BEIERHOLM
VI SKABER BALANCE

StandbyCo II ApS

Uggerhalnevej 80, 9310 Vodskov
CVR no. 39 69 07 99

Annual report
for the financial year 02.07.18 - 30.06.19

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.10.19

Niels Thomas Heering
Dirigent

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Company information etc.

Company's

StandbyCo II ApS
Uggerhalnevej 80
9310 Vodskov
Registered office: Aalborg
CVR no.: 39 69 07 99
Financial year: 02.07 - 30.06

Executive Board

Marianne Fog Jørgensen
Lars Andreas Helgstrand

Board of Directors

Kaspar Ronald Kristiansen
Niels Thomas Heering
Kasper Tams Kitaj

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 02.07.18 - 30.06.19 for StandbyCo II ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of company's assets, liabilities and financial position as at 30.06.19 and of the results of company's activities for the financial year 02.07.18 - 30.06.19.

The annual report is submitted for adoption by the general meeting.

Vodskov, October 29, 2019

Executive Board

Marianne Fog Jørgensen Lars Andreas Helgstrand

Board of Directors

Kaspar Ronald Kristiansen
Chairman

Niels Thomas Heering

Kasper Tams Kitaj

To the capital owner of StandbyCo II ApS

Opinion

We have audited the financial statements of StandbyCo II ApS for the financial year 02.07.18 - 30.06.19, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 30.06.19 and of the results of the company's operations for the financial year 02.07.18 - 30.06.19 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing 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 responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 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 International Standards on Auditing 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 International Standards on Auditing 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.

- 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.

Soeborg, Copenhagen, October 29, 2019

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Agner Hansen
State Authorized Public Accountant
MNE-no. mne28682

Income statement

Note		02.07.18 30.06.19 DKK
	Gross loss	**-2,706,088**
2	Staff costs	-1,954,784
	Loss before depreciation, amortisation, write-downs and impairment losses	**-4,660,872**
3	Income from equity investments in group enterprises	18,010,382
	Financial expenses	-20,732,637
	Loss before tax	**-7,383,127**
4	Tax on profit or loss for the year	3,108,228
	Loss for the year	**-4,274,899**

Proposed appropriation account

Reserve for net revaluation according to the equity method	18,010,382
Retained earnings	-22,285,281
Total	**-4,274,899**

Balance sheet

ASSETS

Note		30.06.19 DKK
5	Equity investments in group enterprises	729,810,382
	Total investments	**729,810,382**
	Total non-current assets	**729,810,382**
	Receivables from group enterprises	1,321,641
	Income tax receivable	3,108,228
	Total receivables	**4,429,869**
	Cash	**65,204**
	Total current assets	**4,495,073**
	Total assets	**734,305,455**

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.19 DKK
	Share capital	1,000,000
	Reserve for net revaluation according to the equity method	18,010,382
	Retained earnings	407,014,719
	Total equity	**426,025,101**
6	Other payables	307,525,597
	Total long-term payables	**307,525,597**
	Trade payables	154,186
	Payables to group enterprises	110,690
	Other payables	489,881
	Total short-term payables	**754,757**
	Total payables	**308,280,354**
	Total equity and liabilities	**734,305,455**

7 Contingent liabilities
8 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 02.07.18 - 30.06.19					
Capital contributed on establishment	50,000	0	0	0	50,000
Capital increase	950,000	429,300,000	0	0	430,250,000
Transfers to/from other reserves	0	-429,300,000	0	429,300,000	0
Net profit/loss for the year	0	0	18,010,382	-22,285,281	-4,274,899
Balance as at 30.06.19	1,000,000	0	18,010,382	407,014,719	426,025,101

1. Primary activities

The object of the company is to own shares, directly or indirectly, in companies that trade, provide service and operate in the industry and other business related hereto.

	02.07.18 30.06.19 DKK

2. Staff costs

Wages and salaries	1,945,292
Other social security costs	4,260
Other staff costs	5,232
Total	1,954,784
Average number of employees during the year	3

3. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	73,938,140
Amortisation of goodwill	-55,927,758
Total	18,010,382

4. Tax on profit or loss for the year

Tax on profit or loss for the year	-3,108,228
Total	-3,108,228

5. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Additions during the year	711,800,000
Cost as at 30.06.19	711,800,000
Amortisation of goodwill	-55,927,758
Net profit/loss from equity investments	73,938,140
Revaluations as at 30.06.19	18,010,382
Carrying amount as at 30.06.19	729,810,382
Goodwill on initial recognition of equity investments measured at equity value	583,461,998

Name and registered office:	Ownership interest
Subsidiaries:	
Ejendomsselskabet Helgstrand ApS, Danmark	100%
Helgstrand Dressage ApS, Danmark	100%
Helgstrand Denmark ApS, Danmark	100%

6. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 30.06.19	Total payables at 01.07.18
Other payables	307,525,597	307,525,597	307,525,597
Total	307,525,597	307,525,597	307,525,597

7. Contingent liabilities

Recourse guarantee commitments

The company has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to credit institutions. The guarantee is maximised at DKK 169,500k. The group enterprises' debt to the credit institutions concerned amounts to DKK 111,266k at the balance sheet date.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

8. Related parties

The company is included in the consolidated financial statements of the parent StandbyCo I ApS, Danmark.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

No comparative figures have been provided as this is company's first financial year.

In accordance with section 112 of the Danish Financial Statements Act, company's has not prepared consolidated financial statements. Company's is a subsidiary of StandbyCo I ApS, Danmark, CVR no. 39 69 07 48, which prepares consolidated financial statements.

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 depreciation, amortisation, impairment losses and write-downs, 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 company's, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from company's, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross loss

Gross loss comprises other operating income and other external expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

9. Accounting policies - continued -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Income from equity investments in group entreprises

For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

Company's is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

9. Accounting policies - continued -

BALANCE SHEET

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that these equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

The proportionate share of the equity value of subsidiaries is determined according to the accounting policies of the enterprise, which are stated in the other sections and also comprise the following:

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Assets

Property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

9. Accounting policies - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Depreciation and impairment losses
Buildings - 15-50 year
Other plant, fixtures and fittings, tools and equiment - 3-5 year

Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group

9. Accounting policies - continued -

of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management’s intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value

9. Accounting policies - continued -

through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.