

Hotel Facility Concepts Denmark ApS

c/o Buus Jensen I/S Revisorer, Lersø Parkallé 112, 2100 København Ø

Company reg. no. 39 68 81 23

Annual report

1 July 2018 - 31 December 2019

The annual report was submitted and approved by the general meeting on the 30 June 2020.

Vincent Koks

Chairman of the meeting

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 EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

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Management's report

Today, the executive board has presented the annual report of Hotel Facility Concepts Denmark ApS for the financial year 1 July 2018 - 31 December 2019.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 July 2018 – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 30 June 2020

Executive board

Annuska Antoinetta Veldhoen

Vincent Koks

Independent auditor's report

To the shareholder of Hotel Facility Concepts Denmark ApS

Opinion

We have audited the financial statements of Hotel Facility Concepts Denmark ApS for the financial year 1 July 2018 - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 July 2018 - 31 December 2019 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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.

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 judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 30 June 2020

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen

State Authorised Public Accountant
mne34295

Henrik Paaske

State Authorised Public Accountant
mne10067

Company information

The company

Hotel Facility Concepts Denmark ApS
c/o Buus Jensen I/S Revisorer
Lersø Parkallé 112
2100 København Ø

Company reg. no. 39 68 81 23
Domicile: Copenhagen
Financial year: 1 July - 31 December

Executive board

Annuska Antoinetta Veldhoen
Vincent Koks

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Parent company

HFC International BV, The Netherlands

Management commentary

The principal activities of the company

The principal activities are integrated hotel facility management services.

Development in activities and financial matters

The gross profit for the year totals EUR 73.356. Income or loss from ordinary activities after tax totals EUR 38. Management considers the net profit or loss for the year satisfactory as it is the first operational year of the company.

Expected developments

The coronavirus outbreak during the early months of 2020 has major implications for the global economy. The consequences of the coronavirus outbreak are classified as events after the balance sheet date that do not provide further information about the actual situation as at the balance sheet date and are therefore not included in the 2019 financial statements.

Due to the coronavirus outbreak and the resulting corona crisis, the results of the legal person during 2020 have fallen compared to what had been budgeted so far. This decrease occurred mainly from 15 March 2020. It is expected that the corona crisis will further negatively affect the result of the legal entity for the rest of 2020. However, this will depend in part on how to manage the coronavirus outbreak and the period and degree of lock-down and impact on occupancy in our customers' hotels. Due to the great uncertainty, it is difficult to map the different scenarios. As a result, the expected impact of the coronavirus outbreak on our operations is not yet clear.

Income statement

All amounts in EUR.

<u>Note</u>	1/7 2018 - 31/12 2019
Gross profit	73.356
1 Staff costs	-60.275
Operating profit	13.081
2 Other financial costs	-13.043
Pre-tax net profit or loss	38
Tax on net profit or loss for the year	0
Net profit or loss for the year	38
Proposed appropriation of net profit:	
Transferred to retained earnings	38
Total allocations and transfers	38

Statement of financial position

All amounts in EUR.

<u>Note</u>	<u>31/12 2019</u>
Assets	
Current assets	
Trade receivables	205.455
Receivables from group enterprises	20
Prepayments and accrued income	895
Total receivables	<u>206.370</u>
Cash on hand and demand deposits	<u>22.703</u>
Total current assets	<u>229.073</u>
Total assets	<u>229.073</u>

Statement of financial position

All amounts in EUR.

<u>Note</u>	<u>31/12 2019</u>
Equity and liabilities	
Equity	
3 Contributed capital	6.703
4 Retained earnings	38
Total equity	6.741
Liabilities other than provisions	
Trade payables	139.883
Payables to group enterprises	50.647
Other payables	31.802
Total short term liabilities other than provisions	222.332
Total liabilities other than provisions	222.332
Total equity and liabilities	229.073

Notes

All amounts in EUR.

	1/7 2018 - 31/12 2019
1. Staff costs	
Salaries and wages	55.807
Pension costs	4.240
Other costs for social security	228
	<u>60.275</u>
Average number of employees	<u>1</u>
2. Other financial costs	
Financial costs, group enterprises	1.851
Other financial costs	11.192
	<u>13.043</u>
3. Contributed capital	
Contributed capital 1 July 2018	6.703
	<u>6.703</u>
4. Retained earnings	
Retained earnings for the year	38
	<u>38</u>

Accounting policies

The annual report for Hotel Facility Concepts Denmark 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 annual report is presented in euro (EUR). The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, production costs and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Production costs comprise contract work and costs and supplies.

Accounting policies

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating accounts are recognised in the statement of financial position as a balance with lessees.

Staff costs

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

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

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