


B&B HOTELS DENMARK APS
Gammel Kongevej 1
1610 København V

Annual report for 2019

Adopted at the annual general meeting on 15/10/2020



Max-Christoph Luscher
chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of B&B Hotels Denmark ApS for the financial year 14 March - 31 December 2019.

The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU and additional disclosure requirements of 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 and cash flows for the financial year 14 March - 31 December 2019.

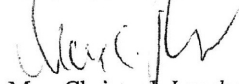
In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2020 are not to be 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.

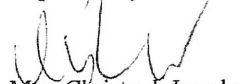
Copenhagen, 15/10/2020

Executive board



Max-Christoph Luscher
director

Supervisory board



Max-Christoph Luscher



Fabrice Collet

The company has at their general meeting resolved that the financial statements for the coming financial year are not to be audited.

Independent auditor's report

To the shareholder of B&B Hotels Denmark ApS

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of B&B Hotels Denmark ApS for the financial year 14 March - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as approved by the EU and additional disclosure requirements of 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 and cash flows for the financial year 14 March - 31 December 2019 in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of the 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.

Independent auditor's report

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.
- 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.

Independent auditor's report

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.

Report on other legal and regulatory requirements

Non-compliance of tax-laws

The company have not filed VAT in due time. Management may be held liable.

Non-compliance of payroll related withholding tax

The company have not reported salary for their employee. Management may be held liable.

Late filing of the annual report

The company have not filed the annual report within the filing deadlines provided by the Danish business authorities. Management may be held liable.

Copenhagen, 15 October 2020

Mazars

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Dennis Herholdt Rasmussen

State-authorized Public Accountant

MNE no. mne43413

Company details

The company	B&B Hotels Denmark ApS Gammel Kongevej 1 1610 København V
	CVR no.: 40 38 03 88
	Reporting period: 14 March - 31 December 2019
	Incorporated: 14. March 2019
	Domicile: Copenhagen
Supervisory board	Max-Christoph Luscher Fabrice Collet
Executive board	Max-Christoph Luscher, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

Management's review

Business review

The Company's main objective is the operation hotels and other related services.

Financial review

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 1.043.051, and the balance sheet at 31 December 2019 shows negative equity of DKK 993.051.

Income statement 14 March - 31 December

	Note	2019 DKK
Revenue		0
Administration expenses		<u>-1.008.271</u>
Gross loss		-1.008.271
Staff costs	3	<u>-34.261</u>
Loss before net financials		-1.042.532
Financial expenses	4	<u>-519</u>
Loss before tax		-1.043.051
Tax on profit/loss for the year		<u>0</u>
Loss for the year		<u>-1.043.051</u>
Other comprehensive income		<u>0</u>
Retained earnings		<u>-1.043.051</u>
		<u>-1.043.051</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK
Assets		
Deposits		<u>3.200</u>
Fixed asset investments		<u>3.200</u>
Total non-current assets		<u>3.200</u>
VAT and duties receivables		<u>222.964</u>
Receivables		<u>222.964</u>
Cash at bank and in hand		<u>34.188</u>
Total current assets		<u>257.152</u>
Total assets		<u><u>260.352</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK
Equity and liabilities		
Share capital		50.000
Retained earnings		<u>-1.043.051</u>
Equity		<u>-993.051</u>
Other provisions		<u>17.130</u>
Total provisions		<u>17.130</u>
Trade payables		6.499
Payables to subsidiaries		<u>1.229.774</u>
Total current liabilities		<u>1.236.273</u>
Total liabilities		<u>1.236.273</u>
Total equity and liabilities		<u><u>260.352</u></u>
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 14 March 2019	50.000	0	50.000
Net loss for the year	0	-1.043.051	-1.043.051
Other comprehensive income	<u>0</u>	<u>0</u>	<u>0</u>
Equity at 31 December 2019	<u>50.000</u>	<u>-1.043.051</u>	<u>-993.051</u>

Cash flow statement 14 March - 31 December

	Note	2019 DKK
Net loss for the year		-1.043.051
Adjustments		519
Change in working capital		-199.335
Cash flows from operating activities before financial income and expenses		-1.241.867
Interest expenses and similar charges		-519
Cash flows from ordinary activities		-1.242.386
Other adjustments		-3.200
Cash flows from operating activities		-1.245.586
Cash-pool with parent group company		1.229.774
Cash flows from financing activities		1.229.774
Change in cash and cash equivalents		-15.812
Cash and cash equivalents		50.000
Cash and cash equivalents		34.188
Analysis of cash and cash equivalents:		
Cash at bank and in hand		34.188
Cash and cash equivalents		34.188

Notes

1 Accounting policies

The Annual Report of B&B Hotels Denmark ApS for 2019 has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU and additional disclosure requirements in accordance with the Danish Financial Statements Act regarding "class B"-companies.

The annual report for 2019 is presented in DKK

As 2019 is the company's first reporting period, no comparatives have been presented.

New and revised standards and bases for conclusion which have yet to take effect

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these Financial Statements.

Amendments references to the Conceptual Frame-work in IFRS 1 January 2020.

IFRS 17: Insurance contracts 1 January 2021.

The Directors do not expect that the adoption of these Standards and interpretations will have material impact on the Financial Statements of the Company in future periods.

Statement of comprehensive income

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 instalments 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.

Notes

1 Accounting policies

Segment information

Information is provided on business segments and geographical markets. B&B Hotels has only the danish segment. The segment information is provided in consideration of the company's accounting policies, risks and management control.

Segment liabilities comprise liabilities resulting from the segment's operations, including trade payables and other payables.

Administration expenses

Administration expenses include expenses related to administration, consultants, premises, and insurance etc.

Staff costs

Staff costs include wages and salaries.

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.

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

Receivables

Receivables are measured at amortised cost.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and short-term deposits with an original maturity less than three months.

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.

Notes

1 Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

The company is part of an intercompany cash-pool with FINANCIERE B&B HOTELS.

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

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months, and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Notes

2 **Uncertainty about the continued operation (going concern)**

There is considerable uncertainty regarding the going concern status of B&B Hotels Denmark ApS as the contributed capital is lost. It is the assessment of the Management that the Company can regain its capital through operations within the next couple of years. In addition, the capital owner has submitted a declaration of support in favour of B&B Hotels Denmark ApS and will thus ensure the continued operation. As a result of the above, Management has prepared the Financial Statements using the going concern assumption.

	<u>2019</u>
	DKK
3 Staff costs	
Other staff costs	<u>34.261</u>
	<u>34.261</u>
Average number of employees	<u>1</u>
4 Financial expenses	
Interests, bank	<u>519</u>
	<u>519</u>

5 **Provision for deferred tax**

B&B Hotels Denmark ApS has 228.041 DKK in deferred tax assets that have not been recognized.

6 **Subsequent events**

The COVID-19-pandemic, which began in December 2019 has affected multiple countries leading to lockdowns of various kinds to slow the spread of the virus. From the middle of March 2020, Denmark ordered schools, nurseries, and borders to neighbouring countries closed while also announcing restrictions to the movement of individuals and encouraging people to work from home wherever possible. During the first months of 2020, the impact on B&B Hotels Denmark ApS due to the COVID-19-pandemic was minimal because the company is in its start-up phase and there is minimal activity. B&B Hotels Denmark ApS follows all recommendations from the relevant authorities to maintain the health and safety of all stakeholders concerned.

Notes

7 Related parties and ownership structure

Controlling interest

FINANCIERE B&B HOTELS
271, rue du Général Paulet
F-29200 Brest

Other related parties

Max-Christoph Luscher and Fabrice Collet are members of the Supervisory Board of B&B Hotels Denmark ApS.

None of the Directors were paid by B&B Hotels Denmark ApS in the fiscal year. Max-Christoph Luscher is employed by B&B HOTELS GmbH and Fabrice Collet is paid through his position as Group CEO.

Transactions

B&B Hotels Denmark ApS is part of a cash pool with the group parent company. The cash-pool is at 1.229.774 DKK at the date 31.12.19

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital: FINANCIERE B&B HOTELS SAS

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company FINANCIERE B&B HOTELS SAS. The group annual reports of FINANCIERE B&B HOTELS SAS may be obtained at the following address: 271 Rue Du General Paulet Brest, 29200 France