

Arena Management Cph A/S

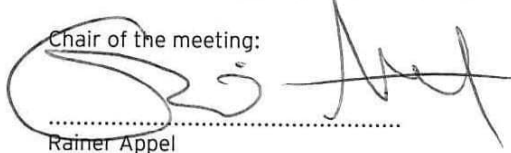
Peter Bangs Vej 147, 2000 Frederiksberg

CVR no. 33 75 59 29

Annual report 2021

Approved at the Company's annual general meeting on 7 July 2022

Chair of the meeting:

A handwritten signature in black ink, appearing to be 'R Appel', is written over a dotted line. The signature is stylized and cursive.

Rainer Appel

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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 Arena Management Cph A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

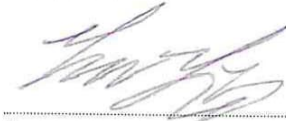
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Copenhagen, 7 July 2022

Executive Board:

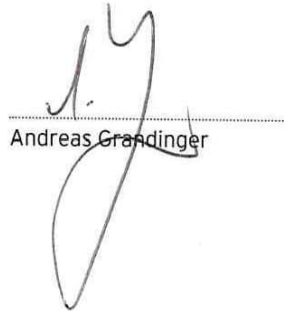


Kasper Rudi Busch Lund

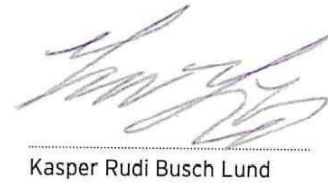
Board of Directors:



Rainer Appel
Chair



Andreas Grandinger



Kasper Rudi Busch Lund

Independent auditor's report

To the shareholder of Arena Management Cph A/S

Opinion

We have audited the financial statements of Arena Management CPH A/S for the financial year 1 January - 31 December 2021, comprising income statement, balance sheet 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 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, 7 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Kim Schmidt
State Authorised Public Accountant
mne34552



Ilhan Dogan
State Authorised Public Accountant
mne47842

Management's review

Company details

Name	Arena Management Cph A/S
Address, Postal code, City	Peter Bangs Vej 147, 2000 Frederiksberg
CVR no.	33 75 59 29
Established	8 June 2011
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Rainer Appel, Chair Andreas Grandinger Kasper Rudi Busch Lund
Executive Board	Kasper Rudi Busch Lund

Management commentary

Business review

The Company's core activity is Venue Operation and Management, including concerts and other cultural and corporate events.

Financial review

The activities in 2021 were as expected.

The global outbreak of coronavirus (COVID-19) and accompanying restrictions & lockdowns continued to cause significant loss of revenue in 2021. To counteract, government support packages were utilized to full effect, and intercompany loan facilities ensured liquidity.

In 2022, despite continued negative impact of Coronavirus, the increase in commercial activity is expected to generate sufficient Operation profit to reestablish equity.

Management assesses that the Company's current liquid funds from existing assets and cash flows from operating activities will meet the Company's operational liquidity requirement through the financial year 2022. Further, the Company has in 2022 received a letter of support from its parent company guaranteeing that no intercompany loan repayments will be required until 31 December 2022.

The Letter of support shall be valid until 31 December 2022

Based on this, management presents the financial statements for 2021 on going concern.

The management hereby presents the annual report on going concern.

Events after the balance sheet date

No events after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
	Gross profit	5,299	3,110
4	Staff costs	-4,390	-5,262
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-2,153	-2,279
	Profit/loss before net financials	-1,244	-4,431
	Financial income	2	0
6	Financial expenses	-605	-486
	Profit/loss before tax	-1,847	-4,917
	Tax for the year	0	0
	Profit/loss for the year	-1,847	-4,917
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-1,847	-4,917
		-1,847	-4,917

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Completed development projects	0	33
		0	33
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	6,043	7,869
	Leasehold improvements	568	862
		6,611	8,731
9	Investments		
	Deposits, investments	1,500	1,500
		1,500	1,500
	Total fixed assets	8,111	10,264
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	469	489
		469	489
	Receivables		
	Trade receivables	3,608	1,244
	Other receivables	0	2,482
	Prepayments	769	576
		4,377	4,302
	Cash	11,261	2,445
	Total non-fixed assets	16,107	7,236
	TOTAL ASSETS	24,218	17,500
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	-6,427	-4,580
	Total equity	-5,927	-4,080
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	2,451	1,908
	Payables to group enterprises	19,507	17,567
	Other payables	5,471	1,225
	Deferred income	2,716	880
		30,145	21,580
	Total liabilities other than provisions	30,145	21,580
	TOTAL EQUITY AND LIABILITIES	24,218	17,500

1 Accounting policies

2 Capital resources

3 Other operating income

10 Contractual obligations and contingencies, etc.

11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2020	500	337	837
Transfer through appropriation of loss	0	-4,917	-4,917
Equity at 1 January 2021	500	-4,580	-4,080
Transfer through appropriation of loss	0	-1,847	-1,847
Equity at 31 December 2021	500	-6,427	-5,927

Equity expected to be re-established in 2022 through operating profits.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arena management Cph A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of presenting a statement of changes in equity in accordance with the provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

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

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

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including government compensation regarding the Covid-19 pandemic.

Other external expenses

Other external expenses include the year's expenses relating to the Company's activities, including expenses relating to administration etc.

Staff costs

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

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:

Completed development projects	5 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years.

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.

Investments

Includes paid deposits. Deposits is recognised at nominal value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

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

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

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

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

Inventories

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

Receivables

Receivables are measured at amortised cost.

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

If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

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

Other payables

Other liabilities are measured at net realisable value.

Deferred income

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

Financial statements 1 January - 31 December

Notes to the financial statements

2 Capital resources

Management assesses that the Company's current liquid funds from existing assets and cash flows from operating activities will meet the Company's operational liquidity requirement through the financial year 2022. Further, the Company has in 2022 received a letter of support from its parent company guaranteeing that no intercompany loan repayments will be required until 31 December 2022.

The Letter of support shall be valid until 31 December 2022

Based on this, management presents the financial statements for 2021 on going concern.

3 Other operating income

Other operating income includes Covid-19 compensations regarding salaries for personnel of t.dkk 616 and compensation for fixed costs of t.dkk 2.895.

DKK'000	2021	2020
4 Staff costs		
Wages/salaries	3,894	4,761
Pensions	429	415
Other social security costs	62	84
Other staff costs	5	2
	<u>4,390</u>	<u>5,262</u>
Average number of full-time employees	<u>5</u>	<u>7</u>
5 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	32	40
Depreciation of property, plant and equipment	2,121	2,239
	<u>2,153</u>	<u>2,279</u>
6 Financial expenses		
Interest expenses, group entities	577	483
Other financial expenses	28	3
	<u>605</u>	<u>486</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Completed development projects
Cost at 1 January 2021	119
Cost at 31 December 2021	119
Impairment losses and amortisation at 1 January 2021	86
Amortisation for the year	33
Impairment losses and amortisation at 31 December 2021	119
Carrying amount at 31 December 2021	0

8 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	11,538	1,425	12,963
Cost at 31 December 2021	11,538	1,425	12,963
Impairment losses and depreciation at 1 January 2021	3,669	563	4,232
Depreciation	1,826	294	2,120
Impairment losses and depreciation at 31 December 2021	5,495	857	6,352
Carrying amount at 31 December 2021	6,043	568	6,611

9 Investments

DKK'000	Deposits, investments
Cost at 1 January 2021	1,500
Cost at 31 December 2021	1,500
Carrying amount at 31 December 2021	1,500

Financial statements 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Eventim Scandinavia A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2016 onwards as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2021	2020
Rent and lease liabilities	26,228	31,069

11 Related parties

Information about consolidated financial statements

Parent	Domicile
CTS Eventim AG & Co. KGaA	Contrescarpe 75A, 28195 Bremen, Germany

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
Eventim Scandinavia A/S	Bryggernes Plads 17, 1.1799 København V

