
Peach Perfect Games ApS

C/O Tactile Games ApS, Vestergade , 33,2, DK-1456
Copenhagen

Annual Report for 2023

CVR No. 43 26 61 87

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 3/7 2024

Asbjørn Malte
Søndergaard
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Peach Perfect Games ApS for the financial year 1 January - 31 December 2023.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

At the Annual General meeting it will be decided that the Financial Statements going forward will not be subject to statutory audit as the Company does not exceed the thresholds hereof.

Copenhagen, 3 July 2024

Executive Board

Asbjørn Malte Søndergaard
CEO

Independent Auditor's report

To the shareholders of Peach Perfect Games ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Peach Perfect Games ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Financial Statements" section of our report. 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. 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 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.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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.

Independent Auditor's report

- 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 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.

Hellerup, 3 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

Sune Christensen Bjerre
State Authorised Public Accountant
mne47832

Company information

The Company Peach Perfect Games ApS
C/O Tactile Games ApS
Vestergade , 33,2
1456 Copenhagen
CVR No: 43 26 61 87
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Executive Board Asbjørn Malte Søndergaard

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income statement 1 January - 31 December

| | Note | 2023 | 2022 |
|---|------|-------------------|-------------------|
| | | DKK | DKK |
| Gross loss | | -4,685,085 | -188,071 |
| Amortisation and impairment losses of intangible assets | | 0 | -5,173,410 |
| Profit/loss before financial income and expenses | | -4,685,085 | -5,361,481 |
| Income from investments in subsidiaries | | -126,005 | 105,284 |
| Financial income | | 95 | 0 |
| Financial expenses | 3 | -3,429 | -42,509 |
| Profit/loss before tax | | -4,814,424 | -5,298,706 |
| Tax on profit/loss for the year | 4 | 1,031,403 | 1,183,198 |
| Net profit/loss for the year | | -3,783,021 | -4,115,508 |
| Distribution of profit | | | |
| | | 2023 | 2022 |
| | | DKK | DKK |
| Proposed distribution of profit | | | |
| Reserve for net revaluation under the equity method | | -104,534 | 105,284 |
| Retained earnings | | -3,678,487 | -4,220,792 |
| | | -3,783,021 | -4,115,508 |

Balance sheet 31 December

Assets

| | Note | 2023 | 2022 |
|---|------|------------------|------------------|
| | | DKK | DKK |
| Development projects in progress | | 0 | 0 |
| Intangible assets | 5 | 0 | 0 |
| Investments in subsidiaries | | 0 | 126,005 |
| Fixed asset investments | 6 | 0 | 126,005 |
| Fixed assets | | 0 | 126,005 |
| Receivables from group enterprises | | 1,183,198 | 0 |
| Other receivables | | 2,191 | 6,667 |
| Corporation tax receivable from group enterprises | | 1,031,403 | 1,183,198 |
| Receivables | | 2,216,792 | 1,189,865 |
| Cash at bank and in hand | | 144,937 | 493,930 |
| Current assets | | 2,361,729 | 1,683,795 |
| Assets | | 2,361,729 | 1,809,800 |

Balance sheet 31 December

Liabilities and equity

| | Note | 2023 | 2022 |
|--|------|------------------|-------------------|
| | | DKK | DKK |
| Share capital | | 60,000 | 50,000 |
| Share premium account | | 0 | 2,595,000 |
| Reserve for net revaluation under the equity method | | 0 | 104,534 |
| Retained earnings | | -114,279 | -4,220,792 |
| Equity | | -54,279 | -1,471,258 |
| | | | |
| Trade payables | | 44,950 | 45,000 |
| Payables to group enterprises | | 2,371,058 | 3,236,058 |
| Short-term debt | | 2,416,008 | 3,281,058 |
| | | | |
| Debt | | 2,416,008 | 3,281,058 |
| | | | |
| Liabilities and equity | | 2,361,729 | 1,809,800 |
| | | | |
| Capital resources | 1 | | |
| Key activities | 2 | | |
| Contingent assets, liabilities and other financial obligations | 7 | | |
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Statement of changes in equity

| | Share capital | Share premium account | Reserve for net revaluation under the equity method | Retained earnings | Total |
|--|---------------|-----------------------|---|-------------------|----------------|
| | DKK | DKK | DKK | DKK | DKK |
| Equity at 1 January | 50,000 | 2,595,000 | 104,534 | -5,403,990 | -2,654,456 |
| Net effect of correction of material misstatements | 0 | 0 | 0 | 1,183,198 | 1,183,198 |
| Adjusted equity at 1 January | 50,000 | 2,595,000 | 104,534 | -4,220,792 | -1,471,258 |
| Revaluation for the year | 0 | 0 | -104,534 | 0 | -104,534 |
| Debt conversion | 10,000 | 5,190,000 | 0 | 0 | 5,200,000 |
| Net profit/loss for the year | 0 | 0 | 0 | -3,678,487 | -3,678,487 |
| Transfer from share premium account | 0 | -7,785,000 | 0 | 7,785,000 | 0 |
| Equity at 31 December | 60,000 | 0 | 0 | -114,279 | -54,279 |

Notes to the Financial Statements

1. Capital resources

The Company's equity is lost. Hence, the Company is covered by the Companies Act's rules on capital losses. The Company is dependent on continued liquidity from Tactile Games ApS.

The Company has only debt to Tactile Games ApS who has entered a subordination agreement for its receivables for the next 12 months.

Based on the above it is the assessment of the Board of Directors that the Company has sufficient capital resources to continue operations until at least 31 December 2024.

Management therefore have prepared the Annual Report on the assumption of going concern.

2. Key activities

Peach Perfect Games ApS publishes and develop games for mobile devices. The result for the year has been affected by costs due to finishing the development of a game which has been launched in the market with limited success. The Company's activities has consequently been ceased for now.

3. Financial expenses

Interest paid to participating interests
Other financial expenses

| | 2023 | 2022 |
|--|--------------|---------------|
| | DKK | DKK |
| | 0 | 38,280 |
| | 3,429 | 4,229 |
| | <u>3,429</u> | <u>42,509</u> |

4. Income tax expense

Current tax for the year

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | DKK | DKK |
| | -1,031,403 | -1,183,198 |
| | <u>-1,031,403</u> | <u>-1,183,198</u> |

Notes to the Financial Statements

5. Intangible fixed assets

| | Develop- ment projects in progress |
|---|--|
| | DKK |
| Cost at 1 January | 5,173,410 |
| Cost at 31 December | 5,173,410 |
| Impairment losses and amortisation at 1 January | 5,173,410 |
| Impairment losses and amortisation at 31 December | 5,173,410 |
| Carrying amount at 31 December | 0 |

6. Investments in subsidiaries

| | 2023 | 2022 |
|---------------------------------------|----------|----------------|
| | DKK | DKK |
| Cost at 1 January | 21,471 | 0 |
| Additions for the year | 0 | 21,471 |
| Cost at 31 December | 21,471 | 21,471 |
| Value adjustments at 1 January | 104,534 | 0 |
| Exchange adjustment | 0 | -750 |
| Net profit/loss for the year | -126,005 | 105,284 |
| Value adjustments at 31 December | -21,471 | 104,534 |
| Carrying amount at 31 December | 0 | 126,005 |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Ownership |
|----------------------------|----------------------------------|-----------|
| Peach Perfect Games d.o.o. | Zagreb, Kroatien | 100% |

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The 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 Tactile Holding ApS, which is the management company of the joint taxation purposes. Moreover, the 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.

8. Subsequent events

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

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Peach Perfect Games ApS for 2023 has been prepared 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 remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Correction of material misstatements

An adjustment has been made to the comparative figures, resulting in an increase in equity by DKK 1,1 million. Additionally, the Corporation tax receivable from group enterprises under assets has been increased by DKK 1,1 million. Furthermore the adjustment has increased the profit and losses in 2022 by DKK 1,1 million. The adjustment is due to adjustment of the 2022 joint taxation income for the Tactile Group.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Notes to the Financial Statements

Gross loss

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

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.

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Impairment of fixed assets

The carrying amount of intangible assets is reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Impairment of fixed assets

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

Financial liabilities

Loans 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.