



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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HotelCityB ApS

Fredtoftevej 10, 2980 Kokkedal

Company reg. no. 31 05 04 05

Annual report

1 October 2022 - 30 September 2023

The annual report was submitted and approved by the general meeting on the 22 February 2024.

Jakov Dolgoj
Chairman of the meeting



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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 EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the managing director has presented the annual report of HotelCityB ApS for the financial year 1 October 2022 - 30 September 2023.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 September 2023 and of the company's results of activities in the financial year 1 October 2022 – 30 September 2023.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Kokkedal, 22 February 2024

Managing Director

Jakov Dolgoj



Independent auditor's report

To the Shareholders of HotelCityB ApS

Opinion

We have audited the financial statements of HotelCityB ApS for the financial year 1 October 2022 - 30 September 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 30 September 2023, and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 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.

Emphasis of Matter

Correction of Misapplied Reserve Binding

In reviewing this year's financials, an error was found in how reserves were allocated in past reports, not aligning with Danish Financial Act section 38. Rectifying this, the reserve previously tied to equity under section 41 is now correctly released as per section 38 and placed under free equity.

This adjustment has no impact on the current year's financial position, performance, or cash flows.

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.



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 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.



Independent auditor's report

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.

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, 22 February 2024

Christensen Kjaerulff

Company reg. no. 15 91 56 41

Anders Ingemann Hansen
State Authorised Public Accountant
mne32726



Company information

The company

HotelCityB ApS
Fredtoftevej 10
2980 Kokkedal

Company reg. no. 31 05 04 05
Established: 6 November 2007
Domicile: Fredensborg
Financial year: 1 October 2022 - 30 September 2023

Managing Director

Jakov Dolgoj

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Østbanegade 123
2100 København Ø

Parent company

Eyles Assets Limited, Cyprus



Management's review

The principal activities of the company

The principal activities of the company are to acquire and develop properties in Berlin.

Development in activities and financial matters

The gross profit for the year totals EUR 591.000 against EUR 965.000 last year. Income or loss from ordinary activities after tax totals EUR -2.748.000 against EUR 1.093.000 last year. Management considers the net profit or loss for the year satisfactory.



Income statement 1 October - 30 September

All amounts in EUR.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Gross profit	590.502	965.162
1 Value adjustment of investment property	-3.160.000	0
Other operating costs	0	-1.137
Other financial income	31.090	28.836
2 Other financial costs	-209.823	-277.313
Pre-tax net profit or loss	-2.748.231	715.548
3 Tax on net profit or loss for the year	0	377.693
Net profit or loss for the year	-2.748.231	1.093.241
Proposed distribution of net profit:		
Transferred to retained earnings	0	1.093.241
Allocated from retained earnings	-2.748.231	0
Total allocations and transfers	-2.748.231	1.093.241



Balance sheet at 30 September

All amounts in EUR.

Assets			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Non-current assets			
4	Investment properties	13.596.221	16.738.863
	Total property, plant, and equipment	13.596.221	16.738.863
5	Other receivables	1.988.053	1.789.456
	Total investments	1.988.053	1.789.456
	Total non-current assets	15.584.274	18.528.319
Current assets			
	Trade receivables	20.397	34.769
	Other receivables	27.999	94.732
	Prepayments and accrued income	59.496	84.361
	Total receivables	107.892	213.862
	Cash on hand and demand deposits	420.271	276.939
	Total current assets	528.163	490.801
	Total assets	16.112.437	19.019.120



Balance sheet at 30 September

All amounts in EUR.

Equity and liabilities		
Note	2023	2022
Equity		
Contributed capital	16.779	16.779
Retained earnings	7.227.175	9.975.406
Total equity	7.243.954	9.992.185
Provisions		
Provisions for deferred tax	770.208	770.208
Total provisions	770.208	770.208
Liabilities other than provisions		
Bank loans	0	7.363.580
Total long term liabilities other than provisions	0	7.363.580
Current portion of long term payables	7.363.580	136.420
Trade payables	19.660	22.525
Payables to group enterprises	681.593	681.593
Other payables	33.442	45.469
Deferred income	0	7.140
Total short term liabilities other than provisions	8.098.275	893.147
Total liabilities other than provisions	8.098.275	8.256.727
Total equity and liabilities	16.112.437	19.019.120

7 Disclosures on fair value

6 Charges and security



Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 October 2021	16.779	8.882.165	8.898.944
Retained earnings for the year	<u>0</u>	<u>1.093.241</u>	<u>1.093.241</u>
Equity 1 October 2022	16.779	9.975.406	9.992.185
Retained earnings for the year	<u>0</u>	<u>-2.748.231</u>	<u>-2.748.231</u>
	<u>16.779</u>	<u>7.227.175</u>	<u>7.243.954</u>



Notes

All amounts in EUR.

	<u>2022/23</u>	<u>2021/22</u>
1. Value adjustment of investment property		
Value adjustment arising from change in required rate of return	-3.160.000	0
	<u>-3.160.000</u>	<u>0</u>
2. Other financial costs		
Other financial costs	209.823	277.313
	<u>209.823</u>	<u>277.313</u>
3. Tax on net profit or loss for the year		
Adjustment of deferred tax for the year	0	-377.693
	<u>0</u>	<u>-377.693</u>



Notes

All amounts in EUR.

	<u>30/9 2023</u>	<u>30/9 2022</u>
4. Investment properties		
Cost 1 October 2022	10.603.829	10.604.966
Additions during the year	17.358	0
Disposals during the year	<u>0</u>	<u>-1.137</u>
Cost 30 September 2023	<u>10.621.187</u>	<u>10.603.829</u>
Fair value adjustment 1 October 2022	6.135.034	6.135.034
Adjustments to fair value for the year	<u>-3.160.000</u>	<u>0</u>
Fair value adjustment 30 September 2023	<u>2.975.034</u>	<u>6.135.034</u>
Carrying amount, 30 September 2023	<u>13.596.221</u>	<u>16.738.863</u>

The company's investment property consists of 1 commercial property used as a 3-star Hotel with a total size of 4.895 m² in Berlin, Germany. The property was built in 1996. In 2010, a major renovation took place. In 2014 and 2017/18 several rooms and the lobby were modernized as well the establishment of a restaurant/café area, and the number of rooms has increased to a total of 116 rooms. The entire property including parking lot are leased to a hotel manager and a restaurateur.

Like previous years, the investment property is in accordance with the accounting policies applied, and measured at fair value (level 3 in the fair value hierarchy) based on the return-based model.

The rates of return from the individual properties have been determined on the basis of an evaluation of the expected rental income from fully leased properties less expected operating costs, administration costs, and maintenance costs. The subsequent value is adjusted for recognised vacant-period lease for a reasonable period of time and expected costs of improvements and large maintenance projects, etc., plus added deposits and prepaid lease payments.

The significant assumptions for the determined fair value are as follows:

	<u>30/9 2023</u>	<u>30/9 2022</u>
Rate of return, commercial	4%	4%
Vacancy rate, commercial	0%	0%

No external appraiser has been used to determine the fair value.

Compared to the previous financial year, the methods of measurement remain unchanged.

Sensitivity analysis

An increase of the required rate of return by 0,5 percentage point would result in a reduction of the value of the investment properties of 1.234 t.EUR.



Notes

All amounts in EUR.

	<u>30/9 2023</u>	<u>30/9 2022</u>
5. Other receivables		
Cost 1 October 2022	1.789.456	1.052.220
Additions during the year	218.994	771.410
Transfers	<u>-20.397</u>	<u>-34.174</u>
Cost 30 September 2023	<u>1.988.053</u>	<u>1.789.456</u>
Carrying amount, 30 September 2023	<u>1.988.053</u>	<u>1.789.456</u>
Specify as follows:		
Other receivables	1.702.631	1.497.413
Deposits	<u>285.422</u>	<u>292.043</u>
	<u>1.988.053</u>	<u>1.789.456</u>

6. Charges and security

As collateral for mortgage loans, 8.500 t.EUR, security has been granted on land and buildings representing a carrying amount of 16.739 t.EUR at 30 September 2023.

7. Disclosures on fair value

	<u>Investment property</u>
Fair value at 30 September 2023	<u>16.739</u>
Unrealised change in fair value of the year recognised in the statement of financial activity	<u>0</u>
Unrealised change in fair value of the year recognised in the equity	<u>0</u>



Accounting policies

The annual report for HotelCityB 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 the previous year, and the annual report is presented in euro (EUR).

Material errors in previous years

Correction of Misapplied Reserve Binding

During the review and analysis of the financial statements for the current year, it was identified that an error had occurred in the treatment of reserves in prior financial reports. Specifically, in previous years, a reserve was incorrectly bound to equity in accordance with the Danish Financial Act section 41. Upon reassessment and careful consideration, it has been determined that the appropriate application should have been in line with section 38 of the Danish Financial Act.

As per the corrected interpretation of the statutory provisions, the reserve previously bound to equity under section 41 should now be rightfully released, in accordance with section 38 of the Danish Financial act. This correction has led to an adjustment in the financial statements to accurately reflect the updated status of the company's reserves.

The impact of this adjustment has been appropriately accounted for in the current year's financial statements to ensure compliance with the prescribed accounting principles and regulations. Management has taken necessary steps to rectify this misapplication and ensure the accuracy and reliability of the financial information presented.

This adjustment has no impact on the current year's financial position, performance, or cash flows.

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.



Accounting policies

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 average exchange rate for the financial year. Exchange rate differences are recognised in the income statement under the financial item net financials.

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.

Income statement

Gross profit

Gross profit comprises the lease income, external costs and property costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Lease income is measured at fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs which are not charged directly from the lessee.

Other external cost comprises costs relating to administration activities.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of tangible assets



Accounting policies

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, debt and transactions in foreign currency.

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.

Statement of financial position

Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by an external assessor, form the basis for the fair value of the properties.

Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item "Value adjustments of property".

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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.



Accounting policies

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.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits 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.

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.

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.

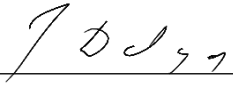
Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net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

Liabilities other than provisions

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.



Jakov Dolgoj
Direktør
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Jakov Dolgoj
Dirigent
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Anders Ingemann Hansen

The name returned by Danish MitID was:
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Revisor
ID: 6d7bce96-ce62-43b2-9f7d-3648380bb824
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