

a&o hostel and hotel København
Nørrebro ApS
Tagensvej 135, 2200 Copenhagen N

Company reg. no. 37 94 03 48

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 30 June 2023.

Oliver Winter
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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of a&o hostel and hotel København Nørrebro ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

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

Copenhagen N, 30 June 2023

Executive board

Oliver Winter

Kasper Rønnow

Andreas Jozef Bleeker

Independent auditor's report

To the Shareholders of a&o hostel and hotel København Nørrebro ApS

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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.

We have audited the financial statements of a&o hostel and hotel København Nørrebro ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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.

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, 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.

Independent auditor's report

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

Independent auditor's report

- 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.

Aarhus, 30 June 2023

PricewaterhouseCooper

State Authorised Public Accountants
Company reg. no. 33 77 12 31

Mads Meldgaard
State Authorised Public Accountant
mne24826

Christian Fjordvald Mikkelsen
State Authorised Public Accountant
mne47884

Company information

The company

a&o hostel and hotel København Nørrebro ApS
Tagensvej 135
2200 Copenhagen N

Company reg. no. 37 94 03 48
Established: 16 August 2016
Financial year: 1 January - 31 December

Executive board

Oliver Winter
Kasper Rønnow
Andreas Jozef Bleeker

Auditors

PwC Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus

Management's review

Description of key activities of the company

The purpose of the company is to drive hotel operations, and any other related business.

Development in activities and financial matters

The gross profit for the year is DKK 1.414.000 against DKK 3.770.000 last year. The results from ordinary activities after tax are DKK -4.629.000 against DKK -1.938.000 last year. The management consider the results as expected.

The company has lost all of its capital, The company had it's first financial year 2016/17 many costs relating to the start-up. In addition to start-up costs, the financial years 2020 - 2022 have been affected by nationwide closures and restrictions due to COVID-19, which has led to a large decline in sale/profit earnings for the company. The company is focusing on increasing the earnings and profit. The management assess that the company will generate positive operations going forward.

Capital resources

Please refer to note 1

Events subsequent to the financial year

After the end of the financial year, no events have occurred which could significantly impact the financial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	1.414.386	3.769.777
3 Staff costs	-3.222.337	-2.705.893
Depreciation and writedown relating to tangible fixed assets	-1.225.102	-1.879.817
Impairment of current assets exceeding usual impairment	6.122	36.836
Other operating expenses	9.020	-38
Operating profit	-3.017.911	-779.135
Other financial income	67.612	70.897
4 Other financial expenses	-1.678.779	-1.455.261
Pre-tax net profit or loss	-4.629.078	-2.163.499
5 Tax on ordinary results	0	225.000
Net profit or loss for the year	-4.629.078	-1.938.499
Proposed distribution of net profit:		
Allocated from retained earnings	-4.629.078	-1.938.499
Total allocations and transfers	-4.629.078	-1.938.499

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
6 Other plants, operating assets, and fixtures and furniture	250.920	308.172
7 Leasehold improvements	19.465.101	25.540.773
Total property, plant, and equipment	<u>19.716.021</u>	<u>25.848.945</u>
8 Deposits	160.000	0
Total investments	<u>160.000</u>	<u>0</u>
Total non-current assets	<u>19.876.021</u>	<u>25.848.945</u>
Current assets		
Raw materials and consumables	69.262	46.802
Total inventories	<u>69.262</u>	<u>46.802</u>
Trade receivables	3.834.500	2.381.088
Amounts owed by group enterprises	3.551.127	4.607.471
Deferred tax assets	1.600.000	1.600.000
Other debtors	4.781.202	400.000
Prepayments and accrued income	161.080	92.021
Total receivables	<u>13.927.909</u>	<u>9.080.580</u>
Available funds	387.324	3.762.625
Total current assets	<u>14.384.495</u>	<u>12.890.007</u>
Total assets	<u>34.260.516</u>	<u>38.738.952</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
9	Contributed capital	50.000	50.000
10	Retained earnings	-16.350.296	-11.721.218
	Total equity	-16.300.296	-11.671.218
 Liabilities other than provisions			
	Accrued grant	5.421.901	5.659.249
	Total long term liabilities other than provisions	5.421.901	5.659.249
	Short-term part of long-term liabilities	237.900	237.900
	Prepayments received from customers	627.081	638.827
	Trade creditors	1.172.217	841.666
	Debt to group enterprises	40.306.399	39.546.277
	Other payables	2.795.314	3.486.251
	Total short term liabilities other than provisions	45.138.911	44.750.921
	Total liabilities other than provisions	50.560.812	50.410.170
	 Total equity and liabilities	 34.260.516	 38.738.952
 1 Going Concern			
2 Special items			
11 Contingencies			
12 Related parties			

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	50.000	-11.721.218	-11.671.218
Profit or loss for the year brought forward	0	-4.629.078	-4.629.078
	50.000	-16.350.296	-16.300.296

Notes

All amounts in DKK.

1. Going Concern

The Company has lost its share capital. Company Management expects to restore the share capital through future earnings in the Company or a capital increase. Furthermore the parent Company has issued a letter of support to the Company, which is valid until the annual general meeting in 2024.

2. Special items

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

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

	<u>2022</u>	<u>2021</u>
Income:		
Compensation received	<u>1.007.933</u>	<u>6.701.352</u>
	<u>1.007.933</u>	<u>6.701.352</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	<u>1.007.933</u>	<u>6.701.352</u>
	<u>1.007.933</u>	<u>6.701.352</u>

3. Staff costs

Salaries and wages	3.111.480	2.617.207
Other costs for social security	<u>110.857</u>	<u>88.686</u>
	<u>3.222.337</u>	<u>2.705.893</u>
Average number of employees	<u>12</u>	<u>11</u>

4. Other financial expenses

Financial costs, group enterprises	1.259.067	1.211.928
Other financial costs	<u>419.712</u>	<u>243.333</u>
	<u>1.678.779</u>	<u>1.455.261</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
5. Tax on ordinary results		
Adjustment for the year of deferred tax	0	-225.000
	<u>0</u>	<u>-225.000</u>
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2022	4.365.424	4.365.424
Additions during the year	174.908	0
Cost 31 December 2022	<u>4.540.332</u>	<u>4.365.424</u>
Amortisation and write-down 1 January 2022	-4.057.252	-3.184.162
Depreciation for the year	-232.160	-873.090
Amortisation and write-down 31 December 2022	<u>-4.289.412</u>	<u>-4.057.252</u>
Carrying amount, 31 December 2022	<u>250.920</u>	<u>308.172</u>
7. Leasehold improvements		
Cost 1 January 2022	29.797.478	29.776.932
Additions during the year	0	20.546
Disposals during the year	-5.082.730	0
Cost 31 December 2022	<u>24.714.748</u>	<u>29.797.478</u>
Depreciation and write-down 1 January 2022	-4.256.705	-3.249.678
Depreciation for the year	-992.942	-1.007.027
Depreciation and write-down 31 December 2022	<u>-5.249.647</u>	<u>-4.256.705</u>
Carrying amount, 31 December 2022	<u>19.465.101</u>	<u>25.540.773</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
8. Deposits		
Additions during the year	<u>160.000</u>	<u>0</u>
Cost 31 December 2022	<u>160.000</u>	<u>0</u>
Carrying amount, 31 December 2022	<u>160.000</u>	<u>0</u>
9. Contributed capital		
Contributed capital 1 January 2022	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
10. Retained earnings		
Retained earnings 1 January 2022	-11.721.218	-9.782.719
Profit or loss for the year brought forward	<u>-4.629.078</u>	<u>-1.938.499</u>
	<u>-16.350.296</u>	<u>-11.721.218</u>

11. Contingencies

Contingent liabilities

Rent commitments

The company has entered rent agreement with an yearly payment of k.DKK 5.745. The lease is interminable until July 2046. The rent agreement has 12 months term og notice to eliminate the contract.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

Notes

All amounts in DKK.

12. Related parties

The Company is included in the Group Annual Report of the Parent Company

Name: Alpha Holdings, S.á.r.l.

Place of registered office: Senningerberg, Luxembourg

Under the following adress, the consolidated figures were published.

<https://www.lbr.lu/mjrscs/jsp/IndexActionNotSecured.action?time=1562156988212&loop=1>

Accounting policies

The annual report for a&o hostel and hotel København Nørrebro 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 used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies

Income statement

Gross profit

The gross profit comprises the net turnover, operating expenses 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.

Operating expenses includes costs for the purchase of expenses less discounts related to the operating.

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

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. 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. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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).

Accounting policies

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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.

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

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

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

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

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

Leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values 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.

Accounting policies

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

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

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 30 years. A scrap value of DKK 0 has been used.

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.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

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.

Accrued expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

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.

a&o hostel and hotel København Nørrebro ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, a&o hostel and hotel København Nørrebro 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.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

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 than provisions

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

Accrued grant

Accrued grant recognised under liabilities comprise grant received prior year concerning the forthcoming financial years and are amortised over the 30 years of the lease agreement.