
BCHG Holding A/S

Lautrupsgade 7, DK-2100 Copenhagen Ø

Annual Report for 2018

CVR No 38 24 67 12

The Annual Report has
been presented and
adopted at the Annual
General Meeting of the
Company on 20 May 2019


CHAIRMAN OF THE
MEETING



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Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of BCHG Holding A/S for the financial year 1 January - 31 December 2018.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.


In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2018.


In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of BCHG Holding A/S (the "Parent Company" and of the Parent Company and its subsidiaries (collective the "Group"), of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted by the Annual Shareholders' Meeting.

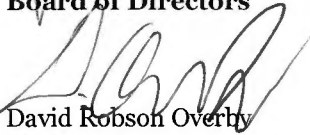
Copenhagen, 20 May 2019


Executive Board


Johan Ewald Lorentzen
CEO



Henrik Gram
CFO

Board of Directors


David Robson Overby
Chairman


Mette Kapsch


Johan Ewald Lorentzen


Michael Dano Andersen
Staff Representative


Henrik Gram

Independent Auditor's Report

To the Shareholders of BCHG Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2018 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with the the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2018 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BCHG Holding A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as cash flow statement for the Group ("financial statements").

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

Statement on Management's Review

Management is responsible for Management's Review (page 9-12).

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been

prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent 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 about 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 20 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Torben Jensen

State Authorised Public Accountant

mne18651



Claus Carlsson

State Authorised Public Accountant

mne29461

Company Information

The Parent Company of the Group

BCHG Holding A/S
Lautrupsgade 7
DK-2100 Copenhagen Ø

CVR no: 38 24 67 12

Financial period: 1 January - 31 December
Financial year: 3th financial year
Municipality of reg. office: Copenhagen

Board of Directors

David Robson Overby (Chairman)
Mette Kapsch
Johan Ewald Lorentzen
Michael Dano Andersen (Staff Representative)

Executive Board

Johan Ewald Lorentzen
Henrik Gram

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of Solstra Investments A/S and the ultimate parent company ALFI Mark Trust, Liechtenstein. As a result of the legislation in Liechtenstein, the Consolidated Financial Statements are not published.

Financial Highlights

Group

	2018	2017	2016*
	DKK '000	DKK '000	DKK '000
Income statement			
Revenue	959,225	953,776	131,416
Gross profit	422,639	440,713	50,612
Depreciation and amortisation	(58,448)	(67,569)	(13,009)
Profit before financial items	37,837	215,192	(13,275)
Financial income and expenses	(11,600)	(31,816)	(4,911)
Profit before tax	26,237	183,376	(18,187)
Net profit for the year	18,284	119,674	(15,453)
Balance sheet			
Balance sheet total	1,639,809	1,623,783	2,970,805
Equity	590,960	561,560	983,460
Production property	431,059	431,059	427,015
Hotel property	0	0	1,433,365
Investment property	745,127	745,127	744,203
Credit institution	597,383	627,287	1,487,497
Cash flows			
<i>Cash flows from:</i>			
Operating activities	67,939	71,570	2,769
Investing activities	(69,461)	811,837	(68,060)
Financing activities	(29,904)	(776,861)	97,093
Change in cash and cash equivalents	(31,426)	106,546	31,802
No of employees	740	705	642
Ratios			
Gross margin	44%	46%	39%
Solvency ratio	36%	35%	33%
Return on equity	3%	15%	2%

For definitions of financial ratios, see under accounting policies.

*The financial highlight for 2016 covers 2 months of operation, whereas the financial highlights for 2017 and 2018 covers 12 months of operation.

Management's review

The consolidated financial statements of BCHG Holding A/S for 2018 has been prepared in accordance with the provision of the Danish Financial Statement Act applying to large enterprises of reporting class C.

It is the third financial year for the Company. The Company was founded 12th December 2016 through a demerger of Bellakvarter A/S with effect from 31st October 2016.

The Consolidated Financial Statements comprise subsidiaries from the date on which control is transferred to the Group and until the date on which the control ceases.

Our Responsible Hospitality Report for 2018 is included as supplementary reporting.

Main activity

The Company's primary activity is to own and make investments within the hospitality area and related activities. Currently the activities are carried out through the subsidiary BC Hospitality Group A/S (operational company) and BCHG Properties A/S (real estate).

BC Hospitality Group A/S operates, Copenhagen Marriott, AC Hotel Bella Sky Copenhagen and Bella Center Copenhagen activities through long term lease agreements of the properties for the activities, and Crowne Plaza Copenhagen Tower through a management agreement.

BCHG Properties A/S own the Bella Center Copenhagen property leased by BC Hospitality Group A/S.

Development in the year

In 2018, the Group reinforced its business and achieved top-line growth and a satisfactory result with revenues of DKK 959.2 million. The Group thus consolidated the turnaround which began back in 2014, and further affirmed its position as a leading hospitality operator in Northern Europe. In 2018, the Group also continued its efforts to update, develop new products and market the various brands in the portfolio, and the positive results achieved to date, ensure the Company is well consolidated and ready for further expansion within the hospitality area.

Results for the year

Gross profit was positive at DKK 422.6 million for 2018, compared to gross profit of DKK 440.7 million in 2017. Consolidated revenue amounted to DKK 959.2 million for 2018 compared to DKK 953.8 million for 2017.

The gross profit margin was lower in 2018 due to changes in the sales mix compared to 2017.

The positive operating figures for the year are primarily due to a stable hotel business and operational efficiency measures in organising congresses and exhibitions. Moreover, the Group is seeing good progress in recurring major trade shows and international congresses; recent years' establishment of shared services within the Group continued to realize solid synergies in the support and back-office functions, and the shared services contribute positively by enhancing guests' and customers' service experience.

In 2018 there was no other operating income where 2017 had a special one-off effect of DKK 162.5 million from the sale of the Bella Sky building, which was realised in the summer of 2017.

The Group also operates Crowne Plaza Copenhagen Towers; including this revenue, consolidated revenue totalled DKK 1,132.5 million for 2018 compared to DKK 1,118.6 in 2017.

Hosting Moments That Matter

Being a leader in the Danish hospitality industry, the Group is strongly committed and obligated to operate with ongoing focus on creating outstanding guest experiences based on the core values: Mutual Respect, Winning Spirit, Service Heroes and Responsible Hospitality - all encapsulated in Hosting Moments That Matters.

The business is developed within four focus areas: Focus on customers, improve financials and administration, live out responsible hospitality and enhance our team.

In total, the Group welcomed app. 1.2 million guests in 2018, app. 600,000 of whom stayed at the hotels.

Guest satisfaction at the Group's three hotels is once again emphasised with excellent rankings on the TripAdvisor Top, Crowne Plaza Copenhagen Tower and Copenhagen Marriott Hotel in top 15 and AC Hotel Bella Sky Copenhagen in top 30 (among 1242 Copenhagen hotels).

Similar to previous years, the Group participated in the "Great Place to Work" initiative in 2018. The results and response rates covering the trust index are very positive and speak for themselves. The Trust Index Target for Bella Center Copenhagen for 2018 was 80%. The actual result was 84% and compared to 75% in 2016 it is a significant increase in only two years. The average Trust Index Target for the hotels was 85%, actual result for 2018 is 86.7%. A promising and bright trend compared to fact that the average result for the hotels was slightly above 80% in 2016.

Awards and nominations

2018 turned out to be a very rewarding year in terms of awards and nominations. Every time our organisation is acknowledged or awarded for its practices or performance, we are grateful and humble. The awards are as diverse as our business and an excellent mirror of our activities. AC Hotel Bella Sky was awarded Best Hotel in Copenhagen at Danish Travel Awards 2018 – the second consecutive year a hotel in the Group received the recognition.

Furthermore BC Hospitality Group A/S was awarded with "ISS Diversity Prize- significant diversity" and "Copenhagen Business Award – Environment and Social Responsibility" as examples on top of several nominations we are also very proud to be awarded as "Travellers' Choice Award" (Tripadvisor) applying for both Crowne Plaza Copenhagen Towers and Copenhagen Marriott.

Investments and divestments

In May 2018 the largest strategic investment in Bella Center Copenhagen, since the move from Bellahøj to Ørestad in 1975 was announced as the coming years will see 14,000 new square meters being added to the Bella Center. Construction is about to commence of a new 7,000 m2 Multi Purpose Arena and Congress Hall supported by a further 7,000 m2 supporting area, which will support Copenhagen to continue to be a World leading congress destination.

The Multi Purpose Arena will also ensure that the Group can continue to host large and diverse events which was previously hosted in Forum, a lease agreement which expired end of March 2019.

Hilton is returning to Copenhagen with a prominent quayside location in the center of Copenhagen and run by BC Hospitality Group A/S under a long-term lease agreement with ATP Ejendomme. The new upscale Copenhagen hotel landmark situated in Christianshavn will be named "Hilton Copenhagen City Centre". The new hotel will accommodate 394 bedrooms of international top standard, 2 restaurants with bars and 6 meeting rooms of various sizes with scheduled opening in June 2021.

The "Sky Bar" on top of AC Hotel Bella Sky Copenhagen was closed in January 2018 and re-emerged in August 2018 after an extensive reconstruction as the cool Japanese restaurant and bar - SUKAIBA. SUKAIBA is a high end Japanese restaurant using predominantly local produced ingredients and with a high emphasis on sustainability. The reception of the new hot spot in Copenhagen was overwhelming both from the audience and the food critics.

Copenhagen Marriott Hotel's luxury suite underwent a transformation into "Royal Suite" an outstanding hotel Suite and Venue for cultural events and dinners, showcasing the absolute supreme within Danish and foreign design.

Times have changed which also applies for the concert venues in Copenhagen. Forum no longer live up to the high standards and requirements expected from a modern and up-to-date concert and exhibition venue. New high quality venues have emerged and it was thus decided to terminate the lease agreement which expired by the end of March 2019.

Focus on sustainability

2018 was a very satisfactory year with impressive engagement from our team members and partners. Some of the year's highlights include reducing our energy usage at Bella Center Copenhagen by no less than 31% in just two years. Launching a new school partnership to inspire and educate local youths about the exciting opportunities a career in hospitality can bring – an initiative we are very proud of.

In 2019, Responsible Hospitality efforts are equally important as in the previous years. Particular focus areas will include waste production and management while also making further improvements in our supply chain and job creation in our local community.

As important players in the hospitality sectors, we can all contribute with our individual share. However, it is when we come together in strategic partnerships that we really have an impact.

Responsible Hospitality is a key driver for our business, so we need to align our priorities with our stakeholders and face sustainability challenges head-on. Together, we consult and determine the issues that are most relevant to them and to us. An analysis of material topics helps us navigate to where we can make the greatest positive impact. On the basis of stakeholder dialogue and business importance, our key activities the next few years will include: Youth education, Job creation among the long-term unemployed, re-thinking biodiversity and climate in food servings, waste management, including plastic and food waste.

Our Responsible Hospitality report is included summarizing all activity and initiatives in 2018. The report is also available at www.responsiblehospitality.dk

Statement of corporate social responsibility in accordance with section 99(a) of the Danish Financial Statement Act.

As regards the statement of corporate social responsibility by section 99a of the Danish Financial Statements Act, reference is also made to the above-mentioned CSR report "Responsible Hospitality Report 2018".

Statement regarding the underrepresented gender in accordance with section 99(b) of the Danish Financial Statement Act.

With respect to the report on the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act, in which the BC Hospitality Group is required to report on diversity in the composition of the Board of Directors and gender representation at other executive levels of BCHG Holding A/S.

In 2017 the Parent Company had equal representation on the Board of Directors (1 woman and 2 men) and at other executive levels (group executive and management levels). In 2018 the Board of Directors was extended by 1 member and now the composition is 1 woman and 3 men. When choosing between equally qualified candidates, the diversity among the Board of Directors will be taken into consideration. However, the aim to increase the representation of the under represented gender, must not rank above the other competency requirements in the nomination of board candidates. The Group goal is to obtain equally representation of gender in the Board of Directors within the next coming years.

Outlook

The hotel capacity in Copenhagen is set to increase by app. 8,000 bedrooms or app. 50% during 2018 to 2022. Whereas this is likely to put some short-term pressure on the Group's hotel business then it is at the same time an opportunity to open Copenhagen up to new International Congress business, which historically has been too large for Copenhagen.

Timing for the investment in the new Multi Purpose Area is therefore perfect as it will be ready when the new hotel capacity is opening up.

2019 and 2020 is forecasting to be relatively low congress years for Bella Center Copenhagen and therefore also Copenhagen but the active pipeline for the years thereafter is very strong.

The Group will continue its focus on growing existing and new business areas.

Special focus areas are CIFF (Copenhagen International Fashion Fair) which has seen significant growth and consolidation over the past 3-4 years; BITE – the International Food Fair in co-operation with the Danish Ministry of Food. In 2019, the Danish Bocuse d’Or contest to find next year’s Danish contender for the International Bocuse d’Or will take place at BITE, further strengthening BITE’s position.

Finally, during summer 2019 we will see the roll-out of the Group’s new back office Project and Process IT platform. Having been 3 years under development, the new IT tool is set to transform the internal and external work processes, setting BC Hospitality Group A/S apart from its peers and competitors.

Based on the above as well as the annual results, the Company’s expected EBITDAR for 2019 are at the same level as realised for the calendar year 2018.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any judgement with significant uncertainty, see also note 2.

Unusual events

The financial position at 31 December 2017 of the Group and Company and the result of activities for Group and Company and cash flows of the Group for the financial year have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement of 1 January – 31 December

Group	Note		
		2018 DKK '000	2017 DKK '000
Revenue	3	959,225	953,776
Cost of goods sold		(166,660)	(172,965)
Other external costs		<u>(369,926)</u>	<u>(340,098)</u>
Gross profit		422,639	440,713
Staff expenses	4	(326,329)	(321,409)
Revaluations		0	925
Other operating income/expenses, net		(25)	162,532
Depreciation and amortisation	5	<u>(58,448)</u>	<u>(67,569)</u>
Profit before financial income and expenses		37,837	215,192
Financial income	6	2,165	653
Financial expenses	7	<u>(13,765)</u>	<u>(32,469)</u>
Profit before tax		26,237	183,376
Tax on profit for the year	8	<u>(7,953)</u>	<u>(63,702)</u>
Net profit for the year		<u>18,284</u>	<u>119,674</u>

Balance Sheet 31 December - Assets

Group	Note		
		2018 DKK '000	2017 DKK '000
Assets			
Goodwill	9	<u>22,823</u>	<u>24,054</u>
Intangible assets		<u>22,823</u>	<u>24,054</u>
Leasehold improvements	10	34,899	17,682
Equipment	11	90,032	83,722
Production properties	12	431,059	431,059
Hotel properties	13	0	0
Investment properties	14	745,127	745,127
Assets under construction		<u>9,148</u>	<u>0</u>
Tangible assets		<u>1,310,265</u>	<u>1,277,590</u>
Deposits		<u>65,827</u>	<u>64,993</u>
Financial assets		<u>65,827</u>	<u>64,993</u>
Non-current assets		<u>1,398,915</u>	<u>1,366,637</u>
Inventories		5,113	3,992
Trade receivables		79,191	81,593
Receivables from group enterprises		1,398	2,302
Other receivables		44,014	9,919
Derivative financial instruments		395	6,604
Prepaid expenses		3,861	14,388
Cash and cash equivalents		<u>106,922</u>	<u>138,348</u>
Current assets		<u>240,894</u>	<u>257,146</u>
Total assets		<u>1,639,809</u>	<u>1,623,783</u>

Balance Sheet 31 December – Liabilities and Equity

Group

	Note		
		2018 DKK '000	2017 DKK '000
Liabilities and equity			
Share capital		21,871	21,871
Other reserves		99,287	88,171
Retained earnings		469,802	451,518
Proposed dividend		<u>0</u>	<u>0</u>
Equity	15	<u>590,960</u>	<u>561,560</u>
Credit institutions	16	553,094	596,863
Provision for deferred tax	17	194,576	184,486
Deposits		<u>14,532</u>	<u>14,193</u>
Non-current liabilities		<u>762,202</u>	<u>795,542</u>
Credit institutions	16	44,289	30,424
Trade payables		97,352	66,878
Prepayments received from customers		70,114	92,411
Deposits		20,032	13,620
Other payables		<u>54,860</u>	<u>63,348</u>
Current liabilities		<u>286,647</u>	<u>266,681</u>
Total liabilities and equity		<u>1,639,809</u>	<u>1,623,783</u>

Statement of Changes in Equity

Group

	Share Capital DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Proposed dividend for the year DKK '000	Total equity DKK '000
At 1 January 2017	17,266	58,030	908,164	0	983,460
Share capital increase	4,605	115,568	0	0	120,173
Transfer	0	(103,681)	103,681	0	0
Proposed interim dividend	0	0	(680,000)	0	(680,000)
Revaluation property	0	17,778	0	0	17,778
Interest rate swap	0	476	0	0	476
Net profit for the year	0	0	119,673	0	119,673
At 31 December 2017	21,871	88,171	451,518	0	561,560
At 1 January 2018	21,871	88,171	451,518	0	561,560
Revaluation property	0	15,957	0	0	15,957
Interest rate swap	0	(4,841)	0	0	(4,841)
Net profit for the year	0	0	18,284	0	18,284
At 31 December 2018	21,871	99,287	469,802	0	590,960

Cash Flow Statement 1 January – 31 December

Group

	Note	2018	2017
		DKK '000	DKK '000
Profit before financial income and expenses		37,837	215,192
Adjustments for income statement items without cash effect	21	58,473	(95,887)
Change in working capital	22	(19,074)	(15,919)
Cash flow from operating activities before financial items		77,236	103,386
Financial income received		2,165	653
Financial expenses paid		(13,765)	(32,469)
Taxes		2,303	0
Cash flow from operating activities		67,939	71,570
Purchase of tangible assets		(70,857)	(40,313)
Net acquisition of subsidiaries		0	784,874
Sale of tangible assets		1,396	67,276
Cash flow from investing activities		(69,461)	811,837
Capital increase		0	15,591
Repayment of mortgage		(29,904)	(112,452)
Dividend paid		0	(680,000)
Cash flow from financing activities		(29,904)	(776,861)
Change in cash and cash equivalents		(31,426)	106,546
Cash and cash equivalents at 1 Januar		138,348	31,802
Cash and cash equivalents at 31 December		106,922	138,348
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		106,922	138,348
Cash and cash equivalents at 31 December		106,922	138,348

Notes to the Financial Statements

Group

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Note 1 – Accounting policies for the Financial Statements

The Annual Report of the Group for 2018 has been prepared in accordance with the Danish Financial Statements Act applying to presentation of Annual Reports of large enterprises of reporting class C.

Presentation currency and functional currency

The Annual Report is presented in Danish kroner. The functional currency is Danish kroner.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

A functional currency is determined for the enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates. Transactions in other currencies than the functional currency are on initial recognition translated to the functional currency at the exchange rates prevailing at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Consolidation policies

The Consolidated Financial Statements comprise all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The subsidiaries' financial statements have been prepared in accordance with the same accounting policies as applied by the Parent Company. Where differences between the accounting policy in the subsidiary and the Parent Company have occurred, on top postings have been made to eliminate these differences.

The Consolidated Financial Statements have been prepared based on the financial statements of the individual enterprises by combining items of a uniform nature and subsequently eliminating intercompany income and expenses, balances, shareholdings, dividends as well as realised and unrealised profits and losses on transactions between the consolidated enterprises. Unrealised losses are eliminated in the same way as unrealised profits to the extent that no impairment takes place.

Income statement

Revenue

Revenue primarily consists of income from hotel rooms; conferences; rental income from booths; other rental income; income from setting up and arranging booths and meeting facilities; electricity, IT, tele and AV deliveries; services (parking, security, inspection of tickets etc.), as well as restaurant and catering services.

Revenue from sale of goods is recognised at the time of holding the event or meeting. Revenue from delivery of services is recognised at the rate of delivering the service. Revenue from sale of properties is recognised when delivery has taken place. Work in progress is recognised based on percentage of completion method. Revenue is determined less VAT, charges, payments to co-suppliers and discounts.

Cost of goods sold

Cost of goods sold comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance etc. as well as operation, administration and management of factories.

Value adjustment of investment property

The Group's investment property is measured at fair value and the value adjustments are recognised in the income statement.

Depreciation and impairment losses

Depreciation of property, plant and equipment is calculated on a straight-line basis based on cost and below assessment of the expected useful lives of the assets:

	<u>Useful life (years)</u>
Production buildings	100
Exhibition and convention centres, auditoriums etc.	10-50
Other fixtures and operating equipment	1-15

Leasehold improvements are depreciated over the remaining lease term. Land and investment property are not depreciated.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow

to the Group in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, dividends, realised exchange adjustments, amortisation of mortgage loans as well as repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised directly in equity. The Group is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Jointly taxed companies which have paid too much tax are compensated as a minimum according to applicable rates for interest reimbursement by the administration company, just as jointly taxed companies with outstanding tax as a maximum pay a charge in accordance with applicable rates for interest charges to the administration company.

Balance sheet

Intangible assets

Goodwill acquired is measured at costs less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years. Impairment test of goodwill are performed on yearly basis.

Tangible assets

Tangible assets comprise leasehold improvements, fixtures and operating equipment, properties as well as assets in course of construction.

Leasehold improvements and fixtures and operating equipment

Leasehold improvements as well as fixtures and operating equipment are measured at original acquisition cost plus subsequent additions less accumulated depreciation and impairment losses. The acquisition cost of combined assets is divided into separate components that are depreciated individually if the useful life of each component varies. Subsequent expenses, e.g. from replacing components in an asset, are recognised in the carrying amount of the asset in question when it is probable that the occurrence of costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repairs and maintenance are recognised in the income statement as incurred.

Leasehold improvements and other equipment is measured at purchase cost less accumulated depreciation and any accumulated impairment losses.

Properties

Properties are in the balance sheet divided into investment properties and production properties. Investment properties comprise show rooms and office leases. Production properties comprise auditoriums, meeting facilities and halls.

Investment property and production property are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Impairment test

An impairment test is carried out in terms of leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and group of assets, respectively. The assets are written down to the higher of the asset's or group of assets' value in use and net selling price (recoverable amount) if this is lower than the carrying amount.

Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables equals landed cost. The net realisable value of inventories is calculated as the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions are determined on the basis of an individual assessment of the receivables that are estimated to be risky.

Equity

Distributable reserves are transferred to retained earnings as they are considered free reserves. Included in Other reserves/retained earnings is the hedging reserve that includes changes in the fair value of derivatives classified and qualifying as cash flow hedges. Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

Dividend

Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Taxes payable and deferred tax

Current tax liabilities are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, except for temporary differences arising on the date of acquisition of assets and liabilities and which neither affect profit/loss nor the taxable income.

In cases where determination of the tax base may be performed based on different taxation rules, deferred tax is measured based on Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under long-term assets at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Adjustment is made of deferred tax concerning elimination of unrealised intercompany profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts

Financial debts are recognised initially as the proceeds received net of transaction expenses occurred. Subsequently, interest-bearing debt is measured at amortised cost determined based on the effective interest rate at the time of borrowing. Remaining debt is measured at amortised cost, corresponding to nominal debt outstanding.

The amortisations from the original loans have been transferred to the new loans together with the new amortised costs, and will be amortised over the term of the new loans.

Derivative financial instruments

Derivative financial instruments, including cash flow hedges through interest rate swaps after tax, are recognised at fair value. Amortisation and changes in the fair values of derivative financial instruments are recognised on equity until the hedged transaction expires. If the hedged transaction results in an asset or a liability, the accumulated market value adjustment is recognised in the cost of the asset or liability, and if the transaction results in an income or a cost, the accumulated market value adjustment is recognised under financial items in the income statement together with the hedged item.

Cash flow statement

The cash flow statement shows the cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss for the year adjusted for changes in non-cash operating items, changes in working capital, paid financial items and paid corporation tax.

Cash flows from investing activities comprise payments in connection with purchase and sale of property, plant and equipment as well as securities attributable to investing activities.

Cash flows from financing activities comprise dividend distribution to shareholders, capital increases and reductions as well as raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents comprise "Cash at bank and in hand" and short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Financial ratios

Gross margin:

Gross profit (contribution margin) / Revenue * 100

Solvency ratio:

Equity/Assets * 100

Return on equity:

Net profit for the year/Average equity * 100

Note 2 – Significant accounting estimates and assessments

On application of the Group's accounting policies as described in note 1, Management is required to perform assessments and use estimates as well as prepare assumptions for the carrying amount of assets and liabilities, which cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual outcome may differ from these estimates.

The performed estimates and underlying assumptions are reassessed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the change takes place and in future accounting periods if the change has an effect on both current and subsequent accounting periods.

In connection with the practical application of the described accounting policies, Management has performed the following significant accounting assessments which have had an effect on the financial statements.

Fair value adjustment of properties

Investment and production properties are measured at fair value. Value adjustment of investment properties are charged to the income statement and value adjustment of production properties are charged to equity.

At the end of each reporting period, Management updates their assessment of the fair value of each property, taking into account the most recent market conditions and independent valuation reports. Management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Management considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

The measurements contain several elements based on Management's estimate of current market conditions, including discount rate, capital structure and growth rate. For a detailed description of estimated assumptions and sensitivity analysis, please refer to current asset notes.

Fair value measurements are performed unchanged based on the capitalised value of Management's statement of expected annual cash generated from operations in a going concern context based on the required market rate of return.

Capital structure

Management anticipates to have sufficient liquidity at its disposal to support the Group's ordinary activities, payment of the Group's financial commitments and ordinary investments and consequently, the financial statements are presented under the going concern assumption. The cash resources have been determined in accordance with available operating and cash budgets for the Group approved by the Board of Directors.

	2018 DKK '000	2017 DKK '000
Note 3 – Revenue		
Geographical segments		
Denmark	<u>959,225</u>	<u>953,776</u>
	<u>959,225</u>	<u>953,776</u>
Business segments		
Hotel	398,902	404,325
Area & Entry	252,656	239,187
Technique & Services	110,081	95,482
Food & beverage	<u>197,586</u>	<u>214,782</u>
	<u>959,225</u>	<u>953,776</u>
Note 4 – Staff expenses		
Wages and salaries	285,472	272,667
Pensions	23,705	21,565
Social security costs	5,722	5,580
Other staff related costs	<u>11,430</u>	<u>21,597</u>
	<u>326,329</u>	<u>321,409</u>
Average number of employees	<u>740</u>	<u>705</u>
Including remuneration to the Board of Directors and Executive board of:		
Board of Directors	90	90
Executive board	<u>8,733</u>	<u>10,911</u>
	<u>8,823</u>	<u>11,001</u>
Note 5 – Depreciation and amortisation		
Goodwill	1,232	1,279
Leasehold improvements	3,222	2,799
Equipment	33,243	36,402
Production and hotel properties	<u>20,751</u>	<u>27,089</u>
	<u>58,448</u>	<u>67,569</u>

	2018 DKK '000	2017 DKK '000
Note 6 – Financial income		
Fair value adjustment of interest rate swap	0	503
Other financial income	<u>2,165</u>	<u>150</u>
	<u>2,165</u>	<u>653</u>
Note 7 – Financial expenses		
Interest on long-term debt	13,032	16,208
Lease obligations	270	339
Other financial expenses	<u>463</u>	<u>15,922</u>
	<u>13,765</u>	<u>32,469</u>
Note 8 – Tax on profit for the year		
Tax on profit	997	7,505
Change in deferred tax	<u>10,091</u>	<u>61,346</u>
	<u>11,088</u>	<u>68,851</u>
can be allocated as follows:		
Tax on profit/loss for the year	7,953	63,702
Tax on equity movements	<u>3,135</u>	<u>5,149</u>
	<u>11,088</u>	<u>68,851</u>
Note 9 – Intangible assets		
At 1 January / 31 October	25,545	25,545
Additions	<u>0</u>	<u>0</u>
At 31 December	<u>25,545</u>	<u>25,545</u>
Depreciation		
At 1 January / 31 October	(1,491)	(212)
Amortisation for the year	<u>(1,231)</u>	<u>(1,279)</u>
Depreciation at 31 December	<u>(2,722)</u>	<u>(1,491)</u>
Carrying amount at 31 December	<u>22,823</u>	<u>24,054</u>

	2018 DKK '000	2017 DKK '000
Note 10 – Leasehold improvements		
At 1 January / 31 October	56,511	41,389
Additions	21,379	15,967
Disposals	<u>(989)</u>	<u>(845)</u>
At 31 December	<u>76,901</u>	<u>56,511</u>
Accumulated depreciation		
At 1 January / 31 October	38,829	36,473
Depreciation for the year	3,222	2,799
Disposals	<u>(49)</u>	<u>(443)</u>
At 31 December	<u>42,002</u>	<u>38,829</u>
Carrying amount at 31 December	<u>34,899</u>	<u>17,682</u>

Note 11 – Equipment

At 1 January / 31 October	200,819	326,760
Additions	39,943	17,342
Disposals	<u>(19,147)</u>	<u>(143,283)</u>
At 31 December	<u>221,615</u>	<u>200,819</u>
Depreciation		
At 1 January / 31 October	117,097	155,767
Depreciation for the year	33,243	36,402
Disposals	<u>(18,757)</u>	<u>(75,072)</u>
Depreciation at 31 December	<u>131,583</u>	<u>117,097</u>
Carrying amount at 31 December	<u>90,032</u>	<u>83,722</u>

	2018 DKK '000	2017 DKK '000
Note 12 – Production properties		
Halls/Auditoriums/Meeting facilities		
Costs		
At 1 January / 31 October	581,018	578,755
Additions	0	2,263
Disposals	<u>(103)</u>	<u>0</u>
At 31 December	<u>580,915</u>	<u>581,018</u>
Revaluation		
At 1 January / 31 October	78,959	56,167
Revaluation	<u>20,854</u>	<u>22,792</u>
At 31 December	<u>99,813</u>	<u>78,959</u>
Depreciation		
At 1 January / 31 October	228,918	207,906
Depreciation for the year	<u>20,751</u>	<u>21,012</u>
Depreciation at 31 December	<u>249,669</u>	<u>228,918</u>
Carrying amount at 31 December	<u>431,059</u>	<u>431,059</u>

Production property

The fair value of production property as of 31 December is determined by discounting expected cash flows by a discount rate of 7.4% (2017: 7,4%). Income from production comprises income from events, including a specific projection of rent, additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc.

Sensitivity – value adjustment of production property

Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.

In the case of production activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the assessment value by +/- DKK 25-30 million and +/- DKK 60 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 10-15 million.

	2018 DKK '000	2017 DKK '000
Note 13 – Hotel properties (Production property)		
Cost		
At 1 January / 31 October	0	1,510,454
Additions		0
Disposals		(1,510,454)
At 31 December	<u>0</u>	<u>0</u>
Value adjustments		
At 1 January / 31 October	0	88,931
Disposals		(88,931)
At 31 December	<u>0</u>	<u>0</u>
Depreciation		
Impairment losses and depreciation at 1 January / 31 October		166,020
Depreciation for the year		6,825
Disposals		(172,845)
Depreciation at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>

Note 14 – Investment properties

Costs		
At 1 January / 31 October	389,370	389,370
Additions	<u>397</u>	<u>0</u>
At 31 December	<u>389,767</u>	<u>389,370</u>
Value adjustments		
At 1 January / 31 October	355,757	354,832
Revaluation	<u>(397)</u>	<u>925</u>
At 31 December	<u>355,360</u>	<u>355,757</u>
Carrying amount at 31 December	<u>745,127</u>	<u>745,127</u>

Note 15 – Equity

Share capital at 1 January	21,871	17,266
Capital increase	<u>0</u>	<u>4,605</u>
Share capital at 31 December	<u>21,871</u>	<u>21,871</u>

The share capital consists of 21,870,504.27 shares of a nominal value of DKK 0.01. No shares carry any special rights.

	2018 DKK '000	2017 DKK '000
Note 16 – Long-term debt		
Credit institutions		
After 5 years	382,892	424,971
Between 1 and 5 years	<u>170,202</u>	<u>171,892</u>
Long-term part	553,094	596,863
Within 1 year	<u>44,289</u>	<u>30,424</u>
Financial obligations at amortised cost at 31 December	<u>597,383</u>	<u>627,287</u>

Note 17 – Provision for deferred tax

Intangible fixed assets	(2,317)	(3,425)
Tangible fixed assets	(890,366)	(842,253)
Receivables	3,297	2,598
Other timing differences	<u>4,948</u>	<u>4,514</u>
	<u>(884,438)</u>	<u>(838,566)</u>
Provision for deferred tax 22%:	<u>(194,576)</u>	<u>(184,486)</u>
Provision for deferred tax 31 October/31 December	184,485	179,141
Deferred income tax recognised in income statement and on equity	10,091	61,346
Sale of subsidiary	<u>0</u>	<u>(56,001)</u>
Deferred tax 31 December	<u>194,576</u>	<u>184,486</u>

Note 18 – Collateral

The following assets have been provided as collateral for debt to credit institutions:

Production and investment, carrying amount	<u>1,176,186</u>	<u>1,176,186</u>
	<u>1,176,186</u>	<u>1,176,186</u>

Note 19 - Contingent liabilities and other financial obligations

Rental and lease obligations

Within 1 year	131,145	134,176
Between 1 and 5 years	508,620	505,418
After 5 years	<u>3,007,608</u>	<u>3,049,500</u>
	<u>3,647,373</u>	<u>3,689,094</u>
Rent expenses charged to the income statement during the year	135,842	138,428
Lease expenses charged to the income statement during the year	2,904	3,375

Note 19 - Contingent liabilities and other financial obligations, continued

Joint Taxation

The Solstra Investments A/S' Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes subject to joint taxation, etc. for 2018. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish Withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Company's liability.

Other contingent liabilities

The Group has the obligation to perform maintenance of rented hotel buildings, both interior and exterior. There is the risk that one of the hotel buildings may require replacement of part of the facade. For the time being, it is not possible to evaluate and conclude the extent of the replacement. The Group expects that the main contractor will cover expenses related to the replacement

Note 20 – Related party transactions

The Group is controlled by Bella Solstra A/S.

Related parties are considered to be the Board of Directors, key management, Solstra Investments A/S and Solstra Investments A/S' subsidiaries.

The Group has had transactions with shareholders related to intercompany receivables and payables and administrative services. The Group and Company have chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(7) of the Danish financial Statements Act.

Note 21 – Cash flow statement, Adjustments for income statement items without cash effect

	2018 DKK '000	2017 DKK '000
Revaluations	0	(925)
Other operating income, net	25	(162,531)
Depreciation, amortisation and impairment losses. including losses and gains on sales	<u>58,448</u>	<u>67,569</u>
	<u>58,473</u>	<u>(95,887)</u>

Note 22 – Cash flow statement, change in working capital

Change in inventories	(1,121)	527
Change in receivables	(24,395)	(50,770)
Change in trade payables, etc.	<u>6,442</u>	<u>34,324</u>
	<u>(19,074)</u>	<u>(15,919)</u>

Income Statement of 1 January – 31 December

Parent Company

	Note	2018	2017
		DKK '000	DKK '000
Gross profit		(801)	131,248
Profit before financial income and expenses		(801)	131,248
Financial income	B	1,804	6,177
Financial expenses	C	(373)	(116)
Profit before tax		630	137,309
Tax on profit for the year	D	(255)	(1,205)
Net profit for the year		375	136,104

Balance Sheet 31 December - Assets

Parent Company

	Note	2018	2017
		DKK '000	DKK '000
Assets			
Investment in subsidiaries	F	450,945	275,865
Financial assets		450,945	275,865
Non-current assets		450,945	275,865
Receivables from group enterprises		0	181,618
Other receivables		91	92
Cash at bank and in hand		68,778	61,753
Current assets		68,869	243,463
Total assets		519,814	519,328

Balance Sheet 31 December – Liabilities and Equity

Parent Company

	Note	<u>2018</u>	<u>2017</u>
		DKK '000	DKK '000
Liabilities and equity			
Share capital		21,871	21,871
Dividend paid		0	(680,000)
Retained earnings		<u>495,614</u>	<u>1,175,239</u>
Equity	G	<u>517,485</u>	<u>517,110</u>
Trade payables		699	170
Payables to group enterprises		1,508	1,205
Other payables		<u>122</u>	<u>843</u>
Current liabilities		<u>2,329</u>	<u>2,218</u>
Total liabilities and equity		<u>519,814</u>	<u>519,328</u>

Statement of Changes in Equity

Parent Company

	Share capital	Share premium	Retained earnings	Total equity
	DKK '000	DKK'000	DKK '000	DKK '000
At 1 January 2017	17,266	0	923,567	940,833
Capital increase	4,605	115,568	0	120,173
Transfer	0	(115,568)	115,568	0
Dividend paid			(680,000)	(680,000)
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>136,104</u>	<u>136,104</u>
At 31 December 2017	<u>21,871</u>	<u>0</u>	<u>495,239</u>	<u>517,110</u>
At 1 January 2018	21,871	0	495,239	517,110
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>375</u>	<u>375</u>
At 31 December 2018	<u>21,871</u>	<u>0</u>	<u>495,614</u>	<u>517,485</u>

Notes to Financial Statement

Parent Company

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Note A – Accounting policies for the Parent Company

Basis of Preparation

The Annual Report of the Parent Company BCHG Holding A/S has been prepared in accordance in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Parent Company Financial Statements for 2018 are presented in DKK thousand.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Gross profit

Gross profit comprise external income and expenses for the year relating to the entity's core activities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

	2018 DKK '000	2017 DKK '000
Note B – Financial income		
Interest received from Group enterprises	1,804	6,177
	<u>1,804</u>	<u>6,177</u>
Note C – Financial expenses		
Other financial expenses	373	116
	<u>373</u>	<u>116</u>
Note D – Tax on profit for the year		
Tax on profit	255	1,205
	<u>255</u>	<u>1,205</u>
Note E – Distribution of profit		
Retained earnings	375	136,104
	<u>375</u>	<u>136,104</u>
Note F – Investments in subsidiaries		
Cost at 1 January	275,865	940,883
Disposals for the year	0	(665,018)
Additions for the year/demerger 31 October	175,080	0
Cost at 31 December	450,945	275,865
Carrying amount at 31 December	<u>450,945</u>	<u>275,865</u>

Investments in subsidiaries are specified as follows:

Name/place of registered office	Share capital DKK '000	Votes and ownership	Equity DKK '000	Net profit/loss for the year DKK '000
BC Hospitality Group A/S	1,000	100%	175,188	5,347
BCHG Properties A/S	1,000	100%	289,425	27,117
BCHG SPV ApS	50	100%	32	(18)

Note G – Equity

The share capital consists of 21,870,504.27 shares of a nominal value of DKK 0.01. No shares carry any special rights.

Note H – Contingent liabilities

Joint Taxation

The Solstra Investments A/S' Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes subject to joint taxation, etc. for 2018. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish Withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Company's liability.

Note I - Related parties

Related parties are considered to be the Board of Directors, Key management and Solstra Investments A/S' subsidiaries.

	<u>Basis</u>
Controlling interest	
ALFI Mark Trust, Liechtenstein	Ultimate parent company
Markerina Investments Ltd., Cyprus	Intermediate parent company
Solstra Holdings Cyprus Ltd., Cyprus	Intermediate parent company
Solstra Investments A/S, Copenhagen	Intermediate parent company
Bella Solstra Holding A/S, Copenhagen	Intermediate parent company
Bella Solstra A/S, Copenhagen	Immediate parent company, holding 84,6 % of the votes in the Company.

Transactions

The Company has had transactions related to intercompany receivables and payables. Interests received from group enterprises are disclosed in the income statement and note B.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of Solstra Investments A/S and the ultimate parent company ALFI Mark Trust, Liechtenstein. As a result of the legislation in Liechtenstein the Consolidated Financial Statements are not published.

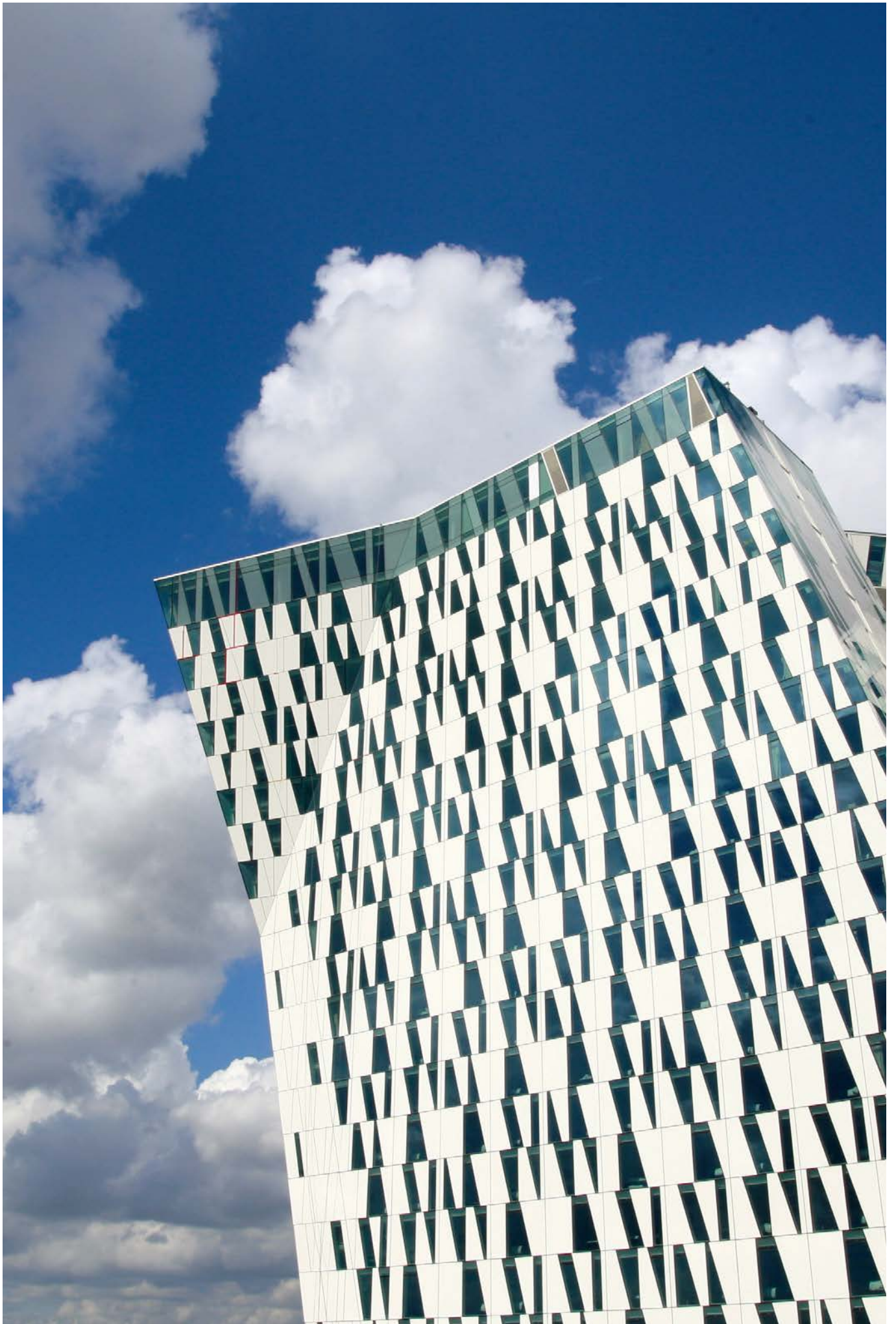
<u>Name</u>	<u>Place of registered office</u>
Solstra Investments A/S	Copenhagen

BC HOSPITALITY GROUP

2018

BC HOSPITALITY GROUP RESPONSIBLE HOSPITALITY REPORT





ABOUT THIS REPORT

This report covers the 2018 activities relating to Responsible Hospitality for all business units of BCHG Holding A/S group (BC Hospitality Group). The report follows the financial year 1 January 2018-31 December 2018.

The report is prepared in accordance with sections §99a and §99b of the Danish Financial Statements Act. It complies with ISO 14001 and DS 49001 CSR certifications, as Crowne Plaza Copenhagen Towers is certified by these standards.

The reporting is also aligned with the GRI Sustainability Reporting Standards 2016: Core option, the United Nations Global Compact and the Sustainable Development Goals.

The report presents data and figures for the three hotels forming part of BC Hospitality Group: Copenhagen Marriott, Crowne Plaza Copenhagen Towers and AC Hotel Bella Sky Copenhagen.

The report also covers the Group's congress venue, Bella Center Copenhagen, which includes Comwell Conference Center Copenhagen, CIFF/CIFF Showrooms and International House.

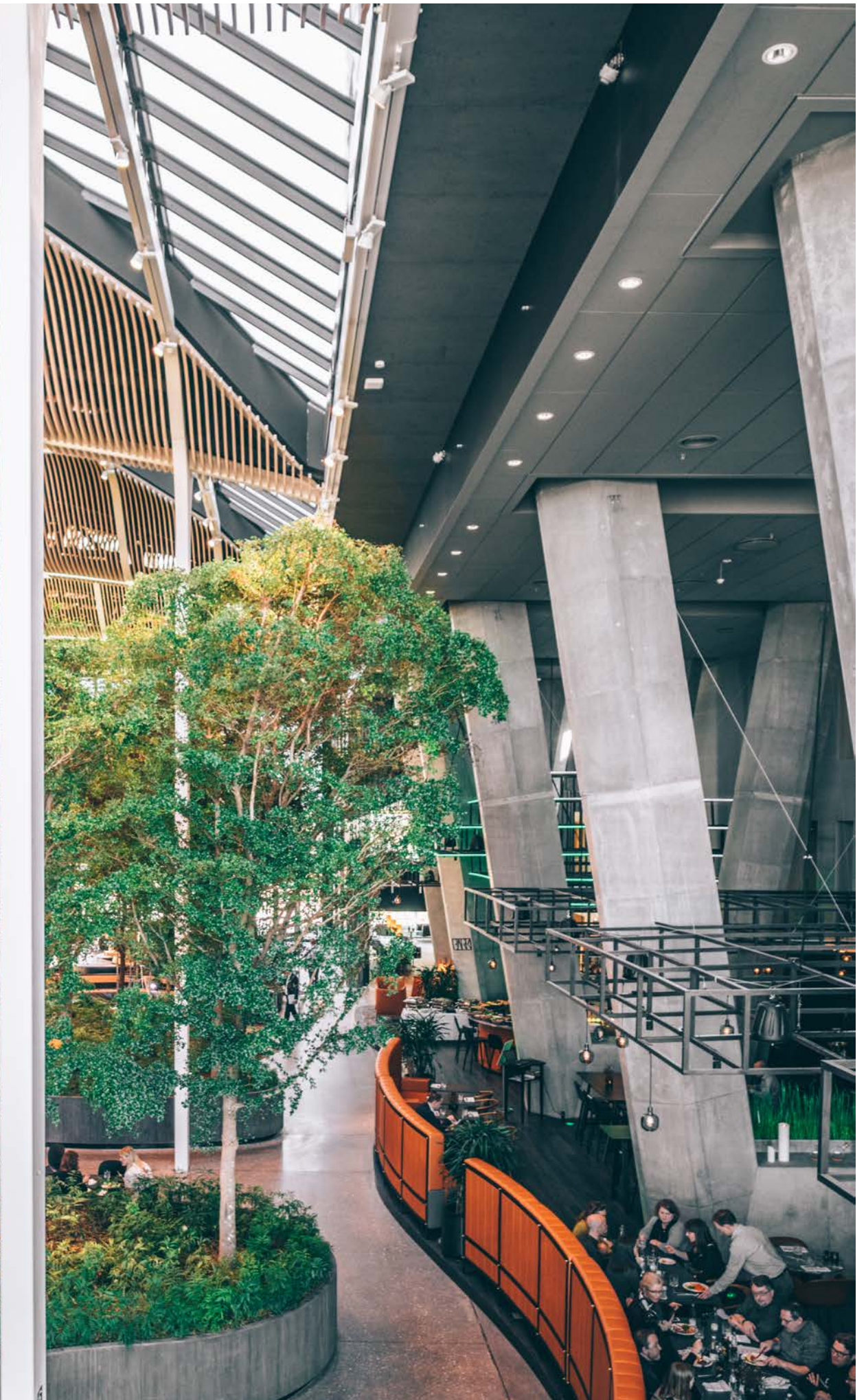
Previous Responsible Hospitality reports are available at:
www.responsiblehospitality.dk.

For further information regarding this report, please contact Group Responsible Hospitality Manager, Ms. Mireille Jakobsen, mij@bchg.dk

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Allan L. Agerholm

STATEMENT

FROM THE CHIEF HOSPITALITY OFFICER

As a leader in the Danish hospitality industry, we are strongly committed to operating a responsible and sustainable business. Every day of the year, we are Hosting Moments That Matter by enhancing the experience and outcome when people meet, face to face.

To us, Responsible Hospitality is a pledge to operate a profitable business while practicing, inspiring and advocating for sustainable change. And we do this at every level, from self-initiated efforts to supporting significant collaborative initiatives like The UN Global Compact to help build a better future for all.

2018 was a very satisfactory year with impressive engagement from our team members and partners. Some of the year's highlights include:

- Reducing our energy usage at Bella Center Copenhagen by no less than 31% in just two years.
- Launching a new school partnership to inspire and educate local youths about the exciting opportunities a career in hospitality can bring.
- Earning a number of awards and accolades directly linked to our Responsible Hospitality efforts including the Copenhagen Business Award - Environment and Social Responsibility (Københavns Erhvervspris) and the ISS Diversity Prize.

In 2019, we continue our Responsible Hospitality efforts. Particular focus areas will include

waste production and management while also making further improvements in our supply chain and job creation in our local community. In our wonderful city of Copenhagen, we are fortunate to experience a tremendous growth in visitation. Some recent studies have even projected a 50% increase in demands for hotel rooms by 2021. While these are certainly positive outlooks, the growing popularity of Copenhagen as a business and leisure destination also presents a major challenge to our entire industry.

We must meet the growing demands of our guests in terms of capacity and human resources. At the same time, we need to ensure that we do not get side-tracked in our efforts to do more and better when it comes to sustainability.

As players in the hospitality sectors, we can all do our own individual share. But it is when we come together in strategic partnerships that we really have an impact. So as we glance back on a great 2018, I also look forward to pursuing and welcoming many more fruitful partnerships in the year ahead.

Sincerely,



Allan L. Agerholm,
Chief Hospitality Officer / CEO

ABOUT BC HOSPITALITY GROUP

BC Hospitality Group is one of the leading hospitality companies in Denmark. We provide an extensive range of services within the hotel, conference, exhibition and catering industries to clients from all over the world. Our client base covers the public and private sectors, as well as businesses and leisure guests.

We offer a total of 1,583 hotel rooms, 162 meeting and conference rooms, and approximately 200,000 m² of event space with the capacity to host up to 30,000 people. BC Hospitality Group and all of its business units are located in Copenhagen, where we employ some 2,200 team members. In 2018, BC Hospitality Group made two major investments. In collaboration with ATP Real Estate, the group will open a Hilton property in central Copenhagen. The new Hilton Copenhagen City is set to open in 2020 and will comprise approximately 29,000 m² including 400 rooms and suites, meeting and conference facilities and more. The second investment is for the construction of a new congress hall in Bella Center. This 14,000 m² addition will consist of a large congress hall seating 7,000 persons in addition to an additional flexible area of 7,000 m². The inauguration is set for 2020 and will significantly expand the congress capacity of BC Hospitality Group and the city of Copenhagen, further strengthening the city's capabilities to attract international events and congresses. As a natural consequence of these investments, BC Hospitality Group will not renew its lease of Forum Copenhagen when it expires in March of 2019.

At AC Hotel Bella Sky, the restaurant located on the 23rd floor has undergone a complete

transformation into the new Japanese fusion restaurant, SUKAIBA Copenhagen. The bar and restaurant offers exquisite cocktails and dishes created with Japanese inspiration and locally sourced products.

Solstra Capital Partners, a private equity investment firm, is the owner of BC Hospitality Group and Crowne Plaza Copenhagen Towers, which operates under two different CVR numbers.

Bella Center Copenhagen

Scandinavia's largest exhibition and congress centre

Comwell Conference Center Copenhagen

Denmark's largest conference centre

AC Hotel Bella Sky Copenhagen

The largest design hotel in the Nordic region

Crowne Plaza Copenhagen Towers

Denmark's leading hotel within sustainability

Copenhagen Marriott

Copenhagen's premiere five-star hotel

CIFF

Northern Europe's leading fashion fair

CIFF Showrooms

16,611 sq. m. of permanent leasehold tenancies

International House

Bella Center Copenhagen's serviced offices

BC HOSPITALITY GROUP

Comwell
CONFERENCE CENTER
COPENHAGEN

**BELLA ·
CENTER**
COPEN
HAGEN

 **AC HOTEL BELLA SKY**
COPENHAGEN


MARRIOTT
COPENHAGEN

CIFF


CROWNE PLAZA®
AN IHG® HOTEL
COPENHAGEN TOWERS

OUR PURPOSE

We strive to be the leading hospitality company in Denmark by hosting moments that matter. This is our purpose and it encompasses our approach to everything that we do.

OUR MISSION

I AM THERE FOR YOU

We are **stewards of hospitality**.

For the guests we serve and the people we work with. We know that nothing can be undone, that moments are temporary but with the potential to live forever. We genuinely do our best to **seize these moments** and create a positive impact.

OUR VALUES

Mutual Respect

Winning Spirit

Service Heroes

HOSTING MOMENTS THAT MATTER

We are hosts and stewards of hospitality for the guests we serve and the people we work with. This is a privilege with great responsibilities, and we strive to turn each interaction into a special moment.

We are in the business of 'live'. Nothing can be undone. Moments are temporary but with the potential to live forever.

Moments, partnerships and results that matter. We make the most of our potential to create positive impacts - for us, for our guests and for the community around us.



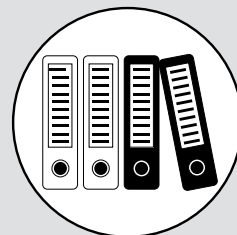
WE DEVELOP OUR BUSINESS WITHIN
FOUR FOCUS AREAS:

OUR MUST-WIN BATTLES



FOCUS ON **CUSTOMERS**

Our customers are at the heart of our business and their experiences cannot be undone. Each customer moment is equally important to us.



IMPROVE **FINANCIALS** **AND ADMINISTRATION**

We improve our business by continuously challenging ourselves and maintaining a curious and courageous approach.



LIVE OUT **RESPONSIBLE HOSPITALITY**

Sustainability is an integrated element in everything we do. We communicate our efforts and seize business opportunities within sustainability.



ENHANCE **ONE TEAM**

Our team is the backbone of our business. Through empathy, we leverage our individual strengths to build a team that matters.







RESPONSIBLE HOSPITALITY

As Denmark's leading hospitality company, we are in the business of enhancing human connections. Connections that create a positive ripple effect through communities all over the world. We host moments that matter by living out Responsible Hospitality.

Our strategic approach to living out Responsible Hospitality is built on a 'do-no-harm' concept, meaning that we always adhere to laws and regulations and our certifications. Secondly, we develop our business by identifying opportunities that allow us to use sustainability as a driver in our commercial and operational activities. Thirdly, we actively advocate for positive change in our community. We do this to inspire change and for us to learn from others.

STAKEHOLDER ENGAGEMENT

Our stakeholders are also potential partners, so we maintain an active dialogue with them. This allows us to identify issues and opportunities that are relevant to our business. We continuously tailor our engagement methods according to both the issues and stakeholder(s) involved.

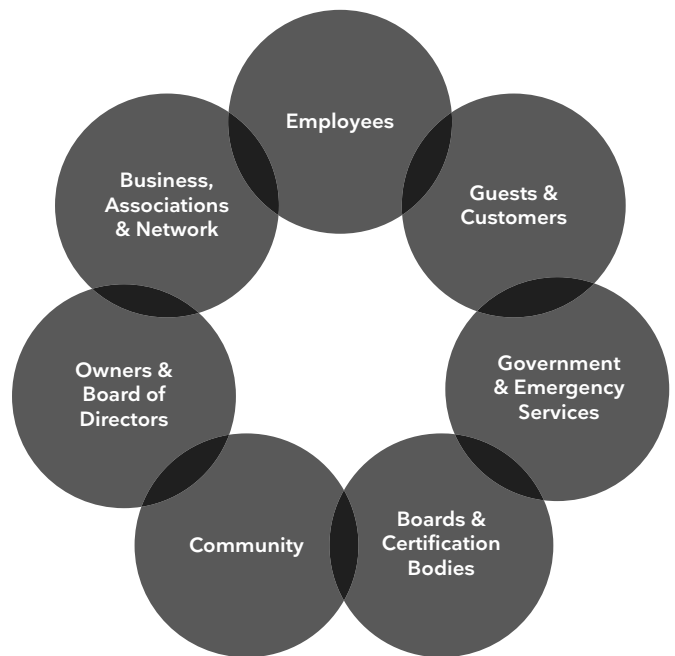
Examples of key stakeholder groups, topics and activities can be found in our Stakeholder Matrix (see appendix).

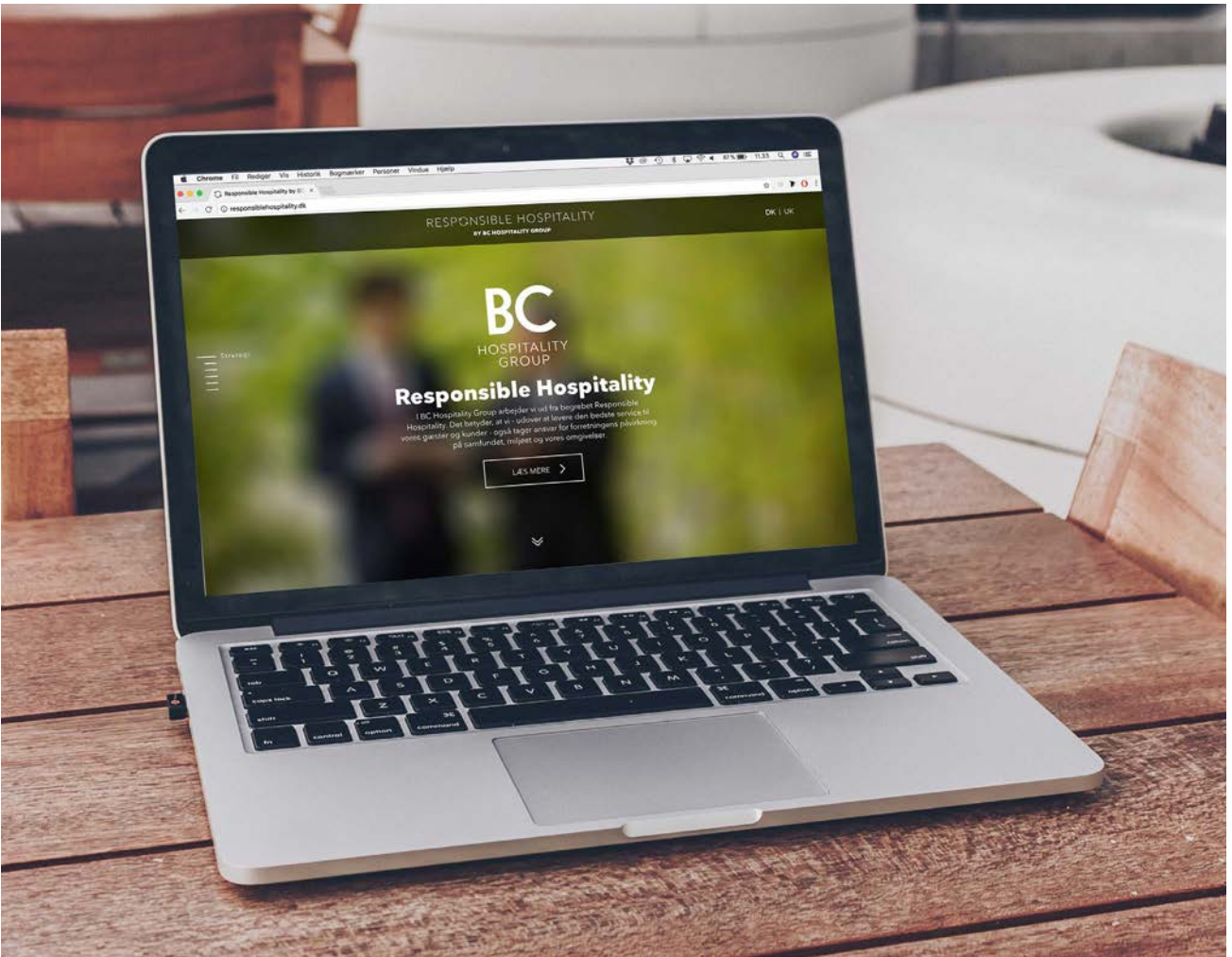
PARTNERSHIPS

Creating transformative change is a massive challenge. It is also an ongoing process. There are issues, which we can address directly because they are within our own organisational reach. But many other issues require collaborative efforts to solve. That's why we actively pursue partnerships, anywhere we see an opportunity to collaborate on change. Such partnerships include collaborations with local municipalities to provide job opportunities for the long-term unemployed and teaming up with local non-profit organisations to redistribute food leftovers.

Facilitating partnerships is in fact a central part of who we are as a company. We are stewards of hospitality. We create opportunities and environments that enhance human connections. We facilitate thousands of transformative moments between people. We co-create every event with our customers, enabling them to make the most of those moments, where they come together in a different environment than usual. We believe that the actions we take, the food we serve and the physical environment we provide all play a vital role on the outcome of each event. Equally, it is our goal that our Responsible Hospitality initiatives will have a positive influence on the millions of moments that we host every year.

STAKEHOLDER GROUPS





MATERIALITY

Responsible Hospitality is a key driver for our business, so we need to align our priorities with our stakeholders and face sustainability challenges head-on. Together, we consult and determine the issues that are most relevant to them and to us. An analysis of material topics helps us navigate to where we can make the greatest positive impact. On the basis of stakeholder dialogue and business importance, our key activities the next few years will include: Youth education, Job creation among the long-term unemployed, re-thinking biodiversity and climate in food servings, waste management, including plastic and food waste.



CAREERS
THAT MATTER



PARTNERSHIPS
THAT MATTER



MAKE PRODUCTS
MATTER



CONSERVING RESOURCES
THAT MATTER



HEALTHY LIVING
MATTERS

AWARDS & ACKNOWLEDGEMENTS

2018

We are proud to be a people business.
Every time our organisation is acknowledged or awarded for its practices or performance, we know that this is all thanks to our employees, our guests and partners.

BC HOSPITALITY GROUP:

The Social Responsibility and Environmental Awareness Award (European Business Awards)



BC HOSPITALITY GROUP:

ISS Diversity Prize (ISS)



BC HOSPITALITY GROUP:

Copenhagen Business Award - Environment and Social Responsibility
'Københavns Erhvervspris' (City of Copenhagen)



AC HOTEL BELLA SKY:

Best Hotel in Copenhagen (Danish Travel Awards 2018)



CROWNE PLAZA COPENHAGEN TOWERS:

Traveller's Choice Award (Tripadvisor)



CROWNE PLAZA COPENHAGEN TOWERS:

Loved by Guests Award (Hotels.com)



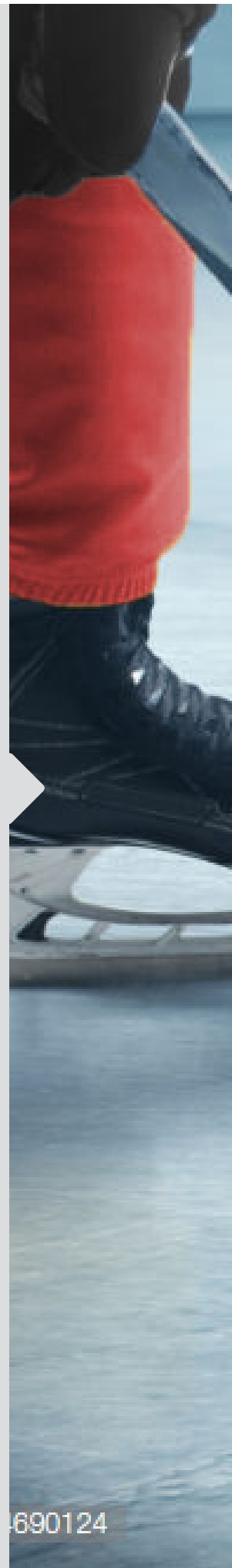
COPENHAGEN MARRIOTT HOTEL:

Traveller's Choice Award (Tripadvisor)

THE POWER OF EVENTS

Hosting events is one of our core services. Large or small, celebrations or business occasions - events matter, and they represent an important opportunity to impact our local community. In BC Hospitality, we seize those opportunities to make the most of events for our clients, guests, partners, community and ourselves. We build strong partnerships with other local organisations and make it a priority to foster local development through our activities.

In May 2018, Copenhagen hosted the Ice Hockey World Championships. The Royal Arena, the capital's new multi arena, hosted the play-offs and BC Hospitality Group, neighbouring the arena, was an important partner in all areas relating to hospitality. Through strong collaborations with suppliers, partners, authorities and government officials, the event was executed smoothly and generated an estimated turnover of nearly DKK 1 billion in Denmark. A mega event of this calibre places Copenhagen on the map and creates a significant legacy. It truly matters for our local community. Participating in sports, whether it be from the field or the side lines, creates fellowship and brings people together. For every occasion - sport-related or not - BC Hospitality Group is proud to be a partner in doing business that matters.



690124



SUSTAINABLE DEVELOPMENT GOALS



SDG: 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development.



SDG: 13

Take urgent action to combat climate change and its impacts.



SDG: 12

Ensure sustainable consumption and production patterns.



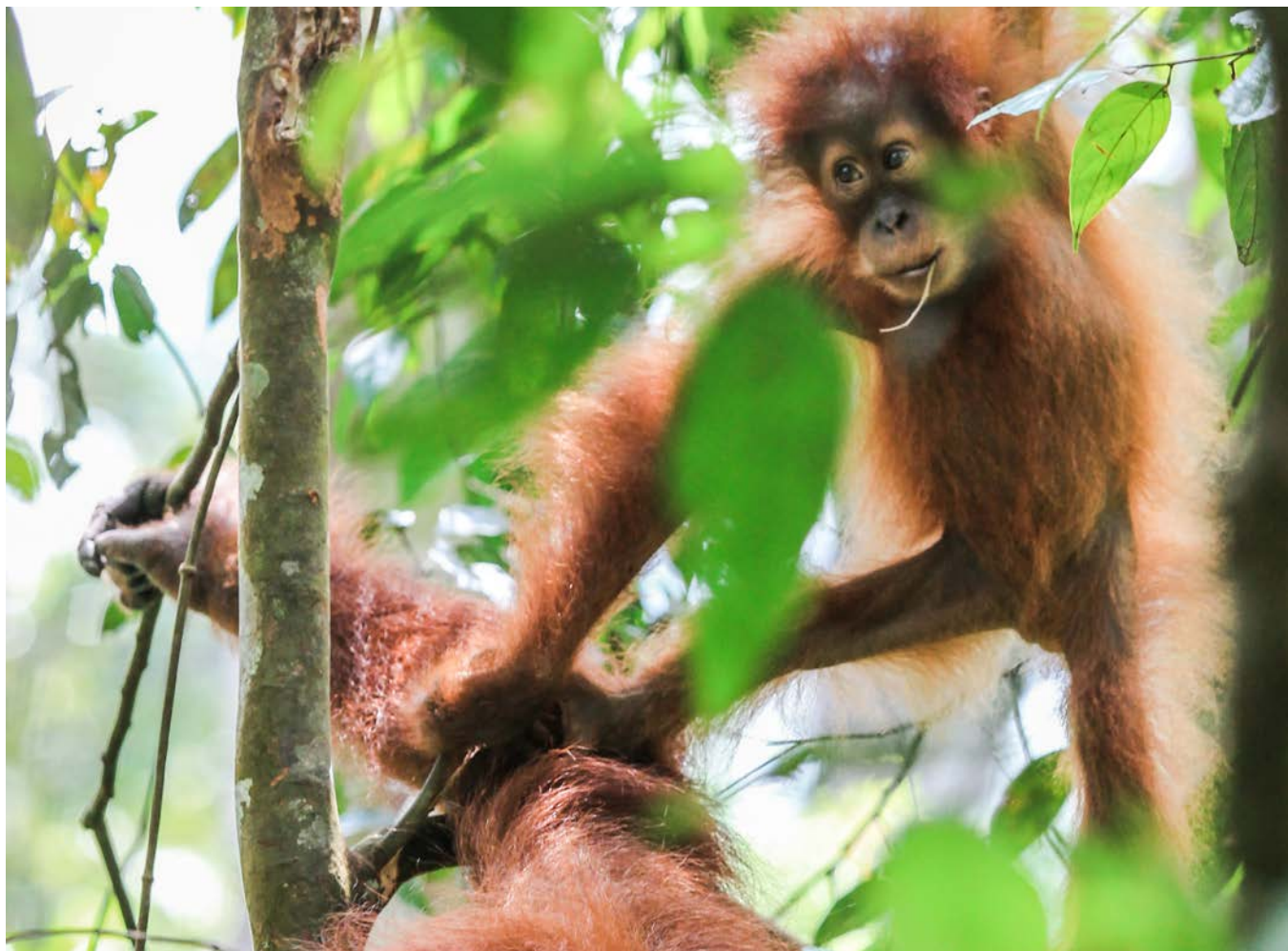
SDG: 8

Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all.

SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals (SDGs) comprise the central element of the 2030 Agenda for Sustainable Development. The 17 SDGs provide targets and guidelines to effectively end poverty, protect our planet, and ensure peace and prosperity for all.

BC Hospitality Group has identified four material goals for our organisation. Our greatest positive impact can be made regarding SDG 8 and 17 that relate to 'Diversity and equal opportunity', 'Job creation' and 'Cross-sectoral partnerships'. Our biggest negative impact relate to SDG 12 and 13, concerning issues such as 'Food waste', 'Sustainable sourcing' and 'Energy & Carbon'. While all the goals are interlinked, we believe that we must prioritise in order to maximise our overall contribution.





CAREERS THAT MATTER

OUR STRATEGIC APPROACH

People are at the heart of our business. And our continued success, greatly depends on our ability to attract and retain the right people - and being able to offer a motivating work that allows each person to grow through interesting job assignments. We are committed to good corporate governance. This means we operate in accordance with applicable laws and regulations, and that we adhere to all appropriate ethical business standards.

ATTRACT THE BEST TALENT

Recruit the most qualified and suitable professionals and foster an attractive brand image.

INVEST IN LEARNING AND DEVELOPMENT OPPORTUNITIES

Encourage leaders and employees to pursue professional growth and support them in learning and developing their skills further.

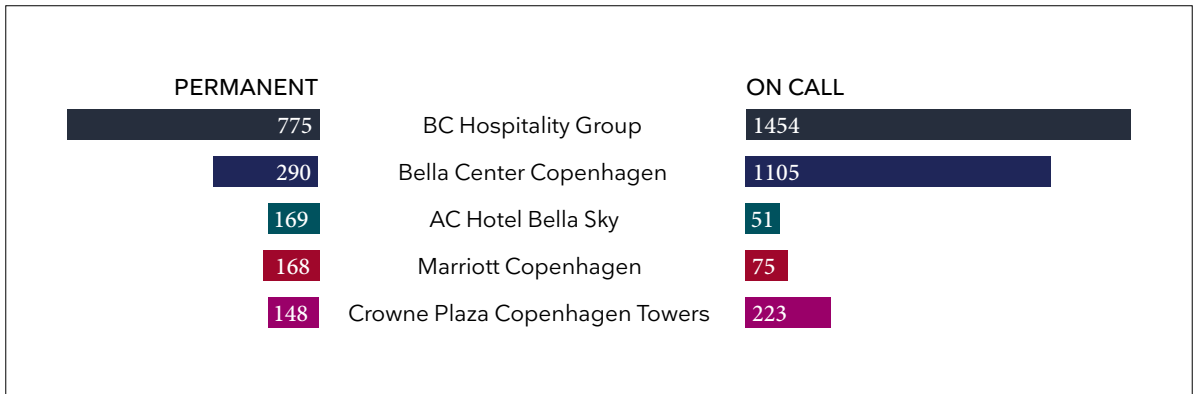
FOSTER A DIVERSE AND INCLUSIVE CULTURE

Create an environment of trust, where everyone is treated with respect and collaboration is encouraged.

CORPORATE GOVERNANCE AND ETHICS

Operate with integrity and with the highest standards in oversight, ethics and compliance.

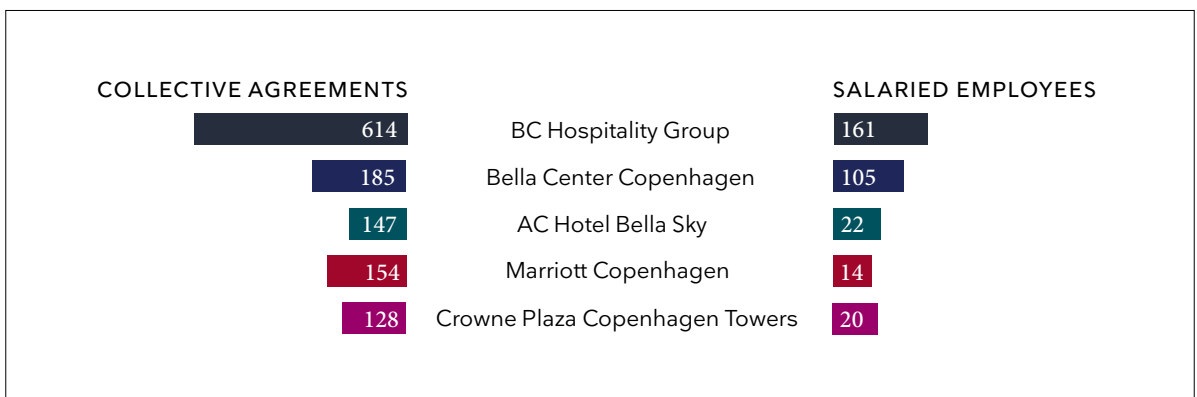
EMPLOYEE DEMOGRAPHIC



COLLECTIVE AGREEMENTS

The figures below show the share of employees who are covered by collective agreements as well as the share of salaried employees in each business unit. The collective agreements also contain provisions on the election of union representatives.

The duty of the union representatives is to address any arising disputes and to maintain peaceful cooperation in the workplace. BC Hospitality Group encourages its employees to elect trade union representatives. Currently, there are five union representatives at BC Hospitality Group, representing three different trade unions. All salaried employees with more than 6 months of company-seniority and a 8+ hour work week are covered by the company's private health insurance agreement with Dansk Sundhedssikring. Salaried employees are covered by The Employers' and Salaried Employees' Act (Funktionærloven). This contains provisions regarding notice periods, severance pay, unauthorized dismissals, expulsion, illness, competition clauses, bonus, maternity and pregnancy leave, among others.



GOVERNANCE

The governance structure of BC Hospitality Group includes a Board of Directors and an Executive Board. In addition, we have a number of specialist committees in place. The governance structure of Crowne Plaza Copenhagen Towers involves a separate Board of Directors and Executive Board.

DIVERSITY OF GOVERNANCE BODIES (GENDER DISTRIBUTION)

Wherever possible, BC Hospitality Group strives for equal gender representation within its boards, departments, committees and management. While we acknowledge, that we have not yet reached our own ambitions, we currently do not find it necessary to initiate additional policies or specific initiatives on the matter.

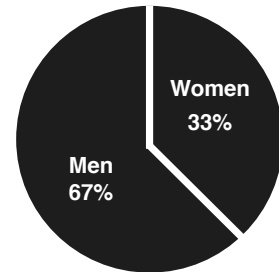
INCLUSION, DIVERSITY AND EQUALITY

When employing and serving people of so many backgrounds, cultures and nationalities, it is important that we foster inclusive environments. We also believe that our diversity is a strength that sparks innovation and a dynamic work environment. In our recruitment and team creations, we use tests of characters to ensure that colleagues complement each other, and that we create diverse and inclusive teams. This is all part of our 'One-team' strategy.

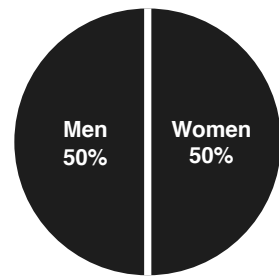
We are very proud to have been acknowledge by peers and experts in the field, when BC Hospitality Group won the ISS Diversity Prize 2018.

We are proud of having a very equal gender distribution in our collected workforce. Another factor we look at in measuring diversity is the number nationalities represented in our workplace. With more than 69 nationalities - we are truly a global workplace in Denmark.

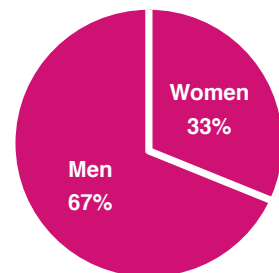
BC HOSPITALITY GROUP
BOARD OF DIRECTORS:



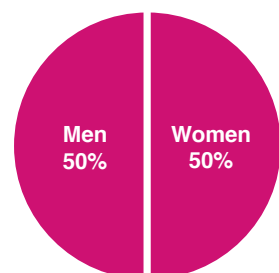
BC HOSPITALITY GROUP
EXECUTIVE DIRECTORS:



CROWNE PLAZA COPENHAGEN TOWERS
BOARD OF DIRECTORS:



CROWNE PLAZA COPENHAGEN TOWERS
EXECUTIVE DIRECTORS:



HOTELS	Number of nationalities (Permanent Employees)
Crowne Plaza Copenhagen Towers	40
Copenhagen Marriott	42
AC Hotel Bella Sky Copenhagen	39
Bella Center Copenhagen	28
BC Hospitality Group	68

AGE DISTRIBUTION	Under 30 yrs.	30 - 50 yrs.	Over 50 yrs.
AC Hotel Bella Sky Copenhagen	88	76	5
Bella Center Copenhagen	62	169	59
Crowne Plaza Copenhagen Towers	31	86	31
Copenhagen Marriott	37	121	10
BC Hospitality Group	218	452	105

GENDER DISTRIBUTION	Women	Men
AC Hotel Bella Sky Copenhagen	40%	60%
Bella Center Copenhagen	49%	51%
Crowne Plaza Copenhagen Towers	50%	50%
Copenhagen Marriott	56%	44%
BC Hospitality Group	49%	51%

EMPLOYER BRANDING CAMPAIGN

The hospitality industry is currently experiencing a considerable lack of skilled labour. For this reason, it is more important than ever that we increase awareness of the exciting career opportunities that await within our industry and our own organisation. We are also fully aware, that our employees' positive experiences form the basis for our external employer image.

One strategic aspect of our recruitment efforts deals with creating a much better overview of the exciting career opportunities we offer within BC Hospitality Group. To attract the best talent, we have created a specific career website and a targeted social media presence during 2018.

We also placed increased strategic focus on our recruitment process. This entailed highlighting potential career paths within BC Hospitality Group for existing employees seeking new challenges. In this case, personal development plans are drawn out to ensure that our employees are satisfied with their professional development and that they have opportunities to create careers that are meaningful to them.



*hosting
moments
that*

MATTER



LEARNING AND DEVELOPMENT

Our in-house learning platform, BC Academy has been running for three years now. The purpose of the academy is to develop our employees' skills and competences both professionally and personally. Students can participate in one-off courses and training but they can also draw up a strategic and personalised plan for their own development. This is done in collaboration with their manager. We have seen a great participation rate in the development opportunities, and our employee survey demonstrates that employees appreciate the many diverse offers that are currently available.

BC Academy is a platform to maintain and upgrade employees' competences. But it's also a cornerstone of our vision of what an attractive workplace must offer its members. We strongly believe in fostering a culture of continuous professional growth and development as a means of attracting, inspiring and retaining the best talent. In 2019 we will develop even more tools and training to help fill learning gaps within the organisation.

PERSONAL DEVELOPMENT

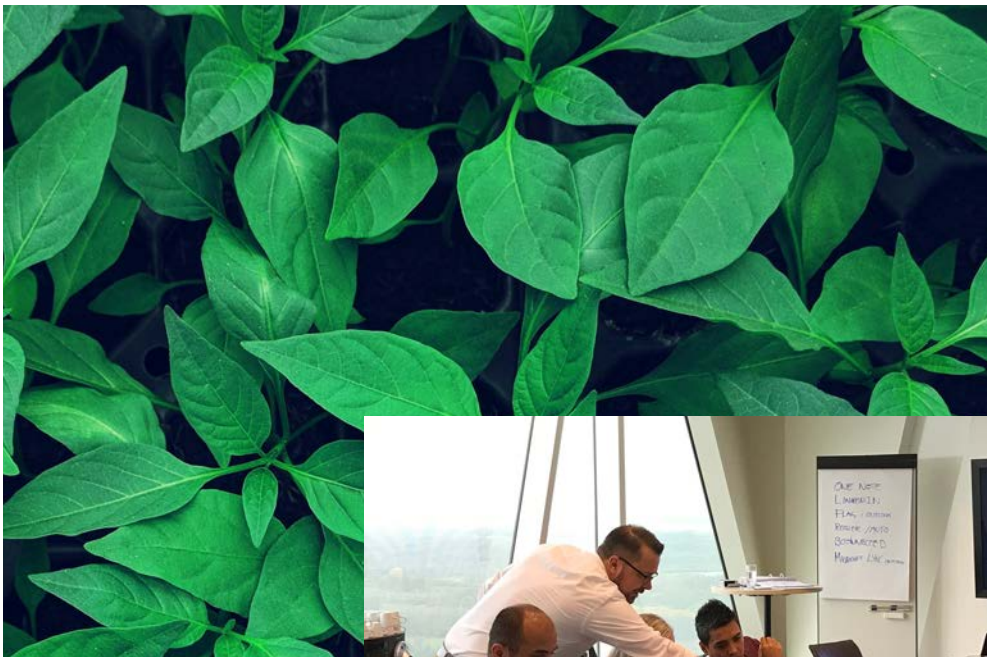
As our organisation and our work environment evolve, we have to constantly re-evaluate our efforts and their value. One of the things we have decided to change is our annual Personal Development Reviews for employees. Instead of an annual review we will turn our focus on a more dynamic approach, where dialogue takes centre stage and performance is reviewed several times a year. We have also invested in a new online platform to support this new process in 2019.

We will also focus on Key Succession Planning. A process that will help us identify and develop new leaders in our organisation.

WORKPLACE OF THE FUTURE

The nature of how we organise our work is changing. We have a curious and courageous approach to embracing and driving new developments - not only in what we offer our clients but also in how we organise ourselves. In late 2018, we launched the pilot project, Future Workplace. Its purpose is to create more flexible office seating and work spaces to accommodate our different needs for quiet zones, meeting areas and collaborations. By sharing desks, we aim to reduce the number of empty desks filling our offices when employees are away for meetings or events. We also hope to ease communication and collaboration across the organisation by having departments physically closer to one another.

COMPANY	No. participants			Male	Female	Total hours of training	Hours training per permanent employee
	2016	2017	2018				
Crowne Plaza Copenhagen Towers	212			49%	51%	1795	12
Copenhagen Marriotts	223			48%	52%	686	4
AC Hotel Bella Sky Copenhagen	439			53%	47%	1946	12
Bella Center Copenhagen	558			48%	52%	4242	15
BC Hospitality Group	126	561	1432	50%	50%	8669	11

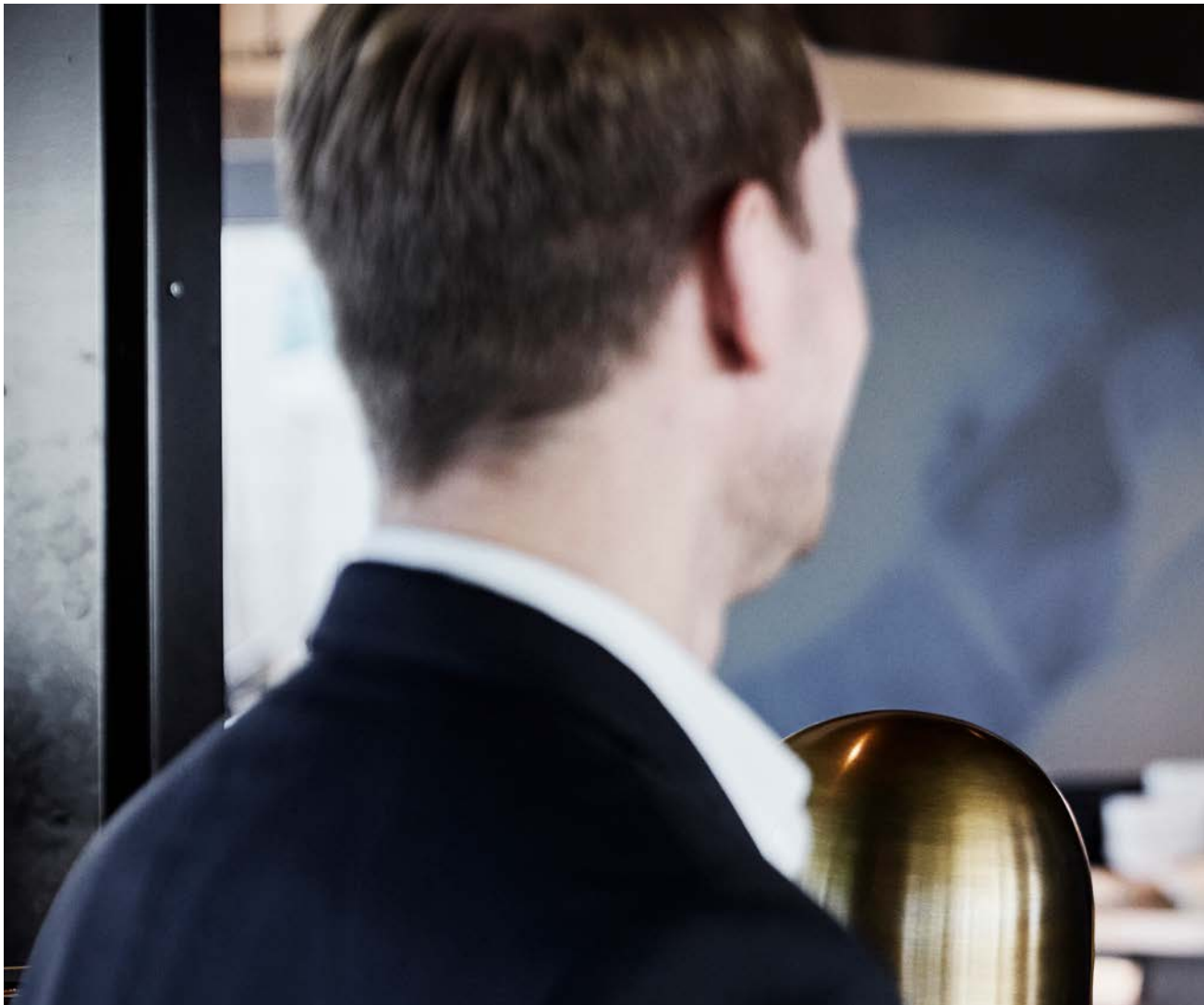


GREAT PLACE TO WORK

The wellbeing of our workforce is our foremost concern. To ensure an outstanding work environment, we conduct regular surveys regarding our employees' satisfaction. During the last few years, BC Hospitality Group has participated in the Great Place to Work survey.

The survey measures the behaviours that are known to lead to a trusting workplace, the single most important element in also creating a healthy workplace. We conduct the assessment using confidential feedback and the results are employed as central KPIs for each business unit. This way, we continuously monitor and strive to enhance the wellbeing of our teams.

We take great pride in the fact that all our business units met their Trust Index goal for 2018. Great Place to Work publishes an annual Top 100 list of the best places to work in Denmark. In 2018, all three of our hotels ranked within the Top 40 of Medium-Large Companies.

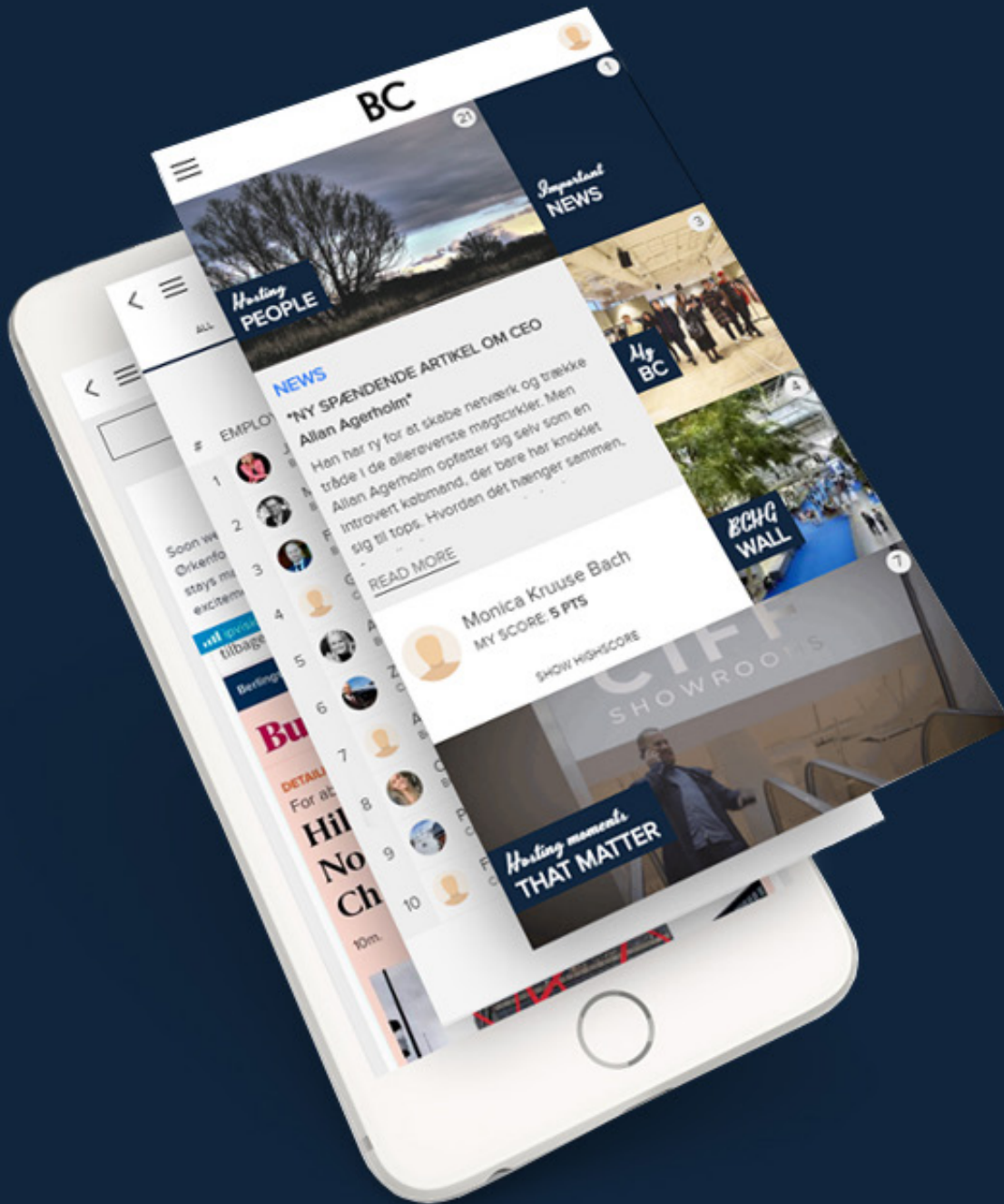


TRUST INDEX	Goal 2018	Result 2018
Crowne Plaza Copenhagen Towers	85%	90%
Copenhagen Marriott	85%	85%
AC Hotel Bella Sky Copenhagen	85%	85%
Bella Center Copenhagen	80%	89%



NEW EMPLOYEE APP

Internal communication is key to running a successful business while also ensuring a healthy work environment. In an organisation as diverse as BC Hospitality Group that has a wide array of work tasks, procedures, locations and people; finding the optimal communication channel has admittedly been a challenge. With this in mind, we launched our new employee app in 2018. The app is accessible from both desk tops and smart phones and therefore suits both our employees working in offices and those working in operations. We use the app as our intranet, sharing information and news regarding professional development opportunities, employee benefits, social events, new projects, safety, Responsible Hospitality initiatives and more.





PARTNERSHIPS THAT MATTER

OUR STRATEGIC APPROACH

Strategic partnerships is essential to running a successful company like ours. These relationships take many forms and are developed across sectors and industries. Our hotels and venues stimulate the economy of Copenhagen and surrounding communities by attracting and accommodating business and leisure tourists alike. Through our venues and exhibitions, we host and create events that also enrich our community culturally. We provide numerous jobs and work with local organisations, municipalities and educational institutions to make a positive difference.

CREATE OPPORTUNITIES FOR LOCAL EMPLOYMENT AND SKILL DEVELOPMENT

Help integrate unemployed and marginalized into the job market.

ENCOURAGE THE PROFESSIONAL DEVELOPMENT OF YOUTHS

Promote education in our industry, through cooperation with schools and institutes of higher education.

COLLABORATE ON AND PROMOTE SUSTAINABLE TOURISM AND EVENTS

Through political and industry dialogue, work towards the responsible sector- and destination development.

LEAD BY EXAMPLE

Advocate for sustainable business practices and conditions and gain knowledge for self-improvement. Build and strengthen supplier partnerships across the value chain.

SKILL DEVELOPMENT & JOB OPPORTUNITIES

One of the major risks facing our organisation is a shortage of qualified work candidates. And forecasts of the Danish labour market predict this risk will only increase in the coming years to come. BC Hospitality Group has always sought to create jobs and opportunities for those facing difficulties joining the Danish labour market. We will continue this strategy as it helps disadvantaged groups as well as our own business.

We work with local municipalities and Job Centres to provide internships. This is a good opportunity for us to find and cultivate new talents for our organisation. BC Hospitality Group also provides vocational internships and work experience opportunities for students of educational institutions.

The table below shows our internships distributed across BC Hospitality Group. In 2018, 22% of Job Centre internships resulted in employment within our organisation. In addition, 33% of student interns were offered employment at the end of their internship during 2018.



	Student interns			Job Center interns			Vocational Interns		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Crowne Plaza Copenhagen Towers	4	6	5	24	2	14	12	10	10
Copenhagen Marriot	7	8	8	8	27	5	2	3	3
AC Hotel Bella Sky Copenhagen	1	9	12	3	2	3	24	30	19
Bella Center Copenhagen	13	14	14	29	13	28	3	5	4
BC Hospitality Group	25	37	39	64	44	50	41	48	36



RESPONSIBLE HOSPITALITY DAY

The hospitality industry holds tremendous potential to drive sustainability because we engage with so many areas of society both nationally and internationally: Infrastructure, transportation, the food system, employment and much more. When guests visit us, they trust us to be responsible stewards of both natural and human resources. To live up to this responsibility as an industry, we need collaborations across the board.

In 2018, BC Hospitality Group hosted its 2nd annual responsible Hospitality Day. The purpose of the event is to create a platform for knowledge sharing, innovation and partnerships for sustainability in our shared sector. Together, our industry can make a tremendous difference and this is the reason why we continue to engage our customers, suppliers, competitors and other actors within our ecosystem.

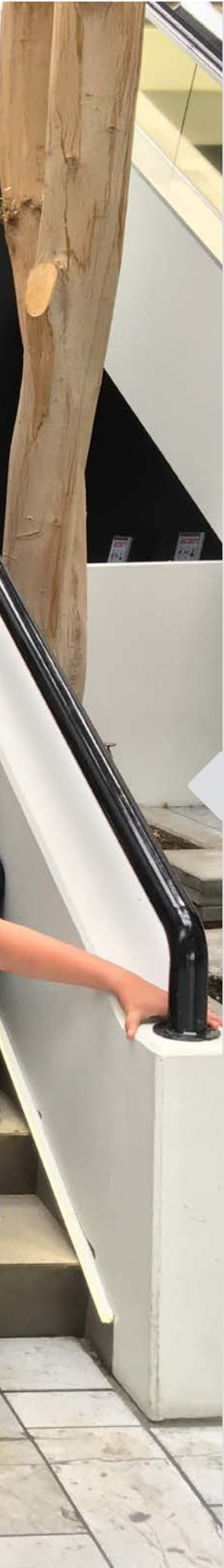
This year's event programme was based on two primary Sustainable Development Goals, which our industry can profoundly impact: Goal 12 (Responsible consumption and production) and Goal 17 (Partnerships for the goals). The day included debates and talks as well as showcasing best practices and innovative products based in circular economy. In the Responsible Hospitality Lab area, participants networked with innovative businesses offering e.g. products made from alternative dairy and protein sources and personal care products made from coffee grounds.

Responsible Hospitality Day won the award for Non-profit Event 2018 at the Danish Events & Meetings Awards, and we truly appreciate this acknowledgement from our peers. BC Hospitality Group strives to foster industry-wide efforts to promote sustainability through collaboration and partnerships. And so, we look forward to hosting Responsible Hospitality Day 2019 to continue our shared progress.

The logo is contained within a white rectangular box with a thin black border. At the top center of the box, there is a small, upward-pointing triangular shape. The text is centered and reads: "RESPONSIBLE" in a large, thin, sans-serif font; "HOSPITALITY DAY" in a larger, bold, sans-serif font, with "DAY" being significantly larger and bolder than "HOSPITALITY"; a horizontal line; and "BY BC HOSPITALITY GROUP '18" in a smaller, bold, sans-serif font.

RESPONSIBLE
HOSPITALITY **DAY**
BY BC HOSPITALITY GROUP **'18**

[See video here](#)



YOUTH PROJECT

Only one in five youths in Denmark choose a vocational education. Forecasts simultaneously predict a national labour shortage of some 30,000 vocational professionals in 2020. At the same time, a fifth of our youth has no education seven years after finishing secondary school. As a nation, we are faced with a structural challenge and, naturally, this challenge also represents a pressing risk to our organisation as we are dependent on employees with vocational skills.

Thus, we are taking concrete steps to ensure the long-term sustainability of our organisation by making local youths more aware of the diverse and exciting career opportunities available to them in hospitality.

In our Youth Project, we have created a partnership with a local school Højdevangens Skole and Copenhagen Hospitality College, on educating their guidance counsellors, students and their parents. Further, we received financial support from the A. P. Møllerske Foundation to realise the partnership activities.

The 23 students participating in the project gained hands-on experience with gastronomy, service, hospitality and sustainability by spending one day a week at several of our hotels and congress centre for a period of six months. The project will culminate with an event the students organize themselves which will be attended by parents and special guests in February 2019. BC Hospitality Group has earmarked five vocational trainee positions for participating students wishing to pursue a career in hospitality.

BOGFORUM

Lifelong learning means gaining knowledge from many sources throughout life. However, access to learning is not equal for everyone and research shows that social background is still in many ways decisive for the level of learning and education a person achieves. In BC Hospitality Group, we aim to open the world of literature, debate and imagination to people of all ages, from children to adults. Bogforum (Book Forum) is our large annual book fair, with 33,000 guests in 2018. Each year, we create a vibrant meeting between the public, authors, publishers, politicians, newspapers and others who engage in the world of literature, society and philosophy.

The School Scene at Bogforum is created in collaboration with the City of Copenhagen. School classes are invited to visit Bogforum and their programme is developed to align with the guidelines for the Danish curriculum. We have a special focus on school children and aim to enhance their fascination of literature by facilitating meetings and presentations by popular children's book authors. By inviting schools, Bogforum reaches both children from literary as well as non-literary homes to share the joy of reading and in 2018, 2-3,000 children visited Bogforum with their school class.

Bogforum also has several other partnerships supporting children. The 'Read for Life' initiative collected surplus children's books from exhibitors and distributes the books to institutions for children in vulnerable positions. In the same vein, the volunteer association Fairytale Christmas also collected books to give as Christmas presents for families in vulnerable positions. The Non-profit Organisation Mothers' Help sold homemade bookmarks and all revenue went towards the organisation's work for vulnerable mothers and families. Lastly, the book fair partnered with Save the Children Denmark in the creation of a poster. Revenue from its sale was donated to Save the Children's work in Denmark and internationally.





FASHION FOR GOOD

Our business unit Copenhagen International Fashion Fair (CIFF) has partnered with 1.618 Paris for five years now. 1.618 Paris focuses on discovering and exhibiting ethical and sustainable brands that reinvent fashion in harmony with nature without compromising luxury. Sustainable fashion brands from the Parisian fair in May 2018 also exhibited their work at CIFF.

CIFF KIDS entered into an active partnership with the Children's Brain Cancer Foundation in 2018. The aim is to utilize the CIFF KIDS platform to raise awareness about the disease and collect funds for research. The partnership will stretch over several seasons.



CHRISTMAS PRESENTS FOR VULNERABLE CHILDREN

For the Marriott employee Christmas party, employees brought presents for children. The presents were donated to a local crisis centre where families in vulnerable positions could provide their children with a Christmas present to celebrate the holidays.



ART 2030

Code Art Fair is our ambitious, international art fair which showcases some of the best contemporary art from around the world. In 2018, Code Art Fair was a partner of the art exhibition ART 2030 New York which aimed to promote and discuss the Sustainable Development Goals through art.



SOUP FOR THE HOMELESS

In the cold January weather, Marriott employees served warm soup to the homeless in the Copenhagen area.



RONALD MCDONALD CHILDREN'S FUND CHARITY GOLF CUP

BC Hospitality Group representatives participated in the annual Ronald McDonald Children's Fund Charity Golf Cup in support of the Ronald McDonald House at the leading specialised hospital in Denmark, Rigshospitalet.



EAT & SUPPORT

Restaurant BARK at Hotel Crowne Plaza Copenhagen Towers participated in the Danish Cancer Society's annual recurring event 'Eat & Support' where the sale of a set menu contributes towards the Danish Cancer Society's fundraising.



CROWNE PLAZA ELITE CUP

Crowne Plaza Copenhagen Towers entered into an important sponsorship of nearly 1 million DKK for the elite youth soccer tournament Crowne Plaza Elite Cup hosted by Kastrup Football Club.



PLAY FOR THE GOALS

Forum was a partner in the SDG awareness project, the Goodwings Company Cup: Play for the Goals.



ØRESTAD KULTURDAG

We believe firmly in taking active part in our local community to support and develop our area in partnership with others. For the annual neighbourhood culture

festival, Ørestad Kulturdag, we invited our neighbours and everyone else to visit two of our hotels, AC Hotel Bella Sky Copenhagen and Crowne Plaza Copenhagen Towers. There, we offered guided tours, refreshments and exquisite views. At AC Hotel Bella Sky, we also hosted a free movie night in our professional movie theatre with screenings for both children and adults.



UNICEF CUP 2018

BC Hospitality Group was a sponsor for the UNICEF Cup 2018. All proceeds from the event were donated to UNICEF's work to support children's rights in Greenland.



CHRISTMAS DINNER FOR VICTIMS OF DOMESTIC ABUSE

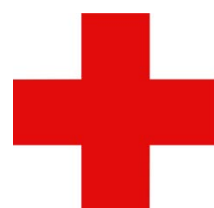
AC Hotel Bella Sky donated a Christmas dinner to a shelter for women and children escaping violence and abuse which aimed to promote and discuss the Sustainable Development Goals through art.



FRELSENS HÆR

DANISH RED CROSS

For the fashion fair Designer's Forum in 2018, we collaborated with the Danish Red Cross to collect funds. All attendees were invited to make a donation towards humanitarian efforts and BC Hospitality Group sponsored a prize consisting of a stay at our design hotel, AC Hotel Bella Sky Copenhagen.



RØDE
KORS

LITTLEBIGHELP

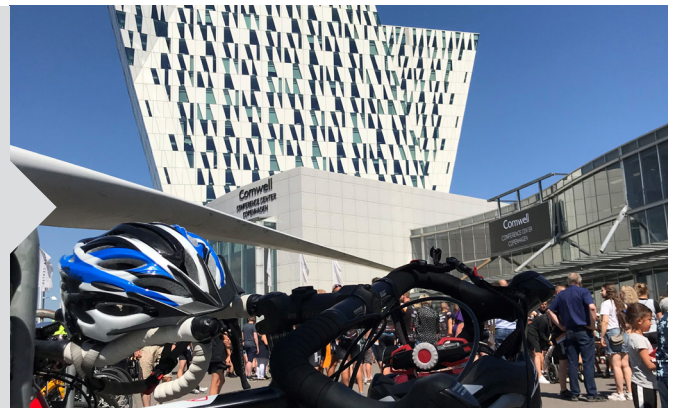
Copenhagen Marriott was once again the main sponsor and host venue of the LittleBigHelp Charity Event 2018. It was a unique evening with entertainment from several major Danish artists in the music and entertainment industry. The fundraiser and auction raised a record DKK 2.2 million for LittleBigHelps 20 projects helping more than 700 vulnerable children and women in India.

Image credit: GetzCool Media



LØKKEFONDENS CHALLENGE

BC Hospitality Group once again supported the Løkkefond/Løkkefoundation in 2018. Løkkefond-en is a development project which purpose is to help challenged boys aged 16-25 years achieve a more structured everyday life and a healthier lifestyle through cycling. Furthermore, the project helps the "Challenge boys" further in education or work.







MAKE PRODUCTS MATTER

OUR STRATEGIC APPROACH

In order to build a future resilient business, we want to increase transparency in our supply chain. We want to know how products are grown, made and sourced, so we can maximize our positive impacts and minimize or completely eradicate the negative ones. We aim for high-quality, sustainable products that add value for our customers.

SUSTAINABLE SOURCING

We continually work to increase transparency, reduce environmental effects and seize opportunities that positively affect our local community through our selection of suppliers and products. We collaborate directly with suppliers to create products that live up to our expectations and quality standards. We believe in dialogue with our supplier partners, but also expect them to comply with our Supplier Code of Conduct. This Code of Conduct is based on international standards concerning human and labour rights, environmental practices, anti-corruption and other industry standards. Because, as a large corporate buyer, we have the power to use our influence to create ripples of sustainability change that leave positive marks throughout the entire value chain.

Due diligence is a key driver to developing and maintaining sustainable sourcing programmes. In the year ahead, we are committed to further strengthen our practices and turn a particular focus towards human rights as well as initiating an impact analysis of our non-food purchasing practices.

SUSTAINABLE SOURCING PRACTICES & RAW MATERIALS

Support the development of a stronger local supply chain to help reduce the effects of climate change.

BUILD A BETTER FOOD EXPERIENCE

Offer an assortment of food and beverage that support a healthy lifestyle and from sustainable sources. Support biodiversity, animal welfare and sustainable fishing practices Re-think proteins with high carbon footprint.

PEOPLE & OUR SUPPLY CHAIN

Respect the human rights of all workers.

BUILDING A BETTER FOOD EXPERIENCE

BC Hospitality Group hosts and serves more than one million guests every year. We have a strong indication of what consumers request and how trends in the food sector develop. Food supply chains are often complex and long, making it difficult for suppliers and buyers to fully disclose information along the way. Therefore, we aim to shorten supply chains and create closer collaborations directly with suppliers. Suppliers receive essential knowledge of what buyers are looking for, while BC Hospitality Group can influence suppliers to provide sustainable quality food at a competitive price.

When sourcing sustainable food and beverages, we lean on six key principles:

- Local
- Seasonal
- Fairly traded
- Organic and biodynamic
- Animal welfare
- Sustainable seafood



Continually rethinking our assortment of products is an integrated part of our food and beverage strategy. By driving and supporting sustainable innovation within the food sector, we aim to offer our guests the very best gastronomic experiences.

In the year to come, we aim to increase our use of vegetables while decreasing our use of animal proteins and dairy products by no less than 30% in 2019. We do so to provide a healthier food choice as well as to reduce our environmental impact. We also want to continue developing a stronger local supply chain to help mitigate the effects of climate change. We want to support our guests' healthy lifestyle choices. One part of these efforts entails a considerable improvement of the quality and variation of our non-alcoholic beverage assortment. We are also conducting an in-depth analysis of palm-oil ingredients in the products we purchase. Our goal is to reduce the amount of palm oil in our products by 30% in 2019.

ORIGINAL BEANS - SUSTAINABLE CHOCOLATE

At BC Hospitality Group, we strive to source and serve food of the highest quality. And while doing so, we are proud to support important initiatives that further promotes sustainability near and far. Our purchase of sustainably sourced chocolate from Original Beans concurrently supports efforts within re-forestation, biodiversity and climate change reductions. The partnership gives us access to a large variety of chocolate made from different types of heritage cacao beans. Original Beans is a pioneer in creating a climate-positive supply chain through a regenerative business model and their project, One Bar: One Tree. The project protects the continued existence of heritage cacaos and their native forests by planting or preserving one tree for every chocolate bar sold. The reforestation efforts also protects endangered wildlife and are conducted in collaboration with local conservation programmes and farmers.

RÅVAREMATCH - MATCHING LOCAL PRODUCERS AND BUYERS

In 2018, BC Hospitality Group partnered with Copenhagen House of Food (København Madhus) on the event Råvarematch. Local sustainable producers pitch their products to a panel of corporate buyers who provide feedback and market insights while serving as a platform for potential collaborations. BC Hospitality Group

is part of the panel because we want to increase our use of locally sourced, sustainable ingredients. The aim is to create positive social change through capacity building in the local Danish food supply chains. We want to buy quality products that also support the local economy, are environmentally friendly and good for our business.

BITE COPENHAGEN 2018

Food production leaves a significant mark on our climate. Furthermore, the United Nations estimate that a third of all food produced globally goes to waste, calling on all actors to rethink our food systems. For us, this entails the supply chain as well as the composition of the food we serve.

Bite Copenhagen is our annual fair, showcasing the future of food. In 2018, the fair was organized in partnership with the Danish Ministry of Environment and Food as well as the Copenhagen Cooking & Food Festival. Bite

Copenhagen was also part of the World Food Summit. It attracted an international audience of decision makers, NGOs, politicians, food entrepreneurs and professionals. The exhibitors offered the most innovative gastronomic trends within food tech, circular economy, and new types of food. Sustainability is a key component, and the programme featured talks and demonstrations of the latest advancements within green proteins and innovative partnerships on food waste and social inclusion.

During the fair, the Danish Trade Council, Copenhagen Cooking & Food Festival and Bite Copenhagen invited exhibiting companies to join a workshop focused on creating partnerships promoting the UN SDGs. The Trade Council offered export advice and the P4G Hub was present to offer funding opportunities for SDG-empowering business projects aimed at export.

Bite Copenhagen 2018 in numbers: 165 exhibitors, 40 international exhibitors, 3,200 visitors from 51 countries.

ANIMAL WELFARE	2016	2017	2018
Crowne Plaza Copenhagen Towers	51%	54%	64%
Copenhagen Marriott	60%	70%	66%
AC Hotel Bella Sky Copenhagen	52%	52%	65%
Bella Center Copenhagen	60%	56%	73%
BC Hospitality Group	56%	62%	67%

ORGANIC FOOD SHARE (COST)	2016	2017	2018
Crowne Plaza Copenhagen Towers	27%	36%	31%
Copenhagen Marriott	12%	17%	25%
AC Hotel Bella Sky Copenhagen	22%	32%	28%
Bella Center Copenhagen	14%	18%	28%
BC Hospitality Group	18%	26%	28%



CONSERVING RESOURCES THAT MATTER

Every year, we host hundreds of thousands of guests at our venues and hotels. And because of our size, we have the power to integrate sustainable solutions that make a real difference. We work hard to improve our efficiency within energy, water usage and our procurement practices. We have to ensure that our business practices and buildings are not only fit for the future, but also that they support healthy and productive environments for our guests and employees. Reducing, eliminating or circulating waste products are crucial to our efforts as documented in our DS 49001, ISO 14001 and Green Key certifications.

MANAGE RESOURCE USAGE AND COSTS

Implement tracking and monitoring on resource use to improve operational efficiency (incl. energy, materials, water, transportation). Reduce and manage carbon emissions.

WORK TOWARDS ELIMINATING, REDUCING OR CIRCULATING WASTE

Address food waste in entire value chain. Reduce environmental impact of plastic and packaging. Re-think proteins with high carbon footprint.





ELIMINATE & REDUCE WASTE

In order to build a future resilient business, we want to increase transparency in our supply chain. We want to know how products are grown, made and sourced, so we can maximize our positive impacts and minimize or completely eradicate the negative ones. We aim for high-quality, sustainable products that add value for our customers.

WASTE MANAGEMENT SYSTEM

We take a qualitative as well as a quantitative approach to combat our waste production. Knowledge combined with employee engagement brings valuable insights into the specific areas we need to prioritize. Based on this, we create organisational systems to monitor the types and quantities of waste that we generate. We are then able to implement efficient systems to collect, sort and recycle our surplus resources.

ELIMINATE & REDUCE WASTE

CONGRESSES AND EVENTS

Congresses, fairs and other types of events facilitate meetings between people. Essentially, they form the starting point of many future partnerships and business agreements. A negative side effect is the heavy waste production that usually result from such events relating to e.g. food and beverage consumption as well as meeting and exhibition materials. To deal with this, Bella Center has an extensive waste handling system that we continually optimise to handle more and more waste fractions. At the moment, we are able to professionally sort no less than 30 different types of waste.

Additionally, we collaborate directly with exhibitors and clients to further increase the amount of sorted and recyclable waste, especially from conferences which have proved the number one waste generator.

HOTELS

Circular thinking and a waste-as-resource approach are becoming more prevalent. Rather than throwing used items to waste, it makes good sense to consider the item as a resource that can be part of a new product. A holistic view on product life cycle is both environmentally and economically sound.

In 2018, our three began initiatives to increase their waste sorting efforts. All hotel rooms are now equipped with waste baskets that enable guests to sort waste into e.g. paper, plastic and metal.

ENERGY

Energy is a vital resource for BC Hospitality Group and all our operations in both hotels and congress venues. We continuously monitor and analyse energy data in order to improve our performance without harming the service experience. We strive to reduce climate impact and cost through energy efficiency and to share best practices with other industry stakeholders.

As in all other aspects of our business, our staff is key to driving progress in the goals we set and implementing key optimization projects. Property management teams are responsible for forecasting future energy consumption and its impact on cost. They also implement energy efficiency projects and beneficial adjustments to operational procedures.

WASTE CONSUMPTION	2018 Total (Kg)
Crowne Plaza Copenhagen Towers	294.874
Copenhagen Marriott	217.927
AC Hotel Bella Sky Copenhagen	341.315
Bella Center Copenhagen	1.032.718
BC Hospitality Group	1.886.834

TOTAL ENERGY CONSUMPTION BY BUSINESS UNIT	Total Electricity (MWh)			District Heating & Cooling (MWh)			Total Energy MWh)		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Crowne Plaza Copenhagen Towers	2514	2349	2447	1080	1689	1820	3594	4038	4267
Copenhagen Marriot	3479	3324	3368	4119	3471	3172	7598	6795	6540
AC Hotel Bella Sky Copenhagen	4643	4666	5392	3776	3835	3701	8419	8501	9093
Bella Center Copenhagen	10123	8767	8694	12734	7986	6485	22857	16753	15179
BC Hospitality Group	21613	19777	19901	22754	17873	15178	44367	37650	35079

ENERGY INTENSITY ACROSS HOTELS (ENERGY CONSUMPTION PER GUEST NIGHT)	kWh / PGN		
	2016	2017	2018
Crowne Plaza Copenhagen Towers	28,2%	29,6%	31,8%
Copenhagen Marriot	43,3%	37,6%	36,75%
AC Hotel Bella Sky Copenhagen	28%	26,5%	28,4%

While energy usage has been reduced at most units, Crowne Plaza Copenhagen Towers is currently undergoing renovations of its ATES Groundwater heating and cooling system. As a consequence 2017, 2018 and part of 2019 sees a spike in the use of district heating and cooling, until renovations are complete.

ENERGY REDUCTION AT BELLA CENTER COPENHAGEN

In 2018, Bella Center Copenhagen realised savings of approx. 1 million DKK in energy expenses. These savings come as the result of a targeted and ambitious effort to closely monitor and reduce energy consumption at the congress venue. We collaborate with Schneider Electric and utilise the system, Resource Advisor to identify areas where we can improve and adjust usage to the current requirements. This benefits our bottom line and the climate through reduced CO2 emissions.

We benchmark against our own previous performance and compare our progress to a baseline (2014-2016). In the last two years we managed to reduce our energy consumption with 31% compared to our baseline - 10% in 2018 alone. Our original target was to reduce our total energy usage by 25% in 2021 compared to our baseline. We are very proud to have surpassed this goal already.

The main reason for the reduction in energy usage is due to a change of behaviour and by strictly following standards and procedures. We have also replaced nearly 1,700 light bulbs to LED lights in CIFF showrooms. Bella Center will save more than 200 MWh annually due to this improvement. Our main goal for the immediate future is to work on cementing this energy-wise behaviour.

ENERGISPRING - A PUBLIC-PRIVATE PARTNERSHIP TO REDUCE ENERGY CONSUMPTION

The task of optimizing our use of natural resources is continuous and concerns all parts of society. In BC Hospitality Group, we know that partnerships are key to creating significant impact on the necessary scale. Energy consumption is a significant factor and in Copenhagen, buildings

are accountable for 70% of all energy use. BC Hospitality Group engages in a multitude of diverse partnerships in order to drive impact and advocacy. Our three hotels are engaged in a public-private partnership created as part of Copenhagen's ambition to become CO2 neutral by 2025. The partnership represents approx. 11% of the building mass in Copenhagen and it aims to reduce energy consumption in buildings through better facility management. The partners share their performance and progress, which enables them to benchmark against one another as well as against their annual reduction target. Minimising energy use enhances both the climate and the bottom line which is another testament to the fact that sustainability and profitability can in fact be merged.

CARBON

Tracking carbon emissions⁴ gives us a great opportunity to understand our tangible impact on climate and the environment. We focus on driving reductions in energy usage, which has the most influence on our carbon emissions; as well as reducing food waste in our venues.

We reduced actual carbon emissions by 18% in 2018 over 2017.

WATER

While we already encourage our guests to reuse their towels, Copenhagen Marriott will implement the brand-wide Respect the Towel initiative. This means that linen and towels will only be changed upon explicit request from the guests.

The increase in water usage at Crowne Plaza Copenhagen Towers, can be attributed to an increase in catering events and the subsequent production process

TOTAL WATER USAGE BY BUSINESS UNIT	Total Water (m3)			Usage per guest night (m3)		
	2016	2017	2018	2016	2017	2018
Crowne Plaza Copenhagen Towers	25,462	29,549	28,988	0.20	0.22	0.22
Copenhagen Marriot	37,512	37,778	39,464	0.21	0.21	0.22
AC Hotel Bella Sky Copenhagen	50,885	38,292 ⁵	57,427	0.17 ⁶	0.12	0.18
Bella Center Copenhagen	29,550	27,557	24,548			
BC Hospitality Group	122,383	133,176	150,427			



TON CO2	Scope 1	Scope 2	Total 1 & 2		
	2018	2018	2016	2017	2018
Crowne Plaza Copenhagen Towers	180	208	54,6	140,2	388
Copenhagen Marriot	60,2	964	1446	1314,9	1024,2
AC Hotel Bella Sky Copenhagen	12,7	1386	1615	1644,2	1402,2
Bella Center Copenhagen	29,5	2293	4119	3165,1	2294,13
BC Hospitality Group	282,2	4851	7234,6	6264,4	5133,4





HEALTHY LIVING MATTERS

Health, Safety and Security are integral and crucial parts of the services provided by BC Hospitality Group. We operate only by the highest health and safety standards in all critical areas such as safety systems, hygiene, food, and sanitation. In addition, the security and safety of our customers, guests and employees are top priorities and handled accordingly.

IMPROVE HEALTH AND WELLBEING

Help employees lead healthier lives through education and support.
Offer guests healthy lifestyle options.

ENSURE THE SAFETY AND SECURITY OF OUR GUESTS AND EMPLOYEES

Set and maintain high standards for food safety and quality. Maintain a safe workplace with zero accidents and injuries. Ensure safe experience for our guests and employees at all our venues and endeavors. Protect privacy and confidentiality and comply with all relevant regulations.

EMPLOYEE HEALTH

Good health contributes to a good life - also at work - while directly contributing to a better overall productivity in our workplace. Therefore, BC Hospitality Group works proactively to promote healthy lifestyles and a balanced Work-Life Blend for our employees.

Our health strategy is ambitious and holistic. We wish to promote physical and mental wellbeing and to reduce and alleviate sickness. Our strategy is aimed at healthy employees as well as those unfortunate to be facing an illness. Some of our tools include workplace evaluations in addition to personal and professional development schemes. We also offer health insurance, check-ups for senior colleagues or employees working nights. We offer smoking cessation courses, company sports associations and events, discount on gym memberships, yoga classes and massage therapy to name but a few.

STAY WELL CAMPAIGN 2018

Our Stay Well Days take place every year, with the goal of promoting healthy lifestyles among our colleagues at BC Hospitality Group. The campaign highlights the many and often simple things we can do, to take care better care of ourselves and our health, at work and at home. During the campaign, we promote our company offers relating to health, physical working environment, harassment, and employee benefits. Here, employees also have the opportunity to meet the people and specialists we in place to support them in their challenges.

SICK LEAVE

When sickness occurs, it first and foremost hurts on a personal level. But it also hurts our organisation, so the well-being of each individual is a common concern. Starting a few short years ago, we have committed ourselves to actively reducing staff sick leave and to provide even better opportunities for employees to stay healthy. The effort has paid off generously - for everyone - and we are proud to have achieved to surpass our overall goal level of 4.1% absence due to illness.

ABSENCE DUE TO ILLNESS %	2016	2017	2018
Crowne Plaza Copenhagen Towers	5,74%	5,34%	3,77%
Copenhagen Marriot	4,69%	3,93%	4,47%
AC Hotel Bella Sky Copenhagen	3,79%	6,23%	4,55%
Bella Center Copenhagen	4,11%	3,5%	2,67%
BC Hospitality Group	4,48%	4,44%	3,86%



OCCUPATIONAL HEALTH AND SAFETY

Healthy and safe work environments form the foundation of all operations at BC Hospitality Group, and we continually work to improve on this aspect. In 2018, we called on external experts to help us restructure our Health & Safety Committees to build a new framework that better supports agile communication, collaboration and safety. Further, we now provide extra training for our representatives on the Health & Safety Committees. A new online platform facilitating the efforts on occupational safety and work environments as well as employees' annual work place assessment is also in place to improve our organisational setup in this area. The platform will be rolled out in Q1 of 2019.

Our Works Committee is yet another forum working to enhance collaboration throughout the organisation. Its members equally represent employees and management, respectively. Trade union representatives are also part of the committee on behalf of our employees.

OCCUPATIONAL INJURIES	No. of accidents registered		
	2016	2017	2018
Crowne Plaza Copenhagen Towers	3	6	8
Copenhagen Marriot	1	1	5
AC Hotel Bella Sky Copenhagen	9	19	20
Bella Center Copenhagen	9	19	20



CYBER SECURITY AND DATA PRIVACY

Employees, guests and clients alike, all have the right to have their personal data protected. We actively adhere to data privacy laws and constantly review our procedures in order to align them with the requirements set out in the European Union's General Data Protection Regulation (GDPR), which came into effect in May 2018.

SAFETY AND SECURITY

Through our in-house Safety and Security Academy, we train our employees to live out our Safe Space Programme, which is built around the message 'See something? Do something!'. Based on the employee's specific position, their training covers important issues such as Fire Safety, First Aid, Security attendant training. Our BC Academy also covers human rights, human trafficking, conflict understanding and management, handling of confrontations etc.

We review our procedures often and also have an extensive risk assessment tool in place. With thorough risk assessment, we customise the most optimal security solutions for each individual event. In addition to our extensive in-house capabilities, we also have a close collaboration with authorities and government officials to ensure the highest level of security for our guests that come with many different needs and requirements.

FOOD SAFETY

Our chefs and Food and Beverage managers continually reinforce the principles of food safety, a top priority within our organisation. All business units at BC Hospitality Group have only received elite smileys and exceptional reports from the Danish Ministry of Environment and Food. This attests that our units comply with food and safety rules and regulations.

In addition, we operate with signs to encourage guests to ask about allergenic ingredients if pertinent to them. We also label and pack our food and beverage with full descriptions of ingredients.

RISK MANAGEMENT TRAINING	Participants	Male	Female
Crowne Plaza Copenhagen Towers	180	67	113
Copenhagen Marriott	233	100	133
AC Hotel Bella Sky Copenhagen	62	25	37



APPENDICES

RESPONSIBLE HOSPITALITY POLICIES

HUMAN RIGHTS POLICY

- We will support and respect the protection of internationally proclaimed human rights - in particular those of our employees, our business partners and within our local community.
- We will strive to not be complicit in human rights abuses and require our suppliers to do the same.
- We will ensure a healthy and safe environment in all hotels and venues.
- We will promote diversity in the workplace and will not tolerate discrimination
- We will respect our employees' rights to voluntary freedom of association and recognize their right to collective bargaining
- We will support employees with training and opportunities for promotion to help them reach their potential and maximize their contribution to our company strategy
- We will recruit, employ and promote employees on the basis of objective criteria, their qualifications and abilities required for the job to be performed
- We will provide several channels for complaints to ensure any concerns are efficiently addressed

ENVIRONMENTAL POLICY

- We will continue to improve our environmental performance and we will implement environmentally friendly solutions, wherever it makes economic and environmental sense without compromising the experience of quality and comfort at our hotels and venues
- We will make the most efficient use of resources our energy, water and other natural resources, promoting conservation and savings wherever possible and practical.
- We will incorporate environmental considerations, including animal welfare into our actions and procurement decisions
- We will raise awareness of environmental matters among our employees and stakeholders
- We will optimize our waste reduction through reusing materials where possible, recycling and limiting our use of hazardous materials where alternatives are available, economical and suitable.
- We will monitor, record and benchmark our environmental performance on a periodic basis

BUSINESS INTEGRITY POLICY

- We conduct our operations in accordance with the principles of fair competition and will abide by applicable laws and regulations
- We will in all dealings with business partners, seek to preserve the highest standards of integrity, objectivity, fairness, efficiency, courtesy and professionalism and will look to them to set similar standards.
- We will apply a zero-tolerance approach with respect to corruption, extortion and bribery
- We will not accept any personal gifts, gratuities, premiums or other incentives when choosing suppliers. We prefer incentives expressed in acceptable business terms, e.g., quality, service and price.
- We will only purchase goods and services, which supports the purposes of business for BC Hospitality Group.
- We will aim to ensure that the best value for money is being obtained and that its resources are being used to the greatest benefit.
- We will work towards a system of ensuring that our suppliers and business partners are environmentally responsible, are not complicit in any violations of human rights or labour rights and do not participate in or permit corruption in all its forms.

STAKEHOLDER ENGAGEMENT MATRIX

	KEY TOPICS	FORM OF ENGAGEMENT
Employees	<ul style="list-style-type: none"> • To promote the welfare and productivity of our employees. • Creating safe and inclusive work environments. • Encourage collaboration • Talent and career development • Employer branding and reputation 	<ul style="list-style-type: none"> • Direct communication: staff meetings, Employee App, bulletin boards, email, etc. • Works Committee (incl. seats for trade union representatives) • Health & Safety Committee • Great Place to Work survey • Workplace assessment reviews • Suggestion boxes • Collective agreements between our trade association and the workers' unions. • Responsible Hospitality website and report
Customers & guests	<ul style="list-style-type: none"> • Customer and guest satisfaction • Quality experience • Safety, security and hygiene • Personal service • Business ethics • Value for money 	<ul style="list-style-type: none"> • Direct interaction with our staff and sales representatives (in-person, phone, email, etc.) • Quality reviews and surveys • Group-, brand- and Responsible Hospitality websites, Social media profiles, booking and travel websites • Loyalty programs • Site visits • Online web portals • Responsible Hospitality website and report
Suppliers	<ul style="list-style-type: none"> • Product and operational improvement • Responsible sourcing 	<ul style="list-style-type: none"> • Contractual agreements • Supplier Code of Conduct • Continuous dialogue • Responsible Hospitality website and report
Government & emergency services	<ul style="list-style-type: none"> • Hosting government officials • Business ethics, governance and transparency • Safety and security • Working with emergency management services, Police, etc. • Sustainability performance • Compliance with laws and regulations • Best practice 	<ul style="list-style-type: none"> • Participation in industry bodies influencing key policy issues • Annual financial report • Dialogue with relevant emergency and security services regarding events and VIPs.
Owners & board of directors	<ul style="list-style-type: none"> • Transparent, timely, relevant and reliable information 	<ul style="list-style-type: none"> • Annual financial report • Responsible Hospitality website and report • Board meetings and company briefings

Brands & certification bodies	<ul style="list-style-type: none"> • Compliance with standards • Fulfilling brand expectations 	<ul style="list-style-type: none"> • Continuously through our contact points, during status meetings, etc. • Regular Brand and Safety Audits • Responsible Hospitality website and report
Community	<ul style="list-style-type: none"> • Good corporate citizenship • Community engagement • Creating jobs in local community • Environmental awareness • Research and development • Employee engagement • Media relations 	<ul style="list-style-type: none"> • Partnerships with local job centres • Sponsorship activities • Employee volunteering • Responsible Hospitality website and report • Liaison with NGOs and other private and public organisations on specific projects.
Business associates & networks	<ul style="list-style-type: none"> • Development of regulations, policies and standards • Research and innovation • Best practice exchange and development • Insight into market analysis, trends and forecasts, training and guidance on legislation • Promoting Copenhagen's local culture and Denmark as a travel destination 	<ul style="list-style-type: none"> • Dialogue, networking, events • Partnerships and participation in associations • Presentations at conferences government policies etc., with relevance to us and to our industry.



GRI CONTENT INDEX:

INDICATOR	DISCLOSURE	LOCATION OF DISCLOSURE	ADDITIONAL REFERENCE
102-1	Name of the organization	About this report	
102-2	Activities, brands, products, and services	About BC Hospitality Group	
102-3	Location of headquarters	About BC Hospitality Group	
102-4	Location of operations	About BC Hospitality Group	
102-5	Ownership and legal form	About BC Hospitality Group	
102-6	Markets served	About BC Hospitality Group	
102-7	Scale of the organization	About BC Hospitality Group Careers That Matter	Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
102-8	Information on employees and other workers	Careers That Matter Partnerships That Matter	UNGC Principle 6 SDG 8
102-10	Significant changes to the org. and its supply chain	About BC Hospitality Group Make Products Matter	
102-11	Precautionary principle or approach	Make Products Matter Conserving Resources that Matter	
102-12	External initiatives	About this report Responsible Hospitality	
102-13	Membership associations	Responsible Hospitality	
102-14	Statement from senior decision-maker	Statement from the CEO	
102-16	Values principles, standards, norms of behaviour	Responsible Hospitality	UNGC Principle 10 / SDG 16
102-18	Governance structure	Careers that matter	Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
102-40	List of stakeholder group	Responsible Hospitality	
102-41	Collective bargaining agreements	Careers that matter	UNGC Principle 3 / SDG 8
102-42	Identifying and selecting stakeholders	Responsible Hospitality	
102-43	The organization's approach to stakeholder engagement	Responsible Hospitality	
102-44	Key topics and concerns raised through stakeholder engagement	Responsible Hospitality Careers that matter Partnerships That Matter	
102-45	Entities included in the consolidated financial statements		Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
102-46	Defining report content and topic boundaries	Responsible Hospitality	
102-47	List of material topics	Responsible hospitality	
102-50	Reporting period	About this report	
102-51	Reporting cycle	About this report	
102-52	Date of the most recent report	About this report	
102-53	Contact point for questions regarding the report	About this report	

102-54	Claims of reporting in accordance with the GRI Standards	About this report	
102-55	GRI Content index	GRI Content index	
102-56	External Assurance		No external assurance
103-1	Explanation of the material topic and its Boundary	Careers that matter Partnerships that matter Conserving Resources That Matter Making Products matter Healthy Living Matters Appendix	
103-2	The management approach and its components	Careers that matter Partnerships that matter Conserving Resources That Matter Making Products matter Healthy Living Matters Appendix	SDG 1, 5, 8 UNGC Principle 1
103-3	Evaluation of the management approach	Careers that matter Partnerships that matter Conserving Resources That Matter Making Products matter Healthy Living Matters Appendix	
201-1	Direct economic value generated and distributed		Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group SDG 8, 9
201-3	Defined benefit plan obligations and other retirement plans		Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
201-4	Financial assistance received from government		Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
202-1	Entry Level Wage		There is no legally stipulated minimum wage in Denmark. Wage rates are specified in accordance with collective agreements. UNGC Principle 6 / SDG 1, 5
302-1	Energy consumption within the organization	Conserving Resources That Matter	UNGC Principle 7, 8 SDG 7, 8, 12, 13
302-3	Energy intensity	Conserving Resources That Matter	UNGC Principle 7, 8 SDG 7, 8, 12, 13
302-4	Reduction of energy consumption	Conserving Resources That Matter	UNGC Principle 8, 9 SDG 7, 8, 12, 13
303-1	Water withdrawal by source	Conserving Resources That Matter	UNGC Principle 7, 8 SDG 6
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Conserving Resources That Matter	UNGC Principle 8 SDG 6, 14, 15
305-01	Direct (Scope 1) GHG emissions	Conserving Resources That Matter	GC Principle 7, 8 SDG 3, 12, 13, 14, 15
305-02	Energy indirect (Scope 2) GHG emissions	Conserving Resources That Matter	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15

306-2	Waste by type and disposal method	Conserving Resources That Matter	UNGC Principle 8 SDG 3, 12, 15
308-1	New suppliers that were screened using environmental criteria	Make Products Matter	
402-1	Minimum notice periods regarding operational changes		Collective agreements with: 3F, HK, DI Faglærte Overenskomst. The Employers' and Salaried Employees' Act. UNGC Principle 3 / SDG 8
403-1	Occupational health and safety management system	Healthy Living Matters	
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities.	Healthy Living Matters	SDG 3
403-4	Health and safety topics covered in formal agreement with trade unions		Covered by collective agreements with 3F, HK, DI Faglærte Overenskomst. SDG 8
404-1	Average hours of training per year per employee	Careers that matter	UNGC Principle 6 SDG 4, 5, 8
404-2	Programs for upgrading employee skills and transition assistance programs	Careers that matter	SDG 4, 8
405-1	Diversity of governance bodies and employees	Careers that matter	UNGC Principle 6 SDG 5, 8
406-1	Incidents of discrimination and corrective actions taken		No incidents. UNGC Principle 6 SDG 5, 8, 16
410-1	Security personnel training in human rights policies or procedures	Healthy Living Matters	UNGC Principle 1
412-2	Employee training on human rights policies or procedures	Careers that matter Healthy Living Matters	UNGC Principle 1
413-1	Operations with local community engagement, impact assessments, and development programs.	Partnerships that matter	
414-1	New suppliers that were screened using social criteria	Make Products Matter	UNGC Principle 2 SDG 5, 8
416-1	Assessment of the health and safety impacts of product and service categories	Healthy Living Matters	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents
417-1	Requirements for product and service information and labelling	Healthy Living Matters	SDG 2, 12
417-2	Incidents of non-compliance concerning product and service information and labelling		Non incidents SDG 2
417-3	Incidents of non-compliance concerning marketing communications		No incidents
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents SDG 16
419-1	Non-compliance with laws & regulations in social & economic area		No incidents SDG 16