BUUS JENSEN
Statsautoriserede
Revisorer

Peach Perfect Games ApS

C/O Tactile Games ApS, Vestergade 33,2, 1456 København K

Company reg. no. 43 26 61 87

Annual report

16 May - 31 December 2022

The annual report was submitted and approved by the general meeting on the 30 June 2023.

Asbjørn Malte Søndergaard
Chairman of the meeting

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 %.

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Peach Perfect Games ApS for the financial year 16 May - 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 financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 16 May – 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.

Copenhagen, 30 June 2023

Managing Director

Ana Boskovic

Board of directors

Asbjørn Malte Søndergaard
Chairman

Ana Boskovic

Independent auditor's report

To the Shareholders of Peach Perfect Games ApS

Opinion

We have audited the financial statements of Peach Perfect Games ApS for the financial year 16 May - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 16 May - 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 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 judgment and maintain professional skepticism 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 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.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the 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 financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether 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 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, 30 June 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	Peach Perfect Games ApS C/O Tactile Games ApS Vestergade 33,2 1456 København K	
	Company reg. no.	43 26 61 87
	Established:	16 May 2022
	Domicile:	Copenhagen
	Financial year:	16 May - 31 December 1st financial year
Board of directors	Asbjørn Malte Søndergaard, Chairman Ana Boskovic	
Managing Director	Ana Boskovic	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Subsidiary	Peach Perfect Games, d.o.o, Zagreb, Kroatien	

Management´s review

Description of key activities of the company

The Tactile Games Group publishes and develop games for mobile devices.

Development in activities and financial matters

Cross loss from ordinary activities after tax totals DKK -5,253,706. Management considers the net profit or loss for the year as expected, just as the company's activities are still under development as well as start-up of intended investment opportunities.

At present, the company is 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.

The result for the year should be seen in this light.

As the equity represents less than half of the subscribed capital, the Company is subject to the Danish Companies Act section 119 regarding loss of capital. Management will continue to assess its ability to recover the capital by striving to be profitable in the coming years or by converting payables to participating interest into equity.

Income statement

All amounts in DKK.

Note		16/5 2022 - 31/12 2022
	Gross profit	**-188.071**
	Depreciation and impairment of property, land, and equipment	-5.173.410
	Income from investment in group enterprise	105.284
2	Other financial expenses	-42.509
	Pre-tax net profit or loss	**-5.298.706**
	Tax on net profit or loss for the year	0
	Net profit or loss for the year	**-5.298.706**
	Proposed distribution of net profit:	
	Reserves for net revaluation according to the equity method	105.284
	Allocated from retained earnings	-5.403.990
	Total allocations and transfers	**-5.298.706**

Balance sheet

All amounts in DKK.

Note	Assets	31/12 2022
	Non-current assets	
3	Development projects in progress	0
	Total intangible assets	0
4	Investment in group enterprise	126.005
	Total investments	126.005
	Total non-current assets	**126.005**
	Current assets	
	Other receivables	6.667
	Total receivables	6.667
	Cash and cash equivalents	493.930
	Total current assets	**500.597**
	Total assets	**626.602**

Balance sheet

All amounts in DKK.

Note	Equity and liabilities	31/12 2022
	Equity	
	Contributed capital	50.000
	Share premium	2.595.000
	Reserve for net revaluation according to the equity method	104.534
	Retained earnings	-5.403.990
	Total equity	**-2.654.456**
	Liabilities other than provisions	
	Trade payables	45.000
	Payables to participating interest	3.236.058
	Total short term liabilities other than provisions	3.281.058
	Total liabilities other than provisions	**3.281.058**
	Total equity and liabilities	**626.602**
1	**Other Financial matters**	

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 16 May 2022	50.000	0	0	0	50.000
Cash capital increase	0	2.595.000	0	0	2.595.000
Share of profit or loss	0	0	105.284	-5.403.990	-5.298.706
Exchange rate adjustments	0	0	-750	0	-750
	50.000	**2.595.000**	**104.534**	**-5.403.990**	**-2.654.456**

Notes

All amounts in DKK.

	16/5 2022 - 31/12 2022

1. Other Financial matters

As the equity represents less than half of the subscribed capital, the Company is subject to the Danish Companies Act section 119 regarding loss of capital. Management will continue to assess its ability to recover the capital by striving to be profitable in the coming years or by converting payables to participating interest into equity.

2. Other financial expenses

Other financial costs	42.509
	42.509

3. Development projects in progress

Cost 16 May 2022	0
Additions during the year	5.173.410
Cost 31 December 2022	**5.173.410**
Amortisation and write-down 16 May 2022	0
Amortisation and depreciation for the year	-5.173.410
Amortisation and write-down 31 December 2022	**-5.173.410**
Carrying amount, 31 December 2022	**0**

All amounts in DKK.

		31/12 2022
4.	**Investment in group enterprise**	
	Cost 16 May 2022	0
	Additions during the year	21.471
	Cost 31 December 2022	**21.471**
	Revaluations, opening balance 16 May 2022	0
	Translation at the exchange rate at the balance sheet date	-750
	Net profit or loss for the year before amortisation of goodwill	105.284
	Revaluation 31 December 2022	**104.534**
	Carrying amount, 31 December 2022	**126.005**

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

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Peach Perfect Games ApS**
Peach Perfect Games, Zagreb, Kroatien	100 %	126.005	105.284	126.005
		126.005	**105.284**	**126.005**

Accounting policies

The annual report for Peach Perfect Games ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the other external expenses.

Other external expenses comprise expenses incurred for administration, premises and development costs.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible 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 investment in group enterprise and participating interest

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

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

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects

Development costs comprise costs amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 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.

Investments

Investments in group enterprise and participating interest

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

Investments in group enterprise 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 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprise and participating interest but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprise 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 investment in group enterprise and participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise 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 group enterprise 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

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.

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.