

EMERGENT UK 3 LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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EMERGENT UK 3 LTD

COMPANY INFORMATION

Directors Neal Jon Rider (resigned 30 March 2020)
Ralph Wade Kittle III (resigned 3 February 2020)
Jason Eugene Burnett (appointed 30 March 2020)
Michael Joseph McClendon (appointed 30 March 2020)

Registered number 10994502

Registered office Hareshill Road
Heywood
Lancashire
OL10 2TP

Independent auditors Goodman Jones LLP
29/30 Fitzroy Square
London
W1T 6LQ

EMERGENT UK 3 LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; as explained in note 2.3 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The Directors who served during the year were:

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Goodman Jones LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.

.....
Michael Joseph McClendon
Director

Date: 25 January 2021

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Opinion

We have audited the of Emergent UK 3 Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the :

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the in the United Kingdom, including the Financial Reporting Council's Ethical Standard, 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.3 to the financial statements which explains that the directors intend to cease trading and liquidate the company within the next twelve months. The directors therefore do not consider the company to be a going concern. Accordingly, the directors have prepared the financial statements on a basis other than that of going concern as described in note 2.3. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the and our Auditors' Report thereon. Our opinion on the does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMERGENT UK 3 LTD (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the are prepared is consistent with the ; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the Directors are responsible for the preparation of the and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of that are free from material misstatement, whether due to fraud or error.

In preparing the , the Directors are 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 unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 (UK) 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 .

A further description of our responsibilities for the audit of the is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

EMERGENT UK 3 LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMERGENT UK 3 LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Amit Sharma (Senior Statutory Auditor)

for and on behalf of
Goodman Jones LLP

29/30 Fitzroy Square
London
W1T 6LQ

28 January 2021
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EMERGENT UK 3 LTD
REGISTERED NUMBER:10994502

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Non-current assets			
Investments	4	-	53,814,390
Current assets			
Debtors	5	113,682,908	3,464,930
Current asset investments	4	114,587,076	-
		228,269,984	3,464,930
Creditors: amounts falling due within one year	6	(126,855,487)	(3,464,930)
Net current assets		101,414,497	-
Net assets		101,414,497	53,814,390
Capital and reserves			
Called up share capital	7	203	201
Share premium account		101,414,294	53,814,189
Profit and loss account		-	-
		101,414,497	53,814,390

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

There has been no income or expenses in the year and therefore no profit and loss account has been prepared.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Michael Joseph McClendon
Director

Date: 25 January 2021

The notes on pages 9 to 13 form part of these financial statements.

EMERGENT UK 3 LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Total equity £
At 1 January 2019	201	53,814,189	53,814,390
Shares issued during the year	2	47,600,105	47,600,107
At 31 December 2019	<u>203</u>	<u>101,414,294</u>	<u>101,414,497</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Total equity £
Shares issued during the period	201	53,814,189	53,814,390
At 31 December 2018	<u>201</u>	<u>53,814,189</u>	<u>53,814,390</u>

The notes on pages 9 to 13 form part of these financial statements.

EMERGENT UK 3 LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Emergent UK 3 Ltd ("the Company") was incorporated on 3 October 2017, under the laws of the United Kingdom as a limited liability company with a registration number of 10994502. The registered office is outlined on the company information at the front of these financial statements. The principal activity of the Company is that of investment holding.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.3 Going concern

Following the year end the Company was acquired by new shareholders. The new owners of the Company intend to transfer the investments held by the Company to other companies within their group, following this transfer the companies will then be liquidated. As such, the financial statements for the year ended 31 December 2019 have not been prepared on a going concern basis. The directors have reviewed the company's assets and considered the value of the assets disclosed in the financial statements to be equal to their net realisable value. No adjustments have been made to the financial statements as a result of the financial statements being prepared on a basis other than that of a going concern.

2.4 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Investment in subsidiary

The Company holds its investment in its subsidiaries at cost less impairment.

The Company's direct and indirect subsidiaries, of which the Company is the sole beneficial owner, are outlined in Appendix 1.

3. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2018 - *£NIL*).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Investments in subsidiaries

	2019	<i>2018</i>
	£	<i>£</i>
Cost		
Investment value brought forward	53,814,390	-
Additions	60,772,686	<i>53,814,390</i>
	<u>114,587,076</u>	<i><u>53,814,390</u></i>

The financial statements are presented on a break up basis and, as such, the investment in subsidiary (*2018: £53,814,390*) has been reclassified as a current asset investment for the year ending 31 December 2019.

5. Debtors

	2019	<i>2018</i>
	£	<i>£</i>
Amounts owed by group undertakings	113,682,903	<i>3,464,930</i>
	<u>113,682,903</u>	<i><u>3,464,930</u></i>

6. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	<i>£</i>
Amounts owed to group undertakings	126,855,487	<i>3,464,930</i>
	<u>126,855,487</u>	<i><u>3,464,930</u></i>

The Company has received undocumented funding from its shareholder in order to fund investments in its underlying subsidiaries. Subsequent to the year end this payable balance has been cleared through the issue of shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Share capital

Authorised, allotted, called up and fully paid

203 (2018 - 201) GBP Ordinary shares of £1.00 each

2019 2018
£ £

203 **201**

As at 1 January 2019, the Company had 201 ordinary shares with a nominal value of £201.

1 further share was issued on 10 May 2019 for a subscription price of USD 54,952,388. £1 of the subscription amount has been recorded as share capital with the remainder recorded as share premium.

1 further share was issued on 15 May 2019 for a subscription price of USD 6,927,130. £1 of the subscription amount has been recorded as share capital with the remainder recorded as share premium.

8. Post balance sheet events

On 29 January 2020 the following share allotments occurred:

- 1 further Ordinary share was issued for a subscription price of £13,172,578. £1 of the subscription has been recorded as share capital with remainder as share premium

- 1 further Ordinary share was issued for a subscription price of £7,083,798. £1 of the subscription amount has been recorded as share capital with the remainder as share premium.

- 1 further Ordinary share was issued for a subscription price of £104,066,516. £1 of the subscription amount has been recorded as share capital with remainder as share premium.

On 31 January 2020 the Company received USD 28,500,000 from its subsidiary NOCS Topco, Inc. The receipt was made up of a USD 30,000,000 dividend less USD 1,500,000 withholding taxes.

On 3 February 2020, the amounts of £104,066,516 received by the Company by Emergent UK 2 Ltd, the sole shareholder of the Company (the "Shareholder"), were recognised by both the Company and the Shareholder as an aggregate, interest-free loan to the Company (the "Intercompany Loan").

Subsequently, the Company and the Shareholder authorised the receipt of 2 Ordinary shares by the Shareholder in consideration for the release of the liability of the Company under the terms of the Intercompany Loan. These shares represented the interests of the Company in Emergent Cold US Inc. and New Orleans Cold Storage and Warehouse Company Ltd.

On 3 February 2020, the Company completed a capital reduction of £225,737,181 from the share premium account and £206 from the share capital accounts and credited the amount to the profit and loss account as realised profits.

On the same day the Company declared a dividend of £102,127,214.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Controlling party

In the opinion of the directors the ultimate controlling party as of 31 December 2019 was Elliott International LP. The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Emergent Cold LP, a Cayman Islands Exempted Limited Partnership. Copies of the group financial statements of Emergent Cold LP are available from 2950 N Harwood Street, Dallas, Texas 75201, United States. The company's immediate controlling party was Emergent UK 2 Ltd.

**APPENDICES
AS AT 31 DECEMBER 2019**

Appendix 1: Company Subsidiaries

The Company's direct and indirect subsidiaries, of which the Company is the sole beneficial owner, are as follows:

Direct Subsidiaries

Emergent Latam Holdco Ltd - 8 Sackville Street, London, W1S 3DG
Emergent Cold Topco Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold US Inc - 251 Little Falls Drive, Wilmington, Delaware 19808, USA
Emergent Cold SPV Pty Ltd - Dandenong South Victoria 3175, Australia

Indirect Subsidiaries

Emergent Cold Peru SAC - Camino Real 456, Int1201, L-27, Peru
New Orleans Cold Storage & Warehouse Co. Ltd. - 3411 Jourdan Road, New Orleans, LA 70126, USA
NOCS South Atlantic Cold Storage - 2 Office Park Court, STE 103, Columbia, SC 29223, USA
NOCS Transport LTD - 3411 Jourdan Road, New Orleans, LA 70126, USA
NOCS West Gulf Inc -1999 Bryan St., STE. 900 Dallas, TX 75201, USA
Emergent Cold Midco 3 Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold New Zealand Topco Ltd - Level 30, 48 Shortland Street, Auckland, 1010, New Zealand
Emergent Cold New Zealand Propco Ltd - Level 30, 48 Shortland Street, Auckland, 1010, New Zealand
Emergent Cold Limited - Level 30, 48 Shortland Street, Auckland, 1010, New Zealand
Whakatu Coldstores Limited - Level 30, 48 Shortland Street, Auckland, 1010, New Zealand
Emergent Cold Vietnam Company Ltd - So 18, duong so 6, khu công nghiệp Sóng Than I, Phường Di An, Thị Xã Di An, Tỉnh Bình Dương, Vietnam
Emergent Cold (Pvt) Ltd - No. 309/7, Negombo Road, Welisara, Sri Lanka
Emergent Cold Midco 2 Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold (Vic.) Propco Ptd Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold Midco Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold Bidco Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold Holdings Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold (Vic.) Pty Ltd - Dandenong South Victoria 3175, Australia
Emergent Cold Pty Ltd - Dandenong South Victoria 3175, Australia
SACS Properties WA Pty Ltd - Dandenong South Victoria 3175, Australia