



Kiloo A/S

Bülowsgade 68, st.
8000 Aarhus C
CVR No. 26429463

Annual report 2023

The Annual General Meeting adopted the annual report on 25.06.2024

Jacob Møller Jensen

Chairman of the General Meeting

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Entity details

Entity

Kiloo A/S

Bülowsgade 68, st.

8000 Aarhus C

Business Registration No.: 26429463

Registered office: Aarhus

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Kasper Holch Kragelund

Jacob Møller Jensen

Peter Bager

Executive Board

Jacob Møller Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Kiloo A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 25.06.2024

Executive Board

Jacob Møller Jensen

Board of Directors

Kasper Holch Kragelund

Jacob Møller Jensen

Peter Bager

Independent auditor's report

To the shareholders of Kiloo A/S

Opinion

We have audited the financial statements of Kiloo A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Aarhus, 25.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Sune Pagh Sølvsteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Financial highlights

	2023	2022	2021	2020	2019/20
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	663	96,072	75,890	83,664	43,646
Operating profit/loss	(26,131)	65,329	15,784	47,880	14,392
Net financials	2,534	4,021	2,419	316	199
Profit/loss for the year	(18,861)	53,697	15,149	37,942	11,418
Total assets	61,781	101,232	68,795	81,952	87,210
Investments in property, plant and equipment	0	0	25	0	95
Equity	58,032	76,893	38,345	49,260	27,643
Ratios					
Return on equity (%)	(27.96)	93.19	34.58	98.67	27.15
Equity ratio (%)	93.93	75.96	55.74	60.11	31.70

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

As in previous years, the Company's activities consist in development of software for tablets and smartphones.

Development in activities and finances

Management saw for the current year a realized operating loss of DKK 26m, which is as unsatisfactory.

Profit/loss for the year in relation to expected developments

Management considers loss for the year unsatisfactory.

Outlook

Management anticipates a profit before tax of DKK 2m in 2024.

Knowledge resources

The Company's primary knowledge resources are employees and the historically developed know-how within development of applications for tablets and smartphones. The Company's future earnings are therefore conditional on the knowledge resources within game development but in particular also on market knowledge.

Environmental performance

The Company has no activities directly affecting the environment. It is the Company's interest to conduct environmentally sound operations.

Research and development activities

The Company's development activities consist of the development of games for tablets and smartphones.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		662,545	96,071,772
Staff costs	1	(26,425,004)	(28,387,362)
Depreciation, amortisation and impairment losses	2	(368,463)	(2,355,697)
Operating profit/loss		(26,130,922)	65,328,713
Other financial income	3	2,753,394	4,591,416
Other financial expenses	4	(219,404)	(570,891)
Profit/loss before tax		(23,596,932)	69,349,238
Tax on profit/loss for the year	5	4,735,712	(15,651,927)
Profit/loss for the year	6	(18,861,220)	53,697,311

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	8	0	364,931
Intangible assets	7	0	364,931
Other fixtures and fittings, tools and equipment		0	3,532
Property, plant and equipment	9	0	3,532
Fixed assets		0	368,463
Trade receivables		1,001,874	13,901,947
Receivables from group enterprises		55,534,754	66,120,938
Deferred tax	10	0	223,000
Other receivables		49,232	138,906
Joint taxation contribution receivable		4,958,712	0
Prepayments	11	144,826	1,122,908
Receivables		61,689,398	81,507,699
Cash		91,303	19,355,768
Current assets		61,780,701	100,863,467
Assets		61,780,701	101,231,930

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		0	284,646
Retained earnings		57,531,915	76,108,489
Equity		58,031,915	76,893,135
Bank loans		142,532	226,717
Trade payables		610,609	3,407,093
Payables to group enterprises		796,937	0
Joint taxation contribution payable		0	17,212,927
Other payables	12	2,198,708	3,492,058
Current liabilities other than provisions		3,748,786	24,338,795
Liabilities other than provisions		3,748,786	24,338,795
Equity and liabilities		61,780,701	101,231,930
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Group relations	16		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	284,646	76,108,489	76,893,135
Transfer to reserves	0	(284,646)	284,646	0
Profit/loss for the year	0	0	(18,861,220)	(18,861,220)
Equity end of year	500,000	0	57,531,915	58,031,915

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	24,224,663	25,957,463
Pension costs	1,883,571	2,084,912
Other social security costs	316,770	344,987
	26,425,004	28,387,362

Average number of full-time employees	42	48
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	Remuneration of Management 2023 DKK	Remuneration of Management 2022 DKK
Total amount for management categories	3,131,700	11,599,379
	3,131,700	11,599,379

According to S 98(3) of the Danish Financial Statements, Management has chosen to disclose the total remuneration for both categories combined.

Remuneration of management is not included in staff costs as Management is remunerated in the sister group. Management fee is recognised under other external expenses, and the disclosed remuneration of management thus comprises the share thereof relating to remuneration of management.

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	364,931	723,499
Impairment losses on intangible assets	0	1,603,194
Depreciation of property, plant and equipment	3,532	29,004
	368,463	2,355,697

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	2,575,295	1,635,748
Other interest income	89,390	58,280
Exchange rate adjustments	88,709	2,897,388
	2,753,394	4,591,416

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	0	289,983
Other interest expenses	162,883	188,160
Other financial expenses	56,521	92,748
	219,404	570,891

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	0	17,212,927
Change in deferred tax	223,000	(1,561,000)
Refund in joint taxation arrangement	(4,958,712)	0
	(4,735,712)	15,651,927

6 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Retained earnings	(18,861,220)	53,697,311
	(18,861,220)	53,697,311

7 Intangible assets

	Completed development projects DKK
Cost beginning of year	159,786,104
Cost end of year	159,786,104
Amortisation and impairment losses beginning of year	(159,421,173)
Amortisation for the year	(364,931)
Amortisation and impairment losses end of year	(159,786,104)
Carrying amount end of year	0

8 Development projects

The Company's capitalised development costs comprise development of games for smartphones, tablets and web. All games are of an international nature, and the market covers the whole world where primarily Google and Apple operate. As the Company appears as a well known game provider at Google and Apple, the game releases may have large potential.

Income from development projects is expected to be advertising revenue from pop-ups, showing of videos as well as in-game purchases in the games. DAU (Daily Active Users) and ARPDau (Average Revenue Per Daily Active User) are the two most important parameters in the budgeting of future cash flows for each development project in its amortisation period. DAU is determined conservatively based on Management's professional assessment, historical analyses and experience from soft launch. In soft launch, the game is released to a geographically restricted area before the final game release.

All completed development projects are amortised over a period of 1-3 years. Management assesses any additional indication of impairment for each development project at least once a year based on an expectation of future cash flows supported by historical analyses and trends as well as expectations for DAU and ARPDau.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	4,227,882
Cost end of year	4,227,882
Depreciation and impairment losses beginning of year	(4,224,350)
Depreciation for the year	(3,532)
Depreciation and impairment losses end of year	(4,227,882)
Carrying amount end of year	0

10 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	0	(80,284)
Property, plant and equipment	0	303,284
Deferred tax	0	223,000

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	223,000	(1,338,000)
Recognised in the income statement	(223,000)	1,561,000
End of year	0	223,000

11 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

12 Other payables

	2023	2022
	DKK	DKK
VAT and duties	206,945	221,415
Wages and salaries, personal income taxes, social security costs, etc payable	1,991,763	2,502,255
Holiday pay obligation	0	640,747
Other costs payable	0	127,641
	2,198,708	3,492,058

13 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	578,680	2,482,156

14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Vantage Capital ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15 Related parties with controlling interest

Vantage Capital ApS, Aarhus holds all shares in the company thus having a controlling interest in the company.

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest and smallest group:

Vantage Capital ApS, Aarhus C, Business Registration No.: 27763340.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 1-3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of

assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Pursuant to S 86(4) of the Danish Financial Statements, the Company has not prepared a cash flow statement as this is prepared for the consolidated financial statements of Vantage Capital ApS, to which we refer.