StandbyCo IV ApS

Herstedøstervej 27, DK-2620 Albertslund

Annual Report for 27 November 2018 - 30 June 2019

CVR No 40 07 14 23

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 12/12 19

Kaspar Ronald Kristiansen
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of StandbyCo IV ApS for the financial year 27 November 2018 - 30 June 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018/19.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 12 December 2019

Executive Board

Kaspar Ronald Kristiansen
Executive Officer

Board of Directors

Kaspar Ronald Kristiansen	Nicklas Skou Guldberg

Independent Auditor's Report

To the Shareholders of StandbyCo IV ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2019 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 27 November 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of StandbyCo IV ApS for the financial year 27 November 2018 - 30 June 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Group 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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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 Company's and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 12 December 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild State Authorised Public Accountant mne33262	Jesper Bo Winther State Authorised Public Accountant mne26864

Company Information

The Company	StandbyCo IV ApS Herstedøstervej 27 DK-2620 Albertslund CVR No: 40 07 14 23 Financial period: 27 November 2018 - 30 June 2019 Municipality of reg. office: Alberslund
Board of Directors	Kaspar Ronald Kristiansen Nicklas Skou Guldberg
Executive Board	Kaspar Ronald Kristiansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a one-year period, the development of the Group is described by the following financial highlights:

	Group
	2018/19
	EUR ('000)
Key figures	
Profit/loss	
Revenue	38.101
Operating profit/loss	-2.793
Profit/loss before financial income and expenses	-2.793
Net financials	-554
Net profit/loss for the year	-2.897
Balance sheet	
Balance sheet total	53.496
Equity	13.310
Cash flows	
Cash flows from:	
- operating activities	11.728
- investing activities	-29.241
including investment in property, plant and equipment	-166
- financing activities	30.491
Change in cash and cash equivalents for the year	12.978
Number of employees	67
Ratios	
Gross margin	6,2%
Profit margin	-7,3%
Return on assets	-5,2%
Solvency ratio	24,9%
Return on equity	-43,5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Consolidated and Parent Company Financial Statements of StandbyCo IV ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

Key activities

The activity of StandbyCO IV ApS including All Things Live Group ApS and group companies (the Group), consist of holding shares in subsidiaries and through those subsidiaries to provide concert and event business and related services.

Market overview

All Things Live is the leading independent live entertainment company in the Nordics. The group was established following Waterland Private Equity's acquisition of 6 Nordic live entertainment companies.

With offices in Oslo, Stockholm, Helsinki, and Copenhagen, All Things Live covers the full spectrum of live entertainment from local Norwegian acts over Swedish musical productions, a Finnish music festival and Danish stand-up events to stadium concerts with international artists such as Eminem, Shawn Mendes and Rammstein.

All Things Live represents around 150 local artists, promotes and produces almost 3,000 events with more than 1 million tickets sold per year, and has entered into a number of partnerships with large corporate clients.

Development in the year

The income statement of the Group for 2018/19 shows a loss of EUR ('000) 2,897, and at 30 June 2019 the balance sheet of the Group shows equity of EUR ('000) 13,310.

Special risks - operating risks and financial risks

Operating risks

The key operating risk of the Group relates to its ability to be strongly positioned in its key markets, primarily the Scandinavian markets, both in terms of prices, delivery and the ability to attract commercial artists.

Foreign exchange risks

The foreign exchange risk of the Group is mainly related to cash and cash equivelants, artist advances and commitments, trade receivables and -payables in foreign currency. The nominel currency of the borrowing facilities of the Group is EUR and no significant exposure is related to the fluctuationbetween DKK and EUR.

Management's Review

Interest rate risks

The Group's exposure to changes in the market interest rates primarily relates to the borrowing facilities of the Group. Changes in market interest reates are hedged as per the guidelines set out in the Group's Treasury Policy. Some exposure is related to the cash and cash equivelant positions of the Group, mainly due to negative market interest rates.

Credit risks

The Group has no material risks relating to individual customer or business partners.

Strategy and objectives

Strategy

The business model of All Things Live Group and it's subsidiaries is a combination of acquiring companies within the broad scope of live entertainment and through the subsidiaries to arrange, produce and provide live entertainment events, focussed in but not limited to the Scandinavian region.

Targets and expectations for the year ahead

The Group expects the results for the coming year to be in line with the expectations set out in the business case prior to the establishment of All Things Live. The expected range for revenue for the financial year 2019/20 is expected to be between 80 - 100 mio EUR. There are some risks associated with the expectations of the Group mainly concentrated around timing of acquisition of new subsidiaries as well as availability of big commercial artists.

Statement of corporate social responsibility

Approach to CSR

All Things Live Group is under the Danish financial statements act required to report on Corporate Social Responsibility (CSR). All Things Live Group is following the guidelines set out by Waterland Private Equity in their Policy of Responsible Investing and believes that a responsible attitude with respect to CSR has a positive influence on corporate and financial performance. All Things Live Group is compliant with the legal requirements in the areas of climate change, environment, human rights, employee conditions and anti-corruption.

Primary CSR Related Risks and Policies

All Things Live Group acknowledges that there are CSR related risks associated to its business model, however limited within the areas of climate change, environment, human rights, employee conditions and anti-corruption.

Management's Review

Climate changes and environment

Due to the nature of the All Things Live Group's operations the management does not see significant and specific climate and environmental risk and therefore no specific policy has been implemented. The management of the Group is closely monitoring the environmental footprint of its operations and will implement necessary policies and procedures if the ongoing assessment changes the risk picture.

Human Rights

All Things Live Group is at any time following all relevant legislation on human rights, acknowledges international conventions and is operating within these boundaries. Due to the nature and geographical location of its operations within Scandinavia no policies on human rights has been implemented due to managements assessment of this as a low risk area.

Employee conditions

All Things Live is following all relevant legislation in the countries where it operates. All Things Live considers employees as a significant resource in securing the growth and development of the Group and therefore seeks to have attractive terms of employment. Any risks associated to the area of Employee Conditions is mitigated by the relative small size of the Group's subsidiaries, all below 50 employees, which is allowing local management to have a close and direct contact with employees.

Anti Corruption, bribery and terrorism

The operations of All Things Live Group are within the Scandinavian region where the area of anti corruption, bribery and terrorism is regulated by local legislation and thereby All Things Live Group is mitigating potential risks within the area by following the applicable legislation.

Statement on gender composition

Neither StandbyCo IV ApS nor any of its subsidiaries has above 50 employees and therefore does not have an official policy on gender composition, however within the Group all subsidiaries strives to have a balanced gender composition and does not favour any gender in their recruitment process. The board of directors in StandbyCo IV ApS consists of 2 men, and have under the financial statementsact §99b achieved equal gender distribution and are thereby not subject to setting a goal for the gender composition

Subsequent events

After the balance sheet date the Group has acquired the Finish festival WKND. As of the date of signing of the Annual Report the allocation of the purchase price has not yet been completed. Besides the above, no events materially affecting the assesment of the Annual Report have occurred after the balance sheet date.

Income Statement 27 November 2018 - 30 June 2019

	Note	Group 2018/19 EUR ('000)	Parent 2018/19 EUR ('000)
Revenue	1	**38.101**	**0**
Cost of sales		-33.784	0
Other external expenses		-1.957	0
Gross profit/loss		**2.360**	**0**
Staff expenses	2	-2.857	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-2.296	0
Profit/loss before financial income and expenses		**-2.793**	**0**
Financial income	4	14	0
Financial expenses	5	-568	0
Profit/loss before tax		**-3.347**	**0**
Tax on profit/loss for the year	6	450	0
Net profit/loss for the year		**-2.897**	**0**

Balance Sheet 30 June 2019

Assets

	Note	Group 2018/19 EUR ('000)	Parent 2018/19 EUR ('000)
Other intangible assets		2.897	0
Goodwill		24.563	0
Intangible assets	7	**27.460**	**0**
Other fixtures and fittings, tools and equipment		270	0
Property, plant and equipment	8	**270**	**0**
Investments in subsidiaries	9	0	16.207
Investments in associates	10	120	0
Deposits	11	11	0
Fixed asset investments		**131**	**16.207**
Fixed assets		**27.861**	**16.207**
Trade receivables		8.500	0
Other receivables		820	0
Deferred tax asset	14	456	0
Prepayments	12	2.881	0
Receivables		**12.657**	**0**
Cash at bank and in hand		**12.978**	**0**
Currents assets		**25.635**	**0**
Assets		**53.496**	**16.207**

Balance Sheet 30 June 2019

Liabilities and equity

	Note	Group 2018/19 EUR ('000)	Parent 2018/19 EUR ('000)
Share capital		141	141
Retained earnings		13.169	16.066
Equity		**13.310**	**16.207**
Credit institutions		12.736	0
Other payables		491	0
Long-term debt	15	**13.227**	**0**
Credit institutions	15	1.467	0
Prepayments received from customers		18.286	0
Trade payables		2.829	0
Corporation tax		1.010	0
Other payables	15	3.367	0
Short-term debt		**26.959**	**0**
Debt		**40.186**	**0**
Liabilities and equity		**53.496**	**16.207**

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Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	EUR ('000)	EUR ('000)	EUR ('000)
Equity at 27 November 2018	7	0	7
Cash capital increase	134	16.066	16.200
Net profit/loss for the year	0	-2.897	-2.897
Equity at 30 June 2019	**141**	**13.169**	**13.310**

Parent

	Share capital	Retained earnings	Total
Equity at 27 November 2018	7	0	7
Cash capital increase	134	16.066	16.200
Equity at 30 June 2019	**141**	**16.066**	**16.207**

Cash Flow Statement 27 November 2018 - 30 June 2019

	Note	Group 2018/19 EUR ('000)
Net profit/loss for the year		-2.897
Adjustments	16	2.400
Change in working capital	17	12.770
Cash flows from operating activities before financial income and expenses		**12.273**
Financial income		14
Financial expenses		-559
Cash flows from operating activities		**11.728**
Purchase of intangible assets		-29.075
Purchase of property, plant and equipment		-166
Cash flows from investing activities		**-29.241**
Repayment of loans from credit institutions		14.425
Cash capital increase		32.132
Other equity entries (should be broken down)		-16.066
Cash flows from financing activities		**30.491**
Change in cash and cash equivalents		**12.978**
Cash and cash equivalents at 27 November 2018		0
Cash and cash equivalents at 30 June 2019		**12.978**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		12.978
Cash and cash equivalents at 30 June 2019		**12.978**

Notes to the Financial Statements

		Group	Parent
		2018/19	2018/19
		EUR ('000)	EUR ('000)
1	**Revenue**		
	Geographical segments		
	Revenue, Denmark	11.275	0
	Revenue, Norway	9.048	0
	Revenue, Sweden	17.778	0
		38.101	**0**
2	**Staff expenses**		
	Wages and salaries	2.274	0
	Pensions	96	0
	Other social security expenses	457	0
	Other staff expenses	30	0
		2.857	**0**
	Including remuneration to the Executive Board in All Things Live Group of:		
	Executive Board	177	0
		177	**0**
	Average number of employees	**67**	**0**
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	1.615	0
	Depreciation of property, plant and equipment	43	0
	Impairment of intangible assets	638	0
		2.296	**0**
4	**Financial income**		
	Other financial income	14	0
		14	**0**

Notes to the Financial Statements

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)

5 Financial expenses

	Group	Parent
Other financial expenses	568	0
	568	**0**

6 Tax on profit/loss for the year

	Group	Parent
Current tax for the year	-450	0
	-450	**0**

7 Intangible assets

Group

	Other intangible assets EUR ('000)	Goodwill EUR ('000)
Cost at 27 November 2018	0	0
Net effect from merger and acquisition	3.219	25.856
Cost at 30 June 2019	3.219	25.856
Impairment losses and amortisation at 27 November 2018	0	0
Amortisation for the year	322	1.293
Impairment losses and amortisation at 30 June 2019	322	1.293
Carrying amount at 30 June 2019	**2.897**	**24.563**

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	EUR ('000)
Cost at 27 November 2018	0
Net effect from merger and acquisition	147
Additions for the year	166
Cost at 30 June 2019	313
Impairment losses and depreciation at 27 November 2018	0
Depreciation for the year	43
Impairment losses and depreciation at 30 June 2019	43
Carrying amount at 30 June 2019	**270**
Depreciated over	3-5 years

9 Investments in subsidiaries

Cost at 27 November 2018	0
Net effect from merger and acquisition	16.207
Cost at 30 June 2019	16.207
Value adjustments at 27 November 2018	0
Value adjustments at 30 June 2019	0
Carrying amount at 30 June 2019	**16.207**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
All Things Live Group ApS	Copenhagen	100%

Notes to the Financial Statements

10 Investments in associates

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)
Cost at 27 November 2018	0	0
Net effect from merger and acquisition	120	0
Carrying amount at 30 June 2019	**120**	**0**

11 Other fixed asset investments

	Group
	Deposits
	EUR ('000)
Cost at 27 November 2018	0
Net effect from merger and acquisition	11
Cost at 30 June 2019	11
Carrying amount at 30 June 2019	**11**

12 Prepayments

Prepayments comprise primarily of prepaid expenses where the related concert or event has not yet been provide by the Group.

13 Distribution of profit

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)
Retained earnings	-2.897	0
	-2.897	**0**

Notes to the Financial Statements

14 Deferred tax asset

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)
Deferred tax asset at 27 November 2018	0	0
Amounts recognised in equity for the year	456	0
Deferred tax asset at 30 June 2019	**456**	**0**
Tax loss carry-forward	-456	0
Transferred to deferred tax asset	456	0
	0	**0**
Deferred tax asset		
Calculated tax asset	456	0
Carrying amount	**456**	**0**

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to five years.

Notes to the Financial Statements

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)
Credit institutions		
Between 1 and 5 years	12.736	0
Long-term part	12.736	0
Other short-term debt to credit institutions	1.467	0
	14.203	**0**
Other payables		
Between 1 and 5 years	491	0
Long-term part	491	0
Other short-term payables	3.367	0
	3.858	**0**

16 Cash flow statement - adjustments

	Group
	2018/19
	EUR ('000)
Financial income	-14
Financial expenses	568
Depreciation, amortisation and impairment losses, including losses and gains on sales	2.296
Tax on profit/loss for the year	-450
	2.400

17 Cash flow statement - change in working capital

Change in receivables	-12.201
Change in trade payables, etc	24.971
	12.770

Notes to the Financial Statements

18 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

19 Related parties

	Basis
Controlling interest	
Standbyco 8 B.V.	Holland

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Standbyco 8 B.V.

20 Fee to auditors appointed at the general meeting

	Group	Parent
	2018/19	2018/19
	EUR ('000)	EUR ('000)
PricewaterhouseCoopers		
Audit fee	90	0
Tax advisory services	64	0
Non-audit services	82	0
	236	**0**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of StandbyCo IV ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements for 2018/19 are presented in EUR ('000).

Recognition and measurement

Revenue from contracts with customers is recognised upon the fulfilment of the performance obligations derived from the contracts. At the beginning of the contractual relationship, it is determined whether All Things Live Group fulfils each identified service obligation over time or at a particular point in time. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, StandbyCo IV ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Acquisitions

Notes to the Financial Statements

21 Accounting Policies (continued)

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the

Notes to the Financial Statements

21 Accounting Policies (continued)

balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from contracts with customers is recognised upon the fulfilment of the performance obligations derived from the contracts. At the beginning of the contractual relationship, it is determined whether the All Things Live Group fulfils each identified service obligation over time or at a particular point in time.

Revenue in the ordinary course of business mainly relates to the provision of services. Services comprise planning, organising and implementing concerts, concert tours, festivals and other live events as well as operating venues (entertainment services). The All Things Live Group generally assumes responsibility for the provision of services. This particularly concerns activities in which the All Things Live Group operates as a tour promoter, local promoter or venue operator.
In this respect, the All Things Live Group generally acts as a principal in the Live Entertainment segment and recognises revenue as gross amounts.
The received ticket monies during the presale period are deferred as advance payments received.
When the event is subsequently held, these advance payments are transferred to revenue and the profits are realised over the time period in which the event is held. In addition, revenue is also generated through the sale of goods, including catering and merchandising products. This revenue is recognised at the point of sale.

Cost of sales

Cost of sales comprise of fee's to performing artists, marketing, event production cost including direct salaries to creatives, crew and similar as well as other variable cost directly related to the Groups primary activities.

Notes to the Financial Statements

21 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect marketing expenses, external consultancy, facilities as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Other intangible assets include contracts. Other intangible assets are measured at cost including costs which can be directly or indirectly attributed to the assets in question less accumulated impairment, amortisation and depreciation. and are amortised on a straight-line basis over the expected economic life, estimated to be 3 to 5 years.

Notes to the Financial Statements

21 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than EUR 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

21 Accounting Policies (continued)

Prepayments

Prepayments comprise primarily of prepaid expenses where the related concert or event has not yet been provide by the Group.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

21 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$