

Motel One Copenhagen ApS

Løngangstræde 27, 1468 København K

CVR no. 42 62 80 26

Annual report 2021

(As of the establishment of the Company 26 August - 31 December 2021)

Approved at the Company's annual general meeting on 14 July 2022

Chair of the meeting:



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Armin Manfred Rödel

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Motel One Copenhagen ApS for the financial year as of the establishment of the Company 26 August - 31 December 2021.

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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the Company 26 August - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 14 July 2022
Executive Board:



Stefan Florian Lenze
Director



Daniel Norman Müller
Director



Armin Manfred Rödel
Director



Michael Wiessler
Director

Independent auditor's report

To the shareholder of Motel One Copenhagen ApS

Opinion

We have audited the financial statements of Motel One Copenhagen ApS for the financial year as of the establishment of the Company 26 August - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the company 26 August - 31 December 2021 in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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

- ▷ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 14 July 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kim Thomsen
State Authorised Public Accountant
mne26736

Management's review

Company details

Name Motel One Copenhagen ApS
Address, Postal code, City Løngangstræde 27, 1468 København K

CVR no. 42 62 80 26
Established 26 August 2021
Registered office København
Financial year 26 August - 31 December 2021

Executive Board
Stefan Florian Lenze, Director
Daniel Norman Müller, Director
Armin Manfred Rödel, Director
Michael Wiessler, Director

Auditors
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg,
Denmark

Management's review

Business review

The company's purpose is to run business with hotels and related corporation.

Financial review

The income statement for 2021 shows a loss of DKK 1,489,807, and the balance sheet at 31 December 2021 shows equity of DKK 369,343. The result for the year is affected by special items amounting to DKK 535 thousand and the fact that it is the company's activities has been started up during the year.

The company budgets a profit for 2022 which interim accounts until end of June 2022 supports.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 26 August - 31 December 2021

Income statement

Note	DKK	2021 4 months
	Revenue	9,108,867
	Cost of sales	-2,120,771
	Other external expenses	-7,178,226
	Gross profit	-190,130
3	Staff costs	-1,694,184
	Profit/loss before net financials	-1,884,314
	Financial income	1,029
4	Financial expenses	-26,724
	Profit/loss before tax	-1,910,009
5	Tax for the year	420,202
	Profit/loss for the year	-1,489,807
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-1,489,807
		<u>-1,489,807</u>

Financial statements for the period 26 August - 31 December 2021

Balance sheet

Note	DKK	<u>2021</u>
	ASSETS	
	Fixed assets	
6	Property, plant and equipment	1,086,439
	Property, plant and equipment under construction	<u>1,086,439</u>
	Total fixed assets	<u>1,086,439</u>
	Non-fixed assets	
	Inventories	
	Finished goods and goods for resale	<u>106,781</u>
		<u>106,781</u>
	Receivables	
7	Deferred tax assets	420,202
	Other receivables	187,780
	Prepayments	<u>559,333</u>
		<u>1,167,315</u>
	Cash	<u>6,455,998</u>
	Total non-fixed assets	<u>7,730,094</u>
	TOTAL ASSETS	<u><u>8,816,533</u></u>

Financial statements for the period 26 August - 31 December 2021

Balance sheet

Note	DKK	2021
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	40,000
	Retained earnings	329,343
	Total equity	<u>369,343</u>
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Trade payables	1,968,181
	Payables to group enterprises	4,249,091
	Other payables	2,229,918
		<u>8,447,190</u>
	Total liabilities other than provisions	<u>8,447,190</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>8,816,533</u></u>

- 1 Accounting policies
- 2 Unusual circumstances
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements for the period 26 August - 31 December 2021

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	40,000	1,819,150	1,859,150
Transfer through appropriation of loss	0	-1,489,807	-1,489,807
Equity at 31 December 2021	<u>40,000</u>	<u>329,343</u>	<u>369,343</u>

Financial statements for the period 26 August - 31 December 2021

Notes to the financial statements

1 Accounting policies

The annual report of Motel One Copenhagen ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the hotel services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 26 August - 31 December 2021

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Financial statements for the period 26 August - 31 December 2021

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 26 August - 31 December 2021

Notes to the financial statements

2 Unusual circumstances

Unusual circumstances comprise significant one-off items that, in Management's opinion, do not form part of the Company's operating activities. In the current year the Company realised cost in the amount of DKK 535 thousand with respect the legal and professional fee, as establishing the operation of Motel One Copenhagen. The amount is included in other external expenses.

DKK	2021 4 months
3 Staff costs	
Wages/salaries	1,529,767
Other social security costs	122,353
Other staff costs	42,064
	<u>1,694,184</u>
Average number of full-time employees	<u>16</u>
4 Financial expenses	
Interest expenses, group entities	12,994
Other financial expenses	13,730
	<u>26,724</u>
5 Tax for the year	
Deferred tax	-420,202
	<u>-420,202</u>
6 Property, plant and equipment	
	Property, plant and equipment under construction
DKK	
Additions	1,086,439
Cost at 31 December 2021	1,086,439
Carrying amount at 31 December 2021	<u>1,086,439</u>

7 Deferred tax assets

Deferred tax assets in the amount of DKK 409 thousand at 31 December 2021 is expected to be realised as current tax with in 2 - 3 years.

Financial statements for the period 26 August - 31 December 2021

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other financial obligations

Rent liabilities include a rent obligation totalling a minimum of DKK 51,313 thousand in interminable rent agreements for the period 2022-2025. The contract has a total duration of 20 years. From 2026 the minimum rent will be subject to indexation, based on the rent for 2025, that amounts to DKK 14,130 thousand.

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

10 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
One Hotel & Resort AG	Münsing Germany	Seeleiten35 82541 Münsing Germany