

Crowne Plaza Copenhagen Towers A/ S

Ørestads Boulevard 114-118, 2300 Copenhagen S

CVR no. 30 54 80 43

Annual report 2020

Approved at the Company's annual general meeting on 29 June 2021

Chair of the meeting:

.....
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 Crowne Plaza Copenhagen Towers A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 29 June 2021
Executive Board:

.....
Mette Kapsch
CEO

Board of Directors:

.....
David Overby
Chair

.....
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 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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, 29 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Peter Jensen
State Authorised Public Accountant
mne33246



Management's review

Company details

Name	Crowne Plaza Copenhagen Towers A/S
Address, Postal code, City	Ørestads Boulevard 114-118, 2300 Copenhagen S
CVR no.	30 54 80 43
Established	31 May 2007
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	David Overby, Chair Henrik Gram Mette Kapsch
Executive Board	Mette Kapsch, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK	2020	2019	2018	2017	2016
Key figures					
Revenue	55,439,235	169,688,627	173,092,364	164,928,312	134,958,612
Gross profit	21,816,350	59,603,029	68,637,277	63,367,830	48,560,188
Operating profit/loss	-59,168,276	-8,225,042	2,147,750	-86,775	-374,889
Net financials	25,698,846	15,524,085	-186,136	-58,753	4,335
Profit for the year	3,338,184	8,823,954	1,961,614	-145,528	-370,554
Total assets	37,654,974	82,466,723	93,797,130	95,235,059	90,837,442
Equity	19,633,219	13,739,418	4,915,464	2,953,849	3,099,376
Financial ratios					
Return on assets	-98.5%	-9.3%	2.3%	-0.1%	-0.4%
Equity ratio	52.1%	16.7%	5.2%	3.1%	3.4%
Return on equity	20.0%	94.6%	49.9%	-4.8%	-11.3%
Average number of employees	100	172	176	175	137

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

Going concern

Following the outbreak of Covid-19 in March 2020, the Company has experienced a significant slowdown in hotel activity which has significantly affected the Company's results, financial position and liquidity reserve during 2020. As the pandemic is still ongoing, the Company's liquidity is also expected to be tight during 2021.

Reference is made to note 2 for more details.

Financial review

In 2020, the Company continued the co-operation with the world's second largest hotel company group, Intercontinental Hotel Group (IHG).

The income statement for 2020 shows a profit of DKK 3,338,184 against a profit of DKK 8,823,954 last year, and the balance sheet at 31 December 2020 shows equity of DKK 19,633,219.

The Company's financial position on 31 December 2020 and the results of the activities of the Company for the financial year for 2020 have been significantly affected by Covid-19. The hotel's turnover in 2020 dropped 67% compared to the previous year.

However, as a consequence of the Corona crisis financial support packages were implemented and affected industries of f.inst. lock downs and closure of national borders could apply for funds.

In 2020, the hotel again took full year advantage of being part of the BC Hospitality Group operational model, and as on-property costs were well controlled throughout the year.

In 2020, IHG Guest Satisfaction Survey –Overall Experience - increased very positively and went from score 81,96 in 2019 to 84,15 in 2020, and still well ranked above IHG Regional Benchmark with +3.78 points.

In 2019 the hotel was ranked as number 57 out of 103 Crowne Plaza hotels in Europe with positive movement in 2020 ranked as number 42 out of 106 hotels in Europe.
Tripadvisor –Traveler Ranked Score –ranked as number 13 out of 129 hotels in Copenhagen in 2020.

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 targets 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 2020.

Hotel Crowne Plaza Copenhagen Towers won the 2019 IHG Europe Star Award in the category "Responsible Business Award". It is a huge acknowledgement and an accolade that means a lot for our efforts and work with sustainability.

Management's review

Focus on sustainability

The company will continue to be committed to holding Responsible Hospitality at the heart of everything we do, no matter the situation, inspiring and advocating for sustainable change. It is more important than ever.

Despite the challenges we will expand our focus on zero-waste and our climate impact. We will focus on activities post-corona, building back an even more sustainable and resilient organization. Responsible Hospitality covers the range from environmental issues to inclusion, diversity, and equality and though we had to terminate the contracts of many employees during 2020 our organization continues to be diverse and remains focused on providing equal opportunities.

Hosting Moments That Matter

“Hosting Moments That Matter” is our reason to be. The business is developed within four focus areas: Focus on customers, improve financials and administration, live out responsible hospitality and enhance our team.

It applies for the guests that we serve as well as the people we work with. Hospitality is the business of “here and now” as it cannot be undone. Our purpose is to create positive impacts in real life, that continue to live in the memories for all involved based on our core values: Mutual Respect, Winning Spirit, Service Heroes and Responsible Hospitality all represented in Hosting Moment That Matters. An extra dimension was added to our concept by implementing special procedures securing our customers and staff's safety in connection with COVID-19. We have taken all the necessary precautions in accordance with the authorities' recommendations. Furthermore, we have our own medical specialists in our day-to-day COVID-19 preparedness securing the best possible implementation of our many health professional steps.

Careers That Matter

The employees will always be the heart of our business also in difficult times. Our “Careers That Matter” workshops create awareness of how and why any employee can establish their own Personal Development plan. Unfortunately, these workshops and initiatives were put on hold during 2020 but they will be offered again when possible.

Events after the balance sheet date

The Company has a management agreement with BC Hospitality Group A/S, who carries out back office functions such as Revenue management, bookkeeping, salary payment etc. BC Hospitality Group A/S' continued operation was ensured at the General Assembly for BCHG Holding A/S end of June.

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

Outlook

Adaptability and flexibility are more important terms than ever in a world where the Covid-19 global pandemic has set the agenda for the past year and will continue to have a huge impact on 2021 as well.

Despite challenging times, the outlook for 2021 is acceptable, everybody longs for a normal activity level, return of daily life pre-Corona and not least to meet in real life. Early 2021 brought optimism in the form of vaccines to Denmark, but the market will take time to recover fully, and it will be step by step. Notes of optimism spreads in society and among our customers, a long-term reopening plan for the country is a fact and the vaccine programs are rolled out as planned on both a national and international level.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Revenue	55,439,235	169,688,627
	Cost of sales	-11,490,174	-35,487,579
	Other operating income	36,702,308	0
	External expenses	-58,835,019	-74,598,019
	Gross profit	21,816,350	59,603,029
4	Staff costs	-39,867,078	-63,273,451
	Amortisation/ depreciation and impairment of intangible assets and property, plant and equipment	-4,415,240	-4,554,620
	Other operating expenses	0	-70,906
	Profit/ loss before net financials	-22,465,968	-8,295,948
5	Financial income	28,404,175	17,930,747
6	Financial expenses	-2,705,329	-2,406,662
	Profit before tax	3,232,878	7,228,137
7	Tax for the year	105,306	1,595,817
	Profit for the year	3,338,184	8,823,954

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-current assets		
8	Intangible assets		
	Acquired intangible assets	782,012	870,542
		782,012	870,542
9	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	12,293,540	15,778,022
		12,293,540	15,778,022
10	Financial assets		
	Other receivables	4,384,445	22,639,775
		4,384,445	22,639,775
	Total non-current assets	17,459,997	39,288,339
	Current assets		
	Inventories		
	Finished goods and goods for resale	889,852	1,226,936
		889,852	1,226,936
	Receivables		
	Trade receivables	2,430,978	12,461,666
	Income taxes receivable	0	30,075
	Joint taxation contribution receivable	0	1,595,817
	Other receivables	10,437,457	22,774,197
11	Prepayments	602,719	667,721
		13,471,154	37,529,476
	Cash	5,833,971	4,421,972
	Total current assets	20,194,977	43,178,384
	TOTAL ASSETS	37,654,974	82,466,723

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	750,000	750,000
	Retained earnings	18,883,219	12,989,418
	Total equity	<u>19,633,219</u>	<u>13,739,418</u>
	Liabilities		
13	Non-current liabilities		
	Lease liabilities	2,730,459	3,963,849
	Other payables	1,464,657	566,703
	Total non-current liabilities	<u>4,195,116</u>	<u>4,530,552</u>
	Current liabilities		
	Lease liabilities	1,216,091	1,159,831
	Trade payables	3,017,253	14,358,017
	Payables to group entities	0	4,551,402
	Other payables	7,894,185	41,767,343
14	Deferred income	1,699,110	2,360,160
	Total current liabilities	<u>13,826,639</u>	<u>64,196,753</u>
		<u>18,021,755</u>	<u>68,727,305</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>37,654,974</u></u>	<u><u>82,466,723</u></u>

- 1 Accounting policies
- 2 Going concern
- 3 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
	Equity at 1 January 2020	750,000	12,989,418	13,739,418
	Group contribution	0	2,555,617	2,555,617
17	Transfer, see "Appropriation of profit"	0	3,338,184	3,338,184
	Equity at 31 December 2020	750,000	18,883,219	19,633,219

Capital increase of equity is remission of debt given by CPH Hotel Management Holding ApS on 31 August 2020 by irrevocably waive the right to repayment of the Debt and any interest accrued on the Debt.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Crowne Plaza Copenhagen Towers A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

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 Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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".

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 has significantly affected the Company's results, financial position and liquidity reserve.

As the pandemic is still ongoing, the Company's liquidity is also expected to be affected negatively in 2021 and the coming years.

Management has thoroughly analysed the effects of the new situation and has re-evaluated the revenue forecast for 2021 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. In 2020, the Company entered into several addendums to the lease agreement, which have reduced the actual lease payment until 31 December 2023.

Lease payment from 1 July 2021 and going forward will be set off against the paid deposit. The landlord has agreed not to request a replacement of the deposit. Lease payment hereafter 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 2021. Management therefore submits the annual report on the basis of continued operations.

However, 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, brings uncertainties to the cash flow forecast.

3 Special items

In 2020, the Company has received debt relief from the former shareholder which have had a positive effect on the profit with DKK 28,167,290. The debt relief has been recognized as financial income in the income statement.

In addition, the Company has received compensation for salary and fixed costs from the Danish government of DKK 6,547,993 DKK and DKK 30,154,315 respectively, which has been recognized as other income in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2020	2019
4 Staff costs		
Wages/ salaries	31,647,010	53,625,377
Pensions	2,727,049	4,444,206
Other social security costs	859,137	1,543,452
Other external costs recognised under staff costs, net	4,633,882	3,660,416
	<u>39,867,078</u>	<u>63,273,451</u>
Average number of full-time employees	<u>100</u>	<u>172</u>
Remuneration to Management is included in the management fee and totals DKK 660 thousand (2019: DKK 1,589 thousand).		
5 Financial income		
Interest receivable, group entities	236,885	395,139
Remission of debt and similar	28,167,290	17,535,608
	<u>28,404,175</u>	<u>17,930,747</u>
6 Financial expenses		
Interest expenses, associates	2,429,588	2,143,754
Other financial expenses	275,741	262,908
	<u>2,705,329</u>	<u>2,406,662</u>
7 Tax for the year		
Estimated tax charge for the year	0	-1,595,817
Tax adjustments, prior years	-105,306	0
	<u>-105,306</u>	<u>-1,595,817</u>
8 Intangible assets		
DKK		Acquired intangible assets
Cost at 1 January 2020		<u>1,770,593</u>
Cost at 31 December 2020		<u>1,770,593</u>
Impairment losses and amortisation at 1 January 2020		900,051
Amortisation/depreciation in the year		88,530
Impairment losses and amortisation at 31 December 2020		<u>988,581</u>
Carrying amount at 31 December 2020		<u>782,012</u>

Financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2020	24,662,801
Additions in the year	971,974
Disposals in the year	-129,745
Cost at 31 December 2020	<u>25,505,030</u>
Impairment losses and depreciation at 1 January 2020	8,884,779
Amortisation/depreciation in the year	4,326,711
Impairment losses and depreciation at 31 December 2020	<u>13,211,490</u>
Carrying amount at 31 December 2020	<u><u>12,293,540</u></u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u><u>3,979,520</u></u>
Depreciated over	<u>3-10 years</u>

10 Financial assets

DKK	<u>Other receivables</u>
Cost at 1 January 2020	22,639,775
Additions in the year	125,706
Disposals in the year	-18,381,036
Cost at 31 December 2020	<u>4,384,445</u>
Carrying amount at 31 December 2020	<u><u>4,384,445</u></u>

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, mainly rent, phone subscription and internet, DKK 602,719.

DKK	<u>2020</u>	<u>2019</u>
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><u>750,000</u></u>	<u><u>750,000</u></u>

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

Financial statements 1 January - 31 December

Notes to the financial statements

13 Non-current liabilities

DKK	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	3,946,550	1,216,091	2,730,459	0
Other payables	1,464,657	0	1,464,657	0
	<u>5,411,207</u>	<u>1,216,091</u>	<u>4,195,116</u>	<u>0</u>

14 Deferred income

Deferred income comprises payments of deposits of DKK 1,500,567 relating to room bookings, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

Deferred income also comprises of lease incentive given by the landlord of DKK 198,543.

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 March 2045 which means that the total nominal amount of DKK 754,457,169.

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 2020 of DKK 1.913 thousand (DKK 834 thousand in 2019).

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	2020	2019
Rent, expense	0	-23,657,652
Facility, income	2,158,779	3,284,626
Property, expense	-11,092,826	-9,586,969
Remission of debt	30,959,792	17,535,608

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	2020	2019
17 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	3,338,184	8,823,954
	3,338,184	8,823,954

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Navnet er skjult (CPR valideret)

Board of directors

På vegne af: Crowne Plaza Copenhagen Towers A/S

Serienummer: PID:9208-2002-2-741490663896

IP: 212.130.xxx.xxx

2021-06-29 14:57:23Z

NEM ID 

David Robson Overby

Chair

På vegne af: Crowne Plaza Copenhagen Towers A/S

Serienummer: PID:9208-2002-2-162874876379

IP: 212.130.xxx.xxx

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NEM ID 

Mette Kapsch

CEO

På vegne af: Crowne Plaza Copenhagen Towers A/S

Serienummer: PID:9208-2002-2-172425582781

IP: 109.56.xxx.xxx

2021-06-29 15:29:37Z

NEM ID 

Mette Kapsch

Chair of the meeting

På vegne af: Crowne Plaza Copenhagen Towers A/S

Serienummer: PID:9208-2002-2-172425582781

IP: 109.56.xxx.xxx

2021-06-29 15:29:37Z

NEM ID 

Mette Kapsch

Board of directors

På vegne af: Crowne Plaza Copenhagen Towers A/S

Serienummer: PID:9208-2002-2-172425582781

IP: 109.56.xxx.xxx

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NEM ID 

Peter Jensen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:60017354

IP: 176.21.xxx.xxx

2021-06-29 15:48:37Z

NEM ID 

Kaare Kristensen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:73827337

IP: 188.183.xxx.xxx

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