

# ANNUAL REPORT 2021



# TROPHY GAMES

Trophy Games Development A/S, Mikkel Bryggers Gade 4, 2. sal, 1460 Copenhagen C, Denmark

Company reg no. 29240299. Accounting period: 1. Jan-31. Dec 2021.

Chairman of the meeting: \_\_\_\_\_

Date of approval: 23. March 2022

På den 23. marts 2022 blev årsrapporten godkendt af bestyrelsen i Trophy Games Development A/S.



# TOP STORY

Trophy Games **increases YoY revenue with 35%** marking the company's 15th year in a row with revenue growth.



**Asset:**  
Manager

**Game:**  
Pro 11

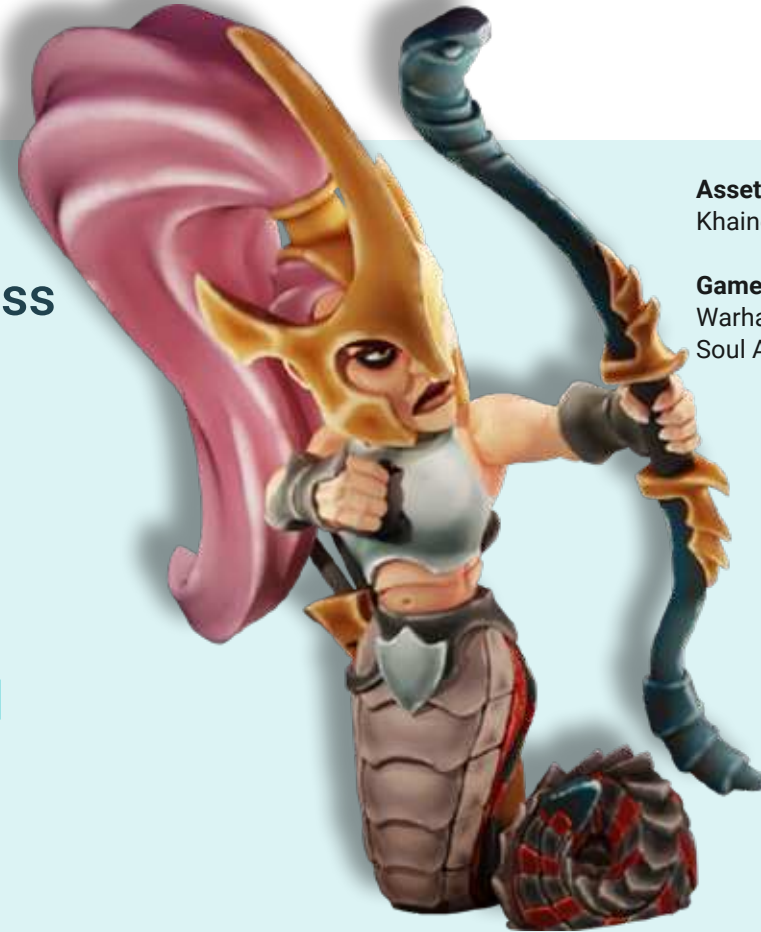
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# OUR AIM

We strive to be the world's leading strategy game studio providing endless entertainment and challenging gameplay for all our players.

Using our own lifelong passion for games, **we seek to develop the most competitive, creative, innovative and profitable multiplayer games across all platforms** and to create games we want to play ourselves.



**Asset:**  
Khaine Bloodstalker

**Game:**  
Warhammer AoS:  
Soul Arena



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MANAGEMENT COMMENTARY



BUSINESS SUMMARY



GOVERNANCE



FINANCIAL STATEMENTS



# MANAGEMENT COMMENTARY



# CEO INTRODUCTION

## ANNUAL REPORT



A successful IPO last April kickstarted the new growth plan that led to two acquisitions, upscaling and full speed on new ideas and game development.

Our strategy to expand our portfolio contributes to our future growth. Two thirds of our staff worked on upcoming games during 2021, and the heart of our development is our focus to give the users a world class experience.

We strongly believe that the best people make the best games, which is why we in 2021 have invested in both international recruitment and professional development. In 2022, we are looking forward to expand the team further.

The past years we have been able to grow our revenue as well as the development of our new games, in accordance with our strategy. We expect that our efforts will bear even more fruits in 2022, and we will continue to develop our business for long term success in the coming years. I would like to thank the whole team at Trophy Games, all our partners and our shareholders for the past year. In particular, I would like to thank our players for their commitment to our games. We will continue to invest in players first, now and in the future.

**Søren Gleie**  
CEO & Founder, Trophy Games Development

**Asset:**  
League Trophy

**Game:**  
Pro 11



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# BUSINESS HIGHLIGHTS 2021



Group revenue\*  
DKK 41.5m  
**+35% YoY growth**



EBITDA\*  
DKK 2.2m  
**DKK -3.3m YoY**



Cash and cash  
equivalents  
**DKK 37.7m**  
end of year



IPO  
DKK 59.3m raised  
**Net DKK 54.4m**  
after IPO costs



Installs  
6.1m installs  
**+74.6% YoY growth**



Unique paying users  
106,410 users  
**+62,9% YoY growth**



2 acquisitions  
**Xombat &  
Tiny Titan Studios**



Organization  
**17 geeks added to  
the team**

**Character:**  
Manager

**Game:**  
Five



\*Group numbers including acquisitions with full year effect



# SUMMARY 2021

The Trophy Games game portfolio generated a yearly revenue of DKK 41.5m in 2021, 35% higher than the previous year.

The EBITDA is DKK 2.2m for the year which is a drop of DKK 3.3m compared to 2020.

## Revenue

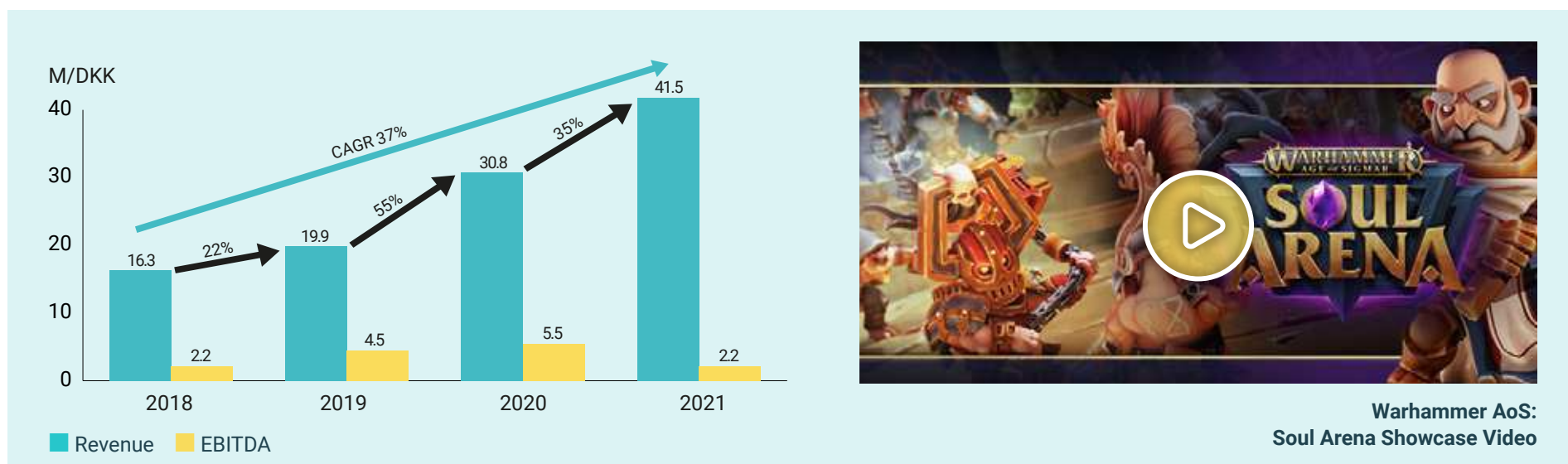
Our sports management games had DKK 30.1m in revenue during the year. The remaining turnover comes from our acquisitions, where Xombat with the game Airline Manager generated DKK 8.7m while Tiny Titan Studios generated a revenue of DKK 2.7m.

One success story of the year is Airline Manager. The monthly revenue grew 350% during the year reaching DKK 1.4m in the month of December. Revenue in January 2022 set a new record for Airline Manager with DKK 2.1m for the month.

Regarding our football management games, Pro 11 had technical issues in Q3 which combined with external factors impacted marketing and the games performance. We have now fixed the technical issues. The other football manager games performed as expected.

Five Esports Manager was released in June and the “nail it” phase will continue into 2022. The game is still only released on the Google Play Store.

Finally our major game release of Warhammer AoS: Soul Arena was postponed and the expected release in H2 was pushed to January 2022.







**EBITDA**

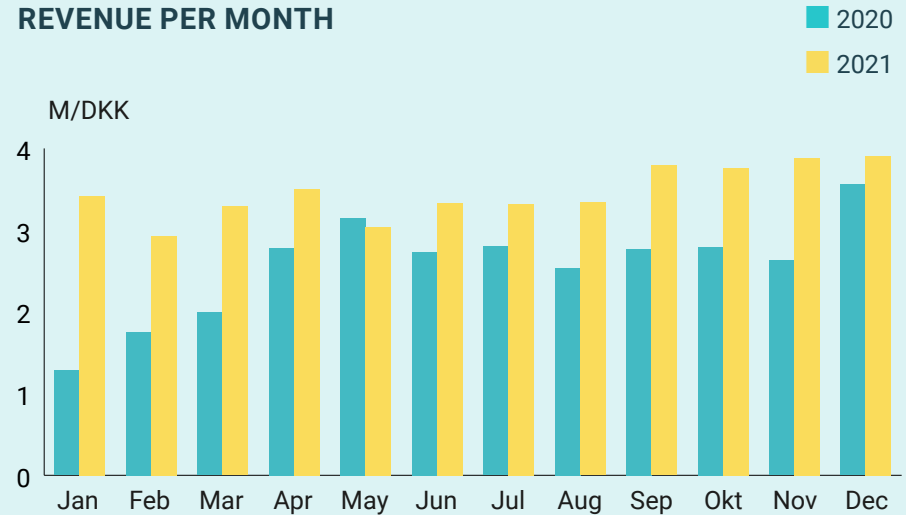
A few factors impacted our EBITDA in 2021. We guided with DKK +6.2m but reached DKK+2.2m for the year.

We had DKK +2m in target EBITDA for our 2021 acquisitions, but as we saw great performance of Air-line Manager, we invested in the product and market-ing during the year and realised a break even EBITDA on acquisitions for 2021. Tiny Titan Studios had no material effect on EBITDA for the year.

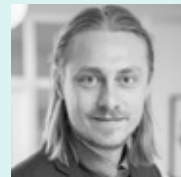
A total of 7.5m was activated as costs for devel-opment projects, which was DKK 600t less than budgeted. The activated costs were DKK 5.4m on Warhammer, 0.5m on Shipping Manager and 1.6m on Five. The first two games will be released in 2022.

During the year we scaled up from 23 to 40 employ-ees and moved to a new office earlier than initially planned as it made sense for our growth plan. This added about DKK 1.2m extra in various costs.

**REVENUE PER MONTH**



**Trophy Games stands in a great place today, and is positioned well for future growth.** Our game portfolio is diversified in 2021 and growing on all important business KPI’s. While EBIT-DA was lower in 2021, we firmly believe our overall strategy will be the driver of improved EBITDA margin in 2022.



**Daniel Luun,**  
CEO, Trophy Games Publishing &  
Co-owner, Trophy Games Development.

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# KPIs

## Unique Paying Users

Our portfolio of paying users grew 63% from 65,343 paying users in 2020 to 106,410 paying users in 2021. We are very satisfied to see such a high growth rate. Paying users have historically had a higher stickiness. Paying users are also loyal users and keep playing for years and pay continuously while playing.

## Installs

6.1m users installed our games in 2021. This is an increase of more than two million and a growth of 75% compared to 2020.

It has been an amazing year in terms of new users. 81% of our installs in 2021 were organic users compared to 60% in 2020.

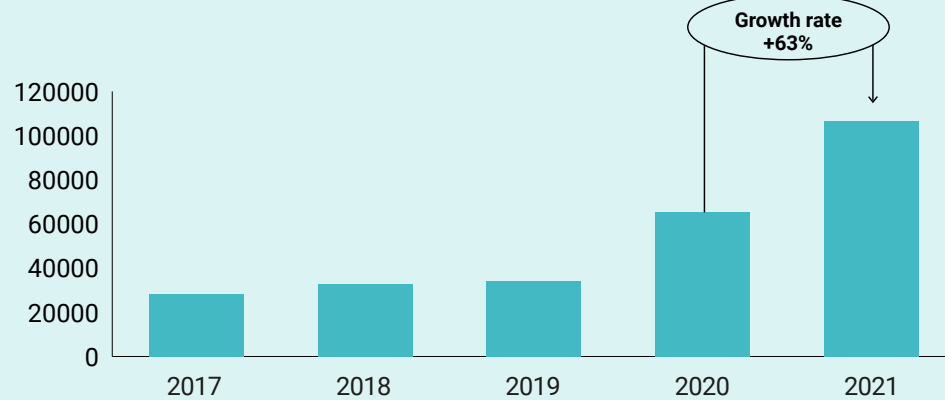
Paid user installs were in 2020 boosted by the initial corona lockdown where many companies shut down their marketing budget, while Trophy Games had success buying inexpensive installs. The trendline in the graph below shows a normalized development in paid installs taking that into account. Furthermore our marketing efforts in 2021 switched focus towards quality

paying users as we got on Google's radar with our 2020 budget and got access to new targeting criterias.

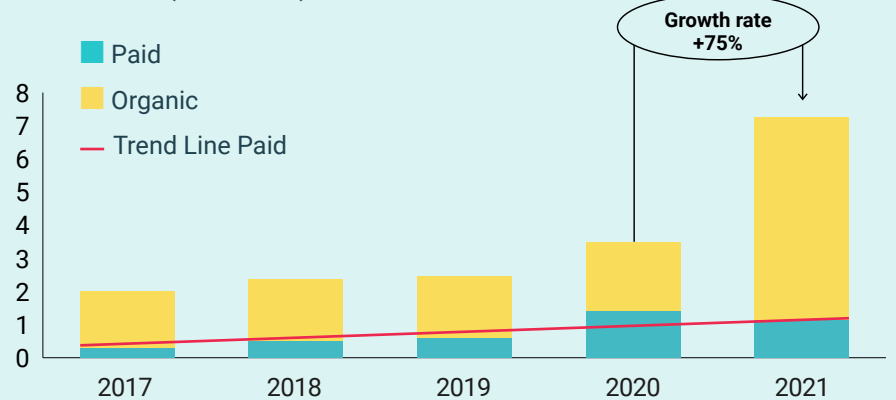
## Growth Potential

**We are pleased to see that the growth in both installs and paying users exceeds the annual growth in revenue, indicating more is to come.** The active users and paying users portfolio is the foundation for future growth.

### UNIQUE PAYING USERS



### INSTALLS (MILLION)





# ACQUISITIONS STATUS

## Xombat

The acquisition of Xombat in April 2021 has no doubt been one of the success stories this year for Trophy Games.

Before Trophy Games acquired the company, the average monthly revenue was approx. DKK 300t. The founder of Airline Manager had created a great game, however with an unlocked potential.

As a one man company the founder had focused on creating a great gameplay, however important business areas like marketing, liveops, app store optimization and data-tracking were areas where we in Trophy Games could really help out. With our 16 years of experience and our own teams in each of these areas, we felt we had the expertise to make this a solid investment case.

As part of the acquisition the founder and developer of Airline Manager was successfully included in Trophy Games and together with the Trophy organization they have proven a first successful acquisition and integration, which is promising for future acquisitions.

 **April revenue: DKK 298t**

We spent May and June setting up data tracking and getting to know the game. Also our marketing team optimized the app store appearance and we saw a 100% uplift in organic installs.

 **June revenue: DKK 479t**

In July and August we implemented the first low hanging fruit features for both monetization and optimized things such as a “rate us in the app store” prompting and the signup flow. Also we started marketing the game on a lower scale.

 **August revenue: DKK 846t**

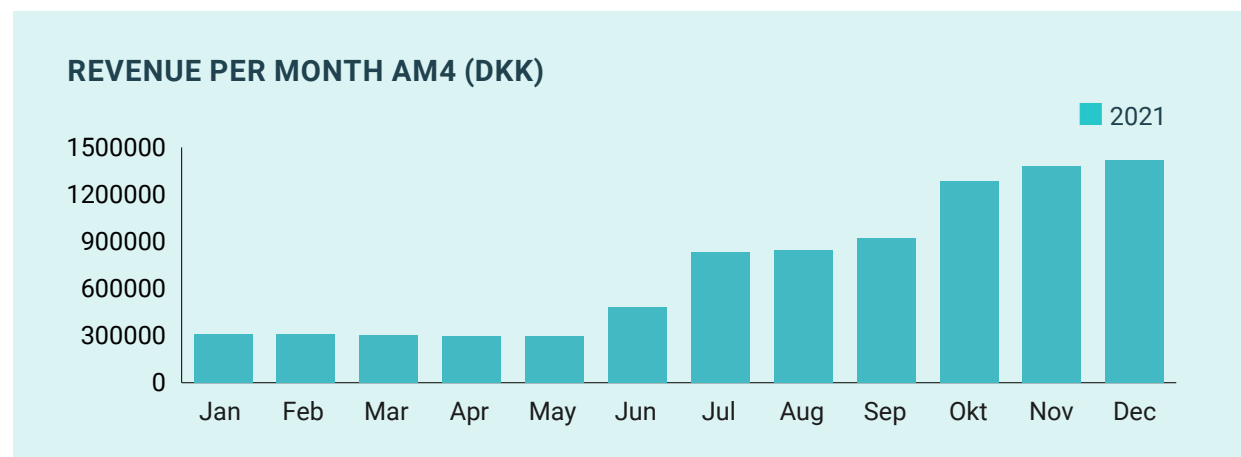
Marketing efforts were producing promising numbers, so we scaled up the budget in Q4. Also we continue to add more features and improve liveops.

 **December revenue: DKK 1,417t**

In January 2022 we added our first large feature aimed towards end-game monetization. We also made another tweak to liveops and introduced more frequent offers in the shop as well as we increased the marketing budget. The results of these changes have been fantastic.

 **January 2022 revenue: DKK 2,151t**

We have more to come in 2022, both feature-wise as well as liveops optimization. We believe there is still great potential to be unlocked in Airline Manager.





### Transport game series

The story really shows how Trophy Games' experience and setup creates the right synergies and results for our acquisitions strategy.

Furthermore, what makes the Xombat case even more interesting is the opportunity to create a full series of transport games based on Airline Manager. We have the game Shipping Manager next in our pipeline. It will be a complementary to Airline Manager and cover the shipping area.

Shipping Manager is already in production and is expected to be released in 2022. We are very excited about this title.

Furthermore, to expand the series we will add a train and truck manager game based on the same code framework and possibly even more transport types at a later stage.

### Tiny Titan Studios

The acquisition of Tiny Titan Studios is different. They have a great portfolio of arcade games. It is the first time we branch out from our strategy genre focus. Their largest title is Tiny Rails where you build a train with wagons and travel around the world to complete missions, trade cargo and develop your train.

Tiny Rails is getting 75t new installs a month on average. We believe it is a solid long term investment with lower risk and we see potential to increase the revenue. Also it has a crossover with our transportation series.

We expect Tiny Rails can generate a good EBITDA over many years. In 2021 Tiny Titan Studios' games made a revenue of DKK 2.75m.



**Airline Manager 4  
Showcase Video**



**Tiny Rails  
Showcase Video**



# GAME OVERVIEW



I am happy to see our sports games once again show a great longtail. Pro 11 have some new features, upgrade to liveops and an opportunity of extra income from the Chinese market. All were released late 2021 with effects not showing before 2022.

Our game portfolio grew in 2021 and we expect another great lift in 2022 in line with our growth strategy.

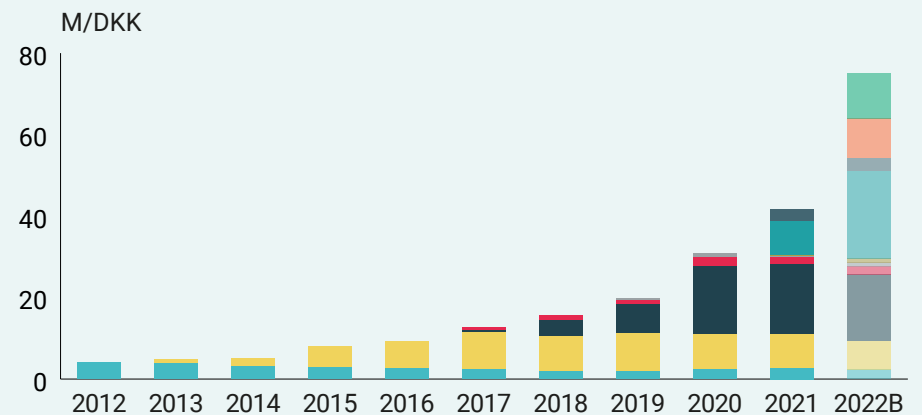


**Daniel Luun,**  
CEO, Trophy Games Publishing  
& Co-owner, Trophy Games  
Development.

## REVENUE PER GAME

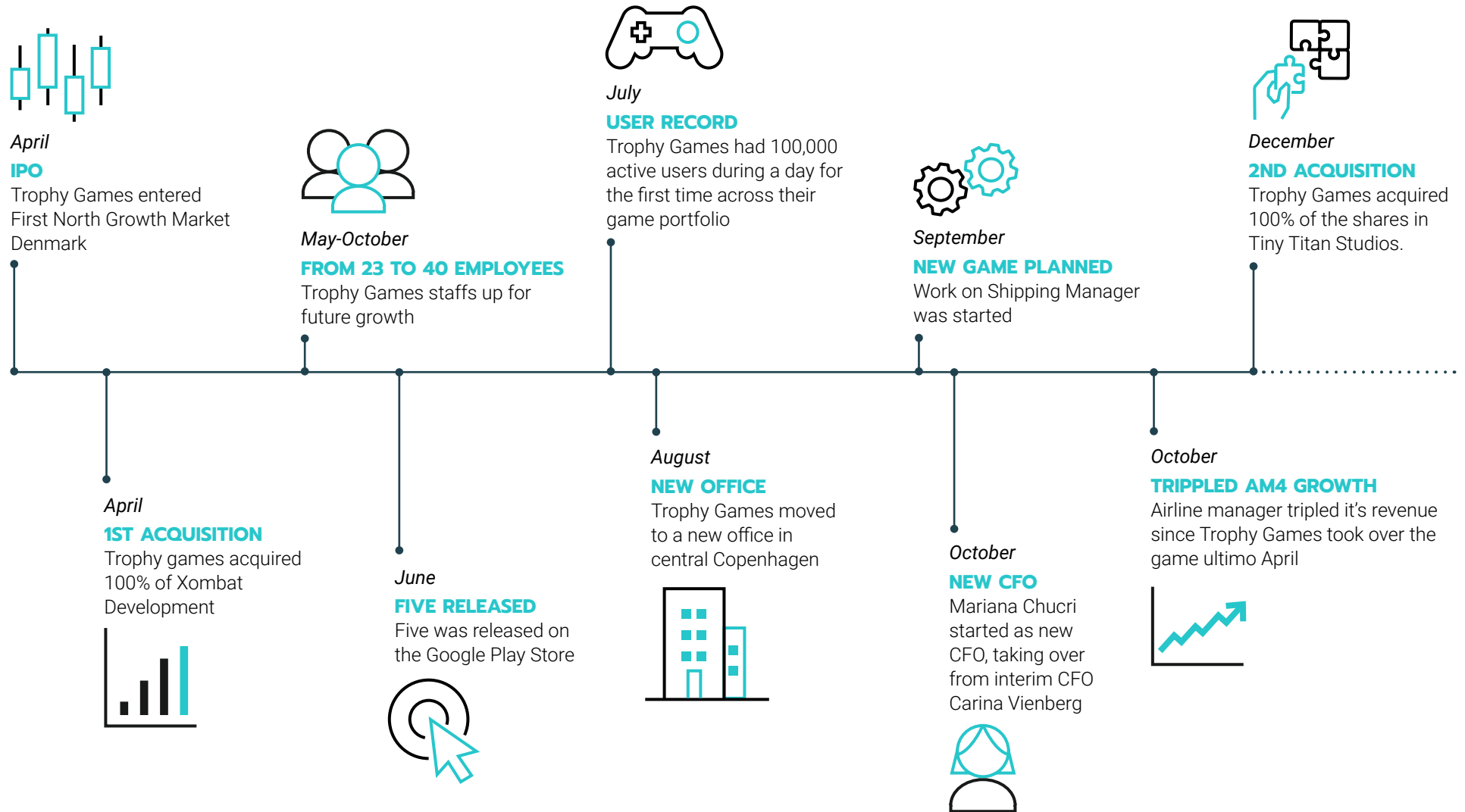
- TM
- FMU
- Pro11
- WSM
- Futuball
- Five
- Airline Manager 4
- Tiny Titan Studios
- Warhammer AoS: Soul Arena
- Other

|                           | Revenue      |              |             |
|---------------------------|--------------|--------------|-------------|
|                           | 2021 (M/DKK) | YoY          | vs expected |
| Trophy Manager            | 2.71         | 0.26         | ↗           |
| Football Management Ultra | 8.17         | -0.58        | →           |
| Pro 11                    | 16.74        | 0.23         | ↘           |
| Women's Soccer Manager    | 1.96         | -0.20        | →           |
| Futuball                  | 0.37         | -0.58        | →           |
| FIVE                      | 0.16         | 0.16         | ↘           |
| Airline Manager 4         | 8.66         | 8.66         | ↗           |
| Tiny Titan Studios        | 2.76         | 2.76         | -           |
| <b>Total</b>              | <b>41.53</b> | <b>10.71</b> |             |





# TIMELINE OF MILESTONES IN 2021





# BUSINESS SUMMARY

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# CHAIRMAN'S STATEMENT

 2021 was a big step forward for Trophy Games but we have so much more to offer. We started the year as an unlisted company with a great growth strategy. Got publicly listed on First North and started a new and steeper growth journey in the second half of 2021. When it comes to freemium games growth comes in steps; Installs, paying users and at last revenue. Maybe the journey has taken us a little bit longer than we first anticipated, but our growth speaks for itself.

**75% growth in installs compared to 2020**

**63% growth in unique paying users  
compared to 2020**

**35% growth in revenue compared to 2020**

I am very excited to see that Trophy Games is moving fast in the right direction with a solid growth plan for the coming years and I think there is so much more to come at the bottom of the funnel.

All the best

**Jan Dal Lehrmann**  
Chairman of the board

**Jan Dal Lehrmann**  
Chairman of the board  
since 2006







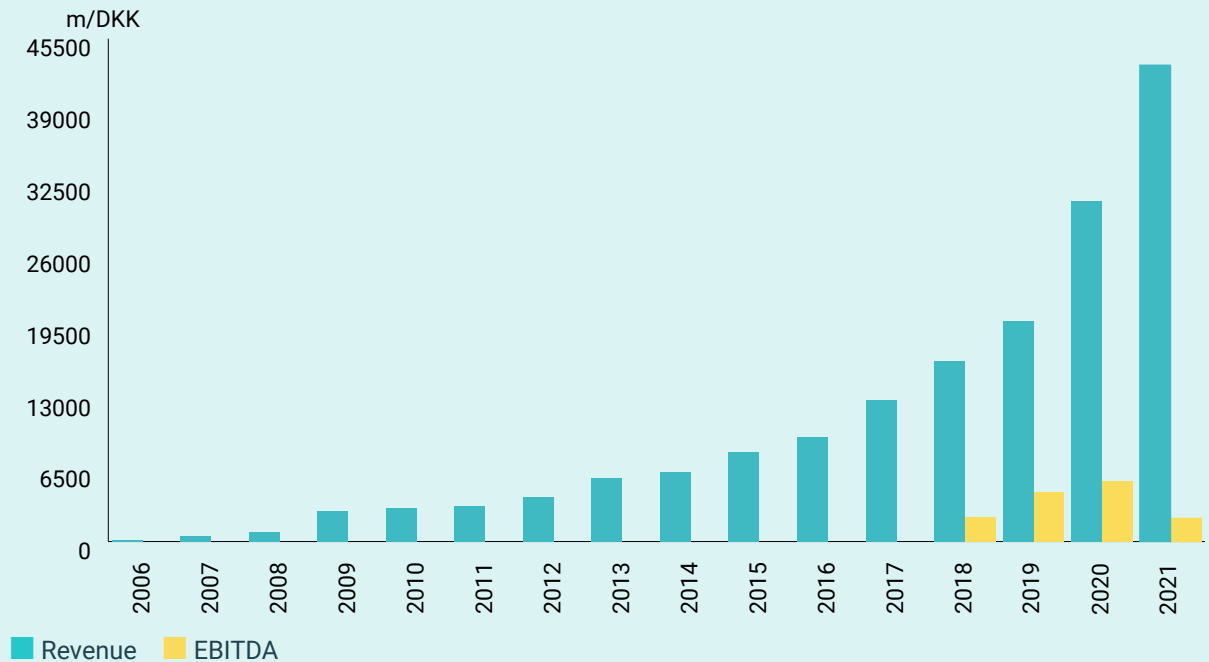
# EQUITY STORY

In 2006 we were gamer nerds with a special passion for football manager games. We were playing the existing online multiplayer football manager games but decided that we could create something even better and Trophy Manager (TM) was born.

We spent the following 8 years refining and scaling TM. In 2012 our second game, Football Management Ultra (FMU), was released. FMU was, like TM, originally a browser game. FMU was more fast paced and had a new approach on monetizing. FMU quickly surpassed TM in revenue. This, combined with the birth of smartphones, the fact that TM retained a fantastic long term retention and made a superb profit over the following years even though we moved most costs towards FMU, a new corporate strategy was hatched, which is now the foundation of our growth. Also note that we have been self-financed since the initial investment we received in 2006, which has affected our growth-rate.

## 15 YEAR-OVER-YEAR GROWTH!

### REVENUE



PEBane@dkturmatrtogfjeANCG55-NFKDXE#BNC6X1-3#VVWZPFH#EOZ-1EBDVB



In 2015 we started working on more titles – aimed directly towards the smartphone users, with Pro 11 in 2017, WSM in 2018 and Futuball in 2019. Alongside working on our new titles, we watched FMU following the footsteps of TM, in terms of profit. FMU is still making solid profit, even though very few resources are spent on further game development.

In 2021 we've released the e-sport manager game Five and added Airline Manager and Tiny Rails to our portfolio. In 2022 we will be releasing Warhammer AoS: Soul Arena and the transport title Shipping Manager as well as we aim to do further acquisitions.



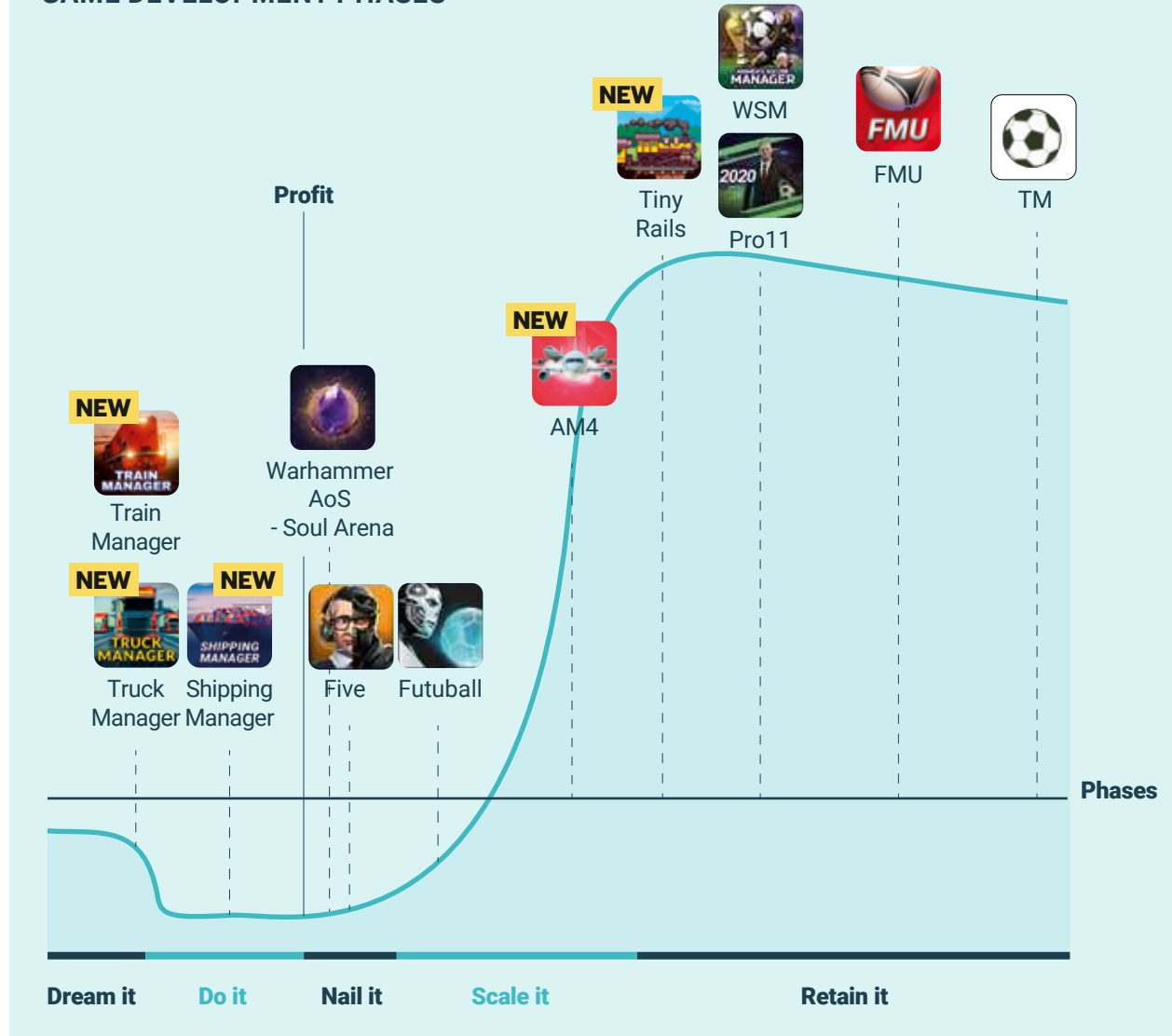
**Our games are easy-to-learn but hard to master. This gives our portfolio a long tail where the games keep generating profit many years after they peak.**

**Our strategy is to grow the game portfolio year by year and constantly have new games in a development or scaling phase, while the amount of games in the retain phase increase along with our profit.**



**Daniel Luun**  
CEO, Trophy Games Publishing &  
Co-owner, Trophy Games Development.

### GAME DEVELOPMENT PHASES



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# 2022 OUTLOOK

With a guidance of DKK 70-80m in 2022 revenue the sails are set for a major growth year for Trophy Games.

### Sports Series

Our sports games continue to be solid revenue makers and we expect they are going to follow the stable development we have seen in 2021 and reach around DKK 30m in revenue in 2022.

The sports series accounted for 73% of the revenue in 2021. We expect this number to be 40% in 2022. This change shows we are moving towards more diversity in our game portfolio.

### Transport Series

Airline Manager is expected to reach a revenue in 2022 close to DKK 21m. On top we expect to add DKK 2-3m from Shipping Manager after it gets released in H2. 2022 will give a first indication of how high we can set the bar for the full series. It will be very interesting to follow.

### Warhammer AoS: Soul Arena

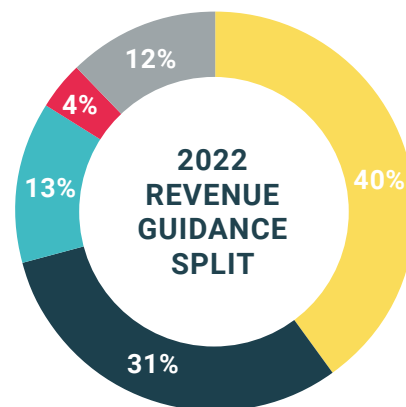
It takes time to build a large and active player portfolio when releasing a brand new game. We have taken a rather conservative approach to our revenue expectations for the first half year of 2022 for Soul Arena and expect the full year revenue from the game to be around DKK 9-10m.

### Tiny Titan Studios

The main game in the Tiny Titan Studios portfolio is Tiny Rails. We hope to make some optimizations during the year and reach around DKK 3m in revenue

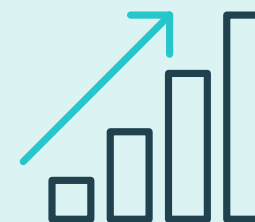
### Acquisitions

We hope to do further acquisitions through 2022. Estimate on further revenue from acquisitions is rather uncertain as we scout for both young and established game companies. We have an ambition to add acquired games to our portfolio which contribute with a revenue of DKK 8-10m in 2022.



- Sports Series
- Transport Series
- Warhammer AoS: Soul Arena
- Tiny Titan Studios
- Acquisitions

## Group Revenue\* Guidance



# DKK 70-80m

## EBITDA\* Guidance



# DKK 4-8m

\*Group numbers including acquisitions with full year effect



# RISKS

## Platform Dependency

Trophy Games' revenue is made through large platforms such as Google Play Store, Apple's App Store, Microsoft Store, Huawei App Gallery, Steam and more. It accounts for 95% of Trophy Games annual revenue in 2021.

While there is a trend towards payment fees being lowered for the first time ever in 2021, selling through platforms always comes with a risk, as the platforms can make policy changes, game developers have to follow as we have no negotiation power towards the big tech companies. In 2021 we saw Apple make more strict privacy rules which impacted marketing performance. We do not expect changes in 2022, but it is a risk to keep in mind.

## New Games

Releasing a new game and making predictions are very difficult. Trophy Games has 15 years experience and a lot of expertise in measuring data and predicting games performance, but with brand new titles like Warhammer AoS: Soul Arena it comes with a risk/reward of the game either failing completely as well as the game can take off like a rocket. We have made a rather conservative budget on how we feel the game will develop, but the chance of limited success for the new release is a risk factor.

## Acquisitions

Part of Trophy Games' growth strategy is to acquire new companies which can add volume to the business. 2021 was a great year in the M&A department for Trophy Games and we also expect 2022 to be another year with new acquisitions being completed, but there is no guarantee that we can find the right candidates nor come to agreements if we do. As we are guiding with DKK 8-10m revenue coming from new acquisitions in 2022 this is naturally a risk for the growth rate.

## Upstaffing issues

Competition for great developers is high. This is not new to the industry. Trophy Games have historically and again in 2021, been very successful in finding skillful candidates. We have grown from 23 to 40 FTEs during the year, but there is a risk factor that if we continue to grow and scale up our staff, it might not be easy to find talented candidates for all the positions we need.

## Regulatory

Regulatory changes are a natural risk for the gaming industry. We have seen the impact with GDPR. Some parts of the industry have also been forced to rethink their game mechanisms for a core feature like loot boxes. Historically Trophy Games have not been impacted much by regulation changes and we do not expect we will in 2022, but it is a risk.



# ORGANIZATION AND CULTURE

Alongside developing and publishing exciting games with immersive gameplay, Trophy Games strives to be a responsible organization with healthy and mindful core values. As such, the organization has defined visions, company values, personnel guidelines, a sustainable environment and socially responsible initiatives. The following section will provide an overview of initiatives taken by Trophy Games to obtain and sustain a responsible organization.

## Vision and Company Values

Trophy Games strives to be the world’s leading strategy game studio providing endless entertainment and challenging gameplay for all players. By using knowledge from a lifelong gaming passion the company seeks to develop the most competitive, creative, innovative and profitable multiplayer games across all platforms.

To ensure that the company can vouch for the quality of their games, the company mainly design, develop and publish games that the creators would want to play themselves. The game mechanics keep users playing and promote a high user LTV and formidable long-term retention. The company has a loyal user base that provides a strong carryover to new games, thus assisting new game rollouts.

## Personnel

Management at Trophy Games knows that skilled employees are a key success factor in maintaining a viable and profitable business. As such, the employees at Trophy Games are our most valued asset and are

all introduced to a great work environment, extensively characterized by freedom and room for creativity. We see a healthy work/life balance as an essential factor in our corporate culture, long term employments confirm our great corporate culture and we have had very few employees leaving since 2006. Trophy Games recognizes that creativity thrives differently among people and a such, essential room for creativity is provided to employees. Among other initiatives, employees at Trophy Games are able to work from home, at flexible times during the day to fit work into a personal schedule.

A total of 17 new employees have been added in 2021. Of these are 14 game developers and graphical artists.

New employments were hired to speed up development of both existing games as well as games under development.

## New CFO

With 15 years in the gaming industry including employment as Finance Manager at Electronic Arts, Controller at Ubisoft, Finance Director at Eidos & Square Enix and lately CFO at Crey Games, Mariana Chucri is a strong profile to add to Trophy Games’ executive management. Mariana holds an executive MBA from McGill College – HEC Montreal and a BBA accounting from HEC Montreal University and joined Trophy Games on October 1st 2021.

## TROPHY GAMES EMPLOYEE & TEAM EXPERIENCE



At Trophy Games one has the creative freedom to do your best work on fun projects and it doesn't even feel like work. It's a very social and low key workplace that gives you even more motivation and energy to do what one does best and even get to know your colleagues at the same time.

**Michael Munkholm Kjær**

Graphic Designer - Hired June 2021

\*As of 31. December Trophy Games has 30 full time employees and 3 part time employees hired in-house. On top 7 are hired on full time externally.

# EXPERIENCED DEVELOPMENT AND PUBLISHING OF FREEMIUM GAMES

In Trophy Games' development of games with high levels of daily monetization and retention, the freemium business model, including variations of F2P (Free-to-play) has been chosen as the ideal business model in terms of capitalization.

Freemium means that games are free to start playing and users are not required to pay up-front to start the game. In Trophy Games' freemium games, players can unlock extra content, boost their level and speed up the process for real money. Such game features could be in-game currency injections, extra training for players and new top class youth talents.

The freemium revenue model has similar traits to SaaS revenue models as it equally does not sell the product up front, however, builds on continuous revenue streams through monthly or annually paying users.

The freemium revenue model adopted by Trophy Games has allowed the company a much higher install base than what could have been attained by use of alternative, up-front payment revenue models. Trophy Games' historical conversion rate has been high within the gaming industry in general. Provided Trophy Games are able to maintain the excellent conversion from free to paying user, the company will have secured a continuously lucrative business model.

Monetization strategies within individual games differ. However the vast majority of games within the Trophy Games game portfolio uses the freemium revenue model. Historically, Trophy Games has secured a monthly conversion of upwards 4% of players. As a result of this, the games can achieve superior levels of revenue with moderate numbers of signups.

By use of the freemium revenue model with frequent monthly payments from players, Trophy Games receive significant benefits in terms of predictability and agility. The freemium model allows for earlier releases of titles as we do not sell the product up-front but along the way and similarly, for continuous updates of released games. By continuous upkeep of existing titles, players are retained, hence producing a vast LTV of customers. Trophy Games titles have an extensive lifetime because of this.

Upon development and release of new games, Trophy Games will typically release an early beta to evaluate the interest and retention. By use of the



freemium model, instant feedback from users are provided, and Trophy Games receives advantageous information about customer behavior, that enables an increasingly tailored approach to capture the most valuable customers. Should the game beta produce continuous negative KPIs, Trophy Games are able to cost-control and focus on other profitable titles.



# SUPERIOR, DATA-BACKED GAME DEVELOPMENT

Superior, data-backed game development results in high influx and retention of customers

Trophy Games' develop games through multiple years of liveops and perfecting every tiny detail in gameplay. The company has become experts in optimizing and making game mechanics that make players want to continue playing. This has proven a fundamental point to the daily operations at Trophy Games. By building the company on a foundation of game enthusiasts, Trophy Games has valuable insights to what gamers want to play. Resultingly, R&D practices at Trophy Games consists of determining what games the staff would enjoy playing themselves.

In order to gain further valuable insights to what Trophy Games customers want, the company is frequently in direct contact with users, to better understand their needs and sentiments about features and mechanics in gameplay. This level of user inclusion creates a sense of ownership and further promotes customer retention.

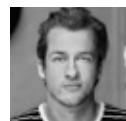
## Gameplay is important to loyal users and recurring revenue

Trophy Games develops and releases games that are very hard to master and have a lot of intellectual

challenges for the players. Our games have a high degree of realism and well-balanced game economy making the interplay competition fierce and challenging. Because of the specific game mechanics in Trophy Games' games, the customers retain and remain loyal.

**Combining our many years of experience with a data-driven approach to game development is key to our success.**

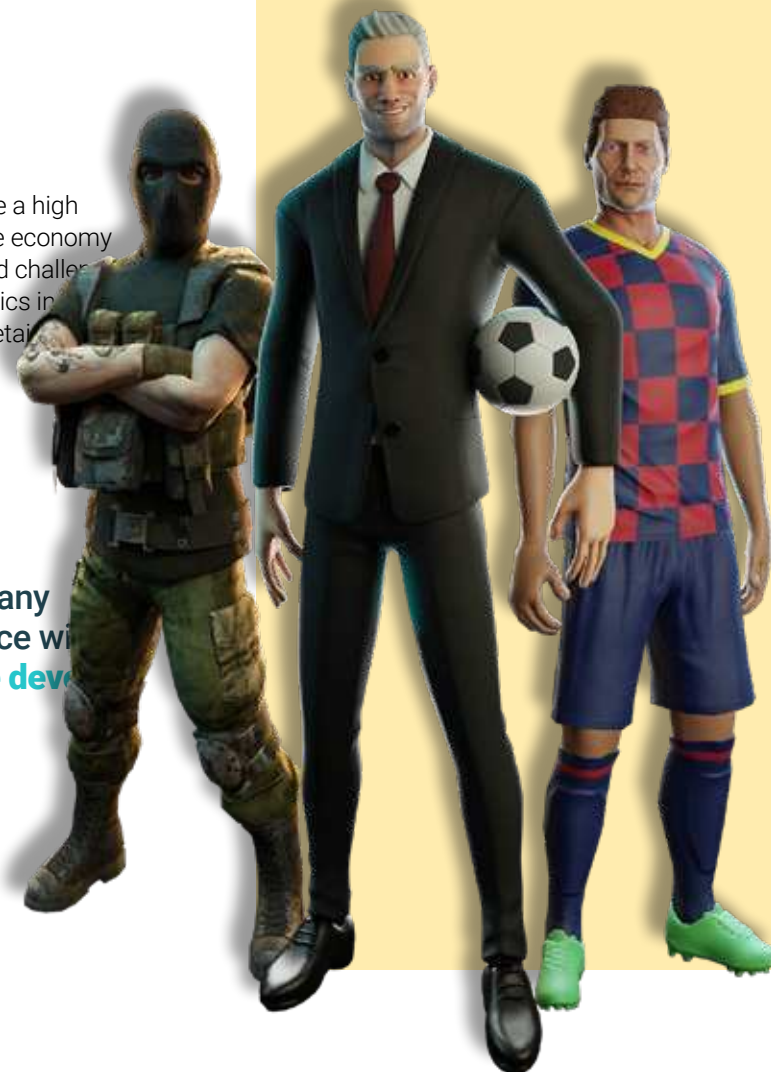
### Søren Gleie,



CEO & Founder,  
Trophy Games  
Development

**Characters:**  
CT, Club President & Player

**Games:**  
Five & Pro 11



PfBaneec@idk&urmatrtoqjgfaNVC955NFK0XC&HBNK06&1-3HVVNPPF&H0Z-1EEDYB



# MARKET INSIGHTS

## The Mobile Games Market

The mobile games market is expected to grow to \$272bn in revenue by 2030. The industry is set to record a compound annual growth rate (CAGR) of 11% over the period and nearly triple in size.

The global games market is expected to grow also, with mobile still being the largest driver of revenue in the market in 2030.

Trophy Games has shown its solidified place on the games market, not only as game developers but also as game investors, acquiring Xombat Development in Q2 and later Tiny Titan Studios' game portfolio in Q4 of 2021 and by extension opens up for new audiences and players. The heavy focus on multiplayer implementation in the games developed and published by Trophy Games is consistent with the increase of social players and social aspects in games, which is expected to rise throughout 2022.

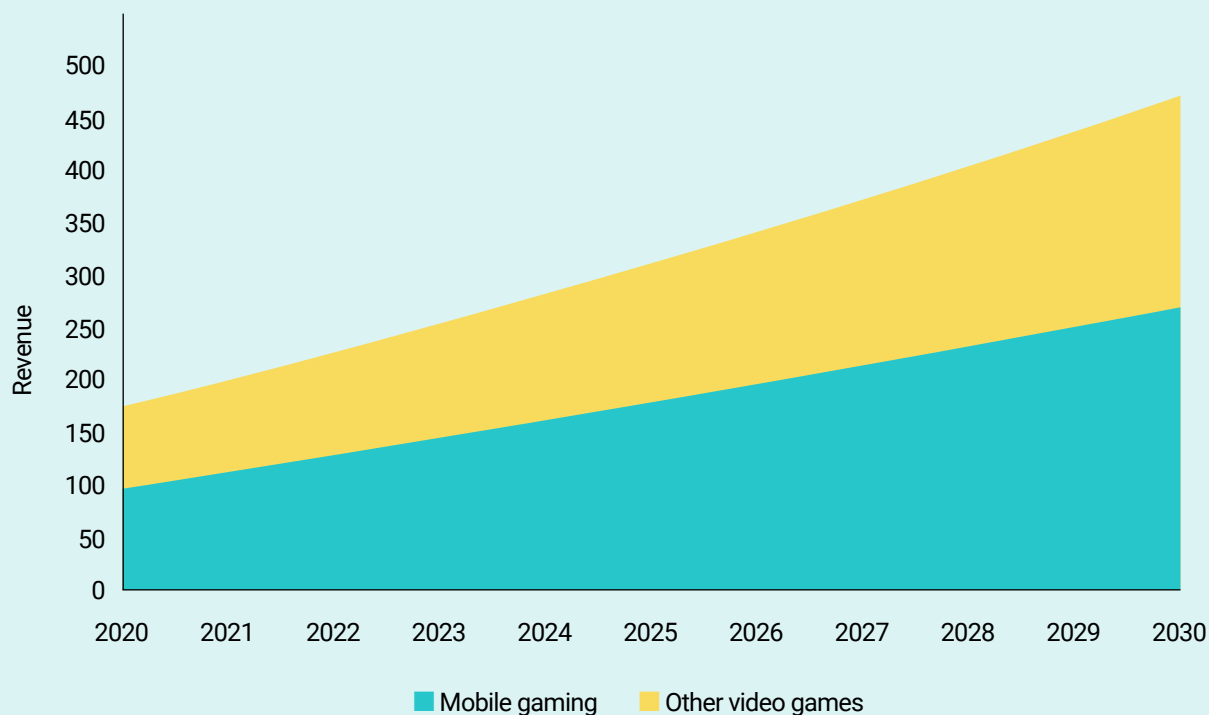
## State of the Industry

In 2021 the global games market grew to USD 180.3Bn. An year over year increase by 1.3% compared to 2020.

The mobile segment, which is where 85% of Trophy Games revenue currently comes from, grew with 7.3% and now accounts for 52% of the total games market compared to 50% last year.

## GLOBAL GAMES REVENUE, 2020-2030

Figures in billions/USD



Source: GlobalData Thematic Research

PEBane@id&kturmatrtogfjeANCG55-NFKDXE18NMQ&X1-3HVVWZPFH8EOZ-1E8BDB





The PC segment dropped 0.8% and now accounts for 20% of the total games market. The remaining 15% of Trophy Games' revenue comes from the PC segment.

The console segment dropped 6.6% since last year and now only accounts for 28% of the total games market. Trophy Games are not making games for the console segment.

**Player Forecast**

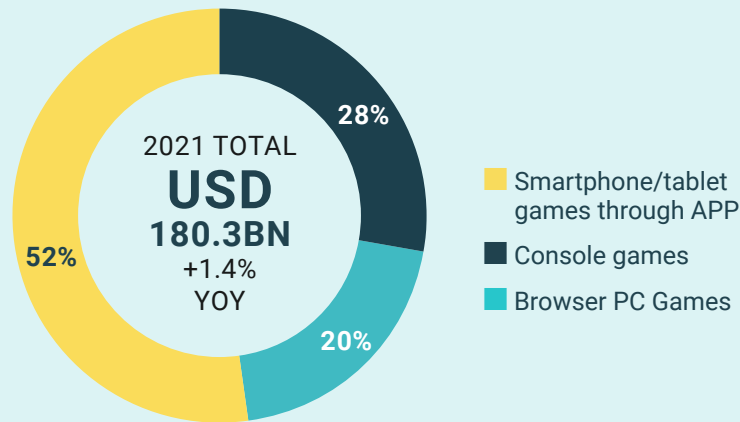
The forecast for the upcoming years is that the number of players across all platforms will increase from 2.96 billion in 2021 to 3.32 billion people in 2024, which is a 12.2% increase of the total number of players in the games market .

**Industry Consolidation**

In regards to the increased tendencies of consolidation in the game industry, 667 investments deals that were tracked closed between Q1-Q3 in 2021, which is an increase from the 664 deals tracked throughout the whole year of 2020. The value of the M&A deals makes up 48% of the total amount of \$57,7 billion. 57% of the deals were made in the games segment.

Source: [newzoo.com/globalgamesreport](http://newzoo.com/globalgamesreport)

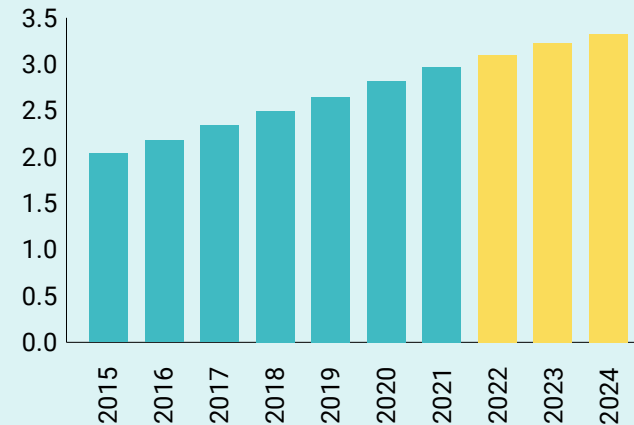
**2021 GLOBAL GAMES MARKET**



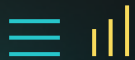
Source: [newzoo.com/globalgamesreport](http://newzoo.com/globalgamesreport)

**GLOBAL PLAYER FORECAST 2015-2024**

Figures in billions/USD



Source: [newzoo.com/globalgamesreport](http://newzoo.com/globalgamesreport)



# GOVERNANCE

PEBANE@D&K&M&A&T&G&J&E&A&K&C&S&W&K&O&X&C&B&M&K&O&B&A&E&B&W&P&S&R&A&N&C&E&E&E&E&E&E



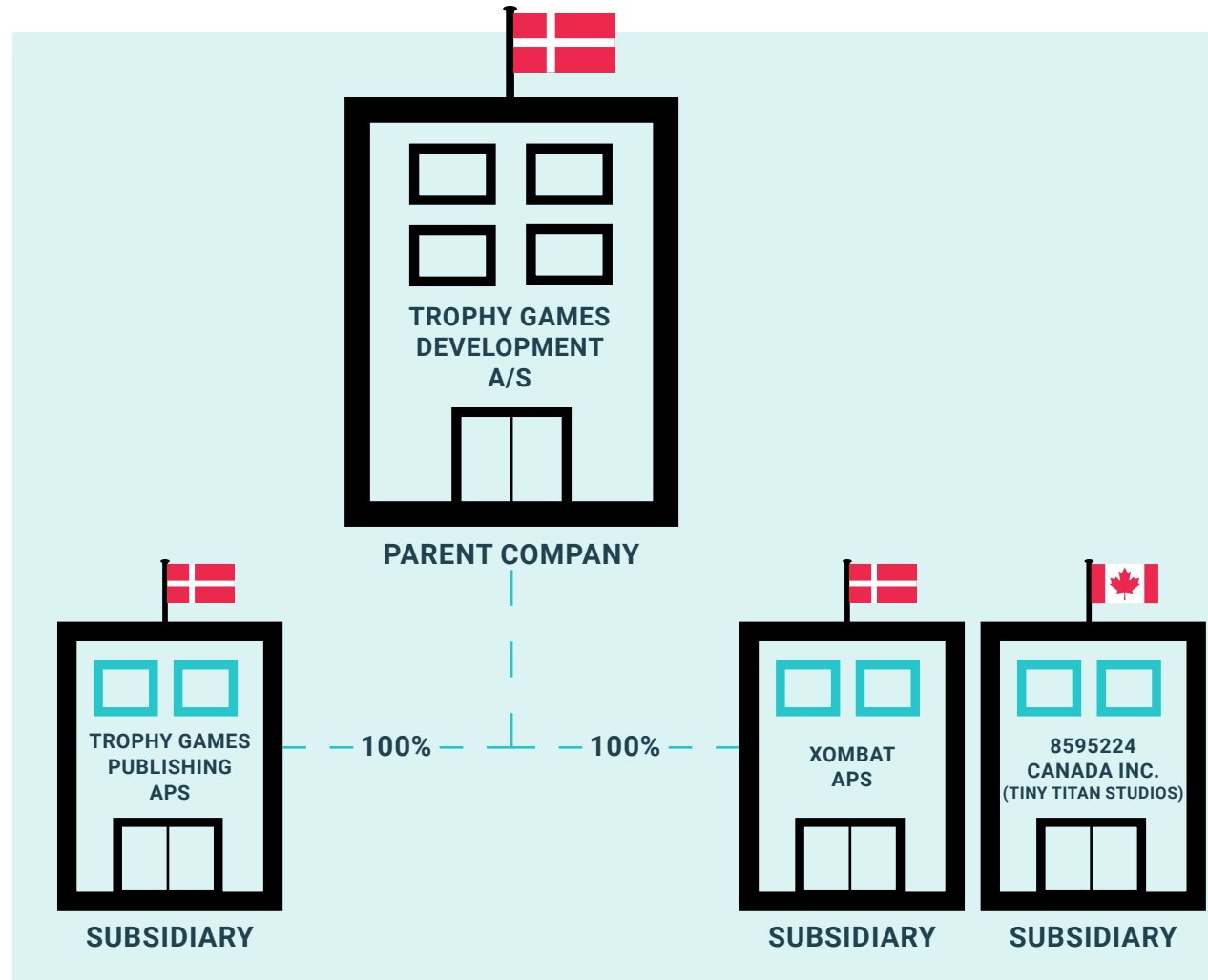
# COMPANY STRUCTURE

Trophy Games was founded in 2006 due to passion for football manager games and the need to create something better than what was on the online multiplayer market. Consequently, the company has preliminarily established an organizational structure that caters to extensive scaling and development.

In today's organization, the Trophy Games Group consists of 4 companies; Trophy Games Development A/S, Trophy Games Publishing ApS, Xombat ApS and the newly acquired Tiny Titan Studios which official name is "8595224 Canada Inc.". Trophy Games Publishing, Xombat and Tiny Titan Studios are all owned as direct subsidiaries of Trophy Games Development.

Trophy Games Development owns the codes and IPR associated with the development of the respective games. Trophy Games Publishing is utilized as the distribution company and is the company that is responsible for the daily business management of the games as well as all sales and marketing.

Xombat and Tiny Titan Studios are planned to be merged directly into Trophy Games Development but for now the subsidiary is run under the same structure of Trophy Games Development and Trophy Games Publishing. All companies in the Trophy Games Group are located at the company headquarters in central Copenhagen, Denmark, besides Tiny Titan Studios, which is a Canadian Company with no employees. Trophy Games also opened a small office in Odense during 2021.



PEBanee@dkturmatr1ogfjtaNVC55-NFK0XC-NBNA00K1-3BWWPPEHMOZ-1E3EDYB



# BOARD OF DIRECTORS

**Profession:** Serial entrepreneur and investor.

**Description:** Jan Dal Lehrmann has a significant career within entrepreneurship with several successful investments and exits in companies such as Bilbasen, Autobutler, Bazoom, Actimo, and Benjamin Media. The past ten years, Jan has through active board roles, been dedicated to helping and investing in startups with a focus on culture, strategy, and internationalization.

**Other key positions:** Board member in Normal A/S, Mybanker, Plecto, Trophy Games, Unwire, Softpay, Repeatedly Leasing and Formula Auto.

**Educational background:** Masters in sales and marketing from the International Advertising Association (Copenhagen).



**Jan Dal Lehrmann,**  
Chairman

**Profession:** CEO at Karsten Ree Holding.

**Description:** Rene Eghammer has 15 years of experience from the auditor industry followed by eight years at Carlsberg Group covering various positions within finance, business controlling and M&A. Today, Rene focus on business development and optimization of existing portfolio companies at Karsten Ree Holding, as well as being responsible for the M&A activities within the Karsten Ree Holding Group.

**Educational background:** Cand. Merc. Aud. from Copenhagen Business School



**Rene Eghammer,**  
Board Member

**Profession:** Lawyer at Moalem Weitemyer Advokatpartnerselskab.

**Description:** Pernille Nørkær is a Danish qualified lawyer and has more than 15 years of experience advising Danish and multinational companies. As a lawyer Pernille has been working with a wide number of Danish and international companies within the industry of retail, entertainment, sport, esports and online gambling. In the period from 2005 – 2008 Pernille was in-house counsel in the Danish listed sport and entertainment group Parken Sport & Entertainment A/S.

**Other positions:** Board member Svendborg Importfirma A/S, board member Moalem Weitemyer and board member of Astralis A/S

**Educational background:** Master of Laws, University of Copenhagen



**Pernille Nørkær,**  
Board member

**Profession:** Chief Executive Officer & Co-founder of Trophy Games Development.

**Description:** Søren Gleie is founder of Trophy Games and a computer game nerd. While having designed and invented computer games since he was a child, his big passion remains numbers, computers and games, making Trophy Games the perfect working place for Søren. As CEO, Søren primarily focus on setting the overall corporate and technical strategy. Further, he oversees teams planning, partnerships, and negotiations, as well as having close interaction with the marketing team.

**Educational background:** Ba. Scient. Soc., Economics & Computer Science from the University of Roskilde



**Søren Gleie,**  
Board member

**Profession:** Chief Executive Officer of Trophy Games Publishing.

**Description:** Daniel Luun has been with the company for 14 years, and has an immense passion for computer games, especially football manager games. His profile is built around creating fantastic game experiences for the users while keeping a strong focus on optimizing game design for monetization. Daniel has become an expert within the fields of game design, UX, and monetization, and is therefore primarily in charge of monetization and game development, but oversees finances, marketing, sales and team management as well.

**Educational background:** Ba. BCom, Business and Commerce from Copenhagen Business School.



**Daniel Luun,**  
Board member



# MANAGEMENT TEAM

## Executive Management Team

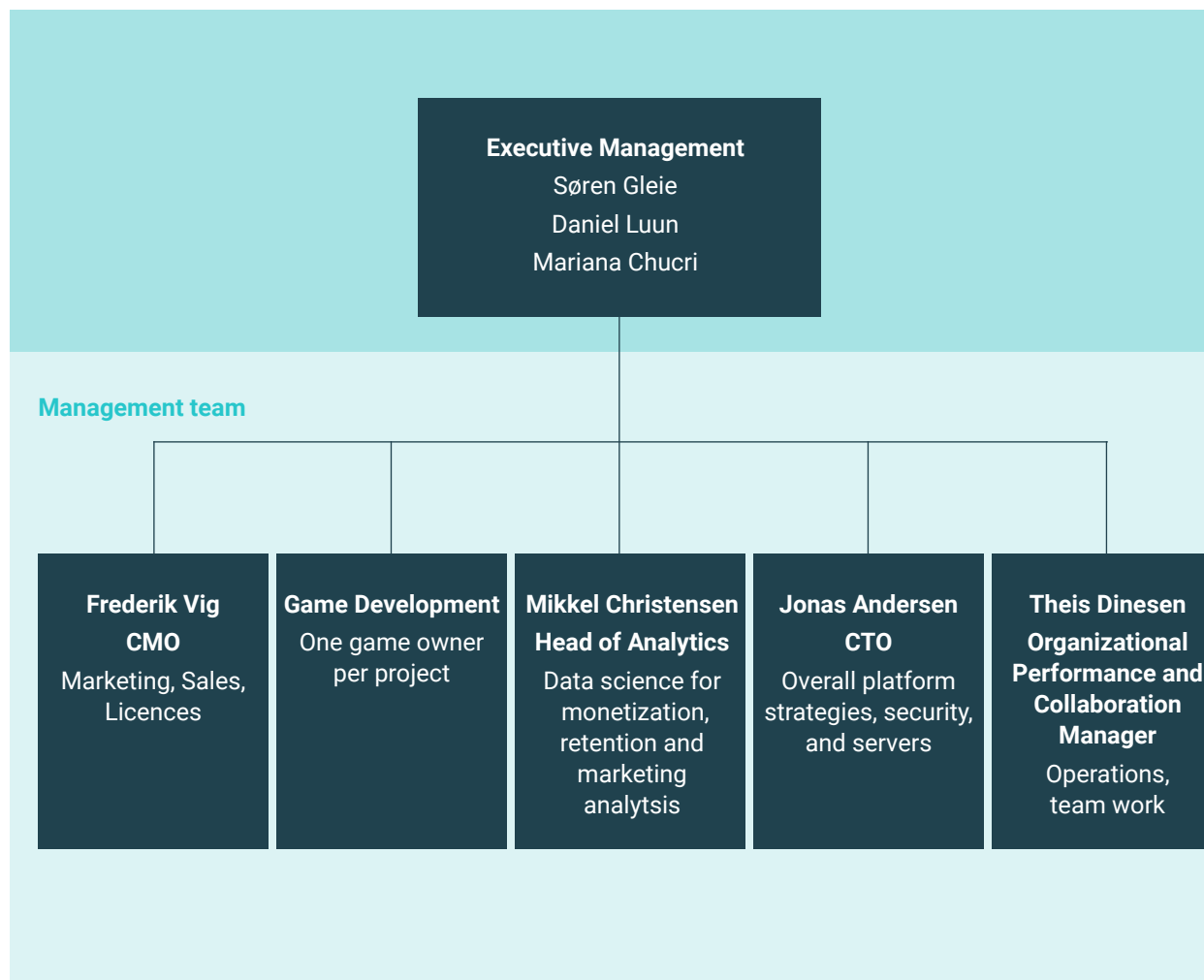
The areas of responsibility between Søren Gleie and Daniel Luun are in fine balance with extensive and on-going communication between the two executives. Søren leads the overall company strategy, partnerships, negotiations, the tech department and the marketing team. In addition, he is in daily contact with the CMO as well as the CTO.

Daniel leads game planning, management, assigns tasks and interacts with the coding and graphics departments daily. Analytics, support and community management is also under Daniels supervision with everyday contact to the Head of Analytics and the Support & Community Manager.

Mariana Chucri joined Trophy Games in October 2021 as CFO and took over from Carina Vienberg, who was interim CFO during the IPO. Mariana reports to and interacts with both Søren and Daniel on a daily basis.

## The Management Team

In addition to Trophy Games' Executive Management, the Management Team consists of four members and one game development owner per project.



PE&neec@id&kturmatrttaglge&ANCG55-NFKDXCE&BNKQ&X1-3&VWVZP&F&M&OZ-LE&D&B

# BOARD PRACTICES AND GOVERNANCE

Trophy Games' Board of Directors have extensive experience in several fields of great importance for the Company. Both Rene Eghammer and Jan Dal Lehrmann are valued contributors to the Company's accounting and growth profile and both have significant experience with M&A.

Pernille Nørkær was added to the board in January 2021. Pernille is a partner at Moalem Weitemyer Advokatpartnerselskab and has 15 years of experience within commercial contracts, corporate compliance, and general advisory for Danish and international companies. Pernille focuses on IT and tech companies as well as professional sports clubs and betting companies.

Furthermore Trophy Games intends to add one or two members to the board, when the right profiles occur, such as an international gaming profile.

The Board of Directors at Trophy Games are ultimately responsible for the Company and supervision of the Executive Management. The chairman and the Board Members are elected at the Annual General meeting and are elected for a one-year period at a time. In addition to the Annual General Meeting and quarterly Board meetings, the Board of Directors gather as the Chairman of the Board of Directors deems necessary.



# ENVIRONMENT & SOCIAL RESPONSIBILITY HIGHLIGHTS

Trophy Games extensively strives to become and remain an environmental and socially friendly workplace. The company acknowledges the need for active choices to reduce the imprint on the planet produced by today's business operations. Resultantly, Trophy Games' servers run on 100% renewable energy. Similarly, the company compensates to be carbon neutral for all employees.

Upon the need to travel, the management and employees at Trophy Games predominantly utilize trains and bicycles.

**Trophy Games are historically carbon-neutral and has compensated for a total of 178 tonnes CO2 emission since the company was founded in 2006.**



Certificeret Klimaneutral  
Trophy Games  
Certificeringsnummer: A004

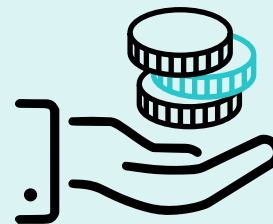
Further, being a digital business, paper consumption is automatically low, yet the company still aims at the least possible paper consumption. To further spare the environment, Trophy Games cover public transport costs for employees to promote collective transportation.



Servers running on 100% renewable energy.



Use of public transportation and bicycle upon the need to travel



Employee compensation for CO<sub>2</sub> neutrality



Reducing consumption of paper to a minimum



# COMPANY INFORMATION

Trophy Games is an innovative, Denmark-based game studio that develops and publishes mobile and pc games.

## Trophy Games Development A/S

Mikkel Bryggers Gade 4, 2nd floor  
1460 Copenhagen K, Denmark

**Website;** [www.trophy-games.com](http://www.trophy-games.com)

**Email;** [corporate@trophy-games.com](mailto:corporate@trophy-games.com)

Company reg no. 29240299

Established 5<sup>th</sup> of January 2006

Municipality of domicile; Copenhagen, Denmark

Financial year; 1<sup>st</sup> of January - 31<sup>st</sup> December

## Board of Directors

Jan Dal Lehrmann

Daniel Luun

René Eghammer

Søren Westrup Gleie

Pernille Nørkær

## Executive board

Søren Westrup Gleie

## Auditors

PricewaterhouseCoopers

Chartered Accountant Company

Nobelparken

Jens Chr. Skous Vej 1

8000 Aarhus C, Denmark

## Name usage explained:

Trophy Games = Group

Trophy Games Development = Parent

Trophy Games Publishing = Subsidiary

Xombat ApS = Subsidiary

8595224 Canada Inc. (Tiny Titan Studios) = Subsidiary

## Financial Calendar

23/03/2022 - Annual General Meeting

17/08/2022 - Half-Yearly Report (H1 2022)





# MANAGEMENT'S STATEMENT

The Executive and Board of Directors have discussed and approved the Annual Report of Trophy Games Development A/S for the financial year 1 January 2021 - 31 December 2021.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2021 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January 2021 - 31 December 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22 February, 2022

## Executive Board

**Søren Westrup Gleie**  
CEO

## Board of Directors

**Jan Dal Lehrmann**  
Chairman

**Daniel Luun**

**René Eghammer**

**Søren Westrup Gleie**

**Pernille Nørkær**

**Character:**  
Financial  
Director  
**Game:**  
Five





# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF TROPHY GAMES DEVELOPMENT A/S

### Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Trophy Games Development A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

### 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 are independent of the Group 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.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Pa-

rent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 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 judgment and maintain professional skepticism 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 Group's and the Parent Company'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 Group's and the Parent 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 evi-

dence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Aarhus, 22 February 2022

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Mads Meldgaard  
**State Authorised Public Accountant**  
mne24826

Martin Stenstrup Toft  
**State Authorised Public Accountant**  
mne42786



# FINANCIAL STATEMENTS

Рънен е дъщерното дружество на ТРОФИ ГЕЙМСЪС ООД, ЕГООИТЪС ООД и ТРОФИ ГЕЙМСЪС АД



## CONSOLIDATED KEY FIGURES AND FINANCIAL RATIOS

| t.DKK                                       | 2021     | 2020    | 2019    | 2018    | 2017    |
|---|----------|---------|---------|---------|---------|
| <b>Financial highlights</b>                 |          |         |         |         |         |
| <b>Profit and loss accounts</b>             |          |         |         |         |         |
| Revenue                                     | 37,653   | 30,810  | 19,930  | 21,928* | 10,475* |
| Income from operating activities            | (1,917)  | 4,709   | 4,489   | 2,057   | (70)    |
| Net financials                              | (362)    | (168)   | (145)   | (71)    | (33)    |
| Profit for the year                         | (920)    | 3,622   | 3,259   | 1,567   | (99)    |
| <b>Balance sheet</b>                        |          |         |         |         |         |
| Total assets                                | 75,006   | 14,504  | 11,570  | 5,605   | 3,467   |
| Total equity                                | 64,350   | 9,481   | 5,859   | 2,600   | 1,034   |
| <b>Cash flows</b>                           |          |         |         |         |         |
| Operating activities                        | 1,856    | 6,506   | 3,418   | 1,673   | (1,434) |
| Investing activities                        | (21,448) | (4,574) | (4,020) | (1,314) | (156)   |
| Hereof investments in tangible fixed assets | (848)    | 0       | 0       | 0       | 0       |
| Financing activities                        | 55,790   | (3,532) | 2,062   | 70      | 1,400   |
| Net cash flow for the year                  | 36,198   | (1,600) | 1,459   | 430     | (190)   |
| <b>Employees</b>                            |          |         |         |         |         |
| Average number of employees                 | 22       | 12      | 10      | 11      | 8       |
| <b>Key Ratios</b>                           |          |         |         |         |         |
| Solvency ratio (%)                          | 86%      | 65%     | 51%     | 51%     | 46%     |
| Return on equity (%)                        | -2%      | 47%     | 77%     | 77%     | 86%     |

\*The revenue reflected in the key figures for 2018, includes revenue from the company subsidiary Trophy Games Publishing ApS from the period of 15th of August 2017 to 31st of December 2017. Trophy Games Publishing ApS was established 15th of August 2017 and the first financial year of the subsidiary was 15th of August 2017 to 31st of December 2018.



## FINANCIAL REVIEW

### Primary activities

The company's activities comprise of developing, manufacturing, publishing and selling online games for computers, tablet, mobiles and related products as well as to directly or no directly conduct other business related hereto in the opinion of the Board of Directors.

### Development in activities and financial affairs

The group and parent companies has a net loss of DKK 920t for 2021. Group equity totals DKK 64,350t as of 31st December 2021. The year 2021 shows a growth of 22% in revenue compared to the financial year of 2020. The growth can be referred to the effort within online marketing and the release of new updates on existing game titles. The company has significantly invested in the development of new titles and as the result hereof increased its intangible assets from DKK 9,123t to DKK 27,083t. Furthermore,

the company repaid all debt to associated companies in line with the company's strategic goal of being self-financed.

The balance sheet total in 2021 was DKK 75m. The solvency ration was 86% in 2021, 21% increased comparing to 2020.

At the end of the financial year 2021, cash and cash equivalents was DKK 37.7m comparing to DKK 1.5m in 2020 mainly due to the IPO.

Net cash flow from operating activities stayed positive throughout 2021. Cash flow from financing activities was DKK 55.7m mainly due to the IPO. Trophy Games continued to invest into other IP's and the development. The cash flow from the investing activities was DKK 21.4m.

The strategic agenda of the group has overall been followed throughout the year, in both commercial and operational aspects.

Overall, the board and management director are satisfied with the annual result and expect growth in the next financial year.

### Risks & subsequent events

Risks & subsequent events The management assesses no immediate risks in the following year and there has occurred no events after the end of the financial year that is assessed to have a significant effect on the financial statement.



## INCOME STATEMENT

| t.DKK   | Note | Group          |               | Parent         |              |
|---|------|----------------|---------------|----------------|--------------|
|   |      | 2021           | 2020          | 2021           | 2020         |
| Revenue   |      | 37,653         | 30,810        | 18,959         | 15,405       |
| Direct costs  |      | (11,840)       | (9,583)       | (2,458)        | (935)        |
| Other external costs  |      | (17,093)       | (10,803)      | (11,865)       | (7,414)      |
| <b>Gross profit</b>   |      | <b>8,720</b>   | <b>10,424</b> | <b>4,636</b>   | <b>7,056</b> |
| Staff costs   | 1    | (6,924)        | (4,929)       | (3,740)        | (2,280)      |
| Depreciation and amortisation on tangible and intangible assets |      | (3,714)        | (785)         | (1,845)        | (785)        |
| <b>Income from operating activities</b>                         |      | <b>(1,917)</b> | <b>4,709</b>  | <b>(949)</b>   | <b>3,991</b> |
| Income from subsidiaries after tax                              |      | 0              | 0             | (803)          | 677          |
| Financial income  | 2    | 5              | 23            | 5              | 7            |
| Financial expenses  | 3    | (367)          | (191)         | (306)          | (185)        |
| <b>Profit before tax</b>  |      | <b>(2,279)</b> | <b>4,541</b>  | <b>(2,053)</b> | <b>4,490</b> |
| Tax on income for the year                                      | 4    | 1,359          | (920)         | 1,133          | (759)        |
| <b>Profit for the year</b>                                      |      | <b>(920)</b>   | <b>3,622</b>  | <b>(920)</b>   | <b>3,731</b> |



## BALANCE SHEET 31 DECEMBER

| t.DKK                                      | Note     | Group         |               | Parent        |               |
|--|----------|---------------|---------------|---------------|---------------|
|  |          | 2021          | 2020          | 2021          | 2020          |
| <b>Intangible fixed assets</b>             |          |               |               |               |               |
| Development projects under construction    |          | 9,947         | 7,553         | 9,947         | 7,553         |
| Completed development projects             |          | 17,983        | 1,570         | 4,900         | 1,570         |
| <b>Total intangible fixed assets</b>       | <b>5</b> | <b>27,930</b> | <b>9,123</b>  | <b>14,847</b> | <b>9,123</b>  |
| <b>Property, Plant and equipment</b>       |          |               |               |               |               |
| Fixtures and fittings, tools and equipment |          | 179           | 0             | 179           | 0             |
| Furnishing of rented premises              |          | 603           | 0             | 603           | 0             |
| <b>Total property, plant and equipment</b> | <b>5</b> | <b>782</b>    | <b>0</b>      | <b>782</b>    | <b>0</b>      |
| Investments in subsidiaries                | 6        | 0             | 0             | 15,281        | 1,077         |
| Deposits                                   |          | 753           | 0             | 753           |               |
| <b>Total financial assets</b>              |          | <b>753</b>    | <b>0</b>      | <b>16,034</b> | <b>1,077</b>  |
| <b>Total non-current assets</b>            |          | <b>29,465</b> | <b>9,123</b>  | <b>31,663</b> | <b>10,200</b> |
| <b>Receivables</b>                         |          |               |               |               |               |
| Receivables from sales and service         |          | 3,556         | 3,147         | 0             | 0             |
| Receivables from group enterprises         |          | 0             | 0             | 9,064         | 2,387         |
| Corporation tax receivable                 |          | 2,924         | 66            | 19            | 226           |
| Other receivables                          |          | 1,306         | 611           | 577           | 155           |
| <b>Total Receivables</b>                   |          | <b>7,785</b>  | <b>3,823</b>  | <b>9,660</b>  | <b>2,768</b>  |
| Cash and cash equivalents                  |          | 37,756        | 1,558         | 29,093        | 325           |
| <b>Total current assets</b>                |          | <b>45,541</b> | <b>5,381</b>  | <b>38,753</b> | <b>3,093</b>  |
| <b>Total assets</b>                        |          | <b>75,006</b> | <b>14,504</b> | <b>70,416</b> | <b>13,293</b> |

| t.DKK                                   | Note | Group         |               | Parent        |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | 2021          | 2020          | 2021          | 2020          |
| Share capital                           |      | 552           | 250           | 552           | 250           |
| Reserve for development costs           |      | 0             | 0             | 11,581        | 7,116         |
| Reserve for revaluation of subsidiaries |      | 0             | 0             | 225           | 1,027         |
| Retained earnings                       |      | 63,798        | 9,231         | 51,992        | 1,088         |
| <b>Total equity</b>                     |      | <b>64,350</b> | <b>9,481</b>  | <b>64,350</b> | <b>9,481</b>  |
| Deferred tax liabilities                |      | 4,120         | 1,828         | 1,058         | 1,828         |
| Other payables                          |      | 1,333         | 0             | 0             | 0             |
| <b>Total non-current liabilities</b>    |      | <b>5,268</b>  | <b>1,828</b>  | <b>1,058</b>  | <b>1,828</b>  |
| Trade payables                          |      | 2,122         | 650           | 785           | 63            |
| Corporation tax                         |      | 36            | 0             | 0             | 0             |
| Other payables                          |      | 3,043         | 2,545         | 4,223         | 1,921         |
| <b>Total current liabilities</b>        |      | <b>4,540</b>  | <b>3,195</b>  | <b>5,008</b>  | <b>1,984</b>  |
| <b>Total liabilities</b>                |      | <b>9,808</b>  | <b>5,023</b>  | <b>6,066</b>  | <b>3,812</b>  |
| <b>Total equity and liabilities</b>     |      | <b>75,006</b> | <b>14,504</b> | <b>70,416</b> | <b>13,293</b> |
| Contingent liabilities                  | 7    |               |               |               |               |
| Collateral                              | 8    |               |               |               |               |
| Distribution of profit for the year     | 9    |               |               |               |               |
| Related parties                         | 10   |               |               |               |               |
| Accounting policies                     | 13   |               |               |               |               |





## STATEMENT OF CHANGES IN EQUITY

| Group                               |               |                   |               |
|-------------------------------------|---------------|-------------------|---------------|
| t.DKK                               | Share capital | Retained earnings | Total         |
| <b>Equity at 1 January 2020</b>     | <b>250</b>    | <b>5,610</b>      | <b>5,860</b>  |
| Distribution of profit for the year | 0             | 3,622             | 3,622         |
| <b>Equity at 31 December 2020</b>   | <b>250</b>    | <b>9,232</b>      | <b>9,482</b>  |
| <b>Equity at 1 January 2021</b>     | <b>250</b>    | <b>9,232</b>      | <b>9,482</b>  |
| Capital increases                   | 302           | 60,498            | 60,800        |
| Cost of capital changes             | 0             | (5,012)           | (5,012)       |
| Distribution of profit for the year | 0             | (920)             | (920)         |
| <b>Equity at 31 December 2021</b>   | <b>552</b>    | <b>63,800</b>     | <b>64,350</b> |

| Parent                              |               |                   |                               |  |                 |               |
|-------------------------------------|---------------|-------------------|-------------------------------|--|-----------------|---------------|
| t.DKK                               | Share capital | Retained earnings | Reserve for development costs | Reserve for re-valuation of subsidiaries | Share pre-minum | Total         |
| <b>Equity at 1 January 2020</b>     | <b>250</b>    | <b>880</b>        | <b>4,160</b>                  | <b>460</b>                               |                 | <b>5,750</b>  |
| Distribution of profit for the year | 0             | 208               | 2,955                         | 569                                      |                 | 3,732         |
| <b>Equity at 31 December 2020</b>   | <b>250</b>    | <b>1,088</b>      | <b>7,116</b>                  | <b>1,029</b>                             | <b>0</b>        | <b>9,482</b>  |
| <b>Equity at 1 January 2021</b>     | <b>250</b>    | <b>1,088</b>      | <b>7,115</b>                  | <b>1,029</b>                             | <b>0</b>        | <b>9,482</b>  |
| Capital Increase                    | 302           | (150)             | 0                             | 0  | 60,648          | 60,800        |
| Transfer                            |               | 60,648            |                               |  | (60,648)        | 0             |
| Cost of capital changes             | 0             | (5,012)           | 0                             | 0  | 0               | (5,012)       |
| Distribution of profit for the year | 0             | (4,584)           | 4,466                         | (803)                                    | 0               | (920)         |
| <b>Equity at 31 December 2021</b>   | <b>552</b>    | <b>51,990</b>     | <b>11,581</b>                 | <b>226</b>                               | <b>0</b>        | <b>64,350</b> |



## CASH FLOW STATEMENT

| t.DKK   | Notes | 2021            | 2020           |
|---|-------|-----------------|----------------|
| Profit for the year   |       | (920)           | 3,622          |
| Adjustments for non-cash operating items, etc.                    | 11    | 2,717           | 1,997          |
| Changes in net working capital                                    | 12    | 12              | 1,340          |
| <b>Cash flow from operating activities before financial items</b> |       | <b>1,808</b>    | <b>6,959</b>   |
| Interests received  |       | 5               | 23             |
| Interests paid  |       | (367)           | (191)          |
| <b>Cash flow from ordinary activities</b>                         |       | <b>1,446</b>    | <b>6,791</b>   |
| Corporation tax, received/paid                                    |       | 410             | (285)          |
| <b>Cash flow from operating activities</b>                        |       | <b>1,856</b>    | <b>6,506</b>   |
| Purchase of intangible fixed assets                               |       | (7,502)         | (4,574)        |
| Purchase of tangible fixed assets                                 |       | (848)           | 0              |
| Acquisitions of subsidiaries                                      |       | (12,345)        | 0              |
| Changes in deposits   |       | (753)           | 0              |
| <b>Cash flow from investing activities</b>                        |       | <b>(21,448)</b> | <b>(4,574)</b> |
| Capital increase  |       | 55,790          | 0              |
| Repayment of long-term debt liabilities                           |       | 0               | (3,532)        |
| <b>Cash flow from financing activities</b>                        |       | <b>55,790</b>   | <b>(3,532)</b> |
| Net cash flow for the year  |       | 36,198          | (1,600)        |
| Cash and cash equivalents, beginning of the year                  |       | 1,558           | 3,158          |
| <b>Cash and cash equivalents at end of the year</b>               |       | <b>37,756</b>   | <b>1,558</b>   |



## NOTES

| t.DKK                           | Group         |              | Parent       |              |
|---------------------------------|---------------|--------------|--------------|--------------|
|                                 | 2021          | 2020         | 2021         | 2020         |
| <b>1. STAFF COSTS</b>           |               |              |              |              |
| Wages and salaries              | 10,834        | 6,625        | 7,470        | 4,077        |
| Pensions                        | 50            | 0            | 36           | 0            |
| Other social security costs     | 78            | 41           | 60           | 22           |
| Other staff costs               | 476           | 98           | 324          | 16           |
| <b>Staff costs, gross total</b> | <b>11,437</b> | <b>6,764</b> | <b>7,890</b> | <b>4,115</b> |
| Capitalised development costs   | 4,514         | 1,834        | 4,150        | 1,834        |
|                                 | <b>6,924</b>  | <b>4,929</b> | <b>3,740</b> | <b>2,280</b> |
| Average number of employees     | 22            | 12           | 14           | 6            |

Staff costs include wages and salaries accrued by Executive Management and the Supervisory Board in the amount DKK 360t for 2021 and DKK 788t in 2020.

The Group's management is part of a long term incentive programme that involves an option to acquire shares in the company up to in total 1.57% of the share capital. The exercise price is equal to a calculated net asset value at the time of acquisition. The exercise period for this programme ends on 21st April 2024. The incentive programme is not recognised in the Financial Statements.

| t.DKK                                   | Group        |              | Parent       |              |
|---|--------------|--------------|--------------|--------------|
|   | 2021         | 2020         | 2021         | 2020         |
| <b>2. FINANCIAL INCOME</b>              |              |              |              |              |
| Other financial income                  | 5            | 23           | 5            | 7            |
|   | <b>5</b>     | <b>23</b>    | <b>5</b>     | <b>7</b>     |
| <b>3. FINANCIAL EXPENSES</b>            |              |              |              |              |
| Other financial expenses                | (367)        | (191)        | (306)        | (185)        |
|   | <b>(367)</b> | <b>(191)</b> | <b>(306)</b> | <b>(185)</b> |
| <b>4. TAX ON INCOME FOR THE YEAR</b>    |              |              |              |              |
| Current tax                             | 0            | (374)        | 0            | (214)        |
| Adjustment of tax from previous years   | 363          | 129          | 363          | 129          |
| Adjustment of deferred tax for the year | 996          | (675)        | 770          | (675)        |
|   | <b>1,359</b> | <b>(920)</b> | <b>1,133</b> | <b>(759)</b> |



## NOTES

| t.DKK                                    | Group                                   |                                | Parent                                  |                                |
|--|---|--------------------------------|---|--------------------------------|
|  | Development projects under construction | Completed development projects | Development projects under construction | Completed development projects |
| <b>5. INTANGIBLE ASSETS</b>              |   |                                |   |                                |
| Cost price, 1 January 2021               | 7,553                                   | 3,709                          | 7,553                                   | 3,709                          |
| Additions                                | 7,503                                   | 0                              | 7,503                                   | 0                              |
| Addition from subsidiaries               | 0                                       | 14,952                         | 0                                       | 0                              |
| Disposals                                | 0                                       | 0                              | 0                                       | 0                              |
| Transfers                                | (5,108)                                 | 5,108                          | (5,108)                                 | 5,108                          |
| Cost price, 31 December 2021             | 9,947                                   | 23,769                         | 9,947                                   | 8,817                          |
| Amortisation, 1 January 2021             | 0                                       | 2,139                          | 0                                       | 2,139                          |
| Amortisation                             | 0                                       | 3,647                          | 0                                       | 1,778                          |
| Disposals                                | 0                                       | 0                              | 0                                       | 0                              |
| Transfers                                | 0                                       | 0                              | 0                                       | 0                              |
| Amortisation, 31 December 2021           | 0                                       | 5,786                          | 0                                       | 3,917                          |
| <b>Carrying amount, 31 December 2021</b> | <b>9,947</b>                            | <b>17,983</b>                  | <b>9,947</b>                            | <b>4,900</b>                   |

Development projects under construction and completed development projects includes the development and testing of games under various titles which are launched through several platforms such as the Google Store and the App Store.

| t.DKK                                    | Group                  |   | Parent                 |   |
|--|------------------------|---|------------------------|---|
|  | Leasehold improvements | Fixtures and fittings tools and equipment | Leasehold improvements | Fixtures and fittings tools and equipment |
| <b>5. TANGIBLE ASSETS</b>                |                        |   |                        |   |
| Cost price, 1 January 2021               | 0                      | 0   | 0                      | 0   |
| Additions                                | 638                    | 210                                       | 638                    | 210                                       |
| Disposals                                | 0                      | 0   | 0                      | 0   |
| Transfers                                | 0                      | 0   | 0                      | 0   |
| Cost price, 31 December 2021             | 638                    | 210                                       | 638                    | 210                                       |
| Depreciation, 1 January 2021             | 0                      | 0   | 0                      | 0   |
| Depreciation                             | 35                     | 31  | 35                     | 31  |
| Disposals                                | 0                      | 0   | 0                      | 0   |
| Transfers                                | 0                      | 0   | 0                      | 0   |
| Depreciation, 31 December 2021           | 35                     | 31  | 35                     | 31  |
| <b>Carrying amount, 31 December 2021</b> | <b>603</b>             | <b>179</b>                                | <b>603</b>             | <b>179</b>                                |



## NOTES

| t.DKK  | 2021          | 2020         |
|--|---------------|--------------|
| <b>6. INVESTMENTS IN SUBSIDIARIES</b>  |               |              |
| Cost price, 1 January  | 50            | 50           |
| Addition   | 15,006        | 0            |
| Cost price, 31 December 2021   | 15,056        | 50           |
| Value adjustments, 1 January 2021  | 1,027         | 459          |
| Income for the year  | (803)         | 677          |
| Other adjustments  | 0             | (109)        |
| Value adjustments, 31 December 2021  | 225           | 1,027        |
| <b>Carrying amount, 31 December 2021</b>   | <b>15,281</b> | <b>1,077</b> |
| Positive differences arising on initial measurement of subsidiaries at net asset value | 11,663        | 0            |

| Name                     | Registered in | Voting and ownership share |
|--------------------------|---------------|----------------------------|
| Trophy Games ApS         | Copenhagen,   | 100 %                      |
| Xombat ApS               | Denmark       | 100 %                      |
| Tiny Titans Studios Inc. | Copenhagen,   | 100 %                      |

## 7. CONTINGENT LIABILITIES

The parent company participates in joint taxation with its Danish subsidiaries. The companies bear unlimited joint and several liability for Danish corporation tax and tax at source on dividends, interest and royalties within the joint taxation scheme. Any subsequent adjustment of the income subject to joint taxation or tax at source on dividend etc. could result in an increase of the companies' liability. We have a lease obligation of DKK 3,683 t.

## 8. COLLATERAL

The Group and the parent company has not provided

| t.DKK   | Parent       |              |
|---|--------------|--------------|
|   | 2021         | 2020         |
| <b>9. DISTRIBUTION OF PROFIT FOR THE YEAR</b> |              |              |
| Proposed profit appropriation:                |              |              |
| Reserve for development costs                 | 4,466        | 2,955        |
| Reserve for revaluation of subsidiaries       | (803)        | 568          |
| Retained earnings                             | (4,583)      | 208          |
|   | <b>(920)</b> | <b>3,731</b> |

## 10. RELATED PARTIES

According to section 98(3) of the Danish Financial Statements Act, transactions with wholly-owned subsidiaries are not disclosed. Wages and salaries accrued by Executive Management and the Supervisory Board is disclosed in note 1.

Trophy Games Development A/S has no related parties with controlling



## NOTES

| t.DKK  | Group        |              |
|--|--------------|--------------|
|  | 2021         | 2020         |
| <b>11. ADJUSTMENTS FOR NON-CASH OPERATING ITEMS, ETC</b> |              |              |
| Financial income   | (5)          | (23)         |
| Financial expenses                                       | 367          | 191          |
| Other adjustments  | 0            | 124          |
| Depreciation and amortisation                            | 3,714        | 785          |
| Tax on income for the year                               | (1,359)      | 920          |
|  | <b>2,717</b> | <b>1,997</b> |
| <b>12. CHANGES IN NET WORKING CAPITAL</b>                |              |              |
| Changes in receivables                                   | (449)        | (830)        |
| Changes in current liabilities                           | 461          | 2,170        |
|  | <b>12</b>    | <b>1,340</b> |



## NOTES

### 13. ACCOUNTING POLICIES

The 2021 Annual Report of Trophy Games Development has been prepared in accordance with the provisions applying to reporting class C medium enterprises under the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in t.DKK.

#### **Recognition and measurement**

The financial statements are prepared in accordance with the historical cost convention.

None of the new amendments are relevant for the Company and have thus not had any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future reporting periods.

Revenue is recognised in the income statement as it is earned. Value adjustments of financial assets and liabilities are measured at fair value or amortised cost. The same applies to all expenses incurred to achieve earnings, including depreciations, impairment losses/gains, accruals and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

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

Liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below:

Certain financial assets and liabilities are measured at amortised cost to achieve a constant effective interest rate over the life of the asset or liability. Amortised cost is stated as the original cost less any repayments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are amortised over the life of the asset or liability.

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the annual report and which confirm or invalidate affairs and conditions existing at the statement of financial position date.

The parent company uses Danish Kroner (DKK) as its functional currency. All other currencies are considered as foreign currency.

#### **Consolidated financial statements**

The consolidated financial statements include the parent company Trophy Games Development A/S, as well as the subsidiaries of which Trophy Games Development A/S directly or indirectly holds more than 50 % of the voting rights or has a deciding influence in another way.

For the consolidated companies, elimination is carried out of intra-group income and expenses, shareholdings, internal debts and dividends as well as realised and unrealised profits and losses for transactions between the consolidated companies.

#### **Business combinations**

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably. The time of acquisition is the time when the Group obtains control of the entity acquired.



## NOTES

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement. In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Investments in subsidiaries are offset with the proportionate share of the subsidiaries' fair value of net assets and liabilities on the acquisition date.

### **Incentive schemes**

The value of share-based payment, including share option plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement.

The most significant conditions of the share option plans are disclosed in the notes.

## INCOME STATEMENT

### **Revenue**

The net revenue for the sale of goods is recognised in the income statement if delivery and risk transfer to the buyer has taken place before the end of the year. The net revenue is recognised excluding VAT and tax charges on behalf of a third party, as well as with the deduction of discounts in connection with the sale.

### **Direct costs**

Direct costs include the costs incurred to achieve revenue for the year.

### **Other external costs**

Other external expenses comprise expenses for administration, etc.

### **Staff costs**

Staff costs comprises wages and salaries, pension and related expenses.

### **Results of investments in subsidiaries**

The proportionate share of the individual subsidiaries' results after tax, after full elimination of internal profits/loss, is recognised in the parent company's income statement.

### **Financial income and expenses**

Financial income and expenses include interest income and expenses as well as financial gains and losses and foreign currency adjustments.

### **Tax on income for the year**

The parent company is covered by the Danish rules on compulsory joint taxation of Trophy Games Development's Danish subsidiaries. Subsidiaries are covered by joint taxation as of the date they are included in the consolidation in the Consolidated Financial Statement, prior to this they are not part of consolidation

The parent company is the administrative company for the joint taxation and, as a result of this, settles all payments of corporate taxes with the Danish tax authorities.





## NOTES

The applicable Danish corporate tax is allocated by settling joint taxation contributions among the jointly taxed companies, in relation to their taxable incomes. In this connection, companies with tax losses, receive joint taxation contributions from companies that have been able to apply this loss to reduce their own tax profit.

Tax for the year, consisting of the year's current corporate tax, the year's joint taxation contribution and changes in deferred tax rates, is recognised in the statement of income, with the portion that can be attributed to the income for the year, and directly to equity, with the portion that can be directly attributed to equity.

### BALANCE SHEET

#### *Intangibles assets*

Development projects relate to software that supports the development of games. Development projects that are clearly defined and identifiable are recognised as intangible assets if it is probable that the development project will generate future economic benefits to the group and the development costs of the individual asset can be measured reliably. Other development costs are recognised as costs in the statement of income as they are incurred.

Development projects are initially measured at cost price. The cost price of development projects comprises costs that can be attributed directly or indirectly to the development projects, and which are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over the estimated life, which is estimated to be 3 years. Development projects are written down to a possible lower recoverable amount, cf. the section on impairment of assets below.

### FINANCIAL ASSETS

#### *Investments in subsidiaries*

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportional share of the companies' equity value measured according to the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus the residual value of positive or negative goodwill measured according to the acquisition method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0 and any receivables from these companies will be impaired to the extent the receivable is deemed non-collectable. To the extent the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable; the balance will be recognised under accruals. If Trophy Games Development has a legal or actual obligation to the company's deficit, an allocated commitment will be included to this.

Net revaluation of investments in subsidiaries are shown as a reserve for net revaluation according to the equity method in equity to the extent the carrying amount exceeds the cost price. Dividends from subsidiaries expected to be approved before the approval of the annual report for Trophy Games Development A/S are not bound on the revaluation reserve.

#### *Impairment of non-current assets*

The carrying amounts of intangible assets and property, plant and equipment are written down immediately to the recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level at which cash flows are separately identifiable (cash-generating units).

#### *Receivables*

Receivables are measured at amortised cost.

At initial recognition, the Company measures receivables from group enterprises at fair value, and is subsequently measured at amortised costs as the assets are held within



## NOTES

a business model whose objective is to collect the contractual cash flows; and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

Impairments for potential losses are made where it is estimated that there is objective indication that a receivable or a portfolio of receivables are impaired. If there is objective indication that an individual receivable is impaired, impairment is made at individual level.

Receivables for which there is no objective indication of impairment at individual level, objective indication for impairment is assessed at portfolio level.

The portfolios are primarily based on the domicile of the debtors and a credit assessment in accordance with the Company's and the Group's credit risk management policy. The objective indicators used for portfolios are established based on historical records of losses.

Impairments are calculated as the difference between the carrying amount of receivables and the present value of anticipated cash flows, including the realisable value of any accepted collaterals. The effective interest rate is used as the discount rate for the individual receivable or portfolio.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Equity**

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, from the proceeds.

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

Reserve for net revaluation applying the equity method covers net revaluations of equity investments in subsidiaries in relation to cost.

The reserve can be eliminated in case of losses, if investments are realised or changes are made to accounting estimates.

The reserve may not be recognised at a negative amount.

### **Reserve for development projects**

The reserve for development projects 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 projects are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

If the recognised development projects are written down, part of the reserve for development projects must be reversed. The reversed portion corresponds to the write-down of the development projects. If a write-down of the development projects is subsequently reversed, the reserve for development projects must be re-established. The reserve for development projects is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the statement of financial position as development projects.

### **Dividend distribution**

Proposed dividends are disclosed as a separate item under equity and recognised as a liability when declared.

### **Corporate tax and deferred tax**

As the administrative company, Trophy Games Development A/S assumes liability for the subsidiaries' corporate taxes to the Danish tax authorities concurrently with the subsidiaries' payment of joint taxation contributions.



## NOTES

Current tax payable and receivable is recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for previous years' taxable income and taxes paid on account. Payable or receivable joint taxation contributions are recognised in the statement of financial position as "Payable corporate tax" or "Corporate tax."

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between accounting and tax values of assets and liabilities. However, deferred tax on temporary differences related to taxable nondeductible goodwill, as well as other items where temporary differences – except for acquisitions of companies – have arisen at the time of acquisition without having an effect on the income or taxable income, is not recognised. In cases where the determination of the tax value can be performed under various taxation rules, deferred tax is measured based on management's planned use of the asset, respectively, settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the value at which they are expected to be used, either by elimination in the tax of future earnings, or by offsets in deferred tax payables in companies within the same legal tax entity or jurisdiction.

Adjustment of deferred tax is made concerning performed elimination of unrealized payable intra-group profits and losses. Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries that will be effective under the legislation, at the reporting date, when the deferred tax is expected to be crystalized as current tax.

### Liabilities

Financial liabilities are recognised upon raising the loan at the proceeds received, less incurred transaction costs. For subsequent periods, financial liabilities are measured at amortised cost.

### Cash flow statement

The cash flow statement shows consolidated cash flow distributed on operating, investing and financing activities for the year, changes in cash and cash equivalents for the year, as well as cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities is measured as income for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flow from investing activities covers payments made related to the purchase and divestment of companies and activities, and the purchase and divestment of property, plant and equipment, intangible assets and other financial assets.

Cash flows from financing activities comprise cash inflows from shareholders in their capacity as shareholders.

Cash and cash equivalents comprise holdings of short-term securities that can readily be converted to cash or cash equivalents and for which there is only insignificant risk of changes in value.

### Key Figures

The financial ratios have been computed as follows:

Return on assets  $\frac{\text{Profit for the year}}{\text{Average equity}}$

Solvency ration:  $\frac{\text{Total equity}}{\text{Total assets}}$



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### Board member

On behalf of: Trophy Games Development ApS

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## René Eghammer

### Board member

On behalf of: Trophy Games Development ApS

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## Jan Dal Lehrmann

### Chairman

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## Søren Westrup Gleie

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## Pernille Nørkær

### Board member

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## Martin Stenstrup Toft

### State Authorised Public Accountant

On behalf of: PricewaterhouseCoopers Statsautoriseret...

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## Mads Meldgaard

### State Authorised Public Accountant

On behalf of: PricewaterhouseCoopers Statsautoriseret...

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