

GENERATOR HOSTEL COPENHAGEN A/S  
Adelgade 5 - 7  
32778097 København K

Annual report for 2022

Adopted at the annual general meeting on  
6 July 2023



Alastair Bernhard Thomann  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of Generator Hostel Copenhagen A/S for the financial year 1 January - 31 December 2022.

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

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

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.


Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 6 July 2023

### Executive board

Lasse Uldahl Borch  
Director

### Supervisory board

  
Alastair Bernhard Thomann  
chairman

  
Lars Ulrik Bruun

  
Lasse Borch  
Lasse Uldahl Borch

# INDEPENDENT AUDITOR'S REPORT

*To the shareholder of Generator Hostel Copenhagen A/S*

## **Opinion**

We have audited the financial statements of Generator Hostel Copenhagen A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

## **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' 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 and 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 the 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.

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 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.

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.

## **INDEPENDENT AUDITOR'S REPORT**

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 6 July 2023

### **MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41

Nicklas Rasmussen  
Statsautoriseret revisor  
MNE no. 43474

## SELSKABSOPLYSNINGER

### Company details

Generator Hostel Copenhagen A/S  
Adelgade 5 - 7  
København K

CVR no.: 32 77 80 97

Reporting period: 1 January - 31 December 2022

Domicile: Copenhagen

### Supervisory board

Alastair Bernhard Thomann  
Lars Ulrik Bruun  
Lasse Uldahl Borch

### Executive board

Lasse Uldahl Borch, direktør

### Auditors

Mazars  
Statsautoriseret Revisionspartnerselskab  
Midtermolen 1, 2.tv.  
2100 København Ø

## **MANAGEMENT'S REVIEW**

### **Business review**

The Company's core objective is to own realstate, to run a hostel and to carry on other related activities.

### **Financial review**

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 7.404.894, and the balance sheet at 31 December 2022 shows equity of DKK 209.445.431.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## ACCOUNTING POLICIES

The annual report of Generator Hostel Copenhagen A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as certain provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

Some reclassifications have been made to the comparative figures, between trade payables and other payables. The effect on total assets, total liabilities and result for the period is 0.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## ACCOUNTING POLICIES

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and other operating income less other external expenses.

#### **Revenue**

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

#### **Change in inventories of finished goods**

Changes in inventories of finished goods comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary write-downs of such inventories.

#### **Other operating income**

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

#### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

#### **Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

# ACCOUNTING POLICIES

## Balance sheet

### Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-7 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

## ACCOUNTING POLICIES

### **Impairment of fixed assets**

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

### **Equity**

#### **Reserve for revaluation**

Fair value adjustments arising from revaluation of buildings are recognized directly on equity less deferred tax in revaluation reserve. Dissolution of previous years revaluation are done as the revaluation from previous years are depreciated.

### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

## ACCOUNTING POLICIES

### **Income tax and deferred tax**

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>Gross profit</b>		<b>31.664.981</b>	<b>13.761.589</b>
Staff costs	1	-10.377.009	-6.699.435
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-6.661.994	-10.182.804
Financial income		0	869.562
Financial costs	2	-5.134.966	-4.173.273
<b>Profit/loss before tax</b>		<b>9.491.012</b>	<b>-6.424.361</b>
Tax on profit/loss for the year	3	-2.086.118	1.413.359
<b>Profit/loss for the year</b>		<b>7.404.894</b>	<b>-5.011.002</b>
Reserve for fair value of assets		948.934	-3.740.013
Retained earnings		6.455.960	-1.270.989
		<b>7.404.894</b>	<b>-5.011.002</b>

## BALANCE SHEET 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>ASSETS</b>			
Land and buildings	4	350.571.998	279.568.118
Other fixtures and fittings, tools and equipment	4	8.982.997	10.942.549
<b>Tangible assets</b>		<b>359.554.995</b>	<b>290.510.667</b>
<b>Total non-current assets</b>		<b>359.554.995</b>	<b>290.510.667</b>
Finished goods and goods for resale		664.762	565.478
<b>Stocks</b>		<b>664.762</b>	<b>565.478</b>
Trade receivables		950.297	146.726
Receivables from group companies		17.727.010	19.267.422
Other receivables		0	1.294.051
Corporation tax		720.000	1.792.948
Prepayments		921.612	340.172
<b>Receivables</b>		<b>20.318.919</b>	<b>22.841.319</b>
<b>Cash at bank and in hand</b>		<b>7.648.419</b>	<b>6.057.899</b>
<b>Total current assets</b>		<b>28.632.100</b>	<b>29.464.696</b>
<b>Total assets</b>		<b>388.187.095</b>	<b>319.975.363</b>

## BALANCE SHEET 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		600.000	600.000
Revaluation reserve		159.659.255	112.627.252
Retained earnings		49.186.176	31.348.932
<b>Equity</b>		<b>209.445.431</b>	<b>144.576.184</b>
Provision for deferred tax		46.519.089	27.099.676
<b>Total provisions</b>		<b>46.519.089</b>	<b>27.099.676</b>
Payables to group companies		0	140.569.631
<b>Total non-current liabilities</b>		<b>0</b>	<b>140.569.631</b>
Trade payables		3.589.048	4.817.033
Payables to group companies		125.372.720	351.184
Other payables		1.968.352	1.998.245
Deferred income		1.292.455	563.410
<b>Total current liabilities</b>		<b>132.222.575</b>	<b>7.729.872</b>
<b>Total liabilities</b>		<b>132.222.575</b>	<b>148.299.503</b>
<b>Total equity and liabilities</b>		<b>388.187.095</b>	<b>319.975.363</b>
Financing	5		
Contingent liabilities	6		
Mortgages and collateral	7		



## STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January 2022	600.000	99.160.531	41.781.282	141.541.813
Revaluation for the year	0	61.447.658	0	61.447.658
Dissolution of previous years' revaluation	0	-948.934	948.934	0
Net profit/loss for the year	0	0	6.455.960	6.455.960
Equity at 31 December 2022	600.000	159.659.255	49.186.176	209.445.431

## NOTES

	2022	2021
	DKK	DKK
<b>1 STAFF COSTS</b>		
Wages and salaries	9.581.935	6.388.703
Pensions	383.043	0
Other social security costs	412.031	310.732
	10.377.009	6.699.435
 Average number of employees	24	17
	2022	2021
	DKK	DKK
<b>2 FINANCIAL COSTS</b>		
Financial expenses, group entities	4.047.925	4.136.980
Other financial costs	1.087.041	36.293
	5.134.966	4.173.273
<b>3 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Deferred tax for the year	2.407.349	0
Adjustment of tax concerning previous years	-321.231	-1.413.359
	2.086.118	-1.413.359

## NOTES

### 4 TANGIBLE ASSETS

	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	189.593.139	30.052.224
Additions for the year	0	1.041.622
Disposals for the year	0	-221.043
Cost at 31 December 2022	189.593.139	30.872.803
Revaluations at 1 January 2022	145.887.812	0
Revaluations for the year	78.779.049	0
Revaluations at 31 December 2022	224.666.861	0
Impairment losses and depreciation at 1 January 2022	55.912.834	19.109.674
Depreciation for the year	7.775.168	2.870.131
Impairment and depreciation of sold assets for the year	0	-89.999
Impairment losses and depreciation at 31 December 2022	63.688.002	21.889.806
Carrying amount at 31 December 2022	350.571.998	8.982.997
Accounting value of items of property, plant and equipment which would have been recognised had the assets not been revalued	145.880.645	8.982.997

### 5 FINANCING

At 31 December 2022 the company have loans from group companies of DKK 125.337 Thousand , presented as short term as they fall due in 2023. Management expects that loans are extended before they are to be paid.

The company have received a letter of support from the lenders, stating that they will not demand repayment of the loan for at least 12 months from the balance sheet date, unless the Companies liquidity situation allows it.

### 6 CONTINGENT LIABILITIES

The Company has entered into a lease hold agreements on rental of premises and storage rooms. The agreements may be terminated subject to a 12 and 2 months notice respectively. The rental commitment amounts to DKK 232 Thousand at 31 December 2022.

## NOTES

### 7 MORTGAGES AND COLLATERAL

The Company has issued mortgage deeds registered to the mortgagor of a total of DKK 213.736 Thousand in investment properties as security for the parent company's debt to credit institutions. The carrying amount of the land and buildings are DKK 350.572 Thousand at 31 December 2022

### 8 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Consolidated financial statements

The company is reflected in the group report of the parent company Queensgate Project XVI Sarl. The parent company is located at 6, Avenue Pasteur, Luxembourg