BUUS JENSEN
Statsautoriserede Revisorer

Tactile Holding ApS

c/o Tactile Games ApS, Vestergade 33. 2., 1456 København K

Company reg. no. 38 22 66 81

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 3 July 2023.

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Asbjørn Malte Søndergaard
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Tactile Holding ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 3 July 2023

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 consolidated financial statements and the parent company financial statements of Tactile Holding ApS for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Company's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 3 July 2023

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

Ulrik Nørskov
State Authorised Public Accountant
mne29456

Company information

The company	Tactile Holding ApS c/o Tactile Games ApS Vestergade 33. 2. 1456 København K	
	Company reg. no.	38 22 66 81
	Established:	24 November 2016
	Domicile:	
	Financial year:	1 January - 31 December 6th financial year
Board of directors	Asbjørn Malte Søndergaard Morten Nielsen	
Managing Director	Asbjørn Malte Søndergaard	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Subsidiary	Tactile Games ApS, København	
Participating interest	Peach Perfect Games ApS, Copenhagen	

Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019
Income statement:				
Revenue	1.023.384	1.227.940	1.328.520	611.234
Gross profit	299.103	138.577	-83.160	73.000
Profit from operating activities	192.332	56.793	-147.537	33.023
Net financials	-3.908	-2.198	-2.490	-3.827
Net profit or loss for the year	171.073	54.358	-151.617	25.051
Statement of financial position:				
Balance sheet total	488.604	327.656	355.507	142.874
Equity	420.496	250.856	205.180	35.476
Cash flows:				
Operating activities	270.171	-36.193	-184.143	26.901
Investing activities	-9.314	-2.439	-2.985	-2.673
Financing activities	0	-9.532	317.456	0
Total cash flows	260.857	-48.164	130.328	24.228
Employees:				
Average number of full-time employees	191	170	121	90
Key figures in %:				
Gross margin ratio	29,2	11,3	-6,3	11,9
Profit margin (EBIT-margin)	18,8	4,6	-11,1	5,4
Acid test ratio	711,9	419,7	233,4	130,0
Solvency ratio	60,8	54,0	39,2	21,9
Return on equity	51,0	23,5	-127,2	100,0

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin)

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Consolidated financial highlights

Solvency ratio	$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$
***Profit**	Net profit or loss for the year less non-controlling interests’ share hereof

The principal activities of:

The group

Like previous years, the principal activities of the group and are to develop, sell and distribute computer games and hereto related activities.

Tactile Group consists of an entity in the UK, an entity in Spain and multiple entities in Denmark. Furthermore Tactile Games group works with several outsourcing partners around the world. We expect to continue working with more international partners as we scale the company.

Parent company

Like previous years, the principal activity of Tactile Holding ApS is non-financial holding company.

Uncertainties as to recognition or measurement

Recognition and measurement in the Annual Report has not been subject to any uncertainty.

Development in activities and financial matters

Group

During the reporting period, the mobile gaming market experienced challenges and stagnation. This was primarily influenced by two key factors: the policies implemented by Apple, specifically the App Tracking Transparency (ATT) framework, and a general slowdown in the financial environment.

The introduction of the ATT framework by Apple, which aimed to enhance user privacy by giving users control over app tracking, had an impact on the mobile gaming industry. The implementation of stricter privacy regulations limited the ability of game developers to track and target users, thereby affecting user acquisition and targeted advertising efforts.

In addition, the financial environment witnessed a general slowdown, with economic uncertainties impacting consumer spending patterns. This had a dampening effect on the overall growth and monetization potential of the mobile gaming market.

Group income from ordinary activities after tax totals DKK 171.072.992 against DKK 54.357.859 last year. The financial result for 2022 does not deviate from expectation and thus the management consider the net profit for the year satisfactory.

Parrent company

Income or loss from ordinary activities after tax totals DKK 120.977.876 against DKK 37.038.423 last year. The financial result for 2022 does not deviate from expectation and thus the management consider the net profit for the year satisfactory.

Financial resources

Given the challenges faced by the mobile gaming market during the reporting period, the Tactile Games Group adopted proactive strategies to navigate the landscape. While the market experienced stagnation, our company implemented effective cost management measures, optimized monetization strategies, and focused on retaining and engaging our existing user base. These efforts helped us maintain stable revenues and mitigate the impact of the overall market conditions.

New products

No significant new products have been released in 2022.

Research and development activities

Throughout the reporting period, we closely monitored market developments to capitalize on emerging trends. The rapid evolution of mobile devices and the increasing demand for immersive gaming experiences have significantly influenced our business. We have actively adapted our strategies to align with the evolving preferences of mobile gamers and leverage emerging technologies to create engaging and innovative game titles. The Tactile Games Group is duing the ongoing progress of research and development activities unable to assess or measure future financial returns on ongoing projects and development costs. On this basis, it is not possible to capitalise development costs in the balance as an asset. Any potential benefit of reseach and devolpment activites can normally first be measured years after an eventually launch of an activity.

Over the past year, the Tactile Games Group achieved several operational milestones. We successfully launched a series of highly acclaimed games, resulting in increased user engagement and downloads. Our collaboration with outsourcing partners has facilitated efficient development processes and enabled us to tap into diverse talent pools worldwide. These achievements have strengthened our position as a leading player in the mobile gaming industry.

Strategic Initiatives

In addition to the previously mentioned strategies, the Tactile Games Group executed specific initiatives during the reporting period to enhance our market position and expand our product portfolio. Notably, we have undertaken the following actions:

- Expanding Simon's Cat IP Rights: We have executed an agreement with Banijay, securing the termination of all future royalties on Simon's Cat Crunch Time, Simon's Cat Poptime, and Simon's Cat Story Time. This move enables us to have greater control over these popular games' profitability and aligns with our strategy of maximizing returns from our intellectual property assets.
- Acquiring All Rights to Future Simon's Cat IP: Building upon our success with existing Simon's Cat games, we have further solidified our commitment to the brand by acquiring all rights to future Simon's Cat intellectual property. This strategic acquisition positions us to leverage the enduring popularity of Simon's Cat and develop new games and interactive experiences that captivate fans and attract new audiences.
- Acquisition of Promineo: As part of our growth strategy, we have acquired all remaining shares in Promineo, making it a fully owned subsidiary of the Tactile Games Group. This acquisition enhances our capabilities in game programming, art production, and localization services. By bringing these critical functions in-house, we gain greater control over quality, timelines, and cost efficiency, further strengthening our ability to deliver exceptional gaming experiences to our players.
- Strategic Investment in Peach Perfect Games: To broaden our portfolio and tap into new market segments, we have made a strategic investment in Peach Perfect Games. This investment allows us to leverage the expertise and creative talent of Peach Perfect Games in developing unique and engaging mobile gaming experiences. Through this partnership, we aim to explore innovative game concepts, expand our user base, and diversify our offerings.

By expanding our IP rights, acquiring future Simon's Cat IP, fully owning Promineo, and making a strategic investment in Peach Perfect Games, we are strategically positioning ourselves for continued growth, diversification, and the exploration of new opportunities within the mobile gaming industry.

Risk Assessment and Mitigation

The Tactile Games Group recognized the risks posed by the mobile gaming market's slowdown and ATT policies. To mitigate these challenges, we implemented diligent risk management strategies. This included diversifying revenue streams, exploring alternative advertising channels, and exploring mixed media modelling for performance measurement. The expectation is that this approach will offer a fresh method of performance measurement. Through these efforts, we navigated the challenges with agility and creativity, staying at the forefront of industry trends while ensuring business sustainability and growth.

Looking ahead, the Tactile Games Group recognizes the ongoing challenges in the mobile gaming market. We will continue to adapt our strategies to address the impact of ATT policies and the overall slowdown in the financial environment. We remain focused on innovation, user satisfaction, and exploring new opportunities for growth, whether within the mobile gaming market or through alternative platforms. By leveraging our strengths, diversifying our offerings, and maintaining a customer-centric approach, we are confident in our ability to navigate market challenges and position the company for long-term success.

The expected development

We have new games in the pipeline, that are expected to be released in 2023. As game development is a highly creative process, it is always difficult to know the exact outcome of each game release, but we expect to increase our revenues. The company´s management expectation for 2023 are that the company will continue its positive growth.

In 2023 we will continue to invest into our live operation games, and our Tactile Launchpad platform and is the enabled of our core publishing business.

Events subsequent to the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Business model and engagement

Creativity and flexibility is key input to our business model – we prioritize the adaptability of our procedures and processes in developing and publishing exciting games with an immersive gameplay in order to achieve high level of retention and monetization.

The Group's facilities are located in Europe; and is combined with the use of subcontractors for selected processes and features. The predominant part of the subcontractors are located in Europe and America or countries associated with them. The group wants to develop its core business and meet its strategic challenges financially and socially sound manner.

The Group works with a business model and with business activities that are taken into account environmental conditions, including climate change, social and staff conditions, human rights as well as the fight against corruption and bribery. The principles are based on the UN Global Compact human rights, labor rights, the environment and anti-corruption. The economic, social and environmental conditions as well as the consideration of human rights are inextricably linked, and the company's social responsibility must be seen in the context of the need for appropriate development of the company. For the group, the work with social responsibility is an ongoing process, and the group has this year continue the work of updating, structuring and implementing the necessary internal procedures.

Information on due diligence processes

In general, the Group shows due care in dealing with possible and current negatives impacts on the principles of environmental conditions, including climate impact, social and human resources, human rights and the fight against corruption and bribery. The Group continues the process of formalizing the necessary processes and documentation for this as the rules of the environment change.

Environmental issues – including climate change

Policies

It is the Group's policy systematically and proactively to protect the environment and climate in the Group's day-to-day business activities through continuous improvement and development of production methods and products, training of employees and influence of suppliers and stakeholders to live up to customers expectations.

Based on a precautionary approach to environmental and climate challenges, the Group takes initiatives promoting greater responsibility and encouraging the development and diffusion of environmentally and climate-friendly technologies in in accordance with Principles 7, 8 and 9 of the UN Global Compact, which reads:

• The company should support a precautionary approach to environmental challenges.
• The company should take the initiative to promote greater environmental responsibility.
• The company should encourage the development and dissemination of environmentally friendly technologies.

The background for the environmental policy is that it is the Group's assessment that customers will demand in the future products that have a low resource use in the process of our business.

Risks.

The most significant environmental risks in connection with the Group's activities includes unintentional waste of resources.

Key performance indicators
At present, the Group does not have a definitive basis for compiling KPIs. When it has relevant KPIs will be shown and commented on.

Results
Environmental responsibility is a top priority for us, extending to both our Group and our suppliers. Although there are some inherent risks associated with the environment and climate, we are fully committed to mitigating them. Our key areas of focus center around reducing energy consumption and combating food waste.

As we progress, our dedication to environmental friendliness and the utilization of organic products remains unwavering. We strive to continually enhance our sustainability efforts and actively contribute to a positive environmental impact.

Social issues and employee issues
Results
The well-being and professional growth of our employees are of utmost importance to us. Recognizing the demand for labor in the gaming industry, we actively work on strategies to retain our valuable workforce. As part of our efforts, we regularly administer satisfaction surveys to all employees, providing them with an opportunity to provide feedback anonymously. This ensures a safe space for expressing concerns and criticisms.

Drawing upon the insights gained from these surveys, we implement initiatives that address employee suggestions, desires, and criticisms. In 2022, the survey highlighted employees' interest in reviewing vacation policies and exploring possibilities for remote work. Consequently, we have updated our policies to strike a balance between achieving business goals and fostering a healthy work-life equilibrium

Looking ahead to 2023, we will continue conducting regular surveys to gather feedback and foster an ongoing dialogue on how we can further improve productivity and enhance work-life balance. Our commitment to prioritizing the well-being and growth of our employees remains unwavering.

Human rights
Results
In the gaming industry, discrimination and bias, especially against women who are a minority, can be prevalent. Recognizing this challenge, the Group is dedicated to taking proactive measures to prevent any form of discrimination or bias, with the ultimate goal of fostering a safe and inclusive environment.

To further strengthen our commitment to human rights, the Group intends to establish a whistleblower scheme. This scheme will provide a platform for individuals to confidentially report any human rights issues they may encounter within the organization. By implementing this system, we aim to create a supportive and accountable culture where concerns can be addressed and appropriate actions can be taken to rectify any violations.

Through these combined efforts, the Group seeks to proactively combat discrimination and bias, ensuring that everyone, regardless of their background or gender, can participate in the gaming industry with equal opportunities and without fear of prejudice.

In addition to the aforementioned efforts, it is worth highlighting that the Group has been actively engaged in promoting gender diversity within the organization for many years. We take pride in the fact that our hiring practices have led to a significant representation of women in the company, exceeding the target of having at least one-third women..

By actively seeking out and hiring talented women, we are not only addressing the underrepresentation of women in the gaming industry but also cultivating a diverse and inclusive workforce. This achievement demonstrates our commitment to providing equal opportunities and creating an environment where everyone's contributions are valued and respected.

Through our continued efforts to hire and support women in the company, we aim to serve as a positive example within the industry and inspire further progress towards gender equality.

Fighting corruption and bribery

Results

The Group maintains a strong stance against bribery and corruption through its zero-tolerance policy. Our risk of corruption is substantially minimized due to our extensive collaborations with suppliers from the EU and America. Furthermore, the nature of our business involves limited interactions with government or entities in countries where corruption challenges exist, thereby minimizing potential corruption risks.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

The Group recognizes that achieving a healthy gender balance in senior positions is crucial for fostering diverse innovation and promoting the development of the company.

This approach enables the group to harness the full potential of its talented workforce, ensuring that every employee contributes to and benefits from the creative dynamics that lead to well-rounded decision-making and enhanced innovative capabilities.

To this end, the group is committed to establishing a supportive environment and implementing policies aimed at achieving equal gender representation in employment and career advancement within the organization.

The company actively pursues a "balanced composition of women and men," as outlined in Section 99b of the Danish Financial Statements Act, which advocates for at least one-third representation of each gender at different managerial levels. At present, the Tactile Group boasts a diverse workforce composed of individuals from 42 different nationalities. Women make up 42% of this multicultural team. Similarly, the senior management team maintains a healthy gender balance, with women comprising 40% of its members.

Target figures for the company's top management

In accordance with their established agreements, the founders of Tactile are now integral parts of the parent company's highest-level management. Unfortunately, this circumstance has created a scenario where in Tactile Holding ApS men hold a complete 100% representation, with no immediate prospects for a change in this arrangement. Hence, the genders that continue to be underrepresented are predominantly women.

Policies for the company's other management levels

The company and group adhere to a policy of maintaining a balanced representation of both sexes to prevent any gender underrepresentation. The goal is to achieve a ratio of 1/3 for the underrepresented gender. As of the end of 2022, the gender distribution in the group's other managerial levels already meets this target. The company's staff policy extends this commitment to ensuring gender balance across management bodies and other staff groups.

Report on the company’s policy on data ethics according to section 99 d of the Danish Financial Statements Act

Regarding data ethics, the company strictly collects and retains only the necessary data that can be legally processed. Any personally identifiable information is collected in accordance with appropriate legal bases, such as legislation, agreements, or user consent. When collaborating with third parties or outsourcing partners, the company ensures that these entities adhere to its data ethics policy.

To oversee compliance with the General Data Protection Regulation (GDPR) and act as a point of contact with The Danish Data Protection Agency, the company has appointed a Data Protection Officer. This officer plays a crucial role in facilitating adherence to data protection regulations.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
1	Revenue	1.023.384.002	1.227.940.363	0	0
	Other operating income	793.742	0	0	0
	Direct production costs	-352.054.565	-385.812.918	0	0
	Other external costs	-373.020.556	-703.550.732	-44.751	-42.414
3	Staff costs	-100.228.544	-79.939.539	0	0
4	Depreciation, amortisation, and impairment	-6.542.014	-1.844.563	0	0
	Operating profit	**192.332.065**	**56.792.611**	**-44.751**	**-42.414**
	Income from equity investments in subsidiaries	0	0	121.063.198	37.092.454
	Other financial income	107.682	139.147	10.087	3.406
	Writedown relating to financial assets	-2.600.000	0	0	0
5	Other financial costs	-1.415.227	-2.337.057	-55.278	-30.203
	Pre-tax net profit or loss	**188.424.520**	**54.594.701**	**120.973.256**	**37.023.243**
	Tax on ordinary results	-17.351.528	-236.842	4.620	15.180
7	**Net profit or loss for the year**	**171.072.992**	**54.357.859**	**120.977.876**	**37.038.423**
	Break-down of the consolidated profit or loss:				
	Shareholders in Tactile Holding ApS	120.977.876	37.087.709		
6	Non-controlling interests	50.095.116	17.270.150		
		171.072.992	**54.357.859**		

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
8	Completed development projects	92.057	0	0	0
9	Goodwill	2.973.056	3.716.320	0	0
	Total intangible assets	3.065.113	3.716.320	0	0
10	Other fixtures and fittings, tools and equipment	1.011.885	1.590.940	0	0
	Total property, plant, and equipment	1.011.885	1.590.940	0	0
11	Investments in group enterprises	0	0	299.533.074	178.970.773
12	Investment in participating interest	0	0	0	0
	Total investments	0	0	299.533.074	178.970.773
	Total non-current assets	**4.076.998**	**5.307.260**	**299.533.074**	**178.970.773**
	Current assets				
	Trade receivables	75.425.034	125.050.343	0	0
	Amounts owed by group enterprises	0	0	414.729	216.784
	Receivables from participating interest	3.236.058	0	0	0
	Deferred tax assets	243.348	0	0	0
	Income tax receivables	0	0	0	15.180
	Tax receivables from group enterprises	0	0	18.249.748	0
	Other receivables	13.330.830	67.261.784	0	0
13	Prepayments and accrued income	3.131.353	708.830	0	0
	Total receivables	95.366.623	193.020.957	18.664.477	231.964
	Cash on hand and demand deposits	389.160.822	129.327.470	291.565	337.643
	Total current assets	**484.527.445**	**322.348.427**	**18.956.042**	**569.607**
	Total assets	**488.604.443**	**327.655.687**	**318.489.116**	**179.540.380**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	115.020	115.020	115.020	115.020
	Reserves for net revaluation as per the equity method	0	0	282.449.841	161.887.540
	Other reserves	48.725	0	0	0
	Retained earnings	297.111.977	176.683.724	14.710.861	14.796.184
	Equity before non-controlling interest.	297.275.722	176.798.744	297.275.722	176.798.744
	Non-controlling interests	123.220.655	74.056.873	0	0
	Total equity	**420.496.377**	**250.855.617**	**297.275.722**	**176.798.744**
	Provisions				
14	Provisions for deferred tax	48.336	0	0	0
	Total provisions	**48.336**	**0**	**0**	**0**
	Liabilities other than provisions				
	Trade payables	35.160.112	59.465.338	93.752	93.751
	Payables to group enterprises	0	0	2.097.694	1.047.885
	Income tax payable	17.592.900	464.881	17.421.948	0
	Other payables	15.306.718	16.869.851	1.600.000	1.600.000
	Total short term liabilities other than provisions	68.059.730	76.800.070	21.213.394	2.741.636
	Total liabilities other than provisions	**68.059.730**	**76.800.070**	**21.213.394**	**2.741.636**
	Total equity and liabilities	**488.604.443**	**327.655.687**	**318.489.116**	**179.540.380**

2 Fees, auditor
15 Charges and security
16 Contingencies
17 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Other reserves	Retained earnings	Non-controlling interests	Total
Equity 1 January 2021	115.020	0	139.272.204	65.792.834	205.180.058
Profit or loss for the year brought forward	0	0	37.057.708	17.270.150	54.327.858
Exchangerate adjustment	0	0	353.812	525.744	879.556
Disposol of minority interests	0	0	0	-9.531.855	-9.531.855
Equity 1 2022	115.020	0	176.683.724	74.056.873	250.855.617
Profit or loss for the year brought forward	0	48.725	121.032.859	50.095.116	171.176.700
Exchangerate adjustment	0	0	-604.606	-207.269	-811.875
Disposol of minority interests	0	0	0	-724.065	-724.065
	115.020	**48.725**	**297.111.977**	**123.220.655**	**420.496.377**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2021	115.020	124.421.990	14.850.215	139.387.225
Share of results	0	37.092.454	-54.031	37.038.423
Exchange rate adjustments	0	373.096	0	373.096
Equity 1 January 2022	115.020	161.887.540	14.796.184	176.798.744
Share of results	0	121.063.198	-85.323	120.977.875
Exchange rate adjustments	0	-500.897	0	-500.897
	115.020	**282.449.841**	**14.710.861**	**297.275.722**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2022	2021
	Net profit or loss for the year	296.578.267	54.327.860
18	Adjustments	-97.074.530	2.081.403
19	Change in working capital	73.180.833	-92.863.836
	Cash flows from operating activities before net financials	272.684.570	-36.454.573
	Interest received, etc.	198.989	0
	Interest paid, etc.	-1.498.859	0
	Cash flows from ordinary activities	271.384.700	-36.454.573
	Income tax paid	-1.213.399	262.000
	Cash flows from operating activities	**270.171.301**	**-36.192.573**
	Purchase of intangible assets	-250.830	-2.315.324
	Purchase of property, plant, and equipment	-1.094.551	-123.777
	Purchase of financial instruments	-6.025.036	0
	Other cash flows from (spent on) investment activities	-1.943.644	0
	Cash flows from investment activities	**-9.314.061**	**-2.439.101**
	Disposal of minority interests	0	-9.531.855
	Cash flow from financing activities	**0**	**-9.531.855**
	Change in cash and cash equivalents	**260.857.240**	**-48.163.529**
	Cash and cash equivalents at 1 January 2022	129.327.470	177.490.999
	Foreign currency translation adjustments (cash and cash equivalents)	-1.023.888	0
	Cash and cash equivalents at 31 December 2022	**389.160.822**	**129.327.470**

	Cash and cash equivalents		
	Cash on hand and demand deposits	389.160.822	129.327.470
	Cash and cash equivalents at 31 December 2022	**389.160.822**	**129.327.470**

Notes

All amounts in DKK.

		Group		Parent	
		2022	2021	2022	2021
1.	**Revenue**				
	Selfpublish games, Denmark (on-line sale)	1.004.053.344	1.213.224.118	0	0
	Selfpublish games, United Kingdom (on-line sale)	19.330.658	14.716.245	0	0
		1.023.384.002	**1.227.940.363**	**0**	**0**
2.	**Fees, auditor**				
	Total fee for BUUS JENSEN, State Authorised Public Accountants	534.252	501.625	0	0
	Fee concerning compulsory audit	464.252	433.375	0	0
	Other services	70.000	68.250	0	0
		534.252	**501.625**	**0**	**0**
	Total fee for EVOLVE ACCOUNTANTS AND BUSINESS ADVISORS LTD	32.866	30.245	0	0
	Fee concerning compulsory audit	32.866	30.245	0	0
		32.866	**30.245**	**0**	**0**

Notes

All amounts in DKK.

		Group		Parent	
		2022	2021	2022	2021
3.	**Staff costs**				
	Salaries and wages	93.923.926	76.225.263	0	0
	Pension costs	4.357.185	1.974.474	0	0
	Other costs for social security	1.947.433	1.739.802	0	0
		100.228.544	**79.939.539**	**0**	**0**
	Average number of employees	191	170	0	0

Remuneration of the Executive Board for 2022 and 2021 is not disclosed in accordance with Danish Financial Statement's Act 98B, section 3.2.

The Board of Directors does not receive remuneration for tasks related to their roles in the Company and no allocation from group companies has been made..

4.	**Depreciation, amortisation, and impairment**				
	Amortisation of development projects	27.891	0	0	0
	Amortisation of goodwill	5.353.884	627.759	0	0
	Depreciation on plants, operating assets, fixtures and furniture	1.160.239	1.216.804	0	0
		6.542.014	**1.844.563**	**0**	**0**

5.	**Other financial costs**				
	Other financial costs	1.415.227	2.337.057	55.278	30.203
		1.415.227	**2.337.057**	**55.278**	**30.203**

6.	**Non-controlling interests**				
	Minority interest	50.095.116	17.270.150	0	0
		50.095.116	**17.270.150**	**0**	**0**

All amounts in DKK.

		Parent 2022	Parent 2021
7.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	121.063.198	37.092.454
	Allocated from retained earnings	-85.322	-54.031
	Total allocations and transfers	**120.977.876**	**37.038.423**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
8.	**Completed development projects**				
	Cost 1 January 2022	0	0	0	0
	Additions during the year	119.948	0	0	0
	Cost 31 December 2022	**119.948**	**0**	**0**	**0**
	Amortisation and write-down 1 January 2022	0	0	0	0
	Amortisation for the year	-27.891	0	0	0
	Amortisation and write-down 31 December 2022	**-27.891**	**0**	**0**	**0**
	Carrying amount, 31 December 2022	**92.057**	**0**	**0**	**0**

All amounts in DKK.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
9.	**Goodwill**				
	Cost 1 January 2022	4.757.859	2.442.535	0	0
	Additions during the year	4.610.620	2.315.324	0	0
	Cost 31 December 2022	**9.368.479**	**4.757.859**	**0**	**0**
	Amortisation and writedown 1 January 2022	-1.041.539	-506.196	0	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	2.524	92.416	0	0
	Amortisation for the year	-5.356.408	-627.759	0	0
	Amortisation and writedown 31 December 2022	**-6.395.423**	**-1.041.539**	**0**	**0**
	Carrying amount, 31 December 2022	**2.973.056**	**3.716.320**	**0**	**0**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
10.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2022	4.355.928	4.215.891	0	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-14.553	16.254	0	0
	Additions during the year	588.098	123.783	0	0
	Cost 31 December 2022	**4.929.473**	**4.355.928**	**0**	**0**
	Amortisation and writedown 1 January 2022	-2.764.998	-1.541.988	0	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	7.649	-6.187	0	0
	Writedown for the year	-1.160.239	-1.216.813	0	0
	Amortisation and writedown 31 December 2022	**-3.917.588**	**-2.764.988**	**0**	**0**
	Carrying amount, 31 December 2022	**1.011.885**	**1.590.940**	**0**	**0**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
11.	**Investments in group enterprises**				
	Acquisition sum, opening balance 1 January 2022	0	0	17.083.232	17.083.232
	Cost 31 December 2022	**0**	**0**	**17.083.232**	**17.083.232**
	Revaluations, opening balance 1 January 2022	0	0	161.514.445	124.421.991
	Results for the year before goodwill amortisation	0	0	121.063.198	37.092.454
	Revaluation 31 December 2022	**0**	**0**	**282.577.643**	**161.514.445**
	Exchange rate, opening balance 1 January 2022	0	0	373.096	0
	Translation by use of the exchange rate valid on balance sheet date	0	0	-500.897	373.096
	Depreciation on goodwill 31 December 2022	**0**	**0**	**-127.801**	**373.096**
	Carrying amount, 31 December 2022	**0**	**0**	**299.533.074**	**178.970.773**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Tactile Holding ApS**
Tactile Games ApS, København	70,73 %	423.289.936	170.970.456	299.533.074
		423.289.936	**170.970.456**	**299.533.074**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
12.	**Investment in participating interest**				
	Cost 1 January 2022	0	0	0	0
	Additions during the year	2.600.000	0	0	0
	Cost 31 December 2022	**2.600.000**	**0**	**0**	**0**
	Revaluations, opening balance 1 January 2022	0	0	0	0
	Writedown for the year	-2.600.000	0	0	0
	Revaluation 31 December 2022	**-2.600.000**	**0**	**0**	**0**
	Carrying amount, 31 December 2022	**0**	**0**	**0**	**0**

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Tactile Holding ApS**
Peach Perfect Games ApS, Copenhagen	10 %	-2.654.456	-5.298.706	0
		-2.654.456	**-5.298.706**	**0**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
13.	**Prepayments and accrued income**				
	Prepayments of expenses	3.131.353	708.830	0	0
		3.131.353	**708.830**	**0**	**0**
14.	**Provisions for deferred tax**				
	Provisions for deferred tax 1 January 2022	0	0	0	0
	Deferred tax of the results for the year	48.336	0	0	0
		48.336	**0**	**0**	**0**

Notes

All amounts in DKK.

15. Charges and security

Tactile Holding ApS - unlimited suretyship for subsidiary liabilities with its bank.

16. Contingencies

Contingent assets

Contingent liabilities

Lease liabilities (Tactile Group)
The company has entered into operational leases with an average annual lease payment of tDKK 7.208. The leases have 32 months to maturity and total outstanding lease payments total 23.656 tDKK.

Commitments (Tactile Group):
Security in the form of bank guarantees has been provided for the lessor of premises, 3.074 tDKK..

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations 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 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

17. Related parties

Controlling interest

Tactile Games ApS, Vestergade 33, 2. 1456 København K, DK	Subsidiary
Tactile Games Ltd., 19-21 Christopher Street. London, UK	subsidiary
Tactile R&D ApS, Vestergade 33,2. 1456 København K, DK	Subsidiary
Grupo Promineo SL, Calle Pirámides 6, 1, puerta 3. 38320, La Cuesta, ESP	Subsidiary
Other related parties:	
Asbjørn Malte Søndergaard, Duevej 116, st. th. 2000 Frederiksberg	Board member
Morten Nielsen, Lundeparken 1, 4130 Viby Sjælland	Board member

Notes

All amounts in DKK.

		Group 2022	2021
18.	**Adjustments**		
	Depreciation, amortisation, and impairment	1.690.809	1.844.561
	Income from equity investments in subsidiaries	-120.716.188	0
	Income from investment in participating interest	2.600.000	0
	Other financial income	-10.087	0
	Other financial costs	1.379.229	0
	Tax on ordinary results	18.057.270	236.842
	Deferred tax	-75.563	0
		-97.074.530	**2.081.403**

		Group 2022	2021
19.	**Change in working capital**		
	Change in receivables	84.264.624	23.587.614
	Change in trade payables and other payables	-19.726.123	-57.176.697
	Other changes in working capital	8.642.332	-59.274.753
		73.180.833	**-92.863.836**

Accounting policies

The annual report for Tactile Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in 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 group 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 group 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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Tactile Holding ApS and those group enterprises of which Tactile Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Revenue

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Direct production costs

Direct production costs comprise of costs directly attributable to generating the year's income including commisions to sales platforms etc.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs

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

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries and participating interest

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the participating interest is recognised in the income statement of both the group and the parent as a proportional share of the participating interests’ post-tax profit or loss.

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 parent and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent 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

Intangible assets

Development projects

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

It has not been possible to establish procedures to make a reliable meassurement of development project, why no capitalisation has been made.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 5 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Financial fixed assets

Investments in subsidiaries and participating interest

Investments in subsidiaries and participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries and participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries and participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries and participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries and participating interest.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Tactile Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Segment reporting

Information is provided on activity and geography. Segment report is prepared according to the parent companys accounting policy, risk and internal financial control.

Definitions

Amortised cost

Amortised cost is the amount at which a financial asset or liability is initially recognised in the financial statements

1. less repayments,
2. plus or less total amounts amortised on the difference between the amount initially recognised and the amount falling due on maturity, and
3. less impairment losses.

Fair value

Fair value is the amount at which it is assumed that an asset or a liability could be exchanged or a liability settled in in an arm's length transaction between unrelated parties.

Replacement cost

The replacement cost of an asset is the cost of substituting this asset measured as the current acquisition cost payable at the reporting date for a similar asset.

Recoverable amount

The recoverable amount of an asset is either the capital value or the sales value, whichever is the higher, less expected costs of disposal.

Value in use

Value in use is the current value of an asset seen as the present value of expected cash inflows from continuing use in its present function. For a liability, the value in use is the present value of expected cash outflows during the life of the liability.

Cost

The cost of an asset is the amount of consideration given to acquire that asset whether it was acquired from an external party or internally generated. The cost of a liability is the amount received as consideration for that liability.

Net realisable value

The net realisable value of an asset is the sum of the future cash flows which the asset is expected to generate at the balance sheet date in the ordinary course of business. The net realisable value of a liability is the sum of the future cash flows from the enterprise during the life of the liability.

Selling price

The selling price of an asset is the price obtainable from the sale of that asset at the reporting date. The selling price of a liability is the price payable to settle that liability at the reporting date.