

# INITIAL PUBLIC OFFERING



FINANCIAL AND CERTIFIED ADVISER



SELLING AGENT



Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.



TROPHY GAMES Development A/S (the **"Company"** or **"TG"**) is a Danish public limited liability company incorporated under the laws of the Kingdom of Denmark with company registration number CVR 29240299.

**Initial Public Offering of between 5,000,000 and 7,412,500 New Offer Shares**  
**Offer price: DKK 8 per Offer Share**

This Company Description (the **"Company Description"**) has been prepared in connection with an application for admission to trading of the Company's existing shares (the **"Existing Shares"**) and an initial public offering (the **"Offering"**) of a minimum of 5,000,000 and a maximum of 7,412,500 of new shares (**"Offer Shares"**) of nominal DKK 0.02 each. The gross proceeds from the Offering will be between DKK 40 million for the minimum offering and DKK 59.3 million for the maximum offering. The Existing Shares and Offer Shares are jointly referred to as (the **"Shares"**) in the Company. As of the date of this Company Description (the **"Company Description Date"**), but prior to the Offering, the registered share capital of the Company is nominal DKK 400,000 and consists of 20,000,000 Existing Shares of nominal DKK 0.02 each, all of which are fully paid. The Company has one share class.

The exact number of Offer Shares will be determined after the subscription period. If a minimum of 5,000,000 Offer Shares are not subscribed during the subscription period, the Offering will not be completed. The Offering is not guaranteed, but prior to publication of this Company Description, the Company has obtained subscription undertakings for a total of DKK 30 million from pre-subscribers (the **"Pre-subscribers"**). Pre-subscribers will be allocated the full amount of subscribed shares in connection with the allocation of Offer Shares.

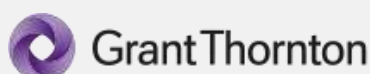
The offer price (the **"Offer Price"**) is DKK 8 per nominal DKK 0.02 Offer Share. The Offer Price is fixed. The offer period (the **"Offer Period"**) is expected to begin on 07.04.2021 and end on 20.04.2021. The Offer Shares will be delivered electronically against payment under temporary ISIN code **DK0061537123** to investors' accounts with VP Securities A/S (**"VP Securities"**). The temporary ISIN will not be applied to trading on Nasdaq First North Growth Market Denmark. The temporary ISIN will only be registered in VP for the purpose of subscribing for new shares. The temporary ISIN code will be replaced by the permanent ISIN code **DK0061537206**. It is expected that delivery against cash payment of the Offer Shares will take place on or around April 26, 2021 (the **"Closing Date"**).

Prior to the Offering, the Shares have not been publicly traded. The Company has applied for admission to trading for all Shares on Nasdaq First North Growth Market Denmark (**"First North"**) under the ticker **TGAMES**. First day of trading is expected to be on 27.04.2021. The Offer Shares will have the same rights as the Existing Shares and will rank *pari passu* in every respect.

Investing in the Offer Shares involves significant risks. Potential investors are advised to seek independent advice on legal, financial, accounting and tax matters that apply to the individual investor before deciding to invest in the Offering. Reference is made to section 4 "Risk factors" for a review of the primary risk factors that could have an impact on potential investors' investment in the Offering. The provided information regarding the outlined risk factors and the Company's historical operating performance is non exhaustive and potential investors should thus carefully consider putting disproportionate emphasis on the Company's expectations for future growth opportunities, earnings and financial position.

The distribution of this Company Description is only intended to be for the use by investors in Denmark. The distribution of this Company Description is, in certain jurisdictions, restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Company Description does not constitute an offer of or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Company Description comes shall inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, of any such restrictions.

**Certified Adviser**



**This company description is dated April 7, 2021**

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# 1. Key information about the Company

## 1.1 BACKGROUND

TROPHY GAMES is an innovative, Denmark-based game studio that develops and publishes mobile and PC games.

The Company develops and publishes games with strategy and management challenges and predominantly focuses on football-themed games. Recently, the Company has ventured into additional game genres and the suite of games to be released in 2021 include an esports manager title and an auto battler title.

Since its official inception in 2006, the Company has developed and released five different games: (i) Trophy Manager (released 2006), (ii) Football Management Ultra (released 2013), (iii) Pro 11 – Football Manager Game (released 2017), (iv) Women’s Soccer Manager (WSM) – Football Management (released 2017), and (v) Futuball – Future Football Manager Game (released 2019). Furthermore, the Company has announced its release of a sixth (FIVE) and seventh (Warhammer AoS: Soul Arena) game in 2021. All games are released in +20 different languages to ensure broad global user accessibility.

With the vision of becoming the world’s leading strategy game studio, the Company has throughout the years strived to provide endless entertainment and challenging gameplay for all users, following its mission; “we create games, we want to play ourselves”.

Since its inception, the Company has developed exponentially and has grown significantly in both staffing, game portfolio and number of users, and naturally revenue.

Currently, the Company employs 23 employees, which includes 15 developers and four marketing employees.

## 1.2 ORGANIZATION

TROPHY GAMES was founded in 2006 on the grounds of a passion for football manager games and the need to create something better than what was on the online multiplayer market. Consequently, the Company has initially established an organizational structure that caters to extensive scaling and development.

Today, the TROPHY GAMES group consists of two companies, TROPHY GAMES Development A/S and TROPHY GAMES Publishing ApS. TROPHY GAMES Publishing ApS is owned as a direct subsidiary of TROPHY GAMES Development A/S. TROPHY GAMES Development A/S owns the codes and IPR associated with the development of the respective games. TROPHY GAMES Publishing ApS is utilized as the distribution company and is the company that is responsible for the daily business management of the games as well as all sales and marketing.

Both TROPHY GAMES Development A/S and TROPHY GAMES Publishing ApS are located at the company headquarters in central Copenhagen, Denmark.

## 1.3 REASONS FOR THE OFFERING

Considering the extensive growth journey that TROPHY GAMES has experienced during recent years, both the Executive Management and the Board of Directors are focused on ensuring that the Company is in an optimal position to fully capitalize on its strong and well-established operational platform and market presence. Admittance to trading will provide TROPHY GAMES with a strong financial foundation to continue the positive development through both organic and acquisitive growth as the robust public marketplace offers access to the additional capital required to carry out one or more contemplated strategic acquisitions over the coming years.



1.4 USE OF THE PROCEEDS

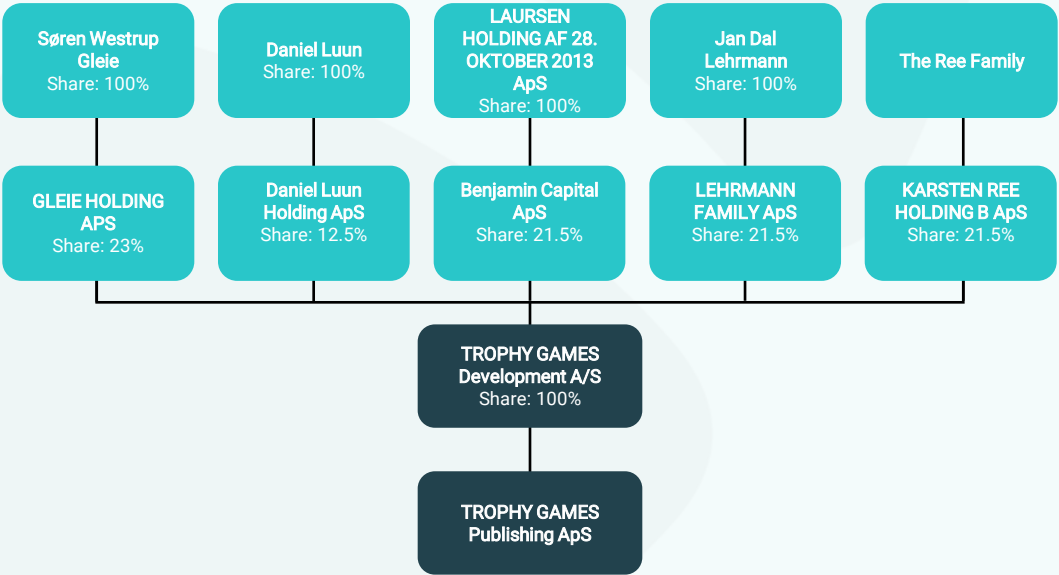
With the capital raised through the New Offer Shares issuance, TROPHY GAMES strives to further accelerate current strong business operations, game developments and organizational advancement. The Company aspires to utilize the raised capital for a wide array of initiatives that will exponentially grow the business as well as increase the market share that the Company possesses. Among such initiatives, capital will be used for:

- Acquisitions of games and game studios.** Such acquisitive growth will increase the scale of the TG brand through available synergies, publishing of external titles and cross promotion. Acquisitive growth will further support revenue development.
- Commence new game developments and production startups.** Such processes are vastly capital intensive and require ongoing investments until game launch.

- Further investments in existing game portfolio.** Such investments will strengthen the existing portfolio, promoting increased customer retention and in-app purchases.
- Data science and Artificial Intelligence.** Improve targeted marketing directly to individual players by use of artificial intelligence, hence increase in-app purchases (IAPs).
- New office and game incubator.** New office will function as a game incubator of up to five startups, enabling knowledge, feedback, creative and personnel synergies, as well as investment opportunities.
- Liquidity for user acquisitions.** Shorten user acquisition cost payback by rolling out larger and more wide-spanning marketing campaigns than is possible pre-IPO with current restriction produced by insufficient liquidity.

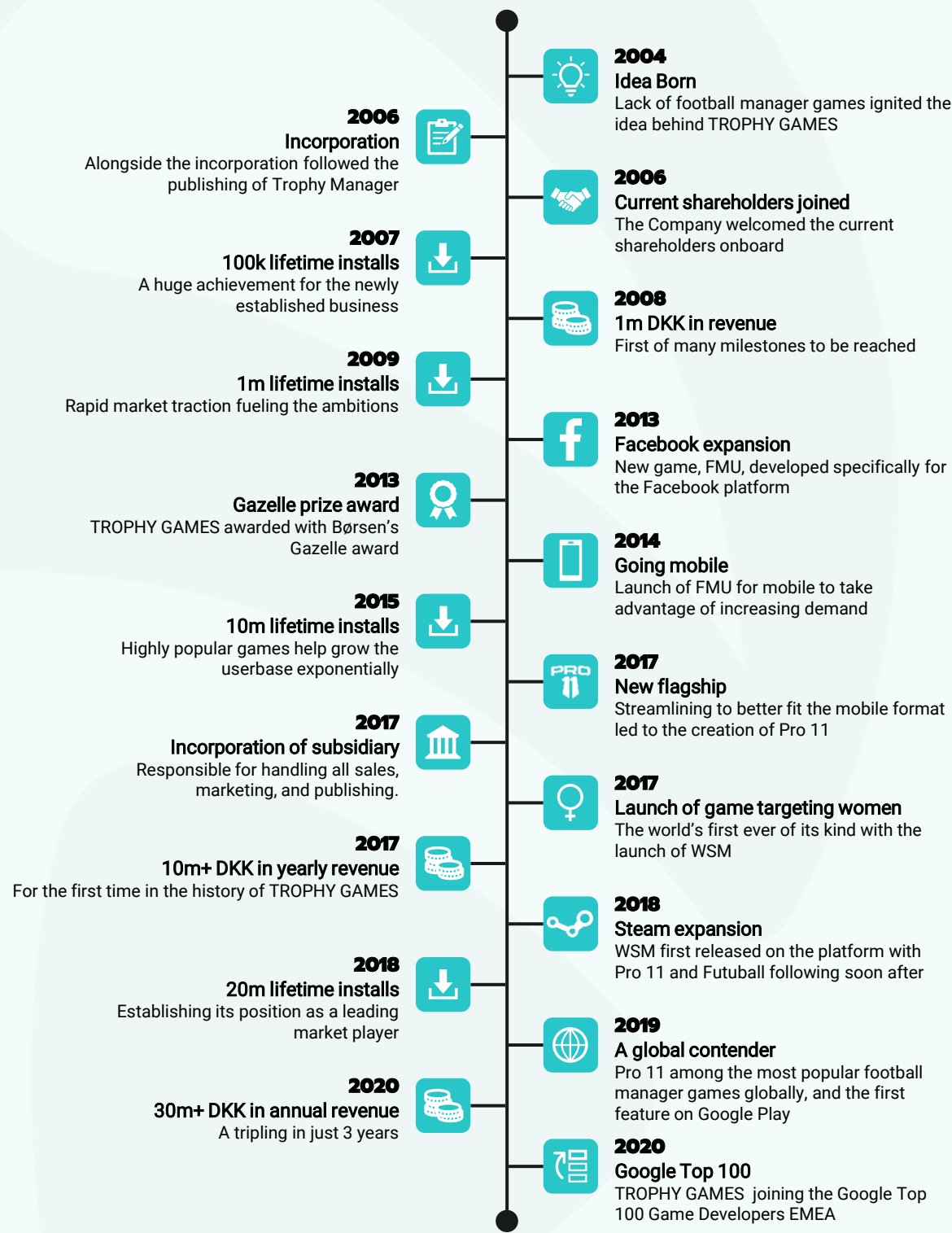
1.5 CORPORATE STRUCTURE

The below visualization exhibits the current corporate structure of TROPHY GAMES pre-IPO. Upon initial public offering, shares in TROPHY GAMES Development A/S are offered. TROPHY GAMES Publishing ApS (subsidiary) serves as a publishing company that is wholly owned by TROPHY GAMES Development A/S.



1.6 TIMELINE

The below visualization exemplifies the most significant milestones achieved by TROPHY GAMES since the development of the idea in 2004. The timeline does not exhaust the list of achievements; however, it represents major events that the management of the Company has identified as the most fundamental to the Company's existence today.





***We created Trophy Manager and founded the company as no one else had created an online football manager game that satisfied our passion to play this type of game.***

**Søren Gleie**

CEO & Founder, TROPHY GAMES Development A/S



## 2. Liability statement

### 2.1 LIABILITY STATEMENT FROM THE BOARD OF DIRECTORS AND MANAGEMENT TEAM

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture this Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in this Company Description.

Copenhagen, April 7, 2021

#### Board of Directors of TROPHY GAMES Development A/S

**Jan Dal Lehrmann**  
*Chairman*

**Pernille Nørkær**  
*Board member*

**Rene Eghammer**  
*Board member*

#### Management Team

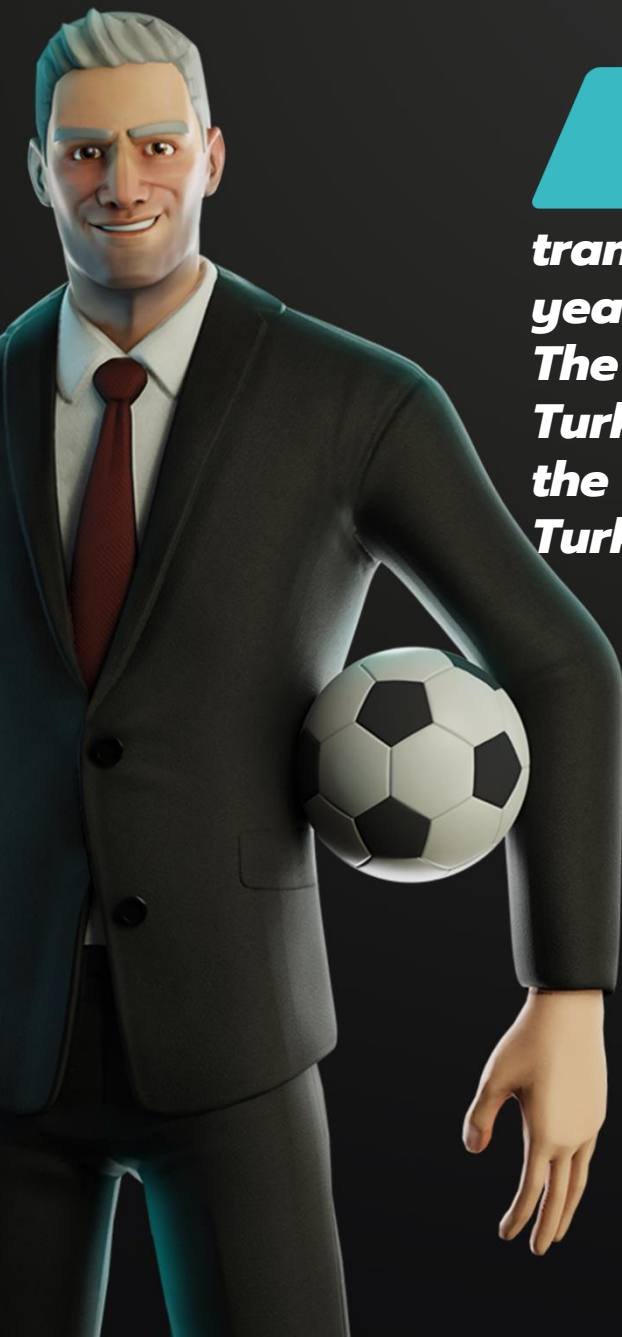
**Søren Gleie**  
*Chief Executive Officer and  
member of the board of  
TROPHY GAMES  
Development A/S*

**Daniel Luun**  
*Chief Executive Officer of  
TROPHY GAMES Publishing  
ApS and member of the  
board in TROPHY GAMES  
Development A/S*

**Carina Vienberg**  
*Interim Financial Officer of  
TROPHY GAMES  
Development A/S*

*See end of document for digital signatures from the Board of Directors and Management Team*





***Trophy Manager was translated into Turkish by a 13-year-old Dane with a Turkish father. The father helped his kid to learn Turkish this way and helped us get the game fully translated for our Turkish community.***

**Søren Gleie**

CEO & Founder, TROPHY GAMES Development A/S



## 3. Certain information about this Company Description

*This Company Description has been drawn up under the responsibility of the Issuer and has been reviewed by Nasdaq Copenhagen.*

### 3.1 APPLICABLE LEGISLATION

This Company Description has been prepared for the Offering in compliance with the rules and requirements of Nasdaq First North Growth Market – Rulebook, dated September 1, 2019. As the capital raise with the Offering amounts to less than EUR 8 million, there is no requirement to prepare a Prospectus in accordance with the Consolidated Act no. 12 of January 8, 2018, on Capital Markets, as amended (the “Danish Capital Markets Act”).

The Company Description is available on TROPHY GAMES’ website ([www.trophy-games.com](http://www.trophy-games.com)).

### 3.2 LANGUAGE

This Company Description has been prepared in the English language only.

### 3.3 DISTRIBUTION

The distribution of this Company Description is only intended to be for the use by investors in Denmark.

The distribution of this Company Description may be restricted by law in certain jurisdictions. This Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful.

This Company Description does not constitute an offer or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company does not accept any legal responsibility for any violation by any person, subject to such restrictions.

### 3.4 FORWARD-LOOKING STATEMENTS

The Company Description contains forward-looking statements based on the current view by the Board of Directors and the Executive Management, as well as assumptions made by the Board of Directors and the Executive Management Team, which may constitute statements regarding the future. These statements regarding the future financial results, operational performance, business strategy, and the plans and objectives of the Board of Directors and Executive Management Team can generally be identified by terminology such as “believes”, “expects”, “targets”, “aims”, “intends”, “plans”, “seeks”, “will”, “anticipates”, “would”, “could”, “estimates” or similar expressions or the negatives thereof.

Such statements regarding the future involve known and unknown risks, uncertainties and other important factors that could cause the actual result, performance, or achievements to differ materially from any future results, performance or achievements expressed or implied by such statements regarding the future.

The Company does not intend or assume any obligation to update any statements regarding the future contained in this Company Description, except as may be required by law or the rules of First North Growth Market. All subsequent written and oral statements regarding the future attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained in this Company Description.

### **3.5 MARKET AND INDUSTRY INFORMATION**

This Company Description contains historical market data and industry forecasts, including information related to the size of the markets, in which the Company operates. This information has been obtained from a variety of sources, including companies providing business intelligence products and services, literature, market reports, company websites and other publicly available information as well as the Company's knowledge of the markets.

Professional data suppliers state sources of historical data and aggregated by methods believed to be reliable, but that they do not guarantee the accuracy and completeness of this information. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified by the Company, and the Company does not guarantee the historical information is accurate. Industry forecasts are subject to significant uncertainty by nature. There can be no assurance that any of the forecasts will materialize.

Market statistics are inherently subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what type of products and transaction should be included in the relevant market or market segment definitions.

The Company confirms that information from third parties has been accurately cited and reproduced. To the best of the Company's knowledge and belief can ascertain the information published by such third party, no facts have been omitted which would render the information provided inaccurate or misleading.

### **3.6 COMPANY VIEWS AND OPINIONS**

This Company Description makes use of an array of sources to provide transparency and information to the investor and/or reader. If no source of information is stated, the information and views are from the Company itself.



***Two users met via  
our game forum and are  
today married and have a  
kid.***

***A true TROPHY BABY!***

**Daniel Luun**

CEO, TROPHY GAMES Publishing ApS &  
Co-owner, TROPHY GAMES Development A/S





## 4. Risk factors

### 4.1 INTRODUCTION

An investment in the Company's shares is associated with economic risk. The Company is affected by a number of factors, of which the Company only has the power to influence some of these factors with specific actions while some factors are outside the control of the Company. These factors may have a negative impact on the Company's business, earnings and financial position, and may result in a decline in the market price of the Shares, consequently resulting in shareholders losing part or all of their invested capital. Potential investors should carefully consider the risks outlined below before deciding to invest in the Company, and are advised to seek independent advice on legal, financial, accounting and tax matters that apply to the individual investor before deciding to invest in the Offering.

As it is not possible to outline all risks associated with investing in the Company, this section describes a number of risk factors as of the date of this Company Description, which the Company considers to be the most significant known risks. Other risks and uncertainties that the Company is not aware of at present may also have a material adverse effect on the Company and the Shares. The risk factors are presented in a prioritized order of importance in order to reflect the differences in importance of the following factors.

### 4.2 INDUSTRY AND OPERATIONAL RISKS

#### 4.2.1 Dependency on key personnel

TROPHY GAMES' operations depend on its ability to recruit and retain qualified employees. Loss of key personnel can complicate and delay ongoing and planned projects, which would possibly have a negative impact on the Company's operations, operating profit and overall financial position. In order to mitigate the risk of losing key personnel and management

to competing firms, all employees at TROPHY GAMES are restricted by competition clauses.

#### 4.2.2 Delayed game developments

Delays in the Company's planned and ongoing game projects can have a negative effect on its cash flow, revenues and operating margins. The completion of a game may also require more resources than what was originally calculated and thus have a negative impact on the Company's operations, operating profit and financial position.

#### 4.2.3 Dependency on partners and distribution channels

The Company's operations depend on partners and distributor channels. For example, the Company today distributes its games through significant global digital game channels, such as Steam, Apple App Store and Google Play Store. A sudden change in the Company's relationship with partners and companies can damage the Company.

The Company's operations would be damaged if any partner or distributor interrupts or restricts access to their respective platforms for the Company or modifies their terms. Changes in terms could for example be increases in fees, prolonged revenue settlements and restrictions in services

Such changes could potentially be unfavorable to the Company and thus adversely affect its operations, operating profit and financial position. Any IT break down of the Company's partners and distributor channels may have a similar effect.

#### 4.2.4 Risks associated with system errors and cybercrime

Any system errors or security breaches such as

system intrusions or viruses risk affecting the Company's operations. The company has multiple precautions in place to ensure vast mitigation of such risks, however, more extensive system errors or intrusions risk affecting the Company's operating profit and financial position negatively.

#### **4.2.5 Competitive risks**

The gaming industry, like most other growth industries, is exposed to extensive competition. There are today many game developers, but the distribution of digital games is mainly concentrated in a few marketplaces. This means that competition among game developers in these marketplaces is considerable. An increased number of game developers in the current market can lead to impaired competitiveness, which resultingly can have a negative effect on the Company's operations, operating results and financial position.

#### **4.2.6 Intellectual property rights "IPR"**

The Company's intellectual property rights are primarily protected through copyright protection, trade secret legislation and/or agreements. The Company has not registered any trademarks or other intellectual property rights, including patents, design rights, and use rights, where registration may be of importance in relation to protection of the respective intellectual property right to each of the Company's products. Consequently, the Company operates on a basis of non-registered intellectual property rights. It cannot be ruled out that competitors copy the Company's platforms and products.

Other companies in the same industry could also be thought to have intellectual property rights on which the Company's operations could be kept in force, which could have a negative impact on the Company's operations, operating profit and financial position. Further, game development is a fast-evolving industry where new products are developed constantly. It is possible that the Company unintentionally and unknowingly may infringe other entities' intellectual property rights. Any successful enforcement by third parties of their intellectual property rights towards the Company may have a negative impact on the Company's operations, operating profit and financial position.

#### **4.2.7 Macroeconomic risks**

The Company's operations are affected by several macroeconomic factors such as exchange rates, interest rates and economic fluctuations. Changes in economic, financial or political conditions can therefore have a negative impact on the Company in the form of reduced demand for the Company's products and tightened financial conditions. These risks can adversely affect the Company's operations, operating profit and financial position.

#### **4.2.8 Uncertainty caused by COVID-19**

As is the case for companies across the world, the continuous development in the global COVID-19 pandemic adds an increased level of uncertainty to the Company's operations. However, as described further in section 8, the Company has grown significantly during the past year despite the prevailing COVID-19 pandemic. In addition, the Company has managed to increase profitability, which puts the Company in a strong position for 2021 given the current circumstances. However, as uncertainty remains regarding potential additional waves of the pandemic, it is impossible to predict exactly how 2021 might be affected by the development of the COVID-19 pandemic. In other words, a global shut down caused by potential additional waves might negatively impact the Company's business, earnings, and financial position.

#### **4.2.9 Legal and political risks**

The Company operates on markets in and outside Denmark. Risks may arise as a result of political instability and/or differences in governmental systems and changes in legislation as well as other relevant regulations related to taxation and fees as well as other conditions that apply to the Company's activities in their geographical markets. This also means that the Company's ability to exercise or enforce its rights and obligations may differ in different countries and any disputes or legal proceedings may be expensive, time-consuming and the outcome may be uncertain. These factors may have a negative impact on the Company's operations, operating results and financial position.

#### **4.2.10 Disputes**

The Company has not been and is currently not involved in any legal or arbitration proceedings, which can significantly affect the Company's position. Other legal or arbitration proceedings may, however, in the future be taken against the Company.

#### **4.2.11 GDPR**

The Company is subject to various regulations, including general data protection regulation (GDPR). While the Company generally has minimal personal information stored about its players, the Company nonetheless has certain policies and procedures in place relating to compliance with such regulations. A failure to comply with applicable regulations could result in substantial fines.

### **4.3 FINANCIAL RISKS**

#### **4.3.1 Risks associated with business acquisitions**

In the future, the Company may utilize an acquisition-driven growth strategy in order to promote faster growth. In the case of acquisitions, there is always a risk that the assumptions that the Company has made regarding the acquisition object turn out to be incorrect, which may adversely affect the Company's operations, operating profit and financial position.

#### **4.3.2 Limited resources**

The Company is a relatively small company with limited resources in terms of management, administration and capital. For the successful implementation of strategic initiatives, it is important that the resources needed are available and deployable when the need arises. Within the first 12 months admittance to trading, the company expects to grow by 15 people in staffing. Of the expected 15 employees, four will expectedly be placed in marketing, 10 in development and 1 in administration. There is a risk that the Company's resources will not be sufficient, which may have a negative impact on the Company's operations, operating profit and financial position.

#### **4.3.3 Currency risks**

The Company's revenues are all held in local currency of the consumers, whereafter distribution channels exchange to DKK. The Company is thus exposed to currency fluctuations, which may have a negative impact on the Company's operations, operating profit and financial position.

#### **4.3.4 Financing and capital requirements**

The Company's historical profitability and expected growth mean that existing working capital and financing are deemed sufficient for the business to be conducted to its current extent within the next twelve months. Even if there is currently no direct need for capital, the Company may in the future need to seek additional external financing. There is a risk that new capital cannot be raised when needed, that new capital cannot be obtained on terms satisfactory to the Company or that the capital raised is not sufficient to finance the business. This could lead to a significant negative impact on the Company's operations, earnings and financial position.

### **4.4 RISKS RELATED TO THE OFFERING AND THE SHARES**

#### **4.4.1 Liquidity risk**

A periodically weak interest in trading in the Company's share may reduce the conditions for active trading in the share, which may lead to difficulties for shareholders in selling shareholdings at the desired time without the price of the share being adversely affected.

Further, subsequent to the Offering, most of the Company's outstanding shares will be owned by the current major shareholders and not be in free float. Consequently, the Company's shares may be trading at limited liquidity. This could have a negative impact on shareholders' possibility to sell shares at a desired time and at a desired price level. Limited liquidity may also involve higher price sensitivity as even a few trades and/or small volumes may significantly affect the share price in a positive or negative direction.

#### **4.4.2 Offering of additional shares**

The Company may decide to raise additional capital in the future in order to pursue growth opportunities, invest in current business ventures or for other purposes deemed relevant and necessary by the Board of Directors. In its pursuit to raise additional capital, the Company may decide to issue additional equity, which may result in dilution of the Shares.

#### **4.4.3 Share price development**

Investing in shares and securities is always associated with risk. Prior to the Offering, there is no public market for the Company's Shares. There is a risk that an active and liquid trading market may not develop, or if developed, will not be sustained after the Offering. If an active and liquid market does not develop or remain developed, there is a risk that the liquidity and trading price of the Shares could be materially affected, and investors may have difficulty selling their Shares at a satisfactory price level.

#### **4.4.4 Shareholders with significant influence**

At the date of this Company Description but prior to completion of the Offering, the Company is owned directly by Karsten Ree B Holding ApS, Lehrmann Family ApS, Benjamin Capital ApS, Gleie Holding ApS and Daniel Luun Holding ApS with an aggregate 100% ownership.

The Major Shareholders will have the ability to influence or determine the outcome of specific matters submitted to the shareholders for approval. These matters could include election or dismissal of members of the Board of Directors, policy on dividends and amendments to the Company's articles of association. As a result, these Major Shareholders may have the ability to influence the future direction of the Company. The interest of these Major Shareholders with significant influence could differ from the interest of other shareholders and may not be aligned with the interest of minority shareholders.

#### **4.4.5 Unsecured subscription undertakings**

The Company has obtained subscription undertakings for a total of DKK 30m in share value from pre-subscribers.

No compensation will be given to the Pre-subscribers for their respective undertakings, and the same terms and conditions as for other investors in the Offering applies to the Pre-subscribers' investments. The subscription undertakings are not secured by, e.g., blocked funds or pledge of collateral, bank guarantee or similar arrangement.

#### **4.4.6 Sale of shares by major and existing shareholders**

There is a risk that after the Offering, the market price of the Shares may decline as a result of the sale of Shares in the market or the perception that such sales could occur. Such sales may as well make it difficult for the Company to issue new shares in the future if deemed appropriate.

Sale of a large portion of Shares by members of the Company's Board of Directors, Executive Management, Management Team or by Major Shareholders, or the perception that such sales could occur, may cause a decline in the market price of the Shares.

In connection with the Offering, the Major Shareholders holding an aggregate of 100% of the Existing Shares before the Offering has agreed to enter into lock-up agreements on their shares in the Company, pursuant to which the Major Shareholders undertake not to sell, offer for sale, or enter into any swap or other agreement or transaction.

More specifically regarding the sale of, pledge or in any other way directly or indirectly transfer or dispose of, the Existing Shares or any interest in or rights associated with the Existing Shares without the prior written consent of Grant Thornton acting as Certified Adviser in the Offering (the "Lock-Up Obligation").

Please refer to section 16.14 in this Company Description for a detailed overview of the applicable Lock-Up Obligation



#### **4.4.7 The Offering of the Shares**

The Company has applied for admittance to trading of the Shares on Nasdaq First North Growth Market Denmark. The admission, as well as the continued admission to trading on the Nasdaq First North Growth Market Denmark, are subject to requirements of free float and a sufficient number of qualified shareholders holding the Company's Shares being met before the first day of trading. If such requirements are not met, the admittance to trading on Nasdaq First North Growth Market Denmark will be declined.

Withdrawal of the Offering can also occur due to a decision made by the Company. This event can take place any time prior to the announcement of the result of the Offering. In the event of a withdrawal, such information will be announced immediately through Nasdaq First North Growth Market Denmark.

Nasdaq First North Growth Market is a multilateral trading facility and SME Growth Market owned by Nasdaq Nordic and does not have the same legal status as a regulated market. Companies trading on Nasdaq First North Growth Market are subject to a regulatory framework that is less extensive than the framework applicable to companies trading on regulated markets. However, on both a regulated market and the Nasdaq First North Growth Market, the Market Abuse Regulation applies.

#### **4.4.8 Future dividends**

The Company's ability to pay dividends will depend, among other things, on its financial condition, working capital requirements and the availability of distributable profits, and reserves and cash available, and other factors as the Board of Directors may deem relevant.

Dividends are decided by the Annual General Meeting following a proposal from the Board of Directors. It is the Company's expectation that excess funds, subject to the expectations of Management and the Board of Directors regarding capital requirements in subsequent years, will be proposed distributed as dividends to the Company's Shareholders.



**TROPHY**  
**GAMES**



# 5. Industry overview

## 5.1 INTRODUCTION TO INDUSTRY OVERVIEW

TROPHY GAMES has a vast footprint on the global gaming market, offering games developed for mobile, Steam and browser gameplay. Available in 20+ different languages, the games developed by TROPHY GAMES cater to the multitude of international gamers. Given TROPHY GAMES international reach, the following industry and market overview will address the global gaming market. Individual, country-specific overviews will also be addressed wherever applicable.

## 5.2 THE GLOBAL GAMES MARKET 2020

The global gaming industry has, throughout recent times, been one of the most rapidly growing industries among all tech-enabled entertainment services. In 2019, the global mobile gaming market grew to USD 68.5 billion.

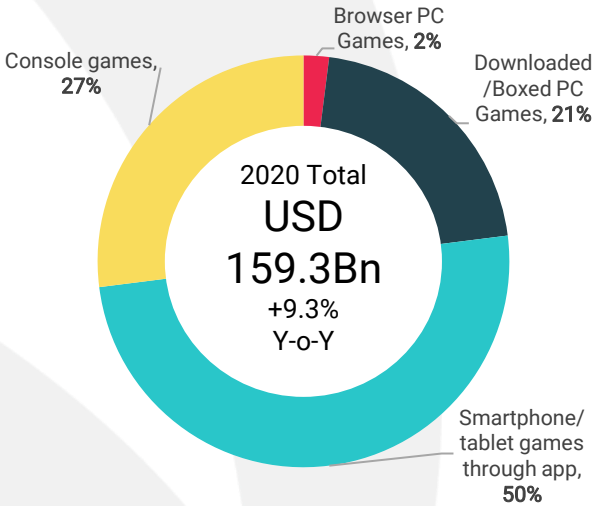
By analysis and forecast of key growth drivers, the market for mobile gaming is expected to continue an exponential expansion and is anticipated to have reached USD 76.7 billion by the end of 2020. This significant growth represents a year-on-year market expansion of upwards of 12%, hence indicating an industry in rapid evolution.

While taking up roughly 50% of the entire global gaming industry in 2019, the global mobile gaming industry will expectedly continue to outpace other gaming segments in 2020. Collectively, the entire global gaming industry is expected to reach USD 159.3 billion in 2020, thus boasting a year-on-year growth of 9.3%.

Source: techzone360.com

Source: newzoo.com/gamesreport

## 5.2.1 2020 Global games market



Source: newzoo.com/gamesreport

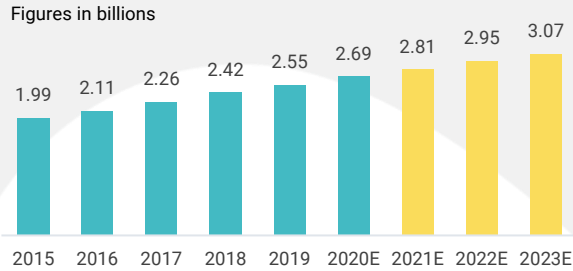
A significant driving factor of this growth is found in the fact that games are increasingly playing a pivotal function in society as a pillar of entertainment, social connection and relief. Furthermore, games have shown to improve the quality of life for millions during the COVID-19 pandemic and, as such, have received increased attention and gameplay involvement.

***“The gaming industry is consolidating. As the market players grow increasingly professional, it takes more than just a great gameplay to get a hit. You need to master data science, marketing, PR and bigger investments into game development are needed as well. To be successful with a game release today requires a much larger setup than it did earlier. TROPHY GAMES is currently meeting this new market with bigger titles, meta gameplay and a more professional and capable organization.”***

– Søren Gleie, CEO TROPHY GAMES Development A/S



5.2.2 Global players forecast 2015-2023



Source: newzoo.com/gamesreport

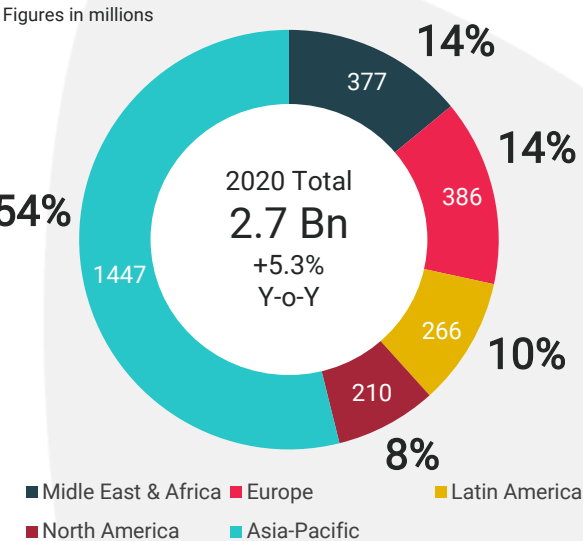
Consequent to the current COVID-19 pandemic, consumers are spending more and more time in front of game-playing devices. Playing games has always been an inherently social experience, and in 2020, the World Health Organization (WHO) officially promoted video games as a recommended social activity during the pandemic as to stimulate social needs as well as to discourage physical and social interactions among people.

Source: <https://eu.usatoday.com>

5.2.3 Unprecedented levels of engagement

Given the involving nature of gameplay as well as the communal benefits during periods of social isolation, unprecedented levels of engagement have been experienced. Similarly, extraordinary amounts of users joined the world of gaming. By the end of 2020, it is expected that more than 92 million new players from emerging markets will have entered the ecosystem, most of them via mobile.

5.2.4 Global player overview 2020



Source: newzoo.com/gamesreport

Upon the end of 2020, there were approximately 2.7 billion players of video games on a global scale. This player count is 135 million higher than the preceding 2019 figures and thus represents a noteworthy increase in players. Most noticeable is the significant consumption of video games in Asia-Pacific, accounting for 54% of the global player count.

By consideration of the annual growth rates in the respective regions, it is evident to address the significant growth in player count in the Middle East & Africa. This growth in players evidently derives from increased access to video games as well as technology advancements that enable global connectivity.

5.2.5 Global player statistics

Player count in millions (2019)

Region	Player count	Percentage of global total	Y-o-Y growth
Midle East & Africa	377	14.0%	8.80%
Europe	386	14.3%	3.60%
Latin America	266	9.9%	7.40%
North America	210	7.8%	2.60%
Asia-Pacific	1447	53.6%	4.90%

Source: newzoo.com/gamesreport

Among the many different types of digital gameplay, a common barrier to entry has predominantly been the access to game-playing hardware such as computers, screens, headsets, etc. This barrier to entry is rapidly diminishing with evolving cloud hosting solutions and mobile access, thus enabling gameplay from otherwise urban and previously restricted areas.

Consequently, cloud gaming services are on track to attract even more players by lowering the upfront cost of hardware, thus removing one of the highest barriers to entry within the industry. Further enabled by cloud solutions, cross-platform gameplay increasingly becomes available to users. Such development further contributes to the communal and social aspects of gaming, given that players from different platforms are united in the cloud.



Through ever-improving connectivity technology, games are becoming full-fledged, fully functional social networks. As such, more and more players are using games to stimulate social needs. With the ease of access to games on mobile devices and improved internet connectivity, digital social interactions are becoming more and more important for gamers as these increasingly substitute physical interactions.

Resultingly, a surge in games that offer digital socialization solutions through player-to-player interactions has become evident in 2020, and such solutions are expected to continue to be important in the future. Furthermore, by offering player-to-player interaction solutions, players from different regions of the world can interact with one another, thus improving inclusion rates.

5.2.6 Global internet connectivity development

Region	Population (m) (2020 Est.)	Internet penetration rate (% pop. 2020)	Growth 2000-2020
Africa	1,340.60	47.1%	13,898%
Asia	4,294.52	59.5%	2,136%
Europe	835.00	87.2%	593%
Latin America	654.29	71.5%	2,489%
Middle East	260.99	70.8%	5,527%
North America	368.87	90.3%	208%
Oceania/Australia	42.69	67.7%	279%
World Total	7,796.95	63.2%	1,266%

Source: internetworldstats.com

Evidently visualized on the schematization, the noteworthy internet penetration rates underpin the global connectivity rates. Especially significant are the growth rates experienced in Africa and the Middle East, featuring 13,898% and 5,527%, respectively. This growth is obtained over a 20-year period from 2000-2020 and has developed in line with the rapid evolvement of the global cellular infrastructure.

The majority of internet connectivity in developing countries derives from cellular access, hence contributing to the rapid and captivating advancement of mobile gaming.

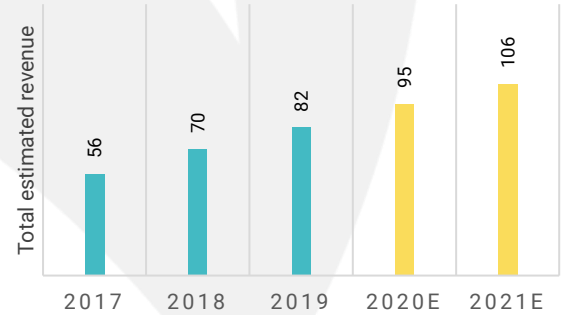
Provided that TROPHY GAMES’ main revenue stream derives from mobile gameplay, the primary focus of the following will be on the global mobile games market. Subsequent sections will explore revenue streams generated from Steam and browser gameplay, respectively.

5.3 THE GLOBAL MOBILE GAMES MARKET

According to numerous prominent sources (NewZoo, GamingScan, among others), the global mobile games market has officially reached 50% of the total games market thus contributing to over half of the entire industry’s revenue. Furthermore, the global mobile games market has also been identified as the fastest-growing segment within the global gaming industry. The significant market share obtained and the massive growth experienced can be accredited by multiple driving factors, including the increased global sales of smartphones and tablets, as well as the increased level of wide-spanning cellular connectivity through 3G, 4G and most recently, 5G.

5.3.1 Revenue generated by cellular accessed gaming

Figures in USD billions



Source: gamingscan.com/gaming-statistics

Represented on the above visualization, it is noticeable that in 2020, USD 95 billion were generated within the global gaming industry from users with cellular access – be it through mobile, tablet, or other device with cellular connectivity. Similarly, it is expected that USD 106 billion will be generated in 2021 from users playing on cellular accessed devices. Such rapid growth in cellular accessed users supports the vision that the mobile gaming segment will continue to grow at exponential rates.

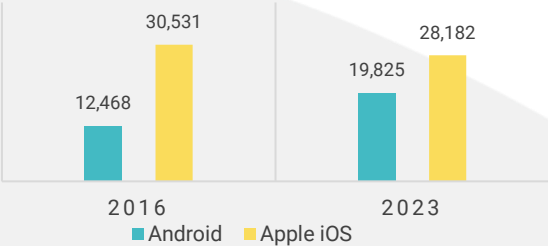
Penneo dokumentnagje: JCYHD-G6ITJ-JYDOU-IQDPP-ZKSJ5-XNKK2

5.3.2 Gameplay on mobile operating systems

As to enable mobile gameplay, mobile devices need an operating system. Mobile devices typically operate with one of two dominant operating systems, namely Apple iOS and Android. Either operating system accesses individual application stores where mobile games can be downloaded. Pioneered by Apple, the concept of smartphones and downloadable applications was initially heavily dominated by Apple products as Apple released proprietary software.

5.3.2.1 Apple iOS and Android

Revenue figures in USD millions



Source: gamingscan.com/gaming-statistics

Given that Apple iOS is a proprietary, restricted-use operating system, the access requires an Apple product. Unlike Apple, Android operates as an open-source operating system, hence usable on a multitude of different smartphone brands. Resultingly, smartphones utilizing Android operating software can be obtained cheaper, thereby allowing for a broader customer base in different demographic groups.

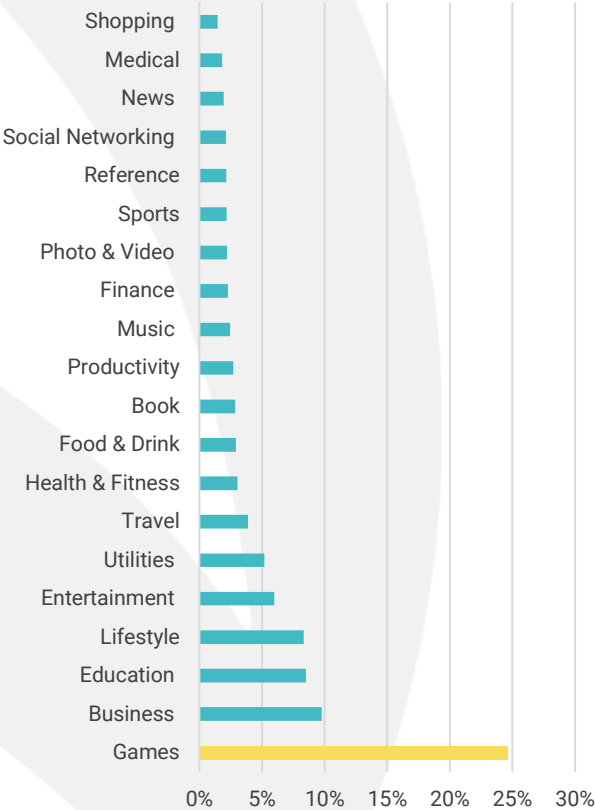
Visualized on the above chart, it is shown that in 2016, the generated revenue per respective operating system was significantly skewed. In 2023, the use of Android operating systems is expected to have gained traction and reduced the gap by significant amounts.

Especially contributing to the reduction of the gap in revenue generation within the two different operating systems is the advancements in developing countries. Particularly Africa and the Middle East are expected to account for a large contribution to the advancement of Android operated smartphones. As such, a significant number of users will have access to cellular connected devices in the coming future.

Through this newly obtained access, it is expected that vast numbers of new players will join the online gaming community – most through mobile devices. This fact further underpins the rapid advancement of the mobile gaming sector and highlights the significant opportunities promoted by mobile adoption.

5.3.3 Apple App Store downloads (2019)

Percentage share of downloads in active Apps



Source: gamingscan.com/gaming-statistics

As portrayed in the above chart, the scope of games on the Apple App Store is substantial. Close to 25% of all apps downloaded by active users on the Apple iOS operating system are categorized as games. Furthermore, games included in the statistics are required to be active games, signifying that they must require active player participation, and cannot simply rest as a passive app running in the background.

The closest competitor to games is business apps. These account for under 10%.

Source: gamingscan.com/gaming-statistics

Penneo dokumentnagle: JCYHD-G6lTJ-JXD0U-IQDPP-ZKSJ5-XNKK2



***Pro 11 is our take on a fast-paced game with tons of interaction, targeted directly at the action-craving mobile gaming users.***

**Søren Gleie**

CEO & Founder, TROPHY GAMES Development A/S



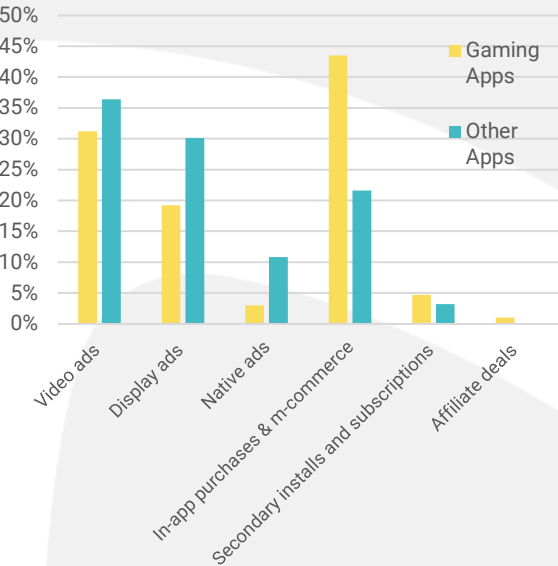
5.3.4 Mobile games monetization

Provided the unrequired purchase fee in connection with the download of a new mobile video game, the generation and implementation of alternative monetization models become evident in order to make F2P (free-to-play) or other freemium games viable products from a financial standpoint.

The monetization schemes within the industry vary widely and are constantly evolving in line with user preferences; however, few key concepts are customary and have become standard strategies for app developers. Aside from generic monetization schemes used for app-hosted games, some strategies are more frequently used than others. Below is a representation of different monetization models for mobile games. Additionally, a comparison to equivalent monetization models for app-hosted, non-games is found.

5.3.4.1 Monetization strategies

Distribution of worldwide mobile application revenue by channel (2019)



Source: gamingscan.com/gaming-statistics

Visualized in the chart, it is noteworthy that there are discrepancies in revenue generation models between gaming and non-gaming apps.

5.3.4.2 Video advertisement

Video ads are promotional advertisement videos that are presented during mobile gameplay at systematic or unsystematic intervals. To continue gameplay, users are required to typically view between 3 and 10 seconds of promotional content. 31% of revenue generated in mobile gaming derives from video ads and comparatively 36% of revenue in non-game apps.

**86%** \*Of gamers prefer watching video ads for extra lives and/or in-game content

5.3.4.3 Display advertisement

Display ads are promotional advertisements that appear in the form of text-based, image or video advertisements. Display ads encourage click-through to an advertiser-hosted landing page. 19% of revenue generated in gaming apps derives from display ads and comparatively 30% in non-gaming apps.

5.3.4.4 Native advertisement

Native ads are advertisements that match the form and function of the platform upon which it is displayed. Native advertising contributed to limited revenue in both game and non-game apps. 3% of revenue generated in gaming apps derives from native ads and comparatively 11% in non-gaming apps.

5.3.4.5 In-app purchases & m-commerce

In-app purchases (IAP) and m-commerce (defined as commercial transactions conducted electronically by mobile phone) are add-on purchases and subscriptions that consumers can make in already downloaded apps. IAP and m-commerce are the most frequent and revenue-generating monetization strategies utilized by developers of mobile games. The strategies are especially frequent in F2P and freemium game apps. 44% of revenue generated in mobile game apps derives from IAP and m-commerce. Similarly, 22% of revenue in other apps derives from the scheme. IAP is furthermore the primary revenue driver for TG.

**13%** \*\*Of gamers will happily pay for extra lives or game advancements in mobile games \*

\*/\*\*Source: gamingscan.com/gaming-statistics

Penneo dokumentnøgle: JCYHD-G6ITJ-JXDOU-IODPP-ZKSJ5-XNKK2

5.3.4.6 Secondary installs & subscriptions

Secondary installs and subscriptions are typical monetization strategies utilized in apps with a limited free period, whereafter subscription must be made. 5% of revenue in gaming apps is generated from this and comparatively 3% in other non-gaming apps.

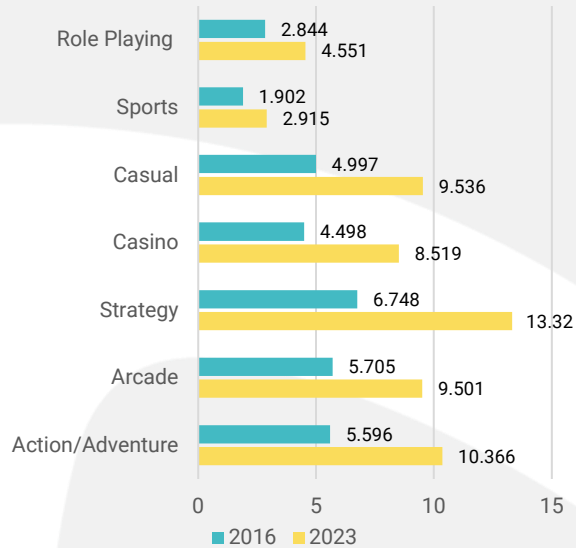
5.3.4.7 Affiliate deals

Affiliate deals are conditional and performance-based advertising schemes. These are infrequent in mobile gaming and contribute less than 1% of revenue.

5.3.5 Mobile gameplay category revenue (2016/2023)

Exhibited in the below chart, a representation of game categories and their respective contribution to the total revenue generated from mobile gaming in 2016 and forecast 2023.

Figures in USD billions



Source: [gamingscan.com/gaming-statistics](https://gamingscan.com/gaming-statistics)

In 2016, strategy games were the dominating game category played on mobile devices. Accounting for USD 6.7 billion, the game category outperformed the next-best revenue-generating category, arcade. Arcade contributed with USD 5.7 billion.

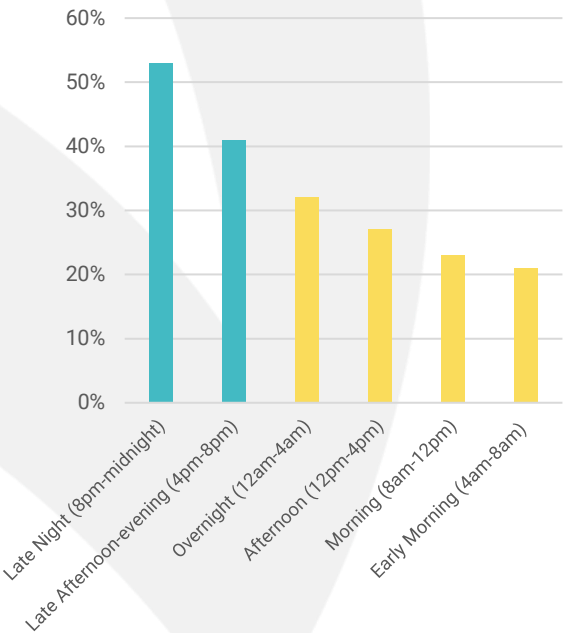
Forecast of revenue-generating mobile games in 2023 reveals significant advancements of new categories.

Strategy games, however, still dominate. Further, the initial outperformance of strategy games in 2016 has been augmented from USD 1 billion to USD 2.95 billion, thus representing a significant growth and superiority of the game category within the mobile games industry.

In 2023, strategy games are expected to contribute USD 13.32 billion to the industry. Correspondingly, the next-best performing category, action/adventure, is expected to contribute with USD 10.37 billion.

5.3.6 Mobile gameplay – time of day

Upon review of the time at which gamers engage in mobile gameplay, the recreational roots of the activity become evident. Mobile games are predominantly played from the late afternoon and until the midnight.



Source: [gamingscan.com/gaming-statistics](https://gamingscan.com/gaming-statistics)

Late night, from 8 pm to 12 am, is the time interval with most of the activity within mobile gameplay. In this interval, 53% of mobile gamers play. The second most active time interval is in the late afternoon, from 4 pm to 8 pm. In this interval, 41% of gamers play. Contrarily, the least active time interval is the early morning, from 4 am to 8 am. In this time interval, only 21% of gamers play.

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5.4 KEY INDUSTRY TRENDS

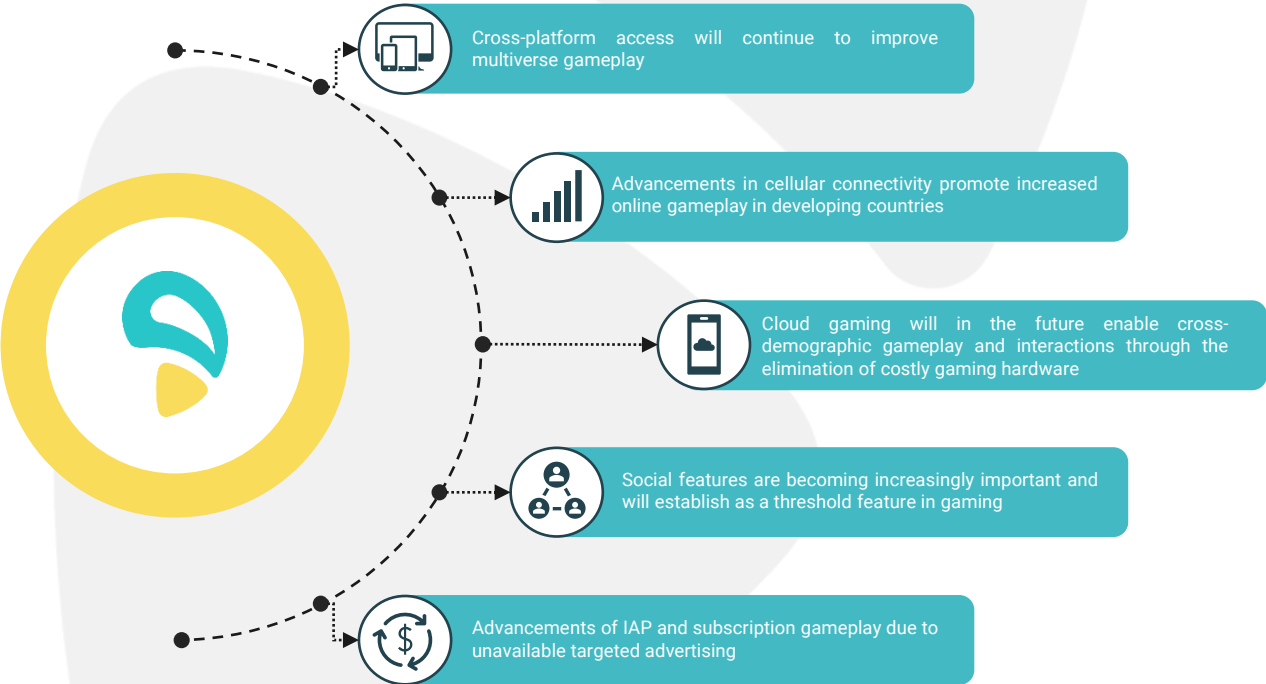
Upon review of the entire global gaming industry, and more specifically, the mobile gaming industry, numerous industry trends arise. The below-presented industry trends are based on developments in 2019 and 2020 within the industry. Trends represent specific points of interest in the current industry. The trends are projected to significantly affect the industry and individual markets going forward.

- 1. Cross-platform gameplay is rapidly advancing in correlation with user demands of meta-universe communities. Cross-platform gameplay allows users of all devices to connect and play – regardless of operating device.
- 2. Advancements in cellular connectivity has been an ongoing development throughout recent time, especially in developing countries. The progressive development is expected to continue. Most recently, the introduction of 5G has further enabled mobile gameplay and stands as a facilitator of mobile accessed gaming.
- 3. Cloud gaming will start to advance the possibilities throughout the global gaming industry.

By removing the necessity of expensive gaming hardware, the population of gamers and prospective gamers from different demographic regions augments, and consequently the addressable market for the industry increases.

- 4. Developments in how individuals interact have strongly affected the requirements for gameplay. Gamers increasingly utilize gameplay as a substitute for physical, social interactions. Consequently, gamers increasingly demand social communities and interaction features in games. Such communication features allow users to connect and stimulate social needs while playing. Communication features are rapidly becoming a threshold requirement.
- 5. Advancements of IAP and subscription-based gaming have recently experienced a significant augmentation in frequency. Due to legal restrictions in relation to compliance with global data protection initiatives, most game hosts and outlets have limited the information available to game developers regarding playing gamers. Consequently, significant limitations to targeted advertising have become the new norm. Resultingly, an increased advancement of IAP and subscription-based gaming will substitute lost revenue from a decline in direct advertising possibilities.

5.4.1 Key industry trends highlights



Source: [www.medium.com](http://www.medium.com) and [www.ironsrc.com](http://www.ironsrc.com)

5.5 COMPETITIVE ENVIRONMENT OF TG

Provided the collection of titles developed and published by TG, the competitive environment spans across multiple different providers of substitutive games – each within a different focus of gameplay.

The following will address the different markets in which TG operates in order to address the direct competition that the Company competes with in daily operation. Predominantly, the operational markets of TG are the markets for (i) Football Manager games, (ii) E-sports Manager games, and (iii) Auto Battler games.

Consequently, the following sections will provide descriptions of the respective markets as well as highlights of the specific competitors that TG competes with in the markets for the respective genres of gameplay.

5.5.1 Football manager

5.5.1.1 Description of the football manager market

The football manager genre was one of the pioneering sports manager game genres to be introduced to the general market, and as such, the genre has been around for a significant amount of time. The game genre was made popular already in 1992; however, at that time, the genre was called championship manager.

In football manager games, users do not play the actual sport like seen in games such as FIFA or PES. Users control all other aspects of creating and managing a successful football club through strategy and simulation. Financials, tactics, transferring players and much more are all vital parts of managing the best club in the world and are thus essential to successful gameplay.

Football manager games range widely in complexity and difficulty; however, most titles have settled on mid-core gameplay. The football manager genre has been at the core of TROPHY GAMES up until recently.

“Easy to play,  
hard to master”

TG currently has five different football manager titles published – all of which are generating revenue. The oldest TG football manager game was created and published in 2006. The game is still generating revenue as of the publishing of this company description.

Upon the release of the first TG football manager game, the complexity and required gameplay experience were considerable. TG, however, gradually shifted away from these required player characteristics as the profiling was too narrow. Consequently, throughout the years, TG has eased the gameplay to cater to a broader array of players. The football manager games provided by TG now all cater to mid-core players with average to high gameplay experience.

5.5.1.2 Football manager genre – direct competition

Despite the Football Manager genre being a unique and niche genre of games, an extremely dedicated and recurring fanbase has developed over the years. Such factors provide for an increasingly lucrative segment.

Resultingly, the segment is vastly populated by multiple large providers of football manager games. Among the alternative providers, TG identifies the following as direct competitors within the segment.

Game Title	Android Downloads
Top Eleven Football Manager	50,000,000+
Top Football Manager	50,000,000+
Online Soccer Manager	10,000,000+
PES Club Manager	10,000,000+
Soccer Manager	2,500,000+

\*Source: Play Google Store / Football Manager

## 5.5.2 E-sports manager

### 5.5.2.1 Description of e-sports manager market

The e-sports manager game genre is a relatively recent introduction to the suite of available games on the open market. The concept behind e-sports manager titles derives from the popular and well-known football manager concept; however, instead of managing a football team, the player of the game will manage an e-sports team. As such, the objective of the game is for players to build an e-sports organization, compete against other teams, and ultimately become the best e-sports manager.

The e-sports manager game concept is a natural result of the tremendous growth that the competitive e-sports market has seen over the past few years. In 2020, the viewer count of e-sports has grown exponentially and has reached numbers close to 500 million viewers worldwide. Further, the viewer count is expected to continue its rapid growth and amount to 646 million viewers by 2023\*.

The TG e-sports manager title, FIVE, builds on mechanics, feelings and the spirit known from the Counter-Strike games. Counter-Strike is among the first big multiplayer First-Person-Shooter (FPS) titles. Since inception, Counter-Strike has been the leading FPS game within the respective genre. The first Counter-Strike game was released in 2000 and has grown exponentially ever since. The game continues to dominate the market to the present day. Promoted by the significant market presence and history of Counter-Strike, the audience is very mature and likely the one with the highest purchasing power across all big FPS game titles. Such purchasing power is stipulated by the age of the average Counter-Strike fan.

Valve Corporation, the developer and publisher of Counter-Strike, released their latest title in 2013, known as Counter-Strike: Global Offensive. The Global Offensive title has shown to capture and consolidate many players from different previous versions, thus promoting a larger, united platform for Counter-Strike enthusiasts. TG FIVE builds on gameplay from Counter-Strike: Global Offensive.

\*Source: [newzoo.com/gamesreport](http://newzoo.com/gamesreport)

### 5.5.2.2 E-sports manager genre – direct competition

Promoted by the innovative nature of the e-sports manager genre, as well as the relative youth of the titles on which the genre builds, there are currently no competitors. As such, TG FIVE is pioneering the market for FPS-based manager and strategy titles.

Upon evaluating competitors at a higher level, e-sports Life Tycoon by U-Play is the closest that TG FIVE gets to a competitor.

E-sports Life Tycoon is singularly centered around the Multiplayer Online Battle Arena games (MOBA) such as League of Legends and Dota2, and consequently lacks FPS-based titles among its games. Resultingly, aside from being a developer and publisher of manager games, e-sports Life Tycoon by U-Play is not to be considered an important competitor to TG's FIVE title.

The lack of direct competition provides for an attractive blue ocean market for TG's FIVE title. As such, TG is uniquely positioned to capitalize on the situation and become the leading e-sports FPS manager game.

***“This is a blue ocean market with very limited competition. We believe that this will change eventually, but there is an opportunity to take advantage of this current state and position FIVE as the leading esports manager game.”***

– Søren Gleie, CEO TROPHY GAMES  
Development A/S

5.5.3 Auto battler games

5.5.3.1 Description of the auto battler game market

The auto battler genre is a round-based multiplayer strategy board game, where the overall objective is to be the last man standing. A combination of economy, units, synergies and tactical placement of the units on the board all have a part in the outcome of each round.

The auto battler genre gained significant traction in February 2019, as the original version was created as a fan-made mod in the Dota2 engine. Within the first months, the otherwise technically-restricted, fan-made mod gained significant player activity and within a short period, the mod had more active players than Dota2 itself. As of May 2019, the Dota2 auto battler mod had more than 10,000,000 active players.

Witnessing such a significant rise in popularity, a wide array of game developers and publishers rushed to the market with their own versions of auto battler games. Many of these new games are, however, based on the original auto battler fan-made mod that was made within the Dota2 engine. Consequently, many of the released games are technically inferior and thus provides for a lack in the market of a technically superior auto battler title. TG has seized this opportunity and created the Warhammer AoS: Soul Arena title.

The to-be-released TG auto battler title, Warhammer AoS: Soul Arena, is expected to hit the market in Q3 2021. The title is the result of a collaboration with the prominent game developer and publisher, Games Workshop. The title, Soul Arena, is based on the extensive lore of their Warhammer: Age of Sigmar universe, which provides everything needed to secure a comprehensive match experience – be it alliances and factions for synergies or individual abilities of the units. The users might not be familiar with Warhammer AoS specifically, but Orcs and Dwarves brought-to-life skeletons and the alike are creatures that most potential players can relate to from elsewhere.

This fact provides TG with a significant competitive advantage over direct competition as TG’s Warhammer AoS: Soul Arena will be one of the only auto battler games on the market

with an easily apprehensible universe/lore, which has been improved and modified by Games Workshop for decades.

The agreement with Games Workshop extends to the utilization of the Warhammer AoS: Soul Arena universe. TG pays a smaller one-time flat fee for startup (paid in tranches) and will pay a fixed percentage of generated revenue for the duration of the agreement.

5.5.3.2 Auto battler games competitors

Provided the rising popularity of the game genre paired with the ease of game development when built on the Dota2 engine, there are many competitors within the game genre. Most competitors are, however, small and insignificant for TG.

Below is a representation of the most prominent direct competitors on the auto battler market that TG will compete with.

Game Title	Android Downloads *	PC Downloads
Chess Rush	+5,000,000	n.a
Teamfight Tactics	+5,000,000	80,000,000**
Underlords	+1,000,000	10,000,000***
Auto Chess	+5,000,000	n.a

\*Source: Play Google Store/Auto Chess  
\*\*Source: Dotesports.com  
\*\*\* Source: Steamspy.com

**“The Auto Battler genre is perfect for the mobile platform due to the tempo of the game. It should, however, still be available on more platforms to secure a broad audience.”**

– Søren Gleie, CEO TROPHY GAMES Development A/S

Penneo dokumentnagle: JCYHD-G6ITJ-JXD0U-IQDPP-ZKSJ5-XNKK2



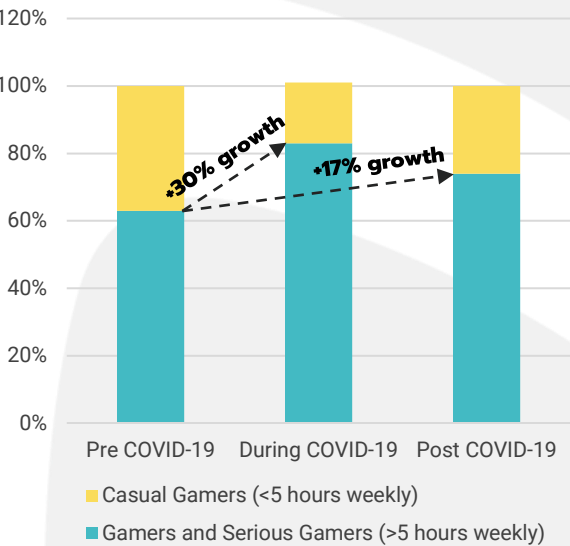
5.6 IMPACT OF COVID-19

Upon the rapid shutdown of vast parts of the world due to the infectious COVID-19 virus, many industries were wholly or partially paralyzed due to governmental restrictions of physical activity. Both business and recreational sectors were impacted significantly, and the implications of the global pandemic have had devastating consequences for many companies worldwide.

Unlike the many industries that were detrimentally affected by the virus, most of the global gaming industry has not experienced any noteworthy adverse consequences of the pandemic.

Before the pandemic, the global gaming industry was in a stage of substantial growth. COVID-19 has accelerated this growth and has pushed the industry forward at an unprecedented pace. Consequently, the scope of the industry has grown larger than ever and is expected to continue growing as the virus settles, and consumers adapt to the new norm.

5.5.1 Growth in serious gamers during COVID-19



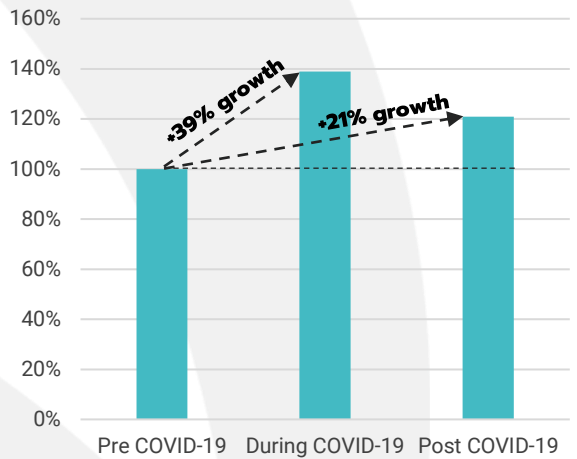
Source: Simon-Kucher & Partners, Gaming Monetization Quant Survey

Weekly time spent playing video games increased significantly during COVID-19 and is expected to stay permanently higher. A 30% growth was initially experienced during the pandemic. A 17% growth is expected to be

maintained post-COVID-19. As such, the pandemic has advanced the average time playing significantly.

5.5.2 Growth in gameplay spend due to COVID-19

The review of average user spend throughout the global gaming industry shows significant growth due to COVID-19. Spend is expected to remain augmented post COVID-19.



Source: Simon-Kucher & Partners, Gaming Monetization Quant Survey

Game spend has increased substantially during COVID-19. When comparing to baseline spend prior to the pandemic, the spend has increased by close to 40%. As the virus has settled and adoption of the new norm has become common, gameplay spend has settled at 121%, thus signifying an increase of 21% compared to pre-crisis levels.

5.5.3 Adoption of new norm fuels growth

According to Lisa Jäger, Partner at Simon-Kucher & Partners, the fact that people have been stuck at home has promoted significantly augmented levels of gameplay. People have been spending a lot more time and money on video games. The result of this is a vast boom in the gaming market, and the substantial growth is expected to continue.

Source: Simon-Kucher & Partners, Gaming Monetization Quant Survey

Penneo dokumentnøgle: JCYHD-G6ITJ-JXDOU-IQDPP-ZKSJ5-XNKK2





***Our community helped upvote a user's quest to win a huge marriage in a castle in England. A legendary story which is still referred to often in our community***

**Thomas Lindegaard Jensen**

Backend Developer, hired in 2006





# 6. Company overview

## 6.1 INTRODUCTION TO COMPANY OVERVIEW

Founded in 2006, TROPHY GAMES was established by two childhood friends, Søren Gleie and Niklas Iversen. The Company was created on the basis of years of friendship, interest in computers and gameplay. The first game ever to be released from the TROPHY GAMES brand, Trophy Manager, was released in 2006 and is still active today with over 14,000 daily active users and with an active player count shrinkage of under 5% p.a. Paired with significant growth over the years, TROPHY GAMES has undergone optimal transformations in corporate structure and is today ideally positioned to continue expansion and development as a publicly traded company.

### 6.1.1 Key Financial Highlights

**Unique Monthly  
Paying Users**

**10,500+**

Across active portfolio

**2020 Revenue**

**30.8**

DKK millions

**Y-o-Y growth**

**54.6%**

Revenue 2019-2020

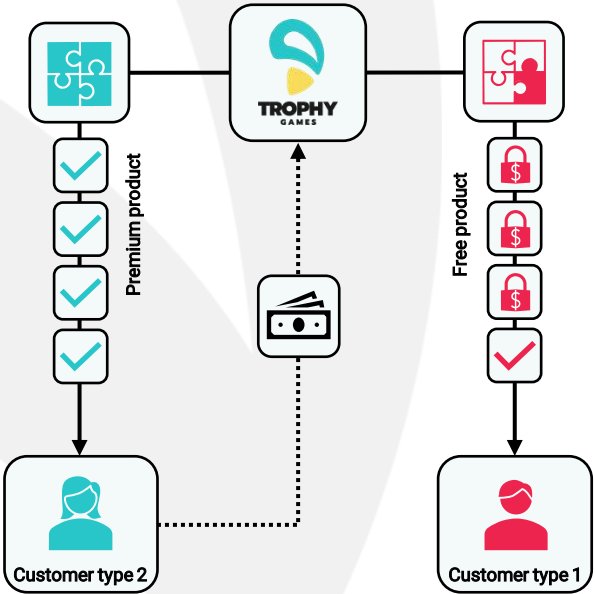
**Revenue CAGR  
2019-2023E**

**+54%**

Based on budget and  
forecasts including  
proceeds from IPO

## 6.2 EXPERIENCED DEVELOPMENT AND PUBLISHING OF SUPERIOR FREEMIUM GAMES

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



The freemium model allows the user to customize his game experience to his own needs, only paying for the things that matter to him giving much better value for money for the player.

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

Even if a user does not pay, TG still has a lot of time convincing the user of how great the game is. In such cases, the freemium model allows for a late conversion compared to the Premium model.

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

Monetization strategies within individual games differ. However, the vast majority of games within the TROPHY GAMES game portfolio uses the freemium revenue model. TROPHY GAMES on average convert upwards of 4% of players from free to paying. As a result of this, the games can achieve superior levels of revenue with moderate numbers of sign-ups.

By use of the freemium revenue model with frequent monthly payments from players, TROPHY GAMES receive significant benefits in terms of predictability and agility. The freemium model allows for earlier releases of titles as the product is not sold upfront but along the way and similarly, for continuous updates of released games. Through continuous improvements of existing titles, players are retained, hence producing a vast lifetime value of customers. TROPHY GAMES titles have an extensive lifetime because of this.

Upon development and release of new games, TROPHY GAMES will typically release a beta version to evaluate the interest and retention. By use of the freemium model, instant feedback from users is provided, and TROPHY GAMES receives advantageous information about customer behavior that enables an increasingly tailored approach to capture the most valuable customers. Should the game beta produce continuous negative KPIs, TROPHY GAMES are able to cost-control and focus on other profitable titles.

### **6.3 SUPERIOR, DATA-BACKED GAME DEVELOPMENT RESULTS IN HIGH INFLUX AND RETENTION OF CUSTOMERS**

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

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

#### **6.3.1 Gameplay is key to loyal users and recurring revenue**

TROPHY GAMES develops and releases games that are very hard to master and have a lot of intellectual challenges for the players. The games have a high degree of realism and a well-balanced game economy, making the interplay competition fierce and challenging. Because of the specific game mechanics included in TROPHY GAMES' games, the customers are retained and remain loyal.

***"Many users discover our games before the competitors, and once they are into our gameplay, they won't leave us."***

*– Søren Gleie, CEO TROPHY GAMES Development A/S*

6.3.2 2020 in focus

2020 concluded an atypical yet rewarding year for TROPHY GAMES. With the emergence of the wide-spanning COVID-19 pandemic, the Company was faced with multiple challenges that required adaptation to navigate through many governmental and societal restrictions in order to continue business operations. TROPHY GAMES succeeded in the adaptation and was able to benefit from several circumstances produced by the pandemic.

Upon the worldwide lockdown, many companies reduced marketing spend during difficult times. Resultingly, TROPHY GAMES was able to acquire advertising campaigns at very competitive prices. This produced substantial results. Especially one game in the TG game suite, Pro 11, was very susceptible to the increased advertising campaigns. Paired with extensive pre-COVID-19 growth rates, the game was further advanced though use of acquired advertising campaigns. Consequently, the Pro 11 title has been the main driver of growth during 2020.

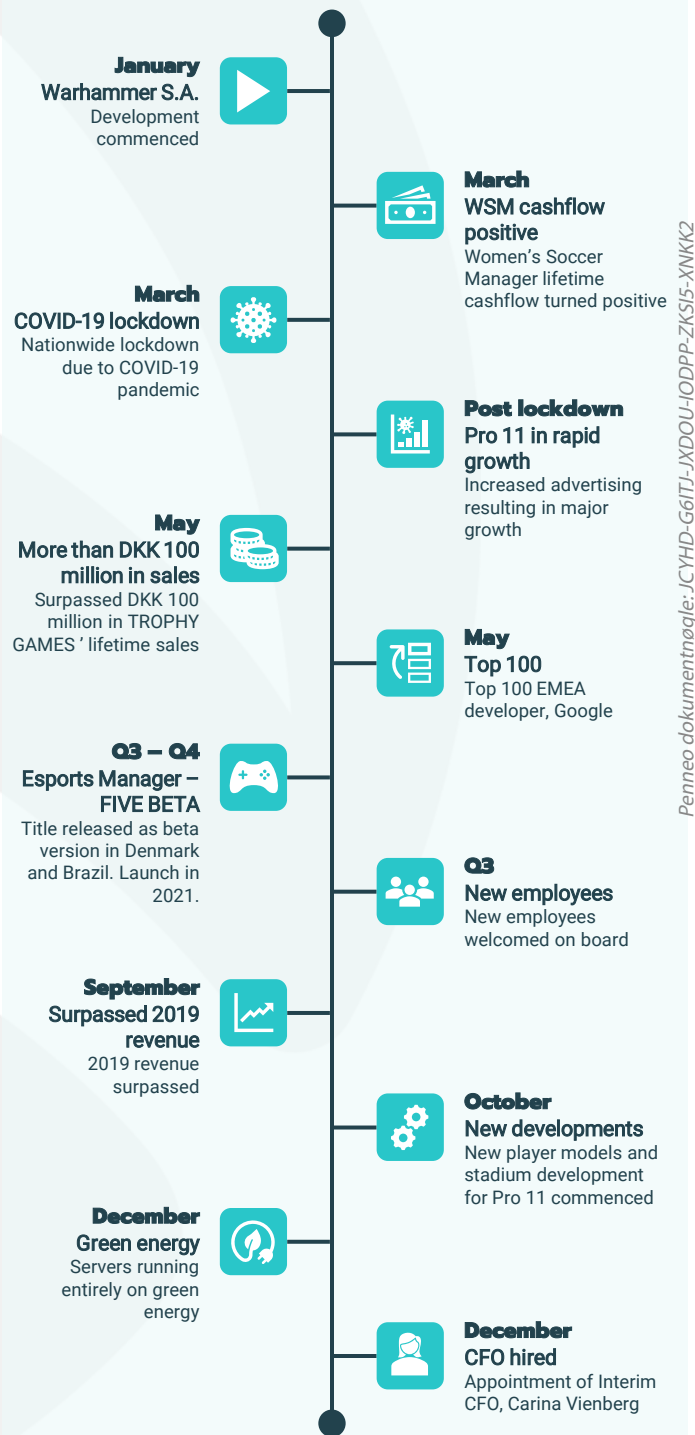
As a product of the increased spare time that the pandemic brought along with countrywide lockdowns, TROPHY GAMES has during 2020 also had the opportunity to reorganize its corporate structure as well as staffing. Aside from setting the business up with the ideal structure for an initial public offering, the Company has also spent time recruiting staff that was needed to fuel further growth. Resultingly, the Company has expanded staffing with three specialist programmers, two freelance graphic designers, and one permanent graphic designer. In December 2020, TG has hired an interim CFO, Carina Vienberg, who will assist the company until a permanent CFO is hired. TG is in process of searching for the right candidate. TG expects a hire of a new CFO during FY2021.

Within the first 12 months from admittance to trading, the Company expects to grow by 15 people in staffing. Of the expected 15 employees, four will expectedly be placed in marketing, 10 in development and one in administration.

2020 has moreover been a year with strong game development for TROPHY GAMES. While working continuously on the upcoming titles, Soul Arena and FIVE, TG has also been maintaining and upgrading existing titles to ensure customer retention.

While being able to cross-advertise in the different games, many players of existing titles will also become players of the new titles, and as such, maintaining player satisfaction is paramount.

6.3.2.1 TROPHY GAMES timeline of milestones in 2020





***FMU was created as lots of users wanted “more” of TM. The faster gameplay in our second game release, FMU, made the game very popular and in a few years, it grew to be our greatest success at that time.***

**Søren Gleie**

CEO & Founder, TROPHY GAMES Development A/S



6.3.3 Rapid development despite COVID-19

As represented on the timeline of achieved milestones for 2020, the year can be categorized as an eventful one with occurrences such as societal shutdowns, governmental restrictions and impaired business operations. Nonetheless, 2020 has been a year of significant growth for TROPHY GAMES – both in terms of organizational development, financial expansion and market penetration.

As identified in the industry and market overview, the worldwide gaming industry has holistically been in rapid development throughout the past year. Such development has partly been fueled by an industry in already strong growth; however, also partly fueled by a massive surge in players of video games due to restrictions of physical interactions during periods of quarantine.

Highly transferrable to the case of TROPHY GAMES, the Company was prior to the global shutdown also in a prolonged phase of continual growth. The business growth rates, however, surged upon the shutdown, and the Company experienced additional growth in gameplay and in IAPs.

As of September 2020, the revenue level of 2019 had been surpassed. Similarly, the revenue growth between 2019 and 2020 amounts to an expansion of upwards of 52%, thus signifying a strong development despite the COVID-19 pandemic.

**“Covid-19 boosted our numbers in March and April more than expected, but we were able to maintain a new high level throughout the year”**

– Daniel Luun, CEO, TROPHY GAMES Publishing ApS

6.3.4 Strong KPIs guide business operation to ensure efficiency and suitable targeting


Being a data-driven company, TROPHY GAMES measure business performance based on a set of KPIs that provide operational intelligence. With substantial insights into operations, business processes, game updates as well as new game development can be tailored to cater to the demands of players in the market.

Predominantly, TROPHY GAMES rely on two different KPI metrics – financial metrics that track and report the financial development of the Company, and customer metrics that track and report commercial performance.


Provided TG’s expansive suite of released titles, all KPIs are computed on individual game-level. Consequently, intelligence from the measured game performance is used to alter operations in order to optimize financial performance.

**6.3.5 Key performance indicators**

**FINANCIAL KPIs**



**REVENUE** Total sales in respective game




**EBT** Earnings before tax




**ARPPDAU** Average revenue per daily active user


**OPERATIONAL KPIs**




**DAU** Daily active users



**INSTALLS**




**TUBPW** Total unique buyers per. week



**Retention**



**Customer lifetime**



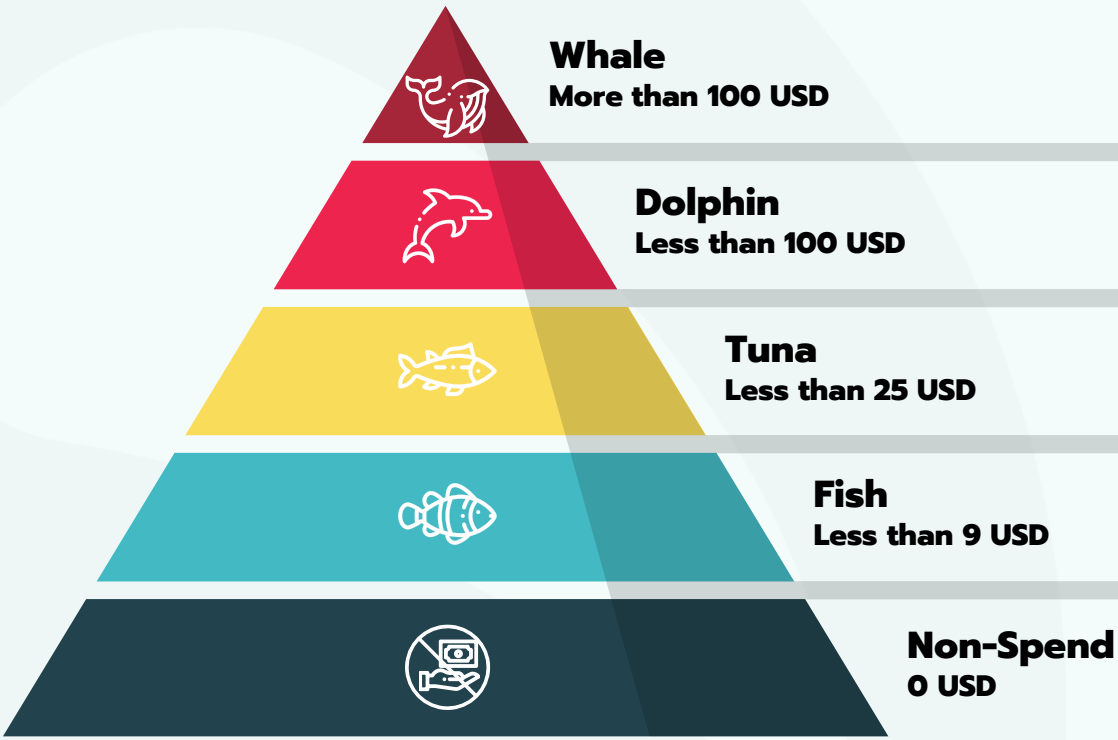
**Lifetime value**

Albeit KPIs are predominantly measured on individual game level, TG further narrows down the insights into the different players of the respective TG games. Provided the workings of the freemium revenue model, this further segmentation is based on in-game spend of the players. TG have categorized players into five different player groups.

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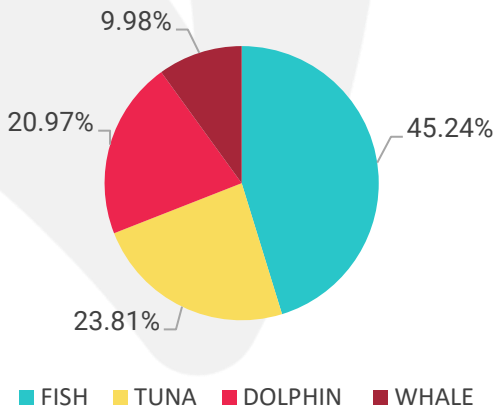
6.3.4.1 TROPHY GAMES' customer segmentation



As presented in the above illustration, TROPHY GAMES utilizes allegories to segment the respective players of the different TG titles. Based on in-game spend, the players are categorized into five respective segments. The in-game spend is the accumulated spend over a trailing three-month period.

Players of the respective TG titles are categorized into the following different categories: (i) Non-spend, 0 USD, (ii) Fish, under 9 USD, (iii) Tuna, under 25 USD, (iv) Dolphin, under 100 USD, and (v) Whale, over 100 USD. By segmenting customers into categories, TG can derive player consumption patterns in the respective segments. Ultimately, by the use of insights into consumption patterns, direct marketing can lead to the advancement of a customer to a different stage in the segmentation pyramid, hence increasing the in-game spend and subsequently growing TG revenue.

6.3.4.2 Segmentation, in-game spend



Visualized in the above figure is the segmentation between the different paying player segments. As shown, the vast bulk of paying players are Fish.

6.4 TROPHY GAMES PLAYER PROFILE

Provided the complex gameplay and the strategic focus of the games that are developed and published by TROPHY GAMES, the key consumers belong to a specific demographic.

The strategic focus of the games requires significant reflections and considerations during gameplay. Resultingly, when aspiring to commence playing a TG game, users will initially have a hard time getting started as the games require significant effort upon startup. However, when users are into the game, the retention rates are astoundingly high.

Given the required intellect and maturity of key consumers, less than 10% of players across all TG titles are below the age of 18. The dominating age of TG gameplayers are in their twenties and thirties, and internal studies have shown that the players have a high level of education. Resultingly, the key consumer of TG games has the financial capacity and capability of significant in-game spending.

Consumers in their twenties and thirties that have good jobs typically do not have 2-3 hours daily for focused gameplay. Consequently, the games provided by TG are set up to allow for casual gaming that does not require real-time actions. As such, players can sustain competitive gameplay with as little as two or three sessions of 10 minutes daily. The vast majority of players do, however, spend significantly longer on daily gameplay.

The targeted audience of TROPHY GAMES wants to be intellectually challenged and mentally stimulated. Their competitive mindset is fueled by the desire to win.

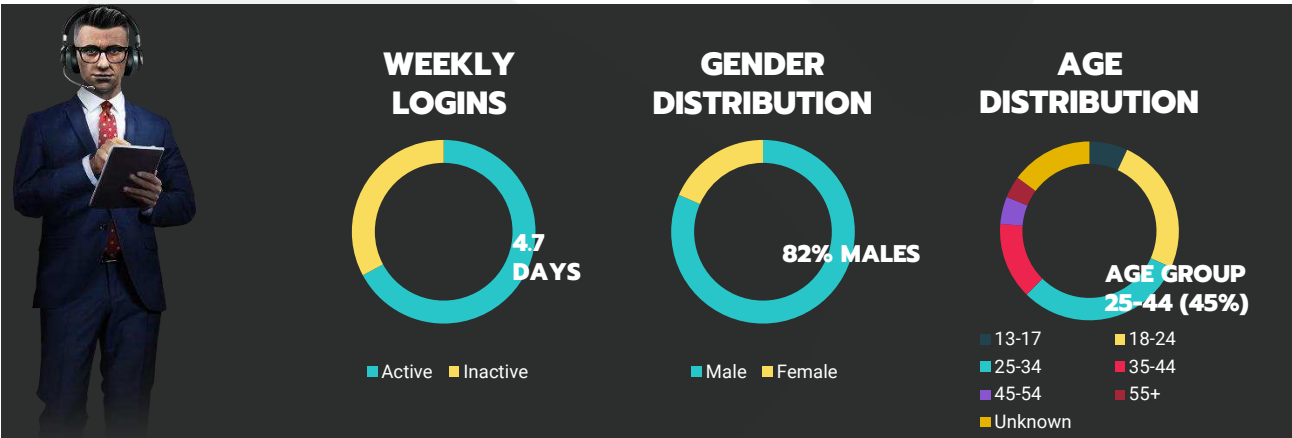
On average, the loyal, key player base of TG games log in 4.7 days per week. On days with login, the players on average commence 3.5 sessions of gameplay.

6.4.1 Strategy focus

Throughout the years, the Company has experienced a shift in the focus of the players. While the interest in the games predominantly stems from the liking of football, the customers retain due to the strategic gameplay. As such, the actual theme of the game is becoming less important as the strategic gameplay is advancing.

Consequently, the players of TG games are increasingly being retained by the drawing gameplay. The Company is thus convinced that the player base obtained from the existing titles will be transferrable to FIVE and Soul Arena, securing a strong start for newly launched titles.

6.4.2 Average Player Statistics



\*Statistics based on Pro 11 Facebook gameplay insights. Statistics are however mostly representative across all TG games

## 6.5 TROPHY GAMES TOP CUSTOMERS

TROPHY GAMES has an extraordinarily wide array of active players in the suite of proprietary titles developed and released under the TROPHY GAMES brand. Nonetheless, a unique group of players contributes significantly to the Company's overall economy through extraordinary in-game spending and retention. Some games in the portfolio are more exposed to Whales than others; however, all released titles have a specific group of high-value customers.

Among the games in the portfolio, the most revenue-generating titles as of the publication of this Company description are Football Manager Ultra (FMU) and Pro11. In 2020, the combined revenue of these two titles accounted for roughly 82% of the total game revenue attained by TROPHY GAMES. As such, in order to exemplify the impact of the top customers of the TG games, the following will provide information on Whales in these two respective titles.

### 6.5.1 Football Manager Ultra top customers

The FMU title predominantly appeals to hardcore and competitive gamers and is resultingly one of the most played games in the portfolio. The game monetizes extremely well amongst the playing segment, and vast numbers of users have been playing the game for years, hence producing many high lifetime-value customers compared to industry standards. The top 5% of spending players of FMU average an in-game spend of 4 USD per day. Further, the same users spend upwards of 22 USD per day on days when TG launches new features or resets stats.

The top 5% of FMU spending players on average contribute 52% of the entire in-game spending economy. Similarly, on days with extraordinary events, the top 5% contribute upwards of 75% of the entire in-game economy. The engagement of the top 5% with the game and other players permeates to social platforms and forums, where they are active 6.75 days a week.

### 6.5.2 Pro 11 top customers

The Pro 11 title predominantly appeals to mid- and hardcore competitive gamers and monetizes very well amongst this segment. Similar to the FMU game, this title also has an exceptionally high retention of players and resultingly promotes a high LTV of customers. The top 2.5% of spending Pro 11 players average 4.37 USD in daily spending and up to 7.09 USD on peaking 10% days.

The top 2.5% of spending Pro 11 players contribute over 20% of the total in-game spend. In peak periods with new launches or updates, this same 2.5% will contribute upwards of 27% of the entire spending. Their engagement with the game and the other players similarly permeates to social platforms and forums, where they are active 6.5 days a week.

### 6.5.3 Retention of top customers

Player retention is a key area of focus for TROPHY GAMES as the players are the main revenue drivers. As such, customer retention is very important, and the Company actively promotes retention through multiple different initiatives.

Having years of player insights, TG utilizes proprietary predictive algorithms that examine user in-game behavior and pinpoint those with a chance to churn and give them certain offers or gifts to make them retain. Furthermore, TM and FMU have key customer support. Such support caters predominantly to high spenders and gives them the possibility to contact support staff directly. This support function has shown to greatly impact the retention of high-value customers as problems or concerns can be solved without significant delay. Given the success of the support function, all titles launched in the future will be equipped with support functions.

Aside from in-game retention initiatives, TG also utilizes retargeting campaigns on Facebook and Google Adwords. Such actions assist to reactivate previous customers back to the games, thus promoting a rejoining and proceeding retention.



## **6.6 INDIVIDUALIZATION PROMOTES NEW AND CONTINUED GAMEPLAY BY PAYING CUSTOMERS**

In order to promote new and continued gameplay among existing and incoming players, TG has established numerous player benefits that set TG games apart from the direct competition. TG customers have the possibility of customizing their gameplay, hence promoting an increased sense of belonging and thereby increasing retention.

Aside from the actual gaming mechanics, TG has a wide range of products for its customers. In most titles, customers, e.g., have the possibility to customize their accounts. Such customization entails changing cosmetics and the building of an individualized virtual identity in the universe in which they spend several hours per day. Furthermore, paying players also have the possibility to speed up gameplay – a feature that non-spend players cannot access.

Lastly, TG has rolled out a new feature in some of the games – Pay to Win. This feature significantly appeals to the elite players who compete at the highest level. This feature is thus predominantly utilized by the more competitive part of the prime userbase, whose competitive nature encourages in-game spending to stay at the top.

## **6.7 ORGANIZATION AND CULTURE AT TROPHY GAMES**

Aside from developing and publishing exciting games with involving gameplay, TROPHY GAMES strives to be a responsible organization with healthy and mindful core values. As such, the organization has defined a vision, company values, personnel guidelines as well as sustainable environmental and social responsibility initiatives. The following section will provide an overview of initiatives taken by TG to obtain and sustain a responsible organization.

### **6.7.1 Vision and company values**

TROPHY GAMES strives to be the worlds leading strategy game studio providing endless entertainment and challenging gameplay for all players. By using knowledge from a lifelong gaming passion, the Company seeks to develop

the most competitive, creative, innovative and profitable multiplayer games across all platforms.

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

Fueled by rapid expansion, TROPHY GAMES is swiftly approaching an outgrowth of the current office facilities held by the Company. Upon moving to new office facilities, the Company plans to create the first Game Hub ever in Denmark. The intention of establishing such a Game Hub is to offer office space for a selected few game studios and thereby grow to be a game incubator. This will position TROPHY GAMES in a lucrative position – both in terms of future potential investments but also with talent attraction for future hires.

### **6.7.2 Personnel**

TG's management knows that skilled employees are a key success factor in maintaining a viable and profitable business. As such, the employees at TROPHY GAMES receive several benefits and are all exposed to a great work environment, extensively characterized by freedom and room for creativity.

TROPHY GAMES recognizes that creativity thrives differently among people, and as such, essential room for creativity is provided to employees. Among other initiatives, employees at TG have the option to work from home, but also at different times during the day to fit work to personal schedule.

TROPHY GAMES has a history of long employments of personnel. When performing new hires, the Company aspires to keep the employees for many years. Resultingly, extensive training and development of employees are ensured to provide a prosperous working relationship and environment. Similarly, TG is very aware of employee health and work-life balance. As such, the employees will, unlike employees at most other international game studios, not work overtime.

Resultingly, TG personnel takes regular vacations, free time for family and friends and consequently, avoid burning out. All these factors contribute to a well-balanced work environment that benefits both employers and employees.

While being a Danish founded studio, TG is increasingly focused on hiring more internationally. As TG games are distributed to the entire world, it is increasingly important to be able to tailor the games to match different traditions. The Company already has employees in Estonia, Thailand and Italy, as well as volunteers from all around the globe. Such cross-country collaboration is facilitated by communications carried out in English. TROPHY GAMES aims to hire the most skilled people but in general prefer them to work on-site as the Company believes that creativity and knowledge sharing suffers from doing remote work.

**6.8 ENVIRONMENTAL & SOCIAL RESPONSIBILITY**

TROPHY GAMES extensively strives to become and remain an environmentally and socially-friendly workplace. The Company acknowledges the need for active choices to reduce the imprint on the planet produced by today's business operations. Resultingly, TG's servers run on 100% renewable energy. Similarly, the Company climate compensates to be CO<sub>2</sub> neutral for all employees.

In 2020, TROPHY GAMES reached carbon neutrality as all CO<sub>2</sub> emissions (164 tons) since the Company was founded in 2006 were compensated for.

Upon the need to travel, the management and employees at TROPHY GAMES predominantly utilize trains and bicycles.

Further, being a digital business, paper consumption is automatically low, yet the Company still aims at the least possible paper consumption. To further save the environment, TG covers public transportation costs for employees to promote collective transportation.

**6.8.1 Environmental and social responsibility highlights**



**SERVERS RUNNING ON  
100% RENEWABLE  
ENERGY**



**EMPLOYEE  
COMPENSATION FOR  
CO2 NEUTRALITY**



**USE OF PUBLIC  
TRANSPORTATION AND  
BICYCLES UPON THE  
NEED TO TRAVEL**



**REDUCING CONSUMPTION  
OF PAPER TO A MINIMUM**



**// EASY TO PLAY,  
HARD TO MASTER**

**Jan Dal Lehrmann**

Chairman of the Board of Directors,  
TROPHY GAMES Development A/S





# 7. Game overview

## 7.1 INTRODUCTION TO GAMES

The game portfolio of TROPHY GAMES consists of a range of strategy and management games, in which the user needs to manage all aspects of a team successfully in order to progress.

Since its birth, the Company has had a preeminent focus on the development of football management games; however, in recent years, TG has also begun focusing on games that extend beyond the football theme, albeit still within the strategy and management sphere. The value proposition of the games differs significantly from each other, from games appealing to a broad userbase to games targeting niche segments.

Currently, TG’s portfolio consists of five games; Trophy Manager, Football Management Ultra, Pro 11 – Football Manager Game, Women’s Soccer Manager, and Futuball – Football Manager. The Company has two promising games in its pipeline; FIVE and Warhammer AoS: Soul Arena, both to be launched in 2021.

### 7.1.1 Technology

TROPHY GAMES focuses extensively on the development of high-quality games. This means that the Company is investing heavily in the technology of each game.

This has, among other things, resulted in a market-leading match simulator that the entire portfolio is built upon, as well as sophisticated graphic designs aimed at creating a breath-taking user experience.

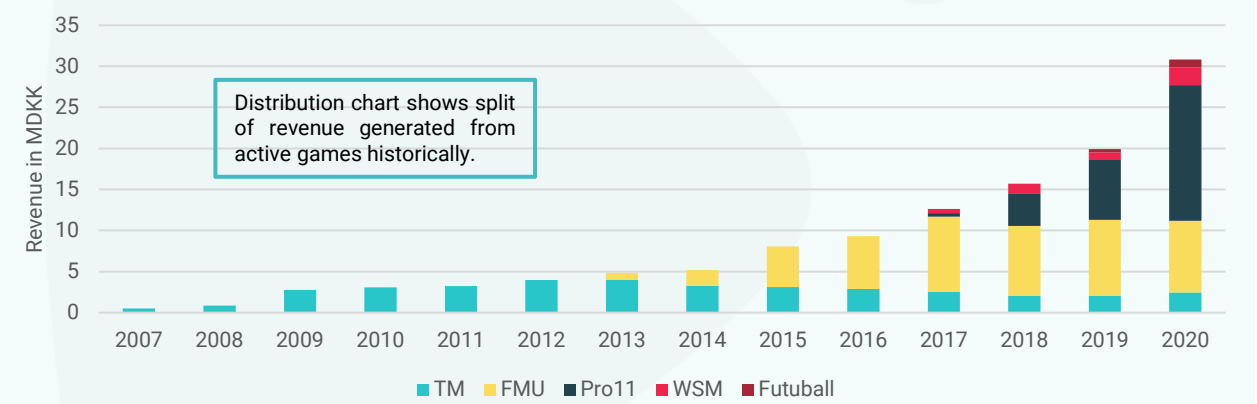
All games are played in a multiplayer universe, where users can compete against each other. Several games further allow for in-game messaging between users, and it is the ambition to scale this feature to the entire portfolio to bring the user community to the next level.

### 7.1.2 Revenue

The principal source of revenue streams derives from mobile gameplay with Pro 11 and Football Management Ultra as the flagships.

Monetization of the userbase is measured in ARPDAU, which stands for average revenue per daily active user. This metric is used to assess the number of old users that pay more relative to new users that pay less. Generally, late-stage games experience an increase in ARPDAU, prolonging the lifecycle, while growth-stage games experience a decrease in ARPDAU due to the vast inflows of new users.

### 7.1.2.1 Revenue distribution





7.13 Lifecycle

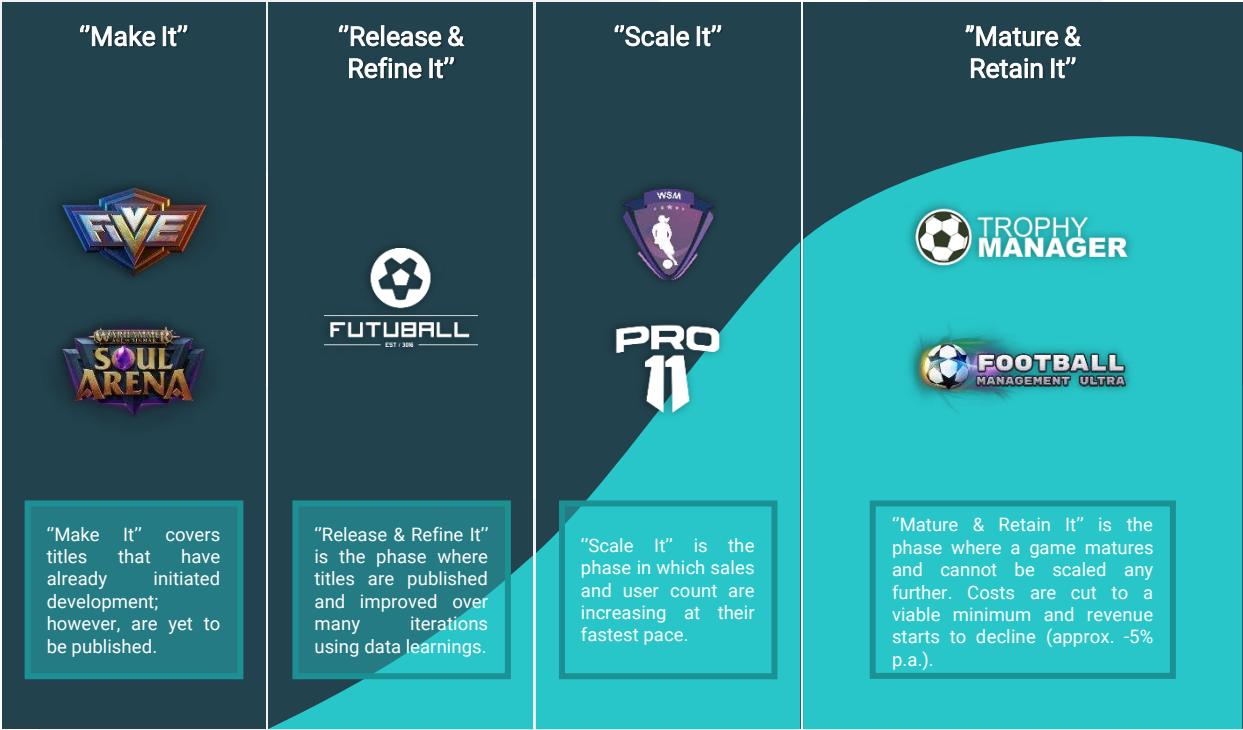
TROPHY GAMES distinguishes between maintenance mode and development mode. Maintenance mode typically comprises late-stage games that are fully developed and only require minor support and server maintenance, while development mode comprises more growth-stage games that are receiving development on an ongoing basis.

The Company balances its portfolio consistently between growth and late-stage games, subsequently leading to the constant possession of cash cows that provide financing to the development of new and existing games as well as advertising campaigns. Growth-stage games currently include Pro 11, Women’s Soccer Management, and Futuball, while Trophy Manager and Football Management Ultra are considered late-stage games.

While the growth-stage games acquire significant amounts of new users, late-stage games retain the vast majority of their paying userbase – with some late-stage games even receiving considerable new sign-ups. This produces significant foreseeability in revenue generation from late-stage games. As such, the major differences in time horizons between the short development phase and the long tail produce an especially lucrative setup for continued and new game development.

7.13.1 Game lifecycle

Depicted on the below visualization, the game lifecycle is split into five respective stages, 1. “Make It”, 2. “Release & Refine It”, 3. “Scale It” and 4. “Mature & Retain It”.





***WSM is the first ever  
football game targeted  
towards women's  
football only.***

**Daniel Luun**

CEO, TROPHY GAMES Publishing ApS &  
Co-owner, TROPHY GAMES Development A/S



## 7.2 TROPHY MANAGER

### 7.2.1 Description

TM is the original football manager game in which the user has full control of a fictitious internet-based football club. In the role as manager, the user must exhibit the skills necessary to manage every aspect of club life and decision-making, from controlling finances, constructing training programs to deciding on tactics for matches and buying or selling players on the transfer market. The game is online-based, and hence the user competes in a universe versus clubs controlled by other real-life users.

TM is TG’s first-ever game. It is developed as a browser game with a first-class match simulator being one of the most advanced among internet-based manager games. TM has an incredibly long lifecycle, which results in an extremely active userbase.

### 7.2.2 Monetization

TM was initially monetized through a subscription model. Users could pay a monthly fee to obtain club logos, receive extra player statistics and other features that will help them advance further in the game. Such subscription model initially proved ideal to capture MRR; however, TG has moved away from this model and now predominantly pursue in-app purchases as the key monetization for games as this model produces higher revenues.

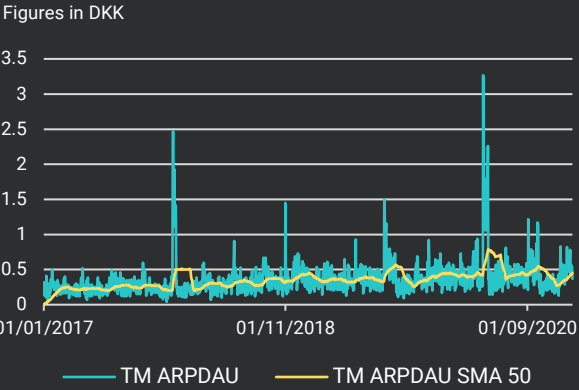
### 7.2.3 KPIs

#### 7.2.3.1 Revenue

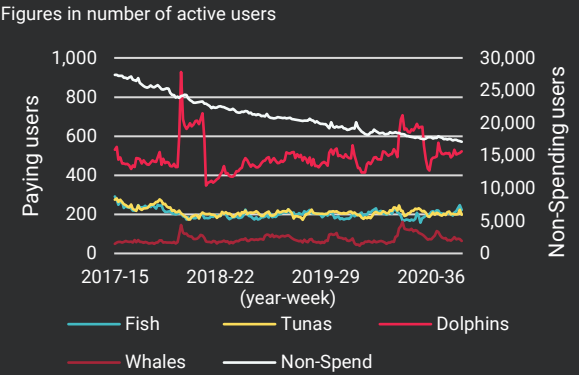
TM has exhibited a long tail and thus receives more than 1000 new sign-ups per month with a strikingly limited churn rate as TM has a very loyal userbase. TG does not actively advertise or further develop TM, but the game performs extraordinarily well and thus generates a significant amount of cash for TG.

Year	Revenue (DKK)	EBT	Year	Revenue (DKK)	EBT
2007	500,000	-	2016	2,868,329	2,155,982
2008	844,000	-	2017	2,521,475	1,956,903
2009	2,754,000	-	2018	2,071,231	1,587,554
2010	3,060,000	-	2019	2,077,889	1,575,013
2011	3,245,698	-	2020	2,526,618	1,981,223
2012	3,989,196	-	2021E	2,345,816	1,806,602
2013	3,985,120	-	2022E	2,137,700	1,589,435
2014	3,286,893	-	2023E	1,948,377	1,414,834
2015	3,123,515	-			

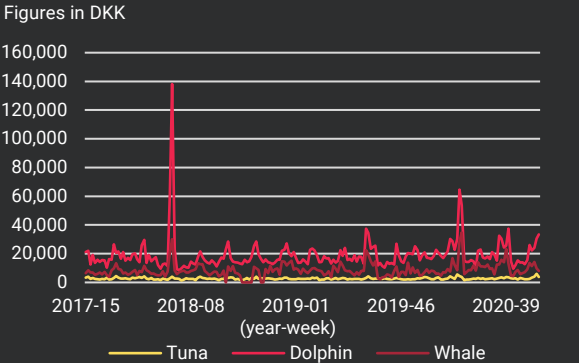
### 7.2.3.2 ARPDau



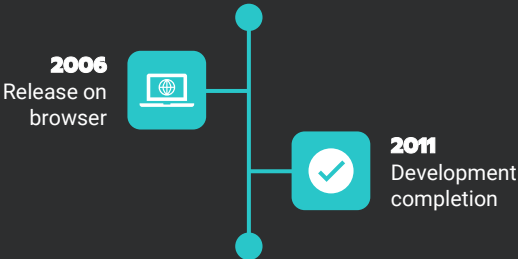
### 7.2.3.3 Segment development



### 7.2.3.4 Spending per segment



### 7.2.4 Timeline





# 7.3 FOOTBALL MANAGEMENT ULTRA

## 7.3.1 Description

FMU is the ultimate football manager game in which the user must prove what it takes to manage a fictitious football club. The user will carefully develop and sustain a supreme team by hand-picking top players, trading players in a dynamic fantasy football market, negotiating sponsorships and expanding the stadium to get more supporters, all while massively climbing the fantasy football rankings and leagues. The game is online-based, and hence the user competes in a universe versus clubs controlled by other real-life users in the quest to become a legendary football manager.

FMU is a faster-paced version of TM. It was specifically developed for the Facebook Canvas platform while still retaining its market-leading match simulator. The shorter lifecycle of the game fits overly well into a mobile format. The game has a significant userbase and strong ratings of 4.3/5 and 3.9/5 in the App Store and Google Play, respectively.

## 7.3.2 Monetization

FMU monetizes with an in-app purchases model. Users can obtain direct advantages through purchases of better players, youth scouting and extra training, among other things.

## 7.3.3 KPIs

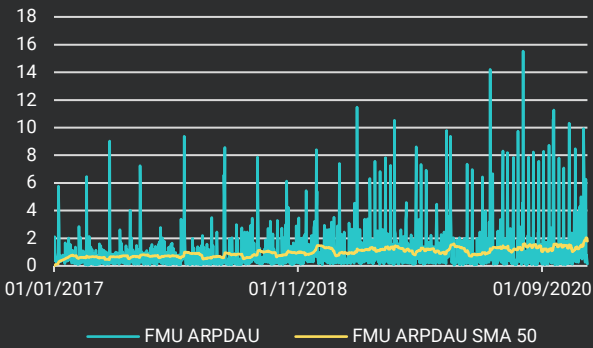
### 7.3.3.1 Revenue

FMU is fully developed and only requires low live-ops cost, thus providing positive cash flows for TG currently and in the years to come. FMU is in the last stage of its lifecycle; however, the game manages to acquire a decent number of new users besides its already substantial userbase.

Year	Revenue (DKK)	EBT
2013	837,477	-
2014	1,897,994	-
2015	4,928,185	-
2016	6,454,402	1,966,812
2017	9,155,343	2,962,680
2018	8,486,716	3,538,089
2019	9,223,523	5,096,667
2020	8,444,140	4,571,484
2021E	7,661,858	4,772,336
2022E	6,705,996	4,078,713
2023E	6,087,352	3,696,558

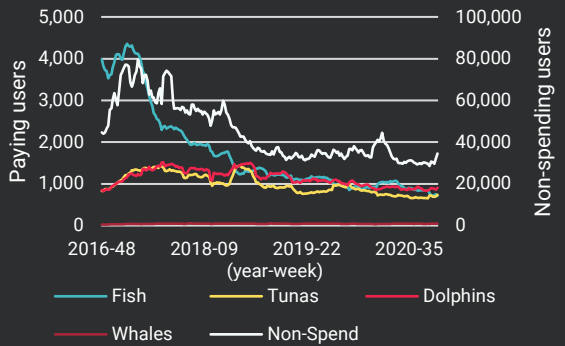
## 7.3.3.2 ARPAU

Figures in DKK



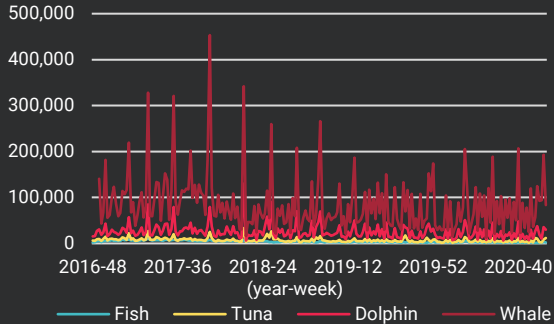
## 7.3.3.3 Segment development

Figures in number of active users

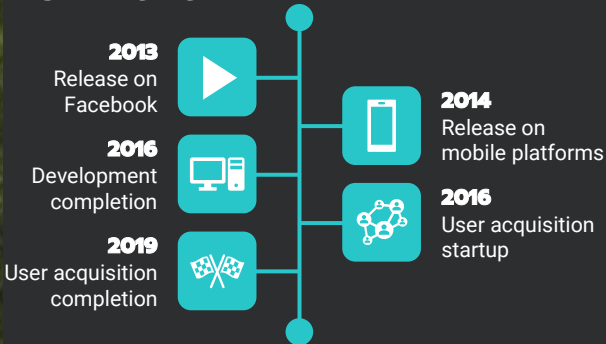


## 7.3.3.4 Spending per segment

Figures in DKK



## 7.3.4 Timeline





# 7.4 PRO 11 – FOOTBALL MANAGER GAME

## 7.4.1 Description

Pro 11 is a superior free-to-play football manager game in which the user has full control of a fictitious football club. It is all up to the user to manage every aspect of club life, from controlling finances, constructing training programs to deciding on tactics for matches and buying or selling players on the transfer market. The user can through dominating gameplay climb the best national leagues and ultimately the legendary Champions League. The game is online-based, and hence the user contests in a massive multiplayer universe versus clubs controlled by other real-life users.

Pro 11 is a faster-paced game and available as both a mobile and browser version and further through Steam and the Windows Store. The game builds upon TG’s cutting-edge match simulator, and significant investments in early retention and graphics were made by TG, which has been reflected in the rapid growth of KPIs. This has allowed TG to run paid user acquisition strategies with great success. Pro 11 has a broad userbase and ratings of 4.5/5 and 4.4/5 in the App Store and Google Play, respectively.

## 7.4.2 Monetization

Pro 11 monetizes with an in-app purchases model. Users can obtain direct advantages through purchases of better players, youth scouting and extra training, among other things. In addition, Pro 11 runs ads for which the user can earn extra coins. These ads contribute about 5% of the total revenue of the game.

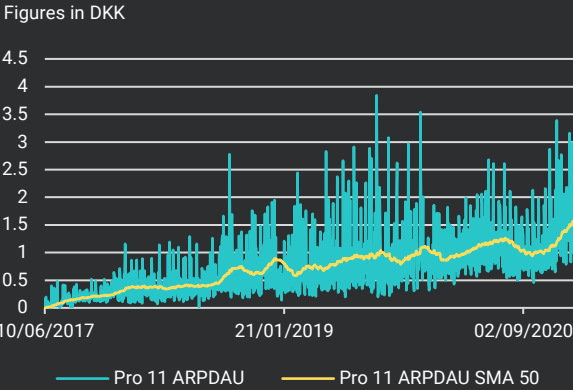
## 7.4.3 KPIs

### 7.4.3.1 Revenue

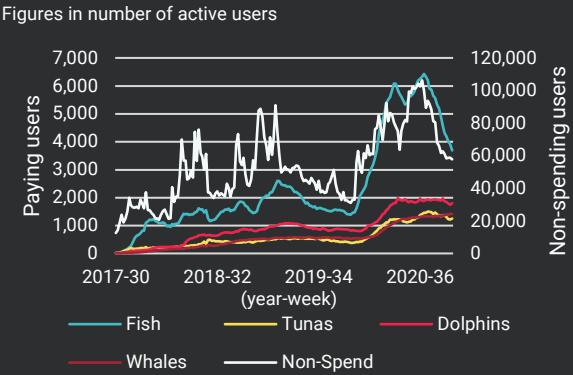
Pro 11 is currently in a scaling phase with extensive advertising campaigns as reflected in the revenue and EBT figures. The advertising campaigns approximately reach breakeven after 6 to 12 months, which is the reason why EBT of 2020 is lower than in 2019.

Year	Revenue (DKK)	EBT
2017	448,977	-
2018	3,977,603	6,229
2019	7,266,621	1,158,129
2020	16,282,488	477,943
2021E	22,864,935	3,630,718
2022E	22,300,808	8,056,826
2023E	20,533,594	8,162,909

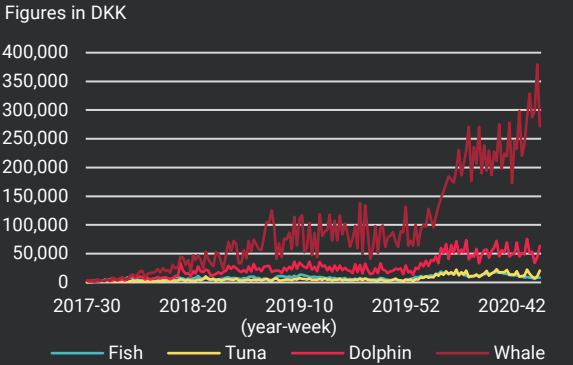
### 7.4.3.2 ARPAU



### 7.4.3.3 Segment development



### 7.4.3.4 Spending per segment



## 7.4.4 Timeline



# 7.5 WOMEN’S SOCCER MANAGER

## 7.5.1 Description

WSM provides the platform that will make any user’s football dreams come true as the user takes full control in managing a fictitious women’s football club. This means that the user is responsible for every aspect of club life, from devising football tactics, scouting for young football talents to negotiating sponsorship contracts and selling or buying players on the transfer market. WSM is one of the few female-only games available on the market, which is highly appreciated among the female fanbase, and therefore the game experiences significant organic growth. The game is online-based, and hence the user competes in a universe versus clubs controlled by other real-life users.

WSM is a spinoff of Pro 11 and is thus built on the same sound codebase. It is available as both mobile and browser versions and through Steam and the Windows Store. The game has approximately 50% female users, and significant investments in early retention and graphics were made by TG, which has been reflected in the rapid growth of KPIs. This has allowed TG to run paid user acquisition strategies with great success. WSM has ratings of 4.5/5 and 4.3/5 in the App Store and Google Play, respectively.

## 7.5.2 Monetization

WSM monetizes with an in-app purchases model. Users can obtain direct advantages through purchases of better players, youth scouting and extra training, among other things. In addition, WSM runs ads for which the user can earn extra coins. These ads contribute about 5% of the total revenue of the game.

## 7.5.3 KPIs

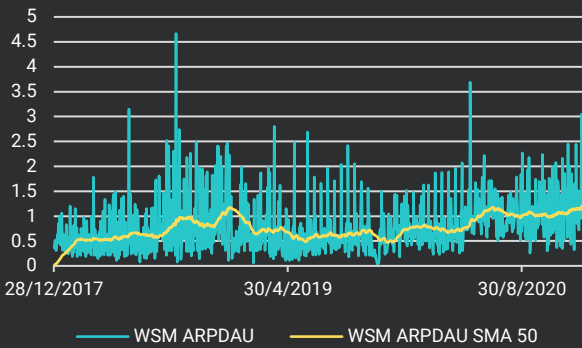
### 7.5.3.1 Revenue

WSM is a niche game but nonetheless exhibits good traction. The game does not have the same appeal as Pro 11 due to its niche segment; however, WSM has a higher EBT to revenue ratio compared to Pro 11.

Year	Revenue (DKK)	EBT
2017	508,854	-
2018	1,172,139	116,496
2019	961,487	428,731
2020	2,084,020	998,480
2021E	2,329,113	1,330,197
2022E	2,417,163	1,392,615
2023E	2,433,505	1,413,241

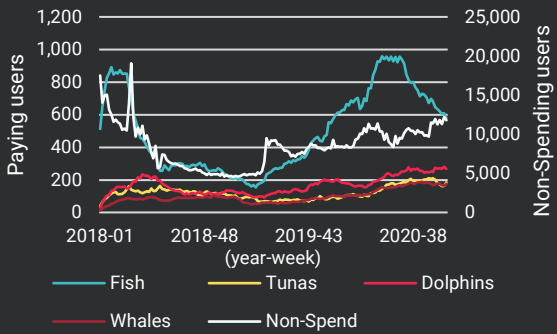
### 7.5.3.2 ARPAU

Figures in DKK



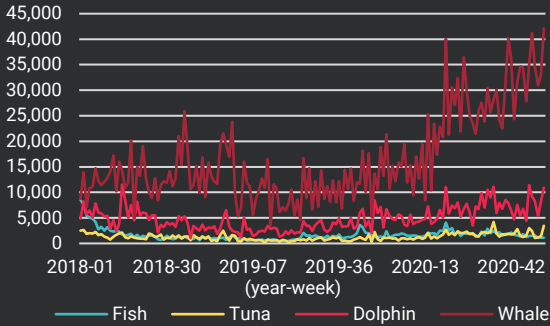
### 7.5.3.3 Segment development

Figures in number of active users

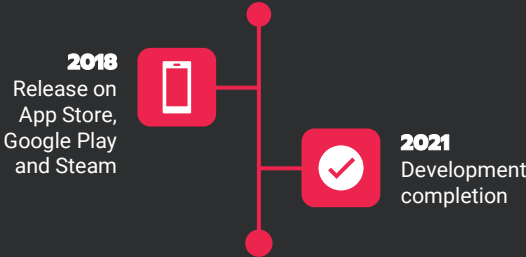


### 7.5.3.4 Spending per segment

Figures in DKK



## 7.5.4 Timeline



# 7.6 FUTUBALL – FOOTBALL MANAGER

## 7.6.1 Description

Futuball is a futuristic football manager game taking place in the 31<sup>st</sup> century, where the sport has not changed much, but the players have. The user is heir to a Futuball club and a collection of DNA samples from former football legends, which the user must utilize to manage and develop a team of the eleven utmost monstrous and efficient robots ever created in order to ascend the rankings and claim the title as the best football manager of the future. The user's Futuball career depends on the ability to manage line-ups, transfers, negotiate sponsorships, conduct training sessions and influence matches with violent robot attacks. The game is online-based, and hence the user competes in a universe versus clubs controlled by other real-life users in the quest to become a legendary football manager of the future.

Futuball is a spinoff of Pro 11 and is thus built upon the same market-leading codebase. It is available as both mobile and browser versions and through Steam and the Windows Store. Futuball has superior ratings of 4.6/5 and 4.4/5 in the App Store and Google Play, respectively.

## 7.6.2 Monetization

Futuball monetizes with an in-app purchases model. Users can obtain direct advantages through purchases of better players, youth scouting and extra training, among other things. In addition, Futuball runs ads for which the user can earn extra coins. These ads contribute about 5% of the total revenue of the game.

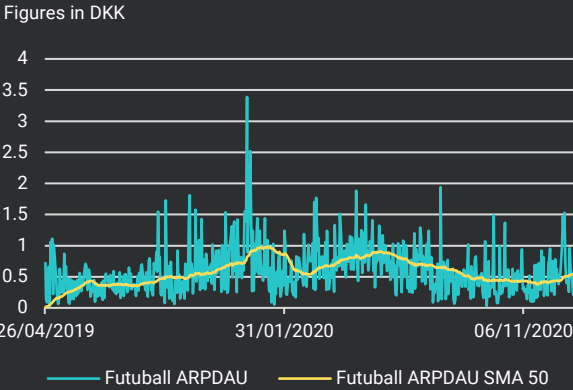
## 7.6.3 KPIs

### 7.6.3.1 Revenue

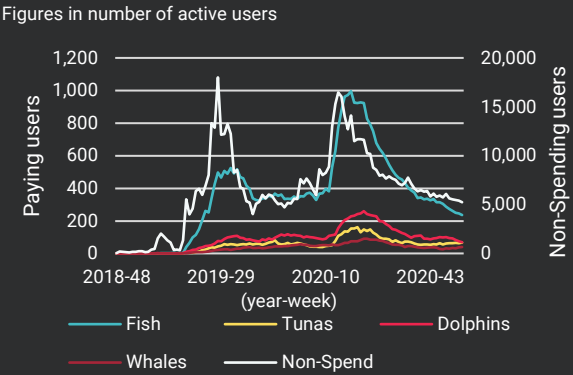
Futuball has an excellent early and late performance. It has minor difficulties in retaining users from day 7 to 30; however, the game performs very successfully after this period. TG conducted test campaigns in 2020, which affected the income, but the Company does not plan to continue this strategy in 2021.

Year	Revenue (DKK)	EBT
2018	0	-3,253,557
2019	272,683	-1,634,107
2020	588,092	-1,494,339
2021E	490,446	-256,003
2022E	648,390	-44,591
2023E	708,028	453,810

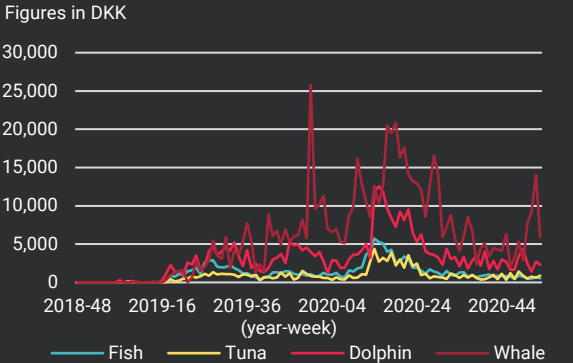
### 7.6.3.2 ARPAU



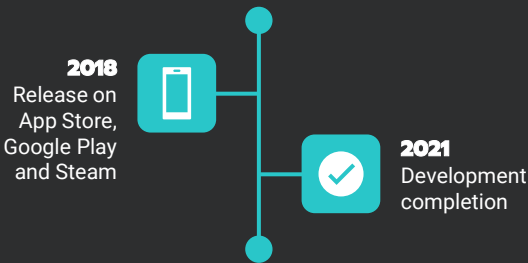
### 7.6.3.3 Segment development



### 7.6.3.4 Spending per segment



## 7.6.4 Timeline





# 7.7 FIVE

## 7.7.1 Description

FIVE raises the bar in a new format as the user steps into the world of managing an e-sports team playing CS. The duty of the manager is to lead the battle by displaying top management skills and instincts to unlock the potential of the team around tactics, training, talent development and skin equipment, among other things, in order to progress in the game and win the majors. FIVE is online-based, and hence the user must equip the team to shoot its way out of one dire situation after another to expose enemies in a multi-player universe competition.

## 7.7.2 Monetization

FIVE monetizes through an in-app purchases model. Users can obtain direct advantages through purchases of improved tactics, enhanced training and more matches, among other things.

## 7.7.3 KPIs

### 7.7.3.1 Revenue

The forecasted estimates of FIVE, based on estimates of other portfolio games, presents an enormous potential. FIVE is expected to have a somewhat slower start, as is the case with all portfolio games in general; however, through the continuous development and benefitting from networking effects, the game is anticipated to experience rapid growth from 2021 and onwards.

Year	Revenue (DKK)	EBT
2021E	1,663,379	-2,691,245
2022E	7,816,063	-1,196,950
2023E	11,311,371	1,286,332

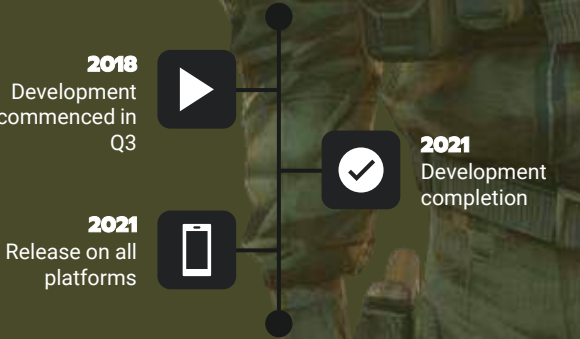
## 7.7.3.2 ARPDau

In general, new game productions initially start rather slow since new users do not typically pay as much as older users do. Therefore, it is anticipated that FIVE will also begin with a low ARPDau; however, due to the game’s immense anticipated potential, it is expected that the game will gain solid traction as the userbase grows and TG updates the game with developments of the in-game dynamics.

## 7.7.3.3 Segment development

The userbase grows at a rapid pace as the game develops. During this time, the lucrative Dolphin and Whale segments also start to gain momentum and grow at a steady pace. These segments are critically important for TG as they promote an extremely limited churn rate and thus consistently grow larger over time. This will especially be accelerated once all super-users have gathered in the top league tables, where a significant amount spends extra money in order to gain a competitive advantage and come out on top.

## 7.7.4 Timeline





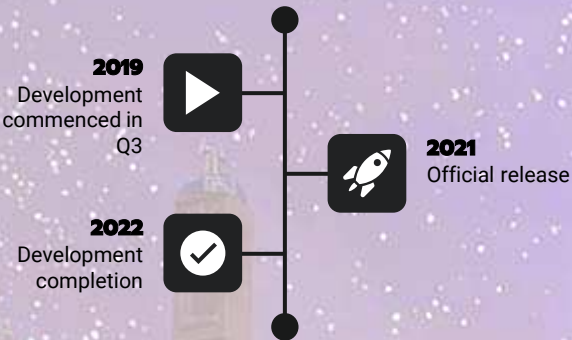
# 7.8 WARHAMMER AoS: SOUL ARENA

## 7.8.1 Description

Warhammer AoS: Soul Arena is a challenging strategy game that combines the best elements from chess, tower defense and Match3 games together in one. Each game is played between four players who battle each other until one winner is left standing.

Warhammer will be the first intellectual property that TG will work with as the Warhammer brand is a franchise with Games Workshop being the franchisor. Thus, this serves as the perfect experience to examine the opportunities of working together with well-established franchises. TG will announce more details about Warhammer closer to the official launch.

## 7.8.2 Timeline



## 7.9 GAME DEVELOPMENT

Game development is at the forefront in TG. The Company invests significant resources into development in order to maintain and keep developing world-class games. Prior to the actual development, TG conducts detailed analyses in a structured funnel framework to assess the viability of potential games.

Firstly, the most important parameter is the lifecycle of the game, since it serves as the foundation upon which all other considerations are built.

Secondly, TG conducts market analyses, evaluates the game appeal and estimates the genre size. Furthermore, TG uses a seven-step approach to evaluate potential games. These steps include (i) how synergies can be established by utilizing existing codebases and assets, (ii) how existing users will react to the game, (iii) how the design of the game can be used to gain a competitive advantage in the market to achieve vast amounts of user acquisition and monetization, (iv) what technological unknowns must be handled diligently to manage risk, (v) how the game can benefit from networking effects, (vi) how the skills of TG's personnel fits with the required skills to develop the game and lastly (vii) what the estimated ROI will amount to.

Thirdly, following above assessment, the number of potential games is generally narrowed down to one or two games, and the development process will then commence unless investments into existing games appear more attractive.

### 7.9.1 Process of game development

Upon the decision to develop a new game, TG initiates a comprehensive product development process in order to achieve maximum potential. The process begins with sketching a minimum viable product, in which game and graphic designers outline the essential requirements to features for the prototype before backend and Unity developers join in.

Certain aspects of asset production, e.g., rigging and animation, may be outsourced if it allows for greater flexibility and speed in the production.

As the production intensifies, the key to gaining efficiency derives from sharing personnel across projects as it enables cost efficiency, e.g., in cases when the pipeline suddenly pivots. The size of development teams is kept to a minimum to reduce the number of meetings and communication.

TG normally releases the game at an early stage to assess traction, examine KPIs, and discover room for performance improvements. Based on this review, TG will configure new iterations and patches for the game and subsequently compare the effects on KPIs. Having configured a small number of iterations and patches, TG has a good overview of the game's potential in terms of performance of users that engage in the game. At this stage, TG will start test marketing campaigns and start optimizing the monetization and game balance for more experienced users. TG will invite super users from its current games to provide feedback on the new game.

Resultingly, TG constructs a backlog and prioritize features based on ROI as a function of the development cost and the estimated KPI improvements. The estimated size potential of the game is thus crucial in determining how many features will be implemented before it no longer is profitable. Upon reaching this point, the game converts to maintenance mode, where the only expenses are support and server functions.

Currently, TM and FMU are in maintenance mode (since 2011 and 2017, respectively). Pro 11 and WSM were also in maintenance mode; however, strong improvement in user acquisition and monetization made TG re-enter the backlog and implement several successful features that have contributed to growing both games more than anticipated.

### 7.9.2 Targeting

Communication with and within the user community is of core essence in building and maintaining a long-term relationship for TG. The entire game portfolio is equipped with support systems and in-game messages for interaction between users. Several games are further equipped with in-game message boards, which TG plans to scale to all games.



Social media also serves as a frequently used platform for interaction with multiple Facebook groups, consisting of more than 200,000 followers in total. TG is currently integrating Reddit and Discord into FIVE and plans to roll out this feature across the portfolio.

The focus on close communication and interaction derives from TG’s belief in making the game developers see eye to eye with users to enhance engagement. This is also the reason why the TG personnel plays the games at a competitive level and participates in game discussions across forums and social media throughout all lifecycle stages of the games.

**7.10 INTERNATIONAL REACH AND INTERNATIONALIZATION**

The intention upon the foundation of TG was to scale internationally. The motivation originated from the desire to create a platform on which football managers from all around the world were able to compete against each other – just as in real football.

Today, this is also the reason why TG has translated all of their games into +20 languages with more than 140 nationalities among the userbase.

TG is gaining traction on an international scale and in key strategic markets, while other markets are yet to be penetrated.

This is, in particular, the case regarding China, Africa and the Middle East, where TG is observing enormous untapped potential to be unlocked, primarily through strategic partnerships with local publishers. Warhammer AoS: Soul Arena has already received huge publisher interest, and thus TG is contemplating a deal for China with this game as a minimum.

Through the continuous growth of the userbase, TG will be in a position to strongly optimize support flows and increase support for users in their native language. By means of doing so, retention in countries that are not sufficiently proficient in English will – ceteris paribus – improve. TG will moreover benefit as the launching of more apps means less work with releasing onto new platforms, thus enabling TG to reach an even broader market.

A larger game portfolio will also put greater emphasis on App Store optimization. Translation agencies do not always possess the ability of adequately translating keywords into the local jargon; therefore, acquiring these abilities in-house with French, Spanish, Arabic, and other native speakers will improve the App Store rankings and ad performances. Until now, most of the translation has been done voluntarily by dedicated users who have been excited to bring the games to their own languages.

**7.10.1 Top 10 geographical location of users**

Pro 11			WSM		FMU	
Germany	8.13%	Brazil	10.78%	Indonesia	7.92%	
Great Britain	7.76%	Indonesia	6.64%	Egypt	6.69%	
France	6.17%	Germany	6.28%	Brazil	5.01%	
Italy	5.73%	Great Britain	4.89%	Iraq	4.67%	
Spain	4.36%	France	3.80%	Turkey	3.57%	
India	4.33%	Italy	3.63%	Algeria	3.28%	
Indonesia	3.98%	Spain	3.52%	Great Britain	3.14%	
Brazil	3.58%	Turkey	3.41%	Italy	2.76%	
Turkey	3.40%	Myanmar	2.89%	Germany	2.71%	
Egypt	2.83%	Russia	2.75%	Myanmar	2.40%	

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The logo for Trophy Games, featuring the word "TROPHY" in a large, bold, white sans-serif font, with the word "GAMES" in a smaller, bold, white sans-serif font directly below it. The background is solid black.





## 8. Expectations for the future

### **8.1 INTRODUCTION TO EXPECTATIONS FOR THE FUTURE**

Promoted by the forthlooking and innovative nature of the management of the Company, TROPHY GAMES is persistently striving to become the leading strategy game studio. In the aspirations of achieving and sustaining such status, the Company is in constant movement, and the expectations for the future are thus substantial.

Multiple factors contribute to the management's prosperous expectations for the future and collectively suggest a substantial upside in the coming time. The following sections will address the individual parts that contribute to the combined expectations for the future.

### **8.2 INTERNAL BUSINESS AND PROCESS OPTIMIZATION**

TROPHY GAMES will work extensively with optimizing game modules to make them applicable across the entire game portfolio. By means of this approach, the Company is able to concentrate on improving only a few modules, which then can very easily be applied to all other existing games, and as well integrated into new productions. This plug-and-play method will enable much faster game development and significantly lower the cost of production, and at the same time prolong the lifecycle of the games through the updating of essential modules.

TROPHY GAMES is already working on improving modules; however, being capable of investing substantially more and ensuring backward compatibility will evidently be hugely beneficial.

This model will further facilitate distinct domination in niche manager genres with a

superior product as the Company can rapidly and efficiently integrate the essential modules into the game rather than having to work with code that is not plug-and-play.

Resultingly, as the game portfolio will grow bigger, the value of this approach will only increase exponentially, thus putting TROPHY GAMES in a comfortable leading strategic position.

### **8.3 EXPONENTIAL BUSINESS GROWTH FUELED BY IPO PROCEEDS**

TROPHY GAMES has been self-financing for the past decade. The growth opportunities of the business have subsequently been restricted as the only available funds have come from an annual positive cash flow of DKK 5-7 million. Upon the IPO, the Company is planning on using the proceeds for the following parts.

#### **8.3.1 Acquisitions of games and game studios**

The acquisition of games and game studios introduces interesting opportunities for achieving synergies.

Firstly, acquiring game studios that have consistent strategies with proven track records presents significant upside opportunities by means of supporting those studios with cash and expertise to help scale the business more swiftly. The synergies achieved from such operation would, among other things, include data science, publishing, cross-promotion, personnel sharing and tech. While this type of acquisition is a more secure investment, it is also the most expensive.

Secondly, acquiring game studios that are struggling in certain aspects but that possess the

potential for improvement with solid expertise and publishing capabilities presents lucrative opportunities to engage in.

Finally, acquiring game studios with no successful games provides an opportunity to use them as platforms to develop new productions more rapidly.

### **8.3.2 New game production startups**

As mobile hardware becomes more advanced, so does the development of the games in order to succeed. This results in increasing production costs but also limits the competition in the market. Due to the current cash flow state of the business, TROPHY GAMES will not be able to finance the commencement of new productions apart from FIVE and Warhammer AoS: Soul Arena until 2022, thus limiting the growth as the Company must wait for old games to generate sufficient funds.

Using the proceeds from the IPO will enable the Company to commence the production of two new games before the end of 2021, one of which will be a next-generation football management game with a budget of around 30% of the proceeds over a two-year period. The other production will be slightly smaller and more details about this production will be announced further into the future.

### **8.3.3 Further investments in active game portfolio**

The active game portfolio has strong development opportunities and untapped potential, which can be realized through further investments. The application of new and improved game modules – especially around in-game forums, VIP communication, and announcement plug-ins that enable greater interaction between players – will provide a stronger value proposition and long-term retention rate.

With the proceeds from the IPO, TROPHY GAMES will invest around 10% of the proceeds in upgrading the above features, and further in FIVE and Warhammer AoS: Soul Arena, where the scope of the productions was initially limited. These investments will result in the games growing strikingly bigger than what is anticipated with the current investments.

### **8.3.4 More data science and artificial intelligence**

In the process of growing the game portfolio – both in terms of the number of games as well as users – data analysis and artificial intelligence can serve as a useful tool in unlocking additional value. By applying data analysis and artificial intelligence, TROPHY GAMES can tailor store offers and retention campaigns specifically targeting individual user groups, and thus maximize the revenue of every game.

Investments in data analysis and artificial intelligence will profoundly contribute to revenue maximization of both new and existing games. The investment will amount to approximately 4% of the proceeds and cover the expenses for one or two data scientists over a couple of years.

### **8.3.5 New office and game incubator**

Due to unanticipated immense growth, offices have become too small, and TROPHY GAMES is thus currently headquartered in a shared office space for a temporary period.

The current game investment environment in Denmark is non-existent after the closure of Capnova, an innovation incubator and venture capital firm. It is therefore the ambition of TROPHY GAMES that a new office can function as a game incubator and facilitate up to five startups. Such a game hub will provide synergies in the form of shared knowledge, more feedback, a higher degree of creativity, greater visibility for future job candidates and potential investment opportunities. Start-ups would be able to join the incubator for a 5-10% share of the business in exchange with no additional costs.

The one-off costs in connection to the new office facilities will amount to around 4% of the proceeds in down payments and renovation. In the future, these costs could increase as TROPHY GAMES expands its workforce.

### **8.3.6 Expanded user acquisitions through available liquidity**

Provided that FIVE and Warhammer AoS: Soul Arena reaches the expected potential or exceeds, TROPHY GAMES will need more liquidity to perform user acquisition strategies. In general, the cost of user acquisition reaches

breakeven approximately 6-10 months after a user has joined the game. Resultingly, the Company will need to have sufficient cash for five months to sustain the user acquisition budget. The better the games perform financially, the higher the budget can be allocated for intensifying the user acquisition strategies; however, this requires more liquidity.

The range of liquidity pressure from user acquisition strategies will be around 12% of the proceeds in total for FIVE and Warhammer AoS: Soul Arena, combined.

**8.4 MARKET DEVELOPMENT AND IMPACT ON TROPHY GAMES**

TROPHY GAMES anticipates a favourable growing market, particularly concentrated around the three following areas.

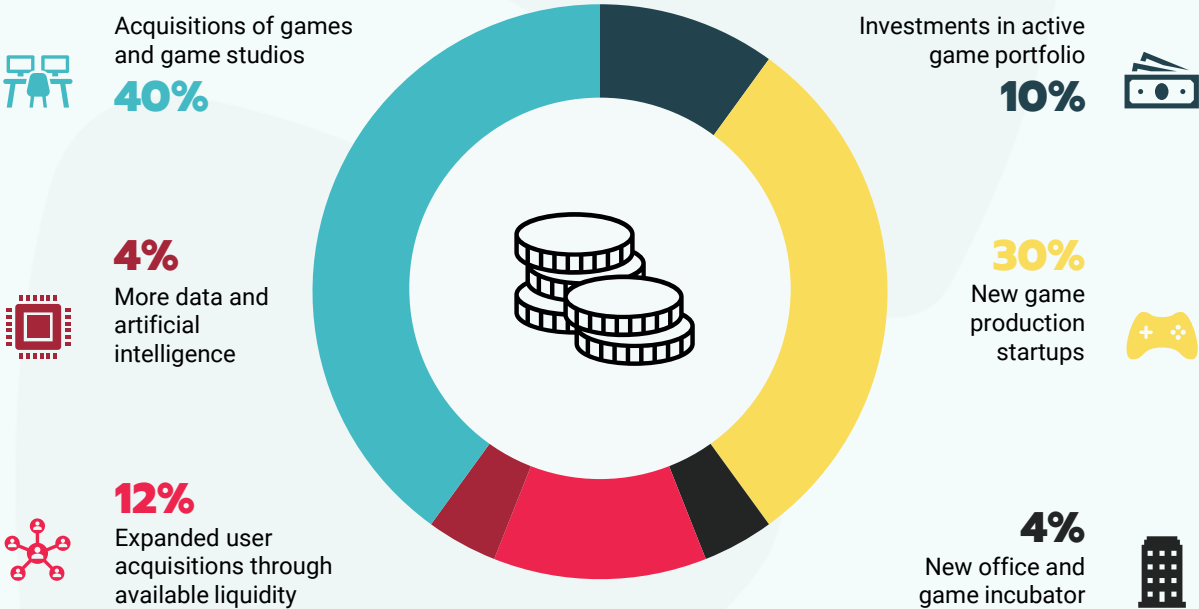
Firstly, third-world countries will have greater access to the internet, better mobile devices and increased standards of living, all translating into the ability to pay in games.

TROPHY GAMES has a large userbase based in third world countries and will thus benefit from this development.

Secondly, older generations that are not playing mobile games will demographically be replaced by younger generations that are playing extensively and are willing to pay in games.

Thirdly, the mobile multiplayer space will be positively impacted by the significant improvement of mobile usage, hardware, and internet connections. This will require larger budgets to finance the development of games; however, this is also the reason why TROPHY GAMES is focusing dedicatedly on developing a module-based plug-and-play approach, which will be increasingly important to compete on a cost basis. The Company is convinced that the improvement of mobile usage, hardware, and internet will push the market towards a consolidation, which will provide astounding opportunities for TROPHY GAMES if the Company continues to boost its current market position.

**8.5 SUMMATION OF PROCEEDS FROM IPO**



## 8.6 FINANCIAL FORECAST 2021-2023 – TROPHY GAMES DEVELOPMENT A/S

The below presented financial overview depicts historic 2019 and 2020 numbers as well as the budget for 2021 and forecasts for 2022 and 2023. Budget and forecasts include investment of proceeds from the initial public offering. By inclusion of investment initiatives facilitated by the use of the proceeds, significant growth in company financials is expected – especially through acquisitional growth generated by consolidation of the market.

### Financial forecast 2021-2023 – TROPHY GAMES Development A/S

T.DKK	2019	2020	2021B	2022E	2023E
Revenue	19,919	30,810	44,724	77,942	110,484
Cost of sales	-5,683	-8,794	-12,360	-22,095	-34,332
<b>Net Revenue</b>	<b>14,236</b>	<b>22,016</b>	<b>32,364</b>	<b>55,847</b>	<b>76,152</b>
Marketing	-3,313	-9,179	-15,725	-25,650	-27,625
Office	-411	-513	-737	-1,650	-1,815
Operating	-645	-689	-1,038	-1,922	-2,814
Development	-4,227	-3,719	-4,789	-8,143	-8,025
Wages	-5,048	-5,802	-13,979	-21,053	-22,723
Activated costs	4,020	4,622	10,143	14,88	12,961
Other costs*		-873			
<b>EBITDA</b>	<b>4,612</b>	<b>5,863</b>	<b>6,239</b>	<b>12,315</b>	<b>26,111</b>
EBITDA margin %	23.16%	19.03%	13.95%	15.80%	23.63%

### 8.6.1 Comments on financial forecast 2021-2023

As presented on the above financial forecast, the revenue of TROPHY GAMES is expected to expand at a CAGR of 54% in the period 2019 through 2023. The majority of the expected revenue expansion in 2021, 2022 and 2023 can be accredited to the pipeline games that will be released in 2021, two additional games in 2023, as well as strategic acquisitions of game titles.

In order to assist a successful launch of pipeline games in 2021, marketing spend is expected to increase +71% compared to 2020 spend.

Similarly, as the organization expects major growth, new employments will increase the wage spend from TDKK 5,802 in 2020 to 13,979 in 2021. The wage spend is thus expected to increase by 140%.

While earnings in 2021 are slightly impaired by the two new major launches, the proceeding years, 2022 and 2023, are expected to significantly grow earnings and thus increase the scale of operations.

#### 8.6.1.1 Additional comment on 2020

FY2020 included a change of auditors for TROPHY GAMES. This change produced a shift in accounting practices that brought on a required provision for exercisable cash settlements owned by three employees. Provisions for these settlements must be made. The costs associated with these settlements are included in other costs depicted on the above financial overview. The exercisable cash settlements will be eliminated pre-IPO.

Previously, TROPHY GAMES was audited by Pryds Statsautoriseret Revisionsfirma. As of FY2020, TROPHY GAMES is audited by PriceWaterhouseCoopers Denmark.



8.7 FINANCIAL FORECAST 2021-2023 – REVENUE DEVELOPMENT

The below revenue development chart represents expectations to revenue growth from existing, new games as well as acquired titles. Existing games include Futuball – Football Manager, WSM (Women’s Soccer Manager), Pro 11 Football Manager, Football Management Ultra and Trophy Manager. Existing titles are all included in 2020 revenue.

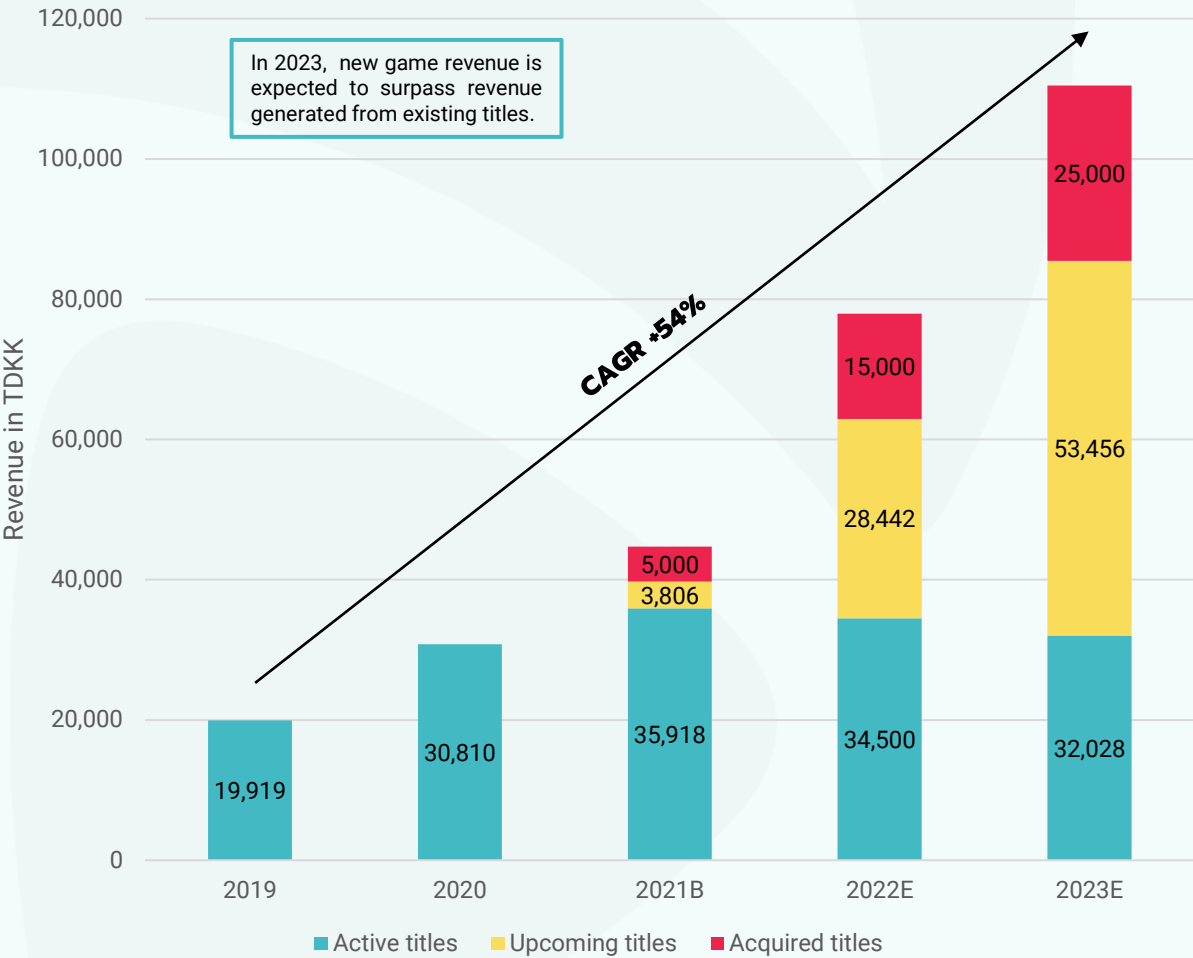
In 2021, TROPHY GAMES will release the two new titles, FIVE and Warhammer AoS: Soul Arena, respectively. While being released in 2021, their true revenue generation will commence in 2022 and accelerate further in 2023. Additionally, two new games are expected to be launched in 2023. The growth is thus expected to continue beyond the forecast period.

As can be seen on the diagram below, 2021 is the ideal year for new launches as some existing games enter the maturity period.

While games are in the maturity period, an ideal foundation is produced for new game developments and launches.

While still generating revenue, marketing and development costs associated to games in their maturity phase are greatly reduced, increasing the free cash flows available for investment in other games. Resultingly, TROPHY GAMES can maintain a solid financial position, while at the same time finance further developments internally.

Additional to the organic growth, TG expects major revenue growth from acquired titles. These titles will all be consolidated under the TG brand and contribute to the revenue and earnings. Strategic acquisitions will commence in 2021 and continue through 2023.





**Challenging,  
great game killer,  
amazing graphics,  
five-star  
performance**

**Dedicated player of TG games**



# 9. Corporate governance

## 9.1 BOARD OF DIRECTORS

TROPHY GAMES’ Board of Directors currently consists of five board members, including the Chairman. The primary objective of the Board of Directors is to supervise the work of the Executive Management and the direction of the overall strategy. The Executive Management Team is responsible for planning, leading and controlling the day-to-day operations of the Company.

All Board members are elected for a term of one year at the Annual General Meeting and may be reelected. The Board of Directors elects a Chairman and can elect a Vice Chairman if deemed necessary. In case of parity of votes, the Chairman has the casting vote. The business address for the current members of the Board of Directors is Højbro Plads 10, 1200 København K, Denmark.

### Overview of Board of Directors and independency assessment before the Offering

Name	Position	Board member since	Independency assessment	Shares	Warrants
Jan Dal Lehrmann	Chairman	2007	Not independent <sup>1)</sup>	4,300,027	n.a
Rene Eghammer	Board Member	2011	Not independent <sup>2)</sup>	0	n.a
Søren Gleie	Board Member	2006	Not independent <sup>3)</sup>	4,599,919	n.a
Daniel Luun	Board Member	2013	Not independent <sup>4)</sup>	2,500,000	n.a
Pernille Nørkær	Board Member	2021	Independent	0	n.a

<sup>1)</sup> Jan Dal Lehrmann is owner of Lehrmann Family Aps and Board Member in Benjamin Capital ApS  
<sup>2)</sup> Rene Eghammer is CEO at Karsten Ree Holding B ApS  
<sup>3)</sup> Søren Gleie is CEO of TROPHY GAMES Development A/S and owner of Gleie Holding ApS  
<sup>4)</sup> Daniel Luun is CEO of TROPHY GAMES Publishing ApS and owner of Daniel Luun Holding ApS

### 9.1.1 Description of the Board of Directors

The Company is ultimately governed by the Board of Directors. Currently, the Board consists of the following five members.



#### **Jan Dal Lehrmann, *Chairman of the Board***

**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, Mybanker, Plecto, TROPHY GAMES, Unwire, Softpay, Repeatly Leasing and Formula Auto.

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



#### **Pernille Nørkær, *Member of the Board***

**Profession:** Partner at Moalem Weitemeyer Advokatpartnerselskab

**Description:** Pernille Nørkær has 15 years of experience within commercial contracts, corporate compliance, and general advisory for Danish and international companies. Pernille has focused on IT and tech companies as well as professional sports clubs such as FC Copenhagen and FC Nordsjælland, and several betting companies like 888 and Leo Vegas.

**Educational background:** Cand. Jur. from the University of Copenhagen



#### **Rene Eghammer, *Member of the Board***

**Profession:** CEO at Karsten Ree Holding

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

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





**Søren Gleie**, *Chief Executive Officer, Co-founder & member of the board of TROPHY GAMES Development A/S*

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

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



**Daniel Luun**, *Chief Executive Officer of TROPHY GAMES Publishing ApS and member of the board of TROPHY GAMES Development A/S*

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

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

9.2 Description of the Executive Management Team

The Executive Management of the Company possesses significant leadership experience combined with extensive passion for gaming. The Executive Management consists of the following key individuals.



**Søren Gleie**, *Chief Executive Officer, Co-founder & member of the board of TROPHY GAMES Development A/S*

**Description:** Please refer to section 9.1.1 for full description



**Daniel Luun**, *Chief Executive Officer of TROPHY GAMES Publishing ApS and member of the board of TROPHY GAMES Development A/S*

**Description:** Please refer to section 9.1.1 for full description

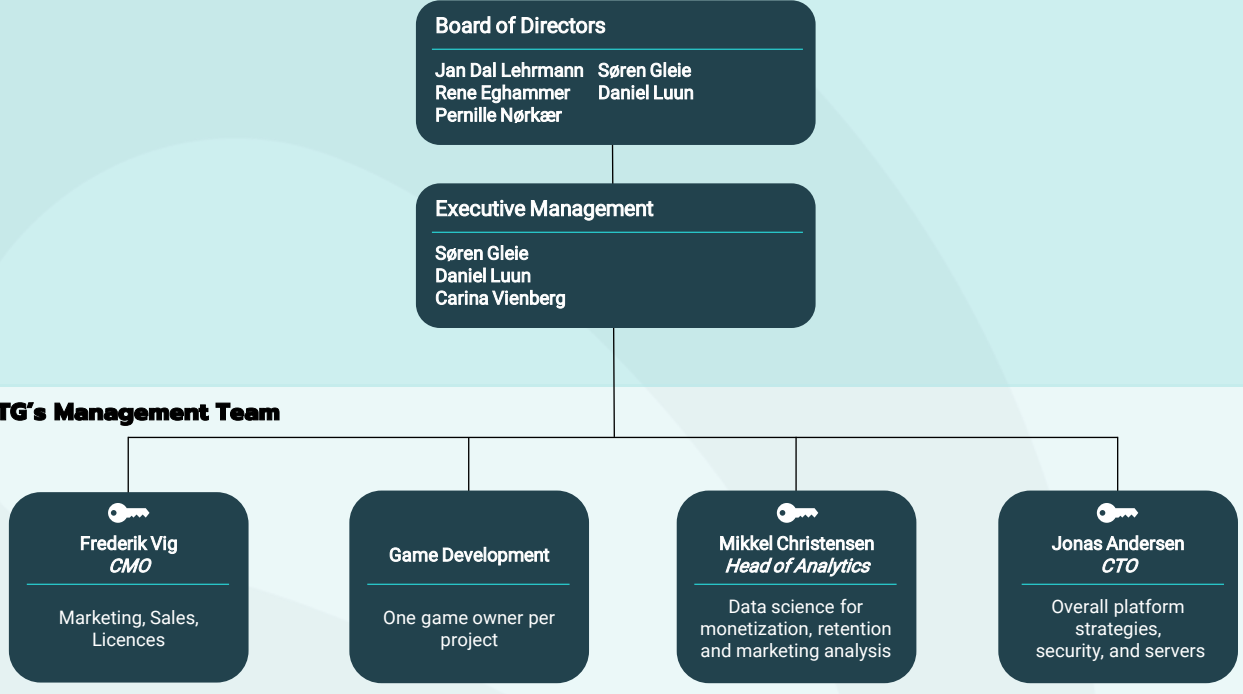


**Carina Vienberg**, *Interim Chief Financial Officer*

**Description:** From one nerdy growth adventure to another, Carina Vienberg joined TG in November 2020, after leading the finance department of an e-commerce company. With significant experience as a financial manager in several companies, including Deloitte, Carina now focuses on TG’s budgets, P&L, and preparations for audits, among other things. Carina has been contracted to TG in an interim CFO arrangement until a suitable permanent CFO candidate is found. Carina is contractually employed by Lehrmann Ventures and is leased out to TROPHY GAMES on a temporary contractual basis.

**Educational background:** Graduate Diploma in Business Administration and Auditing from Copenhagen Business School

TROPHY GAMES’ Board of Directors and Executive Management



9.3 MANAGEMENT TEAM

9.3.1 Executive Management Team

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

Daniel is in charge of game planning and management and assigns tasks and interacts with the coding and graphics departments daily. Analytics, support and community management are also under Daniel’s supervision with everyday contact to the Head of Analytics and the Support & Community Manager. Finally, Daniel is also in charge of the financials of the Company.

Carina Vienberg joined TG in November 2020 and is therefore in a startup phase as Interim CFO. She is working closely with Daniel, who has been responsible for all financials in the past. Carina reports to and interacts with both Søren and Daniel on a daily basis.

9.3.2 The Management Team

In addition to TG’s Executive Management, the Management Team consist of three members

and one game development owner per project.

TG’s Management Team is responsible for the daily management of their respective areas of responsibility. In line with TG’s culture, they operate in a non-hierarchical and agile manner, in close contact with the Executive Management.

9.4 BOARD PRACTICES AND GOVERNANCE

TG’s Board of Directors has major experience in several fields of great importance for the Company. Pernille Nørkær has extensive experience within transactions and M&A while being a Board member at Astralis, giving her a great e-sports exposure. Both Rene Eghammer and Jan Dal Lehrmann are great contributors to the Company’s accounting and growth profile, while also being skilled in M&A. TG intends to add one or two more Board members if the right profiles occur, such as a person involved in international gaming.

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

### 9.4.1 Statement of past records

For the previous five years, none of the members of the Board of Directors and the Executive and Management Team have been;

- convicted of fraudulent offences,
- been involved in any official public incrimination and/or sanction, or
- been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.

In addition, none of the members of the Board of Directors and the Executive Management team have served as officer in a company that has entered into bankruptcy, receivership or liquidation – except for the specific situations provided in the following:

#### Jan Dal Lehrmann

- Chairman and investor (not officer) in GamePay ApS (from 07-06-2013 to 09-03-2018). The company developed a tool for a new market in the computer gaming industry, but after development, the market was not sufficiently large. The owners agreed to shut down the company under a controlled liquidation. Only the initial investments were lost, no debt elsewhere.

#### Søren Gleie

- Founder and CEO at GamePay ApS (from 07-06-2013 to 09-03-2018). The company developed a tool for a new market in the computer game industry, but after development the market was not sufficiently large. The owners agreed to shut down the company under a controlled liquidation. Only the initial investments were lost, no debt elsewhere. The investors were Søren Gleie, Jan Lehrmann Ventures, Better Collective ApS and a private business angel Jens Juul.

#### Rene Eghammer

- Liquidator in Ree Invest BB ApS, that ceased activities and was eventually voluntarily liquidated, 7 May 2020.

- Board member at Ree Invest BBB P/S, that ceased activities and eventually voluntarily liquidated under Karsten Ree Holding Group, 26 November 2018.
- Board member at ApS af 17. December 2015, that ceased activities and dissolved under Karsten Ree Holding Group, 20 November 2018.
- Board member at KBC ApS, that ceased activities and merged with group company under Karsen Ree Holding Group, 20 November 2017.
- Board member at Jysk Industri Holding A/S, that dissolved through merger, 16 October 2017.
- Chairman of the Board at Karsten Ree Holding II A/S, that ceased activities and dissolved under Karsten Ree Holding Group, 6 March 2017.

### 9.4.2 Other positions for the Board of Directors

An overview of other current and previous positions (within the last five years) held by TG's Board members has been provided in the following:

#### Jan Dal Lehrmann

##### *Current management positions:*

- Lehrmann ShipCo ApS (since 19-06-2019)
- Lehrmann Ventures (since 04-02-2011)
- JL Ejendomme A/S (27-04-2011)
- Cigarkassen LL ApS (30-11-2005)
- Lehrmann Family ApS (24-11-2005)

##### *Management positions in the past five years:*

- Jan Lehrmann Holding ApS (from 10-09-2020 to 01-09-2020)
- Benjamin Investment ApS (from 23-06-2009 to 01-09-2020)

##### *Current Board seats:*

- Mr. Beef.dk ApS (since 20-09-2020)



***Current Board seats (continued):***

- Softpay ApS (chairman since 11-05-2020)
- Dialægt/Citatplakat ApS (chairman since 22-01-2020)
- Kabeltromlen ApS (chairman since 26-04-2019)
- Fenerum ApS (since 25-03-2019)
- Mybanker A/S (chairman since 26-02-2019)
- Mybanker Group A/S (chairman since 26-02-2019)
- Repeatedly Leasing A/S (chairman since 11-06-2018)
- Unwire ApS (chairman since 22-03-2018)
- K Alternative Infrastruktur I K/S (since 31-01-2018)
- Plecto ApS (since 17-03-2017)
- Formula Holding 2017 A/S (since 06-01-2017)
- Aktieselskabet af 1.12.2016 (chairman since 12-12-2016)
- Formula Selected ApS (since 28-10-2013)
- Normal A/S (chairman since 26-08-2013)
- Formula Leasing A/S (since 31-05-2012)
- JL Ejendomme A/S (since 27-04-2010)
- TROPHY GAMES Development A/S (chairman since 07-09-2007)
- Formula Automobile A/S (since 27-11-2006)
- Benjamin Holding A/S (since 28-05-2003)
- Benjamin Capital ApS (since 15-09-1198)

***Board seats in the past five years:***

- Actimo ApS (from 23-08-2016 to 05-10-2020)
- Mr. Beef.dk ApS (chairman from 07-01-2020 to 19-09-2020)
- Maistic Bio Group ApS (from 06-12-2019 to 08-07-2020)
- L'amourbox ApS (chairman from 18-01-2019 to 15-02-2020)

- Dialægt ApS (from 07-01-2019 to 24-01-2020)
- Mybanker A/S (from 11-03-2013 to 25-02-2019)
- Mybanker Group A/S (from 11-03-2013 to 25-02-2019)

**Rene Eghammer*****Current management positions:***

- SPJ Invest ApS (since 01-06-2020)
- SPJ ApS (since 20-05-2020)
- Ree Properties A/S (since 30-03-2020)
- Karsten Ree Holding B ApS (since 18-04-2018)
- CSG ApS (since 11-08-2017)
- Rebi ApS (since 03-07-2009)

***Management positions in the past five years:***

- RE Energy ApS (from 30-03-2020 to 01-04-2020)

***Current Board seats:***

- Plantpaper Holding ApS (vice chairman since 15-10-2020)
- SPJ ApS (since 20-05-2020)
- Ree Invest B ApS (since 03-06-2020)
- RE Energy ApS (since 30-03-2020)
- Ree Properties A/S (since 30-03-2020)
- RE Energy Properties A/S (since 26-03-2020)
- KR Holding A ApS (since 19-12-2019)
- Jeka Fish A/S (since 16-12-2019)
- Ree Invest A ApS (since 06-05-2019)
- Frederik Bagger ApS (vice chairman since 04-06-2018)
- PlantPaper Production A/S (vice chairman since 27-02-2018)
- Frederik Bagger Rights ApS (vice chairman since 04-06-2018)
- Breinholt Splitleasing ApS (vice chairman since 15-12-2016)

***Current Board seats (continued):***

- Breinholt & Co. ApS (vice chairman since 27-05-2016)
- Ree Park Travel A/S (chairman since 25-11-2015)
- Sungrow A/S (vice chairman since 29-06-2015)
- Safarigruppen ApS (since 15-06-2015)
- Jysk Industri Holding A/S (since 28-04-2015)
- Ree Automobiler A/S (since 18-02-2015)
- Reedomus ApS (since 18-02-2015)
- Ree Shipping A/S (since 18-02-2015)
- Ree Golf A/S (chairman since 21-01-2015)
- Karsten Ree Holding A ApS (since 29-09-2014)
- Karsten Ree Holding B ApS (since 29-09-2014)
- Karsten Ree Holding C ApS (since 29-09-2014)
- TROPHY GAMES Development A/S (since 12-12-2011)
- Kærager A/S (since 07-04-2011)
- Ree Park Safari ApS (since 07-04-2011)

***Board seats in the past five years:***

- SPJ Invest ApS (from 27-06-2013 to 30-01-2020, chairman from 31-01-2020 to 31-05-2020)
- Ree Invest BBB P/S (from 09-02-2018 to 26-11-2018)
- Aps af 17. december 2015 (from 29-12-2015 to 20-11-2018)
- KBC ApS (from 29-06-2012 to 20-11-2017)
- Jysk Industri Holding (from 21-03-2016 to 16-10-2017)
- Østergaard Biler A/S (from 31-10-2013 to 27-04-2017)
- Nordcar Finance A/S (from 31-10-2014 to 27-04-2017)

- Karsten Ree Holding II A/S (from 25-11-2015 to 06-03-2017)

**Pernille Nørkær*****Current management positions:***

- Pontus ApS (since 22-10-2018)

***Current Board seats:***

- Astralis Group A/S (since 01-04-2020)
- Moalem Weitemeyer General Partner Advokatanpartsselskab (since 16-05-2019)
- Svendborg Importfirma Holding A/S (since 09-11-2018)
- Moalem Weitemeyer Advokatanpartsselskab (since 15-05-2018)
- AT af 1. juni 2010 A/S (since 19-05-2010)
- Svendborg Importfirma A/S (since 31-05-2009)

**9.4.3 Warrants**

The Company contemplates establishing a warrant based long term incentive program for employees of the Company in an amount up to 1-2% of the share capital. If the Company decides to do so, the decision to establish the long term incentive program will be publicly announced in a company announcement.

**10.3.5 Financial Calendar**

Half-year Report – H1 2021	11/08/2021
Annual Report – 2021	23/02/2022
Annual General Meeting - 2022	23/03/2022



## 10. Current share capital and ownership structure

### 10.1 SHARE CAPITAL INFORMATION

As of the date of this Company Description, the Company has 20,000,000 Existing Shares with each share having a value of nominally DKK 0.02, amounting to a total share capital of DKK 400,000. Following the completion of the Offering, the share capital will increase to DKK 500,000 if the minimum number of Offer Shares are sold in the Offering and DKK 548,250 if the maximum number of Offer Shares are sold in the Offering.

Prior to listing, five Major Shareholders together own 100% of the Existing Shares in the Company.

#### 10.1.1 Own shares

As of the date of this Company Description, 20,000,000 shares of nominal DKK 0.02 amounting to a total nominal value of DKK 400,000 are owned by the Company.

Pursuant to section 85 of the Danish Companies Act, the Company may not exercise the voting rights on own shares held in treasury. Furthermore, such shares are excluded where the validity of any resolution or the exercise of any power is subject to the consent of all shareholders or to a certain majority of votes of either the shares represented at the general meeting or the entire share capital of the limited liability company.

The Board of Directors is authorized in the period until 27 January 2026 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to

10% of the share capital of the Company from time to time after completion of the Offering, subject to the Company's holding of treasury shares after such acquisition not exceeding 10% of the Company's share capital. The consideration may not deviate more than 10% from the share price quoted on Nasdaq First North Growth Market at the time of acquisition.

#### 10.1.2 Share class and voting rights

The Company has one share class, and all Shares carry equal rights in the Company, including with respect to dividends. The Offer Shares are issued with a nominal value of DKK 0.02 per Share. Each Share gives the shareholder one vote at the Company's annual general meeting.

#### 10.1.3 Authorizations to capital increases

According to section 3.1 in the Company's articles of association, the Board of Directors is authorized to increase the share capital on one or more occasions. Until 27. January 2026, the share capital may, by resolution of the Board of Directors, be increased by one or more times with subscription for new shares up to a nominal value of DKK 100,000.

## Ownership Structure – TROPHY GAMES Development A/S

Shareholders	Ownership before the Offering		Ownership after the Offering			
	# of shares	Percent	Minimum (40m)		Maximum (59.3m)	
			# of shares	Percent	# of shares	Percent
Lehrmann Family ApS <sup>1)</sup>	4,300,027	21.500%	4,425,027	17.700%	4,425,027	16.142%
Karsten Ree Holding B ApS <sup>2)</sup>	4,300,027	21.500%	4,425,027	17.700%	4,425,027	16.142%
Benjamin Capital ApS <sup>3)</sup>	4,300,027	21.500%	4,425,027	17.700%	4,425,027	16.142%
Gleie Holding ApS <sup>4)</sup>	4,599,919	23.000%	4,474,919	17.900%	4,474,919	16.324%
Daniel Luun Holding ApS <sup>5)</sup>	2,500,000	12.500%	2,375,000	9.500%	2,375,000	8.664%
<b>Total (Existing Shareholders)</b>	<b>20,000,000</b>	<b>100.000%</b>	<b>20,125,000</b>	<b>80.500%</b>	<b>20,125,000</b>	<b>73.415%</b>
<b>New Shareholders</b>	<b>-</b>		<b>4,875,000</b>	<b>19.500%</b>	<b>7,287,500</b>	<b>26.585%</b>
<b>Total</b>	<b>20,000,000</b>	<b>100.000%</b>	<b>25,000,000</b>	<b>100.000%</b>	<b>27,412,500</b>	<b>100.000%</b>

- (1) Lehrmann Family ApS is ultimately owned by Jan Dal Lehrmann who is a member of the Board of Directors. Lehrmann Family ApS will partake in the offering of New Offer shares and will acquire 125.000 shares of DKK 8 pr. Share, contributing with TDKK 1.000 in the Offering
- (2) Karsten Ree Holding B ApS is ultimately owned by the Ree Family. Karsten Ree Holding B ApS will in connection with the offering acquire 125.000 shares of DKK 8 pr. Share from Daniel Luun Holding ApS, thus contributing with TDKK 1,000 in the Offering
- (3) Benjamin Capital ApS is ultimately owned by Johnny Laursen. Benjamin Capital ApS will in connection with the offering acquire 125,000 shares of DKK 8 pr. Share from Gleie Holding ApS, thus contributing with TDKK 1,000 in the Offering.
- (4) Gleie Holding ApS is ultimately owned by Søren Gleie who is a member of the Executive Management Team and the Board of Directors
- (5) Daniel Luun Holding ApS is ultimately owned by Daniel Luun who is a member of the Executive Management Team and the Board of Directors

## Development in Share Capital – TROPHY GAMES Development A/S

Date	Event	Share Capital (DKK)		# of shares
		Nominal Change	Nominal post change	
January 27, 2021	Capital increase by issuance of bonus shares	150,000	400,000	400,000
January 27, 2021	Share split from nominally DKK 1 per share to DKK 0.02 per share	N/A	400,000	20,000,000

Prior to the onset of IPO preparations there have been no development in share capital for the past five years. Upon commencement of IPO preparations, the company has transitioned from ApS to A/S, thus resulting in a capital increase. Furthermore, the company has performed a share split, reducing shares from nominally DKK 1 per share to DKK 0.02 per share. Upon initial public offering a capital increase will happen. Such capital increase will range between DKK 100,000 and DKK 148,250





# 11. Selected financial information

TG’s financial performance for the financial years of 2019 and 2020 is presented below. This information is retrieved from the Company’s audited financial reports. TG’s financial reports have been audited by PWC.

The Company’s financial reports have been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C. TG’s annual reports are available on the Company’s website.

## Profit and Loss statement for TROPHY GAMES Development A/S

Consolidated, TROPHY GAMES		
	2020 t.DKK	2019 t.DKK
Revenue	30,810	19,930
Direct costs	(9,583)	(6,469)
Other external costs	(10,803)	(4,467)
Gross profit	10,424	8,993
Staff costs	(4,929)	(4,493)
Depreciation and amortisation on tangible and intangible assets	(785)	(11)
Income from operating activities	4,710	4,489
Income from subsidiaries after tax	0	0
Financial income	23	2
Financial expenses	(191)	(147)
Profit before tax	4,542	4,344
Tax on income for the year	(920)	(1,084)
Profit for the year	3,622	3,259

Penneo dokumentnøgle: JCYHD-G6ITJ-JXDOU-IQDPP-ZKSI5-XNKK2

## Balance Sheet for TROPHY GAMES Development A/S

	<b>Consolidated, TROPHY GAMES</b>	
	<b>2020</b> <b>t.DKK</b>	<b>2019</b> <b>t.DKK</b>
Development projects under construction	7,553	2,979
Completed development projects	1,570	2,355
<b>Total intangible fixed assets</b>	<b>9,123</b>	<b>5,334</b>
Fixtures and fittings, tools and equipment	0	0
<b>Total property, plant and equipment</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	0	0
Deposits	0	125
<b>Total financial assets</b>	<b>0</b>	<b>125</b>
<b>Total non-current assets</b>	<b>9,123</b>	<b>5,459</b>
Receivables from sales and service	3,147	2,548
Receivables from group enterprises	0	0
Corporation tax receivable	66	26
Other receivables	611	379
<b>Total Receivables</b>	<b>3,824</b>	<b>2,953</b>
Cash and cash equivalents	1,558	3,158
<b>Total current assets</b>	<b>5,382</b>	<b>6,111</b>
<b>Total assets</b>	<b>14,505</b>	<b>11,570</b>

**Balance Sheet for TROPHY GAMES Development A/S**

Share capital	250	250
Reserve for development costs	0	0
Reserve for revaluation of subsidiaries	0	0
Retained earnings	9,231	5,609
<b>Total equity</b>	<b>9,481</b>	<b>5,859</b>
Deferred tax liabilities	1,828	1,153
Debt to shareholders and management	0	3,532
Other payables	0	156
<b>Total non-current liabilities</b>	<b>1,828</b>	<b>4,841</b>
Trade payables	650	124
Other payables	2,546	747
<b>Total current liabilities</b>	<b>3,196</b>	<b>871</b>
<b>Total liabilities</b>	<b>5,024</b>	<b>5,712</b>
<b>Total equity and liabilities</b>	<b>14,505</b>	<b>11,570</b>

## Cash flow statement for TROPHY GAMES Development A/S

	2020 t.DKK	2019 t.DKK
Profit for the year	3,622	3,259
Adjustments for non-cash operating items, etc.	1,997	1,241
Changes in net working capital	1,340	(638)
<b>Cash flow from operating activities before financial items</b>	<b>6,959</b>	<b>3,862</b>
Interests received	23	2
Interests paid	(191)	(147)
<b>Cash flow from ordinary activities</b>	<b>6,791</b>	<b>3,717</b>
Corporation tax, paid	(285)	(299)
<b>Cash flow from operating activities</b>	<b>6,506</b>	<b>3,418</b>
Purchase of intangible fixed assets	(4,574)	(4,020)
<b>Cash flow from investing activities</b>	<b>(4,574)</b>	<b>(4,020)</b>
Proceeds from raising long-term debt liabilities	0	2,062
Repayment of long-term debt liabilities	(3,532)	0
<b>Cash flow from financing activities</b>	<b>(3,532)</b>	<b>2,062</b>
<b>Net cash flow for the year</b>	<b>(1,600)</b>	<b>1,459</b>
Cash and cash equivalents, beginning of the year	3,158	1,699
<b>Cash and cash equivalents at end of the year</b>	<b>1,558</b>	<b>3,158</b>





## 12. Comments on selected financial information

The following section describes the development in the major financial items between FY2019 and FY2020 in order to provide an overview of the Company's financial position and general financial trend.

Please note that only selected financial items have been commented on in this section. For a full overview of TROPHY GAMES' financial statements, please see section 11 of this Company Description. For details on capitalization and indebtedness, please see section 13.

### 12.1 PROFIT AND LOSS STATEMENT

#### 12.1.1 Development in Revenue

In FY2020, TROPHY GAMES experienced significant growth in revenue over FY2019. The growth in revenue came from a combination of a patch release for Pro 11 and WSM back in mid December 2019 which led to retention and monetization improvements.

The improvements in monetization enabled extraordinary spending on marketing while still maintaining a positive ROI.

The marketing ROI was further improved by the boost covid-19 has given throughout the year. While the positive impact of COVID-19 is undeniable, the Company would, however, still have seen significant growth in revenue had the pandemic not been a reality.

#### 12.1.2 Development in Gross Profit

The development in gross profit is as expected given the development in revenue. TG generally pays 30% fees on all sales made through the many distribution channels. Resultingly, gross profit is a direct function of the development in revenue.

#### 12.1.3 Development in Staff Costs

TROPHY GAMES has grown the organisation throughout FY2020. Resultingly, at year end, the Company staff has gone from 17 to 23 FTEs. The new employees that have joined TG are mainly developers. The Company has, however, also employed a community manager as well as an extra person for an internal marketing function. In December 2020, TROPHY GAMES hired an interim CFO, Carina Vienberg. Vienberg is attached on an interim contract and TG pays her wage.

#### 12.1.4 Development in EBITDA

In FY2020, the EBITDA grew 19%, which is less than the growth in revenue. The reason for this is that a lot of the revenue increase has come from marketing efforts. The marketing efforts are long-term investments, and part of the ROI from money spent in 2020 will not be realized until 2021 (and beyond). Furthermore, approximately DKK 800,000 was included in wage expenditure due to added value of exercisable cash settlements for three employees. The wage expenses are treated as provisions according to applied accounting standards.

#### 12.1.5 Development in depreciation, amortization and impairment losses

During FY2020, depreciation started on the development costs for Futuball, which was taken out of beta in the beginning of 2020. Additionally, the development of match video clips, which were released for Pro 11, WSM, Futuball and FMU were released in patches in late December, and TG started depreciating this expenditure over three years starting from Jan 2020.

In 2020, TROPHY GAMES activated 4.6M DKK of a total 6.4M DKK spent on FIVE and Warhammer AoS Soul Arena. Both games are set to be released in 2021.

## **12.2 BALANCE SHEET – ASSETS**

### **12.2.1 Development projects under construction**

Development projects under construction consist of two game titles, FIVE and Warhammer, with an expected release in 2021. The project costs will be depreciated across 36 months, and no write-down or losses are expected on the projects. Both game titles have been under development since 2019, and as a result hereof, the access to the development assets was DKK 4.5 million in 2020.

### **12.2.2 Completed development projects**

In 2020, the Company completed four development projects. Three projects were new-feature projects on existing game titles; one project was the new game title Futuball. All four projects are depreciated across 36 months and are, as of 31<sup>st</sup> December 2020, depreciated by a third. The four completed projects in 2020 meant access to assets of TDKK 395. The depreciation on the completed projects was TDKK 785.

### **12.2.3 Receivables from sales and services**

Receivables are a result of the collaborations with Google Play, Facebook and iTunes. All game stores have a +30-day payment term agreement. Receivables as of 31<sup>st</sup> December 2020 are expected paid in full with no write-downs.

The receivables can be expected to follow the development of turnover as an increase in revenue implies an increase of receivables due to the fixed payment terms with the collaborations.

## **12.3 BALANCE SHEET – LIABILITIES**

### **12.3.1 Retained Earnings**

Retained earnings are deferred to the Company's equity, and there have been no historical distributions of dividends. The Company has historically prioritized to further invest in the development of existing and new game titles before distribution of dividends.

### **12.3.2 Deferred tax liabilities**

Deferred tax is calculated and reserved in accordance with the applicable tax law. TROPHY GAMES is furthermore jointly taxed with the subsidiary TROPHY GAMES Publishing ApS and acts as the management company for the joint taxation group.

### **12.3.3 Debt to shareholders and management**

Throughout FY2020, TROPHY GAMES had an investor loan from three investors in the Company. Upon the end of FY2020, the investor loans were paid back in full and resultingly removed from the Company's balance sheet.

### **12.3.4 Other payables**

Other payables include VAT obligations from revenue and owed labor costs. The increase of the latter is both an effect of the organizational growth in the Company, as well as deferred payment terms to the state – which was an initiative implemented in order to ease the national business environment during the COVID-19 pandemic prevalent during FY2020.

### **12.3.5 Total equity and liabilities**

During FY2020, TROPHY GAMES increased development assets and repaid investment loans. Resultingly, the total equity of the group, including reserves, increased from TDKK 5.859 in FY2019 to TDKK 9.481 in FY2020. Total liabilities further dropped by TDKK 700 in FY2020.



## 13. Capitalization, indebtedness, and working capital

### 13.1 CAPITALIZATION (AS OF January 31, 2021)

As of 31/01/2021, total shareholder's equity in TROPHY GAMES Development A/S amounted to DKK 11.1m, and interest-bearing debt amounted to DKK 0.

### 13.2 NET INDEBTEDNESS (AS OF DATE)

As of 31/01/2021, the Company's cash and cash equivalents amounted to DKK 7.4m, whereas the Company's debt amounted to DKK 6.7m. This corresponds to a net debt level of DKK 0.6m.

### Shareholder's Equity and Liabilities

#### Equity

	TDKK
Share Capital	300.00
Retained earnings, previous year	3,083.82
Retained earnings, current year	662.37
Reserve for development	7,115.00
Shareholder's equity	11,161.19

#### Interest-bearing debt

Interest-bearing debt	0
Total interest-bearing debt	0

#### Cash

Cash and cash equivalents	7,401.51
Net interest-bearing debt	-7,401.51

### 13.3 WORKING CAPITAL STATEMENT

It is the assessment of the Board of Directors and the Executive Management that TG, with the net proceeds from the Offering, will have sufficient funds to support working capital to continue its activities for at least 12 months following the first day of trading. The working capital assessment is based on subscription of the minimum number of shares.

**1/31/2021**  
**Consolidated**



## 14. Legal considerations and supplementary information

### 14.1 MATERIAL CONTRACTS

#### 14.1.1 Game Development Contracts

The Company has entered into game development contracts with certain game developers. Through such contracts, the Company obtains services in relation to the development of released and unreleased titles. These contracts contain profit-sharing elements, which entitles the developer to a share of the accumulated profits, typically the line item "profit before tax", from each relevant game. Profit-sharing arrangements are in place for the games Futuball, FIVE and an unreleased title. All profit sharing is granted in perpetuity. The profit-sharing element typically corresponds to 10 – 20% of the line item "profit before tax" for the relevant game.

#### 14.1.2 License of IPR

##### 14.1.2.1

The Company has entered into a license agreement with a fantasy game company (the "Licensor") pursuant to which the Licensor has agreed to license to the Company certain rights to develop, publish, market and sell a video game taking place in a certain fantasy universe. The game is unreleased as of the date of this Company Description.

##### 14.1.2.2

The Licensor is entitled to terminate the license agreement in case of a change of control. The definition of a change of control is essentially the same as the definition of a change of control in the Danish Capital Markets Act.

##### 14.1.2.3

Other than the contracts described above, and such contracts that have been entered into in the ordinary course of business, there are no contracts to which the Company or its Subsidiary is a party, which are material to the Company's business.

### 14.2 INTELLECTUAL PROPERTY

#### 14.2.1

The Company has copyright to its games. However, certain sub-elements such as graphics, 3D models or parts of the universe in which the game takes place may be owned by a party other than the Company. The Company has not registered any trademarks or other intellectual property rights, including patents, design rights, and use rights. Registration may be of importance in relation to protection of the respective intellectual property right to each game.

The attached copyrights to TG games follow European standards. European standards dictate that copyright is applicable in all European countries. The copyright is time limited and will remain valid for the duration of the life of the creator plus an additional 70 years according to European standards.

### 14.3 DISPUTES

#### 14.3.1

The Company has not been and is currently not involved in any legal or arbitration proceedings, which can significantly affect the Company's position.





# 15. Information concerning the Offer Shares

## 15.1 TYPE AND CLASS OF THE SHARES

The Company only has one class of Shares.

An application has been submitted for the Offer Shares together with the Existing Shares to be admitted to trading on Nasdaq First North Growth Market Denmark under the ISIN DK0061537206.

## 15.2 GOVERNING LAW AND JURISDICTION

The Shares are issued in accordance with Danish law. This Company Description has been prepared in compliance with the rules issued by Nasdaq First North Growth Market.

Any disputes that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

## 15.3 REGISTRATION OF SHARES

The Shares are dematerialized and registered in book-entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. All Shares are registered on account with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank's Danish correspondent bank as their account-holding bank.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

## 15.4 CURRENCY

The Shares are denominated in DKK (Danish Kroner).

## 15.5 RIGHTS ATTACHED TO THE SHARES

### 15.5.1 Dividend rights

Each Share entitles its holder to receive distributed dividends.

The Offer Shares will have the same rights and rank *pari passu* with the Existing Shares, including in respect of eligibility to receive dividends and participate in share buybacks. Upon the issuance and registration of the Offer Shares to be issued by the Company pursuant to the Offering with the Danish Business Authority, the Offer Shares will be entitled to receive dividends to the extent any dividends are declared and payable with respect to the Offer Shares.

The Company's dividends, if declared, are paid in Danish Kroner to the shareholder's account set up through VP Securities. No restrictions on dividends or special procedure apply to holders of Shares who are not residents of Denmark.

The Company's dividend policy is described in section 4.4.8 Future dividends. Dividends not claimed by shareholders will be forfeited in favor of the Company, normally after three years, under the general rules of Danish law on statute of limitations.

### 15.5.3 Voting rights

The Offer Shares are issued with a nominal value of DKK 0.02 or multiples thereof. Each Share gives the holder the right to one vote at General Meetings. No Major Shareholders have different voting rights.

#### **15.5.4 Pre-emption rights**

Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases effected as cash contributions. An increase in the share capital can be resolved by the shareholders at a General Meeting or by the Board of Directors pursuant to an authorization given by the shareholders. In connection with an increase of the share capital, the shareholders may, by resolution at a General Meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-third majority of the votes and the share capital represented at a General Meeting. Furthermore, it is a prerequisite that the capital increase is subscribed for at market price, and if less than market price, such resolution must be adopted by the affirmative vote of minimum 90% of the votes cast and the share capital represented at a General Meeting and in some cases by all shareholders.

#### **15.5.5 Dissolution and liquidation**

In the event of a dissolution and liquidation of the Company, the shareholders will be entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

#### **15.5.6 Redemption and conversion provision**

Except as provided for in the Danish Companies Act, no shareholders are under an obligation to have his or her Shares redeemed in part or in whole by the Company or any third party, and none of the Shares carry any redemption or conversion rights or any other special rights.

#### **15.6 NEGOTIABILITY OF THE SHARES**

The Shares are negotiable instruments, and no restriction under Danish law applies to the transferability of the Shares.

The Company's articles of association do not contain any transfer restrictions.

#### **15.7 RESOLUTIONS, AUTHORIZATIONS AND APPROVALS OF THE OFFERING**

The decision to apply for the Offer Shares to be traded on Nasdaq First North Growth Market Denmark and approval of this Company Description has been made by the Board of Directors at a board meeting held on March 16, 2021. First day of trading is expected to be April 27, 2021 under the condition that the distribution and free-float requirements for the Company's shares are met by the first day of trading, at the latest. The Shares will be traded under the ticker "TGAMES" and with the ISIN DK0061537206.



# 16. Terms and conditions of the Offering

## 16.1 EXPECTED TIMETABLE OF THE OFFERING

### Timetable of the Offering

Date	Event
07/04/2021 9:00 (CET)	The Offer Period begins
20/04/2021 23:59 (CET)	The Offer Period ends
22/04/2021 12:00 (CET)	Result of the Offering is announced
26/04/2021	The Offering is complete, and the Offer Shares have been settled. Registration of the Shares with the Danish Business Authority and VP Securities has been finalized
27/04/2021	The Shares have first day of trading on First North Growth Market under permanent ISIN conditional on final completion
29/04/2021	Temporary ISIN and permanent ISIN are merged in VP Securities

## 16.2 TERMS OF THE OFFERING

The Company is offering between 5,000,000 and 7,412,500 New Offer Shares, corresponding to a subscription amount of between DKK 40m and 59.3m.

## 16.3 SUBSCRIPTION UNDERTAKINGS

The Company has received an irrevocable subscription undertaking from 64 Pre-subscribers to subscribe for Offer Shares at the Offer Price for a total of DKK 30m in share value, corresponding to between 75% and 50% of the Offering.

### Pre-subscribers

Investors	# of shares	Subscription amount (DKK)
Aula Invest A/S	397,500	3,180,000
Gerhard Dal	375,000	3,000,000
MediumInvest A/S	250,000	2,000,000
Christian Sagild	200,000	1,600,000
Kucing ApS	160,000	1,280,000
Lehrmann Family ApS*	125,000	1,000,000
AB Lundgren, Nilsson & Moll	93,750	750,000
PE Invest ApS	93,750	750,000
Others	2,055,000	16,440,000
<b>Total</b>	<b>3,750,000</b>	<b>30,000,000</b>

No. of Shares has been rounded down to nearest no. of Shares based on the subscription amount made by the investor.

- Lehrmann Family ApS is an existing shareholder who will also partake in the subscription and acquisition of New Offer Shares, gross 125,000 Shares, DKK 8 per Share amounting to DKK 1,000,000. Lehrmann Family ApS is not to be considered independent as the owner of Lehrmann Family ApS is the Chairman of the Board of TROPHY GAMES Development A/S, Jan Dal Lehrmann.
- All other pre-subscribers have no direct association to the Company or the Certified Adviser and are resultingly deemed independent.

## 16.4 OFFER PERIOD

The Offer Period begins on 07/04/2021 at 9:00 CET and ends at 20/04/2021 at 23:59 CET.

## 16.5 SUBMISSION OF APPLICATIONS TO SUBSCRIBE

Applications to subscribe for Offer Shares in the Offering should be made by submitting the application form enclosed in this Company Description to the investor's own account holding bank during the Offer Period. Applications are binding and cannot be altered or cancelled.

Applications should be made for the number of Offer Shares or for an aggregate amount rounded to the nearest Danish Kroner amount. Only one application will be accepted from each account in VP Securities. For orders to be accepted, the application form must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Nordea Denmark, subsidiary of Nordea Bank Abp, Finland no later than 23:59 Central European Time on 20.04.2021. Subscription applications over DKK 250,000 must include name and address of the subscriber.

Nordea Denmark, subsidiary of Nordea Bank Abp, Finland will forward the subscription application to the Certified Adviser, who, together with the Company, will make an individual allocation of the subscribed Offer Shares after the conclusion of the Offer Period on 21/04/2021. Such procedure will ensure that allocation of New Offer Shares will be performed in the most applicable way and ensure even distribution.

Subscription application can only be validly submitted in accordance with the Offer Price. If the Offer Price is amended during the Offer Period, the Company will make an announcement via First North Growth Market and publish an amendment to this Company Description with an updated timetable for completion of the Offering. Timetable will only be updated if the subscription period ends within two business days from disclosure of the amendment. A change in the offer price requires an announcement but also other important information (e.g., inside information). Following the publication of such an amendment, investors with submitted subscription applications for the Offer Shares have two trading days to withdraw their application. Should the investor not withdraw the application within two trading days after publication of the amendment, the submitted subscription application for the specified number of Offer Shares is binding with the new offer price, given such an offer price has been specified. If the submitted subscription application instead specifies an order amount, the order is binding at the specified amount with a new number of Offer Shares adjusted for the new offer price, rounded down to the nearest number of Offer Shares.

### **16.5.1 Subscription using Nordnet**

Persons who are account customer at Nordnet AB may apply for the acquisition of shares through Nordnet's Online Service. Application with Nordnet can be made until 20/04/2021 at 23:59 CET. Please note that applications through Nordnet can be amended or withdrawn until the end of the Offer Period. In order not to lose the right to allotment, account customers at Nordnet are to have enough cash equivalents available at the account during the period from 23:59 CET on 20/04/2021 until the settlement day, which is estimated to be 26/04/2021. More information regarding the application process is available at [www.nordnet.dk](http://www.nordnet.dk).

Provided that the Offering is completed, the Offer Shares will be allocated to investors following the allocation plan described below. Customers who have applied for the acquisition of shares through Nordnet's Online Service will receive the decision on the allotment of shares by the delivery of the allotted shares to the account designated by the customer. Payment for the allotted shares will be charged simultaneously from the account designated by the customer. This is estimated to take place 26/04/2021.

## **16.6 ALLOCATION PLAN, REDUCTION OF PURCHASES AND PRE-ALLOTMENT INFORMATION**

### **16.6.1 Sale and purchase by Major Shareholders, Board of Directors, and Executive Management**

One Major Shareholder has committed to enter the purchase of New Offer Shares. The shareholder who will participate is listed below.

1. Lehmann Family ApS, purchase of 125,000 shares, gross DKK 1,000,000

### **16.6.2 Pre-allotment information**

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, reduction will be made as follows:

- with respect to applications for amounts of up to and including DKK 250,000, reductions will be made mathematically; and



- with respect to applications for amounts of more than DKK 250,000, individual allocations will be made.

Grant Thornton will allocate the Offer Shares after agreement upon such allocations with the Board of Directors.

- 3,750,000 Offer Shares will be allocated to the Pre-subscribers from who the Company has received an irrevocable subscription undertaking for a total of DKK 30 million.

Following the expiration of the Offer Period, investors will normally receive a statement indicating the number of Offer Shares allocated, if any, and the equivalent value at the Offer Price, unless otherwise agreed between the investor and the relevant account holding bank. An application to subscribe is not a guarantee of an allocation. Orders and indications of interest may not result in an allocation of Offer Shares due to many previous initial public offerings with vast oversubscriptions.

If the total application in the Offering exceeds the number of Offer Shares, a reduction will be made. In such event, Grant Thornton reserves the right to require documentation to verify that each application relates to a single account in VP Securities.

Further, Grant Thornton reserves the right to require documentation to verify the authenticity of all orders, to demand the name of each subscriber, to pass on such information to the Company, and to make individual allocations if there are several orders that are determined to have originated from the same purchaser. To the extent that several orders are determined to have originated from the same purchaser, only the largest order in Danish Kroner will be taken into consideration, and all other orders will be rejected.

Upon completion of the Offering, the Company's share capital will be between DKK 500,000 and DKK 548,250 divided into between 25,000,000 and 27,412,500 Shares with a nominal value of DKK 0.02 each.

### **16.6.3 PRICING**

The Board of Directors has specified the Company's valuation based on a comprehensive relative valuation methodology with consideration of the current market sentiment,

the Company's risk profile, the Company's future cash flow generation, and the Board of Directors' and the Executive Management's expectations for future growth opportunities.

The Offer Price for the Offer Shares is fixed at DKK 8 per share and is determined by the above-mentioned valuation.

### **16.7 MINIMUM AND/OR MAXIMUM SUBSCRIPTION AMOUNTS**

The minimum subscription amount is 475 Offer Shares of nominally DKK 0.02 equivalent to a subscription order of DKK 3,800. No maximum purchase amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

### **16.8 WITHDRAWAL OF THE OFFERING**

Completion of the Offering is conditional upon the Offering not being withdrawn. The Offering may be withdrawn by the Company at any time before the announcement of the result of the Offering takes place. The Offering may also be withdrawn if Nasdaq Copenhagen is not satisfied that there will be a sufficient number of qualified shareholders of the Offer Shares or if conditions for free float are not satisfied. Any withdrawal of the Offering will be announced immediately through Nasdaq First North Growth Market. The Offering may be withdrawn if there are insufficient subscribers for the Offer Shares.

### **16.9 INVESTORS' WITHDRAWAL RIGHTS**

In the event that the Company is required to publish an amendment to this Company Description, between the date of publication of this Company Description and the close of the Offer Period at 23:59 CET on 20.04.2021, investors who have submitted orders to subscribe Offer Shares in the Offering shall have two trading days following the publication of the relevant amendment within which the investors can withdraw their offer to subscribe Offer Shares in the Offering in its entirety.

The right to withdraw an application to subscribe Offer Shares in the Offering in these circumstances will be available to all investors in the Public Offering provided the obligation to publish an amendment to this Company Description was triggered before completion of the Offering and provided no Offer Shares have been delivered.

Withdrawal rights are not applicable to pre-subscribers.

## **16.10 PAYMENT AND REGISTRATION OF THE OFFER SHARES**

The Shares are dematerialized and will be registered in book-entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. All Shares are registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank's Danish correspondent bank as their account-holding bank.

Payment for and settlement of the Offer Shares are expected to take place on 26/04/2021 (i.e., the Closing Date), against payment in immediately available funds in Danish Kroner in book-entry form to investors' accounts with VP Securities. The Offer Shares will be issued to investors following registration of the capital increase with the Danish Business Authority on the Closing Date.

The account-holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Offer Shares purchased or subscribed for by the investor unless otherwise agreed between the investor and the relevant account holding bank. This statement also constitutes evidence of the investor's holding.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

All dealings in the Offer Shares prior to settlement of the Offering will be for the account of and at the sole risk of the parties involved.

## **16.11 PUBLICATION OF THE RESULT OF THE OFFERING**

The result of the Offering will be announced through First North Growth Market on 22/04/2021 at 12:00 CET.

## **16.12 UNDERWRITING AND SETTLEMENT**

The Offering is not subject to any underwriting agreements.

The Company has chosen Nordea Denmark, subsidiary of Nordea Bank Abp, Finland to be the settlement agent for the Offering.

The settlement agreement between Nordea Denmark, subsidiary of Nordea Bank Abp, Finland and the Company has certain conditions for which the Company deems to be standard practice. In the event that one or more of these conditions are not fulfilled up until the publication of the Offering, the Company may choose to withdraw from the Offering.

## **16.13 ADMISSION TO TRADING**

The Shares are expected to be admitted to trading on Nasdaq First North Growth Market. The admission, as well as the continued admission to trading on Nasdaq First North Growth Market Denmark, are subject to all admission requirements set forth by First North Growth Market, for the Company's Shares are met before the first day of trading.

First North Growth Market is a multilateral trading platform owned by Nasdaq and does not have the same legal status as a regulated market. Companies trading on Nasdaq First North Growth Market are regulated by a different regulatory framework that does not have the same legal requirements for trading as the regulated market. However, on both the regulated market and Nasdaq First North Growth Market, the Market Abuse Regulation applies. Investing in a company listed on Nasdaq First North Growth Market includes more risk than investing in a public listed company on a regulated market, and investors risk losing part or all of the investment.

## **16.14 LOCK-UP AGREEMENTS**

In connection with the Offering, all Existing Shareholders of Existing Shares before the Offering have agreed to enter into lock-up agreements, obligating the Existing Shareholders to not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Existing Shares or votes in the Company without the prior written consent of Grant Thornton acting as Certified Adviser in the Offering (the "Lock-Up Obligation").

The Lock-Up Obligation shall apply from the first day of trading and for a period of 360 calendar days (the "Initial Lock-Up Obligation").

The Lock-Up Obligation has three (3) exemptions where the Lock-Up Obligation shall not apply

1. Each of Daniel Luun Holding ApS and Gleie Holding ApS may sell up to two (2) per cent of their Shares in TROPHY GAMES Development A/S in connection with the Offering, equivalent to 91,998 Shares for Gleie Holding ApS and equivalent to 50,000 Shares for Daniel Luun Holding ApS.

2. Starting six (6) months from the first day of trading, up to two (2) per cent per month of the Shares acquired by Karsten Ree B Holding ApS, Lerhmann Family ApS and Benjamin Capital ApS, in the IPO process at the Share Price stipulated in this Company Description, may be sold. All three Shareholders have acquired 125,000 Shares in the Company during IPO Process gross DKK 1,000,000. Starting six (6) months from the first day of trading, up to two (2) per cent, equivalent to 2,500 Shares, may be sold per month (accumulated reserve for holdings not sold in the prior months).

3. In the period from 24 December 2021 to 7 January 2022, Daniel Luun Holding ApS may sell Shares up to an amount equal to 22% of the taxable gains on its shares in TROPHY GAMES Development A/S

After expiry of the Initial Lock-Up Obligation, the Existing Shares are released from the Lock-Up Obligation.

The warrants issued by the Company, if any, cannot be exercised before after the publication of the Company's half-year financial report regarding the second half-year of 2022. Further, the Board of Directors will require warrant-holders to sign lock-up agreements in terms equal to the terms of the Lock-Up Obligations applying to the Existing Shareholders.

### ***Major Shareholders with lock-up agreement***

<b>Shareholder</b>	<b># of shares*</b>
Lerhmann Family ApS	4,300,027
Karsten Ree Holding B ApS	4,300,027
Benjamin Capital ApS	4,300,027
Gleie Holding ApS	4,599,919
Daniel Luun Holding ApS	2,500,000
<b>Total lock-up shares*</b>	<b>20,000,000</b>

\*Pre-IPO # of shares

### **16.15 DILUTION**

The Existing Shares will be diluted by the issue of between 5,000,000 and 7,412,500 Offer Shares in the Offering corresponding to a total nominal value of between DKK 100,000 and 148,250. Following the completion of the Offering, the Existing Shares will make up between 80.5% and 73.2% of the Company's total share capital.

### **16.16 COSTS RELATED TO THE OFFERING**

The Company's costs associated with the admission to trading on Nasdaq First North Growth Market Denmark and the Offering are expected to amount to approx. between DKK 4m and 5.3m depending on whether the minimum of DKK 40m is raised, or whether the maximum of 59.3m is raised in the offering.

Such costs primarily relate to costs for auditors, financial and legal advisors, Nasdaq Copenhagen A/S operating First North Growth Market, and design, printing and distribution of this Company Description as well as costs related to Management presentations and handling fees of 0.150% of the value of allocated Offer Shares, paid to account-holding banks.

The gross proceeds from the issuance of Offer Shares are expected to amount to between DKK 40m and 59.3m before expenses connected with the Offering. After payment of these expenses, the Company will receive net proceeds of approx. between DKK 36m and DKK 54m.

# 17. Glossary

Abbreviation /Term	Explanation
AI	Artificial intelligence
ARR	Annual recurring revenue
Board of Directors	Jan Dal Lehrmann, Rene Eghammer, Pernille Nørkær
c.	Approximately
CAC	Customer Acquisition Cost
CAGR	An abbreviation of "compound annual growth rate"
Certified Adviser	Grant Thornton (see below)
CVR	The registration number of a Danish business
DB	Data base
DKKm	Million Danish Kroner
EBITDA	Earnings Before interest, Tax, Depreciation and Amortization
Executive Management	Søren Gleie, Daniel Luun, Carina Vienberg
FTE	Full Time Equivalent
GDPR	General Data Protection Regulation
Grant Thornton	Grant Thornton Statsautoriseret Revisionspartnerselskab, CVR no. 34209936
IFRS	International Financial Reporting
IPO	Initial Public Offering
ISIN	International Securities Identification Number
LEI	Legal Entity Identifier
LTV	Lifetime Value
Major Shareholders	The persons and entities that, directly or indirectly, owns 5% or more of the total shareholding in the Company
Management Team	CEO, CFO, CPO and COO
ARPDau	Average Revenue Per Daily Active User
USDm	Million American Dollars
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19 04 26 77. Operator of Nasdaq First North Growth Market Denmark
Company Description	This Company Description TROPHY GAMES (TROPHY GAMES Development A/S and TROPHY GAMES Publishing ApS)
TG	
Company description date	
EBIT	Earnings Before Interest and Tax
EURm	Million EURO
TROPHY GAMES	TROPHY GAMES Development A/S
The Company	TROPHY GAMES Development A/S
IPR	Intellectual property rights
Bn	Billion
WHO	World Health Organization
Y-o-Y	Year-on-Year
pop.	Population
OS	Operating System
IAP	In App Purchase
FY	Financial Year
EBT	Earnings Before Tax
DAU	Daily Active Users
TUBPW	Total Unique Buyers Per. Week
TM	Trophy Manager
FMU	Football Management Ultra
SMA	Simple Moving Average



# 18. Subscription Form

## Subscription form – TROPHY GAMES Development A/S

### Subscription of Offer Shares in TROPHY GAMES Development A/S, CVR:29240299

Offering of between 5,000,000 and 7,412,500  
Offer Shares of nominally DKK 0.02 each



<b>Settlement agent:</b>	Nordea Danmark, Filial af Nordea Bank Abp, Finland
<b>Offer Period:</b>	April 7, 2021, 9:00 CET to April 20, 2021, 23:59 CET
<b>Offer Price:</b>	DKK 8 per Offer Share
<b>Settlement:</b>	Delivery of shares in temporary ISIN against payment
<b>Payment:</b>	Expected to take place 26/04/2021
<b>ISIN:</b>	Temporary ISIN for the new shares: DK0061537123 Permanent ISIN for the Shares: DK0061537206

For the subscription to be accepted, it must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the subscription to ensure that it is in the possession of Nordea Danmark, Filial af Nordea Bank Abp, Finland no later than 23:59 CET on April 20, 2021.

The Company Description is dated April 7, 2021. The Company Description is published on the Company's and Nasdaq First North Growth Market Denmark's website after Nasdaq First North Growth Market Denmark's conditional approval of admission to trading of the Company's Shares. Admission, as well as continued admission to trading on Nasdaq First North Growth Market Denmark, is subject to all admission requirements for the Company's shares set forth by Nasdaq First North Growth Market Denmark are met before the first day of trading.

A subscription shall as a minimum be for 475 Offer Shares equivalent to DKK 3,800.

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, allocation of shares will be reduced in accordance with section 16.6.2 "Pre-allotment information" in the Company Description. Submission of a subscription form during the Offer Period does not guarantee the allocation of Offer Shares in full or in part. Pre-subscribed orders will be allocated in full.

Settlement of the Offering will be effectuated by providing payment in Danish kroner. Payment is expected to take place 26/04/2021. Any trading with the Offer Shares prior to the settlement is solely at the involved parties' own expense and risk.

On the terms and conditions stated in the Company Description dated April 7, 2021, I/we hereby submit a subscription to purchase Offer Shares in the Company and simultaneously confirm to have received a copy of the Company Description and that I/we have based the investment decision solely on the contents of the Company Description. Only one subscription form for each custody account with VP Securities A/S (VP) will be accepted.

I/we accept that Nordea Danmark, Filial af Nordea Bank Abp, Finland may demand information about my/our name, address, and order, and are entitled to pass on such information to the Company, its Certified Adviser and the investor's custody bank. I/we hereby undertake to pay the equivalent of the Offer Shares allocated at the fixed Offer Price.

# Subscription form – TROPHY GAMES Development A/S

The undersigned hereby applies for subscription of the following number of shares OR order amount in DKK in TROPHY GAMES Development A/S:

Number of Offer Shares (OPEN)	OR	Order amount in DKK (OPEN)
-------------------------------	----	----------------------------

Fill out where the allotted and paid for shares are to be delivered (fill out only one alternative):

VP custody account number	Bank
Settlement account number	Bank

Subscriber information:

Last name/Company		First Name	CPR no./CVR.no.
Street address (or equivalent)			Telephone/mobile phone
Postal code	City	Country	E-mail
Place and date		Signature (authorized company signature, if applicable)	

Fields below is only to be filled out when opening a new VP custody account:

Civil registration (CPR) number / Company registration (CVR) number
Name
Address
Postal code and city
Phone number
Position
Existing account number for settlement (if any)

## 19. Addresses

### **TROPHY GAMES Development A/S**

Højbro Pl. 10  
DK-1200 Copenhagen  
+45 71727573  
[www.trophy-games.com](http://www.trophy-games.com)

### **Financial and Certified Adviser Grant Thornton**

Stockholmsgade 45  
DK-2100 Copenhagen  
+45 33 110 220  
[www.grantthornton.dk](http://www.grantthornton.dk)

### **Legal Adviser Moalem Weitemeyer**

Amaliegade 3  
DK-1256 Copenhagen  
+45 70701505  
[www.moalemweitemeyer.com](http://www.moalemweitemeyer.com)

### **Auditor PricewaterhouseCoopers**

Nobelparken, Jens Chr. Skous Vej 1  
DK-8000 Aarhus C  
+45 89 32 00 00  
[www.PWC.dk](http://www.PWC.dk)

### **Settlement & Issuing Agent Nordea Denmark, Subsidiary of Nordea Bank Abp, Finland**

Strandgade 3  
DK-1401 Copenhagen  
+45 55475179  
[www.Nordea.dk](http://www.Nordea.dk)

## 20. Articles of association



### 1. Name and Objects

**1.1** The name of the Company is Trophy Games Development A/S.

**1.2** The Company also operates under the name Senikov A/S.

**1.3** The object of the Company is to conduct business with development, manufacturing, sale, operation and publication of computer games, tablet and mobile phone games and related products, including in particular online games, as well as directly or indirectly to conduct other business, which, in the opinion of the board of directors, is related thereto.

### 2. Capital of the Company

**2.1** The share capital of the Company is DKK 400,000.

**2.2** The share capital of the Company is divided into shares of DKK 0.02.

**2.3** The shares shall be registered shares and negotiable instruments. No restrictions apply to the negotiability of the shares. The shares shall be registered in the company's share register. No share certificates shall be issued.

**2.4** No share shall confer special rights upon the holder and no shareholder shall be under any obligation to redeem his shares, neither wholly nor partly.

**2.5** The register of shareholders is kept by VP Securities A/S, CVR no. 21 59 93 36.

**2.6** The shares are registered with and issued in paperless form through VP Securities A/S, CVR no. 21 59 93 36. Dividends are paid through VP Securities A/S and deposited on dividend accounts registered in VP Securities A/S. Rights relating to the shares must be notified to VP Securities A/S according to the rules thereon

### 3. Increase of the share capital

**3.1** The Board of Directors is by unanimous resolution authorised to increase the share capital by up to nominally DKK 137,063, by one or more issues, with pre-emption rights for the Company's present shareholders against cash contribution, see however § 3.3. Cash contribution must be paid in full at the share subscription. The authorization is valid up to and including 27 January 2026.

**3.2** The Board of Directors is by unanimous resolution authorized to increase the share capital by up to nominally DKK 137,063, by one or more issues, without pre-emption rights for the Company's present shareholders, see however § 3.3. New shares that are offered without pre-emption rights for the present shareholders, must be sub-scribed for at market price. The share capital may be increased against cash contribution, debt conversion or as consideration in connection with the Company's acquisition of one or more existing companies. New shares that are offered against cash contribution, must be paid in full at the share subscription. The authorization is valid up to and including 27 January 2026.



**3.3** The Board of Directors' authorizations according to §§ 3.1 and 3.1 can altogether as a maximum be exercised to increase the share capital by a total nominal value of DKK 100,000. For capital increases pursuant to §§ 3.1 and 3.2 applies that the new shares will be issued as registered shares. The shares must be negotiable instruments and must additionally in every aspect be identical with the existing shares, including with regard to pre-emption rights at future increases, rights, redemption and transferability. The Board of Directors decides with regard to the time of subscription or conversion to what extent the holders of the new shares will be entitled to receive dividend for the year in which subscription or conversion take place. The Board of Directors furthermore determines the conditions in detail for capital increases which are implemented according to §§ 3.1 and 3.2 and is authorized to make the necessary changes in the articles of association of the Company as a consequence of the utilization of the authorizations.

#### **4. General meeting**

**4.1** The supreme powers pertaining to the affairs of the company are vested in the general meeting within the limits set out in the articles of association and the law.

**4.2** The general meeting of the company shall be held in the Municipality of Copenhagen.

**4.3** Annual general meetings shall be held each year in due time for the audited and approved annual report to be received by the Danish Business Authority before the end of April.

**4.4** Extraordinary general meetings shall be held when deemed appropriate by the Board of Directors, the auditor or a general meeting. Furthermore, extraordinary general meetings for the purpose of transacting specific business shall be convened not later than 14 days after a shareholder holding one-twentieth of the share capital having so requested in writing. The 14-day period shall run from the date of the Company's receipt of the shareholder's written request for the extra-ordinary general meeting.

**4.5** General meetings shall be convened by the Board of Directors giving not less than three weeks' and not more than five weeks' notice.

**4.6** General meetings shall be convened by notice on the Company's website, [www.trophy-games.com](http://www.trophy-games.com) and electronically by email to all shareholders recorded in the register of shareholders who have so requested by registering an email address with the Company.

**4.7** The notice convening the general meeting shall contain the time and place for the general meeting and the agenda stating the matters to be considered at the general meeting. The notice shall also contain the principal contents of any proposals for amendments of the articles of association.

**4.8** Not later than three weeks before a general meeting and until the general meeting, the following information shall be available to the shareholders on the Company's website: (1) the notice, (2) the total number of shares and voting rights on the date of the notice, (3) the documents which are presented at the general meeting, (4) the agenda and the complete proposals and (5) the forms which should be used when voting by proxy or voting by mail.

#### **5. Electronic general meeting**

**5.1** The Board of Directors shall be authorized to determine that general meetings shall be held electronically, whether in whole or in part. A decision to do so shall be published in accordance with the rules laid down in the Articles of Association for communication with the shareholders.

**5.2** The Board of Directors shall ensure that electronic general meetings are held in a secure manner and that the system used is so organized that legislative requirements for the holding of general meetings are complied with, including in particular shareholders' right to attend, speak at and vote at the general meeting. The system shall make it possible to establish which shareholders are participating, the amount of the share capital and the voting rights they represent as well as the results of voting.

**5.3** The notice convening the electronic general meeting shall specify the detailed requirements for the electronic equipment to be used in attending the general meeting. In addition, such notice shall specify how to register and where the shareholders can find information about the procedure used in connection with the general meeting.

**5.4** Questions, if any, that the shareholders may have in relation to the agenda and any other documents for the general meeting shall be received by the Company not later than one week before the general meeting is held.

**5.5** In connection with an electronic general meeting, the Company may decide to use electronic document exchange as well as electronic mail in the communication between the Company and the shareholders instead of sending or presenting paper-based documents.

## **6. Agenda of general meetings, chairman of the meeting and minute book**

**6.1** The audited annual report shall be presented at the annual general meeting. The agenda for the annual general meeting shall comprise the following:

- a) Report from the Board of Directors on the activities of the Company during the past year
- b) Presentation of the audited annual report for adoption
- c) Resolution on the allocation of profit or the treatment of loss according to the approved annual report
- d) Election of members to the Board of Directors
- e) Appointment of a state authorized public accountant
- f) Any other proposals from the Board of Directors or the shareholders
- g) Any other business

**6.2** Proposed items from the shareholders to the agenda for the annual general meeting shall be submitted to the Board of Directors not later than six weeks before the general meeting.

**6.3** General meetings are presided over by a chairman appointed by the Board of Directors. The chairman decides all matters concerning the proceedings at the meeting, the voting and the results thereof. All shareholders entitled to vote may demand that the voting shall take place in writing as regards the proposals for consideration.

**6.4** Minutes of the proceedings of the general meeting shall be recorded in a minute book and signed by the chairman of the meeting. Minutes including voting results shall be made available to the shareholders on the Company's website not later than two weeks after the general meeting.

**6.5** The general meeting shall be held in English. All documents prepared for the purpose of the general meeting shall be in English and, if decided by the Board of Directors, in Danish.

## **7. Attendance and voting rights at general meetings**

**7.1** Any shareholder who has requested an admission card from the Company not later than three days prior to the date of the general meeting and who is registered as shareholder in the Company's register of owners on the day which is one week prior to the general meeting or at this time has registered and documented his ownership to the Company with a view to entering the register of owners is entitled to attend the general meeting.

**7.2** A shareholder may attend the general meeting in person or by proxy. Both the shareholder and the proxy may be accompanied by an adviser. The proxy shall be in writing and be dated. Proxy may be granted by using the form of proxy mailed to the shareholders or electronically on the Company's website.

**7.3** Shareholders who have obtained admission cards and who are registered as shareholders in the Company's register of owners on the day which is one week prior to the general meeting or at this time have registered and documented their ownership to the Company with a view to entering the register of owners have voting rights at the general meeting.

**7.4** Every shareholder is entitled to vote by mail prior to the general meeting.

**7.5** Each share of DKK 0.02 shall carry one vote at the Company's general meeting.

## **8. Resolutions passed at the general meetings**

**8.1** Resolutions at general meetings shall be passed by a simple majority of votes unless otherwise stipulated by legislation or by these articles of association.

**8.2** The Board of Directors shall be authorized to file the resolutions passed at annual general meetings and extraordinary general meetings with the Danish Business Authority for registration and to make such changes in and supplements to the minutes of the general meeting or the filing with the Danish Business Authority as may be requested by the Danish Business Authority or other authorities for the registration of the resolutions passed.

## **9. Board of Directors**

**9.1** The Company's Board of Directors shall consist of not less than four and not more than six members elected by the shareholders in general meeting and the additional number of members elected by the employees according to legislation.

**9.2** Board members elected by the annual general meeting are elected for one year at a time. Retiring members can be re-elected.

**9.3** If the number of members of the Board of Directors elected by the shareholders in general meeting falls below four due to retirement during any year, the Board of Directors shall convene an extraordinary general meeting as soon as possible with the purpose of electing new members in order to bring the number of members to at least four.

**9.4** The Board of Directors and the Executive Management are responsible for managing the Company's business.

**9.5** The Board of Directors shall from its numbers elect a Chairman and a Vice Chairman of the Board, who shall act in the absence of the Chairman.

**9.6** The Chairman of the Board of Directors shall convene board meetings and shall preside over such meetings.

**9.7** The Board of Directors shall form a quorum when more than half of the members are present. All resolutions of the Board of Directors shall be passed by a simple majority of votes. In the event of an equality of votes, the Chairman, or in his absence, the Vice Chairman, shall have the casting vote.

**9.8** The Board of Directors adopts its own rules of procedure on the performance of its duties. Minutes of the meetings of the Board of Directors shall be recorded in a minute book to be signed by all members of the Board of Directors after each meeting.

**9.9** The remuneration of the members of the Board of Directors will be determined by the shareholders in general meeting in connection with the approval of the annual report.

## **10. Power to Bind the Company**

**10.1** The Company shall be bound by the joint signatures of the Chairman or the Vice Chairman of the Board of Directors and one member of the Executive Management or a member of the Board of Directors.

## **11. Communication with the shareholders**

**11.1** All communication from the Company to the individual shareholders may take place electronically, including by e-mail, and general notices will be available to the shareholders on the Company's website, [www.trophy-games.com](http://www.trophy-games.com), unless otherwise provided by the Danish Companies Act. The Company may at any time communicate to the individual shareholders by ordinary mail as a supplement or alternative to electronic communication.

**11.2** Notices to the shareholders to convene the annual or extraordinary general meetings, including complete proposals to amend the Articles of Association, agendas, annual reports, interim financial reports, key figures, company announcements, proxy and postal voting forms, minutes of general meetings and admission cards as well as any other general information from the Company to its shareholders may be sent electronically by the Company to its shareholders, including by email. Apart from admission cards for general meetings, the documents referred to above will be available on the Company's website, [www.trophy-games.com](http://www.trophy-games.com).

**11.3** The Company may decide that requests for admission cards for general meetings shall be made electronically on the Company's website, [www.trophy-games.com](http://www.trophy-games.com).

**11.4** The Company is under an obligation to request that registered shareholders provide an electronic address to which notices and other general information may be sent. It is the responsibility of each shareholder to ensure that the Company is in possession of a correct email address.

**11.5** Shareholders may find more detailed information about system requirements and the procedures for electronic communication on the Company's website, [www.trophy-games.com](http://www.trophy-games.com).

## **12. Executive management**

**12.1** The Board of Directors shall appoint a Management made up of one or more members.

## **13. Language**

**13.1** The Company's corporate language is English.

## **14. Extraordinary dividends**

**14.1** The Board of Directors shall be authorized to adopt resolutions for the distribution of extraordinary dividends pursuant to section 182 of the Danish Companies Act. The authorization of the Board of Directors is not limited by an amount or in any other manner, except for such

limitations as are due to the interests of the Company, the shareholders and any creditors and by limitations pre-scribed by general legislation.

## **15. Audit**

**15.1** The financial statements of the Company will be audited by a state authorized public accountant, who will be appointed for terms of one year. A re-tiring auditor is eligible for re-appointment.

## **16. Financial year and annual report**

**16.1** The Company's financial year is the calendar year.

**16.2** The annual report shall be prepared with due consideration to existing assets and liabilities, and with the depreciation and amortization deemed necessary by the Board of Directors.

**16.3** Prior to any other application, profits shall be set off against any untreated losses from prior years.

**16.4** Any balance remaining shall be applied as resolved by the shareholders in general meeting pursuant to the re-commendation of the Board of Directors.

**16.5** Annual reports shall be prepared in English, and if the Board of Directors decide, also in Danish.



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"By my signature I confirm all dates and content in this document."

## Jan Dal Lehrmann

Chairman of the Board

Serial number: PID:9208-2002-2-691062115960

IP: 176.21.xxx.xxx

2021-04-01 09:21:45Z

NEM ID 

## Daniel Luun

Member of the Board

Serial number: PID:9208-2002-2-008183488447

IP: 80.62.xxx.xxx

2021-04-01 14:12:16Z

NEM ID 

## Søren Westrup Gleie

CEO and Member of the Board

Serial number: PID:9208-2002-2-546632375291

IP: 93.167.xxx.xxx

2021-04-02 14:49:38Z

NEM ID 

## René Eghammer

Member of the Board

Serial number: PID:9208-2002-2-270075972536

IP: 5.186.xxx.xxx

2021-04-03 07:33:48Z

NEM ID 

## Pernille Nørkær

Member of the Board

Serial number: PID:9208-2002-2-872116099145

IP: 188.177.xxx.xxx

2021-04-05 08:04:39Z

NEM ID 

## Carina Lüth Vienberg

Interim CFO

Serial number: PID:9208-2002-2-007606798767

IP: 62.44.xxx.xxx

2021-04-05 08:37:55Z

NEM ID 

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