Deloitte.

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
2300 København S

Telefon 36 10 20 30
Telefax 36 10 20 40
www.deloitte.dk

OVG-PROXY A/S
Gothersgade 14, 4.
1123 København K
Central Business Registration
No 33644957

Annual report 2019

The Annual General Meeting adopted the annual report on 29.09.2020

Chairman of the General Meeting

____
Name: Peter Stakemann

Contents

Entity details

Entity
OVG-PROXY A/S
Gothersgade 14, 4.
1123 København K

Central Business Registration No: 33644957
Registered in: København K
Financial year: 01.01.2019 - 31.12.2019

Board of Directors
Jonathan James Diver, chairman
Michael Spence Hyde
Kirankumar Premchand Shah
Morten Geschwendtner
Jeremiah Healy

Executive Board
Jesper Bay

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of OVG-PROXY A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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

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

Copenhagen, 31.08.2020

Executive Board

Jesper Bay

Board of Directors

Jonathan James Diver chairman	Michael Spence Hyde	Kirankumar Premchand Shah
Morten Geschwendtner	Jeremiah Healy	

Independent auditor's report

To the shareholders of OVG-PROXY A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of OVG-PROXY A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exits. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 31.08.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

René Carøe Andersen
State Authorised Public Accountant
Identification number (MNE) mne34499

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Financial highlights					
Key figures					
Gross profit	1.772	25.617	12.133	14.625	15.268
Operating profit/loss	(16.990)	6.404	(4.114)	(313)	9.773
Net financials	(4.165)	(2.990)	(9.597)	(1.824)	(1.498)
Profit/loss for the year	(22.669)	2.486	(10.847)	(1.777)	6.178
Total assets	39.768	85.042	113.398	97.447	36.169
Investments in property, plant and equipment	1.840	693	770	1.398	0
Equity incl minority interests	(24.024)	(1.355)	(3.842)	7.005	11.329
Cash flows from (used in) operating activities	35.406	13.012	(5.044)	(24.577)	2.039
Cash flows from (used in) investing activities	(2.534)	(717)	(807)	(1.419)	(44)
Cash flows from (used in) financing activities	1.254	(412)	(821)	(287)	73
Ratios					
Return on equity (%)	-	-	(685,9)	(19,4)	72,3
Equity ratio (%)	(60,4)	(1,6)	(3,4)	7,2	31,3

Financial highlights for 2015 comprise highlights for the parent company, as establishment of the Group has taken place per January 1, 2016.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios**
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

OVG-PROXY A/S primary activity is to carry out sales and distribution activities in the Nordic region, with a primary focus on toys.

Development in activities and finances

Sales have been adversely affected by the cessation of trading and liquidation, in January 2019, of one of the Group's major customers, Top Toy. Other operators in the market were not able to fully absorb the vacuum that arose on Top Toy's demise in the year under review. This resulted in a reduced level of sales and a substantial loss for the year.

Result of operations shows a loss of (22,669) T.DKK, and at December 31, 2019 the Equity amounts to (24,024) T.DKK.

The planned activities for 2020 are expected to generate a profit, and a material increase in profit compared to 2019. The interim accounts as per June 30, 2020 supports the assumption of an expected profit for 2020.

An associated company has issued a support letter in respect of the Company for up to 25m DKK until January 31, 2021 related to the intercompany balance. As per December 31, 2019 the intercompany balance amounted to 17,7m DKK. The associated company has also stated that, if required, it will provide further suppert to the Company until January 31, 2021 of up to another 40m DKK, based on the Company's insured receivables.

Based on the above Management has prepared the consolidated financial statements on the basis of going concern.

The planned activities are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions are not realized as expected, the capital resources and thereby the sufficiency of liquidity for financing the Group's activities can be affected negatively.

Uncertainty related to recognition and measurement

When preparing the Group's and the Company's annual report, it is necessary that Management, in accordance with legislative provisions, makes a number of accounting judgements and estimates which form the basis for the annual report. Material accounting judgements and estimates made by Management are described in the paragraph headed "Management's material judgements and estimates" under "Accounting policies", as well as in the notes to which we will refer. The accounting judgements and estimates made primarily relate to:

- the sufficiency of the Group's financing (see note 1); and
- the recognition and measurement of deferred tax asset (see note 11).

Such estimates are made on the basis of assumptions which Management consider reasonable and realistic, but which are, by nature, uncertain.

Management commentary

Outlook

Proxy is well positioned to offer a “onestop” distribution service in the Nordic region to former suppliers to Top Toy. Proxy has been able capture the rights to several new products in the Nordic region in this fashion.

Although the outbreak and spread of COVID-19 from Q1 in 2020 has had an adverse impact on sales, it is believed that the prospects for a return to profitability for the Group, as a whole, are good.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2019

	Notes	2019 DKK	2018 DKK'000
Gross profit		**1.771.642**	**25.617**
Staff costs	2	(17.732.495)	(18.580)
Depreciation, amortisation and impairment losses	3	(1.029.626)	(633)
Operating profit/loss		**(16.990.479)**	**6.404**
Other financial income	4	39.524	2.753
Financial expenses from group enterprises		(364.420)	0
Other financial expenses	5	(3.839.753)	(5.743)
Profit/loss before tax		**(21.155.128)**	**3.414**
Tax on profit/loss for the year	6	(1.513.440)	(928)
Profit/loss for the year	7	**(22.668.568)**	**2.486**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK'000
Goodwill		0	0
Intangible assets	8	**0**	**0**
Other fixtures and fittings, tools and equipment		1.598.701	1.492
Leasehold improvements		708.005	5
Property, plant and equipment	9	**2.306.706**	**1.497**
Other receivables		1.161.880	468
Fixed asset investments	10	**1.161.880**	**468**
Fixed assets		**3.468.586**	**1.965**
Manufactured goods and goods for resale		0	23.515
Prepayments for goods		0	2.711
Inventories		**0**	**26.226**
Trade receivables		29.583.016	25.273
Deferred tax	11	876.000	2.351
Other receivables	12	782.932	23.844
Income tax receivable		31.775	125
Joint taxation contribution receivable		213.000	174
Prepayments	13	1.310.313	1.258
Receivables		**32.797.036**	**53.025**
Cash		**3.502.611**	**3.826**
Current assets		**36.299.647**	**83.077**
Assets		**39.768.233**	**85.042**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK'000
Contributed capital		500.000	500
Retained earnings		(24.523.513)	(1.855)
Equity		**(24.023.513)**	**(1.355)**
Subordinate loan capital	14	8.000.000	8.000
Bank loans		0	125
Other payables	15	330.985	0
Non-current liabilities other than provisions	16	**8.330.985**	**8.125**
Current portion of long-term liabilities other than provisions	16	3.327.609	2.280
Bank loans		19.056.868	53.507
Trade payables		11.326.996	13.396
Payables to group enterprises		17.735.640	3.300
Income tax payable		0	18
Other payables	17	4.013.648	5.771
Current liabilities other than provisions		**55.460.761**	**78.272**
Liabilities other than provisions		**63.791.746**	**86.397**
Equity and liabilities		**39.768.233**	**85.042**

	Notes
Going concern	1
Contingent liabilities	19
Mortgages and securities	20
Group relations	21
Subsidiaries	22

Consolidated statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	(1.854.947)	(1.354.947)
Profit/loss for the year	0	(22.668.566)	(22.668.566)
Equity end of year	**500.000**	**(24.523.513)**	**(24.023.513)**

Consolidated cash flow statement for 2019

	Notes	2019 DKK	2018 DKK'000
Operating profit/loss		(16.990.479)	6.407
Amortisation, depreciation and impairment losses		1.029.626	633
Working capital changes	18	55.502.052	9.028
Cash flow from ordinary operating activities		**39.541.199**	**16.068**
Financial income received		39.524	2.753
Financial income paid		(4.204.173)	(5.746)
Income taxes refunded/(paid)		29.560	(63)
Cash flows from operating activities		**35.406.110**	**13.012**
Acquisition etc of property, plant and equipment		(1.839.837)	(691)
Acquisition of fixed asset investments		(1.082.709)	(26)
Sale of fixed asset investments		388.481	0
Cash flows from investing activities		**(2.534.065)**	**(717)**
Loans raised		1.253.592	0
Instalments on loans etc		0	(412)
Cash flows from financing activities		**1.253.592**	**(412)**
Increase/decrease in cash and cash equivalents		**34.125.637**	**11.883**
Cash and cash equivalents beginning of year		(49.679.894)	(61.562)
Cash and cash equivalents end of year		**(15.554.257)**	**(49.679)**
Cash and cash equivalents at year-end are composed of:			
Cash		3.502.611	3.826
Short-term debt to banks		(19.056.868)	(53.505)
Cash and cash equivalents end of year		**(15.554.257)**	**(49.679)**

Notes to consolidated financial statements

1. Going concern

The planned activities for 2020 are expected to generate a profit, and a material increase in profit compared to 2019. The interim accounts as per June 30, 2020 supports the assumption of an expected profit for 2020.

An associated company has issued a support letter in respect of the Company for up to 25m DKK until January 31, 2021 related to the intercompany balance. As per December 31, 2019 the intercompany balance amounted to 17,7m DKK. The associated company has also stated that, if required, it will provide further suppert to the Company until January 31, 2021 of up to another 40m DKK, based on the Company's insured receivables.

Based on the above Management has prepared the consolidated financial statements on the basis of going concern.

The planned activities are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions are not realized as expected, the capital resources and thereby the sufficiency of liquidity for financing the Group's activities can be affected negatively.

	2019 DKK	2018 DKK'000
2. Staff costs		
Wages and salaries	15.079.471	16.357
Pension costs	929.741	1.202
Other social security costs	208.883	153
Other staff costs	1.514.400	868
	17.732.495	**18.580**
Average number of employees	**23**	**24**

Salary to the Excecutive Board has not been discosed with reference to the Danish Financial Statements Acts § 98 B.

	2019 DKK	2018 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	26
Depreciation of property, plant and equipment	646.435	607
Impairment losses on property, plant and equipment	383.191	0
	1.029.626	**633**

Notes to consolidated financial statements

	2019 DKK	2018 DKK'000
4. Other financial income		
Interest income	321	0
Exchange rate adjustments	39.203	2.753
	39.524	**2.753**

	2019 DKK	2018 DKK'000
5. Other financial expenses		
Interest expenses	3.312.235	4.848
Exchange rate adjustments	438.558	804
Fair value adjustments	24	7
Other financial expenses	88.936	84
	3.839.753	**5.743**

	2019 DKK	2018 DKK'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	38.440	68
Change in deferred tax for the year	1.475.000	1.034
Refund in joint taxation arrangement	0	(174)
	1.513.440	**928**

	2019 DKK	2018 DKK'000
7. Proposed distribution of profit/loss		
Retained earnings	(22.668.568)	2.486
	(22.668.568)	**2.486**

	Goodwill DKK
8. Intangible assets	
Cost beginning of year	2.472.839
Cost end of year	**2.472.839**
Amortisation and impairment losses beginning of year	(2.472.839)
Amortisation and impairment losses end of year	**(2.472.839)**
Carrying amount end of year	**0**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
9. Property, plant and equipment		
Cost beginning of year	4.054.189	544.690
Additions	1.080.164	759.673
Cost end of year	**5.134.353**	**1.304.363**
Depreciation and impairment losses beginning of the year	(2.562.031)	(540.353)
Impairment losses for the year	(383.191)	0
Depreciation for the year	(590.430)	(56.005)
Depreciation and impairment losses end of the year	**(3.535.652)**	**(596.358)**
Carrying amount end of year	**1.598.701**	**708.005**

	Other receivables DKK
10. Fixed asset investments	
Cost beginning of year	467.652
Additions	1.082.709
Disposals	(388.481)
Cost end of year	**1.161.880**
Carrying amount end of year	**1.161.880**

	2019 DKK	2018 DKK'000
11. Deferred tax		
Property, plant and equipment	76.000	76
Tax losses carried forward	800.000	2.275
	876.000	**2.351**

Changes during the year	
Beginning of year	2.351.000
Recognised in the income statement	(1.475.000)
End of year	**876.000**

Management has recognized the deferred tax asset with an amount of 876 t.kr. of which 800 t.kr. is related to taxable loss carried forward. The recognition is based on Management's expectations, that the taxable loss will be utilized within the coming two years. Based on the interim report for June 2020 and expectations for

Notes to consolidated financial statements

the remaining part of 2020. Management expects that the majority of the tax loss carried forward will be utilized in 2020, and the remaining part will be utilized in 2021.

The recognition and measurement of deferred tax asset is on based assumptions which Management consider to be reasonable and realistic, but which, by nature include a level of uncertainty, since the assumptions refers to estimates of future earnings. If the assumptions are not realized as expected, the recognition and measurement of the deferred tax asset can be affected negatively.

	2019 DKK	**2018 DKK'000**
12. Other receivables		
Other receivables	782.932	23.844
	782.932	**23.844**

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14. Subordinate loan capital

The loan must have been fully redeemed in 2023.

	2019 DKK	**2018 DKK'000**
15. Other long-term payables		
Holiday pay obligation	330.985	0
	330.985	**0**

	Instalments within 12 months 2019 DKK	**Instalments within 12 months 2018 DKK'000**	**Instalments beyond 12 months 2019 DKK**
16. Liabilities other than provisions			
Subordinate loan capital	3.202.609	1.780	8.000.000
Bank loans	125.000	500	0
Other payables	0	0	330.985
	3.327.609	**2.280**	**8.330.985**

Outstanding amount of subordinate loan capital and bank loan after 5 years amounts to 0 t.kr.

Notes to consolidated financial statements

	2019 DKK	2018 DKK'000
17. Other short-term payables		
VAT and duties	1.742.749	2.297
Wages and salaries, personal income taxes, social security costs, etc payable	438.488	470
Holiday pay obligation	674.039	1.220
Other costs payable	1.158.372	1.784
	4.013.648	**5.771**

	2019 DKK	2018 DKK'000
18. Change in working capital		
Increase/decrease in inventories	26.226.000	5.716
Increase/decrease in receivables	18.667.052	22.507
Increase/decrease in trade payables etc	10.609.000	(19.195)
	55.502.052	**9.028**

19. Contingent liabilities

Loan Terms for the subordinated loan provides for the payment of an exit bonus to the lender in case of significant changes in the shareholder composition.

The Parent Company has filed a complaint against SKAT's classification of certain imported goods to the Danish Tax Agency, as a result of disagreement on the classification of these goods. If SKAT is fully entitled to the classification made, this could affect the financial statements with an additional amount for up to 2m DKK.

20. Mortgages and securities

Company pledge, nom. T.DKK 26.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 33.052 has been deposited as security for account with credit institution.

Company pledge, nom. T.DKK 5.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 33.052 has been deposited as security for subordinated loan capital.

Debtors for an amount of T.DKK 21.838 has been deposited as security for bankloan of T.DKK 16.064.

The Company has entered into an operating lease of premises. The lease is interminable until 2025. The total lease commitment represents app. T.DKK 8.331.

The Company has entered into operating lease of cars. The lease is interminable until 2021. The total lease commitment represents app. T.DKK 1.035.

Notes to consolidated financial statements

21. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
The Character Group plc, Citypoint, 16th floor, One Ropemaker Street, London, EC2Y 9 AW, United Kingdom

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
OVG-Proxy A/S, Copenhagen, Denmark

22. Subsidiaries	**Registered in**	**Corporate form**	**Equity interest %**	**Equity DKK**	**Profit/loss DKK**
Online Supply ApS	København	ApS	100,0	(982.521)	(411.886)
Proxy Norway AS	Norge	A/S	100,0	182.109	56.356
Proxy Sweden AB	Sverige	A/S	100,0	205.066	(27.627)

Parent income statement for 2019

	Notes	2019 DKK	2018 DKK'000
Gross profit/loss		**(2.833.526)**	**21.512**
Staff costs	2	(14.027.386)	(14.696)
Depreciation, amortisation and impairment losses	3	(605.817)	(502)
Operating profit/loss		**(17.466.729)**	**6.314**
Income from investments in group enterprises		(383.167)	(290)
Other financial income	4	386.322	2.721
Financial expenses from group enterprises		(364.420)	0
Other financial expenses	5	(3.365.572)	(5.399)
Profit/loss before tax		**(21.193.566)**	**3.346**
Tax on profit/loss for the year	6	(1.475.000)	(860)
Profit/loss for the year	7	**(22.668.566)**	**2.486**

Parent income statement for 2019

	Notes	2019 DKK	2018 DKK'000
Goodwill		0	0
Intangible assets	8	**0**	**0**
Other fixtures and fittings, tools and equipment		1.455.730	925
Leasehold improvements		708.005	5
Property, plant and equipment	9	**2.163.735**	**930**
Investments in group enterprises		389.589	358
Other receivables		1.030.160	432
Fixed asset investments	10	**1.419.749**	**790**
Fixed assets		**3.583.484**	**1.720**
Manufactured goods and goods for resale		0	23.512
Prepayments for goods		0	2.711
Inventories		**0**	**26.223**
Trade receivables		24.756.216	15.459
Receivables from group enterprises		246.681	4.521
Deferred tax	11	876.000	2.351
Other receivables	12	1.408.125	23.930
Income tax receivable		213.000	174
Prepayments	13	1.243.646	1.142
Receivables		**28.743.668**	**47.577**
Cash		**1.971.284**	**303**
Current assets		**30.714.952**	**74.103**
Assets		**34.298.436**	**75.823**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK'000
Contributed capital	14	500.000	500
Retained earnings		(24.523.513)	(1.855)
Equity		**(24.023.513)**	**(1.355)**
Subordinate loan capital	15	8.000.000	8.000
Bank loans		0	125
Other payables	16	330.985	0
Non-current liabilities other than provisions	17	**8.330.985**	**8.125**
Current portion of long-term liabilities other than provisions	17	3.327.609	2.280
Bank loans		15.935.588	48.015
Trade payables		10.566.818	12.378
Payables to group enterprises		18.289.430	3.300
Other payables	18	1.871.519	3.080
Current liabilities other than provisions		**49.990.964**	**69.053**
Liabilities other than provisions		**58.321.949**	**77.178**
Equity and liabilities		**34.298.436**	**75.823**
Going concern	1		
Contingent liabilities	19		
Mortgages and securities	20		
Related parties with controlling interest	21		

Parent statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	(1.854.947)	(1.354.947)
Profit/loss for the year	0	(22.668.566)	(22.668.566)
Equity end of year	**500.000**	**(24.523.513)**	**(24.023.513)**

Notes to parent financial statements

1. Going concern

The planned activities for 2020 are expected to generate a profit, and a material increase in profit compared to 2019. The interim accounts as per June 30, 2020 supports the assumption of an expected profit for 2020.

An associated company has issued a support letter in respect of the Company for up to 25m DKK until January 31, 2021 related to the intercompany balance. As per December 31, 2019 the intercompany balance amounted to 17,7m DKK. The associated company has also stated that, if required, it will provide further suppert to the Company until January 31, 2021 of up to another 40m DKK, based on the Company's insured receivables.

Based on the above Management has prepared the consolidated financial statements on the basis of going concern.

The planned activities are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions are not realized as expected, the capital resources and thereby the sufficiency of liquidity for financing the Group's activities can be affected negatively.

	2019 DKK	**2018 DKK'000**
2. Staff costs		
Wages and salaries	11.449.229	12.582
Pension costs	929.741	1.202
Other social security costs	208.883	153
Other staff costs	1.439.533	759
	14.027.386	**14.696**
Average number of employees	**20**	**21**

Salary to the Excecutive Board has not been discosed with reference to the Danish Financial Statements Acts § 98 B.

	2019 DKK	**2018 DKK'000**
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	26
Depreciation of property, plant and equipment	605.817	476
	605.817	**502**

Notes to parent financial statements

	2019 DKK	2018 DKK'000
4. Other financial income		
Interest income	118	0
Exchange rate adjustments	386.204	2.721
	386.322	**2.721**

	2019 DKK	2018 DKK'000
5. Other financial expenses		
Interest expenses	2.864.843	4.533
Exchange rate adjustments	438.783	807
Other financial expenses	61.946	59
	3.365.572	**5.399**

	2019 DKK	2018 DKK'000
6. Tax on profit/loss for the year		
Change in deferred tax for the year	1.475.000	1.034
Refund in joint taxation arrangement	0	(174)
	1.475.000	**860**

	2019 DKK	2018 DKK'000
7. Proposed distribution of profit/loss		
Retained earnings	(22.668.566)	2.486
	(22.668.566)	**2.486**

	Goodwill DKK
8. Intangible assets	
Cost beginning of year	2.472.839
Cost end of year	**2.472.839**
Amortisation and impairment losses beginning of year	(2.472.839)
Amortisation and impairment losses end of year	**(2.472.839)**
Carrying amount end of year	**0**

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
9. Property, plant and equipment		
Cost beginning of year	3.310.962	544.690
Additions	1.080.164	759.673
Cost end of year	**4.391.126**	**1.304.363**
Depreciation and impairment losses beginning of the year	(2.385.584)	(540.353)
Depreciation for the year	(549.812)	(56.005)
Depreciation and impairment losses end of the year	**(2.935.396)**	**(596.358)**
Carrying amount end of year	**1.455.730**	**708.005**

	Investments in group enterprises DKK	Other receivables DKK
10. Fixed asset investments		
Cost beginning of year	176.954	432.093
Additions	0	986.548
Disposals	0	(388.481)
Cost end of year	**176.954**	**1.030.160**
Revaluations beginning of year	181.011	0
Share of profit/loss for the year	(383.167)	0
Investments with negative equity depreciated over receivables	414.791	0
Revaluations end of year	**212.635**	**0**
Carrying amount end of year	**389.589**	**1.030.160**

Notes to parent financial statements

	2019 DKK	2018 DKK'000
11. Deferred tax		
Property, plant and equipment	76.000	76
Tax losses carried forward	800.000	2.275
	876.000	**2.351**

Changes during the year		
Beginning of year	2.351.000	
Recognised in the income statement	(1.475.000)	
End of year	**876.000**	

Management has recognized the deferred tax asset with an amount of 876 t.kr. of which 800 t.kr. is related to taxable loss carried forward. The recognition is based on Management's expectations, that the taxable loss will be utilized within the coming two years. Based on the interim report for June 2020 and expectations for the remaining part of 2020. Management expects that the majority of the tax loss carried forward will be utilized in 2020, and the remaining part will be utilized in 2021.

The recognition and measurement of deferred tax asset is on based assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty, since the assumptions refers to estimates of future earnings. If the assumptions are not realized as expected, the recognition and measurement of the deferred tax asset can be affected negatively.

	2019 DKK	2018 DKK'000
12. Other receivables		
Other receivables	1.408.125	23.930
	1.408.125	**23.930**

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	Number	Par value DKK	Nominal value DKK
14. Contributed capital			
Ordinary shares	500.000	1	500.000
	500.000		**500.000**

15. Subordinate loan capital

The loan must have been fully redeemed in 2023.

Notes to parent financial statements

	2019 DKK	2018 DKK'000
16. Other long-term payables		
Holiday pay obligation	330.985	0
	330.985	**0**

	Instalments within 12 months 2019 DKK	Instalments within 12 months 2018 DKK'000	Instalments beyond 12 months 2019 DKK
17. Liabilities other than provisions			
Subordinate loan capital	3.202.609	1.780	8.000.000
Bank loans	125.000	500	0
Other payables	0	0	330.985
	3.327.609	**2.280**	**8.330.985**

Outstanding amount of subordinate loan capital and bank loan after 5 years amounts to 0 t.kr.

	2019 DKK	2018 DKK'000
18. Other payables		
VAT and duties	509.127	(53)
Wages and salaries, personal income taxes, social security costs, etc payable	45.005	79
Holiday pay obligation	674.039	1.170
Other costs payable	643.348	1.884
	1.871.519	**3.080**

19. Contingent liabilities

The Entity participated in a Danish joint taxation arrangement in which Kidz A/S served as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration Company's financial statements. The joint taxation arrangement ended in November 2018 when the change in majority ownership took place.

From the same date the Entity serves as the administration company in a new Danish joint tax arrangement with its 100% owned subsidiary. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Notes to parent financial statements

Loan Terms for the subordinated loan provides for the payment of an exit bonus to the lender in case of significant changes in the shareholder composition.

The Company has filed a complaint against SKAT's classification of certain imported goods to the Danish Tax Agency, as a result of disagreement on the classification of these goods. If SKAT is fully entitled to the classification made, this could affect the financial statements with an additional amount for up to 2m DKK.

The parent company has issued a letter of support to the subsidiaries Online Supply ApS, OVG-Proxy Sweden AB and OVG-Proxy Norway AS.

20. Mortgages and securities

Company pledge, nom. T.DKK 26.700 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 33.052 has been deposited as security for account with credit institution.

Company pledge, nom. T.DKK 5.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 33.052 has been deposited as security for subordinated loan capital.

Debtors for an amount of T.DKK 21.838 has been deposited as security for bankloan of T.DKK 16.064.

The Company has entered into an operating lease of premises. The lease is interminable until 2025. The total lease commitment represents app. T.DKK 8.331.

The Company has entered into operating lease of cars. The lease is interminable until 2021. The total lease commitment represents app. T.DKK 1.035.

21. Related parties with controlling interest

The Character Group plc, London, United Kingdom ultimatively owns the majority of the shares in the Company and has a controlling interest in the Company.

Accounting policies

Reporting class

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

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

Comparative figures

As the Group was established as per January 1, 2016 the financial highlights comprise figures and highlights from the financial statements for the parent company for 2015.

Management's material judgements and estimates

When preparing the Group's and Company's annual report, it is necessary that Management makes a number of accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Group's and the Company's assets and liabilities. These accounting judgments and estimates are based on assumptions which Management consider to be reasonable and realistic but which by nature include a level of uncertainty. If the assumptions are not realized as expected, the effect can be negative.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Accounting policies

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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

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

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

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

Accounting policies

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

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies etc.

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

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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

Accounting policies

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

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

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

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

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

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Accounting policies

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

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

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

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

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

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

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

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

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