
Pieplow ApS

c/o Comfort Hotel Vesterbro, DK-1620 København V

Annual Report for 2019

CVR-nr. 35 84 11 80

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 5/10 2020

Jens Andreas Pieplow
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Pieplow ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the company and of the results of the company operations for 2019.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 5 October 2020

Executive Board

Jens Andreas Pieplow
Manager

Independent Auditor's report

To the shareholder of Pieplow ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Pieplow ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without making modifications to our opinion, we draw attention to the information in note 1, in which the management explains significant uncertainty regarding the circumstances and events that could rise significant doubts about the company's ability to continue its operations. This uncertainty attributes to the COVID-19 out-break's impact on the company's operations in 2020.

The Management believes that it is possible to acquire sufficient capital, and in accordance with this, the annual report is presented as going concern.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

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.

Independent Auditor's report

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:

- 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.

Independent Auditor's report

Hellerup, 5 October 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff
state authorised public accountant
mne30221

Company information

The Company

Pieplow ApS

c/o Comfort Hotel Vesterbro
DK-1620 København V

CVR No: 35 84 11 80

Financial period: 1 January - 31 December

Incorporated: 1 May 2014

Financial year: 6th financial year

Municipality of reg. office: Copenhagen

Executive board

Jens Andreas Pieplow

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Key activities

The company's main activity is to operate a restaurant business.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 758,066, and at 31 December 2019 the balance sheet of the Company shows positive equity of DKK 1,218,481.

Capital resources

As per 31 December 2019 the company's equity is positive with DKK 1,218k.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" has though had a severe impact on the company, which has experienced a material decrease in revenue due to the forced closing of restaurants and a decline in the tourism during the summer in 2020, due to the fact that a large part of revenue comes from guests of the hotel, in which the restaurant is located.

The Danish Government's aid packages have been able to reduce the impact of the decrease in revenues and during 2020 Management has significantly reduced the operating expenses to bring this in line with revenue expectation for 2020.

The decrease in the revenue has put a pressure on the cash position of the company. As of the issuance date of these financial statements, the company does not have adequate cash on hand or forecasted revenue to sustain its operations until December 31, 2020. As such there exists significant doubt about the company's ability to continue as a going concern until December 31, 2020.

Subsequent events

The Company's outlook for the future has been negatively affected by the COVID-19 outbreak and the measures taken by the Danish Government to mitigate the impacts of the outbreak, see further description in the subsequent events disclosures in note 2.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		9,007,951	9,335,560
Staff expenses	3	-7,837,689	-7,981,465
Depreciation and impairment losses of property, plant and equipment		-85,339	-69,513
Profit/loss before financial income and expenses		1,084,923	1,284,582
Financial income		6,862	0
Financial expenses		-119,933	-56,553
Profit/loss before tax		971,852	1,228,029
Tax on profit/loss for the year	4	-213,786	-303,200
Net profit/loss for the year		758,066	924,829

Distribution of profit

	2019 DKK	2018 DKK
Proposed distribution of profit		
Proposed dividend for the year	0	800,000
Retained earnings	758,066	124,829
	758,066	924,829

Balance sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		278,887	364,226
Property, plant and equipment	5	<u>278,887</u>	<u>364,226</u>
Fixed assets		<u>278,887</u>	<u>364,226</u>
Raw materials and consumables		213,487	260,381
Inventories		<u>213,487</u>	<u>260,381</u>
Trade receivables		2,609,442	1,971,201
Other receivables		11,067	278,016
Corporation tax		115,172	11,634
Prepayments		170,582	376,367
Receivables		<u>2,906,263</u>	<u>2,637,218</u>
Cash at bank and in hand		<u>677,390</u>	<u>1,092,768</u>
Current assets		<u>3,797,140</u>	<u>3,990,367</u>
Assets		<u>4,076,027</u>	<u>4,354,593</u>

Balance sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		50,000	50,000
Retained earnings		1,168,481	410,415
Proposed dividend for the year		0	800,000
Equity	6	1,218,481	1,260,415
Provision for deferred tax		13,008	9,960
Provisions		13,008	9,960
Other payables		22,480	0
Long-term debt		22,480	0
Trade payables		1,611,971	1,206,838
Payables to group enterprises		27,515	582,649
Other payables		1,182,572	1,294,731
Short-term debt		2,822,058	3,084,218
Debt		2,844,538	3,084,218
Liabilities and equity		4,076,027	4,354,593
Going concern	1		
Subsequent events	2		
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Notes to the financial statement

1. Going concern

As per 31 December 2019 the company's equity is positive with DKK 1,218k.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" has though had a severe impact on the company, which has experienced a material decrease in revenue due to the forced closing of restaurants and a decline in the tourism during the summer in 2020, due to the fact that a large part of revenue comes from guests of the hotel, in which the restaurant is located.

The Danish Government's aid packages have been able to reduce the impact of the decrease in revenues and during 2020 Management has significantly reduced the operating expenses to bring this in line with revenue expectation for 2020.

The decrease in the revenue has put a pressure on the cash position of the company. As of the issuance date of these financial statements, the company does not have adequate cash on hand or forecasted revenue to sustain its operations until December 31, 2020. As such there exists significant doubt about the company's ability to continue as a going concern until December 31, 2020.

2. Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" has had a great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

COVID-19 has caused a severe decline in the Company's revenue compared to last year, due to the forced closing of the restaurant in the first part of 2020, and a decline in tourists visiting the hotel in which the restaurant is located.

	<u>2019</u>	<u>2018</u>
	DKK	DKK
3. Staff Expenses		
Wages and salaries	7,164,581	7,259,114
Pensions	582,642	591,014
Other social security expenses	84,466	83,759
Other staff expenses	6,000	47,578
	<u>7,837,689</u>	<u>7,981,465</u>
Average number of employees	<u>19</u>	<u>19</u>

Notes to the financial statement

	2019	2018
	DKK	DKK
4. Income tax expense		
Current tax for the year	210,738	267,366
Deferred tax for the year	3,048	7,118
Adjustment of tax concerning previous years	0	28,716
	<u>213,786</u>	<u>303,200</u>

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	<u>536,256</u>
Cost at 31 December	<u>536,256</u>
Impairment losses and depreciation at 1 January	172,030
Depreciation for the year	<u>85,339</u>
Impairment losses and depreciation at 31 December	<u>257,369</u>
Carrying amount at 31 December	<u>278,887</u>
Depreciated over	<u>5 year</u>

6. Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	410,415	800,000	1,260,415
Ordinary dividend paid	0	0	-800,000	-800,000
Net profit/loss for the year	0	758,066	0	758,066
Equity at 31 December	<u>50,000</u>	<u>1,168,481</u>	<u>0</u>	<u>1,218,481</u>

Notes to the financial statement

7. Contingent assets, liabilities and other financial obligations

The company's lease contract for catering premises has a notice period of 6 months totalling rent costs of TDKK 924.

Notes to the financial statement

8. Accounting policies

The Annual Report for Pieplow ApS for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the financial statement

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

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. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the financial statement

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.