

SteelSeries Holding ApS

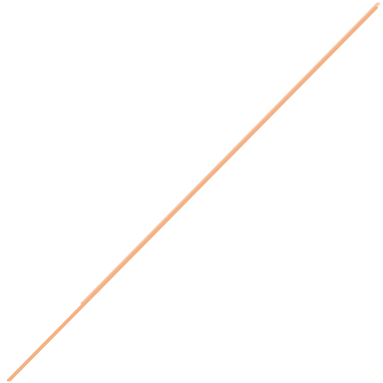
c/o SteelSeries ApS, Havneholmen 8, 1.

Annual Report for 1 January – 31 December 2020

CVR No 40 30 85 04

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/6 2021

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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 25 June 2021

Executive Board

Mian Ehtisham Rabbani

Oluf Riddersholm

Board of Directors

John Schappert
Chairman

Lars Cordt
Deputy Chairman

Mark Carges

Christian Bamberger Bro

Jacob Wolff-Petersen

Pernille Fabricius

Independent Auditor's Report

To the shareholder of SteelSeries Holding ApS

Opinion

We have audited the financial statements of SteelSeries Holding ApS for the financial year 1 January – 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, 25 June 2021

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 ApS
c/o SteelSeries ApS
Havneholmen 8, 1.
DK-2450 København SV
CVR No: 40 30 85 04
Financial period: 1 January - 31 December
Incorporated: 4 March 2019
Municipality of reg. office: Copenhagen

Board of Directors

John Schappert, Chairman
Lars Cordt, Deputy Chairman
Mark Carges
Christian Bamberger Bro
Jacob Wolff-Petersen
Pernille Fabricius

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 and delivering management consultancy to its subsidiary.

Development in the year

The income statement for 2020 shows a profit of DKK 82,823 thousand against a loss of DKK 5,086 thousand in 2019.

The results are by management considered satisfactory.

Subsequent events

No events have occurred after the balance sheet date.

Income Statement

<i>DKK thousands</i>	Note	2020	2019*
Gross profit/loss		540	-
Other external expenses		-294	-65
Staff expenses	1	-584	-
Profit/loss before financial income and expenses		-338	-65
Financial income	2	101,834	-
Financial expenses		-22,822	-6,379
Profit/loss before tax		78,674	-6,444
Tax	3	4,148	1,358
Net profit/loss		82,823	-5,086
Proposed distribution of profit and loss			
Retained earnings		82,823	-5,086
		82,823	-5,086

* 4 March – 31 December 2019

Balance Sheet 31 December

Assets

<i>DKK thousands</i>	Note	2020	2019
Fixed asset investments			
Investments in subsidiary	4	1,715,164	1,695,359
Fixed asset investments		1,715,164	1,695,359
Current assets			
Deferred tax asset		-	1,358
Other receivables		170	-
Receivables from group enterprises		10,297	9,045
Corporation tax		5,507	-
Receivables		15,974	10,403
Cash and cash equivalents		11,400	16,715
Total current assets		27,374	27,118
Total assets		1,742,539	1,722,477

Balance Sheet 31 December

Liabilities and Equity

<i>DKK thousands</i>	Note	2020	2019
Equity			
Share capital		59	59
Retained earnings		1,303,204	1,280,845
Total equity		1,303,263	1,280,904
Non-current liabilities			
Bank and other credit institutions, etc.	5	437,067	436,803
Total non-current liabilities		437,067	436,803
Current liabilities			
Trade payables		-	58
Payables to Group Companies		1,358	-
Other payables		851	4,712
Total current liabilities		2,209	4,770
Total Equity and liabilities		1,742,539	1,722,477

Contingent assets, liabilities and other financial obligations 13

Statement of Changes in Equity

<i>DKK thousands</i>	Share capital	Retained earnings	Dividend	Cash Flow Hedges	Total
Equity at 1 January	59	1,280,845	-	-	1,280,904
Transfers from retained earnings	-	-60,000	60,000	-	-
Extraordinary dividend paid	-	-	-60,000	-	-60,000
Hedges	-	-	-	-464	-464
Net profit/loss for the year	-	82,823	-	-	82,823
Equity at 31 December	59	1,303,668	-	-464	1,303,263

Notes to the Financial Statements

1 Staff expenses

<i>DKK thousands</i>	2020	2019*
Wages and salaries	558	-
Pension costs	26	-
Total	584	-

Average number of full time employees	1	-
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2 Financial income

<i>DKK thousands</i>	2020	2019*
Dividends	100,000	-
Currency, net	1,834	-
Total	101,834	-

3 Tax

<i>DKK thousands</i>	2020	2019*
Current tax	4,148	-
Change in deferred tax	-	1,358
Total tax	4,148	1,358

* 4 March – 31 December 2019

Notes to the Financial Statements

4 Investment in subsidiary

<i>DKK thousands</i>	Investment in subsidiary
Cost at 1 January 2020	1,695,359
Additions	19,805
Cost at 31 December 2020	1,715,164

Investment in subsidiary is specified as follows (DKK thousands):

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
SteelSeries ApS	Copenhagen	59	100%	112,364	124,562

5 Long-term debt

<i>DKK thousands</i>	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Total
Borrowings	-	-	437,067	437,067
Total	-	-	437,067	437,067

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with credit institutes:

The Company has provided security in shares in the subsidiary SteelSeries ApS for debt to credit institutions, DKK 446 million. The shares are further providing security for the subsidiary SteelSeries ApS' debt to credit institutions, DKK 585 million.

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

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

<u>Name</u>	<u>Place of registered office</u>
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 applying to enterprises of reporting class B as well as selected rules applying to reporting class C. The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

Assets are recognized 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 recognized 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

Revenue

Revenue comprise management fees. Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise professional fees.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Accounting policies (continued)

Staff expenses

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

Financial income and expenses

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

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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized 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 realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized 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

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

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Oluf Riddersholm

Executive Board

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: PID:9208-2002-2-131618527442

IP: 82.192.xxx.xxx

2021-06-25 13:34:33Z

NEM ID 

Ehtisham Mian Rabbani

Executive Board

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: CVR:25923170-RID:38422382

IP: 82.192.xxx.xxx

2021-06-25 13:48:38Z

NEM ID 

Pernille Fabricius

Board of Directors

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: PID:9208-2002-2-283265515405

IP: 217.16.xxx.xxx

2021-06-25 15:17:27Z

NEM ID 

Jacob Wolff-Petersen

Board of Directors

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: PID:9208-2002-2-540988380719

IP: 90.118.xxx.xxx

2021-06-25 15:31:22Z

NEM ID 

Lars Cordt

Deputy Chairman

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: PID:9208-2002-2-184567700061

IP: 77.241.xxx.xxx

2021-06-25 19:12:51Z

NEM ID 

Mark Carges

Board of Directors

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: CVR:25923170-RID:99259651

IP: 69.130.xxx.xxx

2021-06-26 05:20:12Z

NEM ID 

John Schappert

Chairman

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: CVR:25923170-RID:63156912

IP: 76.110.xxx.xxx

2021-06-26 13:06:33Z

NEM ID 

Christian Bamberger Bro

Board of Directors

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

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Mikkel Sthyr

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: PID:9208-2002-2-050812743782

IP: 194.219.xxx.xxx

2021-06-28 12:36:52Z

NEM ID 

Ole Becker

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:65669285

IP: 185.109.xxx.xxx

2021-06-28 13:54:18Z

NEM ID 

Lars Pries Stoltze

Chairman of the General Meeting

On behalf of: SteelSeries ApS, SteelSeries Holding Ap...

Serial number: PID:9208-2002-2-735356783575

IP: 87.49.xxx.xxx

2021-06-28 14:15:31Z

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