

Tonsser ApS

Godthåbsvej 34 B, 2.
2000 Frederiksberg

CVR no. 35 47 20 88

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

13 May 2020



chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Tonsser ApS for the financial year 1 January – 31 December 2019.

The annual report has been prepared 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a 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 13 May 2020

Executive Board:



Peter Holm Nielsen
CEO

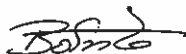


Simon Hjære Hansen

Board of Directors:



Kasper Hulthin Rasmussen
Chairman



Frank Alfred Böhnke



Thomas Cuvelier



Niels Vejrup Carlsen



Simon Hjære Hansen



Peter Holm Nielsen



Independent auditor's report

To the shareholders of Tonsser ApS

Opinion

We have audited the financial statements of Tonsser ApS for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared 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 2019 and of the results of the Company's operations 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 (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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Aalborg, 13 May 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Tonsser ApS
Annual report 2019
CVR no. 35 47 20 88

Management's review

Company details

Tonsser ApS
Godthåbsvej 34 B, 2.
2000 Frederiksberg

CVR no.: 35 47 20 88
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Kasper Hulthin Rasmussen, Chairman
Frank Alfred Böhnke
Thomas Cuvelier
Niels Vejrup Carlsen
Simon Hjære Hansen
Peter Holm Nielsen

Executive Board

Peter Holm Nielsen, CEO
Simon Hjære Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
DK-9000 Aalborg

Management's review

Operating review

Principal activities

The Company's principal activities are to develop an IT platform for football players at all ages.

The Company has a subsidiary in Germany and a branch in France.

Development in activities and financial position

The Company realised a loss for the year of DKK 14.4 million compared to a loss for 2018 of DKK 14.4 million.

After the capital increase in December 2018, representing a new benchmark investment in the sportstech sector, 2019 was spend on successfully making the first big results on revenue, growing the app across Europe including expanding to the UK and hitting 1 million users and building innovative product solutions to be launching in 2020. It was also a year where the organisation grew and matured, exemplified by senior additions to the management and product team.

Although C19 disrupted the spring football season just as it was about to begin, which comes with serious challenges and impact on the world of football, Tonsser had already begun adapting to a new paradigm in football, which is as much won outside the pitch, as on it, by creating a more balanced ecosystem to empower players, physically and digitally, male and female. New markets and exciting product and partnership news are coming soon.

We consider the mission to empower the next generation of footballers to unlock their potential, more important and relevant than ever given the acceleration of football transformation from C19, and want to take key leadership and responsibility in empowering and motivating young players in innovative and purposeful ways, now and in the future.

Cash resources in place are sufficient to fund operations in 2020 including potential impact from C19.

Events after the balance sheet date

After the end of the financial year, no events of significance to the financial statements have occurred.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross loss		-4,599,002	-3,567,127
Staff costs	2	-5,923,516	-7,284,769
Depreciation, amortisation and impairment losses	3	<u>-5,707,107</u>	<u>-3,991,270</u>
Operating profit/loss		-16,229,625	-14,843,166
Financial income		6,039	8,673
Financial expenses	4	<u>-561,214</u>	<u>-1,329,247</u>
Profit/loss before tax		-16,784,800	-16,163,740
Tax on profit/loss for the year		<u>2,357,384</u>	<u>1,809,335</u>
Profit/loss for the year		<u>-14,427,416</u>	<u>-14,354,405</u>
Proposed distribution of loss			
Retained earnings		<u>-14,427,416</u>	<u>-14,354,405</u>
		<u>-14,427,416</u>	<u>-14,354,405</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		<u>20,647,203</u>	<u>15,550,925</u>
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>204,388</u>	<u>100,709</u>
Investments			
Equity investments in group entities		0	0
Deposits		<u>213,708</u>	<u>185,495</u>
		<u>213,708</u>	<u>185,495</u>
Total fixed assets		<u>21,065,299</u>	<u>15,837,129</u>
Current assets			
Receivables			
Trade receivables		1,259,044	14,924
Other receivables		457,160	467,331
Corporation tax		2,357,384	1,809,335
Prepayments		<u>257,020</u>	<u>0</u>
		<u>4,330,608</u>	<u>2,291,590</u>
Cash at bank and in hand		<u>12,312,319</u>	<u>33,463,826</u>
Total current assets		<u>16,642,927</u>	<u>35,755,416</u>
TOTAL ASSETS		<u><u>37,708,226</u></u>	<u><u>51,592,545</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		342,209	342,209
Reserve for development costs		16,104,816	11,844,867
Retained earnings		<u>13,299,802</u>	<u>31,987,167</u>
Total equity		<u>29,746,827</u>	<u>44,174,243</u>
Liabilities			
Non-current liabilities			
Other long-term debt		<u>5,696,761</u>	<u>5,530,317</u>
Current liabilities			
Trade payables		500,176	248,421
Other payables		<u>1,764,462</u>	<u>1,639,564</u>
		<u>2,264,638</u>	<u>1,887,985</u>
Total liabilities		<u>7,961,399</u>	<u>7,418,302</u>
TOTAL EQUITY AND LIABILITIES		<u>37,708,226</u>	<u>51,592,545</u>
Contractual obligations, contingencies, etc.	7		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	342,209	11,844,867	31,987,167	44,174,243
Transfers, reserves	0	4,259,949	-4,259,949	0
Transferred over the distribution of loss	0	0	-14,427,416	-14,427,416
Equity at 31 December 2019	342,209	16,104,816	13,299,802	29,746,827

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Tonsser ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery to the buyer has taken place.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, stationary and office supplies, marketing costs, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from sale of intangible assets as well as property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages and salaries directly and indirectly attributable to development activities.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equity investments in group entities

Equity investments in group entities are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash at bank and in hand

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

DKK	2019	2018
2 Staff costs		
Wages and salaries	5,095,291	6,460,070
Other social security costs	164,108	185,100
Other staff costs	664,117	639,599
	<u>5,923,516</u>	<u>7,284,769</u>
Capitalized wages and salaries	8,296,462	6,329,510
	<u>8,296,462</u>	<u>6,329,510</u>
Average number of full-time employees	<u>29</u>	<u>25</u>
3 Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	5,619,103	3,915,953
Depreciation of property, plant and equipment	88,004	75,317
	<u>5,707,107</u>	<u>3,991,270</u>
4 Financial expenses		
Impairment losses on financial assets	246,800	922,866
Other financial expenses	294,755	386,970
Exchange losses	19,659	19,411
	<u>561,214</u>	<u>1,329,247</u>
5 Intangible assets		
Capitalised development costs comprise development of an IT platform.		
DKK		Completed development projects
Cost at 1 January 2019		23,691,891
Additions for the year		<u>10,715,381</u>
Cost at 31 December 2019		<u>34,407,272</u>
Amortisation and impairment losses at 1 January 2019		-8,140,966
Amortisation for the year		<u>-5,619,103</u>
Amortisation and impairment losses at 31 December 2019		<u>-13,760,069</u>
Carrying amount at 31 December 2019		<u>20,647,203</u>

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2019	247,234
Additions for the year	191,683
Cost at 31 December 2019	438,917
Depreciation and impairment losses at 1 January 2019	-146,525
Depreciation for the year	-88,004
Depreciation and impairment losses at 31 December 2019	-234,529
Carrying amount at 31 December 2019	204,388

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has rental commitments for a total of DKK 300 thousand on the current property held under lease.