

RECOP APS  
c/o Mazars,  
Midtermolen 1, 2. tv.,  
2100 København Ø

Annual report for 2019

Adopted at the annual general meeting on  
22 July 2020



chairman

## TABLE OF CONTENTS

	Page
<b>Statements</b>	
Statement by management on the annual report	3
Auditor's report on compilation of the financial statements	4
 <b>Management's review</b>	
Company details	5
Management's review	6
 <b>Financial statements</b>	
Accounting policies	7
Income statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	13
Notes to the annual report	14

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Recop ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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

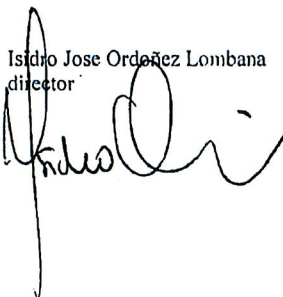
The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

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

Copenhagen, 22 July 2020

### Executive board

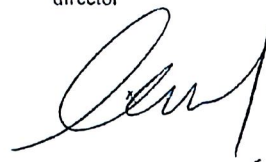
Isidro Jose Ordoñez Lombana  
director



Martinus Hendrikus de Wit  
director



Mireia Sureda Gallardo  
director



## AUDITOR'S REPORT ON COMPILATION OF THE FINANCIAL STATEMENTS

### *To the shareholder of Recop ApS*

We have compiled the financial statements of Recop ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping records and other information made available by management.

The financial statements comprises a statement by management, managements review, income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist management in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the management's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 22 July 2020

**MAZARS**

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Pia Lillebæk

State Authorizes Public Accountant

MNE no. mne30257

## COMPANY DETAILS

### The company

Recop ApS  
c/o Mazars  
Midtermolen 1, 2. tv.  
2100 København Ø

CVR no.: 39 67 70 24

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

### Executive board

Isidro Jose Ordoñez Lombana  
Martinus Hendrikus de Wit  
Mireia Sureda Gallardo

### Auditors

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

## **MANAGEMENT'S REVIEW**

### **Business review**

The company's purpose is hotel management.

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 2.289.217, and the balance sheet at 31 December 2019 shows equity of DKK 4.719.000.

The resultat is as expected.

### ***Financing***

For the purpose of strengthening the equity a debt to equity conversion was agreed at December 30, 2019.

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

The management expected the hotel to open May 1, 2020 but due to Covid19 the opening date is postponed until mid August 2020.

To strengthening the liquidity in the company a loan amounted to TDKK. 26.000 was established in June 2020 with pledge in the building.

No additional events have occurred after the balance sheet date which could significantly affect the company's financial position at December 31, 2019.

## ACCOUNTING POLICIES

The annual report of Recop ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities.

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

The annual report for 2019 is presented in DKK

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

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

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

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

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

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

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

### **Income statement**

#### **Gross profit**

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

Gross profit reflects an aggregation of revenue, other operating income and other external expenses.

#### **Revenue**

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

#### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

#### **Other external expenses**

Other external expenses include expenses related to direct costs, advertising and administration.

## ACCOUNTING POLICIES

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

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

### Balance sheet

#### Tangible assets

Items of land and buildings, are measured at cost less accumulated depreciation and impairment losses.

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

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

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

	Useful life	Residual value
Hotel building	75 years	50 %
Other fixtures, fittings and equipment	3-10 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Receivables

Receivables are measured at amortised cost.

### Income tax and deferred tax

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

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



## ACCOUNTING POLICIES

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

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Liabilities**

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

### **Foreign currency translation**

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

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit</b>		<b>-1.318.741</b>	<b>-103.027</b>
Staff costs	1	-41.059	0
Financial costs	2	<u>-929.417</u>	<u>-268.325</u>
<b>Profit/loss before tax</b>		<b>-2.289.217</b>	<b>-371.352</b>
Tax on profit/loss for the year	3	<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>-2.289.217</u></b>	<b><u>-371.352</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-2.289.217</u>	<u>-371.352</u>
		<b><u>-2.289.217</u></b>	<b><u>-371.352</u></b>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>ASSETS</b>			
Land and buildings		46.636.853	27.457.984
Other fixtures and fittings, tools and equipment		40.015	0
<b>Tangible assets</b>	4	<u><b>46.676.868</b></u>	<u><b>27.457.984</b></u>
<b>Total non-current assets</b>		<u><b>46.676.868</b></u>	<u><b>27.457.984</b></u>
Other receivables		3.648.088	1.111.361
<b>Receivables</b>		<u><b>3.648.088</b></u>	<u><b>1.111.361</b></u>
<b>Cash at bank and in hand</b>		<u><b>1.210.791</b></u>	<u><b>1.921.656</b></u>
<b>Total current assets</b>		<u><b>4.858.879</b></u>	<u><b>3.033.017</b></u>
<b>Total assets</b>		<u><u><b>51.535.747</b></u></u>	<u><u><b>30.491.001</b></u></u>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		50.000	50.000
Retained earnings		<u>4.669.000</u>	<u>-371.352</u>
<b>Equity</b>	<b>5</b>	<b><u>4.719.000</u></b>	<b><u>-321.352</u></b>
Payables to subsidiaries		37.281.260	30.292.353
Other payables		<u>5.602.275</u>	<u>0</u>
<b>Total non-current liabilities</b>	<b>6</b>	<b><u>42.883.535</u></b>	<b><u>30.292.353</u></b>
Trade payables		2.401.748	520.000
Payables to subsidiaries		1.391.226	0
Other payables		<u>140.238</u>	<u>0</u>
<b>Total current liabilities</b>		<b><u>3.933.212</u></b>	<b><u>520.000</u></b>
<b>Total liabilities</b>		<b><u>46.816.747</u></b>	<b><u>30.812.353</u></b>
<b>Total equity and liabilities</b>		<b><u>51.535.747</u></b>	<b><u>30.491.001</u></b>
Contingent liabilities	7		
Mortgages and collateral	8		

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2019	50.000	-371.351	-321.351
Cash capital increase	0	7.329.568	7.329.568
Net profit loss for the year	0	-2.289.217	-2.289.217
Equity at 31 December 2019	50.000	4.669.000	4.719.000

## NOTES

	2019 DKK	2018 DKK
<b>1 STAFF COSTS</b>		
Wages and salaries	37.000	0
Pensions	2.960	0
Other social security costs	1.099	0
	<u>41.059</u>	<u>0</u>
 Average number of employees	 <u>1</u>	 <u>0</u>

<b>2 FINANCIAL COSTS</b>		
Financial expenses, group entities	814.486	267.239
Other financial costs	29.756	1.086
Exchange adjustments costs	85.175	0
	<u>929.417</u>	<u>268.325</u>

### 3 TAX ON PROFIT/LOSS FOR THE YEAR

No current tax will apply for year 2019.

### 4 TANGIBLE ASSETS

	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	27.457.984	0
Additions for the year	19.178.869	40.015
Cost at 31 December 2019	<u>46.636.853</u>	<u>40.015</u>
 Carrying amount at 31 December 2019	 <u>46.636.853</u>	 <u>40.015</u>

No depreciation on the building for 2019 because the construction is not yet finalized.

### 5 EQUITY

The share capital consists of 50 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## NOTES

### 6 LONG TERM DEBT

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Payables to subsidiaries	30.292.353	37.281.260	0	37.281.260
Other payables	0	5.602.275	0	5.602.275
	<u>30.292.353</u>	<u>42.883.535</u>	<u>0</u>	<u>42.883.535</u>

### 7 CONTINGENT LIABILITIES

None.

### 8 MORTGAGES AND COLLATERAL

None.