

# Crowne Plaza Copenhagen Towers A/S

Ørestads Boulevard 114-116, 2300 Copenhagen S

CVR no. 30 54 80 43

## Annual report 2019

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

Chairman





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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 Crowne Plaza Copenhagen Towers A/S 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 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, 15 September 2020  
Executive Board:

.....  
Allan L. Agerholm  
CEO

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 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.

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, 15 September 2020  
EY 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

### Company details

Name	Crowne Plaza Copenhagen Towers A/S
Address, Postal code, City	Ørestads Boulevard 114-116, 2300 Copenhagen S
CVR no.	30 54 80 43
Established	31 May 2005
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	David Overby, Chairman Henrik Gram Mette Kapsch
Executive Board	Allan L. Agerholm, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights

DKK	2019	2018	2017	2016	2015
<b>Key figures</b>					
Revenue	169,688,627	173,092,364	164,928,312	134,958,612	126,685,094
Gross profit	59,603,029	68,637,277	63,367,830	48,560,188	40,686,872
Operating profit/loss	-8,225,043	2,147,750	-86,775	-374,889	-619,870
Net financials	15,524,085	-186,136	-58,753	4,335	-4,001
Profit for the year	8,823,954	1,961,614	-145,528	-370,554	-593,796
<b>Total assets</b>					
Total assets	82,466,723	93,797,130	95,235,059	90,837,442	86,530,953
Equity	13,739,418	4,915,464	2,953,849	3,099,376	3,469,930
<b>Financial ratios</b>					
Return on assets	-9.3%	2.3%	-0.1%	-0.4%	-0.7%
Equity ratio	16.7%	5.2%	3.1%	3.4%	4.0%
Return on equity	94.6%	49.9%	-4.8%	-11.3%	-15.8%
<b>Average number of employees</b>					
Average number of employees	172	176	175	137	124

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



## Management's review

### Business review

The objective of the Company is to operate hotels.

### Unusual matters having affected the financial statements

In 2019, the Company received a debt relief from the former shareholder which has had a positive effect on profit of the year by DKK 17,535,608. The debt relief was recognised as financial income in the income statement.

### *Going concern*

Following the outbreak of Covid-19 in March 2020, the Company has experienced a significant slowdown in hotel activity after the end of the financial year which will also significantly affect the Company's results, financial position and liquidity reserve.

Consequently, the Company's liquidity is expected to be very tight during 2020.

Reference is made to note 2 for more details.



## Management's review

### Financial review

In 2019, the Company continued the co-operation with the world's second largest hotel company group, Intercontinental Hotel Group (IHG).

The income statement for 2019 shows a profit of DKK 8,660,954 against a profit of DKK 1,961,614 last year, and the balance sheet at 31 December 2019 shows equity of DKK 13,576,418.

In broad terms, the hotel business is very similar to last year, both in terms of turnover and operations.

The hotel's turnover in 2019 decreased by 1.97 percent compared to last year. The main reason for this was a slightly lower occupancy rate of 0.6% compared to last year, and the average price per room sold was reduced by 0.8%. Despite the decline, the hotel's RGI was 1.6% higher than benchmark. The many new hotels are slowly beginning to have an impact without in any way contributing to a dramatic decline.

In 2019, the hotel again took full year advantage of being part of the BC Hospitality Group operational model, and on-property costs were well controlled throughout the year.

In 2019, IHG Guest Satisfaction Survey increased slightly over the year and went from a score of 84,30 in 2018 to 84,34 in 2019, but still above the IHG benchmark with 0,5 points ranking as number 57 out of 103 Crowne Plaza hotels in Europe in 2019.

Tripadvisor score at "year-end" was at a rank as high as number 13 out of 129 hotels in Copenhagen in 2019, despite several new opened and refurbished competitors in the market.

The Company's financial position at 31 December 2019 and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

### 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 2019.

Hotel Crowne Plaza Copenhagen was awarded with the National Energy Globe Award Denmark 2019. 187 countries participate, and the Energy Globe Award is one of the most prestigious environmental awards in the world awarded to projects focusing on environment and climate. It goes without saying it is an important acknowledgement of our work.

## Management's review

### Events after the balance sheet date

The implications of Covid-19 with many governments across the world deciding to "close down their countries" have great impact on global economy. Management considers the implications of Covid-19 to be a subsequent event occurring after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Consequently, the assessments of impairment indications made by Management at 31 December 2019 are based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the annual report.

To date, the Company has been negatively impacted by the effects of COVID-19. Moreover, the Company has been negatively impacted by the significant decline in business activities, and consequently, Management has already laid off 75 employees while 65 are transitioning to a temporary salary compensation scheme. COVID-19 has caused a decline in the Company's revenue of more than 80% from last year. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year. At this time, it is not possible to calculate the size of the negative COVID-19 impact.

Reference is made to note 3 for more details.

### Outlook

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also events after the balance sheet date disclosures in note 3.

Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	Revenue	169,688,627	173,092,364
	Cost of sales	-35,487,579	-35,353,810
	External expenses	-74,598,019	-69,101,277
	Gross profit	59,603,029	68,637,277
5	Staff costs	-63,273,451	-64,068,590
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,554,620	-2,420,937
	Other operating expenses	-70,906	0
	Profit/loss before net financials	-8,295,948	2,147,750
6	Financial income	17,930,747	145,088
7	Financial expenses	-2,406,662	-331,224
	Profit before tax	7,228,137	1,961,614
8	Tax for the year	1,595,817	0
	Profit for the year	8,823,954	1,961,614



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>ASSETS</b>		
	Non-current assets		
9	Intangible assets		
	Acquired intangible assets	870,542	959,071
		<u>870,542</u>	<u>959,071</u>
10	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	15,778,022	10,379,295
		<u>15,778,022</u>	<u>10,379,295</u>
	Financial assets		
	Other receivables	22,639,775	22,639,775
		<u>22,639,775</u>	<u>22,639,775</u>
	<b>Total non-current assets</b>	<u>39,288,339</u>	<u>33,978,141</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	1,226,936	1,239,883
		<u>1,226,936</u>	<u>1,239,883</u>
	Receivables		
	Trade receivables	12,461,666	12,445,976
	Receivables from group entities	0	26,652,089
	Income taxes receivable	30,075	30,075
	Joint taxation contribution receivable	1,595,817	0
	Other receivables	22,774,197	1,333,913
11	Prepayments	667,721	801,407
		<u>37,529,476</u>	<u>41,263,460</u>
	Cash	4,421,972	17,315,646
	<b>Total current assets</b>	<u>43,178,384</u>	<u>59,818,989</u>
	<b>TOTAL ASSETS</b>	<u>82,466,723</u>	<u>93,797,130</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
12	Share capital	750,000	750,000
	Retained earnings	12,989,418	4,165,464
	<b>Total equity</b>	<b>13,739,418</b>	<b>4,915,464</b>
13	<b>Non-current liabilities</b>		
	Lease liabilities	3,963,849	1,441,849
	Payables to group entities	0	61,700,482
	Other payables	566,703	0
	<b>Total non-current liabilities</b>	<b>4,530,552</b>	<b>63,142,331</b>
	<b>Current liabilities</b>		
	Lease liabilities	1,159,831	384,317
	Trade payables	14,358,017	13,653,746
	Payables to group entities	4,551,402	0
	Other payables	41,767,343	7,811,088
14	Deferred income	2,360,160	3,890,184
	<b>Total current liabilities</b>	<b>64,196,753</b>	<b>25,739,335</b>
	<b>Total liabilities</b>	<b>68,727,305</b>	<b>88,881,666</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,466,723</b>	<b>93,797,130</b>

- 1 Accounting policies
- 2 Going concern
- 3 Events after the balance sheet date
- 4 Special items
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties
- 17 Appropriation of profit





## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
		750,000	4,165,464	4,915,464
17		0	8,823,954	8,823,954
		750,000	12,989,418	13,739,418



## 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, Copenhagen Skyline Holding 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.

### 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.

#### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### 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.

##### Leases

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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".

#### 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.

#### Cash

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



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 Going concern

Following the outbreak of Covid-19 in March 2020, the Company has experienced a significant slowdown in hotel activity which will significantly affect the Company's results, financial position and liquidity reserve.

Consequently, the Company's liquidity is expected to be very tight during the remaining part of 2020 and the coming years.

Management has thoroughly analysed the effects of the new situation and has 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, Management initiated negotiations with the property owner. At the beginning of September 2020, the Company entered into an agreement with the property owner on a reduction of the rent. All reductions will be set off against the paid deposit. The landlord has agreed not to request a replacement of the deposit. 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 Company has used Danish compensation schemes for salary compensation and fixed cost compensation and has reduced costs significantly. The Company expects to continue to use schemes available and/or take necessary actions to reduce costs further.

Finally, the Company has received debt redemption of DKK 28,167,290 from a company affiliated with the ultimate shareholders and a debt redemption of DKK 2,555,617 from the parent company.

Based on the above, Management believes that the Company has sufficient liquidity available up to and beyond 31 December 2020. Management therefore submits the annual report on the basis of continued operations. However, the ability to continue operations depends on the Company's ability to realise the re-evaluated cash flow forecast. A number of uncertainties are attached to the cash flow forecast, among other things, the prevalence of Covid-19, the temporal extent of restrictions that affect business activities, and the speed of which the economy recovers after Covid-19.

If one or more of the above-mentioned uncertainties develop more negatively than expected, this may raise doubt about the Company's ability to continue its operations.

#### 3 Events after the balance sheet date

The implications of Covid-19 with many governments across the world deciding to "close down their countries" have great impact on global economy. Management considers the implications of Covid-19 to be a subsequent event occurring after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Consequently, the assessments of impairment indications made by Management at 31 December 2019 are based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the annual report.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Special items

In 2019, the Company received a debt relief from the former shareholder which has had a positive effect on profit of the year by DKK 17,535,608. The debt relief has been recognised as financial income in the income statement.

DKK	2019	2018
<b>5 Staff costs</b>		
Wages/salaries	53,625,377	54,811,438
Pensions	4,444,206	4,367,869
Other social security costs	1,543,452	1,391,925
Other external costs recognised under staff costs, net	3,660,416	3,497,358
	<u>63,273,451</u>	<u>64,068,590</u>
 Average number of full-time employees	 <u>172</u>	 <u>176</u>

Remuneration to Management is included in the management fee and totals DKK 1,618 thousand (2018: DKK 1,589 thousand).

#### 6 Financial income

Interest receivable, group entities	395,139	0
Remission of debt and similar	17,535,608	0
Other financial income	0	145,088
	<u>17,930,747</u>	<u>145,088</u>

#### 7 Financial expenses

Interest expenses, associates	2,143,754	0
Other financial expenses	262,908	331,224
	<u>2,406,662</u>	<u>331,224</u>

#### 8 Tax for the year

Estimated tax charge for the year	-1,595,817	0
	<u>-1,595,817</u>	<u>0</u>

#### 9 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2019	1,770,593
Cost at 31 December 2019	<u>1,770,593</u>
Impairment losses and amortisation at 1 January 2019	811,522
Amortisation/depreciation in the year	88,529
Impairment losses and amortisation at 31 December 2019	<u>900,051</u>
Carrying amount at 31 December 2019	<u>870,542</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	15,424,474
Additions in the year	10,087,591
Disposals in the year	-849,264
Cost at 31 December 2019	<u>24,662,801</u>
Impairment losses and depreciation at 1 January 2019	5,045,179
Amortisation/depreciation in the year	4,466,090
Reversal of amortisation/depreciation and impairment of disposals	-626,490
Impairment losses and depreciation at 31 December 2019	<u>8,884,779</u>
Carrying amount at 31 December 2019	<u>15,778,022</u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>5,042,656</u>
Depreciated over	<u>3-10 years</u>

#### 11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, mainly including insurance policies, DKK 347,696.

DKK	2019	2018
12 Share capital		
Analysis of the share capital:		
750,000 shares of DKK 1.00 nominal value each	<u>750,000</u>	<u>750,000</u>
	<u>750,000</u>	<u>750,000</u>

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

#### 13 Non-current liabilities

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	5,123,680	1,159,831	3,963,849	0
Other payables	566,703	0	566,703	0
	<u>5,690,383</u>	<u>1,159,831</u>	<u>4,530,552</u>	<u>0</u>

#### 14 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

#### 15 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The Company has entered into a lease with the company Ejendomsselskabet Copenhagen Towers I ApS. The lease became effective in September 2019 and can be terminated for expiry no earlier than September 2041. The lease comprises an annual basic rent of DKK 30 million for the next 12 months before rent compensation, if relevant.

After the balance sheet date, the lease contract has been renegotiated. Reference is made to note 2.

##### Other contingent liabilities

The Company is jointly taxed with its ultimate parent, Copenhagen Skyline Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities.

##### 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 2019 of DKK 834 thousand (DKK 4,681 thousand in 2018).



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 16 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
Copenhagen Skyline Holding ApS	Copenhagen	www.cvr.dk

##### Related party transactions

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

DKK	2019	2018
Rent, expense	-23,657,652	-29,722,282
Facility, income	3,284,626	5,700,620
Property, expense	-9,586,969	-6,461,248
Receivables from group entities	0	26,652,089
Payables to group entities	0	-61,700,482

##### 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:

Name	Domicile
CPH Hotel Management Holding ApS	Copenhagen

DKK	2019	2018
17 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	8,823,954	1,961,614
	8,823,954	1,961,614