



IO Interactive Holdings A/S
c/o Harbour House
Sundkrogsgade 21, DK-2100 Copenhagen
CVR no. 27 68 23 24

Annual report for 2021/22

Adopted at the annual general meeting
on 29 September 2022

DocuSigned by:
Chris Baylis
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Chris Baylis
Chairman

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IO Interactive Holdings A/S
2021/22



Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of IO Interactive Holdings 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 company's financial position at 31 March 2022 and of the results of the company's operations for the financial year 1 April 2021 - 31 March 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2022/23 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 29 September 2022

Executive board

Christopher John Baylis
Director

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Chris Baylis
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Supervisory board

Benjamin Spence

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Benjamin Spence
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Koichi Hayashi

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Christopher John Baylis

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Chris Baylis
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The company in general meeting has resolved that the financial statements for the coming financial year are not be audited.

Company details

The company

IO Interactive Holdings A/S
Sundkrogsgade 21
c/o Harbour House
DK-2100 Copenhagen

CVR no.: 27 68 23 24

Reporting period: 1 April 2021 - 31 March 2022

Domicile: Copenhagen

Supervisory board

Benjamin Spence
Koichiro Hayashi
Christopher John Baylis

Executive board

Christopher John Baylis, director

Consolidated financial statements

The Company is included in the consolidated financial statements of the ultimate parent company

The Group Annual Report of IO INTERACTIVE HOLDINGS A/S may be obtained at the following address and the company's website:

Square Enix Holdings Co., Ltd
Shinjuku eastside Square
6-27-30 Shinjuku
Tokyo, Japan

Management's review

Business review

The company's purpose is to own and invest in shares and shares according to the board's instructions and to offer project management and user research services.

Financial review

The company's income statement for the year ended 31 March 2022 shows a loss of Tdkk 5.974, and the balance sheet at 31 March 2022 shows negative equity of Tdkk 202.245.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 April - 31 March

| | <u>Note</u> | <u>2021/22</u> TDKK | <u>2020/21</u> TDKK |
|--|-------------|------------------------|------------------------|
| Revenue | | 2.070 | 1.236 |
| Other external expenses | | -175 | -76 |
| Gross profit | | 1.895 | 1.160 |
| Staff expenses | 1 | -1.796 | -1.151 |
| Profit/loss before net financials | | 99 | 9 |
| Income from fixed asset investments | | 656 | 0 |
| Financial expenses | 2 | -6.729 | -6.422 |
| Profit/loss for the year | | -5.974 | -6.413 |
| Distribution of profit | | | |
| Retained earnings | | -5.974 | -6.413 |
| | | -5.974 | -6.413 |

Balance sheet 31 March

| | <u>Note</u> | <u>2021/22</u> TDKK | <u>2020/21</u> TDKK |
|---------------------------------|-------------|--------------------------|--------------------------|
| Assets | | | |
| Other Investments | | <u>231</u> | <u>231</u> |
| Fixed asset investments | | <u>231</u> | <u>231</u> |
| Total non-current assets | | <u>231</u> | <u>231</u> |
| Other receivables | | <u>37</u> | <u>14</u> |
| Receivables | | <u>37</u> | <u>14</u> |
| Cash at bank and in hand | | <u>218</u> | <u>697</u> |
| Total current assets | | <u>255</u> | <u>711</u> |
| Total assets | | <u><u>486</u></u> | <u><u>942</u></u> |

Balance sheet 31 March

| | <u>Note</u> | <u>2021/22</u> TDKK | <u>2020/21</u> TDKK |
|-------------------------------------|-------------|--------------------------|--------------------------|
| Equity and liabilities | | | |
| Share capital | | 113.600 | 113.600 |
| Share premium account | | 44.900 | 44.900 |
| Retained earnings | | <u>-360.745</u> | <u>-354.771</u> |
| Equity | | <u>-202.245</u> | <u>-196.271</u> |
| Trade payables | | 75 | 80 |
| Payables to group entities | | 202.607 | 197.035 |
| Other payables | | <u>49</u> | <u>98</u> |
| Total current liabilities | | <u>202.731</u> | <u>197.213</u> |
| Total liabilities | | <u>202.731</u> | <u>197.213</u> |
| Total equity and liabilities | | <u><u>486</u></u> | <u><u>942</u></u> |

Statement of changes in equity

| | <u>Share capital</u> | <u>Share premium account</u> | <u>Retained earnings</u> | <u>Total</u> |
|------------------------------|-----------------------|----------------------------------|------------------------------|------------------------|
| Equity at the beginning | 113.600 | 44.900 | -354.771 | -196.271 |
| Net profit/loss for the year | <u>0</u> | <u>0</u> | <u>-5.974</u> | <u>-5.974</u> |
| Equity at the end | <u>113.600</u> | <u>44.900</u> | <u>-360.745</u> | <u>-202.245</u> |

Notes

| | <u>2021/22</u> | <u>2020/21</u> |
|------------------------------------|---------------------|---------------------|
| | TDKK | TDKK |
| 1 Staff expenses | | |
| Wages and salaries | 1.629 | 1.053 |
| Pensions | 161 | 97 |
| Other social security costs | 6 | 1 |
| | <u>1.796</u> | <u>1.151</u> |
| | | |
| Average number of employees | <u>1</u> | <u>1</u> |
| | | |
| | <u>2021/22</u> | <u>2020/21</u> |
| | TDKK | TDKK |
| 2 Financial expenses | | |
| Financial expenses, group entities | 6.717 | 6.418 |
| Other financial Expenses | 12 | 4 |
| | <u>6.729</u> | <u>6.422</u> |

Accounting policies

The annual report of IO INTERACTIVE HOLDINGS A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities and elective choice of certain provisions applying to reporting class C entities including disclosure regarding investments.

The accounting policies applied are consistent with those of last year.

The annual report for 2021/22 is presented in Tdkk.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from fixed asset investments.

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Dividend from participating interests is recognised in the financial year in which the dividend is declared.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Other Investments

Investment in participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of fixed assets is tested annually for impairment.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

Accounting policies

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred 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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.