

**F50 DENMARK A/S**

**C/O NJORD ADVOKATPARTNERSELSKAB, PILESTRÆDE 58, DK-1112 KØBENHAVN K**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 20 July 2023**

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**Andrew Paul Thompson**

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**COMPANY DETAILS**

<b>Company</b>	F50 Denmark A/S c/o NJORD Advokatpartnerselskab, Pilestræde 58 DK-1112 København K
	CVR No.: 40 99 63 38
	Established: 5 December 2019
	Municipality: Copenhagen
	Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Russel Coutts, chairman Julien Di Biase Andrew Paul Thompson
<b>Executive Board</b>	Andrew Paul Thompson
<b>Auditor</b>	Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of F50 Denmark A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 20 July 2023

Executive Board

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Andrew Paul Thompson

Board of Directors

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Russel Coutts  
Chairman

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Julien Di Biase

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Andrew Paul Thompson

## THE INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of F50 Denmark A/S

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of F50 Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matter**

We emphasise that the comparative figures of the Financial Statements have not been audited in accordance with international standards on auditing.

#### **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.

## THE INDEPENDENT AUDITOR'S REPORT

### **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 judgment 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 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.

Hellerup, 20 July 2023

Pricewaterhousecoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Bo Schou-Jacobsen  
State Authorised Public Accountant  
MNE no. mne28703

Ming Thieu Son Tang  
State Authorised Public Accountant  
MNE no. mne49833

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>GROSS LOSS</b> .....		<b>-25,103,440</b>	<b>-9,023,987</b>
Staff costs.....	2	-2,476,864	-1,922,523
Depreciation, amortisation and impairment losses.....		-42,437	-37,887
<b>OPERATING LOSS</b> .....		<b>-27,622,741</b>	<b>-10,984,397</b>
Other financial income.....		1,635,245	-1,362,760
Other financial expenses.....		-41,082	-72,477
<b>LOSS BEFORE TAX</b> .....		<b>-26,028,578</b>	<b>-12,419,634</b>
Tax on profit/loss for the year.....	3	-3,836,410	2,728,231
<b>LOSS FOR THE YEAR</b> .....		<b>-29,864,988</b>	<b>-9,691,403</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-29,864,988	-9,691,403
<b>TOTAL</b> .....		<b>-29,864,988</b>	<b>-9,691,403</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery tools and equipment.....		91,589	134,026
<b>Property, plant and equipment.....</b>	<b>4</b>	<b>91,589</b>	<b>134,026</b>
<b>NON-CURRENT ASSETS.....</b>		<b>91,589</b>	<b>134,026</b>
Trade receivables.....		283,892	1,567,727
Receivables from group enterprises.....		16,292,249	12,156,834
Deferred tax assets.....		0	3,836,410
Other receivables.....		8,161,148	138,714
Prepayments and accrued income.....		4,465,124	1,451,120
<b>Receivables.....</b>		<b>29,202,413</b>	<b>19,150,805</b>
Cash and cash equivalents.....		2,706,791	5,278,711
<b>CURRENT ASSETS.....</b>		<b>31,909,204</b>	<b>24,429,516</b>
<b>ASSETS.....</b>		<b>32,000,793</b>	<b>24,563,542</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		410,938	410,938
Retained earnings.....		-43,486,123	-13,621,135
<b>EQUITY.....</b>		<b>-43,075,185</b>	<b>-13,210,197</b>
Bank debt.....		29	29
Trade payables.....		3,533,771	416,258
Debt to group enterprises.....		65,502,905	34,741,247
Other liabilities.....		56,691	84,145
Accruals and deferred income.....		5,982,582	2,532,060
<b>Current liabilities.....</b>		<b>75,075,978</b>	<b>37,773,739</b>
<b>LIABILITIES.....</b>		<b>75,075,978</b>	<b>37,773,739</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>32,000,793</b>	<b>24,563,542</b>
<b>Contingent assets, liabilities and other financial obligations</b>	<b>5</b>		
<b>Related parties</b>	<b>6</b>		
<b>Capital resources</b>	<b>7</b>		
<b>Significant events after the end of the financial year</b>	<b>8</b>		



## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	410,938	-13,621,135	-13,210,197
Proposed profit allocation.....		-29,864,988	-29,864,988
<b>Equity at 31 December 2022.....</b>	<b>410,938</b>	<b>-43,486,123</b>	<b>-43,075,185</b>

## NOTES

			<b>Note</b>
<b>Principal activities</b>			<b>1</b>
The principal activities comprise management and operation of a professional sailing team and conduct sailing events.			
	<b>2022</b>	<b>2021</b>	
	DKK	DKK	
<b>Staff costs</b>			<b>2</b>
Average number of employees	1	1	
Wages and salaries.....	2,476,864	1,886,645	
Other staff costs.....	0	35,878	
	<b>2,476,864</b>	<b>1,922,523</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Adjustment of deferred tax.....	3,836,410	-2,728,231	
	<b>3,836,410</b>	<b>-2,728,231</b>	
<b>Property, plant and equipment</b>			<b>4</b>
		Other plant, machinery tools and equipment	
Cost at 1 January 2022.....		188,397	
<b>Cost at 31 December 2022.....</b>		<b>188,397</b>	
Depreciation and impairment losses at 1 January 2022.....		54,371	
Depreciation for the year.....		42,437	
<b>Depreciation and impairment losses at 31 December 2022.....</b>		<b>96,808</b>	
<b>Carrying amount at 31 December 2022.....</b>		<b>91,589</b>	
<b>Contingent assets, liabilities and other financial obligations</b>			<b>5</b>
There are no contingent assets, liabilities and other financial obligations.			

## NOTES

	<b>Note</b>
<b>Related parties</b>	<b>6</b>
Consolidated Financial Statements	
The Company is included in the Group Annual Report of the ultimate parent, which is:	
Oracle Racing Inc	
101 Ygnacio Valley Road	
Suite 320	
Walnut Creek, California	
94596	
USA	
The Group Annual Report of Oracle Racing Inc. can not be obtained.	
<b>Capital resources</b>	<b>7</b>
The result for the period from 1 January 2022 to 31 December 2022 shows a loss of DKK - 29,864,988 and equity of DKK -43,075,185 at 31 December 2022.	
The Company's equity is lost. It is Management expectation that the equity will be restored in the future via capital contributions, earnings or a combination hereof.	
The Company has received a letter of support from its Parent Company, which is effective at least 14 months from the date the financial statements are issued the year ended 31 December 2022.	
On this basis, Management assesses that the capital resources are sufficient, and the annual report is therefore presented under assumption of going concern.	
<b>Significant events after the end of the financial year</b>	<b>8</b>
On 14th June 2023 the Company signed an amendment to the Rockwool sponsorship agreement whereby we receive an additional \$1.65m in sponsorship for Season 4 and \$0.5m per Season for Season 5, 6 and 7. Apart from this there are no significant events.	

## ACCOUNTING POLICIES

The Annual Report of F50 Denmark A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

Due to changes in internal registrations in the Company's financial reporting system, reclassifications between financial line items in the income statement have been made in the comparative figures for 2021. The reclassifications have no effect on either profit for the year or equity.

Besides from the before-mentioned, the accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

## INCOME STATEMENT

### Net revenue

Revenue comprises invoiced sale of goods and services as well as uninvoiced income related to services in progress and is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, bad debts, operating lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

## ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

## ACCOUNTING POLICIES

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

### **Accruals, liabilities**

Accruals recognised as liabilities include payments received regarding income in subsequent years.