

SteelSeries Holding II ApS

c/o SteelSeries ApS, Havneholmen 8, 1.

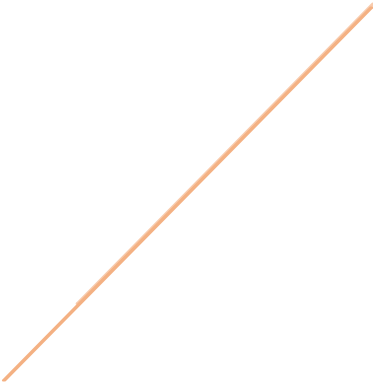
2450 Copenhagen SW

Annual Report for 1 January – 31 December 2021

CVR No 40 15 23 85

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23 June 2022

Lars Stoltze
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SteelSeries Holding ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 23 June 2022

Executive Board

Mian Ehtisham Rabbani

Oluf Riddersholm

Board of Directors

Rene Svendsen-Tune
Chairman

Peter Gormsen

Mian Ehtisham Rabbani

Independent Auditor's Report

To the shareholder of SteelSeries Holding II ApS

Opinion

We have audited the financial statements of SteelSeries Holding II ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Management's responsibilities for the financial statements

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

Independent Auditor's Report (continued)

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Copenhagen, 23 June 2022

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Mikkel Sthyr
State Authorised
Public Accountant
mne26693

Ole Becker
State Authorised
Public Accountant
mne33732

Company Information

The Company SteelSeries Holding II ApS
c/o SteelSeries ApS
Havneholmen 8, 1.
DK-2450 Copenhagen SW
CVR No: 40 15 23 85
Financial period: 1 January - 31 December
Incorporated: 1 January 2019
Municipality of reg. office: Copenhagen

Board of Directors Rene Svendsen-Tune, Chairman
Peter Gormsen
Mian Ehtisham Rabbani

Executive Board Mian Ehtisham Rabbani
Oluf Riddersholm

Auditors EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Management's Review

Main activity

The main activity of the Company is to own shares in a subsidiary.

Development in the year

The income statement for 2021 shows a loss of DKK 51 thousand against a profit of DKK 58,595 thousand in 2020.

The results are considered in line with expectations as the warrant program was accelerated due to the sale of the Parent company SteelSeries Group A/S to GN Audio A/S

Subsequent events

No events have occurred after the balance sheet date except the change in parent company as GN Audio A/S acquired 100% of the shares in SteelSeries Group A/S 12th January 2022.

Income Statement

<i>DKK thousands</i>	Note	2021	2020
Other external expenses		-74	-15
Staff expenses	1	0	-957
Profit/loss before financial income and expenses		-74	-972
Financial income	2	14	60,164
Financial expenses		-275	-723
Profit/loss before tax		-335	58,469
Tax	3	284	126
Net profit/loss		-51	58,595
Proposed distribution of profit and loss			
Retained earnings		-51	58,595
		-51	58,595

Balance Sheet 31 December

Assets

<i>DKK thousands</i>	Note	2021	2020
Fixed asset investments			
Investments in subsidiaries	4	1,347,894	1,347,894
Fixed asset investments		1,347,894	1,347,894
Current assets			
Receivables from group enterprises		23,409	-
Other receivables		-	9
Corporation tax		411	126
Receivables		23,820	135
Cash and cash equivalents		13,800	34,841
Total current assets		37,620	34,976
Total assets		1,385,514	1,382,870

Balance Sheet 31 December

Liabilities and Equity

<i>DKK thousands</i>	Note	2021	2020
Equity			
Share capital		1,413	2,243
Retained earnings		1,034,356	1,380,551
Total equity		1,035,769	1,382,794
Current liabilities			
Trade payables		-	-
Payables to group enterprises		439	61
Other payables	5	349,306	15
Total current liabilities		349,745	76
Total Equity and liabilities		1,385,514	1,382,870

6 Contingent assets, liabilities and other financial obligations

7 Related parties

Statement of Changes in Equity

2021

<i>DKK thousands</i>	Share capital	Retained earnings	Total
Equity at 1 January	1,323	1,381,471	1,382,794
Warrants	-	-349,288	-349,288
Capital increase	90	2,224	2,314
Net profit/loss for the year	-	-51	-51
Total Equity at 31 December	1,413	1,034,356	1,035,769

2020

<i>DKK thousands</i>	Share capital	Retained earnings	Total
Equity at 1 January	1,286	1,284,628	1,285,914
Warrants – equity settlement	-	957	957
Capital increase	37	36,994	37,031
Warrants – subscription of warrants	-	297	297
Net profit/loss for the year	-	58,595	58,595
Total Equity at 31 December	1,323	1,381,471	1,382,794

Notes to the Financial Statements

1 Salaries

<i>DKK thousands</i>	2021	2020
Wages and salaries	0	957
Total	0	957

Average number of full time employees	-	-
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2 Financial income

<i>DKK thousands</i>	2021	2020
Dividends	0	60,000
Currency gains	14	164
Total	14	60,164

3 Tax

<i>DKK thousands</i>	2021	2020
Current tax	74	126
Change in deferred tax	-	-
Prior years adjustment	210	-
Total tax	284	126

Notes to the Financial Statements

4 Investment in subsidiary

<i>DKK thousands</i>	Investment in subsidiary
Cost at 1 January	1,347,894
Additions	0
Cost at 31 December	1,347,894

Investment in subsidiary is specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
SteelSeries Holding I ApS	Copenhagen	59	100%	1,285,866	-36

5 Other payables

Other payables include non-settled payments related to the warrant program, DKK 349 million. Settlement is made subsequent to the approval of the GN acquisition of SteelSeries Group 12 January 2022.

6 Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SteelSeries Group A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the smallest group:

Name	Place of registered office
SteelSeries Group A/S	Havneholmen 8, 1. Copenhagen, Denmark

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Other external expenses

Other external expenses comprise professional fees.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income comprises dividends from subsidiaries.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Assets

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Accounting policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Equity

Warrants

The Executive Management and a number of key employees are included in share-based incentive plans (equity-settled plans). For equity-settled programs, the warrants are measured at the fair value at the grant date and recognized in the income statement as a staff cost over the vesting period. The counter item is recognized in equity.

On initial recognition, an estimate is made of the number of warrants and options expected to vest. This estimate is subsequently revised for changes in the number of warrants and options expected to vest. Accordingly, recognition is based on the number of warrants and options that are ultimately vested.

The fair value of granted warrants and options is estimated using the Black-Scholes option pricing model. Vesting conditions are taken into account when estimating the fair value of the warrants.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

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

Ehtisham Mian Rabbani

Direktion

On behalf of: SteelSeries Group A/S and subsidiaries

Serial number: CVR:25923170-RID:38422382

IP: 205.178.xxx.xxx

2022-06-26 15:42:40 UTC

NEM ID 

Oluf Riddersholm

Direktion

On behalf of: SteelSeries Group A/S and subsidiaries

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IP: 89.150.xxx.xxx

2022-06-26 19:57:25 UTC

NEM ID 

Ehtisham Mian Rabbani

Bestyrelse

On behalf of: SteelSeries Group A/S and subsidiaries

Serial number: CVR:25923170-RID:38422382

IP: 205.178.xxx.xxx

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Peter Gormsen

Bestyrelse

On behalf of: SteelSeries Group A/S and subsidiaries

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Rene Svendsen-Tune

Bestyrelse

On behalf of: SteelSeries Group A/S and subsidiaries

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NEM ID 

Ole Becker

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab

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NEM ID 

Mikkel Sthyr

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab

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2022-06-27 16:29:24 UTC

NEM ID 

Lars Pries Stoltze

Dirigent

On behalf of: SteelSeries Group A/S and subsidiaries

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