

Piste Group ApS
Nørre Voldgade 90, 1.
1358 København K
Business Registration No
38181645

**Annual report 01.07.2018
- 30.06.2019**

The Annual General Meeting adopted the annual report on 07.11.2019

Chairman of the General Meeting

Name: Lars Schmidt

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Entity details

Entity

Piste Group ApS
Nørre Voldgade 90, 1.
1358 København K

Central Business Registration No (CVR): 38181645

Registered in: København

Financial year: 01.07.2018 - 30.06.2019

Board of Directors

Casper Lykke Pedersen, chairman
Mikhael Peter Melander Vising-Swartz
Mads Lolk Nortvig
Nikolaj Vejlsgaard

Executive Board

Peter Fabrin

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 Piste Group ApS for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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, 07.11.2019

Executive Board

Peter Fabrin

Board of Directors

Casper Lykke Pedersen

chairman

Mikhael Peter Melander Vising-
Swartz

Mads Lolk Nortvig

Nikolaj Vejlsgaard

Independent auditor's report

To the shareholders of Piste Group ApS

Opinion

We have audited the financial statements of Piste Group ApS for the financial year 01.07.2018 - 30.06.2019, 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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

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 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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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, 07.11.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Tim Kjær-Hansen
State Authorised Public Accountant
Identification No (MNE) mne23295

Jacob Tækker Nørgaard
State Authorised Public Accountant
Identification No (MNE) mne40049

Management commentary

Primary activities

Piste Group ApS was established on 11 November 2016 and acquired on December 2016 the companies behind the trademarks Nortlander, Danski and Slopetrotter. The activities of the Piste Group consist in the sale of ski holiday travel products in Denmark, Sweden and Norway through the Nortlander, Danski, Slopetrotter, SummitWeek and Rollin' Snow trademarks and its own hotel and bar activities at the destinations. The Company runs its business through a number of subsidiaries and a branch in France.

Profit for the year and expectations for the future

Profit for the year after tax totals a loss of DKK'000 3.392 and are as expected.

The financial period covers the periode July 1 2018 – 30 June 2019 whereas the comparative figures covers the period May 1 – 30 June 2018 hence the figures are not comparable.

Capital resources and funding.

The Piste Group has a solid relationship with the main bank. During financial year 2018/19 the main bank prolonged the long- and short-term financing of the Group on an uncommitted basis with next renegotiation in August 2020.

Based on the budget for the financial year 2019/2020 Management believes that the Group's capital resources, and funding are to be considered acceptable for the Group's needs in 2019/20.

Uncertainty relating to recognition and measurement

Investments in group enterprises are measured at cost less impairment. Management has assessed indication of impairment based on expected earnings. The expected earnings are based on estimates as well as expected future events and is thus subject to uncertainty.

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 2018/19

| | <u>Notes</u> | <u>2018/19 DKK'000</u> | <u>2018 DKK'000</u> |
|---------------------------------------------|--------------|----------------------------|-------------------------|
| Gross profit/loss | | (472) | 858 |
| Other financial income | 1 | 2.698 | 79 |
| Other financial expenses | 2 | <u>(6.888)</u> | <u>(1.158)</u> |
| Profit/loss before tax | | (4.662) | (221) |
| Tax on profit/loss for the year | 3 | <u>1.270</u> | <u>249</u> |
| Profit/loss for the year | | <u>(3.392)</u> | <u>28</u> |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | <u>(3.392)</u> | <u>28</u> |
| | | <u>(3.392)</u> | <u>28</u> |

Balance sheet at 30.06.2019

| | <u>Notes</u> | <u>2018/19</u> <u>DKK'000</u> | <u>2018</u> <u>DKK'000</u> |
|----------------------------------------|--------------|----------------------------------|-------------------------------|
| Investments in group enterprises | | 334.484 | 334.484 |
| Deferred tax | | 1.616 | 0 |
| Fixed asset investments | 4 | <u>336.100</u> | <u>334.484</u> |
| Fixed assets | | <u>336.100</u> | <u>334.484</u> |
| Receivables from group enterprises | | 15.011 | 46.707 |
| Other receivables | | 0 | 48 |
| Joint taxation contribution receivable | | 1.041 | 1.831 |
| Receivables | | <u>16.052</u> | <u>48.586</u> |
| Cash | | <u>48</u> | <u>1</u> |
| Current assets | | <u>16.100</u> | <u>48.587</u> |
| Assets | | <u>352.200</u> | <u>383.071</u> |

Balance sheet at 30.06.2019

| | <u>Notes</u> | <u>2018/19</u> <u>DKK'000</u> | <u>2018</u> <u>DKK'000</u> |
|------------------------------------------------------|--------------|----------------------------------|-------------------------------|
| Contributed capital | | 300 | 300 |
| Share premium | | 198.800 | 198.800 |
| Retained earnings | | <u>(8.975)</u> | <u>(5.583)</u> |
| Equity | | <u>190.125</u> | <u>193.517</u> |
| Subordinate loan capital | 5 | 52.500 | 42.000 |
| Bank loans | 6 | <u>97.000</u> | <u>0</u> |
| Non-current liabilities other than provisions | | <u>149.500</u> | <u>42.000</u> |
| Bank loans | | 0 | 121.000 |
| Trade payables | | 68 | 0 |
| Payables to group enterprises | | 12.490 | 26.463 |
| Other payables | | <u>17</u> | <u>91</u> |
| Current liabilities other than provisions | | <u>12.575</u> | <u>147.554</u> |
| Liabilities other than provisions | | <u>162.075</u> | <u>189.554</u> |
| Equity and liabilities | | <u>352.200</u> | <u>383.071</u> |
| Contingent liabilities | 7 | | |
| Assets charged and collateral | 8 | | |
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Statement of changes in equity for 2018/19

| | Contributed capital DKK'000 | Share premium DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|--------------------------------|--------------------------------------------|----------------------------------|------------------------------------------|--------------------------|
| Equity beginning of year | 300 | 198.800 | (5.583) | 193.517 |
| Profit/loss for the year | 0 | 0 | (3.392) | (3.392) |
| Equity end of year | 300 | 198.800 | (8.975) | 190.125 |

Notes

| | 2018/19 | 2018 |
|-------------------------------------------|--------------------|-----------------|
| | DKK'000 | DKK'000 |
| 1. Other financial income | | |
| Other financial income | 2.698 | 79 |
| | 2.698 | 79 |
| | | |
| | 2018/19 | 2018 |
| | DKK'000 | DKK'000 |
| 2. Other financial expenses | | |
| Other financial expenses | 6.888 | 1.158 |
| | 6.888 | 1.158 |
| | | |
| | 2018/19 | 2018 |
| | DKK'000 | DKK'000 |
| 3. Tax on profit/loss for the year | | |
| Current tax | 0 | (249) |
| Change in deferred tax | (1.616) | 0 |
| Adjustment concerning previous years | 346 | 0 |
| | (1.270) | (249) |
| | | |
| | Invest- | Deferred |
| | ments in | tax |
| | group | DKK'000 |
| | enterprises | DKK'000 |
| | DKK'000 | DKK'000 |
| 4. Fixed asset investments | | |
| Cost beginning of year | 337.258 | 0 |
| Additions | 0 | 1.616 |
| Disposals | (50) | 0 |
| Cost end of year | 337.208 | 1.616 |
| | | |
| Impairment losses beginning of year | (2.774) | 0 |
| Reversal regarding disposals | 50 | 0 |
| Impairment losses end of year | (2.724) | 0 |
| | | |
| Carrying amount end of year | 334.484 | 1.616 |

Notes

5. Subordinate loan capital

The subordinate loan capital is irrevocably and unconditionally subordinate to all other debts of the debtor.

The loan cannot be repaid, neither wholly nor partly. The continuously accrued interest can be paid in accordance with the quarterly accrual of interest.

6. Long-term bank loans

The Piste Group has a solid relationship with the bank. During financial year 2018/19 the main bank prolonged the long- and short-term financing of the Group on an uncommitted basis with next renegotiation in August 2020.

Based on the budget for the financial year 2019/20 Management believes that the Group's capital resources, and funding are to be considered acceptable for the Group's needs in 2019/20.

The long-term bank loan will be repaid in 2022.

7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Piste Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity 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.

The subsidiaries "NSA af 17. October 2017 under frivillig likvidation" and "DSA af 17. October 2017 under frivillig likvidation" of Piste Group ApS are party to various claims/cases with the Danish tax authorities. The cases in which the Danish tax authorities have issued a final assessment at the balance sheet date such claims have been recognised in the balance sheet as a liability, while the outcome of the ongoing transfer pricing audit for the years 2014/15 - 2016/17 among others are uncertain. Piste Group has issued an indemnity declaration to cover tax claims should they arise via tax free contributions.

8. Assets charged and collateral Collateral provided for group enterprises

The Entity has pledged its shares in subsidiaries Skinetworks ApS to an amount of 334.484 TDKK as security for the same subsidiaries debt towards Piste Groups ApS main bank.

The Entity has issued a suretyship towards S.R. Holding A/S under voluntary liquidation, France Invest ApS and Skinetworks ApS main bank for the named subsidiaries debt toward the main bank.

Notes

9. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Piste Holding ApS, Nørrevoldgade 90, 1 - 1358 Copenhagen K.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Consolidated financial statements

Section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

Due to reorganisation of the financial period for the financial year 2018, the comparison period consist of 2 months. Due to this change, the comparison numbers are non-comparative

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Accounting policies

Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other operating income

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

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.