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Kystvejen 29
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CVR no. 20 22 26 70

AARHUS FREMAD FODBOLD APS
HANS EGEDES VEJ 21, 8200 AARHUS N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 June 2023**

Lars Henrik Kruse

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 26 37 62 89

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COMPANY DETAILS

Company	Aarhus Fremad Fodbold ApS Hans Egedes Vej 21 8200 Aarhus N CVR No.: 26 37 62 89 Established: 21 December 2001 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Mikkel Sønderup, chairman Jesper Blicher Dahl Lars Henrik Kruse Tommy Bechmann Nicolai Thornemann Naja Margrethe Kilden Dennis Guldborg Laursen
Executive Board	Lars Henrik Kruse
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Danske Bank Jægergårdsgade 101B 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Aarhus Fremad Fodbold ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 26 June 2023

Executive Board

Lars Henrik Kruse

Board of Directors

Mikkel Sønderup
Chairman

Jesper Blicher Dahl

Lars Henrik Kruse

Tommy Bechmann

Nicolai Thornemann

Naja Margrethe Kilden

Dennis Guldborg Laursen

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aarhus Fremad Fodbold ApS

Conclusion

We have performed an extended review of the Financial Statements of Aarhus Fremad Fodbold ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management Commentary 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 the Management Commentary.

Aarhus, 26 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

MANAGEMENT COMMENTARY

Principal activities

Aarhus Fremad Football main activity is to operate a football business for the division football club Aarhus Fremad. The business areas include operating a business club for the club's sponsors, network management and facilitation, as well as event management/execution. The football club is based at Riisvangen Stadium in Aarhus N.

Development in activities and financial and economic position

In 2022, COVID-19 finally loosened its grip, along with the limitations imposed by the pandemic. Matches could once again be played with an unlimited number of spectators. The development of the player squad and the ongoing work on the administration and sponsorship concepts at Aarhus Fremad Football Inc. continued in 2022.

On the sporting side, unfortunately, the club missed out on the promotion playoffs in the spring but ended up winning the relegation playoffs, finishing 7th overall in the 2021/22 season. In the fall, the team performed exceptionally well and ended the year in an impressive 1st place in a historically strong 2nd division. Moreover, the team reached the quarterfinals of the Sydbank Pokalen by defeating Brøndby IF 4-0 in front of more than 4,000 spectators at Riisvangen.

Financially, the company delivered the expected deficit, which is attributed to the investment in contracted football. The company is constantly working on creating a stronger economic foundation and better experiences for the sponsors. The Aarhus Fremad Breakfast Club network group continues to develop positively but needs to become an even stronger network in the coming years.

Significant events after the end of the financial year

After the end of the financial year, the principal shareholders of Aarhus Fremad Fodbold ApS have entered into an agreement with Decimal Sports, Inc. represented by Shola Akinlade for the transfer of 55% of the shares. The company has significantly strengthened its liquidity through the transfer and has also become part of an exciting football project in both Denmark and Nigeria. The management expects that the transfer will further elevate Aarhus Fremad Fodbold in the future.

Future expectations

The overall sporting objective remains for Aarhus Fremad to play in the 1st division. However, it is still about building on the talented player squad the club has, with the addition of some experienced players. The ambition is still to establish itself as a permanent part of the NordicBet Ligaen within 1-3 years. This requires an even stronger economic foundation, and by the end of the year, the club was in negotiations with an investor for the majority ownership of the club's shares. Additional investments in the sporting setup, with promotion in mind, will require more investors/major sponsors who are willing to contribute to an exciting football project in Aarhus.

The club's sporting sector must continue to operate while considering the club's values. It is an important part of the club's success to develop qualities in people. The development of individuals is not solely focused on developing football-related skills. Therefore, the club's success should primarily, but not exclusively, be measured by the sporting position in the league table.

We look forward with great anticipation to an exciting 2023.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		605.206	614.939
Staff costs.....	1	-2.571.180	-2.049.613
Depreciation, amortisation and impairment.....		-2.800	0
OPERATING LOSS		-1.968.774	-1.434.674
Other financial expenses.....	2	-136.018	-56.188
LOSS BEFORE TAX		-2.104.792	-1.490.862
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR		-2.104.792	-1.490.862
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-2.104.792	-1.490.862
TOTAL		-2.104.792	-1.490.862

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Leasehold improvements.....		165.200	0
Property, plant and equipment.....	3	165.200	0
NON-CURRENT ASSETS.....		165.200	0
Finished goods and goods for resale.....		93.838	21.425
Inventories.....		93.838	21.425
Trade receivables.....		332.150	73.400
Other receivables.....		15.000	191.928
Prepayments and accrued income.....		15.000	0
Receivables.....		362.150	265.328
Cash and cash equivalents.....		66.671	229.657
CURRENT ASSETS.....		522.659	516.410
ASSETS.....		687.859	516.410
EQUITY AND LIABILITIES			
Share capital.....		172.222	172.222
Retained profit.....		-5.056.479	-2.951.688
EQUITY.....		-4.884.257	-2.779.466
Other liabilities.....		71.088	71.088
Non-current liabilities.....	4	71.088	71.088
Trade payables.....		744.167	165.351
Payables to group enterprises.....		4.173.612	1.829.735
Payables to owners and management.....		106.116	102.034
Other liabilities.....		411.919	973.008
Accruals and deferred income.....		65.214	154.660
Current liabilities.....		5.501.028	3.224.788
LIABILITIES.....		5.572.116	3.295.876
EQUITY AND LIABILITIES.....		687.859	516.410
Contingencies etc.	5		
Prerequisite for continued operation	6		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2022.....	172.222	-2.951.687	-2.779.465
Proposed profit allocation.....		-2.104.792	-2.104.792
Equity at 31 December 2022.....	172.222	-5.056.479	-4.884.257

NOTES

	2022 DKK	2021 DKK	Note	
Staff costs			1	
Average number of employees	10	8		
Wages and salaries.....	2.097.371	1.695.833		
Pensions.....	163.033	103.853		
Social security costs.....	61.268	65.663		
Other staff costs.....	249.508	184.264		
	2.571.180	2.049.613		
Other financial expenses			2	
Group enterprises.....	118.877	50.922		
Other interest expenses.....	17.141	5.266		
	136.018	56.188		
Property, plant and equipment			3	
		Leasehold improvements		
Additions.....		168.000		
Cost at 31 December 2022.....		168.000		
Depreciation for the year.....		2.800		
Depreciation and impairment losses at 31 December 2022.....		2.800		
Carrying amount at 31 December 2022.....		165.200		
Long-term liabilities			4	
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Other liabilities.....	71.088	0	71.088	71.088
	71.088	0	71.088	71.088
Contingencies etc.				5
The company has a tax loss to be carried forward which, when fully utilized, amounts to a value of tDKK 10.033. The value of the tax loss has not been included in the balance sheet, due to uncertainty about the utilization of the loss.				
Joint liabilities				
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.				
Tax payable on the Group's joint taxable income is stated in the annual report of Det Skal Nok Gå ApS, which serves as management company for the joint taxation.				

NOTES**Note****Prerequisite for continued operation****6**

One of the company's largest shareholders has signed a letter of support to the company, which ensures the ongoing business with the needed liquidity and capital. The prerequisites for continued operation are therefore considered to be present.

ACCOUNTING POLICIES

The Annual Report of Aarhus Fremad Fodbold ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

The net revenue includes the year's admission, sponsorship and TV income as well as other income. Sponsorships are accrued so that they cover the period up to the end of the financial year. Net revenue is recognized excl. VAT and taxes and with deduction of discounts in connection with the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of tangible fixed assets.

Direct costs

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external costs include costs for sales, advertising, administration, premises etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial expenses

Financial costs include interest costs. Financial costs are recognized with the amounts relating to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

INCOME STATEMENT

Tangible fixed assets

Furnishing of rented premises are measured at cost less accumulated depreciation and write-down. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Leasehold improvements.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount tangible assets , which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or asset group and expected net cash flows from the sale of the asset or asset group after the end of the useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is jointly taxed with group-affiliated Danish companies. The current corporation tax is distributed between the jointly taxed companies in relation to their taxable income and with full distribution with refunds regarding tax losses. The jointly taxed companies are included in the advance tax scheme. Joint taxation contribution due and receivable is recognized in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.