

Bronnum ApS

August Bournonvilles Passage 1, 1055 København K

Company reg. no. 36 54 46 94

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 14 June 2019.

Rasmus Shepherd-Lomborg
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The managing director has today presented the annual report of Bronnum ApS for the financial year 1 January to 31 December 2018.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København K, 14 June 2019

Managing Director

Rasmus Shepherd-Lomborg

Independent auditor's report

To the shareholders of Bronnum ApS

Opinion

We have audited the annual accounts of Bronnum ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without modifying our conclusion, we refer to the discussion in note 1 about the company's expectations for the continued operation.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 14 June 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Carlsen

State Authorised Public Accountant
mne23451

Company data

The company

Bronnum ApS
August Bournonvilles Passage 1
1055 København K

Company reg. no. 36 54 46 94

Financial year: 1 January - 31 December

Managing Director

Rasmus Shepherd-Lomborg

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

The company's activities consist of running a coffee business and related activities.

Development in activities and financial matters

The gross profit for the year is DKK 6.167.000 against DKK 5.442.000 last year. The results from ordinary activities after tax are DKK 124.000 against DKK -407.000 last year. The management consider the results satisfactory.

The company has lost all its capital. The company started with activities and interior design in 2016, which is why there have been many costs associated with this. In 2018, the company delivered a profit of DKK 126,000. It is estimated that the company will generate positive transactions forward and thus restore equity within a few years.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	6.166.731	5.441.700
2 Staff costs	-4.037.503	-4.190.106
Depreciation and writedown relating to fixed assets	-1.342.360	-1.194.173
Operating profit	786.868	57.421
Other financial income	20	0
3 Other financial costs	-473.020	-574.550
Results before tax	313.868	-517.129
Tax on ordinary results	-189.559	110.414
Results for the year	124.309	-406.715
 Proposed distribution of the results:		
Allocated to results brought forward	124.309	0
Allocated from results brought forward	0	-406.715
Distribution in total	124.309	-406.715

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Fixed assets		
4 Other plants, operating assets, and fixtures and furniture	1.600.797	2.136.472
5 Decoration rented premises	4.031.661	4.510.060
Tangible fixed assets in total	<u>5.632.458</u>	<u>6.646.532</u>
Deposits	743.436	723.705
Financial fixed assets in total	<u>743.436</u>	<u>723.705</u>
Fixed assets in total	<u>6.375.894</u>	<u>7.370.237</u>
Current assets		
Raw materials and consumables	591.624	561.830
Inventories in total	<u>591.624</u>	<u>561.830</u>
Trade debtors	92.964	104.669
Amounts owed by group enterprises	3.565	0
Receivable corporate tax	0	627.062
Other debtors	75.207	72.675
Accrued income and deferred expenses	309.862	284.127
Debtors in total	<u>481.598</u>	<u>1.088.533</u>
Available funds	779.989	32.909
Current assets in total	<u>1.853.211</u>	<u>1.683.272</u>
Assets in total	<u>8.229.105</u>	<u>9.053.509</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2018</u>	<u>2017</u>
Equity		
6 Contributed capital	50.000	50.000
7 Results brought forward	-2.208.177	-2.332.486
Equity in total	-2.158.177	-2.282.486
Provisions		
Provisions for deferred tax	395.000	289.635
Provisions in total	395.000	289.635
Liabilities		
Subordinate loan capital	0	2.500.000
Bank debts	1.032.316	1.862.885
Long-term liabilities in total	1.032.316	4.362.885
Short-term part of long-term liabilities	837.647	700.000
Bank debts	0	877.100
Trade creditors	883.207	1.000.956
Debt to group enterprises	6.570.829	3.609.105
Corporate tax	84.194	0
Other debts	584.089	496.314
Short-term liabilities in total	8.959.966	6.683.475
Liabilities in total	9.992.282	11.046.360
Equity and liabilities in total	8.229.105	9.053.509

1 Capital loss**8 Contingencies**

Notes

All amounts in DKK.

1. Capital loss

The company has lost all its capital. The company started with activities and interior design in 2016, which is why there have been many costs associated with this. In 2018, the company delivered a profit of DKK 126,000. It is estimated that the company will generate positive transactions forward and thus restore equity within a few years.

	<u>2018</u>	<u>2017</u>
2. Staff costs		
Salaries and wages	3.858.356	3.914.585
Other costs for social security	21.712	23.795
Other staff costs	<u>157.435</u>	<u>251.726</u>
	<u>4.037.503</u>	<u>4.190.106</u>
Average number of employees	<u>11</u>	<u>10</u>
3. Other financial costs		
Financial costs, group enterprises	240.549	159.371
Other financial costs	<u>232.471</u>	<u>415.179</u>
	<u>473.020</u>	<u>574.550</u>
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	2.762.193	2.320.686
Additions during the year	<u>18.977</u>	<u>441.506</u>
Cost 31 December 2018	<u>2.781.170</u>	<u>2.762.192</u>
Amortisation and writedown 1 January 2018	-625.720	-116.035
Depreciation for the year	<u>-554.653</u>	<u>-509.685</u>
Amortisation and writedown 31 December 2018	<u>-1.180.373</u>	<u>-625.720</u>
Book value 31 December 2018	<u>1.600.797</u>	<u>2.136.472</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Decoration rented premises		
Cost 1 January 2018	5.343.394	4.252.748
Additions during the year	<u>309.308</u>	<u>1.090.646</u>
Cost 31 December 2018	<u>5.652.702</u>	<u>5.343.394</u>
Depreciation and writedown 1 January 2018	-833.334	-148.846
Depreciation for the year	<u>-787.707</u>	<u>-684.488</u>
Depreciation and writedown 31 December 2018	<u>-1.621.041</u>	<u>-833.334</u>
Book value 31 December 2018	<u>4.031.661</u>	<u>4.510.060</u>
6. Contributed capital		
Contributed capital 1 January 2018	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
7. Results brought forward		
Results brought forward 1 January 2018	-2.332.486	-1.925.771
Profit or loss for the year brought forward	<u>124.309</u>	<u>-406.715</u>
	<u>-2.208.177</u>	<u>-2.332.486</u>

8. Contingencies

Contingent liabilities

Rent commitments

The company has entered rent agreement with a monthly rent of t.DKK 110, and a notice period of 33 months in total, t.DKK 3,630.

Joint taxation

Nordic Hospitality Partners Denmark A/S, company reg. no 39427958 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

Notes

All amounts in DKK.

8. Contingencies (continued)

Joint taxation (continued)

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies used

The annual report for Bronnum ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration and premises.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

Accounting policies used

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

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	5-7 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 7 years.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Bronnum ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.