



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Fremad Amager Elite ApS

Fjeldhammervej 15, 2610 Rødovre

Company reg. no. 25 38 28 46

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 30 April 2020.

Sam jalaei
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Fremad Amager Elite ApS for the financial year 1 January - 31 December 2019 of Fremad Amager Elite ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Rødovre, 30 April 2020

Managing Director

Claus Michael Jahn

Board of directors

Bo Tue Knudsen

Jerome André Pierre Solamito

Erik Truelsen

Sam Jalaei

Independent auditor's report

To the shareholders of Fremad Amager Elite ApS

Opinion

We have audited the financial statements of Fremad Amager Elite ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the company's ability to continue as a going concern

We would like to point out that a material uncertainty exists on the company's ability to continue as a going concern. We refer to note 1 in the financial statements stating that the financial statements have been presented on the basis of going concern.

Our auditor's opinion has not been modified.

Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the 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, the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 the management.
- Conclude on the appropriateness of the management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

The management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 30 April 2020

Christensen Kjærulff

Company reg. no. 15 91 56 41

Anders Nielsen
State Authorised Public Accountant
mne42832

Kristian Pryds
State Authorised Public Accountant
mne24819

Company information

The company	Fremad Amager Elite ApS Fjeldhammervej 15 2610 Rødovre
	Company reg. no. 25 38 28 46 Financial year: 1 January - 31 December
Board of directors	Bo Tue Knudsen Jerome André Pierre Solamito Erik Truelsen Sam Jalaei
Managing Director	Claus Michael Jahn
Auditors	Christensen Kjørulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K

Management commentary

The principal activities of the company

Like previous years, the principal activities are to operate professional football business.

Material uncertainties concerning the company's ability to continue as a going concern

For the financial year 2020, a result before tax is expected in line with 2019. The annual report has been presented under om the basis of going concern. The Company expect a loss of approximately 7,3 million Euros for the periode until end of the season 2020/21 before transfer activities.

The parent company has submitted a statement of support up to June 30, 2021. If the parent company does add loans during the period and in time Fremad Amager Elite ApS cannot pay bills and salary and will go bankruptcy.

During the period January 1 - April 29 2020, TEUR 1.225 has been added to the company as subordinated loan, just as a commitment has been made to add additional capital in step with there is a need for this. The parent company has submitted a statement of support up to Juni 30th 2021.

The balance TEUR 2.444 as subordinated capital from the parent company, will be converted into shares in 2020.

Development in activities and financial matters

The gross loss for the year totals DKK - 1.612.993 against DKK 1.620.802 last year. Income or loss from ordinary activities after tax totals DKK -25.601.178 against DKK -9.224.115 last year. The companys results are in line with the budget and investmentplan.

Events occurring after the end of the financial year

After year end the League has been suspended due to Covid-19 virus. This off course affects the Companys's revenues for the financial year 2020.

We estimate that the net loss in revenue deducted reimbursement from Covid-19 relief packages will amount to around TEUR 100, which will be financed with subordinated loan from the parent company.

Shold the Covid-19 virus have an impact which goes beyond this season the parent company will finance this also, thus the parent company has issued Letter of Support until 30/6 2021.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-1.612.993	1.620.802
2 Staff costs	-18.758.882	-13.162.401
Depreciation, amortisation, and impairment	-1.265.840	-145.851
Operating profit	-21.637.715	-11.687.450
Other financial income	324	35
3 Other financial costs	-78.758	-103.414
Pre-tax net profit or loss	-21.716.149	-11.790.829
Tax on net profit or loss for the year	-3.885.029	2.566.714
Profit or loss from ordinary activities after tax	-25.601.178	-9.224.115
Net profit or loss for the year	-25.601.178	-9.224.115
Proposed appropriation of net profit:		
Allocated from retained earnings	-25.601.178	-9.224.115
Total allocations and transfers	-25.601.178	-9.224.115

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Non-current assets		
4		
Concessions, patents, licenses, trademarks, and similar rights acquired	4.164.144	650.624
Total intangible assets	4.164.144	650.624
5		
Other fixtures and fittings, tools and equipment	0	14.724
Total property, plant, and equipment	0	14.724
Total non-current assets	4.164.144	665.348
Current assets		
Trade receivables	472.710	536.090
Deferred tax assets	0	3.885.029
Other receivables	524.425	674.022
Prepayments and accrued income	442.953	53.470
Total receivables	1.440.088	5.148.611
Cash on hand and demand deposits	86.429	142.146
Total current assets	1.526.517	5.290.757
Total assets	5.690.661	5.956.105

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
6	Contributed capital	500.000	100.200
7	Share premium	15.821.162	10.416.614
8	Retained earnings	-35.657.399	-10.056.221
	Total equity	-19.336.237	460.593
 Liabilities other than provisions			
	Subordinate loan capital	18.207.050	3.717.250
	Total long term liabilities other than provisions	18.207.050	3.717.250
	Trade payables	3.461.455	330.691
	Payables to group enterprises	10.300	10.300
	Other payables	2.847.027	1.013.629
	Accruals and deferred income	501.066	423.642
	Total short term liabilities other than provisions	6.819.848	1.778.262
	Total liabilities other than provisions	25.026.898	5.495.512
	Total equity and liabilities	5.690.661	5.956.105

1 Uncertainties concerning the enterprise's ability to continue as a going concern

9 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2018	100.200	0	-832.106	-731.906
Cash capital increase	0	10.416.614	0	10.416.614
Retained earnings for the year	0	0	-9.224.115	-9.224.115
Equity 1 January 2019	100.200	10.416.614	-10.056.221	460.593
Cash capital increase	399.800	5.404.548	0	5.804.348
Retained earnings for the year	0	0	-25.601.178	-25.601.178
	500.000	15.821.162	-35.657.399	-19.336.237

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Uncertainties concerning the enterprise's ability to continue as a going concern		
For the financial year 2020, a result before tax is expected in line with 2019. The annual report has been presented under om the basis of going concern. The Company expect a loss of approximately 7,3 million Euros for the periode until end of the season 2020/21 before transfer activities. The parent company has submitted a statement of support up to June 30, 2021. If the parent company does add loans during the period and in time Fremad Amager Elite ApS cannot pay bills and salary and will go bankruptcy.		
During the period January 1 - April 29 2020, TEUR 1.225 has been added to the company as subordinated loan, just as a commitment has been made to add additional capital in step with there is a need for this. The parent company has submitted a statement of support up to Juni 30th 2021. The balance TEUR 2.444 as subordinated capital from the parent company, will be converted into shares in 2020.		
2. Staff costs		
Salaries and wages	17.511.059	12.272.311
Pension costs	996.224	629.899
Other costs for social security	251.599	260.191
	<u>18.758.882</u>	<u>13.162.401</u>
Average number of employees	<u>35</u>	<u>30</u>
3. Other financial costs		
Other financial costs	78.758	103.414
	<u>78.758</u>	<u>103.414</u>

Notes

All amounts in DKK.

4. Concessions, patents, licenses, trademarks, and similar rights acquired		
Cost 1 January 2019	861.113	72.000
Additions during the year	4.764.636	789.113
Cost 31 December 2019	5.625.749	861.113
Amortisation and writedown 1 January 2019	-210.489	-72.000
Amortisation and depreciation for the year	-1.251.116	-138.489
Amortisation and writedown 31 December 2019	-1.461.605	-210.489
Carrying amount, 31 December 2019	4.164.144	650.624
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2019	363.499	341.413
Additions during the year	0	22.086
Cost 31 December 2019	363.499	363.499
Amortisation and writedown 1 January 2019	-348.775	-341.413
Amortisation and depreciation for the year	-14.724	-7.362
Amortisation and writedown 31 December 2019	-363.499	-348.775
Carrying amount, 31 December 2019	0	14.724
6. Contributed capital		
Contributed capital 1 January 2019	100.200	100.200
Cash capital increase	399.800	0
	500.000	100.200
7. Share premium		
Share premium 1 January 2019	10.416.614	0
Share premium for the year	5.404.548	10.416.614
	15.821.162	10.416.614

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
8. Retained earnings		
Retained earnings 1 January 2019	-10.056.221	-832.106
Retained earnings for the year	<u>-25.601.178</u>	<u>-9.224.115</u>
	<u>-35.657.399</u>	<u>-10.056.221</u>
9. Contingencies		
Contingent liabilities		
		DKK in thousands
Total contingent liabilities		<u>3.356.000</u>

Accounting policies

The annual report for Fremad Amager Elite 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 accounting policies are unchanged from last year, and the annual report is presented in DKK.

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, writedowns 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 revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

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

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

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

Contract rights

Acquired contract rights is measured at cost less accumulated amortisation. Contract rights are amortised on a straight-line basis over the contractperiode.

Accounting policies

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits 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.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Accounting policies

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.