**State-Authorized Public Accountant**

**MNE-nr 23451**

**MNE-nr. 47837**

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# Consolidated statement of comprehensive income

| DKK ' 000   | Note | Q2 2023       | Q2 2022        | H1 2023       | H1 2022        | FY 2022        |
|---|------|---------------|----------------|---------------|----------------|----------------|
| Revenue   | 2    | 1 949         | 1 813          | 4 423         | 4 727          | 11 300         |
| Costs of sales  |      | 59            | 38             | 117           | 93             | 157            |
| <b>Gross Profit</b>   |      | <b>1 890</b>  | <b>1 775</b>   | <b>4 306</b>  | <b>4 634</b>   | <b>11 143</b>  |
| Research and development costs  |      | 72            | -34            | 156           | 537            | 164            |
| Marketing expenses  |      | 0             | 0              | 0             | 0              | 0              |
| Other expenses  |      | 1 809         | 2 465          | 4 133         | 5 215          | 9 302          |
| <b>Profit/Loss before special items, depreciation and amortisation (EBITDA)</b> |      | <b>9</b>      | <b>-656</b>    | <b>17</b>     | <b>-1 118</b>  | <b>1 677</b>   |
| Special items   |      | 0             | 0              | 0             | 0              | 0              |
| Depreciation and amortisation   |      | 1 309         | 269            | 2 108         | 534            | 2 413          |
| <b>Operating loss (EBIT)</b>  |      | <b>-1 300</b> | <b>-925</b>    | <b>-2 091</b> | <b>-1 652</b>  | <b>-736</b>    |
| Financial income  |      | 0             | 1 029          | 1             | 1 264          | 286            |
| Financial expenses  |      | 256           | 42 671         | 2 744         | 68 325         | 33 258         |
| <b>Loss before tax</b>  |      | <b>-1 556</b> | <b>-42 567</b> | <b>-4 834</b> | <b>-68 713</b> | <b>-33 708</b> |
| Tax on loss for the year  |      | 0             | 0              | 0             | 0              | 0              |
| <b>Loss for the year</b>  |      | <b>-1 556</b> | <b>-42 567</b> | <b>-4 834</b> | <b>-68 713</b> | <b>-33 708</b> |
| Other comprehensive income  |      | 0             | 0              | 0             | 0              | 0              |
| <b>Comprehensive income</b>   |      | <b>-1 556</b> | <b>-42 567</b> | <b>-4 834</b> | <b>-68 713</b> | <b>-33 708</b> |
| <b>Distribution of comprehensive income:</b>                                    |      |               |                |               |                |                |
| Parent company's shareholders   |      | -1 556        | -42 567        | -4 834        | -68 713        | -33 708        |
| Non-controlling interests   |      | 0             | 0              | 0             | 0              | 0              |
| <b>Total</b>  |      | <b>-1 556</b> | <b>-42 567</b> | <b>-4 834</b> | <b>-68 713</b> | <b>-33 708</b> |
| Basic earnings per share (DKK)  | 3    | -0,007        | -0,275         | -0,023        | -0,486         | -0,201         |
| Diluted earnings per share (DKK)  | 3    | -0,007        | -0,275         | -0,023        | -0,486         | -0,201         |

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# Consolidated balance sheet

| DKK ' 000                            | Note | 30.06.2023    | 30.06.2022     | 31.12.2022    |
|--------------------------------------|------|---------------|----------------|---------------|
| <b>Non-current assets</b>            |      |               |                |               |
| Acquired rights                      |      | 204           | 1 280          | 737           |
| Completed development projects       |      | 2 386         | 0              | 2 988         |
| Development projects in progress     |      | 12 953        | 14 089         | 12 953        |
| <b>Total non-current assets</b>      |      | <b>15 543</b> | <b>15 369</b>  | <b>16 678</b> |
| <b>Current Assets:</b>               |      |               |                |               |
| Investments                          |      | 3 500         | 0              | 0             |
| Prepayment                           |      | 270           | 0              | 0             |
| Trade receivables                    |      | 2 118         | 2 219          | 5 694         |
| Income tax receivable                |      | 107           | 152            | 107           |
| Other receivables                    |      | 5             | 5              | 105           |
| Accrual expenses                     |      | 265           | 159            | 0             |
| Cash                                 |      | 32 247        | 33 860         | 36 261        |
| <b>Total current assets</b>          |      | <b>38 512</b> | <b>36 395</b>  | <b>42 167</b> |
| <b>Total assets</b>                  |      | <b>54 055</b> | <b>51 764</b>  | <b>58 845</b> |
| <b>EQUITY AND LIABILITIES</b>        |      |               |                |               |
| DKK ' 000                            | Note | 30.06.2023    | 30.06.2022     | 31.12.2022    |
| <b>Equity:</b>                       |      |               |                |               |
| Share capital                        |      | 10 398        | 8 207          | 10 398        |
| Reserves                             |      | 0             | 0              | 0             |
| Retained earnings                    |      | 14 293        | -35 535        | 18 488        |
| <b>Total Equity</b>                  |      | <b>24 691</b> | <b>-27 328</b> | <b>28 886</b> |
| <b>Non-current liabilities</b>       |      |               |                |               |
| Other payables                       |      | 372           | 372            | 372           |
| <b>Total non-current liabilities</b> |      | <b>372</b>    | <b>372</b>     | <b>372</b>    |
| <b>Current liabilities</b>           |      |               |                |               |
| Received prepayments                 |      | 149           | 0              | 0             |
| Accrual income                       |      | 0             | 409            | 0             |
| Derivative financials instruments    | 4    | 27 179        | 60 554         | 25 065        |
| Trade payables                       |      | 483           | 16 347         | 2 721         |
| Other payables                       |      | 1181          | 1 410          | 1 801         |
| <b>Total current liabilities</b>     |      | <b>28 992</b> | <b>78 720</b>  | <b>29 587</b> |
| <b>Total Liabilities</b>             |      | <b>29 364</b> | <b>79 092</b>  | <b>29 959</b> |
| <b>Total equity and liabilities</b>  |      | <b>54 055</b> | <b>51 764</b>  | <b>58 845</b> |



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# Consolidated statement of changes in equity

| DKK ' 000                         | Share capital | Share premium | Other reserves | Retained earnings | Total equity   |
|-----------------------------------|---------------|---------------|----------------|-------------------|----------------|
| <b>Equity as at 01.01.2023</b>    | <b>10 398</b> | <b>0</b>      | <b>0</b>       | <b>18 488</b>     | <b>28 886</b>  |
| Net Loss                          | 0             | 0             | 0              | -4 834            | -4 834         |
| Other comprehensive income        | 0             | 0             | 0              | 0                 | 0              |
| <b>Comprehensive income</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>-4 834</b>     | <b>-4 834</b>  |
| Share-based payments              | 0             | 0             | 0              | 639               | 639            |
| Transfer of reserves              | 0             | 0             | 0              | 0                 | 0              |
| <b>Transactions with owners</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>          | <b>639</b>     |
| <b>Equity as at 30.06.2023</b>    | <b>10 398</b> | <b>0</b>      | <b>0</b>       | <b>14 293</b>     | <b>24 691</b>  |
| <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                          | 0             | 0             | 0              | -68 713           | -68 713        |
| Other comprehensive income        | 0             | 0             | 0              | 0                 | 0              |
| <b>Comprehensive income</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>-68 713</b>    | <b>-68 713</b> |
| Capital increases                 | 1 807         | 15 084        | 0              | 0                 | <b>16 891</b>  |
| Costs related to capital increase | 0             | -332          | 0              | 0                 | <b>-332</b>    |
| Share-based payment               | 0             | 0             | 0              | 1 365             | <b>1 365</b>   |
| Transfer of reserves              | 0             | -14 752       | 0              | 14 752            | <b>0</b>       |
| <b>Transactions with owners</b>   | <b>1 807</b>  | <b>0</b>      | <b>0</b>       | <b>16 117</b>     | <b>17 924</b>  |
| <b>Equity as at 30.06.2022</b>    | <b>8 207</b>  | <b>0</b>      | <b>0</b>       | <b>-35 535</b>    | <b>-27 328</b> |

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# Consolidated cash flow statement

| DKK ' 000  | Q2 2023       | Q2 2022        | H1 2023       | H1 2022        | FY 2022        |
|--|---------------|----------------|---------------|----------------|----------------|
| <b>Loss before tax</b>                           | -1 556        | -42 567        | -4 834        | -68 713        | -33 708        |
| Depreciation, amortisation and impairment losses | 1 309         | 269            | 2 108         | 534            | 2 413          |
| Share-based payments                             | 301           | 691            | 639           | 1 365          | 2 325          |
| Financial income, reversed                       | 0             | -1 026         | -1            | -1 264         | -286           |
| Financial expenses, reversed                     | 256           | 42 671         | 2 744         | 68 325         | 33 258         |
| Change in working capital                        | -1 751        | 16 134         | 432           | 17 679         | -552           |
| <b>Operating cash flow</b>                       | <b>-1 441</b> | <b>16 172</b>  | <b>1 088</b>  | <b>17 926</b>  | <b>3 450</b>   |
| Financial income, received                       | 0             | 0              | 1             | 0              | 286            |
| Financial expenses, paid                         | 0             | -19            | 0             | -43            | -54            |
| Income tax received                              | 0             | -100           | 0             | -100           | 0              |
| <b>Cash flow generated from operations</b>       | <b>-1 441</b> | <b>16 053</b>  | <b>1 089</b>  | <b>17 783</b>  | <b>3 682</b>   |
| Purchase of intangible assets                    | -973          | -14 089        | -973          | -14 089        | 0              |
| Investment in shares                             | -1 995        | 0              | -3 500        | 0              | 0              |
| Purchase of IP rights                            | 0             | 0              | 0             | 0              | -17 278        |
| <b>Cash flow from investing activities</b>       | <b>-2 968</b> | <b>-14 089</b> | <b>-4 473</b> | <b>-14 089</b> | <b>-17 278</b> |
| Proceeds from cash capital increase              | 0             | 16 559         | 0             | 16 559         | 36 808         |
| Repayment convertible loan                       | 0             | 0              | 0             | 0              | -558           |
| <b>Cash flow from financing activities</b>       | <b>0</b>      | <b>16 559</b>  | <b>0</b>      | <b>16 559</b>  | <b>36 250</b>  |
| <b>Total cash flow for the period</b>            | <b>-4 409</b> | <b>18 523</b>  | <b>-3 384</b> | <b>20 253</b>  | <b>22 654</b>  |
| Cash, beginning of period                        | 36 603        | 15 337         | 36 261        | 13 607         | 13 607         |
| Net foreign exchange difference                  | 53            | 0              | -630          | 0              | 0              |
| <b>Cash, end of period</b>                       | <b>32 247</b> | <b>33 860</b>  | <b>32 247</b> | <b>33 860</b>  | <b>36 261</b>  |

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# 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  | Q2 2023      | Q2 2022      | HI 2023      | HI 2022      | FY 2022       |
|---|--------------|--------------|--------------|--------------|---------------|
| Sales of games and advertising for mobile devices | 314          | 344          | 650          | 771          | 1 448         |
| License income                                    | 1 075        | 1 320        | 3 198        | 3 807        | 9 692         |
| Other revenue                                     | 560          | 149          | 575          | 149          | 160           |
| <b>Total</b>                                      | <b>1 949</b> | <b>1 813</b> | <b>4 423</b> | <b>4 727</b> | <b>11 300</b> |

## 3. Earnings per share

| DKK '000   | Q2 2023 | Q2 2022 | HI 2023 | HI 2022 | FY 2022 |
|--|---------|---------|---------|---------|---------|
| Net loss for the period                              | -1 556  | -42 567 | -4 834  | -68 713 | -33 708 |
| Average number of shares (in thousands)              | 207 959 | 154 892 | 207 959 | 141 444 | 167 315 |
| Average number of treasury shares                    | 0       | 0       | 0       | 0       | 0       |
| Average number of shares in circulation              | 207 959 | 154 892 | 207 959 | 141 444 | 167 315 |
| Diluted average number of shares in circulation      | 207 959 | 154 892 | 207 959 | 141 444 | 167 315 |
| Earnings per share of DKK 0.05 each (in DKK)         | -0,007  | -0,275  | -0,023  | -0,486  | -0,201  |
| Diluted earnings per share of DKK 0.05 each (in DKK) | -0,007  | -0,275  | -0,023  | -0,486  | -0,201  |



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## 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 27.2m per 30 June 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 30 June 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 H1 2023 therefore is an expenses of DKK 2.1m.

### **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 Studios. Should Skybound Games Studios suffer a loss due to certain specific warranties not being true, accurate and not misleading, Skybound Games Studios 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 Studios 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.

## Contact details

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