

## **Selskabet af 16. september 2016 IVS**

Otto Busses Vej 5 A, 2.  
2450 Copenhagen  
Business Registration No  
38027190

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 28.06.2019

### **Chairman of the General Meeting**

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Name: Nikolaj Nyholm

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## Entity details

### Entity

Selskabet af 16. september 2016 IVS  
Otto Busses Vej 5 A, 2.  
2450 Copenhagen

Central Business Registration No (CVR): 38027190  
Registered in: Copenhagen  
Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Nikolaj Nyholm

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Selskabet af 16. september 2016 IVS for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2019

### Executive Board

Nikolaj Nyholm

# Independent auditor's report

## To the shareholders of Selskabet af 16. september 2016 IVS

### Opinion

We have audited the financial statements of Selskabet af 16. september 2016 IVS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

### Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which states, that the Company as of 31 December 2018 has negative equity by DKK 3.9 million. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. As stated in Note 1, the Company expects to be solvent liquidated in 2019. Our opinion is not modified in respect of this matter.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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

## Independent auditor's report

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

## Independent auditor's report

In connection with our audit 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 in the audit 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 of the management commentary.

Copenhagen, 28.06.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Kim Takata Mücke  
State Authorised Public Accountant  
Identification No (MNE) mne10944

## Management commentary

### Primary activities

The Company's primary activity was to run the Esport Counter-Strike team Heroic and participate in tournaments.

### Development in activities and finances

The financial result of the Company's fiscal year is a profit of DKK 542 thousand. The result is in line with expectations and considered satisfactory.

As of 31 December 2018 the Company has negative equity by DKK 3.9 million. As stated in Note 1, the Company plans to be solvent liquidated in 2019.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
<b>Gross profit</b>		<b>4.491.950</b>	<b>1.174.634</b>
Staff costs	2	(3.435.575)	(5.470.563)
Depreciation, amortisation and impairment losses		<u>(417.528)</u>	<u>(170.758)</u>
<b>Operating profit/loss</b>		<b>638.847</b>	<b>(4.466.687)</b>
Other financial income		44.594	6.241
Other financial expenses		<u>(12.265)</u>	<u>(22.305)</u>
<b>Profit/loss before tax</b>		<b>671.176</b>	<b>(4.482.751)</b>
Tax on profit/loss for the year		<u>(129.459)</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>541.717</u></b>	<b><u>(4.482.751)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>541.717</u>	<u>(4.482.751)</u>
		<b><u>541.717</u></b>	<b><u>(4.482.751)</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Acquired intangible assets		0	388.000
Acquired trademarks		0	29.528
<b>Intangible assets</b>		<b>0</b>	<b>417.528</b>
<b>Fixed assets</b>		<b>0</b>	<b>417.528</b>
Trade receivables		321.994	222.628
Other receivables		309.887	21.004
<b>Receivables</b>		<b>631.881</b>	<b>243.632</b>
<b>Cash</b>		<b>2.930.202</b>	<b>227.021</b>
<b>Current assets</b>		<b>3.562.083</b>	<b>470.653</b>
<b>Assets</b>		<b>3.562.083</b>	<b>888.181</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		5	5
Retained earnings		<u>(3.941.034)</u>	<u>(4.482.751)</u>
<b>Equity</b>		<b><u>(3.941.029)</u></b>	<b><u>(4.482.746)</u></b>
Payables to group enterprises		<u>0</u>	<u>4.862.382</u>
<b>Non-current liabilities other than provisions</b>		<b><u>0</u></b>	<b><u>4.862.382</u></b>
Trade payables		400.521	63.647
Payables to group enterprises		6.972.616	0
Joint taxation contribution payable		129.459	0
Other payables		<u>516</u>	<u>444.898</u>
<b>Current liabilities other than provisions</b>		<b><u>7.503.112</u></b>	<b><u>508.545</u></b>
<b>Liabilities other than provisions</b>		<b><u>7.503.112</u></b>	<b><u>5.370.927</u></b>
<b>Equity and liabilities</b>		<b><u>3.562.083</u></b>	<b><u>888.181</u></b>
Going concern	1		
Contingent assets	3		
Contingent liabilities	4		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	5	(4.482.751)	(4.482.746)
Profit/loss for the year	0	541.717	541.717
<b>Equity end of year</b>	<b>5</b>	<b>(3.941.034)</b>	<b>(3.941.029)</b>

## Notes

### 1. Going concern

As of 31 December 2018 the Company has negative equity by DKK 3.9 million. The Company expects to be solvent liquidated in 2019.

	<b>2018</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	3.381.042	5.405.089
Other social security costs	36.338	34.664
Other staff costs	18.195	30.810
	<b>3.435.575</b>	<b>5.470.563</b>
Average number of employees	<b>6</b>	<b>7</b>

### 3. Contingent assets

The Company has a non-recognised tax receivable of DKK 857 thousand. The administration company in the Danish joint taxation RFRSH ApS does not expect positive taxable income the coming years that could support the recognition of these losses as tax receivables or deferred taxes. On this basis, the Company has determined that it cannot recognise any tax assets as of 31 December 2018.

### 4. Contingent liabilities

The Company participates in a Danish joint taxation arrangement where RFRSH ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## Accounting policies

### Reporting class

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprise revenue, other operating income, cost of sales and other external expenses.

#### Revenue

Revenue from prize money is recognised in the income statement when the tournament is completed.

Revenue is recognised net of VAT and is measured at fair value of the consideration.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities.

#### Cost of sales

Cost of sales comprises consumed direct costs to tournaments to achieve the revenue for the year.

#### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including corporate expenses, marketing costs etc.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets.

#### Other financial income

Other financial income comprise interest income and exchange gains on transactions in foreign currencies.

#### Other financial expenses

Other financial expenses comprise interest expenses and exchange losses on transactions in foreign currencies.

## Accounting policies

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired rights to contract with players.

Intellectual property rights acquired are measured at cost less accumulated amortisation, and are amortised over 2 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost.

#### Cash

Cash comprises bank deposits.

#### Other financial liabilities

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

#### Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.