



## Funday Games ApS

Filmbyen 11 A, 5.  
8000 Aarhus C  
CVR No. 33595123

## Annual report 2023

The Annual General Meeting adopted the annual report on 29.05.2024

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**Kristian Bang Nørgaard**  
Chairman of the General Meeting

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# Entity details

## Entity

Funday Games ApS  
Filmbyen 11 A, 5.  
8000 Aarhus C

Business Registration No.: 33595123  
Registered office: Aarhus  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Mathias Gredal Nørvig  
Mikael Kisbye Kristensen  
Anders Leicht Rohde

## Executive Board

Kristian Bang Nørgaard

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

Lead Client Service Partner: Mads Fauerskov

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Funday Games ApS for the financial year 01.01.2023 - 31.12.2023.

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

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

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

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

Aarhus, 29.05.2024

## Executive Board

**Kristian Bang Nørgaard**

## Board of Directors

**Mathias Gredal Nørvig**

**Mikael Kisbye Kristensen**

**Anders Leicht Rohde**

# Independent auditor's extended review report

To the shareholders of Funday Games ApS

## Conclusion

We have performed an extended review of the financial statements of Funday Games ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibilities for the financial statements

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

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

## Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

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

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

Aarhus, 29.05.2024

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Rasmus Volert Madsen**

State Authorised Public Accountant  
Identification No (MNE) mne45822

# Management commentary

## Primary activities

The company's activity focuses on the development of digital games, entertainment and software, as well as related activities. Through strategic partnerships, the company develops creative solutions focusing on games for mobile platforms.

The company develops its own games and IPs aimed at a global market and games with other brands. This is often done in collaboration with strong partners within the gaming industries or related industries.

## Development in activities and finances

Funday Games looks back on a transition year where we invested in our pivot from Instant Games towards Cross-platform Premium Games resulting in a negative EBITDA on tDKK (5,366).

Seen in isolation, that is below our expectations, but the year has been instrumental in our efforts towards succeeding on Premium Games markets. Our strong start in 2024 is a testament to that direction.

As the foundation for a strong stable growing business we continue to work with our two strategic focus areas: Funday Partners and Funday Originals. In Funday Partners, we help established IPs reach new markets and audiences and in Funday Originals, we create and build new games and IPs.

For both tracks, we sharpen our focus on fewer platforms and fewer genres of games to leverage our knowledge, tech and market expertise. Our aim is to continue to create, develop and support critically acclaimed breakthrough games for the players - games that can spread joy and connect people for years to come.

In the organisation, we have succeeded with harnessing both the technical and creative knowledge and production processes and are now focusing on supercharging talent development and continuous learning while reinforcing a sound culture and healthy mental resilience across the company. We are focused on succeeding as a "big indie" in an international market where we serve and reach millions of players all over the world through playing our games. Furthermore, we have experienced great support from our investors in this transition and have financial instruments in place to secure continued sound operations.

In this light, the operational results of the year are satisfying and we see Funday Games already delivering on our commercial and creative ambitions while we will continue to both capitalise on the games in the cross-platform premium markets and invest in the future with new games and new partnerships.

## Events after the balance sheet date

No circumstances have occurred after the balance sheet date that distort the assessment of the annual report.

# Income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>		<b>19,049,189</b>	<b>27,394,904</b>
Staff costs	2	(24,415,077)	(21,898,138)
Depreciation, amortisation and impairment losses		(638,250)	(174,965)
<b>Operating profit/loss</b>		<b>(6,004,138)</b>	<b>5,321,801</b>
Income from investments in group enterprises		2,076,742	(752,506)
Other financial income	3	594,766	580,083
Other financial expenses	4	(863,279)	(429,552)
<b>Profit/loss before tax</b>		<b>(4,195,909)</b>	<b>4,719,826</b>
Tax on profit/loss for the year	5	1,112,305	(1,216,197)
<b>Profit/loss for the year</b>		<b>(3,083,604)</b>	<b>3,503,629</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(3,083,604)	3,503,629
<b>Proposed distribution of profit and loss</b>		<b>(3,083,604)</b>	<b>3,503,629</b>



# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	7	14,140,823	0
Development projects in progress	7	1,024,113	7,521,326
<b>Intangible assets</b>	6	<b>15,164,936</b>	<b>7,521,326</b>
Other fixtures and fittings, tools and equipment		246,982	341,048
Leasehold improvements		187,200	210,872
<b>Property, plant and equipment</b>	8	<b>434,182</b>	<b>551,920</b>
Investments in group enterprises		1,122,184	0
Deposits		378,033	378,033
<b>Financial assets</b>	9	<b>1,500,217</b>	<b>378,033</b>
<b>Fixed assets</b>		<b>17,099,335</b>	<b>8,451,279</b>
Trade receivables		936,230	4,775,697
Contract work in progress	10	43,933	0
Receivables from group enterprises		1,074,912	706,407
Other receivables		106,872	67,843
Income tax receivable		0	452,666
Joint taxation contribution receivable		199,313	0
Prepayments		131,470	1,485,342
<b>Receivables</b>		<b>2,492,730</b>	<b>7,487,955</b>
<b>Cash</b>		<b>70,704</b>	<b>1,939,452</b>
<b>Current assets</b>		<b>2,563,434</b>	<b>9,427,407</b>
<b>Assets</b>		<b>19,662,769</b>	<b>17,878,686</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital		86,340	86,340
Reserve for development expenditure		11,828,650	5,866,634
Retained earnings		(5,816,236)	3,229,384
<b>Equity</b>		<b>6,098,754</b>	<b>9,182,358</b>
Deferred tax		898,000	2,017,000
<b>Provisions</b>		<b>898,000</b>	<b>2,017,000</b>
Other payables		1,384,265	1,242,090
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>1,384,265</b>	<b>1,242,090</b>
Bank loans		4,909,863	56,672
Contract work in progress	10	95,645	102,051
Trade payables		517,410	191,115
Payables to owners and management	12	1,498,008	0
Joint taxation contribution payable		0	613,197
Other payables		4,260,824	4,474,203
<b>Current liabilities other than provisions</b>		<b>11,281,750</b>	<b>5,437,238</b>
<b>Liabilities other than provisions</b>		<b>12,666,015</b>	<b>6,679,328</b>
<b>Equity and liabilities</b>		<b>19,662,769</b>	<b>17,878,686</b>
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		

# Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	86,340	5,866,634	3,229,384	9,182,358
Transfer to reserves	0	5,962,016	(5,962,016)	0
Profit/loss for the year	0	0	(3,083,604)	(3,083,604)
<b>Equity end of year</b>	<b>86,340</b>	<b>11,828,650</b>	<b>(5,816,236)</b>	<b>6,098,754</b>

# Notes

## 1 Uncertainty relating to recognition and measurement

The company has recorded development projects with a total book value of 15,164 thousand DKK. The company expects to receive future economic benefits from this investment, but the relationship is subject to uncertainty due to the nature of the investment.

The company's development project is a game that will be launched globally, and the expected future positive cash flow is dependent on how the game is received by users. As such, there is a degree of uncertainty surrounding the expected future benefits of this investment.

It is important to note that the company has followed appropriate accounting standards in recording the book value of these development projects, and will continue to monitor the situation closely to ensure that any changes in the expected future benefits are reflected in the financial statements.

## 2 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	22,439,912	20,352,299
Pension costs	1,557,020	1,274,299
Other social security costs	418,145	271,540
	<b>24,415,077</b>	<b>21,898,138</b>
Average number of full-time employees	<b>42</b>	<b>38</b>

## 3 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	33,350	24,714
Exchange rate adjustments	225,103	555,369
Other financial income	336,313	0
	<b>594,766</b>	<b>580,083</b>

## 4 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	356,815	56,880
Exchange rate adjustments	453,916	372,672
Other financial expenses	52,548	0
	<b>863,279</b>	<b>429,552</b>

## 5 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Change in deferred tax	(1,119,000)	603,000
Adjustment concerning previous years	206,008	0
Refund in joint taxation arrangement	(199,313)	613,197
	<b>(1,112,305)</b>	<b>1,216,197</b>

## 6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	7,521,326
Transfers	14,553,163	(14,553,163)
Additions	0	8,055,950
<b>Cost end of year</b>	<b>14,553,163</b>	<b>1,024,113</b>
Amortisation for the year	(412,340)	0
<b>Amortisation and impairment losses end of year</b>	<b>(412,340)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>14,140,823</b>	<b>1,024,113</b>

## 7 Development projects

The pc and console game "Don't Die in The West" is a Funday Games intellectual property that is in development. It's a co-op open world survival crafting game. As a player you explore, hunt, craft, build your base, duel and seek revenge in this beautiful but deep and harsh open world western.

## 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	647,482	329,501
Additions	64,172	44,000
<b>Cost end of year</b>	<b>711,654</b>	<b>373,501</b>
Depreciation and impairment losses beginning of year	(306,434)	(118,629)
Depreciation for the year	(158,238)	(67,672)
<b>Depreciation and impairment losses end of year</b>	<b>(464,672)</b>	<b>(186,301)</b>
<b>Carrying amount end of year</b>	<b>246,982</b>	<b>187,200</b>

## 9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	3,702,719	378,033
Additions	82,500	0
<b>Cost end of year</b>	<b>3,785,219</b>	<b>378,033</b>
Impairment losses beginning of year	(3,702,719)	0
Share of profit/loss for the year	1,039,684	0
<b>Impairment losses end of year</b>	<b>(2,663,035)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1,122,184</b>	<b>378,033</b>

## 10 Contract work in progress

	2023 DKK	2022 DKK
Contract work in progress	3,259,618	1,729,169
Progress billings regarding contract work in progress	(3,311,330)	(1,831,220)
Transferred to liabilities other than provisions	95,645	102,051
	<b>43,933</b>	<b>0</b>

## 11 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Other payables	1,384,265
	<b>1,384,265</b>

The outstanding debt after 5 years amounts to DKK 0.

## 12 Payables to owners and management

In the balance sheet entry payables to owners and management, a convertible bond is included which grants the right to convert debt to equity under certain conditions.

## 13 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	489,189	832,000

#### **14 Contingent liabilities**

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

#### **15 Assets charged and collateral**

Bank loans are secured by way of a mortgage deed registered to the shares in group enterprises.

Bank loans are secured by a way of receivables charges, limited to TDKK 1,000.

#### **Collateral provided for group enterprises**

The Entity has guaranteed group enterprises' debt with Danske Bank. The maximum limit of the guarantee is TDKK 100. Bank loans of group enterprises amount to TDKK 0.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, but with minor reclassifications.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

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

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

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

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

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

## Foreign currency translation

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

## Income statement

### Gross profit or loss

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



**Revenue**

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

**Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

**Other operating income**

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

**Cost of sales**

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

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

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

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, transactions in foreign currencies etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

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

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

**Balance sheet**

**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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

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

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

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

**Property, plant and equipment**

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

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

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

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Joint taxation contributions receivable or payable**

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

**Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

**Other financial liabilities**

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