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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
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CVR no. 20 22 26 70

MEININGER HOTEL COPENHAGEN APS

COLBJØRNSENSGADE 11, 1652 KØBENHAVN V

ANNUAL REPORT

1 APRIL 2019 - 31 MARCH 2020

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 January 2021

Ajit Paramparambath Menon

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 38 10 62 52

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COMPANY DETAILS

Company	MEININGER Hotel Copenhagen ApS Colbjørnsensgade 11 1652 Copenhagen V
	CVR No.: 38 10 62 52 Established: 12 October 2016 Registered Office: Copenhagen Financial Year: 1 April 2019 - 31 March 2020
Board of Directors	Ajit Paramparambath Menon Andrew James Moffat Scott
Executive Board	Ajit Paramparambath Menon
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of MEININGER Hotel Copenhagen ApS for the financial year 1 April 2019 - 31 March 2020.

The Annual Report is presented 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 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 28 January 2021

Board of Executives

Ajit Paramparambath Menon

Board of Directors

Ajit Paramparambath Menon	Andrew James Moffat Scott

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MEININGER Hotel Copenhagen ApS

Opinion
We have audited the Financial Statements of MEININGER Hotel Copenhagen ApS for the financial year 1 April 2019 - 31 March 2020, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020 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. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 January 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

MANAGEMENT'S REVIEW

Principal activities
The principal activities comprise to hotel- and restaurant related services.

Development in activities and financial position
The company have a loss in the year of TDKK 983 and equity of TDKK 1.617 as 31.03.2020 and is considered as expected due to the COVID-19 lockdown in March 2020.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the company's financial position.

Future expectations
It is expected that the COVID19 virus will have a direct impact on the company’s revenue. Management assessment is though that this impact will be material for the full year 2020-21.

INCOME STATEMENT 1 APRIL - 31 MARCH

	Note	2019/20 DKK	2018/19 DKK
GROSS PROFIT		**32.044.383**	**11.399.786**
Staff costs	1	-8.449.939	-10.000.736
Depreciations		-16.511.076	-1.187.279
OPERATING PROFIT		**7.083.368**	**211.771**
Other financial income	2	471.721	319.013
Other financial expenses	3	-8.919.907	-426.698
LOSS BEFORE TAX		**-1.364.818**	**104.086**
Tax on profit/loss for the year	4	382.137	-31.000
LOSS FOR THE YEAR		**-982.681**	**73.086**

PROPOSED DISTRIBUTION OF DIVIDEND

Retained earnings		-982.681	73.086
TOTAL		**-982.681**	**73.086**

BALANCE SHEET AT 31 MARCH

ASSETS	Note	2020 DKK	2019 DKK
Land and buildings		241.837.866	0
Other plant, machinery tools and equipment		6.803.023	7.741.360
Leasehold improvements		1.484.985	1.448.830
Tangible fixed assets	5	**250.125.874**	**9.190.190**
FIXED ASSETS		**250.125.874**	**9.190.190**
Finished goods and goods for resale		153.261	101.448
Inventories		**153.261**	**101.448**
Trade receivables		4.634.018	2.515.765
Receivables from group enterprises		16.767.135	4.893.356
Deferred tax assets		342.686	0
Other receivables		3.144.188	1.697.385
Corporation tax receivable		5.052	107.000
Prepayments and accrued income		2.058.210	1.170.108
Receivables		**26.951.289**	**10.383.614**
Cash and cash equivalents		**1.413.193**	**8.919.161**
CURRENT ASSETS		**28.517.743**	**19.404.223**
ASSETS		**278.643.617**	**28.594.413**

BALANCE SHEET AT 31 MARCH

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital		50.000	50.000
Retained earnings		1.567.069	2.549.752
EQUITY	6	**1.617.069**	**2.599.752**
Provision for deferred tax		0	302.000
PROVISION FOR LIABILITIES		**0**	**302.000**
Other liabilities		115.326	0
Lease liabilities		245.435.245	0
Long-term liabilities	7	**245.550.571**	**0**
Prepayments received from customers		5.047.858	3.411.805
Trade payables		1.204.367	1.949.037
Debt to group enterprises		24.763.559	18.534.556
Other liabilities		460.193	1.797.263
Current liabilities		**31.475.977**	**25.692.661**
LIABILITIES		**277.026.548**	**25.692.661**
EQUITY AND LIABILITIES		**278.643.617**	**28.594.413**
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NOTES

	2019/20 DKK	2018/19 DKK	Note
Staff costs			1
Average number of employees			
25 (2018/19: 27)			
Wages and salaries	8.665.973	9.492.670	
Social security costs	186.476	333.913	
Other staff costs	-402.510	174.153	
	8.449.939	**10.000.736**	
Other financial income			2
Group enterprises	461.352	255.405	
Other interest income	10.369	63.608	
	471.721	**319.013**	
Other financial expenses			3
Group enterprises	670.362	355.570	
Other interest expenses	8.249.545	71.128	
	8.919.907	**426.698**	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year	262.549	0	
Adjustment of deferred tax	-644.686	31.000	
	-382.137	**31.000**	

Tangible fixed assets 5

	Land and buildings	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 April 2019	0	8.872.490	1.510.709
Additions	256.275.948	999.937	170.874
Cost at 31 March 2020	**256.275.948**	**9.872.427**	**1.681.583**
Depreciation at 1 April 2019	0	1.131.130	61.879
Depreciation for the year	14.438.082	1.938.274	134.719
Depreciation at 31 March 2020	**14.438.082**	**3.069.404**	**196.598**
Carrying amount at 31 March 2020	**241.837.866**	**6.803.023**	**1.484.985**
Finance lease assets	256.275.948		

NOTES

Note

Equity 6

	Share capital	Retained earnings	Total
Equity at 1 April 2019	50.000	2.549.750	2.599.750
Proposed distribution of profit		-982.681	-982.681
Equity at 31 March 2020	**50.000**	**1.567.069**	**1.617.069**

Long-term liabilities 7

	31/3 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/3 2019 total liabilities	Current portion at the beginning of the year
Other liabilities	115.326	0	0	0	0
Lease liabilities	245.435.245	0	175.761.229	0	0
	245.550.571	**0**	**175.761.229**	**0**	**0**

Contingencies etc. 8

Contingent liabilities
The company is not subjected to any liabilites other than what is related to the ordinary activity in the company.

Consolidated financial statements 9

Name and registered office of the Parent company preparing consolidated financial statements for the smallest group:
Meininger Hotel Europe Limited, 3rd Floor, 30 Millbank, London, Great Britain.

ACCOUNTING POLICIES

The Annual Report of MEININGER Hotel Copenhagen ApS for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification
The accounting policies have been changed in the following areas:

- When preparation the annual report 2020, the company has chosen to use the rules in accordance with IFRS 16 in connection with the accounting treatment of leasing contracts. In accordance with the rules, the company has adopted the change to comparative figures to the recognition of leasing assets amounts to DKK ('000) 256,276 and the corresponding leasing debt DKK (´000) 256,276 per 1 April 2019. This has had an postiive effect on equity per April 1, 2019 with DKK (´000) 0.

  IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases together with options to exclude a lease where the lease term is 12 months or less, or where the underlying lease is of low value.

  Transition method and practical expedients utilised:
  The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Danish GAAP.

  Accounting policy applicable from 1 April 2019:
  As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all of its leases, with the exception of leases of low value or for leases with a lease term of 12 months or less.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

ACCOUNTING POLICIES

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment...	3-20 years	0 %
Leasehold improvements..	5-20 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Lease contracts
Lease contracts relating to tangible fixed assets
The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or to restore the underlying asset, less any lease incentives received.

The right-of use asset is subsequently depreciated using the straight-line method over the term of lease. In addition, the right-of use asset is periodically reduced by impairment losses, if any.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Impairment of fixed assets
The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.