

CPH Hotel Management Holding ApS

c/o Solstra Capital Partners A/S
Amaliegade 24, st., 1256 København K

CVR no. 29 42 23 97

Annual report 2019

Approved at the Company's annual general meeting on 15 September 2020

Chairman:



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Mette Kapsch





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of CPH Hotel Management Holding ApS for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 15 September 2020
Executive Board:


Henrik Gram

Board of Directors:


David Overby
Chairman
Henrik Gram
Mette Kapsch

Independent auditor's report

To the shareholders of CPH Hotel Management Holding ApS

Opinion

We have audited the financial statements of CPH Hotel Management Holding ApS for the financial year 1 January - 31 December 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 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 (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' 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 rules and requirements.

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.

Independent auditor's report

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.
- ▶ 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, 15 September 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kaare K. Lendorf
State Authorised Public Accountant
mne33819



Management's review

Company details

Name	CPH Hotel Management Holding ApS
Address, Postal code, City	c/o Solstra Capital Partners A/S Amaliegade 24, st., 1256 København K
CVR no.	29 42 23 97
Established	15 March 2006
Registered office	Copenhagen
Financial year	1 January - 31 December
Telephone	+45 39 13 91 00
Board of Directors	David Overby, Chairman Henrik Gram Mette Kapsch
Executive Board	Henrik Gram
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 hold shares in the subsidiary Crowne Plaza Copenhagen Towers A/S.

Financial review

The income statement for 2019 shows a profit of DKK 4,275 thousand against a loss of DKK 43 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 324 thousand.

Events after the balance sheet date

Following the outbreak of COVID-19 in March 2020, the subsidiary has experienced a significant slowdown in hotel activities which will significantly affect the Crowne Plaza Copenhagen Towers A/S result, financial position and liquidity reserve.

As a result of the above, the Crowne Plaza Copenhagen Towers A/S liquidity is expected to be very tight during the remaining part of 2020 and the coming years.

Crowne Plaza Copenhagen Towers A/S management has thoroughly analysed the effects of the new situation and have re-evaluated the revenue forecast for 2020 and going forward. As a consequence of the outbreak of Covid-19 and on the basis of the re-evaluated revenue forecast, Crowne Plaza Copenhagen Towers A/S management initiated negotiations with the property owner. At the beginning of September 2020 the Crowne Plaza Copenhagen Towers A/S entered into an agreement with the property owner reducing the rent. Rent will be based on a percentage of relevant revenue above a threshold but with an agreed fixed minimum level in the period until 31 December 2023.

Furthermore, the Crowne Plaza Copenhagen Towers A/S has used other Danish compensation schemes for salary compensation and fixed cost compensation and has reduced costs significantly. The Crowne Plaza Copenhagen Towers A/S expects to continue to use schemes available and/or take necessary actions to reduce costs further.

Finally, the Crowne Plaza Copenhagen Towers A/S have received debt redemption of DKK 28,167,290 from a company affiliated with the ultimate shareholders.

Based on the above, Crowne Plaza Copenhagen Towers A/S management believes that Crowne Plaza Copenhagen Towers A/S has sufficient liquidity available up to and beyond 31 December 2020. Crowne Plaza Copenhagen Towers A/S management therefore submits the annual report on the basis of continued operations. However, the ability to continue operations depends on the Crowne Plaza Copenhagen Towers A/S ability to realize the re-evaluated cash flow forecast. A number of uncertainties is attached to the cash flow forecast, among other things, the prevalence of Covid-19, the temporal extent of restriction that affect business activities, and the speed of which the economy recovers after Covid-19.

If one or more of the above mentioned uncertainties develops worse than expected, this may raise doubt about the Crowne Plaza Copenhagen Towers A/S ability to continue its operations. The above have not effect on the Company's ability to continue its operations.



Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019	2018
	Other external expenses	<u>-30</u>	<u>-43</u>
	Gross profit	-30	-43
	Value adjustment of intercompany receivables	<u>4,287</u>	<u>0</u>
	Profit/loss before tax	4,257	-43
	Tax for the year	<u>18</u>	<u>0</u>
	Profit/loss for the year	<u>4,275</u>	<u>-43</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>4,275</u>	<u>-43</u>
		<u>4,275</u>	<u>-43</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
3	Investments		
	Investments in group entities, net asset value	1,960	1,960
		1,960	1,960
	Total fixed assets	1,960	1,960
	Non-fixed assets		
	Receivables		
	Receivables from group entities	4,287	0
	Joint taxation contribution receivable	18	0
		4,305	0
	Total non-fixed assets	4,305	0
	TOTAL ASSETS	6,265	1,960
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125	125
	Retained earnings	199	-5,687
	Total equity	324	-5,562
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group entities	5,916	7,487
	Other payables	25	35
		5,941	7,522
	Total liabilities other than provisions	5,941	7,522
	TOTAL EQUITY AND LIABILITIES	6,265	1,960

- 1 Accounting policies
- 2 Staff costs
- 4 Contractual obligations and contingencies, etc.
- 5 Collateral
- 6 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	125	-5,687	-5,562
Transfer through appropriation of profit	0	4,275	4,275
Contribution from group	0	1,611	1,611
Equity at 31 December 2019	<u>125</u>	<u>199</u>	<u>324</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of CPH Hotel Management Holding ApS has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

In accordance with section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. We refer to the consolidated financial statements of the parent company in Denmark, Copenhagen Skyline Holding ApS.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

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 reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Reporting currency

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

Income statement

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.

Financial statements 1 January - 31 December

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 entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary in the period of ownership are treated as a cost reduction.

Impairment of fixed assets

Every year, investments in subsidiaries and associates are reviewed for impairment. Where there is an indication of impairment, an impairment test is made for each asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

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 payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior year's taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

2 Staff costs

The Company has no employees.

3 Investments

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Crowne Plaza Copenhagen Towers A/S	Copenhagen	100.00%	13,739	8,824

4 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with the other companies in the Copenhagen Skyline Holding Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for payment of income taxes as well as withholding taxes.

5 Collateral

The Company's shares in Crowne Plaza Copenhagen Towers A/S has been provided as security for the agreement with the property owner.

6 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Copenhagen Skyline Holding ApS	Copenhagen	Amaliegade 24, st. 1256 København K

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Copenhagen Skyline Holding ApS	Amaliegade 24, st. 1256 København K