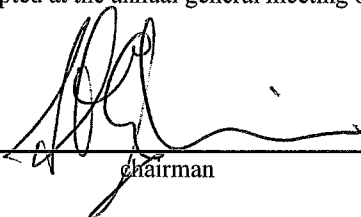


AMLETO APS  
c/o Mazars Erhvervsservice ApS,  
Midtermolen 1, 2. tv.,  
2100 København Ø

Annual report for 2019

Adopted at the annual general meeting on 25 June 2020



chairman

CVR-nr. 37 59 68 09

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The sole director has today discussed and approved the annual report of Amleto ApS for the financial year 1 January - 31 December 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

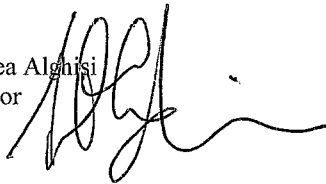
In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

The sole director recommends that the annual report should be approved by the company in general meeting.

Cesena, 22 June 2020

**Sole Director**

Andrea Alghisi  
director

A handwritten signature in black ink, appearing to read 'AA', with a long horizontal flourish extending to the right.

# INDEPENDENT AUDITOR'S REPORT

*To the shareholders of Amleto ApS*

## **Opinion**

We have audited the financial statements of Amleto ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## 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.

## INDEPENDENT AUDITOR'S REPORT

### 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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Hellerup, 22 June 2020

### **PRICEWATERHOUSECOOPERS**

Statsautoriseret Revisionsaktieselskab

CVR no. 33 77 12 31



Leif Ulbæk Jensen

State Authorized Public Accountant

MNE no. mne23327

## COMPANY DETAILS

The company

Amleto ApS  
c/o Mazars Erhvervsservice ApS  
Midtermolen 1, 2. tv.  
2100 København Ø

CVR no.: 37 59 68 09

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

Sole Director

Andrea Alghisi, director

Auditors

PRICEWATERHOUSECOOPERS  
Statsautoriseret Revisionsaktieselskab  
Strandvejen 44  
2900 Hellerup

## MANAGEMENT'S REVIEW

### **Business review**

The company's purpose is, directly or through equity participation in other companies to operate in the development, commercialization and delivery of software and digital solutions as well as other activities deemed by the Executive Board's as related activities.

### **Recognition and measurement uncertainties**

The company's main activity is to own shares. It is an important prerequisite for valuation of the investments that the development in the subsidiary's results follows the expected development, including an expected positive market development.

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 7.546.214, and the balance sheet at 31 December 2019 shows equity of DKK 164.408.910.

### **Significant events occurring after the end of the financial year**

Apart from the effect of COVID-19, no significant events have occurred after the balance sheet date which could significantly affect the company's financial position. We refer to note 1 of the annual report for discussion of COVID-19.



## ACCOUNTING POLICIES

The annual report of Amleto ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Other external expenses**

Other external expenses include expenses incurred in the year for company management and administration, including expenses related to administration, management, premises etc.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

#### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

## ACCOUNTING POLICIES

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### **Balance sheet**

#### **Investments in joint ventures**

Investment in joint ventures are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### **Impairment of fixed assets**

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

#### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

#### **Equity**

##### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

##### **Income tax and deferred tax**

As management company, Amleto ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

## ACCOUNTING POLICIES

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Liabilities**

Liabilities are measured at net realisable value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
Other external expenses		-230.201	-440.385
<b>Gross profit</b>		<b>-230.201</b>	<b>-440.385</b>
Income from investments in joint ventures		7.500.953	0
Financial income		379.905	379.649
Financial costs		-89.813	-100.392
<b>Profit/loss before tax</b>		<b>7.560.844</b>	<b>-161.128</b>
Tax on profit/loss for the year	1	-14.630	24.626
<b>Profit/loss for the year</b>		<b>7.546.214</b>	<b>-136.502</b>
 <b>Distribution of profit</b>			
Extraordinary dividend for the year		7.500.953	0
Retained earnings		45.261	-136.502
		<b>7.546.214</b>	<b>-136.502</b>

## BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
<b>ASSETS</b>			
Investments in joint ventures		134.064.414	134.064.414
Other receivables		23.743.743	23.364.093
<b>Fixed asset investments</b>		<b>157.808.157</b>	<b>157.428.507</b>
<b>Total non-current assets</b>		<b>157.808.157</b>	<b>157.428.507</b>
Receivables from subsidiaries		36.784	147.142
<b>Receivables</b>		<b>36.784</b>	<b>147.142</b>
<b>Cash at bank and in hand</b>		<b>6.711.990</b>	<b>7.034.862</b>
<b>Total current assets</b>		<b>6.748.774</b>	<b>7.182.004</b>
<b>Total assets</b>		<b>164.556.931</b>	<b>164.610.511</b>

## BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		60.000	60.000
Share premium account		0	161.177.232
Other reserves		164.440.152	3.262.920
Retained earnings		-91.242	-136.502
<b>Equity</b>		<b>164.408.910</b>	<b>164.363.650</b>
Trade payables		133.391	132.257
Corporation tax		14.630	114.604
<b>Total current liabilities</b>		<b>148.021</b>	<b>246.861</b>
<b>Total liabilities</b>		<b>148.021</b>	<b>246.861</b>
<b>Total equity and liabilities</b>		<b>164.556.931</b>	<b>164.610.511</b>
<b>SUBSEQUENT EVENT</b>			
Contingent liabilities	2		
Related parties and ownership structure	3		
	4		

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Other reserves	Retained earnings	Proposed extraordinar y dividend	Total
Equity at 1 January 2019	60.000	161.177.232	3.262.920	-136.503	0	164.363.649
Extraordinary dividend paid	0	0	0	0	-7.500.953	-7.500.953
Transfers, reserves	0	161.177.232	161.177.232	0	0	0
Net profit/loss for the year	0	0	0	45.261	7.500.953	7.546.214
Equity at 31 December 2019	<u>60.000</u>	<u>0</u>	<u>164.440.152</u>	<u>-91.242</u>	<u>0</u>	<u>164.408.910</u>

## NOTES

	<u>2019</u>	<u>2018</u>
	DKK	DKK
<b>1 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	14.608	0
Deferred tax for the year	0	7.912
Joint taxation contribution	22	-32.538
	<u>14.630</u>	<u>-24.626</u>

### 2 SUBSEQUENT EVENT

At the time of writing the Corona virus, COVID-19, is spreading throughout most of the world affecting all businesses. Amleto ApS' exposure to these risks is assessed to be mainly indirect, due to the fact that the company's subsidiary is influenced by COVID-19. As the time frame for closures and general limitations is unknown, estimates of the impact of COVID-19 is associated with significant uncertainty.

### 3 CONTINGENT LIABILITIES

The company is jointly taxed with Exerp ApS. Amleto ApS is the joint taxation administration company. The Danish companies in the Group will be jointly and individually liable for Danish withholding taxes covering dividend tax, royalty tax and interest tax. Any subsequent adjustment to income taxes and withholding taxes may lead to a larger liability.

### 4 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Consolidated financial statements

The company is reflected in the group report as the parent company

The group report of can be obtained at the following address:

Technogym S.p.A.  
Via Calcinaro 2861 Cesena  
(FO) CAP 47521 Italy