

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

**Annual report 01.05.2018
- 30.06.2018**

The Annual General Meeting adopted the annual report on 30.11.2018

Chairman of the General Meeting

Name: Lars Schmidt

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Entity details

Entity

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

Central Business Registration No (CVR): 38181645

Registered in: København

Financial year: 01.05.2018 - 30.06.2018

Board of Directors

Casper Lykke Pedersen, chairman
Christian Møller Kerstens
Mikhael Peter Melander Vising-Swartz

Executive Board

Peter Fabrin

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Piste Group ApS for the financial year 01.05.2018 - 30.06.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2018 and of the results of its operations for the financial year 01.05.2018 - 30.06.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.11.2018

Executive Board

Peter Fabrin

Board of Directors

Casper Lykke Pedersen

chairman

Christian Møller Kerstens

Mikhael Peter Melander Vising-Swartz

Independent auditor's report

To the shareholders of Piste Group ApS

Opinion

We have audited the financial statements of Piste Group ApS for the financial year 01.05.2018 - 30.06.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2018 and of the results of its operations for the financial year 01.05.2018 - 30.06.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.11.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

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

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

Management commentary

Primary activities

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

Profit for the year and expectations for the future

The financial period covers the periode May 1 – 30 June 2018 whereas the comparative figures covers the period 11 November 2016 – 30 April 2018 hence the figures are not comparable.

Profit for the year after tax totals a profit of DKK'000 28 and are as expected.

Capital resources and funding

As part of the financial agreement with the Group's main bank, the Group has to comply with certain financial and reporting covenants. As of 30 June 2018, some of these financial covenants were not met and thus a dialogue with the Group's main bank was initiated. Shortly after year-end, the bank provided a waiver of the said covenants. However, as the waiver was received after year-end, the Danish Financial Statements Act stipulates that long-term loans are to be considered short-term loans even though the long-term loan was reconfirmed as part of the waiver.

The Group has a solid relationship with the main bank and has after year-end obtained extended current facilities as requested. Hence, Management believes that the Group's capital resources and funding are to be considered appropriate for the Group's needs in the coming year.

Interest rate risks

The interest rate risk of the Company's cash at bank and in hand is not hedged.

Uncertainty relating to recognition and measurement

No uncertainties have been identified in relation to recognition and measurement in the annual report.

Unusual circumstances

The Company's financial position at 30 June 2018 and its financial performance for the period covering May 1 – June 30 2018 have not been affected by unusual circumstances.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Management commentary

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. After year-end the Group has divested the Piste Barco Group as part of the Groups strategy to focus on ski holiday travel and related hotel operations. The divestment has no significant financial effect in 2018/19.

Income statement for 30.06.18

	<u>Notes</u>	<u>30.06.18</u> <u>DKK'000</u>	<u>2016/18</u> <u>DKK'000</u>
Gross profit/loss		858	(174)
Staff costs	1	<u>0</u>	<u>(1.578)</u>
Operating profit/loss		858	(1.752)
Other financial income		79	317
Other financial expenses		<u>(1.158)</u>	<u>(5.759)</u>
Profit/loss before tax		(221)	(7.194)
Tax on profit/loss for the year		<u>249</u>	<u>1.583</u>
Profit/loss for the year		<u>28</u>	<u>(5.611)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>28</u>	<u>(5.611)</u>
		<u>28</u>	<u>(5.611)</u>

Balance sheet at 30.06.2018

	<u>Notes</u>	<u>30.06.18 DKK'000</u>	<u>2016/18 DKK'000</u>
Investments in group enterprises		333.623	337.257
Receivables from group enterprises		42.000	30.000
Fixed asset investments		375.623	367.257
 Fixed assets		 375.623	 367.257
 Receivables from group enterprises		 4.707	 7.112
Other receivables		819	0
Joint taxation contribution receivable		1.831	1.583
Receivables		7.357	8.695
 Cash		 1	 1
 Current assets		 7.358	 8.696
 Assets		 382.981	 375.953

Balance sheet at 30.06.2018

	<u>Notes</u>	<u>30.06.18</u> <u>DKK'000</u>	<u>2016/18</u> <u>DKK'000</u>
Contributed capital		300	300
Share premium		198.800	198.800
Retained earnings		(5.583)	(5.611)
Equity		<u>193.517</u>	<u>193.489</u>
Payables to group enterprises		<u>42.000</u>	<u>30.000</u>
Non-current liabilities other than provisions		<u>42.000</u>	<u>30.000</u>
Bank loans	2	121.000	141.000
Payables to group enterprises		26.464	11.423
Other payables		<u>0</u>	<u>41</u>
Current liabilities other than provisions		<u>147.464</u>	<u>152.464</u>
Liabilities other than provisions		<u>189.464</u>	<u>182.464</u>
Equity and liabilities		<u>382.981</u>	<u>375.953</u>
Contingent liabilities	3		
Assets charged and collateral	4		

Statement of changes in equity for 30.06.18

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	300	198.800	(5.611)	193.489
Profit/loss for the year	0	0	28	28
Equity end of year	300	198.800	(5.583)	193.517

Notes

	30.06.18	2016/18
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	0	1.557
Other social security costs	0	10
Other staff costs	0	11
	0	1.578
 Average number of employees	 0	 1

2. Bank loans

As part of the financial agreement with the Group's main bank, the Group has to comply with certain financial and reporting covenants. As of 30 June 2018, some of these financial covenants were not met and thus a dialogue with the Group's main bank was initiated. Shortly after year-end, the bank provided a waiver of the said covenants. However, as the waiver was received after year-end, the Danish Financial Statements Act stipulates that long-term loans are to be considered short-term loans even though the long-term loan was reconfirmed as part of the waiver.

The Group has a solid relationship with the main bank and has after year-end obtained extended current facilities as requested. Hence, Management believes that the Group's capital resources and funding are to be considered appropriate for the Group's needs in the coming year.

	Maturity less than 12 months 2018/19 DKK'000	Maturity after 12 months 2018/19 DKK'000	Outstanding debt after 5 years DKK'000
Long term loans			
Bank loans	24.000	97.000	0
Payables to group enterprises	0	0	42.000
Total	24.000	97.000	42.000

3. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Piste Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The

Notes

jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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

4. Assets charged and collateral Collateral provided for group enterprises

The Entity has pledged its shares in subsidiaries Skinetworks ApS and Piste BarCo ApS to an amount of 332.623 TDKK as security for the same subsidiaries debt towards Piste Groups ApS main bank.

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

Accounting policies

Reporting class

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

Consolidated financial statements

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

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other operating income

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

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

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

Accounting policies

Receivables

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

Joint taxation contributions receivable or payable

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.