

Sleep in Heaven ApS

Struenseegade 7, 2200 København N

Company reg. no. 21 41 97 37

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 7 July 2022.

Rossanna Pozada-Alva
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2021	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	15

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Sleep in Heaven ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

At the general meeting held on 7 July 2022, a decision will be made not to have the financial statements audited as from 2022 onwards. The Executive Board consider the conditions for audit exemption to be met.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 6 July 2022

Executive board

Oscar Vera Guardiola

Rossanna Pozada-Alva

Independent auditor's report

To the Shareholders of Sleep in Heaven ApS

Opinion

We have audited the financial statements of Sleep in Heaven ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We 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.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

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.

Independent auditor's report

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 Financial Statements Act.

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

Copenhagen, 6 July 2022

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Ulrik Nørskov

State Authorised Public Accountant
mne29456

Company information

The company	Sleep in Heaven ApS Struenseegade 7 2200 København N
	Company reg. no. 21 41 97 37 Established: 13 October 1998 Domicile: Copenhagen Financial year: 1 January - 31 December
Executive board	Oscar Vera Guardiola Rossanna Pozada-Alva
Auditors	BUUS JENSEN, Statsautoriserede revisorer
Parent company	Easy Travel Copenhagen ApS, Copenhagen

Management's review

The principal activities of the company

Like previous years, the activities are providing hostel services for the youth in Copenhagen.

Development in activities and financial matters

The income or loss from ordinary activities after tax totals DKK 11.000 against DKK -772.000 last year. Management considers the net profit or loss for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	1.567.205	1.097.500
2 Staff costs	-981.866	-1.383.822
Depreciation and impairment of property, land, and equipment	<u>-514.855</u>	<u>-714.011</u>
Operating profit	70.484	-1.000.333
Other financial income	0	20.931
Other financial expenses	<u>-56.679</u>	<u>-10.319</u>
Pre-tax net profit or loss	13.805	-989.721
3 Tax on net profit or loss for the year	<u>-2.965</u>	<u>217.748</u>
Net profit or loss for the year	<u>10.840</u>	<u>-771.973</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	10.840	0
Allocated from retained earnings	<u>0</u>	<u>-771.973</u>
Total allocations and transfers	<u>10.840</u>	<u>-771.973</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
4 Other fixtures and fittings, tools and equipment	263.650	444.989
5 Leasehold improvements	1.238.704	1.572.220
Total property, plant, and equipment	<u>1.502.354</u>	<u>2.017.209</u>
6 Deposits	407.993	401.783
Total investments	<u>407.993</u>	<u>401.783</u>
Total non-current assets	<u>1.910.347</u>	<u>2.418.992</u>
Current assets		
Trade receivables	19.171	2.591
Other receivables	0	1.235.249
Prepayments	0	273.242
Total receivables	<u>19.171</u>	<u>1.511.082</u>
Cash and cash equivalents	<u>1.751.552</u>	<u>33.157</u>
Total current assets	<u>1.770.723</u>	<u>1.544.239</u>
Total assets	<u>3.681.070</u>	<u>3.963.231</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	125.000	125.000
Retained earnings	2.192.451	2.181.611
Total equity	2.317.451	2.306.611
Provisions		
Provisions for deferred tax	21.800	18.835
Total provisions	21.800	18.835
Liabilities other than provisions		
Other mortgage loans	407.927	553.200
Other payables	53.969	242.654
7 Total long term liabilities other than provisions	461.896	795.854
7 Current portion of long term liabilities	308.625	116.800
Bank loans	0	22.922
Trade payables	80.692	382.732
Payables to group enterprises	134.094	0
Other payables	356.512	319.477
Total short term liabilities other than provisions	879.923	841.931
Total liabilities other than provisions	1.341.819	1.637.785
Total equity and liabilities	3.681.070	3.963.231
1 Special items		
8 Charges and security		
9 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	125.000	2.953.584	3.078.584
Retained earnings for the year	<u>0</u>	<u>-771.973</u>	<u>-771.973</u>
Equity 1 January 2021	125.000	2.181.611	2.306.611
Retained earnings for the year	<u>0</u>	<u>10.840</u>	<u>10.840</u>
	<u>125.000</u>	<u>2.192.451</u>	<u>2.317.451</u>

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Income:		
COVID-19-reliefs, fixed costs	1.288.852	1.569.293
COVID-19-reliefs, salaries and wages	<u>412.338</u>	<u>381.570</u>
	<u>1.701.190</u>	<u>1.950.863</u>
Special items are recognised in the following items in the financial statements:		
Gross profit / Other operating income	<u>1.701.190</u>	<u>1.950.863</u>
Profit of special items, net	<u>1.701.190</u>	<u>1.950.863</u>

2. Staff costs

Salaries and wages	936.348	1.248.964
Pension costs	16.456	96.877
Other costs for social security	<u>29.062</u>	<u>37.981</u>
	<u>981.866</u>	<u>1.383.822</u>
Average number of employees	<u>4</u>	<u>5</u>

3. Tax on net profit or loss for the year

Tax on net profit or loss for the year	0	0
Adjustment of deferred tax for the year	<u>2.965</u>	<u>-217.748</u>
	<u>2.965</u>	<u>-217.748</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	929.896	913.206
Additions during the year	0	16.690
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2021	<u>929.896</u>	<u>929.896</u>
Amortisation and writedown 1 January 2021	-484.907	-308.973
Amortisation and depreciation for the year	<u>-181.339</u>	<u>-175.934</u>
Amortisation and writedown 31 December 2021	<u>-666.246</u>	<u>-484.907</u>
Carrying amount, 31 December 2021	<u>263.650</u>	<u>444.989</u>
5. Leasehold improvements		
Cost 1 January 2021	5.380.766	5.380.766
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2021	<u>5.380.766</u>	<u>5.380.766</u>
Depreciation and writedown 1 January 2021	-3.808.546	-3.270.469
Amortisation and depreciation for the year	<u>-333.516</u>	<u>-538.077</u>
Depreciation and writedown 31 December 2021	<u>-4.142.062</u>	<u>-3.808.546</u>
Carrying amount, 31 December 2021	<u>1.238.704</u>	<u>1.572.220</u>
6. Deposits		
Cost 1 January 2021	401.783	369.206
Additions during the year	6.210	32.577
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2021	<u>407.993</u>	<u>401.783</u>

Notes

All amounts in DKK.

7. Long term liabilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other mortgage loans	583.127	175.200	407.927	0
Other payables	187.394	133.425	53.969	0
	770.521	308.625	461.896	0

8. Charges and security

For bank loans, DKK 582.000, the company has provided security in company assets representing a nominal value of DKK 300.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Tools and equipments (incl. leasehold improvements)	1.502
Trade receivables	19

9. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into leasehold premises with an average annual lease payment of DKK 816.000. The leases have a maturity obligation of 6 months which equals a total outstanding lease payments of DKK 408.000.

Joint taxation

With Easy Travel Copenhagen ApS, company reg. no 42 03 47 38 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 0.000.

Notes

All amounts in DKK.

9. Contingencies (continued)

Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.000.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Sleep in Heaven ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

Accounting policies

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Sleep in Heaven ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Accounting policies

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.