

Tactile Holding ApS

c/o Tactile Entertainment ApS, Vimmelskaftet 47, 1161 København K

Company reg. no. 38 22 66 81

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 3 June 2019.

Asbjørn Malte Søndergaard
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 January - 31 December 2018	
Accounting policies used	7
Profit and loss account	10
Balance sheet	11
Notes	13

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Tactile Holding ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København K, 11 April 2019

Managing Director

Asbjørn Malte Søndergaard

Board of directors

Asbjørn Malte Søndergaard

Morten Nielsen

Independent auditor's report

To the shareholders of Tactile Holding ApS

Opinion

We have audited the annual accounts of Tactile Holding ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 11 April 2019

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Ulrik Nørskov

State Authorised Public Accountant
mne29456

Company data

The company	Tactile Holding ApS c/o Tactile Entertainment ApS Vimmelskiftet 47 1161 København K
	Company reg. no. 38 22 66 81
	Established: 24 November 2016
	Domicile:
	Financial year: 1 January - 31 December
	2nd financial year
Board of directors	Asbjørn Malte Søndergaard Morten Nielsen
Managing Director	Asbjørn Malte Søndergaard
Auditors	BUUS JENSEN, Statsautoriserede revisorer
Subsidiary	Tactile Entertainment ApS, København

Management's review

The principal activities of the company

The main activity of the company is to be a holding company and a related company.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 127.374 against DKK 4.639.000 last year. The management consider the results satisfactory.

Accounting policies used

The annual report for Tactile Holding ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments in group enterprises is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Tactile Holding ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Tactile Holding ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Profit and loss account

All amounts in DKK.

<u>Note</u>	1/1 2018 - 31/12 2018	24/11 2016 - 31/12 2017
Gross loss	-10.625	-6.000
Income from equity investments in group enterprises	0	4.645.000
Other financial income from group enterprises	187.280	0
1 Other financial costs	-2.808	0
Results before tax	173.847	4.639.000
Tax on ordinary results	-46.473	0
Results for the year	127.374	4.639.000
Proposed distribution of the results:		
Allocated to results brought forward	127.374	4.639.000
Distribution in total	127.374	4.639.000

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
2	Equity investments in group enterprises	<u>24.152.156</u>	<u>24.152.156</u>
	Financial fixed assets in total	<u>24.152.156</u>	<u>24.152.156</u>
	Fixed assets in total	<u>24.152.156</u>	<u>24.152.156</u>
Current assets			
	Amounts owed by group enterprises	<u>5.106.706</u>	<u>4.645.000</u>
	Debtors in total	<u>5.106.706</u>	<u>4.645.000</u>
	Available funds	<u>4.375</u>	<u>0</u>
	Current assets in total	<u>5.111.081</u>	<u>4.645.000</u>
	Assets in total	<u>29.263.237</u>	<u>28.797.156</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
3	Contributed capital	115.020	115.020
4	Share premium account	24.037.136	24.037.136
5	Results brought forward	4.766.374	4.639.000
	Equity in total	<u>28.918.530</u>	<u>28.791.156</u>
Liabilities			
	Trade creditors	6.000	6.000
	Corporate tax	38.862	0
	Other debts	299.845	0
	Short-term liabilities in total	<u>344.707</u>	<u>6.000</u>
	Liabilities in total	<u>344.707</u>	<u>6.000</u>
	Equity and liabilities in total	<u>29.263.237</u>	<u>28.797.156</u>

6 Contingencies

Notes

All amounts in DKK.

	1/1 2018 - 31/12 2018	24/11 2016 - 31/12 2017	
1. Other financial costs			
Other financial costs	2.808	0	
	2.808	0	
2. Equity investments in group enterprises			
Additions during the year	24.152.156	24.152.156	
Book value 31 December 2018	24.152.156	24.152.156	
The financial highlights for the enterprises according to the latest approved annual reports			
	Share of ownership	Equity	Results for the year
Tactile Entertainment ApS, København	92,89 %	10.667.428	1.463.402
3. Contributed capital			
Contributed capital 1 January 2018		115.020	115.020
		115.020	115.020
4. Share premium account			
Share premium account 1 January 2018		24.037.136	24.037.136
		24.037.136	24.037.136
5. Results brought forward			
Profit or loss for the year brought forward		4.766.374	4.639.000
		4.766.374	4.639.000

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

Recourse guarantee commitments

The company has provided guarantees for the bank debts of the group enterprises. On 31 December 2018 the total bank debts of the group enterprises were DKK 6.025.000.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 604 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.