

a&o hostel and hotel København
Sydhavnen ApS
Tagensvej 135, 2200 København N

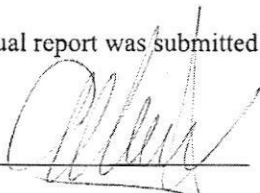
Company reg. no. 40 44 15 22

Annual report

27 March - 31 December 2019

The annual report was submitted and approved by the general meeting on the

8/7 -2020



Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Auditor's report on compilation of the annual accounts	2
Management commentary	
Company information	3
Management commentary	4
Financial statements 27 March - 31 December 2019	
Income statement	5
Statement of financial position	6
Notes	8
Accounting policies	11

Notes:

- To ensure the greatest possible applicability of this document, British 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 report

The executive board has today presented the annual report of a&o hostel and hotel København Sydhavnen ApS for the financial year 27 March to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 27 March to 31 December 2019.

The executive board considers the requirements of omission of audit of the annual accounts for 2019 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

København N, 24 June 2020

Executive board

Kasper Rønnow



Oliver Winter



Andreas Jozef Bleeker

Pemneo dokumentnr: VAWTE-5510Z-VEVCI-P4UD-4UCT-8A1F

Auditor's report on compilation of the annual accounts

To the shareholders of a&o hostel and hotel København Sydhavnen ApS

We have compiled the annual accounts of a&o hostel and hotel København Sydhavnen ApS for the period 27 March to 31 December 2019 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

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

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 24 June 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Steen K. Bager

State Authorised Public Accountant
mne28679

Company information

The company

a&o hostel and hotel København Sydhavnen ApS
Tagensvej 135
2200 København N

Company reg. no. 40 44 15 22
Established: 27 March 2019
Financial year: 27 March - 31 December

Executive board

Kasper Rønnow
Oliver Winter
Andreas Jozef Bleeker

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management commentary

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 profit for the year is DKK 5.436.596. The results from ordinary activities after tax are DKK 4.231.126. The management consider the results satisfactory.

Events subsequent to the financial year

The consequences of COVID-19, where governments around the world have decided to “close the countries down” have created greater global uncertainty and are expected to negatively affect market growth. Management considers the consequences of COVID-19 as an event that occurred after the balance sheet date (31. December 2019), and therefore constitutes a non-adjusting subsequent event for the Company.

Income statement

All amounts in DKK.

<u>Note</u>	27/3 2019	<u>- 31/12 2019</u>
Gross profit		5.436.596
Other financial income	207	
2 Other financial costs	-12.309	
Results before tax		5.424.494
Tax on ordinary results	-1.193.368	
Results for the year		4.231.126
Proposed appropriation of net profit:		
Transferred to retained earnings		4.231.126
Total allocations and transfers		4.231.126

Statement of financial position

All amounts in DKK.

Assets	31/12 2019
Note	
Fixed assets	
3 Other plants, operating assets, and fixtures and furniture	1.292.708
Decoration rented premises	80.740
Tangible fixed assets in total	<u>1.373.448</u>
Fixed assets in total	<u>1.373.448</u>
Current assets	
Trade debtors	307.027
Amounts owed by group enterprises	3.797.552
Other debtors	8.729.214
Debtors in total	<u>12.833.793</u>
Available funds	<u>1.425.106</u>
Current assets in total	<u>14.258.899</u>
Assets in total	<u>15.632.347</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Equity and liabilities	
Equity	
4 Contributed capital	50.000
5 Results brought forward	4.231.126
Equity in total	4.281.126
Liabilities	
Prepayments received from customers	262.831
Trade creditors	7.893.239
Debt to group enterprises	429.876
Corporate tax	1.193.368
Other debts	1.571.907
Short-term liabilities in total	11.351.221
Liabilities in total	11.351.221
Equity and liabilities in total	15.632.347
1 Material Uncertainty Related to Going Concern	
6 Contingencies	
7 Related parties	

Notes

All amounts in DKK.

1. Material Uncertainty Related to Going Concern

In 2020 the Group failed to comply with the loan conditions of its primary lender, which means that the loan can be terminated at short notice. On 22 May 2020 the lender has signed a covenant waiver, postponing possible covenant test until (and including) the Quarter date falling in June 2021.

The Company and group had a good start of the first quarter of 2020, but eventually were faced with exceptional challenges due to COVID-19. Revenue and operating result depend significantly on the occupancy level. Customer behavior changed significantly in the second half of March, management anticipate that future results of operations, including the result for 2020, will be materially impacted by the coronavirus outbreak.

Looking ahead the Company and Group will face many uncertainties, including measures the authorities implement in response to COVID-19, the duration of such measures, continued macro-economic volatility and consequent customer sentiment. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Company's and Groups business given the uncertainties surrounding the duration of the outbreak.

Management are working with different scenarios to evaluate any impact on the operation and performance. Management continue to focus on cash discipline and operating efficiency.

Taking this into consideration, there is a material uncertainty related to events or conditions that could cast significant doubt on the company ability to continue as a going concern and the entity may not be able to realize its assets or settle its liabilities in the ordinary course of business.

27/3 2019
- 31/12 2019

2. Other financial costs

Financial costs, group enterprises	4.278
Other financial costs	8.031
	<u>12.309</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>
3. Other plants, operating assets, and fixtures and furniture	
Additions during the year	<u>1.292.708</u>
Cost 31 December 2019	<u>1.292.708</u>
Book value 31 December 2019	<u>1.292.708</u>
4. Contributed capital	
Contributed capital 27 March 2019	<u>50.000</u>
	<u>50.000</u>
5. Results brought forward	
Profit or loss for the year brought forward	<u>4.231.126</u>
	<u>4.231.126</u>

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

Rent commitments

The company has entered rent agreement with an yearly payment of k.DKK 7.200. The lease is interminable until April 2050. The rent agreement has 12 months term og notice to eliminate the contract.

Joint taxation

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

7. 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=1562156988212&loop=1>

Accounting policies

The annual report for a&o hostel and hotel København Sydhavnen ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The annual accounts are presented in Danish kroner (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.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

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

Accounting policies

Income statement

Gross profit

The gross profit comprises the net turnover operating expenses and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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

Other external costs comprise costs for administration and premises.

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.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

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 the future be recognised as a change in the accounting estimates.

Accounting policies

The cost comprises the acquisition cost and costs directly attached to 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 takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other plants, operating assets, fixtures and furniture	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account 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 profit and loss account as other operating income or other operating expenses.

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 5 years.

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.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. 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.

According to the rules of joint taxation, a&o hostel and hotel København Sydhavnen ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Accounting policies

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.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Kasper Rønnow

Direktør

Serienummer: PID:9208-2002-2-346348638971

IP: 2.110.xxx.xxx

2020-07-08 10:07:16Z

NEM ID 

Steen K. Bager

Statsautoriseret revisor

Serienummer: CVR:34209936-RID:81358030

IP: 62.243.xxx.xxx

2020-07-08 10:11:54Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>