



5th Planet Games A/S

INTERIM REPORT Q1 2024



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5th Planet Games At-A-Glance

5th Planet Games is an international, publicly traded company founded in 2011 and focused originally on financing and publishing video games entertainment. In more recent years, our business has grown to incorporate other forms of entertainment e.g. TV and Film.

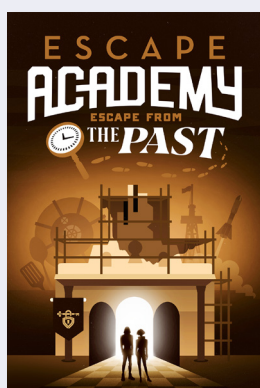
We are a small, lean company that is backed by a highly driven executive team from Europe and the USA, each of whom have decades of experience in video games and entertainment creation, publishing, and distribution.

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 rights 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.

Our association with Skybound has also given up the opportunity to broaden our interests beyond video games content, as demonstrated by our investment in 2023 in the Icelandic TV and Film Production company Sagafilm.

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 couple of years with many more exciting opportunities ahead.



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CEO Letter

Given our outstanding performance as shown in our recently published 2023 Annual Report, I am really pleased to continue the flood of good news in releasing the Q1 report and accounts for 2024. Our financial performance in the first quarter of the year is summarized here:

Revenue for Q1 has increased by 13% from DKK 2.47m in 2023 to DKK 2.78m in 2024.

EBITDA has increased from DKK 8,000 in 2023 to DKK 1.27m in 2024.

Cash reserves have also increased from DKK 36m in 2023 to DKK 44.6m in 2024.

Our performance over the last two years is even more impressive when set against the challenges being faced by the video games sector globally; the layoffs announced in recent weeks by Sony and Electronic Arts, who join the likes of Embracer Group, Microsoft, Take-Two Interactive, Amazon, Bungie, CD Projekt Red, Ubisoft, Riot Games, and Unity. In just the first two months of 2024, the games industry saw an estimated 8,100 people laid off as it adjusts to the new and challenging market conditions.

Against this background and the challenges of the wider industry, we can reflect with pride on our efforts in recent years to minimize our cost of operations, maintain a strong cash position and to actively pursue strategic opportunities in related sectors that mitigate the risk of video games publishing (e.g., our investment in Sagafilm).

As a result of all the above we find ourselves in the enviable position of being presented with new opportunities that under normal circumstances may not have been presented to us; we are currently reviewing a number of these opportunities both within and outside of video games publishing and I look forward to announcing more details in the coming weeks.

In terms of recent announcements, I was especially pleased to reveal details of both of the initiatives below as they are great examples of our increasingly diverse business interests and areas of activity.

Our interest in VAKA - a co-production between Skybound Entertainment, Amazon MGM Studios, Unlimited Stories, and Sagafilm ehf, the entity in which 5th Planet Games is a significant shareholder. The new series was announced in mid-March.

Our partnership with Nordisk Interactive - under the terms of the agreement, 5th Planet Games will manage the distribution of Physical Video Games across the Nordic regions with marketing, logistics, and distribution capability being provided by Nordisk Interactive. This is a whole new line of business for 5th Planet and will start to contribute later this year.

Today we are a small but growing, stable and well-resourced company operating in markets that are presenting exciting opportunities for further, dynamic growth and diversification.

Our guidance for the year remains unchanged from that published in the 2023 Annual Report a few weeks ago.

Wishing you all a happy Spring,

Mark Stanger, CEO
May 2024



Mark Stanger - CEO

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Outlook for 2024

Based on the result in Q1 2024, the financial guidance for 2024 remains the same as announced in the annual report for 2023, an increase in Revenue and EBITDA of 30% above our 2023 results.

Key figures and financial performance

DKK '000	Q1 2024	Q1 2023	FY 2023
Revenue and other income	2 785	2 474	16 586
Gross profit and other income	2 745	2 416	16 324
Loss before special items (EBITDA)	1 272	8	7 499
Operating profit/loss (EBIT)	-719	-791	-136
Net Financials exclusive change in derivative instruments	1 044	-681	-332
Change in derivative financials instruments, fair value	0	-1 806	25 065
Net Financials	1 044	-2 487	24 733
Net profit for the year	325	-3 278	24 543
Net profit for the year exclusive fair value of derivative financials instruments	325	-1 472	-522
Total assets	87 347	55 875	91 304
Capitalized and expenses costs development	119	84	3 279
Equity	85 915	25 946	85 421
Cash	44 573	36 603	49 305

Revenue for Q1 2024 amounted to DKK 2.8m, a 13% increase from DKK 2.5M in Q1 2023

Gross profit for Q1 2024 amounted to DKK 2.7M, a 14% increase from DKK 2.4M in Q1 2023

Costs for Q1 2024 decreased by DKK 0.9M compared to Q1 2023.

EBITDA was a gain DKK 1.3M in Q1 2024 against a profit of DKK 8k in Q1 2023. The increase in EBITDA is driven by an increase in revenue and decrease in cost.

Financial income is a gain of DKK1.0m.

Profit before tax amounted to DKK 0.3M in Q1 2024 compared to a loss of DKK 3.3M in Q1 2023.

Cash flows from operating activities is negative with DKK 5.9M in Q1 2024 against a positive DKK 2.5M cashflow in Q1 2024.

Cash position as of 31 March 2024 amounted to DKK 44.6M against DKK 36.6M as of 31 March 2023.

The Group's equity as of 31 March 2024 amounted DKK 85.9M

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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 of 1 January 2024 - 31 March 2024, 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 Group's assets, liabilities and financial position on 31 March, 2024, and of the results of the 5th Planet Games Group's operations and cash flows for the period of 1 January 2024 - 31 March 2024.

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, 23 May 2024

Executive Management

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Mark Stanger

Board of Directors:

DocuSigned by:



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Jon Goldman

Chairman

DocuSigned by:



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David Alpert

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Henrik Nielsen

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Søren Kokbøl Jensen

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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 of 1 January - 31 March, 2024, 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 9-14).

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 of 1 January - 31 March, 2024, 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, 23 May 2024

Grant Thornton

Godkendt Revisionspartnerselskab
CVR-nr. 34 20 99 36

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Michael Winther Rasmussen

State Authorised Public Accountant
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Consolidated income statement and statement of other comprehensive income

DKK ' 000	Note	Q1 2024	Q1 2023	FY 2023
Revenue	2	2 785	2 474	9 764
Costs of sales		40	58	262
Gross Profit		2 745	2 416	9 502
Other income		0	0	6 822
Research and development costs		119	84	183
Other expenses		1 354	2 324	8 642
Profit/Loss before special items, depreciation and amortisation (EBITDA)		1 272	8	7 499
Depreciation and amortisation		1 991	799	7 635
Operating profit/loss (EBIT)		-719	-791	-136
Financial income		1 128	1	26 181
Financial expenses		84	2 488	1 448
Profit/Loss before tax		325	-3 278	24 597
Tax on loss for the year		0	0	54
Profit/Loss for the year from continuing operations		325	-3 278	24 543
Other comprehensive income		0	0	0
Comprehensive income		325	-3 278	24 543
Distribution of comprehensive income:				
Parent company's shareholders		325	-3 278	24 543
Non-controlling interests				0
Total		325	-3 278	24 543
Basic earnings per share:				
From operations (DKK)	3	0,001	-0,016	0,108
Total DKK)		0,001	-0,016	0,108
Diluted earnings per share:				
From operations (DKK)	3	0,001	-0,016	0,078
Total DKK)		0,001	-0,016	0,078

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Non-current assets				
Acquired rights		0	472	0
Completed development projects		7 405	2 455	9 396
Development projects in progress		0	12 953	0
Other investments		21 329	0	21 329
Other receivables		4 084	0	4 084
Total non-current assets		32 818	15 880	34 809
Current Assets:				
Prepayment		275	1 505	25
Trade receivables		5 122	1 335	2 747
Income tax receivable		0	107	0
Other receivables		4 559	142	4 418
Accrual expenses		0	303	0
Cash		44 573	36 603	49 305
Total current assets		54 529	39 995	56 495
Total assets		87 347	55 875	91 304
EQUITY AND LIABILITIES				
DKK '000	Note	31.03.2024	31.03.2023	31.12.2023
Equity:				
Share capital		13 419	10 398	13 404
Retained earnings		72 496	15 548	72 017
Total Equity		85 915	25 946	85 421
Non-current liabilities				
Other payables		0	372	0
Total non-current liabilities		0	372	0
Current liabilities				
Received prepayments		0	136	0
Accrual income		0	558	0
Derivative financials instruments	4	0	26 871	0
Trade payables		1 061	697	5 055
Other payables		371	1 295	828
Total current liabilities		1 432	29 557	5 883
Total Liabilities		1 432	29 929	5 883
Total equity and liabilities		87 347	55 875	91 304

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Statement of changes in equity

DKK '000	Share capital	Reserves		Total equity
		Share premium	Retained earnings	
Equity as at 01.01.2024	13 404	0	72 017	85 421
Net Loss	0	0	325	325
Other comprehensive income	0	0	0	0
Comprehensive income	0	0	325	325
Capital increase	15	97	0	112
Share-based payments	0	0	57	57
Transfer of reserves	0	-97	97	0
Transactions with owners	15	0	154	169
Equity as at 31.03.2024	13 419	0	72 496	85 915
Equity as at 01.01.2023	10 398	0	18 488	28 886
Net Loss	0	0	-3 278	-3 278
Other comprehensive income	0	0	0	0
Comprehensive income	0	0	-3 278	-3 278
Share-based payment	0	0	338	338
Transfer of reserves	0	0	0	0
Transactions with owners	0	0	338	338
Equity as at 31.03.2023	10 398	0	15 548	25 946

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DKK ' 000	Note	31.03.2024	31.03.2023	FY 2023
Loss before tax		325	-3 278	24 543
Depreciation, amortisation and impairment losses		1 991	799	7 635
Share-based payments		57	338	1 099
Financial income, reversed		-1 128	-1	-26 181
Financial expenses, reversed		84	2 488	1 448
Change in working capital		-7 217	2 183	-30
Operating cash flow		-5 888	2 529	8 514
Financial income, received		0	1	1 111
Financial expenses, paid		-3	0	0
Income tax received		0	0	107
Cash flow generated from operations		-5 891	2 530	9 732
Investment in shares		0	-1 505	0
Sale of right of use assets		0	0	-4 084
Long term receivable		0	0	2 926
Investments in projects		0	0	-3 279
Cash flow from investing activities		0	-1 505	-4 437
Proceeds from cash capital increase		112	0	30 893
Repayment convertible loan		0	0	-372
Investment in financial assets		0	0	-21 329
Cash flow from financing activities		112	0	9 192
Total cash flow for the period		-5 779	1 025	14 487
Cash, beginning of period		49 305	36 261	36 261
Net foreign exchange difference		1 047	-683	-1 443
Cash, end of period		44 573	36 603	49 305

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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 2023. 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 2023.

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 2023. The principles and key assumptions are described in the Annual Report 2023 in note 2.

2. Revenue

DKK ' 000	Q1 2024	Q1 2023	FY 2023
Sales of games and advertising for mobile devices	243	336	1 202
License income	2 531	2 123	7 994
Other revenue	11	15	568
Total	2 785	2 474	9 764

3. Earnings per share

DKK ' 000	Q1 2024	Q1 2023	FY 2023
Net profit/loss for the period	325	-3 278	24 543
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (in thousands)	268 118	207 959	226 901
Adjustments for calculation of diluted earnings per share: Warrants	87 620		87 920
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (in thousands)	355 738	207 959	314 821
Earnings per share of DKK 0,05 each (in DKK)	0,001	-0,016	0,103
Diluted earnings per share of DKK 0,05 each (in DKK)	0,001	-0,016	0,078

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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 received the right to subscribe mandatorily and investment shares and warrants (collectively "rights") which could be exercised on different dates depending on the tranches. Each right could be exercised for one share (i.e., 1:1 conversion ratio) and the number of shares that would be issued were fixed for all these tranches. Upon settlement, the fixed exercise amount in Norwegian kroner (NOK) was 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 was variable depending on the prevailing exchange rate between DKK and USD at settlement date. This variable amount did not qualify the definition of equity instrument and therefore, these rights were classified as derivative financial assets / liabilities. As the last Tranche was executed in September 2023 there is no longer a liability and the liability amount of DKK 25.1m was recognized as financial income in 2023

Contingent liabilities

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

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.

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