



5th Planet Games A/S

INTERIM REPORT Q3 2024



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5th Planet Games At-A-Glance

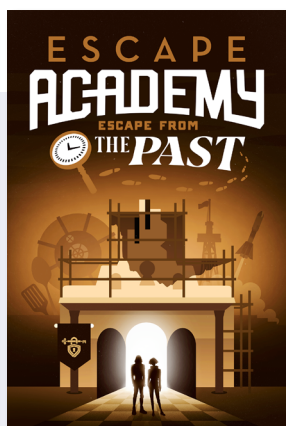
5th Planet Games is an international, publicly traded company founded in 2011 and focused originally on financing and publishing video games entertainment. In more recent years, our business has grown to incorporate other forms of entertainment e.g. TV and Film.

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

We all look for positive news as we draw into the darker days of Autumn, and there is great news to be found yet again in these Q3 results; the financial headlines make enjoyable reading, in summary.

Revenue – for Q3 amounted to DKK 4.2M, an increase of 18% from the same period in 2023.

EBITDA – on a year to date basis, our EBITDA reached DKK 3.2M compared to DKK 1.7M for the same period last year.

Cash reserves – net of recent investments, our cash on hand as of 30th Sept were DKK24.9M compared to DKK 49.0M at the same point last year.

Commenting on these figures:

Our revenue is growing as a result of the investments we have made in recent years in new games that are performing at or above expectations, these games include Before Your Eyes, Escape Academy and Invincible Presents; Atom Eve; all of these titles benefit from global distribution across the widest range of channels and are contributing significantly to our revenues. I fully expect them to continue to do so.

Our EBITDA for the period is impacted by our investment in Physical goods and our recent distribution agreement with Nordisk Interactive A/S. This is already making a positive contribution to our business, but only reflects the very start of this agreement and the first physical product shipped.

Finally, our cash reserves reflect recent investments, most notably the investment in a new video game in the Invincible universe, the new game is being developed by Skybound Entertainment's own internal Studio made up of games industry veterans from Activision Blizzard, EA, Amazon and others working alongside creator Robert Kirkman. We announced this game in September of this year.

In due course this new Invincible game will form part of the growing catalogue of 5th Planet Games and provide even more fuel for our growth and development.

As we move into the holiday period, I am spending quite some time supporting our partners at Nordisk Entertainment A/S, as following the release of Funko Fusion, we are now busy preparing for the release of several new games in Physical formats, principally for PlayStation and Nintendo Switch formats, this new and incremental part of our business will provide significant revenue stream through Q4 and into the New Year.

Growth based on a growing, high-quality catalogue of content and a company that is now in a position to consistently report profits. Good news indeed for the darker days!

Mark Stanger, CEO
21 November 2024



Mark Stanger - CEO

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Outlook for 2024

Based on the result in H1 2024 and the latest projections, the financial guidance for 2024 was updated on August 19th. The updated guidance is summarized as follows (DKKm)

Total net revenue	14.23m
EBITDA	2.95m

Key figures and financial performance

DKK '000	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	FY 2023
Revenue	4 173	3 540	9 960	7 963	16 586
Gross profit	1 958	3 445	7 693	7 751	16 324
Profit / Loss before special items (EBITDA)	692	1 643	3 229	1 660	7 499
Operating profit/loss (EBIT)	-1 063	510	-2 509	-1 581	-136
Net Financials exclusive change in derivative instruments	-2 350	-171	-907	-800	-332
Change in derivative financials instruments, fair value	0	27 179	0	25 065	25 065
Profit / loss for the year	-3 413	27 478	-3 416	22 644	24 543
Profit / loss exclusive fair value of derivative financials instruments	-3 413	299	-3 416	-2 421	-522
Total assets	90 093	87 257	90 093	87 257	91 304
Capitalized development costs	20 185	1	20 185	974	3 279
Equity	82 243	84 664	82 243	84 664	85 421

In Q1-Q3 2024 5th Planet Games generated DKK 10.0M, a 25% increase compared to the year-earlier period.

Gross profit for Q1-Q3 2024 amounted to DKK 7.7M.

Costs for Q1-Q3 2024 decreased to DKK 4.5M compared to DKK 6.1M in Q1-Q3 2023. This is a 24% reduction on cost.

EBITDA for the period is a profit of DKK 3.2M in Q1-Q3 2023 compared to DKK 1.7M in Q1-Q3 2023. The increase in EBITDA is driven by an increase in revenue and decrease in cost.

Financial income is a gain of DKK 0.1M. Financial expenses are DKK 1.0M but it mainly consists of a negative effect of unrealized currency translation adjustments. In Q1-Q3 2023 financial income was positively affected by the adjustment of the derivate with DKK 25.1M. The adjustment of the derivate has no cash flow effect.

Profit before tax amounted to a loss of DKK 3.4M in Q1-Q3 2024 compared to a gain of DKK 22.7M in the year-earlier period. However the profit in 2023 without the positive effect of the adjustment of the derivate is a loss of DKK 2.4M.

Cash flows from operating activities are negative with DKK 3.3M in Q1-Q3 2024 against a positive DKK 3.8M cash flow in Q1-Q3 2023.

Cash position as of 30 September 2024 amounted to DKK 25.0M against DKK 49.9M as of 30 September 2023. This is mainly caused by investments in projects with DKK 20.2M.

The Group's equity as of 30 September 2024 amounted to DKK 82.2M.

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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 - 30 September 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 30 September 2024, and of the results of the 5th Planet Games Group's operations and cash flows for the period of 1 January 2024 – 30 September 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, 21 November 2024


Executive Management

Signed by:

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 Mark Stanger

Initial


Board of Directors:


DocuSigned by:

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 Jon Goldman
 Chairman

DocuSigned by:

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 David Alpert

Signed by:

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 Henrik Nielsen

DocuSigned by:

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 Søren Kokbøl Jensen

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To the shareholders of 5th Planet Games A/S

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 - 30 September 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 - 30 September, 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, 21 November 2024

Grant Thornton

Godkendt Revisionspartnerselskab
CVR-nr. 34 20 99 36

Signed by:



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Michael Winther Rasmussen

State Authorised Public Accountant

mne28708

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Consolidated income statement and statement of other comprehensive income

DKK ' 000	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	FY 2023
Revenue	2	4 173	3 540	9 960	7 963	9 764
Costs of sales		2 215	95	2 267	212	262
Gross Profit		1 958	3 445	7 693	7 751	9 502
Other income		0	0	0	0	6 822
Research and development costs		109	0	355	156	183
Other expenses		1 158	1 802	4 110	5 935	8 642
Profit/Loss before special items, depreciation and amortisation (EBITDA)		692	1 643	3 229	1 660	7 499
Depreciation and amortisation		1 755	1 133	5 738	3 241	7 635
Operating profit/loss (EBIT)		-1 063	510	-2 509	-1 581	-136
Financial income		194	27 179	114	25 066	26 181
Financial expenses		2 544	171	1 021	801	1 448
Profit/Loss before tax		-3 413	27 518	-3 416	22 684	24 597
Tax on loss for the year		0	40	0	40	54
Profit/Loss for the year		-3 413	27 478	-3 416	22 644	24 543
Other comprehensive income		0	0	0	0	0
Comprehensive income		-3 413	27 478	-3 416	22 644	24 543
Distribution of comprehensive income:						
Parent company's shareholders		-3 413	27 478	-3 416	22 644	24 543
Non-controlling interests		0	0	0	0	0
Total		-3 413	27 478	-3 416	22 644	24 543
Basic earnings per share:						
From operations (DKK)	3	-0,013	0,123	-0,013	0,106	0,108
Total DKK)		-0,013	0,123	-0,013	0,106	0,108
Diluted earnings per share:						
From operations (DKK)	3	-0,010	0,123	-0,010	0,106	0,078
Total DKK)		-0,010	0,123	-0,010	0,106	0,078

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DKK ' 000	Note	30.09.2024	30.09.2023	31.12.2023
Non-current assets				
Completed development projects		3 659	3 050	9 396
Development projects in progress		20 185	11 361	0
Other investments		21 379	17 145	21 329
Other receivables		4 084	3 500	4 084
Total non-current assets		49 307	35 056	34 809
Current Assets:				
Prepayment		141	161	25
Trade receivables		11 290	1 884	2 747
Income tax receivable		0	81	0
Other receivables		4 396	214	4 418
Cash		24 959	49 861	49 305
Total current assets		40 786	52 201	56 495
Total assets		90 093	87 257	91 304
EQUITY AND LIABILITIES				
DKK ' 000	Note	30.09.2024	30.09.2023	31.12.2023
Equity:				
Share capital		13 419	13 404	13 404
Reserves		0	0	0
Retained earnings		68 824	71 260	72 017
Total Equity		82 243	84 664	85 421
Non-current liabilities				
Other payables		0	372	0
Total non-current liabilities		0	372	0
Current liabilities				
Received prepayments		0	219	0
Derivative financials instruments	4	0	0	0
Trade payables		7 120	573	5 055
Other payables		730	1 429	828
Total current liabilities		7 850	2 221	5 883
Total Liabilities		7 850	2 593	5 883
Total equity and liabilities		90 093	87 257	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 Profit	0	0	-3 416	-3 416
Other comprehensive income	0	0	0	0
Comprehensive income	0	0	-3 416	-3 416
Capital increase	15	97	0	112
Share-based payments	0	0	126	126
Transfer of reserves	0	-97	97	0
Transactions with owners	15	0	223	238
Equity as at 30.09.2024	13 419	0	68 824	82 243
Equity as at 01.01.2023	10 398	0	18 488	28 886
Net Loss	0	0	22 644	22 644
Other comprehensive income	0	0	0	0
Comprehensive income	0	0	22 644	22 644
Capital increase	3 006	29 310	0	32 316
Costs related to capital increase	0	-71	0	-71
Share-based payments	0	0	889	889
Transfer of reserves	0	-29 239	29 239	0
Transactions with owners	3 006	0	30 128	33 134
Equity as at 30.09.2023	13 404	0	71 260	84 664

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DKK ' 000	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	FY 2023
Loss before tax		-3 413	27 478	-3 416	22 644	24 543
Depreciation, amortisation and impairment losses		1 755	1 133	5 738	3 241	7 635
Share-based payments		12	250	126	889	1 099
Financial income, reversed		1 422	-25 065	-114	-25 066	-26 181
Financial expenses, reversed		928	-1 943	1 021	801	1 448
Change in working capital		3 236	807	-6 670	1 239	-30
Operating cash flow		3 940	2 660	-3 315	3 748	8 514
Financial income, received		114	0	114	1	1 111
Financial expenses, paid		79	-1	-14	-1	0
Income tax received		0	26	0	26	107
Cash flow generated from operations		4 133	2 685	-3 215	3 774	9 732
Investment in shares		0	-6 106	-50	-9 606	0
Sale of right of use assets		0	0	0	0	-4 084
Long term receivable		0	0	0	0	2 926
Investments in projects		-20 185	-1	-20 185	-974	-3 279
Cash flow from investing activities		-20 185	-6 107	-20 235	-10 580	-4 437
Proceeds from cash capital increase		0	21 206	112	21 206	30 893
Repayment convertible loan		0	0	0	0	-372
Investment in financial assets		0	0	0	0	-21 329
Cash flow from financing activities		0	21 206	112	21 206	9 192
Total cash flow for the period		-16 052	17 784	-23 338	14 400	14 487
Cash, beginning of period		43 554	32 247	49 305	36 261	36 261
Net foreign exchange difference		-2 543	-170	-1 008	-800	-1 443
Cash, end of period		24 959	49 861	24 959	49 861	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	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	FY 2023
Sales of games and advertising for mobile devices	89	317	524	967	1 202
License income	1 909	3 223	7 250	6 421	7 994
Physical product sale	2 174	0	2 174	0	0
Other revenue	0	0	11	575	568
Total	4 173	3 540	9 960	7 963	9 764

3. Earnings per share

DKK ' 000	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	FY 2023
Net profit/loss for the period	-3 413	27 478	-3 416	22 644	24 543
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (in thousands)	268 379	223 154	268 367	213 043	226 901
Adjustments for calculation of diluted earnings per share: Warrants	87 620	0	87 620	0	87 920
Average number of shares in circulation	355 999	223 154	355 987	213 043	314 821
Diluted average number of shares in circulation	355 999	223 154	355 987	213 043	314 821
Earnings per share of DKK 0,05 each (in DKK)	-0,013	0,123	-0,013	0,106	0,108
Diluted earnings per share of DKK 0,05 each (in DKK)	-0,010	0,123	-0,010	0,106	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 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 was issued were fixed for all these tranches. The last tranche, Tranche 4 was settled in September 2023. 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 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 were classified as derivative financial assets / liabilities. The liability was variable with the development in exchange rate in NOK/DKK and the company's share price. The amount was the calculated fair value that the company would have received less if the company's share price and exchange rate NOK/DKK for the closing date had been used in the agreement for the investment Tranche 4. As the rights have now been exercised there is no liability. The liability amount per 30 June 2023 was DKK 27.2m and the gain incurred in Q3 2023 is DKK 25.065m.

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.

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