

**a&o hostel and hotel København**  
**Sydhavnen ApS**  
Sydhavns Plads 4, 2450 København SV

Company reg. no. 40 44 15 22

**Annual report**

**1 January - 31 December 2022**

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

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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**

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Today, the Executive Board has approved the annual report of a&o hostel and hotel København Sydhavnen 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.

København SV, 30 June 2023

### **Executive board**

Oliver Winter

Kasper Rønnow

Andreas Jozef Bleeker

## **Independent auditor's report**

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### **To the Shareholders of a&o hostel and hotel København Sydhavnen 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 Sydhavnen ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, 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.

## **Independent auditor's report**

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**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.

### **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.

## Independent auditor's report

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- 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.

Århus, 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

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### **The company**

a&o hostel and hotel København Sydhavnen ApS  
Sydhavns Plads 4  
2450 København SV

Company reg. no. 40 44 15 22

Established: 27 March 2019

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 Århus

## **Management's review**

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### **The principal 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 loss for the year is DKK -2.894.000 against DKK -4.872.000 last year. The results from ordinary activities after tax are DKK -10.056.000 against DKK -10.250.000 last year. The management consider the result as expected.

The company has lost all of its capital, The company had it's first financial year 2019 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 sales/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 and thus restore equity within a few years.

### **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

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross loss</b>	<b>-2.894.069</b>	<b>-4.871.919</b>
2 Staff costs	-3.264.550	-2.951.371
Depreciation and impairment of property, land, and equipment	-1.506.393	-1.422.495
Writedown of current assets exceeding usual writedown	-889.163	-33.082
Other operating expenses	84.300	0
<b>Operating profit</b>	<b>-8.469.875</b>	<b>-9.278.867</b>
3 Other financial expenses	-1.586.200	-971.458
<b>Results before tax</b>	<b>-10.056.075</b>	<b>-10.250.325</b>
Tax on ordinary results	0	0
<b>Net profit or loss for the year</b>	<b>-10.056.075</b>	<b>-10.250.325</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-10.056.075	-10.250.325
<b>Total allocations and transfers</b>	<b>-10.056.075</b>	<b>-10.250.325</b>

## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Other plants, operating assets, and fixtures and furniture	3.225.830	4.182.312
5 Deposits	5.008.614	1.809.641
6 Decoration rented premises	9.967.294	10.792.309
Total property, plant, and equipment	<u>18.201.738</u>	<u>16.784.262</u>
<b>Total non-current assets</b>	<b><u>18.201.738</u></b>	<b><u>16.784.262</u></b>
<b>Current assets</b>		
Raw materials and consumables	68.204	86.094
Total inventories	<u>68.204</u>	<u>86.094</u>
Trade receivables	4.553.829	2.146.601
Amounts owed by group enterprises	1.140.022	1.201.504
Deferred tax assets	1.549.000	1.549.000
Other receivables	1.259.283	524.562
Prepayments	407.475	120.000
Total receivables	<u>8.909.609</u>	<u>5.541.667</u>
Available funds	745.604	2.272.100
<b>Total current assets</b>	<b><u>9.723.417</u></b>	<b><u>7.899.861</u></b>
<b>Total assets</b>	<b><u>27.925.155</u></b>	<b><u>24.684.123</u></b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
7	Contributed capital	50.000	50.000
8	Results brought forward	-21.570.361	-11.514.286
	<b>Total equity</b>	<b>-21.520.361</b>	<b>-11.464.286</b>
<b>Liabilities other than provisions</b>			
	Prepayments received from customers	508.269	390.950
	Trade payables	826.799	809.430
	Debt to group enterprises	45.810.732	32.817.254
	Other debts	2.299.716	2.130.775
	Total short term liabilities other than provisions	49.445.516	36.148.409
	<b>Total liabilities other than provisions</b>	<b>49.445.516</b>	<b>36.148.409</b>
	<b>Total equity and liabilities</b>	<b>27.925.155</b>	<b>24.684.123</b>
<b>1</b>	<b>Going Concern</b>		
<b>9</b>	<b>Contingencies</b>		
<b>10</b>	<b>Related parties</b>		

## Notes

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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. Staff costs

Salaries and wages	3.156.774	2.866.436
Other costs for social security	<u>107.776</u>	<u>84.935</u>
	<b><u>3.264.550</u></b>	<b><u>2.951.371</u></b>
Average number of employees	<u>12</u>	<u>10</u>

### 3. Other financial expenses

Financial costs, group enterprises	1.258.925	796.172
Other financial costs	<u>327.275</u>	<u>175.286</u>
	<b><u>1.586.200</u></b>	<b><u>971.458</u></b>

### 4. Other plants, operating assets, and fixtures and furniture

Cost 1 January 2022	5.525.763	5.322.422
Additions during the year	<u>174.908</u>	<u>203.341</u>
<b>Cost 31 December 2022</b>	<b><u>5.700.671</u></b>	<b><u>5.525.763</u></b>
Amortisation and write-down 1 January 2022	-1.343.451	-266.120
Depreciation for the year	<u>-1.131.390</u>	<u>-1.077.331</u>
<b>Amortisation and write-down 31 December 2022</b>	<b><u>-2.474.841</u></b>	<b><u>-1.343.451</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>3.225.830</u></b>	<b><u>4.182.312</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>5. Deposits</b>		
Cost 1 January 2022	1.809.641	1.809.641
Additions during the year	3.198.973	0
<b>Cost 31 December 2022</b>	<b><u>5.008.614</u></b>	<b><u>1.809.641</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>5.008.614</u></b>	<b><u>1.809.641</u></b>
<b>6. Decoration rented premises</b>		
Cost 1 January 2022	11.213.232	8.965.513
Additions during the year	680.869	2.247.719
Disposals during the year	-1.130.881	0
<b>Cost 31 December 2022</b>	<b><u>10.763.220</u></b>	<b><u>11.213.232</u></b>
Depreciation and write-down 1 January 2022	-420.923	-75.759
Depreciation for the year	-375.003	-345.164
<b>Depreciation and write-down 31 December 2022</b>	<b><u>-795.926</u></b>	<b><u>-420.923</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>9.967.294</u></b>	<b><u>10.792.309</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>7. Contributed capital</b>		
Contributed capital 1 January 2022	<u>50.000</u>	<u>50.000</u>
	<b><u>50.000</u></b>	<b><u>50.000</u></b>
<b>8. Results brought forward</b>		
Results brought forward 1 January 2022	-11.514.286	-1.263.961
Profit or loss for the year brought forward	<u>-10.056.075</u>	<u>-10.250.325</u>
	<b><u>-21.570.361</u></b>	<b><u>-11.514.286</u></b>

## 9. Contingencies

### Contingent liabilities

#### Rent commitments

The company has entered rent agreement with an yearly payment of k.DKK 9.997. The lease is interminable until April 2050. The rent agreement has 12 months term og notice to eliminate the contract.

### Joint taxation

With a&o hostel and hotel København Nørrebro ApS, company reg. no 37940348 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

## Notes

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All amounts in DKK.

### 10. 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=1626187031346>

## **Accounting policies**

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The annual report for a&o hostel and hotel København Sydhavnen 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 are unchanged from last year, and the annual report is presented in 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.

### **Foreign currency translation**

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.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

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



## **Accounting policies**

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### **Income statement**

#### **Gross loss**

Gross loss comprises the revenue operating expenses 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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

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 social security costs, 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.

#### **Other operating costs**

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

#### **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.

## Accounting policies

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### 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 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 is done on a straight-line basis according to an assessment 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 income statement 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 income statement as other operating income or other operating expenses.

#### **Property, plant, and equipment under construction**

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

#### **Leases**

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

## **Accounting policies**

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### **Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

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 conditions for 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 income and deferred 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**

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### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account. 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.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

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