

Sybo ApS

Holmens Kanal 7, 3.
1060 Copenhagen K
CVR No. 33858183

Annual report 2022

The Annual General Meeting adopted the
annual report on 02.06.2023

Robert Edward Aymer Small
Chairman of the General Meeting

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Entity details

Entity

Sybo ApS

Holmens Kanal 7, 3.

1060 Copenhagen K

Business Registration No.: 33858183

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Robert Edward Aymer Small, Chairman

Mathias Gredal Nørvig

David Joseph Byrne

Stefan Beurier

Saad Choudri

Executive Board

Mathias Gredal Nørvig, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sybo ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Copenhagen, 02.06.2023

Executive Board

Mathias Gredal Nørvig
Chief Executive Officer

Board of Directors

Robert Edward Aymer Small
Chairman

Mathias Gredal Nørvig

David Joseph Byrne

Stefan Beurier

Saad Choudri

Independent auditor's report

To the shareholders of Sybo ApS

Opinion

We have audited the financial statements of Sybo ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 02.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	725,881	328,283	271,352	115,913	103,101
Gross profit/loss	477,269	176,021	108,866	76,815	59,149
Operating profit/loss	186,745	52,392	6,672	(12,898)	(19,241)
Net financials	22,589	9,621	(11,812)	15,046	(8,040)
Profit/loss for the year	174,688	51,688	(4,676)	2,877	(25,453)
Total assets	309,756	247,863	218,130	176,442	384,796
Investments in property, plant and equipment	2,036	352	371	122	0
Equity	248,815	149,683	110,395	115,071	317,668
Average number of employees	121	101	93	91	79
Ratios					
Return on equity (%)	87.67	39.75	(4.15)	1.33	(7.70)
Equity ratio (%)	80.33	60.39	50.61	65.22	82.55
Return on equity (%):					
<u>Profit/loss for the year * 100</u>					
Average equity					
Equity ratio (%):					
<u>Equity * 100</u>					
Total assets					

Primary activities

The company's primary activities comprise development of proprietary universes for smartphones, animation, and merchandise.

Development in activities and finances

In July 2022, the acquisition of SYBO by Miniclip was announced, representing the largest mobile gaming deal in Europe last year. It was paramount for SYBO to find a partner who recognized our vision for the future and could support us on our journey to get there. With the acquisition, SYBO has added resources and expertise to continue its growth.

Our 10th year anniversary for Subway Surfers was a huge success as the game continued to be the world's most downloaded mobile game in 2022. The anniversary went viral on TikTok yielding massive and renewed interest in the game. As we continue to update the game every third week with new features and new cities to visit, the SYBO team won the award for Best LiveOps at Pocket Gamer's Mobile Games Awards, a huge achievement for the team after we took over publishing rights for Subway Surfers in 2020.

We are continuing our strategy to create additional revenue streams and have launched several new initiatives including Subway Surfers Match, which takes SYBO into the puzzle space. We were also proud to join the Apple Arcade universe with Subway Surfers TAG, which won the Pocket Gamer Award for Best Apple Arcade Game. Last but not least, we soft-launched Subway Surfers Blast, which is launching globally in 2023.

With the continued success of Subway Surfers, consolidation with Miniclip, and winning new awards, SYBO continues to attract new talent. By the end of 2022, the team totaled 144 employees - up from 115 in 2021 -with more than 35 different nationalities represented.

Profit/loss for the year in relation to expected developments

The profit after tax for the year is DKK 175M, which is impacted by the sale of unlisted equity investments equivalent to a value of DKK 23M.

Last year, we expected growth in EBITDA for 2022 compared to 2021 in the range of 10-25 percent, which equals DKK 58M-65M. In 2022 we realized an EBITDA of DKK 187M, which is an increase of 164 percent compared to EBITDA for 2021. This growth was driven by virality boosted by initiatives around our 10th year anniversary, where we saw a significant increase in our daily active users globally, but specifically in the U.S., together with an increase in in-app purchases and ad engagement, which had a positive impact on revenue.

Unusual circumstances affecting recognition and measurement

In 2022, SYBO was acquired by Miniclip, which had an impact on our operations and financial performance.

Outlook

We are continuing the successful development of Subway Surfers and taking it home to Copenhagen for the 11th year anniversary. In 2023, we're focused on maintaining SYBO's position to be the best place to work, adding additional revenue streams and utilizing the power of our network to keep the momentum.

We anticipate a change in revenue ranging from -5% to +2% for 2023 while projecting an increase in EBITDA ranging from 59% to 85%. The forecast growth in EBITDA in 2023 can be attributed to the expiration of our revenue share agreement for Subway Surfers as well as one off payments related to the sale of the business to Miniclip.

Knowledge resources

SYBO is committed to ensuring that all employees are equipped to live up to the ever-changing demands of their jobs. As a result, SYBO prioritizes employee training and education that empowers and enables them to be consistently high performers and deliver high quality products and services to bring new and exciting content to our engaged user base.

Research and development activities

Research and development (R&D) is essential to ensure future development and growth of the company and SYBO continues to invest. Our focus on game development, expanding our active player base, and keeping Subway Surfers as a whole successful allows us to simultaneously develop new games and create more revenue streams. By continuously building our product portfolio we add value to users, increase earnings per player and diversify our revenue streams within puzzle games, in app-payment, etc. All costs related to research and development are recognized as costs.

Statutory report on corporate social responsibility

Business model

We integrate our CSR efforts into our actual gameplay, so that they become part of the game itself – not just a badge you can buy. This authenticity-based approach can inspire millions of users to play while taking action for specific causes. SYBO has integrated a myriad of partner initiatives such as Playing for the Planet, Lady Gaga's Born This Way Foundation, and Play 2 Plant with Ecologi.

Human rights

At SYBO, we are committed to promoting human rights and creating a workplace that is free from discrimination of any kind, in line with our Code of Conduct. We strongly value diversity and aim to create a workplace that is inclusive and respectful of all individuals, regardless of their race, gender, age, ethnicity, religion, or sexual orientation. With over 35 nationalities represented in our organization, we are committed to promoting diversity and ensuring that all individuals are treated with fairness and respect.

We have assessed that the risk of impacting human rights arises from our employees not following the Code of Conduct. We have evaluated the risk to be very low, as we are a relatively small company where transparency and diversity are well-established at SYBO.

To support our commitment to human rights, we have partnered with the Born This Way Foundation and their #BeKind initiative. We selected our top-performing social post from the campaign in 2021 and re-introduced Cleo, our spokes character, with a message of kindness and acceptance for all. We also donated USD 25k to support the Born This Way Foundation's mission.

In accordance with our Code of Conduct, all people employed at SYBO should be expected to treat each other with respect, openness, dignity, and fairness. We condemn violence in any shape or form and have zero tolerance for discrimination based on characteristics such as age, gender, race, ethnic background, sexual orientation, gender identity, national origin, or religious beliefs. We work to eliminate all sorts of harassment or bullying in any shape or form, sexual or otherwise, and expect our employees to take responsibility and be aware of how their own actions and dispositions affect others.

If any employee experiences an unsafe or uncomfortable work environment, we highly encourage them to come forward and report it in accordance with our Code of Conduct. We take all concerns seriously and are committed to creating an environment where employees are comfortable speaking up without fear of retaliation. We also recognize and reward ethical behavior, as outlined in our Code of Conduct.

In 2022, there have been no breaches of human rights within SYBO. We will continue to ensure that our employees understand and adhere to our Code of Conduct and its principles.

Our Code of Conduct represents SYBO's fundamental belief in the importance of maintaining a strong culture of ethics and integrity to prevent any potential human rights violations. We will continue to stand by our Code of Conduct in 2023 and beyond.

Environmental and climate issues

Implementing our environmental and climate policy in our organization is a top priority for SYBO. We have taken various measures to ensure that our business operations and activities have a minimal negative impact on the environment. For instance, we have implemented sustainable practices in our offices, such as reducing energy consumption with solar panels on the roof. We also encourage our employees to adopt environmentally friendly habits, such as recycling and using public transportation or bikes to commute to work.

However, we acknowledge that there are still significant risks that we need to address. The most significant risk is our carbon footprint from the data centers and servers that host our games. We recognize that this is a significant challenge, and we are committed to working towards reducing our carbon footprint in this area.

In the past year, we are also committed to using our platform to educate and motivate our millions of users to take action in the fight against climate change. As part of the founding members of the Play for the Planet initiative, we joined forces with 19 other companies representing 970 million gamers globally to use our platforms to inform, inspire, and take meaningful action.

With Subway Surfers reaching many million active users per month, our game represents a significant portion of the alliance's overall platform. Together with Ecologi, we have implemented an in-game event called the "Subway Forest" initiative, which allows users to plant virtual trees in the game. For every virtual tree planted, one real tree is planted in the real world. To date, this initiative has planted 518K trees and reduced carbon emissions by 44 tonnes.

Looking to the future, we plan to continue our efforts to minimize the negative impact of our operations on the environment. We are exploring ways to reduce our carbon footprint, such as by transitioning to renewable energy sources for our data centers and servers. We also aim to raise awareness among our users and encourage them to take action to reduce their environmental impact. Overall, we are committed to promoting a more sustainable future for our organization, and the planet.

Anti Corruption

After careful consideration, we at SYBO have assessed the risk of corruption within our organization to be low. We are a relatively small and transparent company, with open communication channels and a strong ethical culture. Therefore, we have determined that it is not necessary to implement a specific anti-corruption policy at this time.

However, we remain committed to upholding the highest ethical standards in all aspects of our business. We prioritize transparency and accountability in all of our operations and expect all employees to act with integrity in their interactions with colleagues, customers, and suppliers.

Should the risk of corruption increase in the future, we will re-evaluate our need for an anti-corruption policy and take appropriate measures to prevent and address any potential incidents. In the meantime, we will continue to monitor our internal controls and encourage open communication to ensure a strong culture of ethics and integrity at SYBO.

Employee matters

SYBO is committed to creating a healthy and positive work environment for all employees. We recognize that the mental well-being of our employees is critical to their success and to the overall success of the company. SYBO conducts bi-annual employee surveys and health & safety surveys to ensure open and honest feedback between employers and employees. These provide additional opportunities for direct communication about the well-being of our employees, where we are succeeding and where more support may be needed. The latest two employee engagement surveys—both with 90%+ participation rate—show that our employees value SYBO as a people-oriented company with an inclusive culture that demonstrates our values of transparency and embracing differences.

Mental Work Environment and Stress

We recognize that workplace stress is a common concern in regard to employees' mental health. In 2021, SYBO had a sickness absence of 2,3% of possible working hours, and 2% in 2022. For comparison, the absence rate in the private sector in Denmark was 2,8% in 2021, which leads us to conclude that there is no reason for extraordinary concern about sickness absence at SYBO. However, the latest health & safety assessment conducted in January 2022 identified Mental Health – affected by or partially affected by workplace stress to be a risk for our employees – this will be an area of focus. Based on these findings, SYBO has implemented the Bradford Factor system as part of HR's absence reviews to ensure a more holistic, proactive approach to absence management. SYBO is also reviewing our absence policy to include guidelines for early identification of employee stress and how it should be managed. This will allow leads to handle it more proactively. Our engagement survey, conducted in September 2022, showed a 78% favorable score when employees were asked if their leads generally care for their well-being. It also showed a 90% favorable score when asking if employees feel supported when choosing to make use of flexible working arrangements. This leads us to conclude that we are successful in creating a workplace that prioritizes and supports employees' mental health. This will continue to be an area of focus in 2023 and beyond.

Bullying and Inappropriate Behavior

While our health and safety survey confirmed that SYBO does not have any issues with bullying, harassment, or discrimination, we are committed to ensuring that SYBO continues to offer a healthy and positive work environment for all employees. We will continue to monitor the workplace environment and take any necessary actions to ensure the mental well-being of our employees.

In 2023, HR will take additional steps to ensure that our Code of Conduct, which includes both principles and procedures for how to treat each other and keeps our workspaces safe and healthy, is not only accessible to all employees but is actively integrated into onboarding and leads training.

Statutory report on the underrepresented gender

The gender composition of our Board is currently five men and no women. While we do not currently have a policy in place, we are committed to a more diverse and inclusive board in the future, including a future target of at least one female board member by 2025. We recognize the importance of gender diversity in our leadership and will work toward achieving this goal in the coming years.

Additionally, we believe in equal opportunity for all genders at SYBO, including the management group, and we are committed to promoting underrepresented genders in all areas of our organization.

Our leads and management group currently consists of 34 men and 11 women, and we believe that all genders should have equal opportunity for recruitment and promotion. In our yearly review processes, we are monitoring promotions and headcount increases to ensure equal opportunity for all. In employee surveys, we are closely looking for any notable gender discrepancies. Based on these processes and controls, we can proudly state that any underrepresented gender is supported and given equal opportunity. In recruitment, we are continuously monitoring our in-mail response rate for balance between genders and ensuring that we communicate in a way that is neither discriminatory or exclusionary. In 2023, we are committed to setting specific KPIs that support equal opportunity in our recruitment processes and more balanced gender representation. In 2023, we will also enhance our employee branding materials to proactively communicate that SYBO offers a supportive workplace for women.

Statutory report on data ethics policy

As of now, SYBO does not have a formal policy in place for data ethics, but we are committed to striving towards ethical data processing and usage.

Data is being produced quicker than ever before in our world, which is valuable and offers many opportunities for innovation. Whilst the pace of technical advancement and digitalization is accelerating, SYBO recognizes that these innovations also carry new potential risks, including the possibility that the advantages of digitalization will outweigh respect for fundamental human rights and moral considerations.

SYBO processes data on more than a monthly average of 100 million active users, which increases our responsibility to process and use data in an ethical way. At SYBO, working with data ethics is a dynamic process, which requires ongoing involvement from the entire organization. SYBO's data ethics is based on several fundamental principles:

- SYBO shall process the personal data of employees, users of our game, and partners only to the extent necessary to fulfill the purposes of said data processing.
- SYBO shall clearly define and articulate the purposes of all data processing.
- All personal data processing shall be transparent and available to all data subjects.
- Personal data shall be processed with a high degree of data security to protect against unauthorized access or loss.

In SYBO, working with data ethics is a top priority and it is in the company's interest to increase its work within this area in the future.

Events after the balance sheet date

Nothing significant has happened since the balance sheet date that would have affected the evaluation of the annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	725,880,851	328,282,639
Costs of raw materials and consumables		(226,163,748)	(137,311,982)
Other external expenses	2	(22,447,964)	(14,950,037)
Gross profit/loss		477,269,139	176,020,620
Staff costs	3	(290,118,223)	(105,212,242)
Depreciation, amortisation and impairment losses	4	(405,953)	(18,415,917)
Operating profit/loss		186,744,963	52,392,461
Income from investments in associates		0	(117,118)
Other financial income	5	58,714,629	19,978,601
Impairment losses on financial assets		0	(2,832,370)
Other financial expenses	6	(36,125,268)	(7,525,635)
Profit/loss before tax		209,334,324	61,895,939
Tax on profit/loss for the year	7	(34,646,502)	(10,208,215)
Profit/loss for the year	8	174,687,822	51,687,724

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		847,368	978,068
Intangible assets	9	847,368	978,068
Other fixtures and fittings, tools and equipment		2,242,384	482,007
Property, plant and equipment	10	2,242,384	482,007
Investments in group enterprises		40,008	40,000
Investments in associates		0	4,552,237
Other investments		0	27,875,149
Deposits		6,090,444	1,192,967
Deferred tax	12	2,151,984	4,019,483
Financial assets	11	8,282,436	37,679,836
Fixed assets		11,372,188	39,139,911
Trade receivables		84,308,876	43,507,800
Receivables from group enterprises		1,435,305	31,530,836
Other receivables		3,092,804	2,376,471
Tax receivable		0	4,396,607
Prepayments	13	10,646,052	1,811,255
Receivables		99,483,037	83,622,969
Cash		198,901,013	125,100,196
Current assets		298,384,050	208,723,165
Assets		309,756,238	247,863,076

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		80,000	80,000
Retained earnings		248,735,410	74,047,588
Proposed dividend		0	75,555,555
Equity		248,815,410	149,683,143
Trade payables		17,491,853	14,905,954
Payables to group enterprises		138,775	268,684
Tax payable		184,757	0
Other payables		40,114,785	74,709,227
Deferred income	14	3,010,658	8,296,068
Current liabilities other than provisions		60,940,828	98,179,933
Liabilities other than provisions		60,940,828	98,179,933
Equity and liabilities		309,756,238	247,863,076

Unrecognised rental and lease commitments	16
Contingent liabilities	17
Related parties with controlling interest	18
Transactions with related parties	19
Group relations	20

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	80,000	74,047,588	75,555,555	149,683,143
Ordinary dividend paid	0	0	(75,555,555)	(75,555,555)
Profit/loss for the year	0	174,687,822	0	174,687,822
Equity end of year	80,000	248,735,410	0	248,815,410

Cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		186,744,963	52,392,461
Amortisation, depreciation and impairment losses		405,952	18,415,917
Working capital changes	15	(48,664,036)	(6,356,300)
Exchange rate adjustment		(5,755,303)	10,684,912
Cash flow from ordinary operating activities		132,731,576	75,136,990
Financial income received		2,020,856	2,337,119
Financial expenses paid		(299,245)	(246,243)
Taxes refunded/(paid)		(27,535,333)	(15,356,987)
Other cash flows from operating activities		(322,960)	(264,448)
Cash flows from operating activities		106,594,894	61,606,431
Acquisition etc of property, plant and equipment		(2,035,630)	(352,056)
Sale of fixed asset investments		55,614,237	0
Acquisition of the investments		0	(5,656,382)
Rental deposits		(4,897,477)	0
Cash flows from investing activities		48,681,130	(6,008,438)
Free cash flows generated from operations and investments before financing		155,276,024	55,597,993
Repayments of loans etc		(39,693,000)	0
Incurrence of debt to group enterprises		0	1,156,987
Repayment of debt to group enterprises		(129,909)	0
Dividend paid		(75,555,555)	(12,400,000)
Repayments received from group enterprises		30,095,000	0
Cash flows from financing activities		(85,283,464)	(11,243,013)
Increase/decrease in cash and cash equivalents		69,992,560	44,354,980
Cash and cash equivalents beginning of year		125,100,196	80,745,216
Currency translation adjustments of cash and cash equivalents		3,808,257	0
Cash and cash equivalents end of year		198,901,013	125,100,196

Cash and cash equivalents at year-end are composed of:

Cash	198,901,013	125,100,196
Cash and cash equivalents end of year	198,901,013	125,100,196

Notes

1 Revenue

	2022 DKK	2021 DKK
Tier 1	497,056,999	223,968,077
Tier 2	127,237,807	40,216,796
Tier 3	101,586,045	64,097,766
Total revenue by geographical market	725,880,851	328,282,639
Advertising revenue	533,166,283	265,593,039
In-App Purchases	153,461,861	51,585,256
Other	39,252,707	11,104,344
Total revenue by activity	725,880,851	328,282,639

Tier 1: North America, Western Europe, Scandinavia, Australia, Japan.

Tier 2: South America, Eastern Europe, Singapore, South Korea, UAE.

Tier 3: All other countries not listed in Tier 1 and Tier 2.

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK	2021 DKK
Statutory audit services	200,000	78,500
Tax services	261,486	211,316
Other services	925,626	55,250
	1,387,112	345,066

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	256,323,421	94,725,170
Pension costs	24,688,923	6,865,585
Other social security costs	275,301	229,985
Other staff costs	8,830,578	3,391,502
	290,118,223	105,212,242

Average number of full-time employees	121	101
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	Remuneration of Management 2022 DKK	Remuneration of Management 2021 DKK
Executive Board	80,841,367	8,206,566
	80,841,367	8,206,566

Outlay on behalf of SYBO Holding ApS

During 2022, Sybo ApS has settled cash bonuses of DKK 71,990 thousands (USD 10,149 thousands) related to option agreements on behalf of Sybo Holding ApS. Management has assessed that it is appropriate to account for the transaction as an outlay, which has no income statement impact in Sybo ApS, as Sybo ApS is not involved in the underlying transaction or part of the existing or settlement agreements between Miniclip and the option agreement participants. The cash amounts paid under the option agreements to participants by Sybo ApS were funded by cash amounts paid to Sybo ApS from Sybo Holding ApS.

Parallel Option agreement

In June 2022, a parallel option scheme was introduced to Executive Board members and key employees, which was modified in July 2022 to reflect the new group structure in which Sybo ApS is included following Miniclip's acquisition of the Sybo group. Under the incentive scheme the participants are granted parallel options which upon vesting entitles them to a cash settlement by Miniclip Denmark ApS.

The parallel options will be vesting in annual instalments until 31 December 2026. The vesting of the parallel options is subject to the participants remaining employed. Vested parallel options for a particular instalment are exercisable within 20 days after the financial statements of Miniclip Denmark ApS have been published. As Sybo ApS has no obligation to settle the parallel options, the incentive scheme is equity-settled. Thus, no costs for the parallel option scheme are recognised in the financial statements of Sybo ApS.

4 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	130,700	18,206,497
Depreciation of property, plant and equipment	275,253	209,420
	405,953	18,415,917

5 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	0	543,494
Other interest income	2,020,856	4,209
Exchange rate adjustments	33,878,977	17,421,993
Other financial income	22,814,796	2,008,905
	58,714,629	19,978,601

6 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	299,245	788,553
Exchange rate adjustments	35,826,023	6,737,082
	36,125,268	7,525,635

7 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	27,489,965	12,542,284
Change in deferred tax	(41,252)	(737,246)
Adjustment concerning previous years	7,197,789	(1,596,823)
	34,646,502	10,208,215

8 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	0	75,555,555
Retained earnings	174,687,822	(23,867,831)
	174,687,822	51,687,724

9 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	100,040,912
Cost end of year	100,040,912
Amortisation and impairment losses beginning of year	(99,062,844)
Amortisation for the year	(130,700)
Amortisation and impairment losses end of year	(99,193,544)
Carrying amount end of year	847,368

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	908,921
Additions	2,035,630
Cost end of year	2,944,551
Depreciation and impairment losses beginning of year	(426,914)
Depreciation for the year	(275,253)
Depreciation and impairment losses end of year	(702,167)
Carrying amount end of year	2,242,384

11 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other investments DKK	Deposits DKK	Deferred tax DKK
Cost beginning of year	40,008	4,902,504	37,035,519	1,192,967	4,019,483
Disposals on divestments etc	0	(4,902,504)	0	0	0
Exchange rate adjustments	0	0	496,131	0	0
Additions	0	0	0	4,897,477	(1,867,499)
Disposals	0	0	(37,531,650)	0	0
Cost end of year	40,008	0	0	6,090,444	2,151,984
Revaluations beginning of year	0	(350,267)	0	0	0
Disposals on divestments etc	0	529,090	0	0	0
Amortisation of goodwill	0	(178,823)	0	0	0
Revaluations end of year	0	0	0	0	0
Impairment losses beginning of year	0	0	(9,160,370)	0	0
Disposals on divestments etc	0	0	9,160,370	0	0
Impairment losses end of year	0	0	0	0	0
Carrying amount end of year	40,008	0	0	6,090,444	2,151,984

The carrying amount of goodwill related to Investments in associates end of year are DKK 0. The carrying amount of goodwill start of year was DKK 2,503,515.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Boom 808 ApS	Denmark	ApS	100.00
Sybo UK Ltd.	United Kingdom	ltd.	100.00

Investments in associates	Registered in	Corporate form	Equity interest %
Spray (BVI) Limited	China	Ltd.	29.10

12 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	1,172,168	3,052,164
Property, plant and equipment	266,141	430,779
Receivables	713,675	536,540
Deferred tax	2,151,984	4,019,483

Changes during the year	2022 DKK	2021 DKK
Beginning of year	4,019,483	3,282,237
Recognised in the income statement	41,252	737,246
Adjustment concerning previous years	(1,908,751)	0
End of year	2,151,984	4,019,483

Deferred tax assets

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.

13 Prepayments

Prepayments consist of office rent, consulting services, subscriptions and other prepayments.

14 Deferred income

Deferred income consists of contract accrual.

15 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in receivables	(48,467,753)	4,417,311
Increase/decrease in trade payables etc	(196,283)	(10,773,611)
	(48,664,036)	(6,356,300)

16 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	52,167,551	1,346,133

17 Contingent liabilities

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

18 Related parties with controlling interest

The controlling interests are held by Miniclip Denmark ApS, Holmens Kanal 7, 3. 1060 Copenhagen K.

19 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. During the financial year, related party transactions have been conducted on an arm's length basis.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Tencent Holdings Limited, Shenzhen, China.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting estimates

In 2022, Management has changed the assessment of IAP commission and concluded that Sybo is considered the principal in terms of that type of revenue. As a consequence, revenue and cost of sales has been increased by DKK 47,804,352 in 2022 and for 2021 amounts to DKK 14,858,615. Both effects have been included in the Annual Report for 2022. The effect on total balance, equity and result are 0 DKK.

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

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.

Direct cost

Direct cost comprise the cost directly associated to the sales, including royalty cost and IT related cost.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful

lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Income from investments in associates

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

Other financial income

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

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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**

Intellectual property rights comprise of acquired intellectual property rights and intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement. The depreciation period amount to 5 years

Intellectual property rights 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.

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

	Useful life
Other fixtures and fittings, tools and equipment	3 year

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 recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Useful life is determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

Other investments

Other investments comprise unlisted equity investments which are measured at the lower of cost and realisable value.

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.

Receivables

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Operating leases

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

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.