

Crowne Plaza Copenhagen Towers A/S

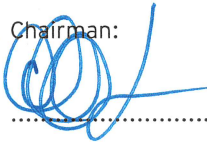
Ørestads Boulevard 114-116, 2300 København S

CVR no. 30 54 80 43

Annual report 2018

Approved at the Company's annual general meeting on 20 May 2019

Chairman:



.....





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

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 Crowne Plaza Copenhagen Towers A/S for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

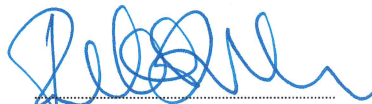
Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 20 May 2019
Executive Board:

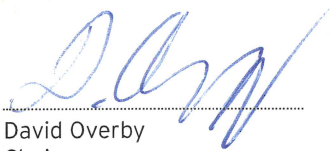


Allan L. Agersholm



Pernille Damm Nielsen

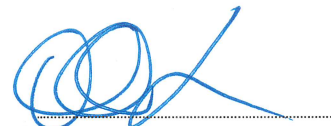
Board of Directors:



David Overby
Chairman



Henrik Gram



Mette Kapsch

Independent auditor's report

To the shareholder of Crowne Plaza Copenhagen Towers A/S

Opinion

We have audited the financial statements of Crowne Plaza Copenhagen Towers A/S for the financial year 1 January - 31 December 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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.

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.

Independent auditor's report

- ▶ 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, 20 May 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Jensen
State Authorised Public Accountant
mne33246



Kaare K. Lendorf
State Authorised Public Accountant
mne33819



Management's review

Financial highlights

DKK	2018	2017	2016	2015	2014
Key figures					
Gross margin	68,637,277	63,367,830	48,560,188	40,686,872	39,818,486
Ordinary operating profit/loss	2,147,750	-86,775	-374,889	-619,870	-646,647
Net financials	-186,136	-58,753	4,335	-4,001	7,917
Profit/loss for the year	1,961,614	-145,528	-370,554	-593,796	-525,664
Total assets					
Equity	4,915,463	2,953,849	3,099,376	3,469,930	4,063,726
Financial ratios					
Return on assets	2.3%	-0.1%	-0.4%	-0.7%	-0.8%
Equity ratio	5.2%	3.1%	3.4%	4.0%	4.7%
Return on equity	49.9%	-4.8%	-11.3%	-15.8%	-12.1%
Average number of employees					
	176	175	137	124	129

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

The objective of the Company is to operate hotels.

Financial review

In 2018, the Company continued the co-operation with the world's second largest hotel company group, Intercontinental Hotel Group (IHG).

The income statement for 2018 shows a profit of DKK 1,961,614 against a loss of DKK 145,528 last year, and the balance sheet at 31 December 2018 shows equity of DKK 4,915,463.

The positive development compared to last year, was once again a new "all time revenue high" with 4.9% increase vs. 2017. Rooms revenue growth was 2.0%, primarily driven by an increase in rooms rate at 5.8%, and at the same time a very positive increase in Food & Beverage with 9.3%. Especially the performance from the Royal Arena was very positive, delivering more than 67 event days during the year and with the World Championship in Ice hockey, as the main revenue generator for almost 3 consecutive weeks. More than 350,000 visitors was divided between the arenas in Copenhagen and Herring, and the "spill over" to Crowne Plaza's food and beverage outlets and, especially the 360 catering department deliverances to the "Fan Zone" was impressive. At the same time, the facility department increased the activities with new tenants in Copenhagen Towers.

In 2018, the hotel again took full year advantage of being part of the BC Hospitality Group operational model, and as on-property costs were also well controlled throughout the year, GOP (gross operating profit) improved with DKK 3.3 million compared to 2017.

In 2018, IHG Guest Satisfaction Survey dropped slightly over the year and went from score 85.30 in 2017 to 84.02 in 2018, but still above IHG benchmark with 3.02 points ranking as number 39 out of 100 Crowne Plaza hotels in Europe in 2018.

Tripadvisor score at "year end" at high rank as number 9 out of 122 hotels in Copenhagen in 2018, despite several new opened and refurbished competitors in the market.

The Company's financial position at 31 December 2018 and the results of the activities of the Company for the financial year for 2018 has not been affected by any unusual events.

Non-financial matters

Special risks

Significant uncertainties and cash resources

The company has in the previous years received discounts on lease payments to Copenhagen Towers ApS. The company has been granted a lease discount for 2018 and expects to receive a lease discount also in 2019. The management of the company informs that negotiations with Copenhagen Towers ApS regarding a new lease agreement with lower lease levels are currently taking place.

Impact on the external environment

Environment, social responsibility and sustainability

The Company continued working proactively on reducing its environmental impact resulting from the Company's activities, and in connection with the CSR certification, action plans were prepared in this respect. The plans contain goals for the reduction of waste, reduction of CO2 emissions from the Company's transport needs and a targeted effort to improve the environmental initiatives at the Company's suppliers. These plans and standards are based on the principles of the UN Global Compact, and include industry specific sustainability requirements. The Danish Standard 49001 certification and ISO 14001 certification were renewed in 2018.

The hotel also participated in the "Great Place to Work" team member satisfaction survey with a very positive score development from 85% in 2017 to even higher 90% in 2018 in Trust Index, this again ranked the hotel as being top of Denmark's best places to work.



Management's review

Events after the balance sheet date

No events materially affecting the assessment of the financial statements have occurred after the balance sheet date.

Outlook

The Company expects to continue to improve efficiency of the hotel operations during 2019. Investments in 2019 will focus on continued improvements in the guest experience, together with focus on team and service performance. New tenants (750 people) will move in to the office towers, and we expect a significant higher level of activities in the "atrium tenant restaurant, and in the hotel's conference and event department, with expected revenue growth by 2.8%. Royal Arena will again supply us with activities in both 360 catering, all restaurants, bars and café outlets, and the number of rooms sold at competitive market prices, will deliver as in previous years. Management is confident that the Company will be able to deliver the expected results in 2019, although the market seems somewhat more troubled and unstable compared to previous years.



Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Gross margin	68,637,277	63,367,830
3	Staff costs	-64,068,590	-62,121,586
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,420,937	-1,333,019
	Profit/loss before net financials	2,147,750	-86,775
4	Financial income	145,088	1,557
5	Financial expenses	-331,224	-60,310
	Profit/loss for the year	1,961,614	-145,528



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Non-current assets		
6	Intangible assets		
	Acquired intangible assets	959,071	1,047,601
		<u>959,071</u>	<u>1,047,601</u>
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	10,379,295	7,787,042
		<u>10,379,295</u>	<u>7,787,042</u>
	Financial assets		
	Other receivables	22,639,775	22,639,775
		<u>22,639,775</u>	<u>22,639,775</u>
	Total non-current assets	<u>33,978,141</u>	<u>31,474,418</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	1,239,883	1,144,572
		<u>1,239,883</u>	<u>1,144,572</u>
	Receivables		
	Trade receivables	12,445,976	11,459,254
	Receivables from group entities	26,652,089	28,345,728
	Income taxes receivable	30,075	30,075
	Other receivables	1,333,913	1,910,812
8	Prepayments	801,407	526,944
		<u>41,263,460</u>	<u>42,272,813</u>
	Cash	<u>17,315,646</u>	<u>20,343,256</u>
	Total current assets	<u>59,818,989</u>	<u>63,760,641</u>
	TOTAL ASSETS	<u>93,797,130</u>	<u>95,235,059</u>



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	750,000	750,000
	Retained earnings	4,165,463	2,203,849
	Total equity	4,915,463	2,953,849
10	Non-current liabilities		
	Lease liabilities	1,441,849	0
	Payables to group entities	61,700,482	61,700,482
	Total non-current liabilities	63,142,331	61,700,482
	Current liabilities		
	Lease liabilities	384,317	0
	Trade payables	13,653,747	11,244,361
	Other payables	7,811,088	12,352,902
11	Deferred income	3,890,184	6,983,465
	Total current liabilities	25,739,336	30,580,728
	Total liabilities	88,881,667	92,281,210
	TOTAL EQUITY AND LIABILITIES	93,797,130	95,235,059

- 1 Accounting policies
- 2 Special items
- 12 Contractual obligations and contingencies, etc.
- 13 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
		750,000	2,203,849	2,953,849
14	Transfer, see "Appropriation of profit/loss"	0	1,961,614	1,961,614
	Equity at 31 December 2018	750,000	4,165,463	4,915,463

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Crowne Plaza Copenhagen Towers A/S has been presented in accordance with the provisions applying to reporting class C (medium-sized) enterprises under the Danish Financial Statements Act.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, CT Solstra ApS.

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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

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

Revenue comprises income from hotel activities such as renting of rooms, conference facilities and income from restaurant activities etc.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

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 pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	20 years
Other fixtures and fittings, tools and equipment	3-10 years

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.

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

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management 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 administration company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets include licenses and other acquired intangible rights.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of non-current assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual 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.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

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

Prepayments

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

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

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

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. 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.

Liabilities

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

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

In 2018, the Company was exempted for the Danish property service charge for the period 2015-2018, which have had a positive effect on gross margin with DKK 3,362 thousand.

DKK	2018	2017
3 Staff costs		
Wages/salaries	54,811,438	53,130,893
Pensions	4,367,869	4,126,476
Other social security costs	1,391,925	1,624,884
Other external costs recognised under staff costs, net	3,497,358	3,239,333
	<u>64,068,590</u>	<u>62,121,586</u>
Average number of full-time employees	<u>176</u>	<u>175</u>

Remuneration to Management is included in the management fee and comprises DKK 1,589 thousand (2017: DKK 1,809 thousand).

4 Financial income

Other financial income	145,088	1,557
	<u>145,088</u>	<u>1,557</u>

5 Financial expenses

Other financial expenses	331,224	60,310
	<u>331,224</u>	<u>60,310</u>

Due to the Group's financial situation, payables to group entities do not carry interest.

6 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2018	<u>1,770,593</u>
Cost at 31 December 2018	<u>1,770,593</u>
Impairment losses and amortisation at 1 January 2018	722,992
Amortisation/depreciation in the year	88,530
Impairment losses and amortisation at 31 December 2018	<u>811,522</u>
Carrying amount at 31 December 2018	<u>959,071</u>



Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2018	10,639,382
Additions in the year	4,785,092
Cost at 31 December 2018	<u>15,424,474</u>
Impairment losses and depreciation at 1 January 2018	2,852,340
Amortisation/depreciation in the year	2,192,839
Impairment losses and depreciation at 31 December 2018	<u>5,045,179</u>
Carrying amount at 31 December 2018	<u>10,379,295</u>
Property, plant and equipment include finance leases with a carrying amount totalling	
	<u>1,749,740</u>
Depreciated over	
	<u>3-10 years</u>

8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, mainly including insurance policies, DKK 209,319.

DKK	<u>2018</u>	<u>2017</u>
9 Share capital		
Analysis of the share capital:		
750,000 shares of DKK 1.00 nominal value each	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

The Company's share capital has remained DKK 750,000 over the past 5 years.

10 Non-current liabilities

DKK	<u>Total debt at 31/12 2018</u>	<u>Repayment, next year</u>	<u>Long-term portion</u>	<u>Outstanding debt after 5 years</u>
Lease liabilities	1,826,166	384,317	1,441,849	0
Payables to group entities	61,700,482	0	61,700,482	0
	<u>63,526,648</u>	<u>384,317</u>	<u>63,142,331</u>	<u>0</u>

11 Deferred income

Deferred income mainly comprises payments of deposits relating to room bookings, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company has entered into a lease with the associated company Copenhagen Towers ApS. The lease became effective in November 2009 and can be terminated for expiry no earlier than 20 years after the actual effective date of the lease. The lease comprises an annual basic rent of DKK 45.3 million for the next 12 months before rent compensation, if relevant.

The company has in the previous years received discounts on lease payments to Copenhagen Towers ApS. The company has been granted a lease discount for 2018 and expects to receive a lease discount also in 2019. The management of the company informs that negotiations with Copenhagen Towers ApS regarding a new lease agreement with lower lease levels are currently taking place.

The Company is jointly taxed with the other Danish companies in the CT Solstra 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 Danish company tax, withholding taxes on dividends and interests which amounts to DKK 0 thousand at 31 December 2018 (2017: DKK 0 thousand).

Other financial obligations

The Company has entered into operating leases regarding service agreements, vehicle leasing etc. with a remaining term of 1-5 years and a total residual lease commitment at 31 December 2018 of DKK 4,681 thousand (DKK 1,396 thousand in 2017).

13 Related parties

Crowne Plaza Copenhagen Towers A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
CPH Hotel Management Holding ApS	Copenhagen	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
CT Solstra ApS	Copenhagen	www.cvr.dk

Related party transactions

Crowne Plaza Copenhagen Towers A/S was engaged in the below related party transactions:

DKK	2018	2017
Rent, expense	-29,722,282	-25,584,492
Facility, income	5,700,620	5,187,065
Property, expense	-6,461,248	-8,979,423
Receivables from group entities	26,652,089	28,345,728
Payables to group entities	-61,700,482	-61,700,482

As a result of the Company's financial situation, no interest calculation was applied to receivables and payables to affiliates.



Financial statements 1 January - 31 December

Notes to the financial statements

Ownership

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

<u>Name</u>	<u>Domicile</u>
CPH Hotel Management Holding ApS	København

DKK	<u>2018</u>	<u>2017</u>
14 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	<u>1,961,614</u>	<u>-145,528</u>
	<u>1,961,614</u>	<u>-145,528</u>