TACTILE R&D ApS

Vestergade, 33, 2., DK-1456 København K

Annual Report for 2024

CVR No. 34 05 00 90

The Annual Report was presented and adopted at the Annual General Meeting of the company on 4/7 2025

Asbjørn Malte Søndergaard
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of TACTILE R&D ApS for the financial year 1 January - 31 December 2024.

The Annual Report is 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 at 31 December 2024 of the Company and of the results of the Company operations for 2024.

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, 4 July 2025

Executive Board

Asbjørn Malte Søndergaard
CEO

Board of Directors

Asbjørn Malte Søndergaard Chairman	Morten Nielsen

Independent Auditor's report

To the shareholder of TACTILE R&D ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of TACTILE R&D ApS for the financial year 1 January - 31 December 2024, 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.

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.

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, in our view, 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 in Management’s Review.

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

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.

- 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, 4 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen	Sune Christensen Bjerre
State Authorised Public Accountant	State Authorised Public Accountant
mne23327	mne47832

Company information

The Company	TACTILE R&D ApS Vestergade, 33, 2. DK-1456 København K CVR No: 34 05 00 90 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Asbjørn Malte Søndergaard, chairman Morten Nielsen
Executive Board	Asbjørn Malte Søndergaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	129,370	104,686	92,115	77,687	78,988
Profit/loss of primary operations	7,890	1,014	1,473	584	204
Profit/loss of financial income and expenses	2,004	-665	-331	-191	-132
Net profit/loss for the year	7,712	271	889	303	152
Balance sheet					
Balance sheet total	38,621	23,047	19,195	20,623	23,711
Investment in property, plant and equipment	0	323	32	0	0
Equity	10,201	2,488	2,217	1,328	1,024
Number of employees	193	172	166	151	103
Ratios					
Solvency ratio	26.4%	10.8%	11.5%	6.4%	4.3%
Return on equity	121.6%	11.5%	50.2%	25.8%	16.0%
Liquidity ratio	114.5%	108.9%	110.2%	99.8%	93.6%

Definition of ratios applied is stated under Accounting policies.

Management's review

Key activities

Tactile R&D ApS is a game development company operating as a subsidiary of Tactile Games ApS. Our primary focus is on developing and maintaining games for mobile devices on behalf of the parent company.

Development in the year

Tactile R&D reported a net gain after taxes of 7.712.433 DKK, compared to 271.036 DKK in 2023. As a development unit operating under Tactile Games ApS, Tactile R&D ApS generates all of its revenue from services delivered to the parent company. The financial result should therefore be viewed in context with the Group's consolidated performance.

The company increased its development capacity during the year to support ongoing and upcoming projects. This expansion resulted in an approximately 18% rise in employee-related costs, which was in line with expectations. We anticipate a continued gradual increase in team size and related costs in the coming periods.

Financial expenses decreased to 599.920 DKK in 2024 from 806.902 DKK in 2023. The largest components were currency exchange differences, lease-related interest costs.

The increase in net gain after tax in 2023 to 2024 is primarily driven by a rise in game development costs. As the company's revenue is based on a mark-up model applied to incurred costs, the higher development expenses have resulted in a corresponding increase in profit.

Research and development activities

In 2024, Tactile R&D ApS focused on deepening our technical and design capabilities to support evolving game experiences. Efforts were directed at enhancing long-term retention through new content structures, optimizing in-game systems for diverse player segments, and improving tooling for live game operations. In addition to ongoing development and maintenance work, we also explored ways to better align content delivery with user behavior, striking a balance between short-term monetization spikes and long-term player engagement.

Outlook for the future

We expect the mobile gaming market to remain competitive, with moderate growth driven by improving tools and more cost-efficient development pipelines. AI-assisted content generation and testing are beginning to shape production workflows across the industry, and we're exploring these areas with caution.

Our focus for the coming year is on steady delivery: launching new titles, maintaining existing games, and refining monetization setups based on performance data. While market conditions are improving, particularly in ad monetization, visibility remains limited, and we plan accordingly.

Tactile R&D ApS expects a net gain after tax in 2025 at the same level as in 2024 with a variation of a decrease or increase 5%.

Uncertainties relating to recognition or measurement

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

Unusual events

No unusual events occurred during the reporting period.

Events occurring after the end of the financial year

No material events have occurred since the end of the reporting period that would require adjustment to or disclosure in the financial statements.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**129,369,703**	**104,686,095**
Staff expenses	1	-121,230,744	-103,156,897
Depreciation and impairment losses of property, plant and equipment		-249,162	-515,164
Profit/loss before financial income and expenses		**7,889,797**	**1,014,034**
Financial income	2	2,603,512	141,762
Financial expenses	3	-599,920	-806,902
Profit/loss before tax		**9,893,389**	**348,894**
Tax on profit/loss for the year	4	-2,180,956	-77,858
Net profit/loss for the year	5	**7,712,433**	**271,036**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Other fixtures and fittings, tools and equipment		50,451	299,613
Property, plant and equipment	6	**50,451**	**299,613**
Fixed assets		**50,451**	**299,613**
Trade receivables		0	30,000
Receivables from group enterprises		33,723,950	19,679,349
Other receivables		248,006	165,149
Deferred tax asset	7	198,378	238,486
Prepayments		2,858,189	2,175,308
Receivables		**37,028,523**	**22,288,292**
Cash at bank and in hand		**1,542,201**	**459,482**
Current assets		**38,570,724**	**22,747,774**
Assets		**38,621,175**	**23,047,387**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		92,600	92,600
Retained earnings		2,108,134	2,395,701
Proposed dividend for the year		8,000,000	0
Equity		**10,200,734**	**2,488,301**
Credit institutions		0	514,487
Trade payables		5,496,242	3,650,410
Payables to group enterprises		1,056,845	766,005
Payables to group enterprises relating to corporation tax		2,140,848	72,996
Other payables		19,726,506	15,555,188
Short-term debt		**28,420,441**	**20,559,086**
Debt		**28,420,441**	**20,559,086**
Liabilities and equity		**38,621,175**	**23,047,387**
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	92,600	2,395,701	0	2,488,301
Net profit/loss for the year	0	-287,567	8,000,000	7,712,433
Equity at 31 December	**92,600**	**2,108,134**	**8,000,000**	**10,200,734**

Notes to the Financial Statements

		2024	2023
		DKK	DKK
1.	**Staff expenses**		
	Wages and salaries	114,615,638	98,069,559
	Pensions	4,647,720	3,620,290
	Other social security expenses	1,967,386	1,467,048
		121,230,744	**103,156,897**

The Board of director does not receive remuneration as the work in the Board is very limited. Consequently remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

	2024	2023
Average number of employees	**193**	**172**

		2024	2023
		DKK	DKK
2.	**Financial income**		
	Interest from group enterprises	2,498,071	0
	Other financial income	105,441	141,762
		2,603,512	**141,762**

		2024	2023
		DKK	DKK
3.	**Financial expenses**		
	Interest to group enterprises	78,285	43,774
	Other financial expenses	521,635	763,128
		599,920	**806,902**

		2024	2023
		DKK	DKK
4.	**Income tax expense**		
	Current tax for the year	2,140,848	72,996
	Deferred tax for the year	40,108	4,862
		2,180,956	**77,858**

Notes to the Financial Statements

	2024	2023
	DKK	DKK

5. Profit allocation

	2024	2023
Proposed dividend for the year	8,000,000	0
Retained earnings	-287,567	271,036
	7,712,433	**271,036**

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	4,253,996
Cost at 31 December	4,253,996
Impairment losses and depreciation at 1 January	3,954,383
Depreciation for the year	249,162
Impairment losses and depreciation at 31 December	4,203,545
Carrying amount at 31 December	**50,451**

7. Deferred tax asset

	2024	2023
	DKK	DKK
Deferred tax asset at 1 January	238,486	243,348
Amounts recognised in the income statement for the year	-40,108	-4,862
Deferred tax asset at 31 December	**198,378**	**238,486**
Property, plant and equipment	-198,378	-238,486
Transferred to deferred tax assets	198,378	238,486
	0	**0**
Deferred tax asset		
Calculated tax assets	198,378	238,486
Carrying amount	**198,378**	**238,486**

The deferred tax asset is recognised in the balance sheet based on expectations to the taxable income in the joint taxation scheme within the Tactile Holding Group.

Notes to the Financial Statements

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The company has entered into operational leases with an average annual lease payment of DKK 7,855,000. The leases have 8 months to maturity and total outstanding lease payments total DKK 5,236,666.

Guarantee obligations

Security in the form of bank guarantees has been provided for the lessor of premises, DKK 3,073,900

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 Tactile Holding ApS, 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.

9. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Tactile Games ApS, Vestergade 33, 2 - 1456 København K	Holds 100% of the share capital in the Company

Other related parties

Related parties include other companies in the Tactile Group.

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

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

Name	Place of registered office
Tactile Holding ApS	Copenhagen

The Group Annual Report of Tactile Holding ApS may be obtained at the following address:
Vestergade 33, 2 - 1456 København K

10. Subsequent events

No events materially affecting the assessment of the Company's financial position have occurred after the balance sheet date.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of TACTILE R&D ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Tactile Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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.

The enterprise has applied IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Other external expenses

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, operational leasing costs etc. .

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Tactile Holding ApS. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are reassessed annually.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company´s experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

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

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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.

Financial Highlights

Explanation of financial ratios

Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity
Liquidity ratio	Current assets x 100 / Short term liabilities