

Carheal Holding ApS

Kastanievænget 6, 8990 Fårup

CVR no. 39 87-97 51

Annual report 2018/19

(As of the establishment of the Company 1 July 2018 - 30 June 2019)

Approved at the Company's annual general meeting on 27 December 2019

Chairman:

Karsten Engdahl

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Karsten Engdahl





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Carheal Holding ApS for the financial year as of the establishment of the Company 1 July 2018 - 30 June 2019.

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

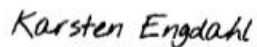
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2019 and of the results of the Company's operations for the financial year as of the establishment of the Company 1 July 2018 - 30 June 2019.

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.

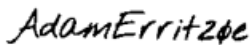
Fårup, 27 December 2019

Executive Board:

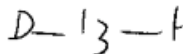


Karsten Engdahl

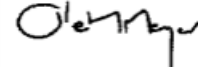
Board of Directors:



Adam Nicolai Erritzøe
Chairman



Daniel Thomas Zammit



Ole Michael Meyer



Jakob Fuhr Hansen

Independent auditor's report

To the shareholders of Carheal Holding ApS

Opinion

We have audited the financial statements of Carheal Holding ApS for the financial year as of the establishment of the Company 1 July 2018 - 30 June 2019, which comprise 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 financial position of the Company at 30 June 2019 and of the results of the Company's operations for the financial year as of the establishment of the company 1 July 2018 - 30 June 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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.

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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 27 December 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



THOMAS S. KALLEHAUGE
State Authorised Public Accountant
mne35422

Management's review

Company details

| | |
|----------------------------|---|
| Name | Carheal Holding ApS |
| Address, Postal code, City | Kastanievænget 6, 8990 Fårup |
| CVR no. | 39 87 97 51 |
| Established | 21 September 2018 |
| Registered office | Randers |
| Financial year | 1 July 2018 - 30 June 2019 |
| Board of Directors | Adam Nicolai Erritzøe, Chairman Daniel Thomas Zammit Ole Michael Meyer Jakob Fuhr Hansen |
| Executive Board | Karsten Engdahl |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark |

Management commentary

Business review

The company's activity consists in owning the shares of Carheal ApS.

Financial review

The income statement for 2018/19 shows a loss of DKK 13,798,245, and the balance sheet at 30 June 2019 shows equity of DKK 242,363.

Management considers the Company's financial performance in the year less satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 1 July 2018 - 30 June 2019**Income statement**

| Note | DKK | <u>2018/19</u> |
|------|---|---------------------------|
| | Gross loss | -56,249 |
| | Income from investments in group enterprises | -13,855,995 |
| 2 | Financial income | 143,534 |
| | Financial expenses | <u>-13,248</u> |
| | Profit/loss before tax | -13,781,958 |
| 3 | Tax for the year | <u>-16,287</u> |
| | Profit/loss for the year | <u><u>-13,798,245</u></u> |
| | Recommended appropriation of profit/loss | |
| | Retained earnings/accumulated loss | -13,798,245 |
| | | <u><u>-13,798,245</u></u> |

Financial statements for the period 1 July 2018 - 30 June 2019

Balance sheet

| Note | DKK | <u>2018/19</u> |
|------|--|-------------------------|
| | ASSETS | |
| | Fixed assets | |
| 4 | Investments | |
| | Investments in group enterprises | 0 |
| | | <u>0</u> |
| | Total fixed assets | <u>0</u> |
| | Non-fixed assets | |
| | Cash | 3,450,502 |
| | Total non-fixed assets | <u>3,450,502</u> |
| | TOTAL ASSETS | <u><u>3,450,502</u></u> |
| | EQUITY AND LIABILITIES | |
| | Equity | |
| 5 | Share capital | 101,811 |
| | Retained earnings | 140,552 |
| | Total equity | <u>242,363</u> |
| | Provisions | |
| 4 | Provision, investments in group enterprises | 3,171,853 |
| | Total provisions | <u>3,171,853</u> |
| | Liabilities other than provisions | |
| | Current liabilities other than provisions | |
| | Joint taxation contribution payable | 16,287 |
| | Other payables | 19,999 |
| | | <u>36,286</u> |
| | Total liabilities other than provisions | <u>36,286</u> |
| | TOTAL EQUITY AND LIABILITIES | <u><u>3,450,502</u></u> |

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

Financial statements for the period 1 July 2018 - 30 June 2019

Statement of changes in equity

| DKK | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|--|----------------------|--------------------------|----------------|
| Cash payments concerning formation of enterprise | 93,472 | 20,827,528 | 20,921,000 |
| Capital increase | 44,264 | 21,416,936 | 21,461,200 |
| Capital reduction | -35,925 | -6,964,075 | -7,000,000 |
| Expenses, capital increase | 0 | -1,461,200 | -1,461,200 |
| Transfer through appropriation of loss | 0 | -13,798,245 | -13,798,245 |
| Other value adjustments of equity | 0 | -19,880,392 | -19,880,392 |
| Equity at 30 June 2019 | <u>101,811</u> | <u>140,552</u> | <u>242,363</u> |

Financial statements for the period 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies

The annual report of Carheal Holding ApS for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Income statement

Gross loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Financial statements for the period 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies (continued)

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, 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 subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. 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 of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements for the period 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 July 2018 - 30 June 2019

Notes to the financial statements

| | | |
|----------|--|---|
| | DKK | <u>2018/19</u> |
| 2 | Financial income | |
| | Interest receivable, group entities | 143,534 |
| | | <u>143,534</u> |
| 3 | Tax for the year | |
| | Estimated tax charge for the year | 16,287 |
| | | <u>16,287</u> |
| 4 | Investments | |
| | DKK | <u>Investments in group enterprises</u> |
| | Cost at 1 July 2018 | 0 |
| | Additions on merger/corporate acquisition | 20,921,000 |
| | Additions | 7,000,000 |
| | Transferred to other value adjustments of equity | -19,880,392 |
| | Cost at 30 June 2019 | <u>8,040,608</u> |
| | Profit/loss for the year | -13,855,995 |
| | Transferred to provision, investments in group enterprises | 5,815,387 |
| | Value adjustments at 30 June 2019 | -8,040,608 |
| | Carrying amount at 30 June 2019 | <u>0</u> |

| Name | Domicile | Interest | Equity DKK | Profit/loss DKK |
|---------------------|----------------|----------|---------------|--------------------|
| Subsidiaries | | | | |
| Carheal ApS | Fårup, Randers | 100.00% | -5,815,387 | -16,148,428 |

| | | |
|----------|--|----------------|
| | DKK | <u>2018/19</u> |
| 5 | Share capital | |
| | Analysis of the share capital: | |
| | 64,075 A shares of DKK 1.00 nominal value each | 64,075 |
| | 37,736 B shares of DKK 1.00 nominal value each | 37,736 |
| | | <u>101,811</u> |

Changes in the share capital in the past year:

| | | |
|--|-------------------|----------------|
| | DKK | <u>2018/19</u> |
| | Establishment | 93,472 |
| | Capital increase | 44,264 |
| | Capital reduction | -35,925 |
| | | <u>101,811</u> |

Financial statements for the period 1 July 2018 - 30 June 2019

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Contingent liabilities

The company has guaranteed group entities' engagement with Spar Nord Bank A/S.

The company has provided a letter of support to Carheal ApS to ensure the financing of the Company's operations and the necessary investments in the coming year.

Other contingent liabilities

The Company is jointly taxed with Carheal ApS, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

7 Collateral

As security for the Company's bank, the Company has provided security in its shares in Carheal ApS for at total amount of t.DKK 500.