



ANNUAL REPORT

1. April 2022 - 31. March 2023

GHOST SHIP HOLDING APS

**Wildersgade 41 A, st.
1408 Copenhagen**

CVR-No. 37 86 40 05

6. Financial year

The Annual Report was presented and
adopted by the Annual General Meeting
28. September 2023

Søren Lundgaard
Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

The Company:

Ghost Ship Holding ApS
Wildersgade 41 A, st.
1408 Copenhagen
Domicile: Copenhagen
CVR-No. 37 86 40 05

Incorporated:

01. september 2016

Financial year:

1. April 2022 - March 2023

Parent Company:

Ghost Ship Holding ApS
Wildersgade 41A, st
1408 Copenhagen

Board of Directors:

Mikkel Martin Pedersen
Henrik Edwards
Per Anton Westbergh

Executive Board:

Søren Lundgaard

Auditors:

EY Godkendt Revisionspartnerselskab
Østre Havnegade 65
9000 Aalborg

Today the Board of Directors and the Executive Board presented the Annual Report for 2022/23 for Ghost Ship Holding ApS.

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

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

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

Copenhagen, 28. September 2023.

Executive Board:

Søren Lundgaard

Board of Directors:

Mikkel Martin Pedersen
(Chairman)

Henrik Edwards

Per Anton Westbergh

To the shareholders of Ghost Ship Holding ApS.**Opinion:**

We have audited the Financial Statements of Ghost Ship Holding ApS for the financial year 1. April 2022 - 31. March 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 Company's financial position at 31. March 2023 and of the results of the Company's operations for the financial year 1. April 2022 - 31. March 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

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 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 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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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 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 evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Auditor's Responsibilities for the Audit of the Financial Statements - continued:

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 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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Aalborg, 28. September 2023.
EY Godkendt Revisionspartnerselskab
CVR-No. 30 70 02 28

Allan Terp
State Authorised Public Accountant
MNE-No. mne33198

Martin Bøgsted
State Authorised Public Accountant
MNE-No. mne40035

Principal review:

Ghost Ship Holding ApS' principal activities is to act as a holding company.

Financial review:

The company's income statement for the year ended 31 March 2023 shows a profit of DKK 83.949.576, and the balance sheet at 31. marts 2023 shows equity of DKK 161.528.199.

In 2022/23 a total of DKK 2.8 million has been booked as impairment write-downs related to intangible assets and fixed asset investments.

The annual report of Ghost Ship Holding ApS for 2022/ 23 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, and elective choice of certain provisions applying to reporting class C

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

The annual report is presented in DKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements, as Ghost Ship Holding ApS is a subsidiary company included in the financial statements of Embracer Group AB, Sweden.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously recognised in the Income Statement, are recognised in the Income Statement.

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet

The carrying value of the intangible- and tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

Transactions in foreign currency are translated at the exchange rates on the transaction date. Differences in exchange rates arising between the transaction date and the payment date are recognized in the income statement as financial income and expenses.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT, CONTINUED

Receivables, debt and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are measured at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the time of the origin of the debt is recognized in the income statement under financial income and expenses.

Fixed assets purchased in foreign currency are measured at the exchange rate on the transaction date.

THE INCOME STATEMENT:**Gross income:**

Gross income reflects an aggregation of other external expenses, referring to section 32 of the Danish Financial Statements Act.

Other external costs:

Other external costs include costs relating to administration.

Income from investments in group enterprises and associates:

The proportionate share of the profit for the year in group enterprises and associates, adjusted for internal gains and losses, is recognized in the Parent Company's income statement.

Financials:

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, and dividend from other securities and investments.

Tax on results for the year:

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

The parent company and the Danish group companies are jointly taxed. Danish corporation tax is distributed among the jointly taxed Danish companies in proportion to their taxable income. The parent company acts as the administration company for the joint taxation circuit and is responsible for settling taxes etc. to the Danish tax authorities.

ASSETS:**Intangible fixed assets:**

Acquired other similar rights are measured at cost less accumulated amortisations and impairments. Acquired other similar rights are amortized on a straight-line basis over the estimated economic useful life, which is estimate to be 5 years.

Investments in group enterprises and associates

Investments in group enterprises are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Goodwill on consolidation is amortised over the expected useful economic life based on management's experience from each individual business segment. Goodwill on consolidation is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed based on the assessment that the strategically acquired entities have a strong market position and a long-term earnings profile.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Ghost Ship Holding ApS is adopted are not taken to the net revaluation reserve.

Investments in associates are measured at amortised cost.

Other securities and investments, fixed assets

Other securities and investments, recognised under non-current assets, comprise unlisted securities measured at cost.

Impairment of fixed assets

Non-current assets are subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation and depreciation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Impairment losses on goodwill are not reversed.

Receivables:

The Company has chosen IAS 39 as interpretation for impairment write-down off financial receivables.

Receivables are measured at amortised cost which usually equals nominal value. The value will be adjusted to meet expected losses.

Cash funds:

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

LIABILITIES:**Equity**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Tax payable and deferred tax:

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carry forwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Liabilities:

The Company has chosen IAS 39 as interpretation for liabilities.

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

<u>Note</u>	<u>(12 months)</u> <u>2022/23</u>	<u>(15 months)</u> <u>2021/22</u>
GROSS PROFIT	-1.041.436	-30.628
Income from investments in group enterprises	84.876.732	63.915.508
Depreciation, amortisation expense and impairment losses	-250.000	0
Financial income	988.164	93.578
Financial expenses	-678.601	-56.167
PROFIT BEFORE TAX	83.894.860	63.922.291
Tax on profit for the year	54.716	-1.584
PROFIT AFTER TAX	83.949.576	63.920.707
 PROPOSED DISTRIBUTION OF PROFIT		
Dividend for the year	115.000.000	0
Retained earnings	-31.050.424	63.920.707
TOTAL DISTRIBUTION	83.949.576	63.920.707

BALANCE SHEET AS AT 31. MARCH 2023
ASSETS

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<u>Note</u>	<u>31/3 2023</u>	<u>31/3 2022</u>
Acquired other similar rights	0	0
INTANGIBLE ASSETS	0	0
1 Investments in group enterprises	87.358.385	74.481.652
2 Investments in associates	0	2.000.000
Other securities and equity investments	4.348.050	4.108.020
3 Other receivables	13.392.445	0
FINANCIAL ASSETS	105.098.880	80.589.672
NON-CURRENT ASSETS	105.098.880	80.589.672
Other receivables	0	7.548.602
Corporation tax	3.126.000	1.133.603
Joint taxation contributions receivable	14.353.070	1.140.764
RECEIVABLES	17.479.070	9.822.969
CASH AND CASH EQUIVALENTS	53.121.367	126.577
CURRENT ASSETS	70.600.437	9.949.546
TOTAL ASSETS	175.699.317	90.539.218

BALANCE SHEET AS AT 31. MARCH 2023
LIABILITIES

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<u>Note</u>	<u>31/3 2023</u>	<u>31/3 2022</u>
Contributed capital	40.000	40.000
Retained earnings	46.488.199	77.538.623
Proposed dividend for the financial year	115.000.000	0
EQUITY	161.528.199	77.578.623
Trade payables	208.438	26.250
Payables to subsidiaries	1.434.159	12.934.345
Corporation tax payable	7.354.449	0
Joint taxation contributions payable	5.174.072	0
SHORT-TERM LIABILITIES	14.171.118	12.960.595
LIABILITIES	14.171.118	12.960.595
LIABILITIES AND EQUITY	175.699.317	90.539.218

Note

- 4 Contingent liabilities
- 5 Group matters

	Share capital	Proposed dividends	Retained earnings	Total
Equity, beginning balance	40.000	0	77.538.623	77.578.623
Profit (loss)	0	115.000.000	-31.050.424	83.949.576
Equity, ending balance	40.000	115.000.000	46.488.199	161.528.199

There has been no revaluations to the net revaluation reserve according to the equity method as dividends are expected to be received from the affiliated undertakings, and since the company applies the simultaneity principle, whereby the expected dividend is transferred from the net revaluation reserve to the profit carried forward under equity.

1 Investments in subsidiaries

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Ownership interest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Ghost Ship Games ApS	100%	87.358.385	86.876.732

2 Investments in associates

Investments in associates are specified as follows:

<u>Name</u>	<u>Ownership interest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Ugly Duckling Games ApS	30%	-291.473	-2.331.473

At 31 March 2023 management has made write-down of the investment in associates with DKK 2.000.000.

3 Investment in other receivables, fixed asset investments, consists of loans, convertible loans and investment agreements.

All investments are with long maturities maturing in 2026 and 2027. In the investment agreement, repayment has been agreed in line with earnings in the underlying company/project but is also expected to be over a longer period of time. As of 31 March 2023, the fair value of conversion rights in connection with convertible loans is valued at DKK 0.

4 Contingent liabilities

As a management company, the company is jointly taxed with other Danish subsidiaries by the ultimate parent company, Embracer Group AB, and is jointly and severally liable for Danish corporate taxes and withholding taxes. The total known net liability of the jointly taxed companies on corporate taxes and withholding taxes due can only be finally calculated once the joint taxation income for 2022 has been calculated, and there is therefore uncertainty associated with this. Any subsequent corrections to the joint taxation income may result in a higher amount of the

5 Group matters

The company's share capital of DKK 40.000 is wholly owned by Indie Games Holding AB, Sverige.

Consolidated financial statements

The company's ultimate parent company which prepares group annual report in which the company is included as a subsidiary is Embracer Group AB, Sweden.

The group annual report of the ultimate parent company can be obtained at the following address: Älvgatan 1, 652 25 Karlstad, Sweden

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ANTON WESTBERGH

Board of Directors

På vegne af: Ghost Ship Holding ApS and Ghost Ship G...

Serienummer: 19850209xxxx

IP: 158.174.xxx.xxx

2023-09-28 12:44:50 UTC



Henrik Edwards

Board of Directors

På vegne af: Ghost Ship Holding ApS and Ghost Ship G...

Serienummer: cc3c74b1-fcd5-440d-ae97-0ded0c29f08d

IP: 152.115.xxx.xxx

2023-09-29 06:26:09 UTC



Søren Lundgaard

Executive Board

På vegne af: Ghost Ship Holding ApS and Ghost Ship G...

Serienummer: 86aed07f-d7e3-41ab-8e45-8dd4fa009577

IP: 79.142.xxx.xxx

2023-09-29 10:32:40 UTC



Søren Lundgaard

Chairman

På vegne af: Ghost Ship Holding ApS and Ghost Ship G...

Serienummer: 86aed07f-d7e3-41ab-8e45-8dd4fa009577

IP: 79.142.xxx.xxx

2023-09-29 10:32:40 UTC



Mikkel Martin Pedersen

Board of Directors

På vegne af: Ghost Ship Holding ApS and Ghost Ship G...

Serienummer: bc61783e-ee84-4c58-8d40-ba3238c9824c

IP: 80.208.xxx.xxx

2023-09-29 11:03:19 UTC



Martin Bøgsted

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: 96608d33-7f4b-4821-9ea3-9543b6fca10b

IP: 78.153.xxx.xxx

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Allan Terp

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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