

# IO Interactive A/S

Gammel Mønt 2-4, 1117 København K

CVR no. 24 21 62 09

## Annual report 2021/22

Approved at the Company's annual general meeting on 8 August 2022

Chair of the meeting:

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of IO Interactive A/S for the financial year 1 April 2021 - 31 March 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 August 2022  
Executive Board:

.....  
Hakan B. Abrak

Board of Directors:

.....  
Christian Ole Elverdam

.....  
Hakan B. Abrak

.....  
Peter Mollerup

## Independent auditor's report

To the shareholders of IO Interactive A/S

### Opinion

We have audited the financial statements of IO Interactive A/S for the financial year 1 April 2021 - 31 March 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Vejle, 8 August 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Heidi Brander  
State Authorised Public Accountant  
mne33253

## Management's review

### Company details

Name	IO Interactive A/S
Address, Postal code, City	Gammel Mønt 2-4, 1117 København K
CVR no.	24 21 62 09
Registered office	København
Financial year	1 April 2021 - 31 March 2022
Website	<a href="http://www.ioi.dk">www.ioi.dk</a>
E-mail	<a href="mailto:ioi@ioi.dk">ioi@ioi.dk</a>
Telephone	+45 33 73 29 00
Board of Directors	Christian Ole Elverdam Hakan B. Abrak Peter Møllerup
Executive Board	Hakan B. Abrak
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

## Management's review

### Financial highlights

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Key figures</b>					
Revenue	538,020	502,467	212,803	154,103	120,823
Operating profit/loss	230,123	342,269	17,598	21,260	51,653
Net financials	8,845	-4,621	-2,764	566	853
<b>Profit for the year</b>	<b>188,952</b>	<b>270,676</b>	<b>11,591</b>	<b>21,826</b>	<b>40,926</b>
<b>Balance sheet</b>					
Total assets	901,021	624,365	154,679	143,868	121,536
Investments in property, plant and equipment	5,719	1,715	607	400	1,475
Share capital	657	657	657	657	657
<b>Equity</b>	<b>565,215</b>	<b>376,919</b>	<b>106,243</b>	<b>94,653</b>	<b>78,237</b>
<b>Financial ratios</b>					
Return on assets	30.2%	87.9%	11.8%	16.0%	56.9%
Current ratio	245.8%	213.7%	241.4%	196.7%	161.1%
Equity ratio	62.7%	60.4%	68.7%	65.8%	64.4%
Return on equity	40.1%	112.0%	11.5%	25.2%	72.5%
<b>Average number of full-time employees</b>					
	<b>151</b>	<b>135</b>	<b>128</b>	<b>121</b>	<b>134</b>

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Management's review

### Data ethics

IO Interactive A/S and its affiliates (the "company") are preparing an official policy concerning data ethics. This policy shall have its foundation in the data ethics objectives which the company already comply with, including the general principles of lawful processing, and will exist and function in addition to the company's privacy policy.

The company's data ethics policy rest on four main principles:

- ▶ Company shall only process the personal data of customers, employees, and partners to the extent that necessary legal basis is established
- ▶ Any processing of personal data shall be transparent for the data subject
- ▶ Personal data shall be protected and only used for internal purposes
- ▶ The collection of personal data shall not exceed what is necessary, and the purposes for processing shall be clearly defined

The company ensures that employees and partners contribute to an ethical and responsible processing of all personal information and data. Accordingly, the company is continuously instructing the employees in data ethics and data security, and ensures that employees and partners have signed an appropriate duty of confidentiality.

The direction shall continuously assess if the policy needs revision. Additionally, the direction is responsible for the implementation of the policy in the company's day-to-day operation, and for an ongoing apprise of the work with data ethics.

### Business review

IO Interactive (IOI) develops, publishes and markets computer games globally.

Our mission is to develop impactful games, with impactful people, creating ground-breaking characters, universes and concepts, all developed with our own proprietary platforms and technology.

### Financial review

The income statement for 2021/22 shows a profit of DKK 188,952 thousand against a profit of DKK 270,676 thousand last year, and the balance sheet at 31 March 2022 shows equity of DKK 565,215 thousand.

IO interactives main source of revenue is still "HITMAN 3" released back in Jan 2021. Hitman 3 overperformed the first year against the initial sales budget and performs well in year 2 with the release on steam. The game also launched on Microsoft game pass which adds additional revenue including the performance bonus and minimum guarantees. Backlog continues to perform well.

The revenue in FY22 is higher than the expectations last year mainly because of the game pass launch and Hitman 3 sales higher than expectation on other platforms.

Management considers the result for the year to be satisfactory.

### Knowledge resources

IO Interactive is considering opening more subsidiary studios in new countries to accommodate for our needs for growth.

Recruitment of the right talent is a very competitive space in the industry. Furthermore, there are significant salary increases due to inflation which might continue next year.

### Research and development activities

It is an important competitive factor for IOI to be at the forefront of game technology.

Therefore, IO Interactive will continue to invest substantially in research and development of game engine technology.

IO will continue its diversification of products through new platforms, namely mobile gaming. We continue to look for publishing opportunities for other companies and their games.



## Management's review

### Statutory CSR report

The statement below constitutes IO Interactive's statutory reporting on corporate responsibility, cf. §99a of the Danish Financial Statement Act.

#### Business model

IO Interactive (IOI) is a developer and publisher of AAA computer games for the global market. The mission is to develop and publish world class computer games, based on IOI's originally developed characters, universes and concepts and its proprietary technology. IO also develop games based on high-profile licensed IPs.

#### Human rights

There is a small risk of discrimination and bias, since especially women are a minority in the gaming industry. IO Interactive wants to work to prevent discrimination and bias and create a safe environment. Every second month we invite all the minorities to a lunch to create a safe forum, where they can discuss any concerns, experiences, and improvement areas they might have. In 2021, no human rights violations have been observed. Going forward, IO Interactive will continue with our lunch meetings to minimize the risk of discrimination and bias.

#### Anticorruption

There is a small risk of corruption as our suppliers are based in the EU. IO Interactive does not engage in any bribery or corruption. To prevent corruption, in 2021 we conducted ongoing supplier management. All supplier agreements must go through a legal process and a finance process before it is signed by the COO. After that, the contract is put into the ERP system, where it cannot be changed. In 2021 there have been no cases of corruption. Furthermore, in 2021 we have planned that all relevant employees will be invited to an anticorruption course in the future and in 2022 we will continue with the ongoing supplier management.

#### Environmental and climate issues

At IO Interactive we give high priority to the environment and make demand on ourselves and our suppliers. The most significant, but small risks, in relation to the environment and climate are related to our energy consumption and food waste. Our goal is to minimize our environmental and climate related risks. In the DK offices we have in 2021 used 100% green certified electricity from Ørsted and in 2022 we will renegotiate this agreement with Ørsted. In 2021 we used 50-60% environment friendly products, e.g., toilet paper, soap and furniture and 50-60% ecological products and vegetables in the cantina. In 2022 we will continue to focus on environment friendly products and ecological products and vegetables and furthermore we expect to buy environmental certifications.

#### Social and employee conditions

We highly focus on the wellbeing of our employees and on the development potential of our employees. There is a risk of our employees leaving IO Interactive since there is a demand for labor in the gaming industry, which is why we focus on how we can retain our employees. Every week a Peakon satisfaction survey is send out to all of our employees with 4-5 questions. The employees can be anonymous in the Peakon satisfaction survey to make sure, that our employees feel safe to be honest about any concerns and criticisms they might have. Based on the results of the survey initiatives are made to accommodate our employees wishes, suggestions and criticism. In 2021 the Peakon satisfaction survey showed that out employees wanted a review of the payroll process and how pay is distributed, which is why we held a meeting regarding this matter. Once a year we have IOI Week, which fosters innovation and creativity among our employees. In the IOI week the employees have the opportunity to work with their own projects and at the end of the week, the employees will present their project to share knowledge and inspiration to the rest of the team. We will in 2022 continue with the IOI Week and the Peakon satisfaction surveys.

#### Covid-19 in relation to corporate responsibility in 2021

As for many other companies, the Covid-19 pandemic has affected IO Interactive's employees, customers, suppliers, and other business associates. As a company, we have followed the government's recommendations, focused on hygiene, and provided extra cleaning. Through this process our primary focus has been to ensure good conditions for our employees. Therefore, we have provided the possibilities of working from home 2 days a week and increased the level of information from the management to the employees. As an additional consideration and service, we offered our employees to transport their computers to their home base. In the future, we will have an increased focus on the mental well-being of our employees and continue to offer our employees to work from home 2 days a week.

## Management's review

### Account of the gender composition of Management, cf. §99b

IO Interactive has a Board of Directors consisting of 3 men and 0 women. It is IO Interactive's goal to achieve an equal gender distribution by 2026 among the members elected by the General Assembly, i.e., that 1 in 3 members is a woman. The objective has not yet been achieved, as there have been no elections in the Board of Directors in the current year.

The rest of the management consists of 23 men and 7 women and 15% of our employees are females. We believe that all genders should have equal opportunities, which is why we work hard to promote the gender distribution in the rest of the management. Upon recruitment and promotion, we will ensure that all genders have equal opportunities in the process. By extension we have in 2021 focused on employer branding, where our own female employees are used to attract new female employees.

### Events after the balance sheet date

No events materially affecting the Group's and IOI's financial position have occurred after the financial year end.

### Outlook

The revenue in FY23 is expected to be somewhere between DKK 450 to 500M. The expected result for FY23 before tax is DKK 250 to 300M

We had a couple of years with solid revenue and profits, due to launch of a title. There is a risk the next couple of calendar years, the EBITDA and profits will drop. This is due to long production phases ahead, before the next releases hit the market. More precisely fiscal 24 and 25 estimates show a significant decrease.

## Financial statements 1 April 2021 - 31 March 2022

### Income statement

Note	DKK'000	2021/22	2020/21
2	<b>Revenue</b>	538,020	502,467
	Other external expenses	-89,371	-57,026
	<b>Gross profit</b>	448,649	445,441
3	Staff costs	-79,692	-37,956
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-138,834	-65,216
	<b>Profit before net financials</b>	230,123	342,269
	Income from investments in group enterprises	1,977	901
4	Financial income	9,772	113
	Financial expenses	-927	-4,734
	<b>Profit before tax</b>	240,945	338,549
5	Tax for the year	-51,993	-67,873
	<b>Profit for the year</b>	188,952	270,676

## Financial statements 1 April 2021 - 31 March 2022

### Balance sheet

Note	DKK'000	<u>2021/22</u>	<u>2020/21</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	<b>Intangible assets</b>		
	Completed development projects	95,310	146,881
	Acquired intangible assets	0	0
	Development projects in progress and prepayments for intangible assets	<u>40,348</u>	<u>55,120</u>
		<u>135,658</u>	<u>202,001</u>
7	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	3,877	1,634
	Leasehold improvements	<u>2,256</u>	<u>1,354</u>
		<u>6,133</u>	<u>2,988</u>
8	<b>Investments</b>		
	Investments in group enterprises	<u>3,427</u>	<u>1,301</u>
		<u>3,427</u>	<u>1,301</u>
	<b>Total fixed assets</b>	<u>145,218</u>	<u>206,290</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	85,592	146,761
	Receivables from group entities	10,529	0
	Dividend receivable from group enterprises	0	656
	Other receivables	<u>23,017</u>	<u>14,452</u>
		<u>119,138</u>	<u>161,869</u>
	<b>Cash</b>	<u>636,665</u>	<u>256,206</u>
	<b>Total non-fixed assets</b>	<u>755,803</u>	<u>418,075</u>
	<b>TOTAL ASSETS</b>	<u>901,021</u>	<u>624,365</u>

## Financial statements 1 April 2021 - 31 March 2022

### Balance sheet

Note	DKK'000	2021/22	2020/21
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
9	Share capital	657	657
	Net revaluation reserve according to the equity method	3,242	1,265
	Reserve for development costs	105,813	157,560
	Retained earnings	455,503	216,781
	Dividend proposed	0	656
	<b>Total equity</b>	<b>565,215</b>	<b>376,919</b>
	<b>Provisions</b>		
10	Deferred tax	28,301	43,344
	<b>Total provisions</b>	<b>28,301</b>	<b>43,344</b>
	<b>Liabilities other than provisions</b>		
	<b>Non-current liabilities other than provisions</b>		
	Other payables	0	8,487
		0	8,487
	<b>Current liabilities other than provisions</b>		
	Prepayments received from customers	204,216	39,455
	Trade payables	7,490	6,682
	Payables to group entities	9,775	1,294
	Corporation tax payable	64,872	41,730
	Other payables	21,152	106,454
		307,505	195,615
	<b>Total liabilities other than provisions</b>	<b>307,505</b>	<b>204,102</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>901,021</b>	<b>624,365</b>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Collateral
- 13 Related parties
- 14 Appropriation of profit

## Financial statements 1 April 2021 - 31 March 2022

### Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Retained earnings	Dividend proposed	Total
	Equity at 1 April 2021	657	1,265	157,560	216,781	656	376,919
14	Transfer, see "Appropriation of profit"	0	1,977	-51,747	238,722	0	188,952
	Dividend distributed	0	0	0	0	-656	-656
	Equity at 31 March 2022	657	3,242	105,813	455,503	0	565,215

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of IO Interactive A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

#### Changes in accounting policies

The company has change from a reporting class C to a large reporting class c entity due to the size of the company.

Besides new requirements due to change in reporting class, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the Company is prepared as the Company's cash flows are part of the consolidated cash flow statement.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale, finished goods and service, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery.

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to development, sale, advertising, administration, premises, payments under operating leases, etc.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.



## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Acquired intangible assets include trademarks and licences.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised based on expected future sales. The amortisation period is usually 3 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

#### Cash

Cash comprises cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Equity

##### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

##### *Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Other payables

Other payables are measured at net realisable value.

#### Prepayments received from customers

Prepayments recognised under "Liabilities" comprise prepayments received from customers regarding subsequent financial reporting years.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

DKK'000	<u>2021/22</u>	<u>2020/21</u>
<b>2 Segment information</b>		
<b>Breakdown of revenue by geographical segment:</b>		
Europe	177,547	170,839
America	263,630	281,382
Others	96,843	50,246
	<u>538,020</u>	<u>502,467</u>
The Company only operates within one business segment.		
<b>3 Staff costs</b>		
Wages/salaries	125,764	149,210
Pensions	2,724	2,349
Other social security costs	342	307
Other staff costs	136	3,654
Personaleomkostninger overført til udviklingsprojekter	-49,274	-117,564
	<u>79,692</u>	<u>37,956</u>
Average number of full-time employees	<u>151</u>	<u>135</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
<b>4 Financial income</b>		
Interest receivable, group entities	8	113
Other financial income	9,764	0
	<u>9,772</u>	<u>113</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	67,036	42,373
Deferred tax adjustments in the year	-15,043	25,500
	<u>51,993</u>	<u>67,873</u>

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 6 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 April 2021	391,785	1,523	55,120	448,428
Additions	29,569	0	40,348	69,917
Disposals	-846	-1,249	0	-2,095
Transferred	55,120	0	-55,120	0
Cost at 31 March 2022	475,628	274	40,348	516,250
Impairment losses and amortisation at 1 April 2021	244,904	1,523	0	246,427
Amortisation for the year	136,260	0	0	136,260
Amortisation and impairment losses of disposals for the year	-846	-1,249	0	-2,095
Impairment losses and amortisation at 31 March 2022	380,318	274	0	380,592
Carrying amount at 31 March 2022	95,310	0	40,348	135,658

#### 7 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 April 2021	37,541	7,531	45,072
Additions	3,421	2,298	5,719
Disposals	-21,592	0	-21,592
Cost at 31 March 2022	19,370	9,829	29,199
Impairment losses and depreciation at 1 April 2021	35,907	6,177	42,084
Depreciation	1,178	1,396	2,574
Depreciation and impairment of disposals	-21,592	0	-21,592
Impairment losses and depreciation at 31 March 2022	15,493	7,573	23,066
Carrying amount at 31 March 2022	3,877	2,256	6,133

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 8 Investments

DKK'000	Investments in group enterprises
Cost at 1 April 2021	36
Additions	149
Cost at 31 March 2022	185
Value adjustments at 1 April 2021	1,265
Value adjustments for the year	1,977
Value adjustments at 31 March 2022	3,242
<b>Carrying amount at 31 March 2022</b>	<b>3,427</b>

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>				
IO Interactive AB	Malmö, Sweden	100.00%	2,658	1,357
IOI Barcelona S.L.	Barcelona, Spain	100.00%	769	620

DKK'000	2021/22	2020/21
<b>9 Share capital</b>		
Analysis of the share capital:		
525,501 A shares of DKK 1.00 nominal value each	526	526
131,250 B shares of DKK 1.00 nominal value each	131	131
	657	657

The Company's share capital has remained DKK 657 thousand over the past 5 years.

#### 10 Deferred tax

Deferred tax relates to:

Intangible assets	29,197	44,440
Property, plant and equipment	-895	-1,096
	28,302	43,344

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 11 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2021/22	2020/21
Rent and lease liabilities	14,974	5,839

The Company is jointly taxed with the group company Greater Bag of Holding ApS, which acts as management company. The Company has limited and alternative liability together with other jointly taxed group entities for payment of income taxes and withholding taxes.

#### 12 Collateral

The Company has not placed any assets or other as security for loans at 31 March 2022.

#### 13 Related parties

IO Interactive A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Greater Bag of Holding ApS	Copenhagen, Denmark	Participating interest

##### Related party transactions

IO Interactive A/S was engaged in the below related party transactions:

DKK'000	2021/22	2020/21
Purchases of administrative services	41,736	18,037
Payables to group enterprises	9,775	1,294
Receivables from owners and management	0	656

#### 14 Appropriation of profit

##### Recommended appropriation of profit

Proposed dividend recognised under equity	0	656
Net revaluation reserve according to the equity method	1,977	901
Other statutory reserves	-51,747	88,835
Retained earnings	238,722	180,284
	188,952	270,676

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"By my signature I confirm all dates and content in this document."

## Christian Ole Elverdam

### Chairman

On behalf of: IO Interactive AS

Serial number: PID:9208-2002-2-991030598157

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2022-08-08 17:16:35 UTC

NEM ID 

## Hakan Bent Abrak

### Board of Directors

On behalf of: IO Interactive A/S

Serial number: PID:9208-2002-2-198818634658

IP: 2.107.xxx.xxx

2022-08-09 20:28:30 UTC

NEM ID 

## Peter Mollerup

### Board of Directors

On behalf of: IO Interactive A/S

Serial number: PID:9208-2002-2-838876317168

IP: 93.163.xxx.xxx

2022-08-10 13:35:24 UTC

NEM ID 

## Heidi Klitgaard Brander

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: PID:9208-2002-2-608852229008

IP: 80.197.xxx.xxx

2022-08-10 14:25:51 UTC

NEM ID 

## Martin Buhl Svanum

### Chair of the meeting

On behalf of: IO Interactive A/S

Serial number: PID:9208-2002-2-514802472024

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