



ANNUAL REPORT 2023

Trophy Games Development A/S, Mikkell Bryggers Gade 4, 2nd floor, 1460 Copenhagen K, Denmark
CVR No 29240299. Accounting period: 1. Jan - 31. Dec 2023.

Chairman of the meeting: _____

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MANAGEMENT COMMENTARY



BUSINESS SUMMARY



GOVERNANCE



FINANCIAL STATEMENTS





BUSINESS HIGHLIGHTS 2023



Group revenue
DKK 54.4m

+8% YoY growth



EBITDA
DKK 11.3m

+26% YoY growth



EBT
DKK 3.1m

+119% YoY growth



Cash at bank and in hand
DKK 24.7m & no debt
at the end of the year*



Installs
9,376,611

+29% YoY growth



Unique paying users
177,227

+18% YoY growth



Transactions
575,892

-3% YoY growth



Organization
47 FTE**

+4 new FTE

Asset:
Trégua TSA DM56
locomotive

Game:
Train Manager



* 404,930 own shares held

** FTE represents Full-Time Equivalent



MESSAGE FROM THE CEO



2023 has been a strong year at Trophy Games, marked by an 8% growth in a global declining market. We have managed to successfully navigate through a difficult year in the gaming industry that saw mass layoffs at all the major gaming companies and a sudden halt to the COVID-induced investment mania.

Our dedication to the Transport Series bore fruit in 2023 with a notable growth of 34%. Looking ahead to 2024, we anticipate continued success by introducing three new releases within this series.

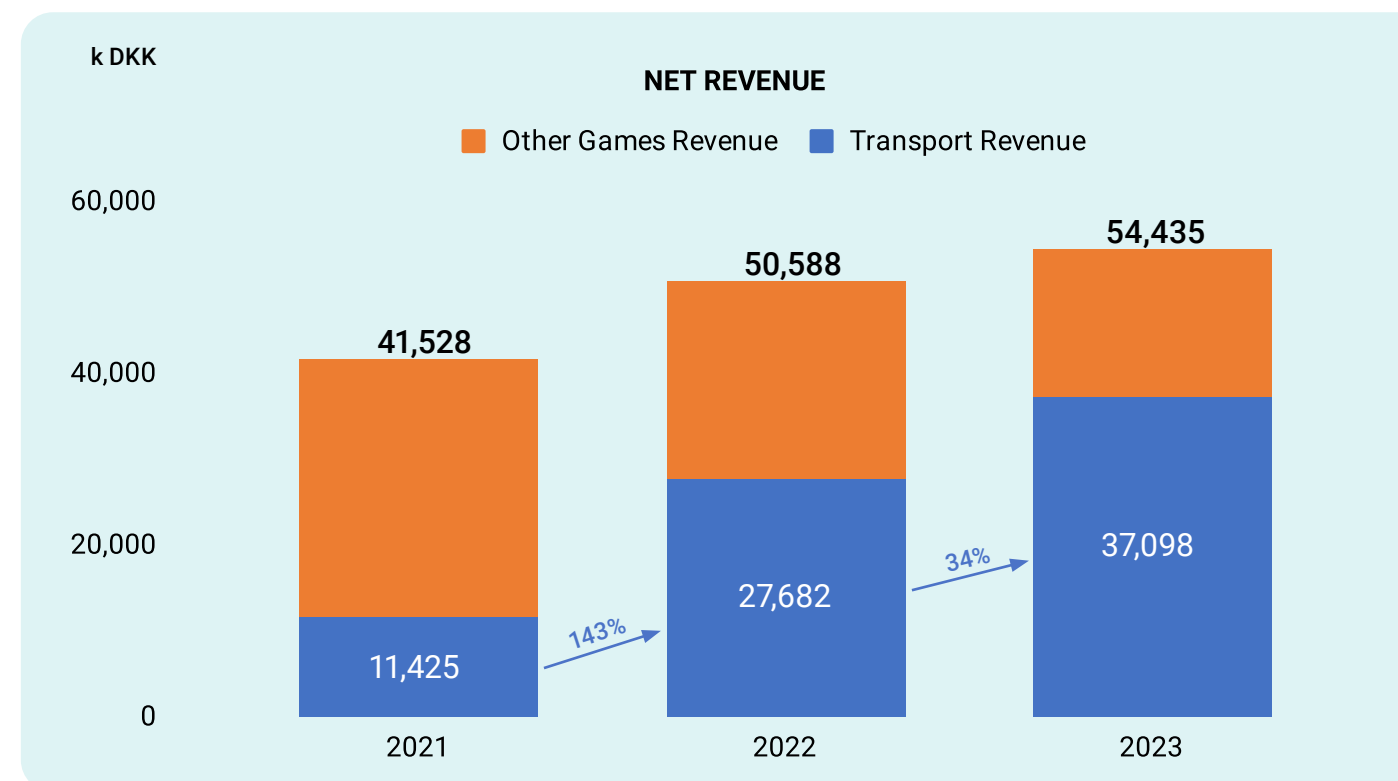
While focusing on enhancing and expanding the ecosystem for the Transport Series, Trophy Games has remained committed to maintaining low expenses – a strategy we have.

Regarding acquisitions, we are gearing up for more strategic moves in the future. In 2023, we purchased two new games from two bankrupt game developers. The acquisition of Transit King Tycoon in Finland holds the particular promise of becoming a bigger game, along with having a code base on which we can develop multiple similar games.

As we embark on 2024, we are facing yet another exciting year. We have our first release in April with Energy Manager, followed by Truck Manager in Q3 – a game we envision could become our biggest game – and the unveiling of Sim Airport (name still needs to be finalised) also in Q3, along with our published game, The Ranchers.



Regards,
Søren Gleie
CEO & Founder, Trophy Games Development



Asset:
Ship's bridge

Game:
Shipping Procedural Prototype





MANAGEMENT COMMENTARY

BUSINESS SUMMARY

GOVERNANCE

FINANCIAL STATEMENTS

BUSINESS SUMMARY



BUSINESS SUMMARY 2023

Game Series k DKK

Game Series	2023	2022	Diff
Transport	37,098	27,682	9,416
• Airline	20,218	23,488	(3,270)
• Shipping	9,255	0	9,255
• Train	2,157	0	2,157
• Other Transport	5,468	4,194	1,274
Other Titles	17,337	22,906	(5,569)
HQ	0	0	0
Total	54,435	50,588	3,847

2023														
Revenue			Marketing			EBITDA			EBT			Headcount		
DKK 54.44m			DKK 13.31m			DKK 11.28m			DKK 3.15m			51*		
2023	2022	Diff	2023	2022	Diff	2023	2022	Diff	2023	2022	Diff	2023	2022	Diff
37,098	27,682	9,416	13,178	13,247	(69)	6,829	3,208	3,622	1,850	166	1,684	35	19	16
20,218	23,488	(3,270)	6,682	13,239	(6,557)	5,853	2,798	3,055	4,770	1,714	3,056	4	4	0
9,255	0	9,255	5,795	8	5,787	(1,022)	(1,578)	556	(2,308)	(1,483)	(825)	10	10	0
2,157	0	2,157	700	0	700	(63)	(55)	(7)	(230)	(55)	(175)	6	0	6
5,468	4,194	1,274	1	0	1	2,061	2,043	18	(382)	(10)	(372)	15	5	10
17,337	22,906	(5,569)	92	1,369	(1,277)	8,342	10,224	(1,882)	6,141	(11,111)	17,252	9	18	(9)
0	0	0	35	98	(63)	(3,891)	(4,497)	606	(4,845)	(5,917)	1,072	7	5	2
54,435	50,588	3,847	13,305	14,714	(1,409)	11,280	8,935	2,346	3,146	(16,862)	20,008	51	42	9

Game Series k DKK

Game Series	Q4 2023	Q4 2022	Diff
Transport	8,812	6,079	2,733
• Airline	3,963	4,299	(336)
• Shipping	2,013	0	2,013
• Train	792	0	792
• Other Transport	2,044	1,780	264
Other Titles	4,577	6,369	(1,792)
HQ	0	0	0
Total	13,389	12,448	941

Q4 2023														
Revenue			Marketing			EBITDA			EBT			Headcount		
DKK 13.39m			DKK 1.48m			DKK 4.23m			DKK 1.80m			51*		
Q4 2023	Q4 2022	Diff	Q4 2023	Q4 2022	Diff	Q4 2023	Q4 2022	Diff	Q4 2023	Q4 2022	Diff	Q4 2023	Q4 2022	Diff
8,812	6,079	2,733	1,445	1,051	394	3,171	1,235	1,936	3,013	2,838	175	35	19	16
3,963	4,299	(336)	360	1,043	(683)	1,855	1,621	234	1,563	2,658	(1,095)	4	4	0
2,013	0	2,013	746	8	738	272	(433)	705	(49)	(433)	384	10	10	0
792	0	792	339	0	339	(18)	(26)	8	(102)	(26)	(76)	6	0	6
2,044	1,780	264	0	0	0	1,062	73	989	1,601	639	962	15	5	10
4,577	6,369	(1,792)	36	45	(9)	2,039	3,711	(1,672)	1,153	(13,510)	14,663	9	18	(9)
0	0	0	0	32	(32)	(979)	(1,064)	85	(2,369)	(2,239)	(130)	7	5	2
13,389	12,448	941	1,481	1,128	353	4,231	3,882	349	1,797	(12,911)	14,708	51	42	9



BUSINESS SUMMARY 2023



Our transport games attract a loyal and dedicated player base through our deep commitment to incorporating detailed and nerdy gameplay based on heavy use of real-world data and elements. This results in industry-leading retention rates, exceptional loyalty, and a high conversion rate of users into paying customers.

In 2023, we took the first steps in further developing our Transport Series. Building on the success of Airline Manager, we expanded the series with the launch of Shipping Manager and Train Manager. Two further titles, Truck Manager and Energy Manager, are under development and planned for release in 2024.

The Transports Series is undergoing significant enhancements in 2024. While we are proud of the progress already made, the series has the potential to reach even greater heights, especially when synergies such as feature implementation across games and cross-promotion begin to unfold.



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

Asset:
Airliner &
Traffic Control Tower

Game:
Airline Manager





THE TRANSPORT SERIES

AIRLINE MANAGER

In 2023, we focused on improving the mid- and end-game experience to increase user retention and revenue per user. The most notable improvements made are the establishment of a brand-new Discord community, which has just surpassed 10,000 active users. It provides a lot of loyal users with a lively community both in the game, but also outside such as Discord provides.

Also, we spent a lot of time optimizing the maps in the game, including all icons, details, colors, and the navigation itself to facilitate better use of the maps when creating and exploring new exciting and attractive routes. Last but not least, we have added all airports to the map, with real data down to runway length and direction as well as GPS coordinates and a satellite image showing the entire logistical setup of the airport.

The game's strong performance has granted us access to new invite-only tools from Google. Notably, we received several featuring placements in the Play Store and thus increased organic installs through Google's new promotional content program in H2.

Another success story from the year is the introduction of rewarded videos, where users receive in-game rewards for watching an ad. The ads were fully rolled out in December, increasing revenue by DKK 135,000 for the month without cannibalizing regular sales.

The promotional content inclusion and optimised ad strategy will deliver uniform benefits to all games within the Transport Series.

In 2024, Airline Manager will undergo a user interface and user experience (UI/UX) overhaul to unlock significant improvement potential. This initiative will be complemented by leveraging best practices and successful features from our other transportation games, maximizing synergy across the series.

AIRLINE MANAGER



Acquired: April 2021



THE TRANSPORT SERIES

SHIPPING MANAGER

Shipping Manager was launched in December 2022. The first six months of the year were focused on streamlining features and balancing the game, which is why the user base and revenue took some time to build up in 2023.

The game has reached a solid level, but we expect to build on it further in 2024 by launching a new alliance system and live events. The alliance system is tailor-made to improve retention throughout the user lifecycle. Old users are forced to learn new things and work together to achieve the best benefits, and there will be a lot of mechanisms that make retention better and the need to be active significantly more fun.

Live events will also be exciting, and we hope it can increase user awareness of our game, even when they are offline. Among other things, we have a real-time weather system on the way, so if you watch the news and see a tornado raging in the Caribbean Sea, you instinctively know that you need to go in and redirect your ships that have routes around there. The weather system is just a small example of what we have planned. It will take a long time to do it all, but we plan to roll out the first things in 2024.

We have high expectations for these new features, and if they prove to have the effect we hope for, similar concepts will be transferred to Airline- and Train Manager, and in time also to Truck- and Energy Manager.

We have also been working on a new and improved live-ops system in H2 to better target users with personalised offers. This system will particularly benefit Shipping Manager and the new titles we will release in 2024.

SHIPPING MANAGER



Released: December 2022



THE TRANSPORT SERIES

TRAIN MANAGER

Train Manager is in a refinement phase, similar to the one Shipping Manager was in immediately after its release. We still have a lot of adjustments in the pipeline, but we anticipate the game will be ready for scaling during 2024.

We are currently working on a completely new route system, and the first partial release in early February 2024 has increased retention significantly making us able to start marketing scaling earlier than we had planned. We are working on further optimizing the route part, but we also expect to be able to improve the game even more by optimizing things like push notifications, UX in general, and balancing the gameplay better.

Once these things are in place, our attention will turn to optimizing the game's monetization aspect. We're confident that these optimizations will lead to enhanced performance in the latter half of 2024, enabling us to close the gap with Airline- and Shipping Manager across various key performance indicators.

Moreover, we intend to incorporate several elements developed for Truck Manager, along with alliance and live event features from Shipping Manager.

Another exciting aspect of Train Manager is its robust organic user growth, surpassing that of Shipping Manager and approaching Airline Manager's level. This organic growth suggests that the game's long-term potential may far exceed its status once further developed.

TRAIN MANAGER



Released: June 2023



THE TRANSPORT SERIES

ENERGY MANAGER

Energy Manager differs from other transport games by focusing not on transporting cargo or people, but on producing and selling energy to the market. However, the game has included many of the core gameplay elements from the other games.

Considered significantly more niche than other games in the series, Energy Manager serves as a test of our ability to expand beyond traditional transportation themes. Its success will assess our capacity to diversify into other game genres not directly related to transport. For instance, should Energy Manager thrive, it could pave the way for ventures into realms like mining management games.

Energy Manager will also try out new gameplay elements, such as a global demand system for higher player competition, a real-life weather implementation, and a land purchase system.

ENERGY MANAGER



Release date planned for Q2 2024



THE TRANSPORT SERIES

TRUCK MANAGER

We position Truck Manager at the forefront of our growth strategy holding great expectations for its success, supported by three pivotal elements.

Truck Manager will be our first game to be developed in our completely new UI/UX design, which we anticipate will significantly enhance the user experience across all our games. The plan is that all games will eventually be transferred to the new design.

In addition, Truck Manager will have gameplay tailored to solve the mid- and late-game challenges that the currently released games are struggling with. Like the UI/UX part, this will be ported to all our other transport games if it proves to be successful.

Finally, our market research indicates that the trucking sector holds the potential for even greater organic growth than Airline Manager.

The convergence of these three factors leads us to believe that Truck Manager has the potential not only to become our flagship game but also to establish a core set of gameplay features and UI/UX design principles that we can leverage across our entire portfolio of transportation games.

TRUCK MANAGER



Release planned for Q3 2024



THE **TRANSPORT** SERIES

TRANSIT KING

We acquired Transit King in June 2023. The game is great and has potential for more, but the code we inherited has proven to require some work before ready to scale. Since we took over the game, we have been working primarily on optimizing performance. We plan to solve the game's problems during 2024, increase organic growth, and use the marketing budget to scale it.

If we successfully scale the game, it can be developed into a series with trains, planes, and vessels on a framework solution similar to what we have achieved with Airline Manager.



Acquired: June 2023



THE TRANSPORT SERIES

TINY RAILS

Tiny Rails is essentially a complete game, but it was invited to join Google's Play Pass game collection in October 2023. Play Pass has proven a perfect fit, and the game's revenue has since joining Play Pass doubled its previous standard.

We expect this development to continue in 2024. Consequently, we are spending more time on further developing the game with more live events tailored to fit the Google Promotional Content program, thus giving the game more organic installs.



Acquired: December 2021



LEGACY GAMES/OTHER GAMES

A large part of the revenue, and an even larger part of the bottom line, comes from our legacy games. These are primarily our football manager games, which we have not developed in the past five years.

There are a total of three employees working on these.

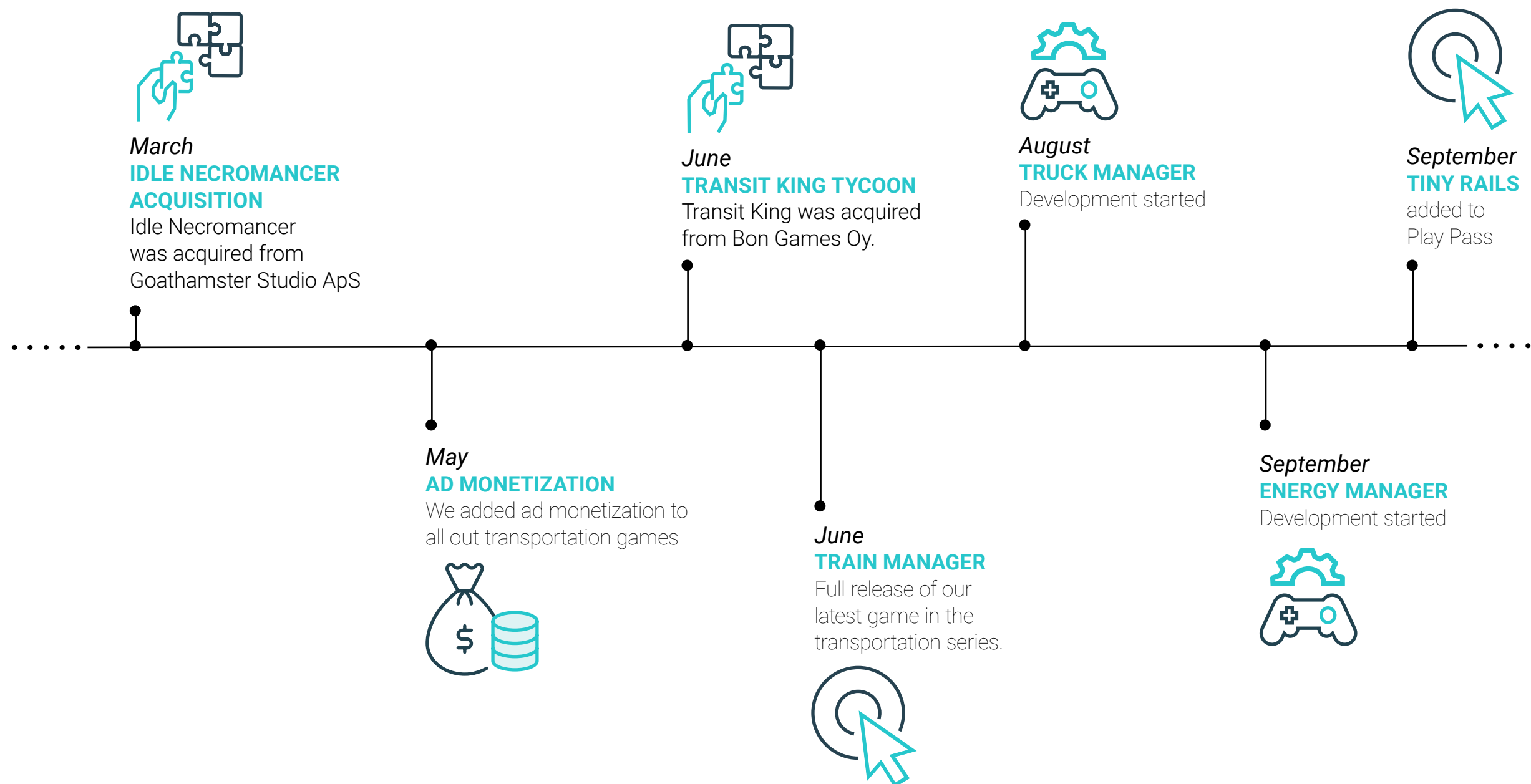
As expected, the revenue reached 17.3 million DKK without any investment in development and marketing. They have a group of dedicated players who continue to play year after year.

We continuously evaluate whether creating another football manager game or updating the old ones makes sense. Still, right now, there is massive competition in the market, and we are satisfied with the prospects for cash flow in the future.





TIMELINE OF MILESTONES IN 2023





CHAIRMAN'S STATEMENT



Dear Shareholders,

As we conclude an eventful 2023, I am honored to communicate with you on behalf of the board. This year not only continued our tradition of excellence but also marked a significant milestone in our history—17 years of consecutive growth, a testament to our enduring strategy and commitment to innovation.

We achieved a group revenue of DKK 54.4 million, an 8% year-over-year increase. This growth is not merely a number; it is a reflection of our game's robust health and the unwavering loyalty of our players.

Our download numbers have been particularly striking, with over 9.3 million new installs, representing a 29% year-over-year surge. This is more than just an impressive statistic—it is a clear indication of our games' growing popularity and the successful execution of both our organic and paid user acquisition strategies.

The growth in unique paying users to 177,227, up by 18% from the previous year, underlines our successful engagement and monetization strategies. Our games are not only reaching wider audiences but also creating deeper, more profitable relationships with our players.

We have also seen a substantial increase in our EBITDA, reaching DKK 11.3 million—a 26% increase from last year—and an exceptional 119% growth in EBT.

These figures underscore our financial stability and the effectiveness of our cost management and revenue optimization efforts.

This year, we have strengthened our organizational capacity by welcoming 4 new full-time employees and expanding our team to a total of 51 professionals. This investment in our talent pool ensures that we continue to innovate and strengthen our position in the gaming industry.

As we look to 2024, we do so with excitement for our future. The past 17 years have been a remarkable journey of continuous growth, and we are committed to extending this trajectory through strategic initiatives, exceptional new games development, and a relentless focus on our community of players. 2024 brings a record number of three new releases of own productions and one published title.

I trust you share my enthusiasm as we embark on yet another year, poised to deliver great value to our shareholders and unforgettable experiences to our players.

Yours sincerely,
Jan Dal Lehrmann
Chairman of the board

Jan Dal Lehrmann
Chairman of the board
since 2006





CONSOLIDATED KEY FIGURES AND FINANCIAL RATIOS

Financial Position

Trophy Games concluded the fiscal year 2023 on a solid financial footing, with positive movements in financial key metrics. Trophy Games revenue saw an increase of 8%, reaching DKK 54.4m compared to the previous year's figure of DKK 50.6m. This growth was driven by the successful launch of additional games within the Transport Series, which experienced a 34% increase, contributing DKK 37.1m to the overall revenue. The gross profit also increased by 21%, totaling DKK 30.4m.

Direct costs, including payment and hosting fees, amounted to DKK 13.8m in 2023, constituting 25% of total revenue. Meanwhile, other external costs, covering development, marketing, and administrative expenses, decreased by 7% compared to 2022, reaching DKK 19.9m. Staff costs reflected a 4% increase, reaching DKK 9.7m, attributed to the team's expansion within Trophy Games. Additionally, depreciation, amortisation, and impairment costs in 2023 decreased significantly to DKK 7.4m, compared to the previous year's figure of DKK 24.2m, mainly due to the impact of the impairment cost in 2022.

Furthermore, the company's performance throughout 2023 remained consistent with the projections outlined in the guidance for the year, demonstrating the efficacy of strategic planning and execution.

Cash Flow and Operational Highlights

Available cash at bank and in hand as of December 31, 2023, was DKK 24.7m compared to DKK 28.3m from the year-end 2022. The cash generated from operating activities showcased an increase, reaching DKK 11.2m in 2023. With a cash flow of DKK 13.2m, investing activities were primarily directed towards gaming projects, reflecting the company's commitment to development and growth. With a cash flow of DKK 1.5m, financing activities were associated with the new buyback program in 2023, repurchasing 404,930 of the company's shares at an average price of 4.06. These financial activities collectively position Trophy Games for ongoing stability and growth in the dynamic gaming industry.

Mariana Chucrí
CFO



k DKK	2023	2022	2021	2020	2019
Financial highlights					
Profit and loss accounts					
Revenue & other operating income	54,435	50,588	37,653	30,810	19,930
Income from operating activities	3,482	(16,466)	(1,917)	4,709	4,489
EBITDA	11,280	8,935	2,157	6,523	4,612
Net financials	(336)	(396)	(362)	(168)	(145)
EBT	3,146	(16,862)	(2,279)	4,542	4,344
Profit for the year	2,241	(12,480)	(920)	3,622	3,259
Balance sheet					
Total assets	62,070	59,823	75,006	14,504	11,570
Total equity and minority	52,392	51,871	64,351	9,481	5,859
Cash flows					
Operating activities	11,242	3,726	1,857	6,506	3,418
Investing activities	(13,236)	(13,217)	(21,448)	(4,574)	(4,020)
Hereof investments in tangible fixed assets	1	(1)	(848)	0	0
Financing activities	(1,552)	0	55,790	(3,532)	2,062
Net cash flow for the year	(3,546)	(9,491)	36,199	(1,600)	1,459
Employees					
Average number of employees	41	39	22	12	10
Key Ratios					
Solvency ratio (%)	84%	87%	86%	65%	51%
Return on equity (%)	4%	-21%	-2%	47%	77%



VISION & STRATEGY

**We build games around
real-world interests
to immerse players in their
passion online!**

In-house Development

With nearly 20 years of experience in building games, Trophy Games is focused on scaling our series of management games. These games are exciting because they sit alone in a niche market and appeal to adults with a stable income.

The games share about 80% of the same code base, which provides excellent opportunities to expand with more new games inexpensively and competitive advantages, as our cost of developing features for the games is lower than competitors with fewer games. We create the individual series with the code framework they share and publish games with new themes in the management genre. We are scaling this organically within the company.

Competitive advantages

The Transport Series is exciting because its format gives us two major synergies and a competitive advantage.

We see that players are eager to play multiple or even all the games, so our cross-promotion of the games works well and will enable us to kickstart new launches. For example, we are developing this even more with our Discord server (chat/community space), shared between all our transport games.

The games also use our map server, a simplified version of Google maps. It is a relatively large “moat” for new competitors to cross, as they will incur high expenses using third-party map servers.

This model of game development can be used to create many more games than we currently have. Our ongoing projects include the development of an Energy Manager game and a Truck Manager game. Based on their success, we will continue with more games, and the list of potential themes is more than 20 titles long. Examples could include Police Manager, Gold Mine Manager, etc.

About the games

Our games are designed not just for entertainment but to create a sense of loyalty among players by tapping into their real-world interests. By immersing players in their passions online, we foster a deep connection that keeps them coming back for more. This loyalty is the cornerstone of our strategy, as it leads to higher player engagement and increased spending within our games.





We excel at attracting spenders by offering unique gaming experiences. Our niche market focus allows us to cater specifically to this demographic, offering games that resonate deeply with their interests and preferences. By understanding our players' needs and desires, we create compelling gameplay experiences that encourage them to invest both time and money in our titles.

Moreover, our approach to consumer behavior is driven by data and analytics. We closely monitor player interactions within our games to gain valuable insights into their preferences and habits. This allows us to continually refine and optimize our games to better suit their needs, ultimately enhancing the player experience and driving monetization.

In terms of strategy execution, our competitive advantage lies in our in-house development capabilities. With nearly two decades of experience in game development, we leverage a shared code base across our game series, allowing for cost-effective scalability and rapid expansion. By building upon existing frameworks, we can efficiently create new games within the management genre while simultaneously exploring opportunities for growth in other genres through strategic acquisitions.

Through a combination of in-house development and strategic acquisitions, we aim to capture market share across various gaming genres while fostering strong player loyalty and maximizing revenue generation.

The expansion of our game portfolio is visualised below. Organically, we will continue to expand in the "Manager" genre, based on the Airline Manager game type, while simultaneously striving to buy a game in another genre from which we can start building games using the code.

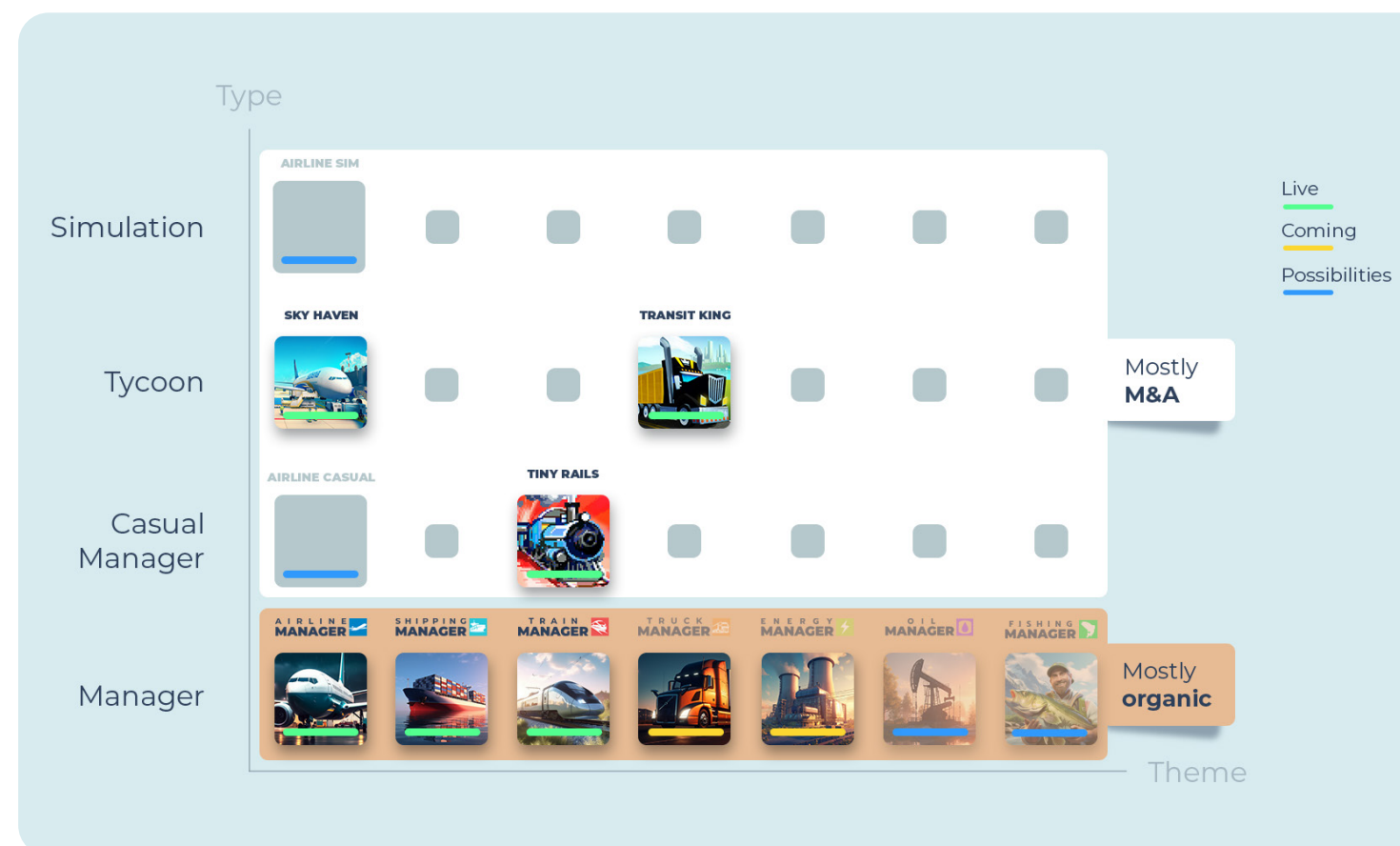
Publishing

Trophy Games Publishing oversees game sales and collaborates closely with internal studios and external developers. Sales initiatives involve creating sales-driving campaigns, building strong ties with platform owners, and expanding the services ecosystem around the games.

Trophy Games possesses a diverse skill set in game publishing that

contributes to the company's overall success and the development of its games. This includes specialised departments, such as Business Owners and Marketing Managers, responsible for formulating short- and long-term revenue generation strategies. The analytics department is dedicated to gaining deeper insights into player behavior, while the digital marketing team focuses on enhancing the games' online presence. A user engagement department is pivotal in developing and maintaining the crucial player base.

Trophy Games Publishing also covers partner relations, product launches, and other aspects integral to the publishing business. This multifaceted approach ensures that Trophy Games remains at the forefront of the industry, utilizing various skills to support game development and achieve success in the competitive gaming market.





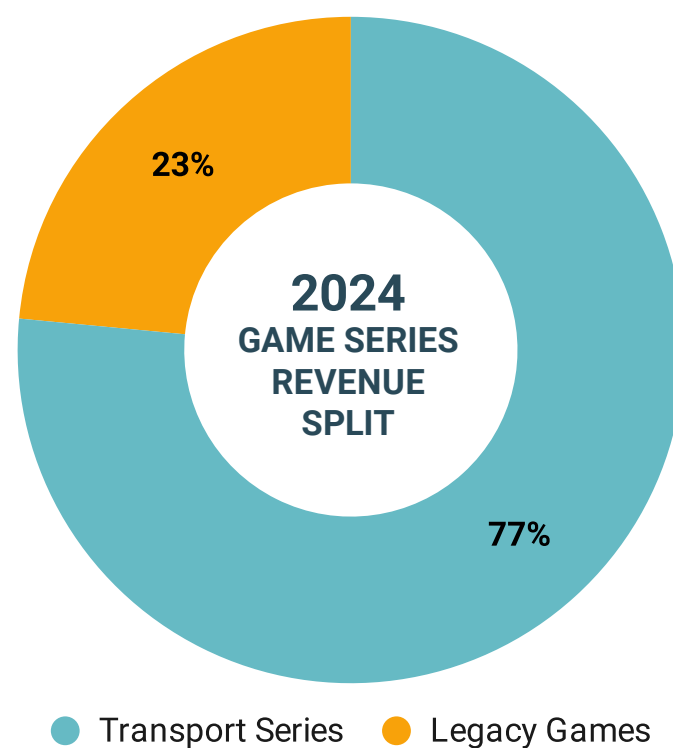
2024 OUTLOOK & GUIDANCE

Our CEO presented the strategy for 2024 in his [CEO Letter #4](#), posted on 11 December 2023.

Over the last two years, we've heavily invested in our Transport Series, where all our growth comes from. As expected, we have now reached a point where the rapidly growing Transport Series has become larger than our old games.

In 2023, we have seen solid growth in our Transport Series, even though we adopted a more conservative approach to our marketing. The Transport Series generated DKK 37.1 million, in 2023 compared to 27.7 million the previous year - an increase of 9.4 million or 34%. Our older games, though still self-sustaining generated DKK 17.3 million this year, compared to 22.9 million last year - a decrease of 5.6 million or 25%.

In 2023, the expanding Transport series accounted for 68% of our revenue compared to 55% in 2022. This marks a shift towards the products we've invested in signifying a milestone where we now constitute most of our revenue.



2024 FINANCIAL GUIDANCE

Revenue



DKK 59 - 68m

EBITDA



DKK 11 - 15m

EBT



DKK 2 - 6m



2024 OUTLOOK & GUIDANCE

The primary goals for 2024 are all related to the Transport Series and the code framework:

- Launch Energy Manager (April). We expect Energy Manager to be a minor title, but it tests exciting features that can positively impact earnings in the rest of the Transport series.
- Launch Truck Manager (mid-year). This game could attract a large player base, as truck simulators have historically experienced good sales.
- Scale the top and bottom lines of Airline Manager, Shipping Manager, and Train Manager. Several major features are coming, especially for Shipping and Train Manager.
- Start production of two new titles in the Transport Series.
- Strengthen our presence on the web/browser to drive more traffic and revenue to our transport games outside Google and Apple app stores. Web user payments are not subject to the 30% fee as in the app store. We have purchased managergaming.com and will explore scaling it profitably as a platform for our games.
- A successful Ranchers release might open a new business opportunity in publishing other studios' games.

Following strategic initiatives will be undertaken in 2024:

- Use AI to improve our marketing efforts and achieve higher revenue with better margins. We use heygen.ai to create large amounts of video material for user acquisition very cheaply. We also use AI to estimate the value of users better early in their game journeys.
- Use AI to save money on translations and release our games in more languages.
- Use AI to take over much of the player support for faster response times and savings.
- We need to make more effort to improve our user interface and experience. We must adapt it to different cultures to reach new markets, especially in Asia.
- Focus more on countries where we still need to be prominent.

Asset:
NovaZon F42 COD
Freight Locomotive

Game:
Train Manager





SHARE LOCKUP, OUTSTANDING OPTIONS & WARRANTS

There are currently **no shares under lockup**.

Description	Created	Strike Price	Expiration	Amount	Type
Employee Program 1	23 April 2021	8 DKK	23 April 2024	105,278	Option
Employee Program 2	23 April 2021	8 DKK	1 January 2025	307,953	Option
Warrant Program*	17 October 2023	4 DKK	16 March 2027	372,600	Warrant

* Holder: CFO Mariana Chucri, COO Theis Dinesen and employees.

Asset:
25MW Gravity Storage
tower

Game:
Energy Manager





MARKET INSIGHTS

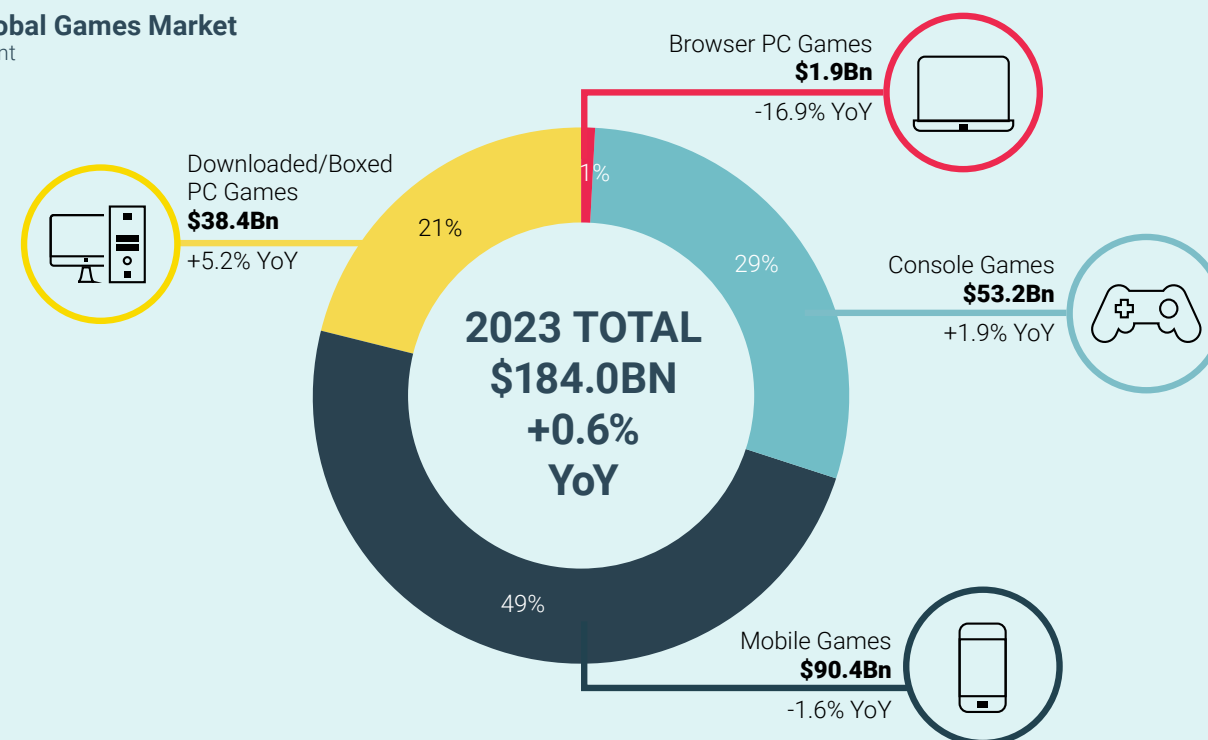
Trophy Games develops and publishes games for the global gaming market. Primarily focusing on mobile platforms, the company established a presence in North American and Western European markets. Distributing occurs mainly through digital platforms like Apple, Google, and Microsoft.

According to Newzoo's report in 2023, the projected revenue for the global gaming market was expected to reach USD 184.0 billion in 2023, reflecting a 0.6% year-over-year increase. However, the gaming market is expected to grow in the coming years. Newzoo has estimated that the gaming market will have a turnover of USD 205.7 billion by 2026, which would mean a CAGR of 1.3% during the 2021-2026 period.

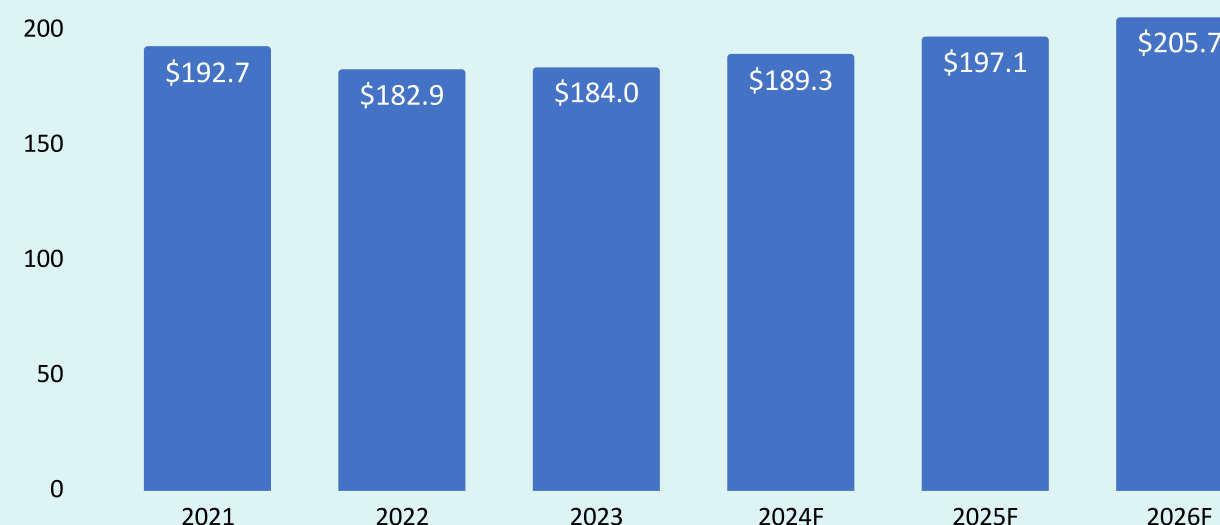
Mobile games dominate revenue distribution, constituting 49% of the global market, with a year-on-year dip of -1.6%. PC games account for 21%, experiencing a revenue increase of 5.2% in 2023. Browser-based PC games witnessed a decline of 16.9% in revenue during the same period. The console market grew by 1.9% in 2023, representing 29% of the global gaming market.

As of 2023, the global gaming community has expanded to 3.5 billion gamers worldwide, marking a growth of 5.9% compared to the previous year. The Asia-Pacific region maintains dominance, constituting 46% of the global player base, experiencing a decline of -0.8% year-over-year in 2023.

2023 Global Games Market Per segment



Global games market forecast Revenue forecasting through 2026 (in US\$ Bn)



Source: [Newzoo Global Games Market Report 2023](#)



MANAGEMENT COMMENTARY

BUSINESS SUMMARY

GOVERNANCE

FINANCIAL STATEMENTS

GOVERNANCE

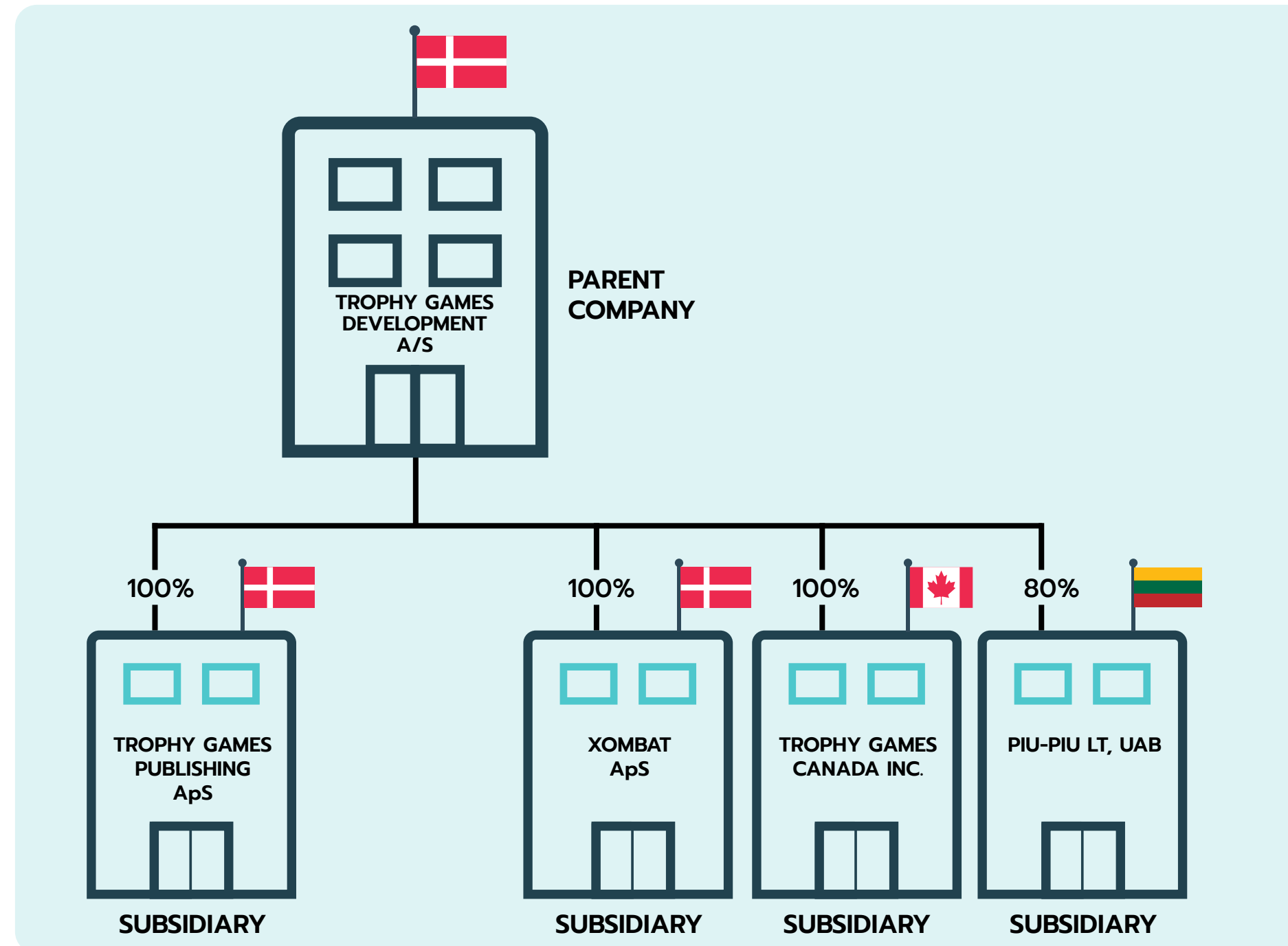


COMPANY STRUCTURE

In today's organization, the Trophy Games Group comprises five companies: Trophy Games Development A/S, Trophy Games Publishing ApS, Xombat ApS, Trophy Games Canada Inc., and PIU-PIU LT, UAB. Trophy Games Publishing, Xombat, and Trophy Games Canada are all owned as direct subsidiaries of Trophy Games Development. Trophy Games Development A/S owns 80% of the Lithuanian company PIU-PIU LT, UAB shares, which was acquired in 2022.

Trophy Games Development holds the codes and IPR for developing the respective games. Trophy Games Publishing is utilised as the distribution company. The company is responsible for the daily business management of the games and all sales and marketing.

Three of the subsidiaries of Trophy Games Group are located at the company headquarters in central Copenhagen, Denmark. Trophy Games Canada Inc., a Canadian Company with no employees, is situated in London, Ontario. PIU-PIU LT, UAB is based in Vilnius, Lithuanian. Trophy Games also has a small office in Odense where a few full-time employees work.





BOARD OF DIRECTORS

Shares owned: 4,425,027 (16.03%) on 31 December 2023 either directly or by wholly or partly owned companies.

Profession: Serial entrepreneur and investor.

Description: Jan Dal Lehrmann has a significant career within entrepreneurship with several successful investments and exits in companies such as Bilbasen, Autobutler, Bazoom, Actimo, and Benjamin Media.

For the past ten years, Jan has, through active board roles, been dedicated to helping and investing in startups with a focus on culture, strategy, and internationalization.

Other key positions: Board member in Normal A/S, Plecto, Softpay, Vuffeli, Estaldo, and Formula Auto.

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



Jan Dal Lehrmann
Chairman

Rene Eghammer shares owned: 31,375 (<0.1%) on 31 December 2023, either directly or by wholly or partly owned companies.

Karsten Ree Holding shares owned: 4,425,027 (16.03%) on 31 December 2023, either directly or by wholly or partly owned companies.

Profession: CEO of Karsten Ree Holding.

Description: Rene Eghammer has 15 years of experience in the auditor industry, followed by eight years at Carlsberg Group, covering various positions within finance, business controlling, and M&A.

Today, Rene focuses on business development and optimization of existing portfolio companies at Karsten Ree Holding and is responsible for the M&A activities within the Karsten Ree Holding Group.

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



Rene Eghammer
Board member

Shares owned: 1,450 (< 0.1%) on 31 December 2023 either directly or by wholly or partly owned companies.

Profession: Lawyer at Moalem Weitemeyer Advokatpartnerselskab.

Description: Pernille Nørkær is a qualified Danish lawyer with over 15 years of experience advising Danish and multinational companies. As a lawyer, Pernille has been working with many Danish and international companies within the retail, entertainment, sports, esports, and online gambling industries. From 2005 to 2008, Pernille was in-house counsel in the Danish-listed sport and entertainment group Parken Sport & Entertainment A/S.

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

Educational background: Master of Laws, University of Copenhagen.



Pernille Nørkær
Board member

Shares owned: 7050 (<0.1%) on 31 December 2023, either directly or by wholly or partly owned companies.

Profession: Chief Executive Officer, Advisor and Investor.

Description: Johan Eile is an accomplished leader with a wealth of experience, having played pivotal roles in shaping strategic directions, fostering revolutionary revenue expansion, and upholding meticulous operational precision within executive teams at globally renowned companies such as THQ and Ubisoft. After selling the company he co-founded Kabam, he dedicated his expertise as an advisor, board member, and angel investor across multiple startup ventures. His fervor lies notably in assisting enterprises at the crossroads of technology and entertainment, reflecting his profound commitment to this dynamic convergence.

Other positions: Board member at Norsfell Games, Limited Partner at Play Ventures and Staircase Ventures, Founder at Smultron Ventures.

Educational background: Bachelor of Commerce from Concordia University in Montreal, Canada.



Johan Eile
Board member



MANAGEMENT

The areas of responsibility between Søren Gleie and Daniel Luun are meticulously balanced, with continuous communication between the two executives. Søren leads the company's overall strategy, partnerships, mergers and acquisitions (M&A), the technology department, and the marketing team. He maintains daily contact with the Chief Marketing Officer (CMO), Chief Technology Officer (CTO), Chief Operating Officer (COO), and Chief Financial Officer (CFO).

Daniel leads game planning, management task assignments, and regular interaction with the coding and graphics departments. He oversees analytics, support, and community management, communicating closely with the Head of Analytics and the Support & Community Manager.

Mariana Chucrí joined Trophy Games in October 2021 as CFO, assuming a critical role in the company's financial operations and strategic decision-making. She leads on all financial matters within the company and brings a valuable perspective to the executive team.

Executive Management

Søren Gleie, CEO & Founder

Daniel Luun, CEO at Trophy Games Publishing

Mariana Chucrí, CFO

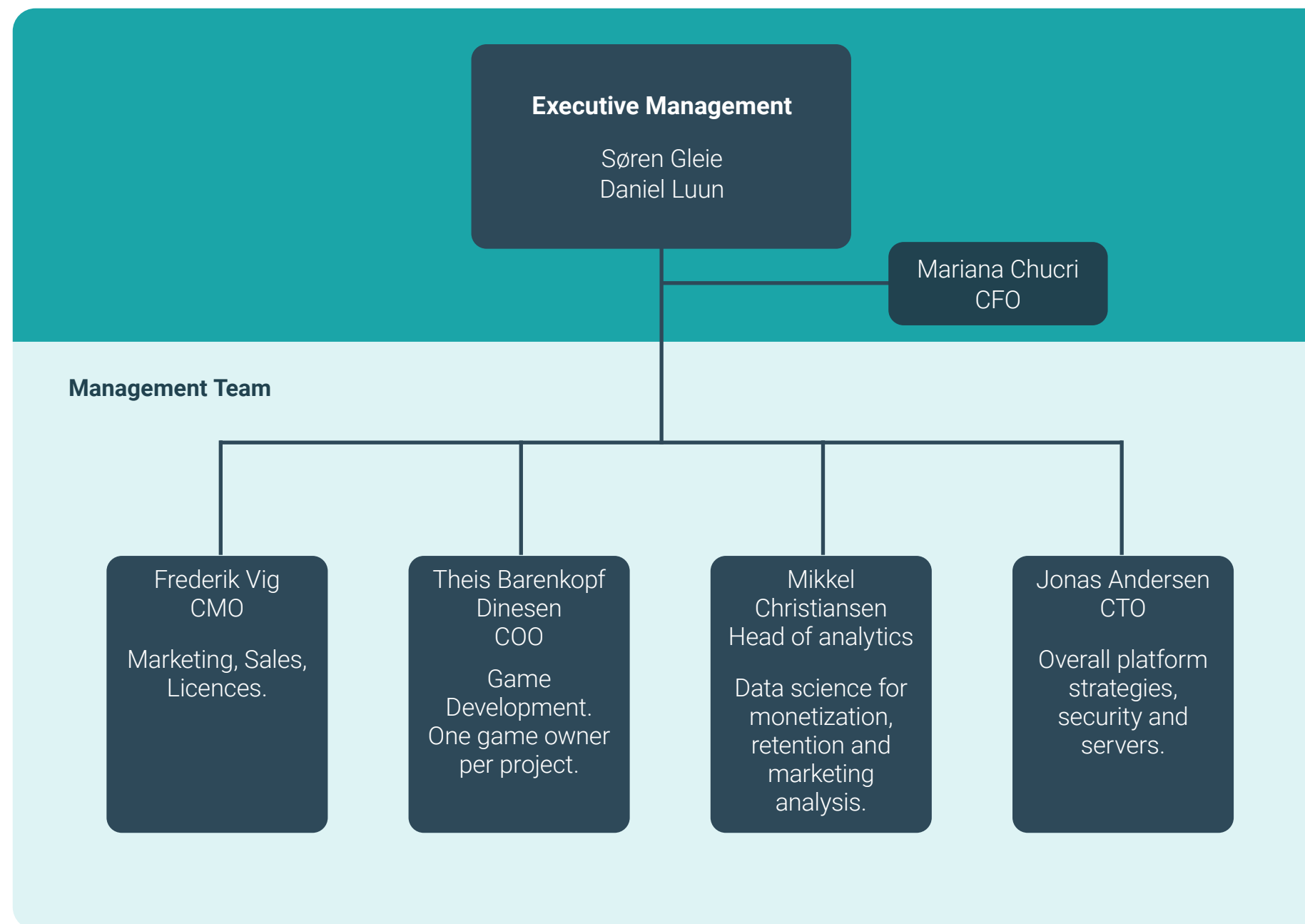
Management team

Jonas Andersen, CTO

Mikkel Christensen, Head of Analytics

Theis Barenkopf Dinesen, COO

Frederik Vig, CMO





BOARD PRACTICES AND GOVERNANCE

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

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

Joining the board in 2023, Johan Eile's lengthy background as an operator and video game developer strengthens and expands the board's domain expertise. With over 20 years of building studios and producing games across platforms, genres, and business models, Johan supports the leadership team with expertise and a network.

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





ENVIRONMENT & SOCIAL RESPONSIBILITY HIGHLIGHTS

At Trophy Games, we have always held the social aspects of an excellent work-life in very high regard. However, as the company has matured, so has the managerial focus on the environmental impact of running a striving game business.

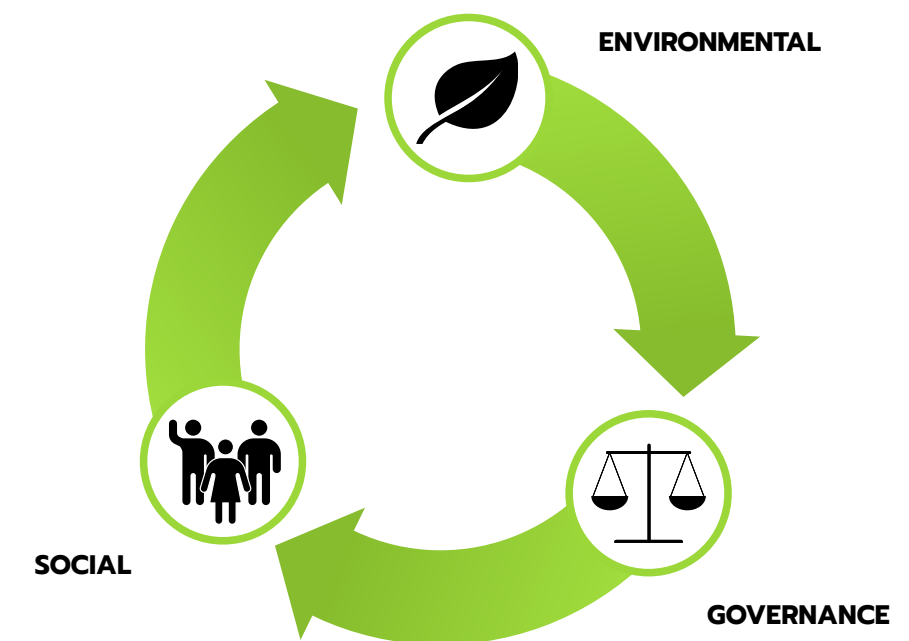
For years, this focus has meant that our servers have all been running on 100% renewable energy. Still, this year, we have stepped up our environmental focus another notch and can thus proudly say that we are now actively striving to go beyond being carbon neutral towards a net zero organization.

Environment

This year, we have conducted the most comprehensive CO₂ emissions mapping in our history. With UK-based Supercritical, we have conducted a GHG Protocol standardised organizational-wide mapping of our total CO₂ emissions - including aspects like each employee's commute to and from work and the energy involved in our marketing and distribution activities through suppliers like Google and Apple.

Together with Supercritical, we have also taken action on our new insights, and thus we can proudly say that:

- Trophy Games comprehensively measured their scope 1-3 emissions including a deep dive into their supply chain.
- Trophy Games's scope 1 - 3 carbon footprint is 278 tonnes. Alongside working on deep reductions in CO₂ emissions, **Trophy Games removed 100% of emissions through nature-based carbon removal.**
- Trophy Games purchased 250 tonnes of carbon removal from afforestation (90% of emissions) and 28 tonnes from biochar (10% of emissions).
- The carbon dioxide sequestered via afforestation will be stored for approximately 30 years, and the carbon removal sequestered via biochar will be stored for over 100 years.
- As a result, Trophy Games is a carbon-neutral company and has made the first steps towards net zero by purchasing durable carbon removal in the form of biochar.



Trophy Games are historically carbon-neutral since the company was founded in 2006.



ENVIRONMENT & SOCIAL RESPONSIBILITY HIGHLIGHTS

Social

Emphasizing the social aspects of a wonderful work life is old news in Trophy Games. We have loads of activities throughout the year, ranging from big seasonal parties through casual board game evenings to more physical activities such as participation in the yearly DHL run.

But even more importantly, from an everyday perspective, is the fact that work-life balance is not just a buzzword here at Trophy Games. It is something we strongly believe in and underline the importance of for all our employees - and the positive results keep showing from our approach:

- We have an extremely high employee retention rate, with only one resignation in 2023
- We have a very low sick-day percentage for the year of only 2,59%
- We have gotten four new trophy babies during 2023

Team & Culture

At Trophy Games, we use our extensive expertise and intellectual property to drive innovation in game development. With a highly skilled team, cutting-edge technologies, and a culture of collaboration, we craft captivating gaming experiences that resonate with audiences worldwide.

Governance

As an aligned management team, we continuously consider our business-driven decisions' social and environmental aspects.

An example: We know from our Supercritical report that Google Ads is a major contributor to our overall CO2 emissions, but we have deemed this a business-critical expense. Thus, we continue advertising our games as we have to balance the negatives of CO2 emissions up against the positives of being able to promote our games and, therefore, stay in business overall.

To summarize our ESG efforts: We regard sustainability as people, planet, and profit coming together in an alliance that all together contributes to a better life, near and far.





COMPANY INFORMATION

Trophy Games is a data- and business-driven game company with a no-bullshit mentality. We build games around real-world interests to immerse players in their passion online!

Company Information

Trophy Games Development A/S
Mikkel Bryggers Gade 4, 2nd floor
1460 Copenhagen K, Denmark

Website: www.trophy-games.com

Email: corporate@trophy-games.com

CVR No 29240299

Established 5 January 2006

Municipality of domicile: Copenhagen, Denmark

Financial year: 1 January - 31 December

Board of Directors

Jan Dal Lehrmann

René Eghammer

Pernille Nørkær

Johan Eile

Executive Board

Søren Westrup Gleie

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Nobelparken Jens Chr. Skous Vej 1

8000 Aarhus C, Denmark

Certified Adviser

Norden CEF A/S

Kongevejen 365

2840 Holte, Denmark

Name usage explained

Trophy Games = Group

Trophy Games Development = Parent

Trophy Games Publishing = Subsidiary

Xombat = Subsidiary

Trophy Games Canada = Subsidiary

Piu-Piu LT, UAB = Subsidiary

Financial Calendar

21/02/2024 - Annual Report 2023

20/03/2024 - Annual General Meeting

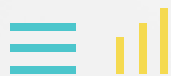
25/04/2024 - Quarterly Update Q1 2024

14/08/2024 - Half-year report 2024

24/10/2024 - Quarterly Update Q3 2024



FINANCIAL STATEMENTS



FINANCIAL STATEMENT REVIEW

PRIMARY ACTIVITIES

The company's activities comprise developing, manufacturing, publishing, and selling online games for computers, tablets, mobiles, and related products and directly or indirectly conducting other business related hereto in the opinion of the Board of Directors.

Revenue and Gross Profit

Trophy Games' group revenue in 2023 increased by 8% compared to the previous year and amounted to DKK 54.4m (2022: 50.6m). The growth was driven by the launch of additional games in the Transport Series, in which the total revenue of the series grew 34%, reaching DKK 37.1m. Gross profit surged by 22%, amounting to DKK 30.4m (2022: 24.8m).

Costs and expenses

Direct costs, including payment fees and hosting, reached DKK 13.8m in 2023 (2022: 11.9m), constituting 25% of total revenue.

In the same period, other external costs decreased by 5% compared to 2022, reaching DKK 20.4m (2022: 21.5m). These costs cover development, marketing, and administrative expenses. Development costs were unchanged in 2023, totaling DKK 1.1m (2022: 1.1m). The reduction of marketing costs of 10% amounted to DKK 13.3m (2022: 14.7m), primarily contributing to the overall decline in other operational costs. Total administrative costs remained unchanged at DKK 5.5m (2022: 5.6m).

Staff costs 2023 amounted to DKK 19.5m, reflecting a 14% increase from the previous year (2022: 17.1m). The expansion of the team within Trophy Games drove this uptick.

Moreover, depreciation, amortisation, and impairment costs in 2023 amounted to DKK 7.4m (2022: 24.2m),

marking a decrease of DKK 16.7m attributed to the impairment cost incurred in 2022.

Impairment cost

In 2023, impairment cost amounted to DKK 1.9m (2022: 16.2m) for intangible assets, which is attributed to the unsuccessful development of a new project. The cost was included in the total depreciation and amortisation line in the income statement.

EBITDA

EBITDA reached DKK 11.3m in 2023, demonstrating a 26% increase compared to the previous year (2022: 8.9m). The EBITDA margin for the year was 21%, indicating a 3% improvement compared to 2022.

EBT, Net Profit and Group Equity

EBT for 2023 amounted to DKK 3.1m, a 119% increase from the previous year (2022: -16.8m). The EBT margin for the year was 6%. The group and parent companies achieved a net profit of DKK 2.2m. As of 31st December 2023, the group's equity stood at DKK 52.4m (2022: 51.9m).

Cash flow

Available cash and cash equivalents as of December 31, 2023, amounted to DKK 24.7m, saw a decrease of DKK 3.6m from the year-end 2022. This reduction is impacted by the investment in intangible assets and the implementation of the Buyback share program.

Operating activities

Cash generated from operating activities reached DKK 11.2m in 2023, compared to DKK 3.7m in 2022. This growth of 7.5m is attributed to the positive impact of operating profit.

The profit for the year increased from a loss of DKK -12.5m in 2022 to a profit of DKK 2.2m in 2023. The non-cash operating items in 2023 were DKK 8.7m compared to DKK 20.2m; this decrease was mainly caused by the impairment cost of DKK 16.2m in 2022. Total Cash flow from operating activities before financial items in 2023 was DKK 7.2m (2022: 2.1m). Moreover, the corporation tax received increased in 2023 was DKK 4.3m compared to DKK 2.0m in 2022.

Investing activities

Cash flow from investing activities amounted to DKK 13.2m in 2023 (2022: 13.2m), and was directed towards gaming projects, including the acquisition of Idle Necromancer and Transit King Tycoon.

Financing activities

Cash flow from financing activities totaled DKK 1.6m and was associated with the new buyback program in 2023. Trophy Games repurchased 404,930 of its shares at an average price of DKK 4.06.

OTHER DISCLOSURES

Mergers and acquisitions

In strategic moves, Trophy Games expanded its portfolio by acquiring Idle Necromancer for DKK 1m from Gaothamster in cash, and Transit King Tycoon for DKK 1.3m in cash showcasing its commitment to growth and diversification.



FINANCIAL STATEMENT REVIEW

RISKS ASSESSMENT

Trophy Games faces operational challenges that could impact its future trajectory and performance. These challenges range from potential delays in game releases, technological advancements, dependence on crucial personnel, and tax implications, to geopolitical uncertainties associated with its international operations.

User Acquisition and Competitive Landscape

The precision of our profit models plays a critical role in user acquisition, directly influencing the company's bottom line. The advent of competitive titles and shifts in the gaming market landscape pose risks to marketing expenditures, revenue generation, and overall profitability. Furthermore, evolving regulatory and distributor policies across different jurisdictions present variable risks in both the immediate and extended future.

International Operations and Currency Risk

Our operations span multiple currency zones, including the Danish Kroner, EURO, and U.S. Dollar, subjecting us to notable currency fluctuation risks that could adversely affect our financial results.

Ongoing Risk Evaluation

Despite these challenges, Trophy Games maintains robust liquidity and cash flow positions, supporting a positive outlook for profit and strategic growth. Our periodic risk assessments have not identified any significant changes in the risk landscape recently.

Platform Dependence

A considerable portion of our revenue is derived from major digital distribution platforms such as Google Play Store, Apple's App Store, and Steam. Given our limited leverage in negotiating terms, changes in

platform policies represent a persistent risk. While no immediate changes are foreseen, the potential for future modifications remains a concern.

Launching New Games

Launching new games is inherently uncertain. Despite Trophy Games' extensive industry experience and data analysis capabilities, predicting new game success is challenging. New titles can either fail or succeed remarkably. We've budgeted conservatively for these games, but the risk of limited success persists.

Talent and Growth

The competitive nature of the gaming industry poses challenges in attracting and retaining top talent. While we successfully expanded our team in 2023, the escalating demand for skilled professionals may complicate future recruitment and retention efforts as we continue to grow.

Compliance with Regulatory Standards

The gaming sector is regularly subject to regulatory changes, such as those seen with the GDPR and the scrutiny over gaming mechanics like loot boxes. Trophy Games has adeptly navigated past regulatory shifts, yet the prospect of new regulations remains an ongoing risk. Heading into 2024, we remain committed to vigilant monitoring and adaptation to regulatory changes, ensuring preparedness and responsiveness as part of our comprehensive risk management strategy.

Measurement & Valuations

Given that Trophy Games invest resources into developing and acquiring valuable intellectual property rights and licenses for its games, determining the appropriate valuation for these assets can be challenging. This is particularly true in the dynamic and rapidly evolving gaming industry where the value of

intellectual property can fluctuate based on factors such as market demand, technological advancements, and changes in consumer preferences.

Impairment Risks

Trophy Games, having capitalised on development costs for new game titles, faces impairment risk if unexpected market factors lead to lower-than-anticipated sales and revenue. This could shorten the expected revenue-generating period, triggering impairment indicators for the capitalised assets. In such cases, Trophy Games may need to conduct impairment tests to assess whether the carrying amount of these assets exceeds their recoverable amount, potentially resulting in write-downs and recognition of impairment losses in the income statement. To mitigate these risks, the company should regularly review and reassess the carrying amount of capitalised development costs, considering factors such as market conditions and technological advancements, while ensuring transparent disclosure of underlying assumptions and judgments in financial reporting.





INCOME STATEMENT

k DKK	Note	Group		Parent	
		2023	2022	2023	2022
Revenue		54,155	50,188	25,347	24,954
Other operating income		280	400	1,737	1,728
Capitalised salary costs		10,176	7,744	10,176	7,744
Direct costs		(13,832)	(11,995)	0	0
Other external costs		(20,382)	(21,507)	(14,635)	(19,149)
Gross profit		30,397	24,830	22,625	15,277
Staff costs	1	(19,459)	(17,086)	(14,036)	(12,654)
Depreciation, amortisation and impairment costs		(7,456)	(24,210)	(4,152)	(21,389)
Income from operating activities		3,482	(16,466)	4,437	(18,766)
Income from subsidiaries after tax		0	0	(900)	1,574
Financial income	2	145	0	37	0
Financial expenses	3	(481)	(396)	(157)	(173)
Profit before tax		3,146	(16,862)	3,417	(17,365)
Tax on income for the year	4	(905)	4,382	(822)	4,891
Profit for the year		2,241	(12,480)	2,595	(12,474)
<u>The group results are distributed as follows:</u>					
Shareholders of Trophy Games		2,595	(12,474)		
Net income attributable to the minority interest		(354)	(6)		
		2,241	(12,480)		



BALANCE SHEET 31ST DECEMBER

		Group		Parent	
k DKK	Note	2023	2022	2023	2022
Development projects under construction	5	6,166	4,857	6,166	4,857
Completed development projects	5	19,330	14,576	9,326	0
Total intangible fixed assets		25,496	19,433	15,492	4,857
Fixtures and fittings, tools and equipment		218	500	217	499
Total property, plant and equipment	5	218	500	217	499
Investments in subsidiaries	6	0	0	18,287	19,725
Deposits		754	753	754	753
Total financial assets		754	753	19,041	20,478
Deferred tax assets	8	0	930	0	930
Total non-current assets		26,468	21,616	34,750	26,764
Receivables from sales and service		4,700	4,086	0	504
Receivables from group enterprises		0	0	15,146	21,075
Corporation tax receivable		0	2,697	1,722	0
Other receivables	9	6,183	3,159	501	240
Total Receivables		10,883	9,942	17,369	21,819
Cash at bank and in hand		24,719	28,265	5,380	5,552
Total current assets		35,602	38,207	22,749	27,371
Total assets		62,070	59,823	57,499	54,135

		Group		Parent	
k DKK	Note	2023	2022	2023	2022
Share capital	7	552	552	552	552
Exchange rate		(74)	0	0	0
Reserve for development costs		0	0	12,083	3,787
Reserve for revaluation of subsidiaries		0	0	666	1,647
Retained earnings		52,392	51,642	39,444	45,891
Total equity		52,870	52,194	52,745	51,877
Minority interest on subsidiaries		(478)	(323)	0	0
Total equity and minority		52,392	51,871	52,745	51,877
Deferred tax liabilities	8	4,820	3,391	2,434	0
Total non-current liabilities		4,820	3,391	2,434	0
Credit institutions		94	0	94	0
Trade payables		1,076	921	734	2,258
Corporation tax		327	0	0	0
Other payables		3,361	3,640	1,492	0
Total current liabilities		4,858	4,561	2,320	2,258
Total liabilities		9,678	7,952	4,754	2,258
Total equity and liabilities		62,070	59,823	57,499	54,135

Special Items	10	Adjustments for non-cash operating items, etc	15
Contingent liabilities	11	Changes in net working capital	16
Collateral	12	Accounting fees	17
Distribution of profit for the year	13	Accounting policies	18
Related Parties	14		



STATEMENT OF CHANGES IN EQUITY

k DKK	Group				
	Share capital	Exchange rate	Retained earnings	Minority Interest	Total
Equity at 1st January 2022	552	0	63,799	0	64,351
Addition from acquired companies	0	0	317	(317)	0
Distribution of profit for the year	0	0	(12,474)	(6)	(12,480)
Equity at 31st December 2022	552	0	51,642	(323)	51,871
Equity at 1st January 2023	552	0	51,642	(323)	51,871
Other equity adjustments	0	0	(199)	199	0
Treasury Shares	0	0	(1,646)	0	(1,646)
Exchange rate	0	(74)	0	0	(74)
Distribution of profit for the year	0	0	2,595	(354)	2,241
Equity at 31st December 2023	552	(74)	52,392	(478)	52,392

k DKK	Parent				
	Share capital	Retained earnings	Reserve for development costs	Reserve for revaluation of subsidiaries	Total
Equity at 1st January 2022	552	51,992	11,582	225	64,351
Distribution of profit for the year	0	(6,101)	(7,795)	1,422	(12,474)
Equity at 31st December 2022	552	45,891	3,787	1,647	51,877
Equity at 1st January 2023	552	45,891	3,787	1,647	51,877
Treasury Shares	0	(1,646)	0	0	(1,646)
Exchange rate	0	(8)	0	(74)	(82)
Distribution of profit for the year	0	(4,794)	8,296	(907)	2,595
Equity at 31st December 2023	552	39,444	12,083	666	52,745



CASH FLOW STATEMENT

k DKK	Notes	Group	
		2023	2022
Profit for the year		2,241	(12,480)
Adjustments for non-cash operating items, etc.	15	8,697	20,224
Changes in net working capital	16	(3,673)	(5,632)
Cash flow from operating activities before financial items		7,265	2,112
Interests received		145	0
Interests paid		(481)	(396)
Cash flow from ordinary activities		6,929	1,716
Corporation tax, received		4,313	2,010
Cash flow from operating activities		11,242	3,726
Purchase of intangible fixed assets		(13,236)	(11,115)
Purchase of tangible fixed assets		1	(1)
Acquisitions of subsidiaries		0	(2,101)
Changes in deposits		(1)	0
Cash flow from investing activities		(13,236)	(13,217)
Change in short-term debt to credit institution		94	0
Purchase of treasury shares		(1,646)	0
Cash flow from financing activities		(1,552)	0
Net cash flow for the year		(3,546)	(9,491)
Cash at bank and in hand beginning of the year		28,265	37,756
Cash at bank and in hand at end of the year		24,719	28,265



NOTES

1. STAFF COSTS

	Group		Parent	
k DKK	2023	2022	2023	2022
Wages and salaries	18,787	16,464	13,469	12,177
Pensions	3	36	0	14
Other social security costs	153	115	97	85
Other staff costs	516	471	469	378
Staff costs, gross total	19,459	17,086	14,036	12,654
Average number of employees	41	39	28	25

Wages and salaries accrued by Executive Management and the Supervisory Board is disclosed a whole in accordance with §98b in the Danish Financial Statements Act.

Staff costs include wages and salaries accrued by Executive Management and the Supervisory Board in the amount DKK 1,087k. (2022: DKK 875k)

The Group's management is part of a long-term incentive program that involves an option to acquire shares in the company up to a total 0.48% of the share capital. Warrants can be exercised at a strike price of DKK 4.00 per share of nominally DKK 0.02 in ordinary exercise periods four weeks after the Company announces annual and interim financial reports.

The exercise price equals a calculated net asset value at the time of acquisition. The exercise period for this program ends on 21st April 2024. The incentive program is not recognised in the Financial Statements.

Warrant Program: The warrant program provides the holders with the right to subscribe for up to 372,600 shares in the Company at a nominal value of DKK 0.02 per share, corresponding to a total nominal capital increase of up to DKK 7,452.

Date of program started: 17-Oct-23
Number of Potential Warrants: 372,600 warrants issued.
Exercise Price: 4DKK

Any Conditions for Use:

Annual vesting over a three-year period.

Exercise periods tied to financial report announcements.

Additional conditions related to specific events (removal from trading, liquidation, etc.).

Warrants not used within 41 months automatically lapse.

Holders:

CFO Mariana Chucri, COO Theis Dinesen and other employees.

2. FINANCIAL INCOME

	Group		Parent	
k DKK	2023	2022	2023	2022
Other financial income	145	0	37	0
	145	0	37	0

3. FINANCIAL EXPENSES

Other financial expenses	(481)	(396)	(157)	(173)
	(481)	(396)	(157)	(173)

4. TAX ON INCOME FOR THE YEAR

Current tax	(190)	(208)	620	922
Adjustment of deferred tax for the year	(716)	2,609	(1,442)	1,981
Adjustment of tax from previous years	1,921	1,981	1,921	1,988
Adjustment of deferred tax concerning previous years	(1,921)	0	(1,921)	0
	(905)	4,382	(822)	4,891



NOTES

5. INTANGIBLE ASSETS

	Group		Parent	
k DKK	Develop- ment proj- ects under construction	Completed develop- ment projects	Develop- ment proj- ects under construction	Completed develop- ment projects
Cost price, 1 January 2023	4,857	44,289	4,857	25,023
Additions	12,160	1,076	12,160	2,344
Disposals	0	0	0	0
Transfers	(8,869)	8,869	(8,869)	8,869
Cost price, 31 December 2023	8,148	54,234	8,148	36,236
Amortisation, 1 January 2023	0	29,713	0	25,023
Amortisation	0	5,191	0	1,888
Impairment cost	1,982	0	1,982	0
Disposals	0	0	0	0
Amortisation, 31 December 2023	1,982	34,904	1,982	26,910
Carrying amount, 31 December 2023	6,166	19,330	6,166	9,326

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

5. TANGIBLE ASSETS

	Group		Parent	
k DKK	Leasehold improve- ments	Fixtures and fittings, tools and equipment	Leasehold improve- ments	Fixtures and fittings, tools and equipment
Cost price, 1 January 2023	638	211	638	210
Additions	0	1	0	1
Disposals	0	0	0	0
Cost price, 31 December 2023	638	212	638	211
Amortisation, 1 January 2023	248	101	248	101
Amortisation	213	70	213	70
Disposals	0	0	0	0
Amortisation, 31 December 2023	461	171	461	171
Carrying amount, 31 December 2023	177	41	177	40



NOTES

6. INVESTMENTS IN SUBSIDIARIES

k DKK	2023	2022
Cost price, 1 January	17,157	15,056
Additions	32	2,101
Cost price, 31 December	17,189	17,157
Value adjustments, 1 January	2,568	225
Income for the year	1,677	1,574
Exchange Adjustments	(74)	0
Amortisation of development projects	(2,577)	0
Other adjustments	(928)	769
Value adjustments, 31 December	666	2,568
Equity investments with negative net asset value amortised over receivables	432	0
Carrying amount, 31 December 2023	18,287	19,725
Positive differences arising on initial measurement of subsidiaries at net asset value	0	3,365

Name	Registered in	Voting and ownership share
Trophy Games Publishing ApS	Copenhagen, Denmark	100 %
Xombat ApS	Copenhagen, Denmark	100 %
Trophy Games Canada Inc.	Ontario, Canada	100 %
PIU-PIU LT, UAB	Vilnius, Lithuanian	80 %

7. SHARE CAPITAL

The share capital consists of 552,000 share of DKK 100 nominal value and is paid up in full.

No shares have special rights.

8. DEFERRED TAX

	Group		Parent	
k DKK	2023	2022	2023	2022
1 January	2,463	4,120	(930)	1,058
Adjustment of deferred tax for the year	2,439	(2,606)	3,166	(1,988)
Adjustment of deferred tax for the previous year	198	0	198	0
Adjustment of deferred tax for subsidairies	(280)	949	0	0
31 December	4,820	2,463	2,434	(930)

9. OTHER RECEIVABLES

	Group		Parent	
k DKK	2023	2022	2023	2022
Amount of which is due for payment less than 1 year after the end of the financial year	2,827	626	501	240
Amount of which is due for payment more than 1 year after the end of the financial year	3,356	2,533	0	0
Total	6,183	3,159	501	240

10. SPECIAL ITEMS

	Group		Parent	
k DKK	2023	2022	2023	2022
Impairment of development project	1,982	16,206	1,982	16,206
Total	1,982	16,206	1,982	16,206

As mentioned in Management commentary, the result for 2023 is affected negatively by impairment costs on two completed projects amounting to DKK 1,982k (2022: DKK 16,206k). The projects relate to the development of True Crime and Warhammer AoS: Soul Arena. Management considers these special items.



NOTES

11. CONTINGENT LIABILITIES

The parent company participates in joint taxation with its Danish subsidiary. The companies bear unlimited joint and several liability for Danish corporation tax and tax at source on dividends, interest and royalties within the joint taxation scheme. Any subsequent adjustment of the income subject to joint taxation or tax at source on dividend etc. could result in an increase of the companies' liability.

The lease liabilities related to the rental agreement in Copenhagen, for the entire lease term up to the earliest termination date by the tenant (February 1, 2025), amount to approximately DKK 2,191k.

12. COLLATERAL

The Group and the parent company has not provided collateral.

13. DISTRIBUTION OF PROFIT FOR THE YEAR

	Parent	
k DKK	2023	2022
Proposed profit appropriation:		
Reserve for development costs	8,296	(7,795)
Reserve for revaluation of subsidiaries	(907)	1,422
Retained earnings	(4,794)	(6,101)
	2,595	(12,474)

14. RELATED PARTIES

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

During 2020 the Group has repaid loans from shareholders and management including interest.

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

15. ADJUSTMENTS FOR NON-CASH OPERATING ITEMS, ETC

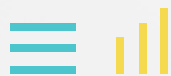
	Group	
k DKK	2023	2022
Financial income	(145)	0
Financial expenses	481	396
Depreciation and amortisation	7,456	24,210
Tax on income for the year	905	(4,382)
	8,697	20,224

16. CHANGES IN NET WORKING CAPITAL

Changes in receivables	(3,639)	(2,157)
Changes in current liabilities	(34)	(3,475)
	(3,673)	(5,632)

17. ACCOUNTING FEES PRICewaterhouseCOOPERS

	Group		Parent	
k DKK	2023	2022	2023	2022
Statutory audit	174	275	121	225
Total	174	275	121	225



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18. ACCOUNTING POLICIES

The 2023 Annual Report of Trophy Games Development has been prepared in accordance with the provisions applying to reporting class B enterprises, with selected provisions for reporting class C medium, in accordance with the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year. There has been reclassification for comparative purposes since last year.

The Consolidated and Parent Company Financial Statements for 2023 are presented in k DKK.

Recognition and measurement

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

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

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

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

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

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

Transaction policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

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



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Consolidated financial statements

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

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

Minority interest

On initial recognition, minority interests are measured at the fair value of the minority interests' share of ownership.

Goodwill relating to the minority interests' share in the acquired company is recognised.

Business combinations

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

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred. Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income

statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition.

These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement. In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

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

Incentive schemes

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

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



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INCOME STATEMENT

Revenue

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

Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including consultancy services, gains and losses on the sale of intangible assets and property, plant and equipment.

Direct costs

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

Other external costs

Other external expenses comprise expenses for administration, etc.

Staff costs

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

Results of investments in subsidiaries

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to tangible assets, plant and equipment, intangible assets and right-of-use assets comprise depreciation and amortisation.

Financial income and expenses

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

Tax on income for the year

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

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

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

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

BALANCE SHEET

Intangibles assets

Development projects relate to software that supports the development of games. Development projects that are clearly defined and identifiable are recognised as intangible assets if it is probable that the development project will generate future economic benefits to the group and the development costs



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of the individual asset can be measured reliably. Other development costs are recognised as costs in the statement of income as they are incurred.

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

Completed development projects are amortised on a straight-line basis over the estimated life, which is estimated to be 3-10 years. Development projects are written down to a possible lower recoverable amount, cf. the section on impairment of assets below.

Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Property, plant and equipment are depreciated on a straight line basis over the estimated useful life, which is estimated to be three years.

FINANCIAL ASSETS

Investments in subsidiaries

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

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0 and any receivables from these companies will be impaired

to the extent the receivable is deemed non-collectable. To the extent the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable; the balance will be recognised under accruals. If Trophy Games Development has a legal or actual obligation to the company's deficit, an allocated commitment will be included to this.

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

Impairment of non-current assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Other non-current assets

Other non-current assets consist of deposits. Other non-current assets are measured at cost less any impairment following an individual assessment.



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Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Group's experience from previous years.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

EQUITY

Share capital

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

Reserve for net revaluation applying the equity method

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

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

The reserve may not be recognised at a negative amount.

Reserve for development projects

The reserve for development projects comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development projects are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

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

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Dividend distribution

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

Corporate tax and deferred tax

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

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

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between accounting and tax values of assets and liabilities. However, deferred tax on temporary differences related



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to taxable nondeductible goodwill, as well as other items where temporary differences – except for acquisitions of companies – have arisen at the time of acquisition without having an effect on the income or taxable income, is not recognised. In cases where the determination of the tax value can be performed under various taxation rules, deferred tax is measured based on management's planned use of the asset, respectively, settlement of the liability.

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

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

Liabilities

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

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the cash flow statement for the group.

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

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the cash flow statement for the group.

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

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

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

Key Figures

The financial ratios have been computed as follows:

Return on equity:	$\frac{\text{Profit for the year}}{\text{Average equity}}$
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Solvency ratio:	$\frac{\text{Total equity}}{\text{Total assets}}$
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MANAGEMENT'S STATEMENT

The Executive Board has today considered and adopted the Annual Report of Trophy Games Development A/S for the financial year 1 January – 31 December 2023.

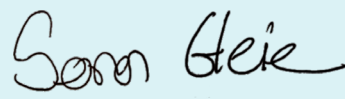
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position on 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2023.

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

Copenhagen, 21 February, 2024

EXECUTIVE BOARD


Søren Westrup Gleie
CEO

BOARD OF DIRECTORS


Jan Dal Lehrmann
Chairman


René Egghammer


Pernille Nørkær


Johan Eile



Asset: Transport series characters



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TROPHY GAMES DEVELOPMENT A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Trophy Games Development A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent

of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act. Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared

in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

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

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

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

Aarhus, 21 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33771231

Mads Meldgaard
State Authorised Public Accountant
mne24826

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