
BCHG Holding A/S

Amaliegade 24, st., DK-1256 Copenhagen K

Annual Report for 2020

CVR No 38 24 67 12

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

15 / 6 2021

Michael Wejp-Olsen



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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 2020.

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

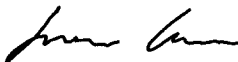
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2020.

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 General Meeting.

Copenhagen, 31 May 2021

Executive Board

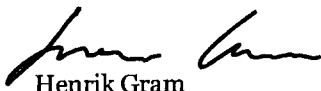


Henrik Gram
CEO

Board of Directors



David Robson Overby
Chairman



Henrik Gram



Mette Kapsch



Michael Dano Andersen
Staff Representative

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 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with 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 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 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 2020, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the Financial Statements, which describes that the Group's current operations depend on the faith and willingness of various stakeholders to restructure the business to be finalised and completed before the end of June 2021. Management is working together with the Group's bank, hotel property owners, main shareholder and expected new shareholders to ensure that new liquidity is added by cash subscription from issuance of new shares, renegotiation of existing credit facilities and mortgage loans as well as an amendment to the lease agreements with the hotel property owners in order to ensure adequate liquidity for the Group. These circumstances indicate that material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern.

Our opinion has not been modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review (page 8 -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.

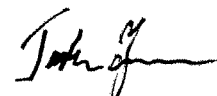
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, 31 May 2021
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
c/o Solstra Capital Partners A/S
Amaliegade 24, st.
DK-1256 Copenhagen K

CVR no: 38 24 67 12

Financial period: 1 January - 31 December

Financial year: 5th financial year

Municipality of reg. office: Copenhagen

Board of Directors

David Robson Overby (Chairman)
Mette Kapsch
Henrik Gram
Michael Dano Andersen (Staff Representative)

Executive Board

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 of ALFI Mark Trust are not published.

Financial Highlights

Group

	2020	2019	2018	2017	2016*
	DKK,000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Revenue	261,090	892,243	959,225	953,776	131,416
Gross profit	159,513	377,465	422,639	440,713	50,612
Depreciation, amortisation and impairment	(87,109)	(50,227)	(58,448)	(67,569)	(13,009)
Profit before financial items	(590,682)	(9,406)	37,837	215,192	(13,275)
Financial income and expenses	(18,512)	(14,693)	(11,600)	(31,816)	(4,911)
Profit before tax	(609,194)	(24,099)	26,237	183,376	(18,187)
Net profit for the year	(460,165)	(19,954)	18,284	119,674	(15,453)
Balance sheet					
Balance sheet total	1,214,223	1,665,298	1,639,809	1,623,783	2,970,805
Equity	69,075	627,086	590,960	561,560	983,460
Production property	40,442	433,465	431,059	431,059	427,015
Hotel property	0	0	0	0	1,433,365
Investment property	555,616	745,446	745,127	745,127	744,203
Credit institution	823,252	613,946	597,383	627,287	1,487,497
Cash flows					
<i>Cash flows from:</i>					
Operating activities	(37,365)	8,004	67,939	71,570	2,769
Investing activities	(231,522)	(128,063)	(69,461)	811,837	(68,060)
Financing activities	243,171	71,923	(29,904)	(776,861)	97,093
Change in cash and cash equivalents	(25,716)	(48,136)	(31,426)	106,546	31,802
No of employees	423	751	740	705	642
Ratios					
Gross margin	61%	42%	44%	46%	39%
Solvency ratio	6%	38%	36%	35%	33%
Return on equity	(132)%	(3)%	3%	15%	2%
Book value per share of nominal 0.01 (DKK)	0,288	2,622	2,702	2,567	5,696

For definitions of financial ratios, see under accounting policies.

*The financial highlight for 2016 covers 2 months of operation.

Management's review

The consolidated financial statements of BCHG Holding A/S for 2020 has been prepared in accordance with the provision of the Danish Financial Statement Act applying to large enterprises of reporting class C.

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 2020 is included as supplementary reporting.

Main activity

The Company's primary activity is to own and make investments. Currently through the subsidiary BC Hospitality Group A/S with activities in the hospitality area and the real estate subsidiary BCHG Properties A/S.

BC Hospitality Group A/S operates Copenhagen Marriott, AC Hotel Bella Sky Copenhagen, 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 owns the Bella Center Copenhagen property leased by BC Hospitality Group A/S.

Development in the year

2020 will, in general, go down in history as a dramatic and extraordinary year with one general topic: the global Covid-19 crisis.

Specific industries were significantly affected by the consequences of the global pandemic and will continue to be so for a long period ahead. Regarding the hospitality industry in particular, the impact of the Covid-19 crisis is substantial, and the industry is challenged both on a national and a global level.

Considering BC Hospitality Group A/S is one of the leading businesses in the Danish hospitality industry and among the largest congress exhibition venues in the Northern part of Europe, the most tangible impact of the Covid-19 crisis has been the consequences of the national lockdown and closure of national borders etc. Almost all conference and congress activity, as well as fairs seized overnight and the number of visitors at our hotels and venues dwindled to less than a third compared to a normal year.

One of the most severe effects in BC Hospitality Group A/S was laying off some 500 staff members due to necessary costs cuts because of historical low activity level. As a consequence of these lay-offs, an internal Job Fair was initiated to assist the laid-off employees in moving on to the next job and upgrade educational skills. The Job Fair was a great success and benefitted from solid support from private and public partners, and many former employees secured new employment.

An important leap forward was taken with hybrid meetings and conferences accommodating the customers during times challenged by assembly bans, travel restrictions etc. On top of that, a few previous 'live' fairs were turned into a digital success. Before the pandemic locked the world down, we managed to execute several events e.g., CIFF in connection with Copenhagen Fashion Week in February and LEGO World.

The low infection numbers during summer 2020 changed the perception and as a consequence, our expectations were that activities would be close to back to normal in the second half of 2020. CIFF in August and Bogforum in November were planned accordingly with the necessary precautions. However, the pandemic picked up again in late summer resulting in re-evaluation of the plans. Out of consideration for a very challenged fashion industry, CIFF was temporarily transformed into an alternative meeting and marketplace called “Elevated Order Days”. Bogforum in November was cancelled.

All in all, 2020 turned all business activities and our daily lives upside down, and it will take a considerable amount of time before the world, our industry and business is back to normal.

Results for the year

Considering the global Covid-19 crisis and the derived very low business activity, it makes little sense to compare figures in-between years, as 2020 in every aspect was a very special year.

Gross profit was positive with DKK 159.5 million for 2020 compared to gross profit of DKK 377.5 million for 2019. Consolidated revenue amounted to DKK 261.1 million for 2020 compared to DKK 892.2 million for 2019.

BC Hospitality Group A/S also operates Crowne Plaza Copenhagen Towers and including this revenue, consolidated revenue totalled DKK 316.5 million for 2020, compared to DKK 1,061 million in 2019.

Other income relates to compensation schemes under Covid-19 for salary compensation, fixed cost compensation and cancelled, modified or postponed arrangements compensation. The Group would not be able to potentially secure its long-term survival had it not been for these compensation packages.

The circumstances of the losses incurred in 2020, together with the current situation of business activities and the uncertainties regarding when the business activities will be back to pre Covid-19 level, also had a consequence for the valuation of the Bella Center property. A revaluation of DKK 469.9 million has been recognised in the income statement and DKK 119.6 million directly on equity as a reversal of prior years’ positive revaluations. The total negative revaluation of DKK 589.5 million also takes the investment in the new congress hall into consideration, which future earnings potential under the current market outlook cannot justify the entire construction cost.

Furthermore, goodwill, other intangible and tangible assets was impaired with DKK 34.5 million.

The consequences of the above are that the share capital is lost at 31 May 2021, and the total equity is negative.

Management submits the Annual Report on the basis of continued operations under the prerequisite that the above-mentioned uncertainties (as described in note 1 and note 2 to the Consolidated Financial Statements), will be resolved in favour of the Group and ensure the needed liquidity up to and beyond 31 December 2021.

Hosting Moments That Matter

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

It applies for the guests we serve, as well as for the people we work with. Hospitality is the business of “here and now” as it cannot be undone. Our purpose is to create positive impacts in real life that continue to live in the memories for all involved based on our core values: Mutual Respect, Winning Spirit, Service Heroes and Responsible Hospitality all represented in Hosting Moment That Matters.

An extra dimension was added to our concept by implementing special procedures securing our customers’ and staff’s safety in connection with Covid-19. We have taken all the necessary precautions in accordance with the authorities’ recommendations. Furthermore, we have our own medical specialists in our day-to-day Covid-19 preparedness securing the best possible implementation of our many health professional steps.

Careers That Matter

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

Initiatives and acknowledgements

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

Focus on sustainability

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

Despite the challenges, we will expand our focus on zero-waste and our climate impact. We will focus on activities post-Covid 19, building back an even more sustainable and resilient organisation.

Responsible Hospitality covers the range from environmental issues to inclusion, diversity, and equality, and though we, unfortunately, had to terminate the employment of many employees during 2020, our organisation continues to be diverse and remains focused on providing equal opportunities.

Our Responsible Hospitality report is included in this Annual Report, summarising all activity, partnerships and initiatives in 2020. 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.

Regarding 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 2020".

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 Group is required to report on diversity in the composition of the Board of Directors and gender representation at other executive levels of the Group, it should be noted that the Group has equal representation on the Board of Directors (1 woman and 2 men) and at other executive levels (group executive and management levels).

Outlook

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

Early 2021 brought optimism in the form of vaccines to Denmark. Also, part of our Bella Center Copenhagen is turned into a local vaccine center. It is satisfying to contribute to returning the country to normal.

The construction of our 14,000 square meters new congress and multi-purpose arena is progressing according to schedule, and it will be ready for opening as planned in 2021. The opening of the new arena will improve Bella Center Copenhagen's relative attractiveness compared to its European competitors and will further consolidate Copenhagen's position as an attractive international congress city. We will continue to be front runners when it comes to sustainability, high-quality service and digital solutions.

Our conference and meeting unit has until recently been branded under Comwell Conference Center Copenhagen brand. By the end of 2020, the corporation with Comwell was terminated as a natural consequence of the construction of our new arena integrating the conference business in our own brand by introducing Bella Sky Conference & Events in January 2021.

The number of enquiries covering all types and sizes of events from 2022 and onwards are increasing steadily confirming the optimistic signs, and the light at the end of the tunnel is becoming clearer day by day.

Group Management has tried to estimate the effect of Covid-19 on the expected revenue and net profit of the Group. The effect of Covid-19 and the conditions described in note 1 and note 2 to the Consolidated Financial Statements can have a significant impact on expected revenue and net profit. Management estimates the loss for the year 2021 to be in the range of DKK 100 million to DKK 150 million before the effect of compensation packages and one-offs in connection with business restructuring and revaluation of Bella Center property.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have been subject to some judgement. This especially reflects the significant uncertainty, which has been described in note 1, note 2 and note 26 to the Consolidated Financial Statements.

Subsequent events

Except as mentioned above under Outlook and in note 2 no other events which materially affect the assessment of the Annual Report has occurred after the balance sheet date.

Income Statement of 1 January – 31 December

Group	Note	2020	2019
		DKK '000	DKK '000
Revenue	3	261,090	892,243
Cost of goods sold		(29,600)	(151,747)
Other operating income	4	199,621	0
External costs		<u>(271,598)</u>	<u>(363,031)</u>
Gross profit		159,513	377,465
Staff expenses	5	(193,034)	(328,040)
Revaluations		(469,917)	(1,243)
Other operating expenses		(135)	(7,361)
Depreciation, amortisation and impairment	6	<u>(87,109)</u>	<u>(50,227)</u>
Profit before financial income and expenses		(590,682)	(9,406)
Financial income	7	1,032	1,551
Financial expenses	8	<u>(19,544)</u>	<u>(16,244)</u>
Profit before tax		(609,194)	(24,099)
Tax on profit for the year	9	<u>149,029</u>	<u>4,145</u>
Net profit for the year		<u>(460,165)</u>	<u>(19,954)</u>

Balance Sheet 31 December - Assets

Group	Note	2020		2019	
		DKK '000		DKK '000	
Assets					
Goodwill	10	0		21,501	
Intangible assets under construction	11	0		13,266	
Completed development projects	11	9,680		0	
Intangible assets		9,680		34,767	
Leasehold improvements	12	51,872		44,370	
Equipment	13	45,339		72,198	
Production properties	14	40,442		433,465	
Investment properties	15	555,616		745,446	
Tangible assets under construction	16	266,146		81,777	
Tangible assets		959,415		1,377,256	
Deposits		64,679		64,503	
Financial assets		64,679		64,503	
Non-current assets		1,033,774		1,476,526	
Inventories		2,144		5,298	
Trade receivables		30,064		64,420	
Receivables from group enterprises		3,575		18,833	
Other receivables		95,104		29,282	
Prepaid expenses		16,492		12,153	
Cash and cash equivalents		33,070		58,786	
Current assets		180,449		188,772	
Total assets		1,214,223		1,665,298	

Balance Sheet 31 December – Liabilities and Equity

Group

	Note		
		2020 DKK '000	2019 DKK '000
Liabilities and equity			
Share capital	17	23,921	23,921
Other reserves		(16,898)	114,696
Retained earnings		<u>62,052</u>	<u>488,469</u>
Equity		<u>69,075</u>	<u>627,086</u>
Credit institutions	18	541,557	513,885
Provision for deferred tax	19	41,595	204,719
Payables to group enterprises		30,000	0
Trade payables		20,094	0
Deposits		9,633	14,904
Other payables		<u>14,157</u>	<u>4,990</u>
Non-current liabilities		<u>657,036</u>	<u>738,498</u>
Credit institutions	18	281,695	100,061
Payables to group enterprises		9,923	0
Trade payables		95,306	40,836
Prepayments received from customers		48,911	73,700
Deposits		6,198	11,709
Other payables		<u>46,079</u>	<u>73,408</u>
Current liabilities		<u>488,112</u>	<u>299,714</u>
Total liabilities and equity		<u>1,214,223</u>	<u>1,665,298</u>

Statement of Changes in Equity

Group

	Share Capital DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Total equity DKK '000
At 1 January 2019	21,871	99,287	469,802	590,960
Share capital increase	2,050	0	53,309	55,359
Revaluation property	0	15,409	0	15,409
Interest rate swap	0	0	(14,688)	(14,688)
Net profit for the year	0	0	(19,954)	(19,954)
At 31 December 2019	<u>23,921</u>	<u>114,696</u>	<u>488,469</u>	<u>627,086</u>
At 1 January 2020	23,921	114,696	488,469	627,086
Share capital increase	0	0	0	0
Revaluation property	0	(93,264)	0	(93,264)
Interest rate swap	0	(4,582)	0	(4,582)
Adjustments prior year*	0	(33,748)	33,748	0
Net profit for the year	0	0	(460,165)	(460,165)
At 31 December 2020	<u>23,921</u>	<u>(16,898)</u>	<u>62,052</u>	<u>69,075</u>

*Adjustments prior year allocation of revaluation of production properties and interest rate swap

Cash Flow Statement 1 January – 31 December

Group	Note		
		2020 DKK '000	2019 DKK '000
Profit before financial income and expenses		(590,682)	(9,406)
Adjustments for income statement items without cash effect	23	557,025	66,738
Change in working capital	24	1,747	(33,638)
Cash flow from operating activities before financial items		(31,910)	23,694
Financial income received		1,032	1,551
Financial expenses paid		(19,544)	(16,244)
Taxes		13,057	(997)
Cash flow from operating activities		(37,365)	8,004
Purchase of intangible assets		(3,388)	(13,266)
Purchase of tangible assets		(228,134)	(120,027)
Sale of tangible assets		0	5,230
Cash flow from investing activities		(231,522)	(128,063)
Capital increase		0	55,360
Repayment of mortgage		(42,174)	(35,729)
Subordinated loan obtained		30,000	0
Credit facilities		255,345	52,292
Dividend paid		0	0
Cash flow from financing activities		243,171	71,923
Change in cash and cash equivalents		(25,716)	(48,136)
Cash and cash equivalents at 1 January		58,786	106,922
Cash and cash equivalents at 31 December		33,070	58,786
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		30,325	58,786
Restricted cash		2,745	0
Cash and cash equivalents at 31 December		33,070	58,786

Notes to the Financial Statements

Group

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Note 1 – Going concern

Following the outbreak of Covid-19, the Group has experienced a significant reduction of activities in its hotel and conference business. Management expects that it will take time to recover fully even though optimism spreads in society and among our customers with a long-term reopening plan for the country as a fact, and the vaccine programmes launched on both a national and international level. Due to the significant reduction of activities, the Group realised a significant loss for 2020 and 2021 has also started with losses.

The Group obtained a loan from the Group's bank, Nordea, guaranteed by Vækstfonden's scheme for financing for companies affected by Covid-19, amounting to DKK 100 million in June 2020 and subordinated loans of DKK 30 million from the main shareholder. In addition, the Group has utilised the compensation schemes under Covid-19 for salary compensation, fixed cost compensation and cancelled, modified or postponed arrangements compensation and expects to continue to use the compensation schemes available and take necessary action to reduce costs further, if possible.

The Group has already, during 2020, significantly reduced its number of employees. Furthermore, the subsidiary BC Hospitality Group A/S has in 2020 entered into amended lease agreements with the owners of the hotel properties from which the Group carries out its hotel and conference business. The amended lease agreements made it possible for rent payments for 2020 to be paid partly in cash and partly by a loan from the hotel property owners.

From 1 January 2021, the payable rent is based on a percentage of relevant revenue above a minimum threshold in the period up to 1 January 2024 at the latest. Management has started new negotiations with the hotel property owners regarding further discounts, postponements of rent payments and changes in lease terms as Covid-19 continues to be prevalent and impacting the business.

Furthermore, the Group has been looking for a solution to obtain the needed financial resources to recapitalise the Group over the past ten months. Extensive dialogues have occurred with the Group's bank, other financial institutions, government Covid-19 support funds (Vækstfonden), the main shareholder and potential new investors. Until a solution is found, the Group's bank extends the credit facilities on a short-term basis depending on the progress with the recapitalisation process and the situation with the hotel property owners.

The result of the above is that the liquidity was tight during 2020, and since the beginning of 2021 the business operations have been dependent on the faith and willingness of various stakeholders in the form of the Group's bank, hotel property owners, and the main shareholder. Management is working together with the Group's bank, hotel property owners, main shareholder and expected new shareholders to add new liquidity by cash subscription from issuance of new shares, renegotiation of existing credit facility and mortgage loans as well as an amendment to the lease agreements with the hotel property owners to ensure adequate liquidity for the Group going forward.

The Group's ability to continue operations depends on several uncertainties; obtaining further capital and liquidity of up to DKK 200 million, write-offs of financial debt, obtaining new or amended lease agreements with the hotel property owners with additional rent discounts or changes in lease terms, the prevalence of the Covid-19 situation, the temporal extent of restrictions that affect business activities, economic aid packages, the speed at which the economy recovers after Covid-19 and the effect hereof on the business activities.

As a result of these factors, there are several material uncertainties that may raise significant doubt about the Group's ability to ensure adequate liquidity to continue operations up to and beyond 31 December 2021.

Management submits the Annual Report on the basis of continued operations under the prerequisite that the above-mentioned uncertainties will be resolved in favour of the Group and ensure the needed liquidity up to and beyond 31 December 2021.

Note 2 – Subsequent events

To date, the Group's hotel and conference businesses have been and are still significantly negatively impacted by the effects of Covid-19. Consequently, the Group has incurred further losses in 2021 and the equity is lost.

The Group has not been able to comply with original terms towards the Group's credit institutions or the hotel property owners.

At the end of May 2021, the Group is close to finally conclude various agreements with the Group's current stakeholders in the form of main shareholder, bank, hotel property owners and "Marriott International" as well as a potential new investor group. These agreements are subject to conditions that are not fulfilled at 31 May 2021 as they depend on events that need to take place during June 2020 in order for these agreements to become effective.

Again, Management wants to draw attention to the fact that the continued operations is under the prerequisite that above-mentioned agreements becomes effective so that the Group's liquidity can be secured up to and beyond 31 December 2021.

	<u>2020</u> DKK '000	<u>2019</u> DKK '000
Note 3 – Revenue		
Geographical segments		
Denmark	<u>261,090</u>	<u>892,243</u>
	<u>261,090</u>	<u>892,243</u>
Business segments		
Hotel	77,346	387,268
Area & Entry	116,868	217,730
Technique & Services	22,855	93,237
Food & beverage	<u>44,021</u>	<u>194,008</u>
	<u>261,090</u>	<u>892,243</u>
Note 4 – Other operating income		
Covid-19 compensation for fixed costs, salary and arrangements	<u>199,621</u>	<u>0</u>
	<u>199,621</u>	<u>0</u>
Note 5 – Staff expenses		
Wages and salaries	165,967	289,759
Pensions	16,000	24,076
Social security costs	2,900	6,600
Other staff related costs	<u>8,167</u>	<u>7,605</u>
	<u>193,034</u>	<u>328,040</u>
Average number of employees	<u>423</u>	<u>751</u>
Full time employees at 31 December	<u>236</u>	<u>817</u>

	2020 DKK '000	2019 DKK '000
Note 6 – Depreciation, amortisation and impairment		
Goodwill	21,501	1,322
Completed development projects	7,388	0
Leasehold improvements	12,597	3,191
Equipment	25,463	25,947
Production and hotel properties	<u>20,160</u>	<u>19,767</u>
	<u>87,109</u>	<u>50,227</u>
Note 7 – Financial income		
Other financial income	311	1,091
Financial income from group enterprises	<u>721</u>	<u>460</u>
	<u>1,032</u>	<u>1,551</u>
Note 8 – Financial expenses		
Interest on long-term debt	14,267	13,309
Financial expenses from group enterprises	866	329
Lease obligations	165	199
Other financial expenses	<u>4,246</u>	<u>2,407</u>
	<u>19,544</u>	<u>16,244</u>
Note 9 – Tax on profit for the year		
Tax on profit for the year	3,404	(12,133)
Tax on profit prior year	(16,745)	0
Change in deferred tax	<u>(163,124)</u>	<u>10,143</u>
	<u>(176,465)</u>	<u>(1,990)</u>
can be allocated as follows:		
Tax on profit/loss for the year	(149,029)	(4,145)
Tax on equity movements	<u>(27,436)</u>	<u>2,155</u>
	<u>(176,465)</u>	<u>(1,990)</u>
Note 10 – Goodwill		
Costs		
At 1 January	25,545	25,545
Additions	0	0
Disposal	<u>0</u>	<u>0</u>
At 31 December	<u>25,545</u>	<u>25,545</u>
Amortisation and impairment		
At 1 January	4,044	2,722
Amortisation for the year	1,278	1,322
Impairment for the year	<u>20,223</u>	<u>0</u>
At 31 December	<u>25,545</u>	<u>4,044</u>
Carrying amount at 31 December	<u>0</u>	<u>21,501</u>

	2020	2019
	DKK '000	DKK '000
Note 11 – Intangible Assets		
Intangible assets under construction		
At 1 January	13,266	0
Additions	0	13,266
Transfer to completed developments projects	<u>(13,266)</u>	<u>0</u>
At 31 December	<u>0</u>	<u>13,266</u>
Completed development projects		
Costs		
At 1 January	0	0
Transfer from intangible assets under construction	13,266	0
Additions	<u>3,802</u>	<u>0</u>
At 31 December	<u>17,068</u>	<u>0</u>
Accumulated amortisation		
At 1 January	0	0
Amortisation for the year	<u>3,388</u>	<u>0</u>
At 31 December	<u>3,388</u>	<u>0</u>
Accumulated impairment		
At 1 January	0	0
Impairment for the year	<u>4,000</u>	<u>0</u>
At 31 December	<u>4,000</u>	<u>0</u>
Carrying amount at 31 December	<u>0,680</u>	<u>13,266</u>
Note 12 – Leasehold improvements		
Costs		
At 1 January	50,184	76,901
Additions	16,134	12,693
Transfer from equipment	3,965	0
Disposals	<u>0</u>	<u>(39,410)</u>
At 31 December	<u>70,283</u>	<u>50,184</u>
Accumulated depreciation		
At 1 January	5,814	42,002
Depreciation for the year	6,144	3,191
Disposals	<u>0</u>	<u>(39,379)</u>
At 31 December	<u>11,958</u>	<u>5,814</u>
Accumulated impairment		
At 1 January	0	0
Impairment for the year	<u>6,453</u>	<u>0</u>
At 31 December	<u>6,453</u>	<u>0</u>
Carrying amount at 31 December	<u>51,872</u>	<u>44,370</u>

	2020	2019
	DKK '000	DKK '000
Note 13 – Equipment		
Costs		
At 1 January	210,732	221,615
Additions	2,987	10,315
Transfer to leasehold improvements	(3,965)	0
Disposals	<u>(5,387)</u>	<u>(21,198)</u>
At 31 December	<u>204,367</u>	<u>210,732</u>
Accumulated depreciation		
At 1 January	138,534	131,582
Depreciation for the year	21,658	25,948
Disposals	<u>(4,969)</u>	<u>(18,996)</u>
At 31 December	<u>155,223</u>	<u>138,534</u>
Accumulated impairment		
At 1 January	0	0
Impairment for the year	<u>3,805</u>	<u>0</u>
At 31 December	<u>3,805</u>	<u>0</u>
Carrying amount at 31 December	<u>45,339</u>	<u>72,198</u>

Note 14 – Production properties

Halls/Auditoriums/Meeting facilities

Costs		
At 1 January	571,533	580,915
Additions	6,438	10,311
Transfer	20,335	0
Disposals	<u>0</u>	<u>(19,693)</u>
At 31 December	<u>598,306</u>	<u>571,533</u>
Revaluation		
At 1 January	119,569	99,813
Revaluation	<u>(399,656)</u>	<u>19,756</u>
At 31 December	<u>(280,087)</u>	<u>119,569</u>
Depreciation		
At 1 January	257,637	249,669
Depreciation for the year	20,160	19,767
Depreciation on disposals for the year	<u>0</u>	<u>(11,799)</u>
Depreciation at 31 December	<u>277,797</u>	<u>257,637</u>
Carrying amount at 31 December	<u>40,422</u>	<u>433,465</u>

Production property

The fair value of production property as of 31 December is determined by discounting expected cash flows 31 December 2020 by a discount rate of 9,6% (2019: 6.9%). Income from production comprises income from events and congresses, including additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc. The valuation included a provision for the remaining cost in connection with the finalisation of the construction of the new congress hall that will be transferred from "Tangible Assets under construction" in 2021. The business risk has increased due to Covid-19, and consequently, WACC has increased.

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 18-22 million and +/- DKK 29 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 10-14 million.

	<u>2020</u>	<u>2019</u>
	DKK '000	DKK '000
Note 15 – Investment properties		
Costs		
At 1 January	391,329	389,767
Additions	<u>0</u>	<u>1,562</u>
At 31 December	<u>391,329</u>	<u>391,329</u>
Value adjustments		
At 1 January	354,117	355,360
Revaluation	<u>(189,830)</u>	<u>(1,243)</u>
At 31 December	<u>164,287</u>	<u>354,117</u>
Carrying amount at 31 December	<u>555,616</u>	<u>745,446</u>

Investment properties

Investment properties are measured at fair value. The determination of fair value is based on generally accepted valuation methods, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. Income from investments properties comprises external rent agreements regarding International House and Showrooms. The fair value of investment property as of 31 December 2020 is determined by discounting expected cash flows 31 December 2020 by a discount rate of 6.0% (2019: 5.5%).

Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value.

Sensitivity – value adjustment of investment 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 30-35 million and +/- DKK 51 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 23-26 million.

	2020 DKK '000	2019 DKK '000
Note 16 – Tangible Assets under construction		
Costs		
At 1 January	81,777	9,148
Additions	204,704	72,629
Transfer for the year	<u>(20,335)</u>	<u>0</u>
At 31 December	<u>266,146</u>	<u>81,777</u>
Carrying amount at 31 December	<u>266,146</u>	<u>81,777</u>

Note 17 – Share capital

Share capital at 1 January	23,921	21,871
Capital increase	<u>0</u>	<u>2,050</u>
Share capital at 31 December	<u>23,921</u>	<u>23,921</u>

The share capital consists of 23,920,863.71 shares of a nominal value of DKK 0.01. No shares carry any special rights.

Note 18 – Long-term debt

Credit institutions		
After 5 years	303,448	294,817
Between 1 and 5 years	<u>238,109</u>	<u>219,068</u>
Long-term part	541,557	513,885
Within 1 year	<u>281,695</u>	<u>100,061</u>
Financial obligations at amortised cost at 31 December	<u>823,252</u>	<u>613,946</u>

Note 19 – Provision for deferred tax

Intangible fixed assets	20,318	(9,128)
Tangible fixed assets	(273,561)	(926,195)
Receivables	0	2,480
Tax losses carried forward	62,275	0
Other timing differences	<u>1,902</u>	<u>2,303</u>
	<u>(189,066)</u>	<u>(930,540)</u>
Provision for deferred tax 22%:	<u>41,595</u>	<u>204,719</u>
Provision for deferred tax 31 December	204,719	194,576
Deferred income tax recognised in income statement and on equity	<u>(163,124)</u>	<u>10,143</u>
Deferred tax 31 December	<u>41,595</u>	<u>204,719</u>

<u>2020</u>	<u>2019</u>
DKK '000	DKK '000

Note 20 – Collateral

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

Production and investment properties, carrying amount	862,184	1,178,911
Equipments for the value of	<u>20,000</u>	<u>20,000</u>
	<u>882,184</u>	<u>1,198,911</u>

Note 21 - Contingent liabilities and other financial obligations

Rental and lease obligations as of 31 December

Within 1 year	32,274	128,376
Between 1 and 5 years	419,565	507,811
After 5 years	<u>2,646,489</u>	<u>2,862,762</u>
	<u>3,098,328</u>	<u>3,498,949</u>

Rent expenses charged to the income statement during the year	130,384	131,076
Lease expenses charged to the income statement during the year	1,995	2,134

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. 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 a replacement of part of the facade. It is not possible to evaluate and conclude the extent of the replacement for the time being.

Note 22 – 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.

	2020	2019
	DKK '000	DKK '000
Note 23 – Cash flow statement, Adjustments for income statement items without cash effect		
Revaluations	469,917	1,243
Other operating expenses	0	7,361
Depreciation, amortisation and impairment	<u>87,108</u>	<u>58,134</u>
	<u>557,025</u>	<u>66,738</u>

Note 24 – Cash flow statement, change in working capital

Change in inventories	3,154	(185)
Change in receivables, etc.	(22,423)	20,375
Change in payables, etc.	<u>21,016</u>	<u>(53,828)</u>
	<u>1,747</u>	<u>(33,638)</u>

Note 25 – Accounting policies for the Financial Statements

The Annual Report of the Group for 2020 has been prepared in accordance with the Danish Financial Statements Act applying to presentation of Annual Reports of large enterprises of reporting class C.

For 2020 the Group has decided to present cost for software licenses, subscriptions etc. as other external costs instead of as part of property, plant and equipment. Comparative figures for 2019 has changed to be based on same approach. The effect of this reclassification of 2019 figures is reduction of depreciations with TDKK 7,907 now presented as other external costs as well as reduction of equipment with TDKK 2,144 now presented under prepayment in the balance sheet.

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.

Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment as well as government grants, such as economic Covid_19 compensation packages.

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
Completed development projects	5

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 14,100 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.

Completed development projects

Completed developments projects relates to the development of new ERP solution which is measured at cost less accumulated amortisation. The new ERP solution is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

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 are 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' values 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 settling 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

Book value per share:

Equity/outstanding shares of nominal 0.01

Note 26 – Significant accounting estimates and assessments

On application of the Group's accounting policies as described in note 25, 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. The 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 having 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.

Income Statement of 1 January – 31 December

Parent Company

	Note	2020	2019
		DKK '000	DKK '000
Gross profit		(841)	(428)
Profit before financial income and expenses		(841)	(428)
Financial income	C	0	0
Impairment of financial assets	D	(573,945)	0
Financial expenses	E	(96)	(238)
Profit before tax		(574,882)	(666)
Tax on profit for the year	F	150	110
Net profit for the year	G	(574,732)	(556)

Balance Sheet 31 December - Assets

Parent Company

	Note	2020	2019
		DKK '000	DKK '000
Assets			
Investment in subsidiaries	H	0	573,945
Financial assets		0	573,945
Non-current assets		0	573,945
Other receivables		91	91
Cash at bank and in hand		31	521
Current assets		122	612
Total assets		122	574,557

Balance Sheet 31 December – Liabilities and Equity

Parent Company

	Note	2020	2019
		DKK '000	DKK '000
Liabilities and equity			
Share capital	I	23,921	23,921
Retained earnings		(26,365)	548,367
Equity		(2,444)	572,288
Payables to group enterprises		2,266	1,974
Other payables		300	295
Current liabilities		2,566	2,269
Total liabilities and equity		122	574,557

Statement of Changes in Equity

Parent Company

	Share capital DKK '000	Share premium DKK'000	Retained earnings DKK '000	Total equity DKK '000
At 1 January 2019	21,871	0	495,614	517,485
Capital increase	2,050	53,309	0	55,359
Transfer		(53,309)	53,309	0
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>(556)</u>	<u>(556)</u>
At 31 December 2019	<u>23,921</u>	<u>0</u>	<u>548,367</u>	<u>572,288</u>
At 1 January 2020	23,921	0	548,367	572,288
Capital increase	0	0	0	0
Transfer	0	0	0	0
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>(574,732)</u>	<u>(574,732)</u>
At 31 December 2020	<u>23,921</u>	<u>0</u>	<u>(26,365)</u>	<u>(2,444)</u>

Notes to Financial Statement

Parent Company

Note A	Going concern	39
Note B	Subsequent events	39
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Note A – Going concern

See note 1 in the consolidated financial statements.

Note B – Subsequent events

See note 2 in the consolidated financial statements.

Note C – Financial income

Interest received from Group enterprises

2020	2019
DKK '000	DKK '000
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>

Note D – Impairment of financial assets

BC Hospitality Group A/S & BCHG Properties A/S

<u>(573,945)</u>	<u>0</u>
<u>(573,945)</u>	<u>0</u>

Note E – Financial expenses

Other financial expenses

Interest, Group enterprises

(3)	163
<u>(93)</u>	<u>75</u>
<u>(96)</u>	<u>238</u>

Note F – Tax on profit for the year

Tax on profit

<u>150</u>	<u>110</u>
<u>150</u>	<u>110</u>

Note G – Distribution of profit

Retained earnings

<u>(574,732)</u>	<u>(556)</u>
<u>(574,732)</u>	<u>(556)</u>

After distribution of the loss for the year, equity is negative, and the entire share capital is lost.

Note H – Investments in subsidiaries

	2020 DKK '000	2019 DKK '000
Cost		
Cost at 1 January	573,945	450,945
Additions for the year	<u> </u>	<u>123,000</u>
Cost at 31 December	<u>573,945</u>	<u>573,945</u>
Accumulated impairment		
At 1 January	0	0
Impairment for the year	<u>(573,945)</u>	<u>0</u>
At 31 December	<u>(573,945)</u>	<u>0</u>
Carrying amount at 31 December	<u><u>0</u></u>	<u><u>573,945</u></u>

Due to operating losses for 2020 and further losses in 2021 in BC Hospitality Group A/S as well as revaluation of investment property in BCHG Properties A/S, the equity is lost in both subsidiaries. Together with the current situation as described in note 1 and note 2 to the consolidated financial statements both investments are considered impaired.

Investments in subsidiaries are specified as follows:

	Share capital DKK '000	Votes and ownership	Equity DKK '000	Net profit/loss for the year DKK '000
Name/place of registered office				
BC Hospitality Group A/S	1,000	100%	219,695	(23,493)
BCHG Properties A/S	1,190	100%	345,359	15,617

Information is based on latest available Annual Reports for the subsidiaries (2019). Subsequently to the Annual Report for 2019, the subsidiaries have incurred significant losses from respectively loss from operation and value adjustments of investment properties. See note 1 and note 2 in the consolidated financial statements.

Note I – Equity

The share capital consists of 23,920,863.71 shares of a nominal value of DKK 0.01. No shares carry any special rights.

Note J – Contingent liabilities and other financial obligations

Guarantee obligations

The Company is guarantor with primary liability for whatever amount BC Hospitality Group A/S and BCHG Properties A/S may owe Nordea Danmark in the future, including interest and expenses in the event of default.

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 2020. 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 K - Related parties

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

	<u>Basis</u>
Controlling interest	
Alshair Fiyaz, Monaco	Ultimate owner
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 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 from group enterprises are disclosed in the income statement and note C and E.

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

Note L – 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 2020 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 comprises 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.



2020

RESPONSIBLE
HOSPITALITY
REPORT

BC
HOSPITALITY
GROUP

ABOUT THIS RAPPORT

This report covers the 2020 activities relating to Responsible Hospitality in all business units of BCHG Holding A/S group (BC Hospitality Group). The report follows the financial year, 1 January 2020 - 31 December 2020.

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, as Crowne Plaza Copenhagen Towers is certified by these standards.

The content of this report is based on relevant matters regarding the activities of BC Hospitality Group and its main stakeholders. Material content is based on the company's strategic objectives, consultations with stakeholders and material issues at industry and local political levels. Furthermore, its 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. It 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.bchospitalitygroup.dk. For further information regarding this report, please contact Ms. Mireille Jakobsen, Director Group Responsible Hospitality (mij@bchg.dk).

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STATEMENT FROM THE CEO

It is indeed an honor, but nevertheless a challenge for me to begin in my new role as CEO at BC Hospitality Group, at the end of 2020. The world, our industry and our business are facing turbulent times. It is also a sign of changing times and new objectives. Adaptability and flexibility are not new concepts to us, but are keywords that are more important than ever in a world where the Covid-19 global pandemic has set the agenda for the past year.

From a business point of view, specific industries are very affected by the consequences of the Covid-19 pandemic and will continue to be so for a long period ahead. Particularly in Hospitality, the impact of the corona crisis is substantial, and the industry is extremely challenged on a global level.

The restrictions and lock downs also had a severe impact on the number of visitors at our hotels and venues, which dwindled to less than a third compared to a normal year. Harsh proof of the consequences and 2020 will go down in history as the year that turned the world upside down.

One of the most severe and heart-breaking consequences of 2020, is that we had to say goodbye to some 500 colleagues, as we had to cut costs dramatically, we now only employ some 300 team members.

A bittersweet success was our own internal Job Fair to assist our laid off colleagues in moving on to their next job and upgrade their educational skills. With solid support from private and public partners, we were able to help many and even inspired other companies to copy the concept.

On the positive side, the crisis also accelerated digital processes and plans both with regards to upgrading and education of employees. Equally important we took a leap forward with hybrid meetings and conferences accommodating to our customers during times challenged by assembly bans, travel restrictions etc. We were also able to transform a couple previous 'live' fairs into a digital success.

We are also very proud of Hotel Crowne Plaza Copenhagen Towers who won the 2019 IHG

Europe Star Award in the category "Responsible Business Award". It is a huge acknowledgement and an accolade that means a lot for our work with sustainability.

The visions for 2021 are broad and diverse: We will expand our focus on zero-waste and our climate impact, we need to kick-start our business and activities post-corona, building back an even more sustainable and resilient organization.

We know the beginning of 2021 will still be challenging and with many restrictions. However, we are also starting to see the beginning of the end to the pandemic. Early 2021 brings hope in the form of vaccines in Denmark; and our Bella Center Copenhagen has been chosen as a central local vaccine center. It is satisfying being a part of the solution and makes us proud.

Despite challenging times BC Hospitality Group will continue to be committed to holding Responsible Hospitality at the heart of everything we do, no matter the situation, inspiring and advocating for sustainable change.

It is more important than ever, it will not change, and we do this at every level, from self-initiated efforts in finding innovative and creative new solutions, to supporting significant collaborative initiatives to help build a better future for all.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian Folden Lund".

Christian Folden Lund
Interim CEO



● OUR PURPOSE

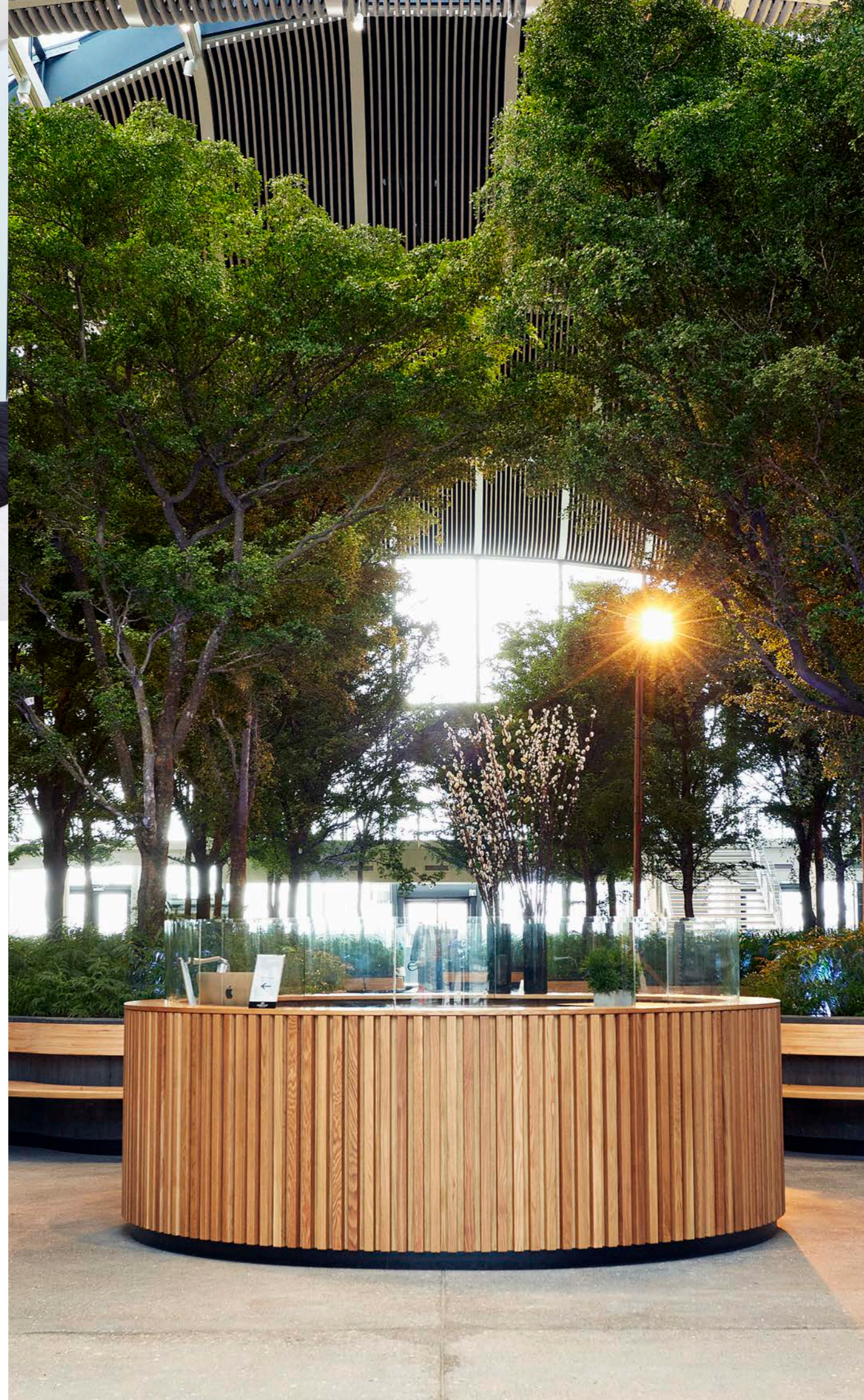
We strive to be the leading hospitality company in Denmark by hosting moments that matter. This is our purpose, and it encompasses our approach to everything that we do.

● 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





PARTNERSHIPS

TELL OUR STORIES

RESPONSIBLE OPERATIONS

RESPONSIBLE HOSPITALITY

BC Hospitality Group is founded on the purpose of Hosting Moments that Matter. Bringing people together live, or virtually, to enhance human connection that can create positive ripples through communities all over the world. We host moments that matter by living out Responsible Hospitality.

As Denmark's leading hospitality company, we want to drive transformational change in the tourism and hospitality industry by putting social and environmental sustainability at the heart of every moment we host. Through our pillars of Environment & Climate, Community, One Team and Governance & Ethics we are committed to the UN Sustainable Development Goals (SDGs). We want to encourage a culture of responsibility and positive social and environmental contribution, starting through our own concrete actions.

ENVIROMENT & CLIMATE

COMMUNITY

ONE TEAM

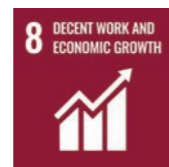
GOVERNANCE & ETHICS



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

As a long-standing signatory of the United Nations Global Compact, we have embedded the UN's 10 Principles and the 17 UN Sustainable Development Goals (SDGs) across our business. We see the SDGs as an overarching framework that can help us shape and communicate our Responsible Hospitality goals and initiatives.

The Covid-19 pandemic has compelled us to revisit if the sustainability issues and relevant SDGs to our efforts are still important and relevant to our stakeholders, given the current situation. Based on this feedback, as well as a consideration of our business's positive and negative impact, we have identified three SDGs that continue to be the most relevant to our activities and that we want to support in priority. We will also continue to work towards these goals through valuable partnerships, within and across our industry, to push for progress.

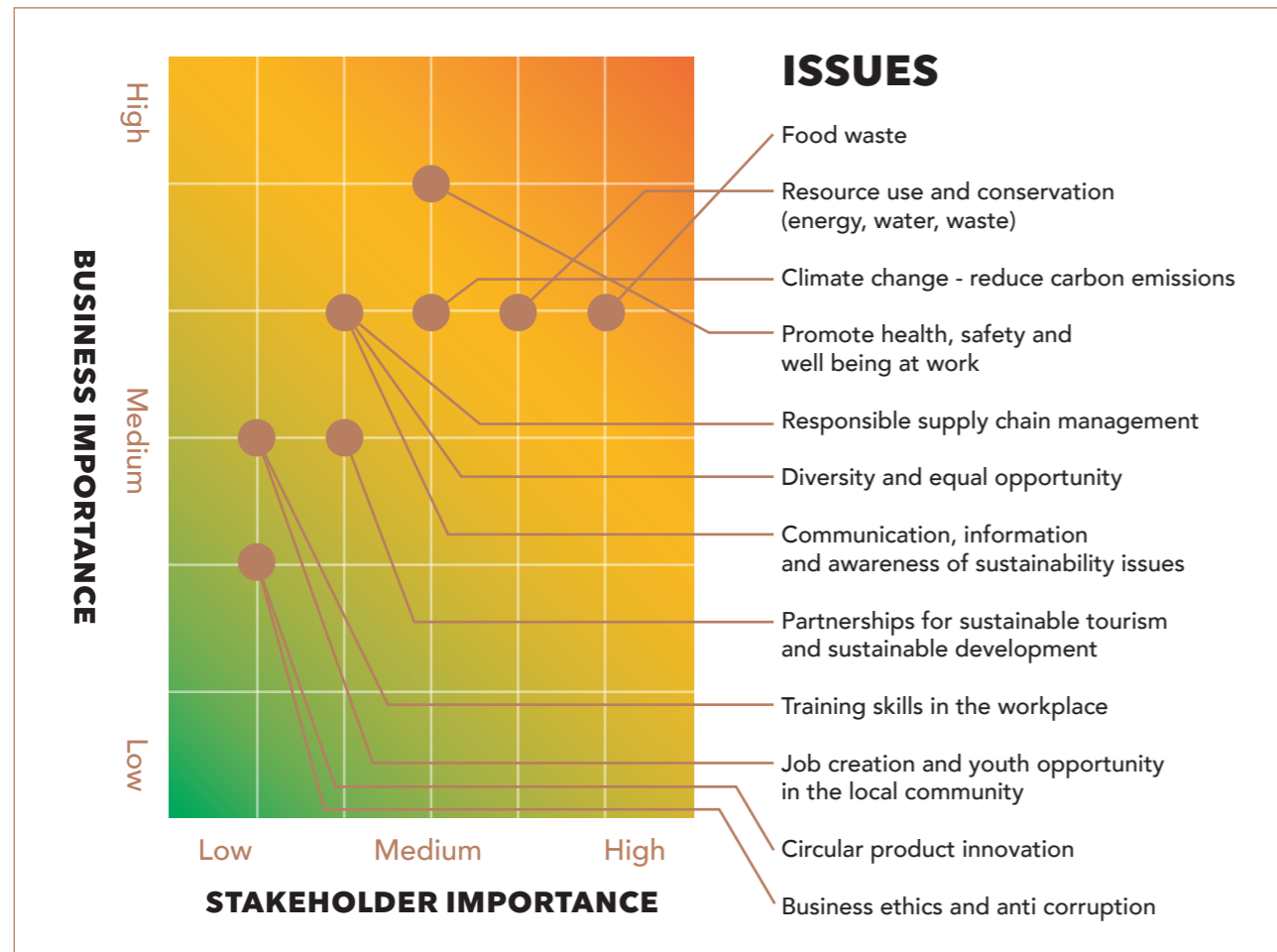


MATERIALITY

Having been forced to pause most of our business activities in 2020 due to the pandemic, we believe it has been more important than ever to revisit which issues ought to be our focus in moving forward. By gathering and integrating stakeholder insights and feedback, as well as using knowledge of our own impacts to prioritize our issue areas, it will help us to be better placed to address important sustainability risks and opportunities. In 2020, we conducted a materiality assessment and used the outcomes to guide the development of our Responsible Hospitality strategy.

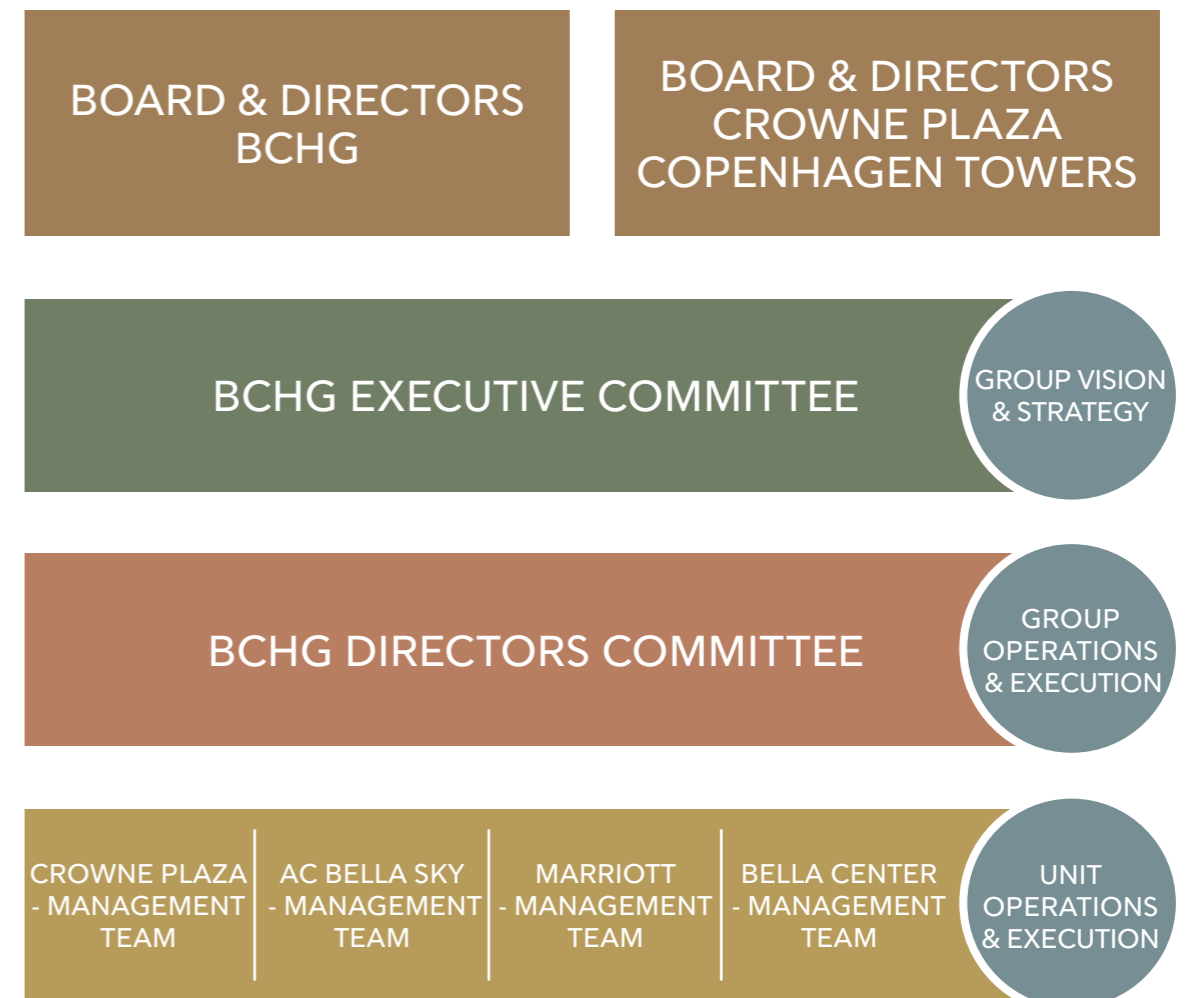
Our assessment incorporated quantitative and qualitative inputs from stakeholders, incl. employees, customers, guests, suppliers, and business partners on their ESG perspectives. During the process, we created an inventory of issues of concern to our key stakeholders, then prioritized and ranked them. We also reviewed global standards and best practices and incorporated existing and emerging ESG topics.

The material issues identified by this assessment informed our strategy development, and all are captured within our four strategic pillars: **Governance & Ethics, One Team, Environment & Climate and Community.**



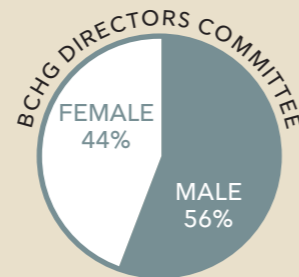
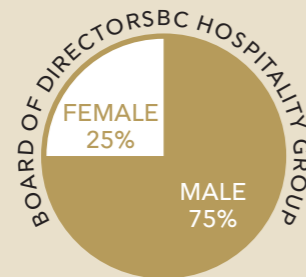
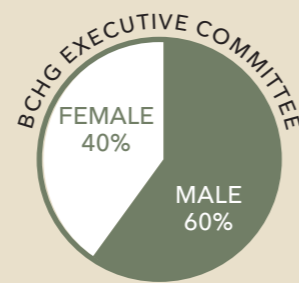
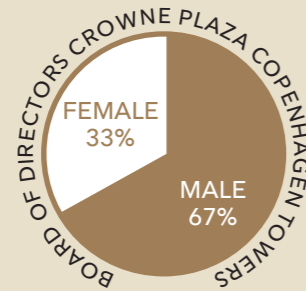
GOVERNANCE & ETHICS

Our governance structure ensures strategic focus, optimal execution, communication, and knowledge sharing, collaboration across departments and units, as well as ensuring effective meetings. In December 2020, our former CEO, Allan Agerholm, decided to seek new opportunities outside BC Hospitality Group. The position of interim CEO is taken up by Christian Folden Lund, former CCO at the company.



GENDER DISTRIBUTION IN OUR BOARDS & COMMITTEES

BC Hospitality Group strives for equal gender representation within boards, departments, committees, and management. The gender equation has not yet reached our ambitions of a more gender distribution goal in our boards in 2020. However, during Q1 2021 new employee-elected board members will be elected. We currently do not find it necessary to initiate additional policies or specific initiatives on the matter.



HUMAN RIGHTS & ANTI-CORRUPTION

BC Hospitality Group has in 2020 continued to show its respect for human rights implement preventive and mitigating initiatives, by for example creating greater awareness amongst employees to own and others' human rights. We also placed special focus on ensuring the termination of employees was done in accordance with relevant laws and agreements.

Our ambition was to do a due diligent analysis on the area of anti-corruption and reevaluate our Anti-Corruption Policy during 2020. While the work on this has started, the unprecedented events of the year, meant we had to prioritize our resources and we were not able to complete the analysis or policy review. We do not consider anti-corruption to be a high risk in our organization but will continue working on a review of this area in 2021/2022.

DATA PRIVACY & COMPLIANCE

In 2020, we have continued our journey towards compliance. Data privacy is essential to our business and we have established a new Privacy & Compliance team to set direction, evaluate data processes and monitor progress of the targets set for 2021.

As we are responsible to all employees, guests, customers, and other persons whose data we are in contact with, an internal "it's your responsibility" campaign with focus on cleaning up personal files and emails was launched. In parallel all processing activities was review and updated.

Driven by findings in 2020, we will continue improve the way we handle personal data throughout our organization. We are already working towards reducing the number of our systems, simplifying our processes and automatic screening for personal data. For additional GDPR training, we have identified Privacy Champion among our staff to ensure data privacy awareness and understanding at all levels. A concept that will be roll out during 2021 and we expect to see the effect of all our initiative during internal audit in the autumn.



FOOD SAFETY

We set and maintain very high standards for food safety and quality. Our chefs and Food and Beverage managers constantly reinforce the principles of food safety – a top priority in our organization. All business units in BC Hospitality Group have only received elite smiles and exceptional reports from the Danish Ministry of Environment and Food. All our units comply with food and safety rules and regulations. We encourage our guests to ask about allergenic ingredients pertinent to them. We also label and pack our food and beverage with full description of ingredients.

HEALTH & SAFETY

Health, safety and security are integral parts of the services provided by BC Hospitality Group. We aim to operate on the highest health and safety standards. The security and safety of our customers, guests and employees are top priorities and are handled accordingly. We aim to help employees live healthier lives through education and support and we offer our guests healthy lifestyle options.

Our history is long, we possess a significant amount of knowhow and recognize our special responsibility concerning our health and safety policy. At BC Hospitality Group, we are professional and very experienced in planning and handling all types and sizes of events and it applies whether attending a conference, being a hotel guest, enjoying a dinner in our restaurants or visiting a trade show - no matter normal times or extraordinary situations and circumstances.



SAFE TO VISIT

2020 will go down in history as the year where a global pandemic defined the agenda. It had – and still has - serious impact on our measures with regards to how we address the challenge in the shorter and long run.

To accommodate to our guest's needs we produced designated Covid-19 guidelines, called Safe to Visit, with detailed information and a quick guide for easy reference. We also launched a sub-site to our web universe dedicated to health and safety issues covering all topics from spacing to food hygiene.

We have implemented procedures to secure our guest's and employees' safety and have taken all the necessary precautions in accordance with the authorities' recommendations. Furthermore, we have our own medical specialists in our day-to-day Covid-19 preparedness securing the best possible implementation of our many health professional steps.

We have a significant expertise and experience in crowd management and handling of large events no matter the size of both.

In addition, we started hosting a Covid-19 test quick center on our premises and as an additional precaution and reassurance all BC hospitality Group staff were from the beginning offered free and voluntary tests.

All our venues have the space to comply with the guidelines from the authorities and we never compromise on our hygiene standards no matter situation being normal circumstances or an extraordinary situation.

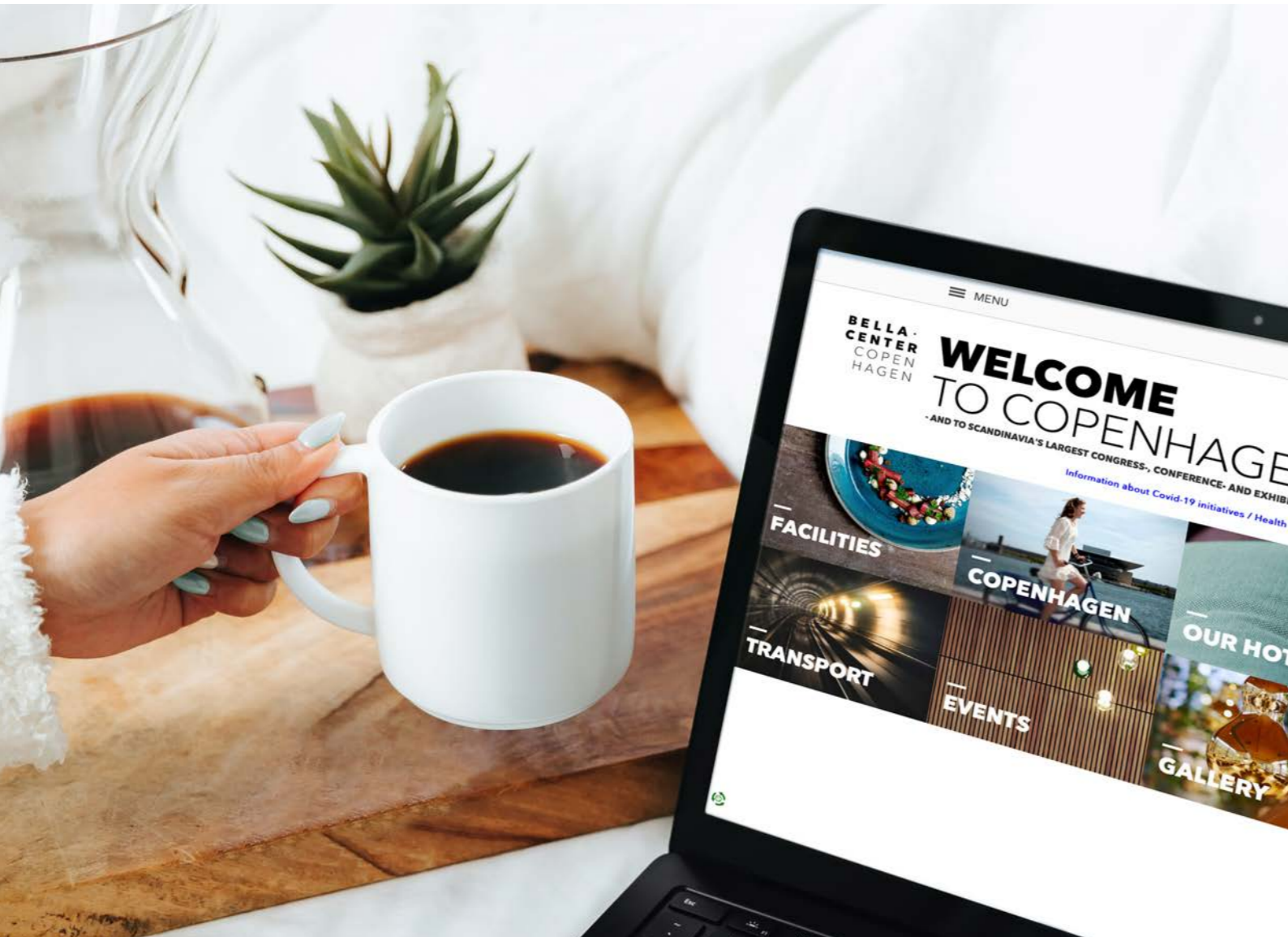
From mid-January 2021 we will also provide space to one of the capital's Covid-19 vaccine centers where the citizens in the capital will be offered to be vaccinated accordingly.

WORKING FROM HOME

At BC Hospitality Group we have always been open to our employees to switch between working from home when possible or being at our various units or wherever one feels comfortable. When "Flexible Working" originally was introduced it was primarily about creating a flexible and creative workplace.

The principles are, thus not particularly related to the corona crisis, however, the speed of the process and change of mindset has increased considering the situation. Given we were ahead in the transition process, it went smoothly, and many employees adapted to new times without incident.

Working environmental measures also apply for the home office thus the company provides the employees with the necessary equipment to fulfil the needs.



EMPLOYEE HEALTH

We believe that good health contributes to a good life – work-life included – and that a good work life contributes to a better overall productivity in our workplace. We therefore work proactively to promote healthy lifestyles for all our employees. We wish to promote physical and mental wellbeing and through initiatives that reduce and alleviate sickness. Our health strategy is ambitious and is aimed at healthy employees and those unfortunate to be facing an illness. Some of our tools include workplace evaluations in addition to personal and professional development schemes. We offer health insurance, check-ups for senior colleagues or employees working nights. We also offer company sports associations and events, discount on gym memberships, yoga classes and massage therapy – just to name a few. We want to create an environment that support a healthy lifestyle and healthy habits.

NO-SMOKING POLICY

In January 2020 we introduced a new non-smoking policy, which is fully in-line with our dedication to be an attractive workplace with a focus on well-being and health in general. All employees are offered free smoking cessation courses during working hours if they wish to attend. We also offer nicotine patches for a period of two months after a smoking cessation course.

Employees' Act. This contains provisions regarding notice periods, severance pay, unauthorized dismissals, expulsion, illness, competition clauses, bonus, maternity, paternity and pregnancy leave, among others.

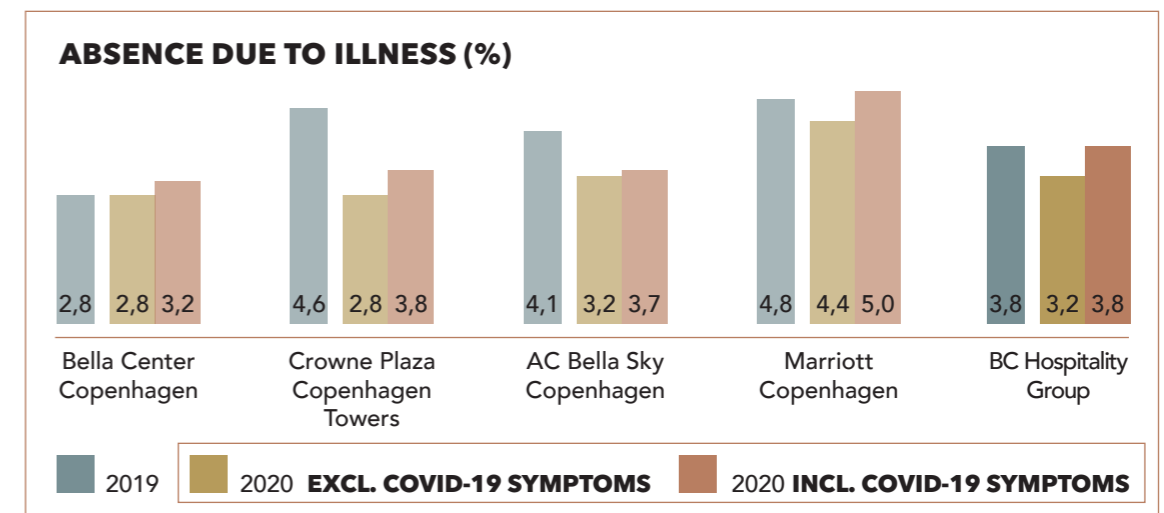
SICK LEAVE

The well-being of our team members is a common concern. In addition to implementing rule for e.g., social distancing, we also offered our employees free and voluntary antigen testing for Covid-19.

HEALTH INSURANCE

All salaried employees with more than 6 months of company-seniority and an 8+ hours workweek are covered by the company's private health insurance agreement with Pension Danmark or Dansk Sundhedssikring. Salaried employees are covered by The Employers' and Salaried

The impact of the health crisis this past year has of course also affected our results for absence due to illness. To create greater transparency, we registered absence due to Covid19-related symptoms separately from other illnesses during 2020.



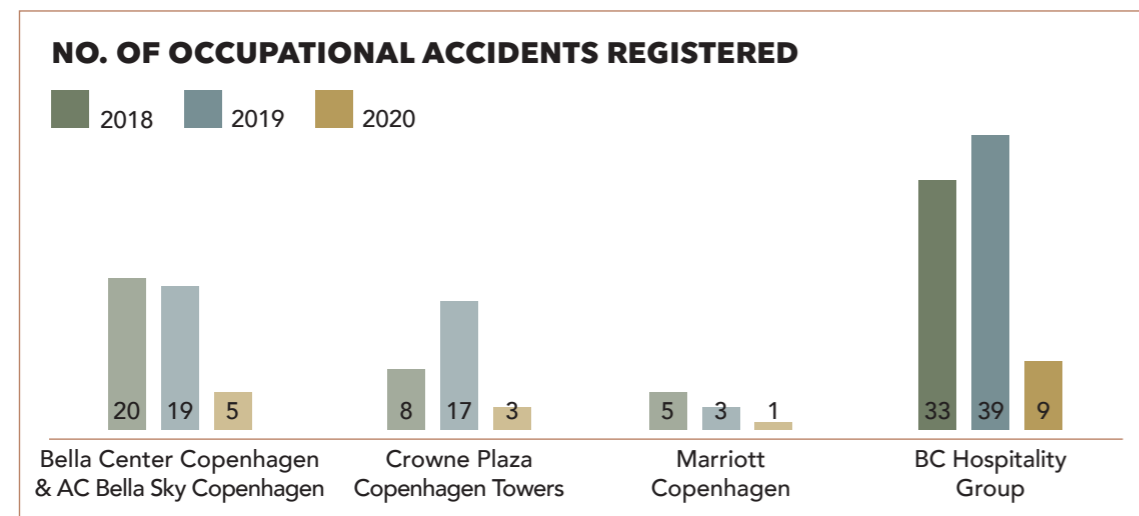
HEALTH & SAFETY COMMITTEE

The Health & Safety Committee's purpose is creating a space for dialogue and cooperation, where management and employees can work together to develop and improve health and safety matters on the job and to develop health and safety standards and procedures. The committee consist of associates from the management team (A) and associates from the employee group (B). Any employee can raise concerns or suggestions to the employee-voted representatives, who will bring it forth to the Health & Safety Committee.

WORK ENVIRONMENT PLATFORM

Our online portal APVKVIK supports the work of the Health & Safety committee. All employees have access to the platform via our employee app. The platform provides a clear overview of all the policies related to our work environment at BC Hospitality Group and the initiatives put forward to ensure a healthy work environment.

The platform provides employees access to e.g., workplace evaluations, action plans, minutes of meetings, tasks and responsibilities, important information about the use of chemical products, and it is also possible to register accidents and near-miss accidents. We strive to maintain a safe workplace with zero accidents and injuries and ensure a safe experience for our guests and employees at all our venues.



WORKPLACE EVALUATION

In December 2020, we conducted a workplace evaluation for all our units. Our participation rate was 59%, as a few days after the survey was launched, new government restrictions followed, which may have affected the participation rate.

Nevertheless, we were still able to gain insight into whether we had any alarming issues, which was not the case. We are proud to report that all departments in all our units reported a satisfactory work environment, with no critical issues. Specific issues that came to light in specific departments will be handled by the respective unit's Health and Safety Committee.

In a more general sense, there are three areas that we will put extra focus on improving:

- a) Wellbeing (employees are nervous about job-retention during the current crisis)
- b) Ergonomics and
- c) Physical conditions (drafts and temperature fluctuations).

An initiative that will be launched in 2021, will be a Pulse Survey with a 5-6 questions that are all about well-being and the survey is conducted every 3 months, so we continuously keep up with how our employees are doing.

ONE TEAM

As with everything else, 2020 set a completely new agenda that has greatly impacted the strategic priorities and operational activities for all our team related efforts.

The majority of planned operational activities came to a complete halt in mid-February. Instead, a lot of time and resources was used in the termination of what ended up being 61% of our workforce and sending most of the remaining employees home on government subsidized paid leave for most of the year. This major blow to our organization, has required us to reduce and sharpen the focus of all our efforts.

As a result, three critical focal points were identified that we believed were critical for our ability to survive the crisis and prepare our organization for what has now been named the "New Normal".



FLEXIBLE WORK & DIGITALIZATION

In terms of Flexible Work and Digitalization we have been focusing on three main initiatives, that each represent a cornerstone in remote / hybrid work:

Of these initiatives, the digital literacy was absolutely essential for our immediate survival in a situation where our way of working changed from physical to remote over night with a large amount of our employees being extremely insecure and untrained in the use of online collaboration tools.

BCHG WoW
Way of Working
Work is not a place.
It's an activity!

PEOPLE
PLATFORM
Digitalizing the
Employee Lifecycle

DIGITAL
LITERACY
Office365, Flexible
Working

ORGANIZATIONAL DESIGN

As for organizational design, we chose to maintain our pre-Covid planned focus for 2020, aiming to profile the whole organization to strengthen our team dynamics and cross-organizational cooperation and effectiveness.

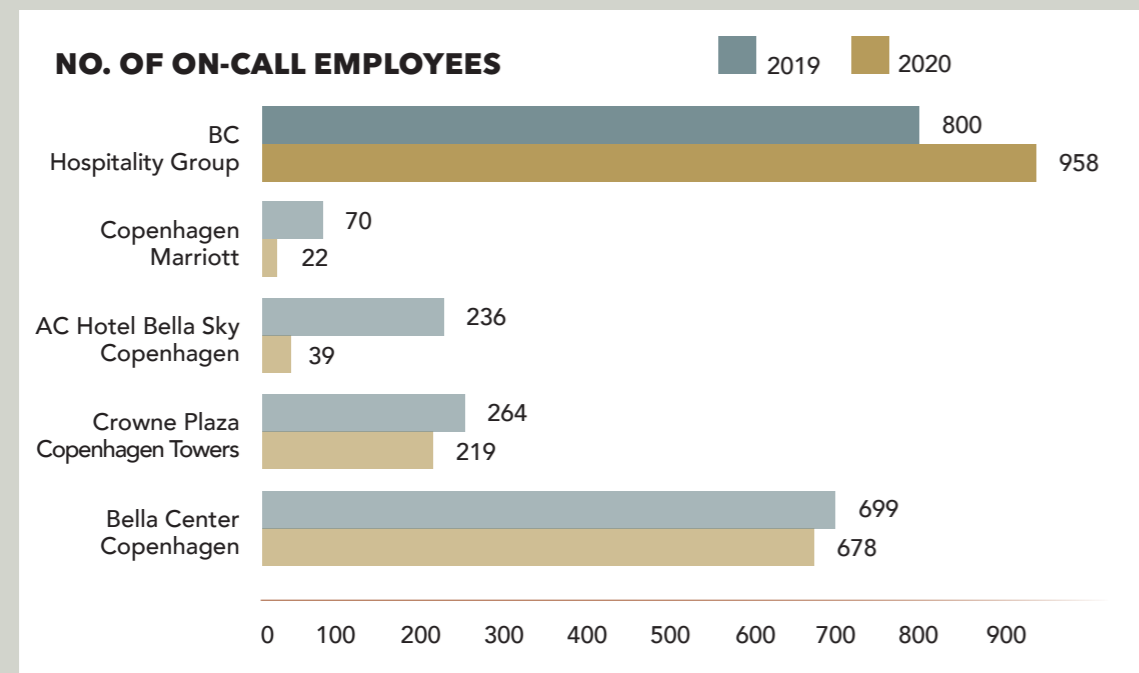
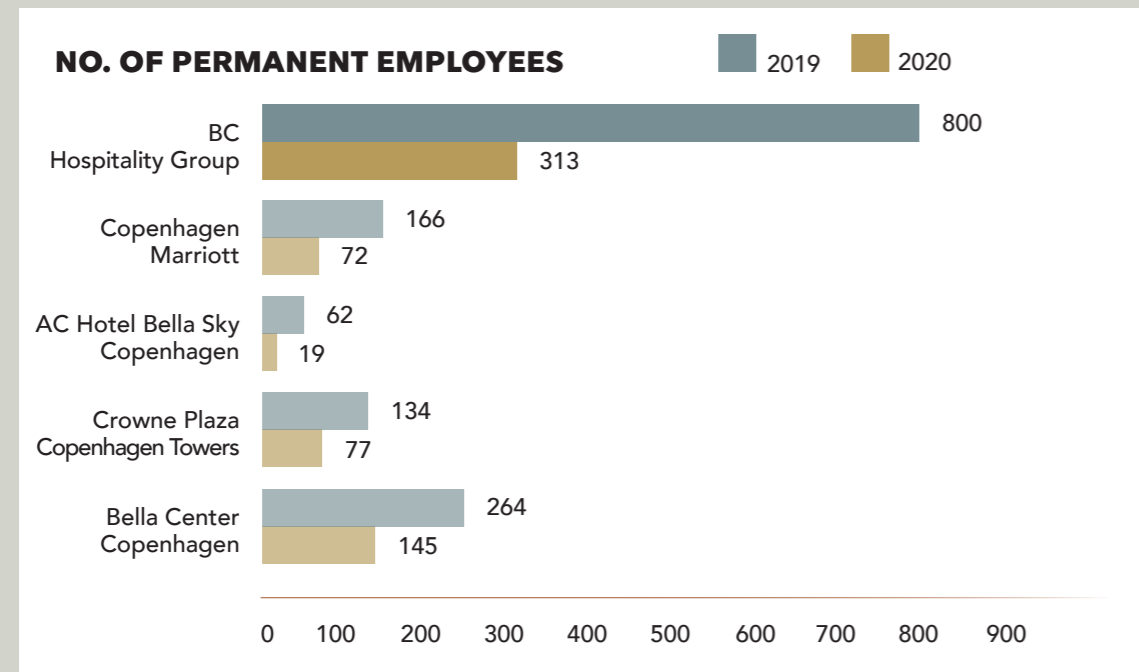
TRAINING

Our last strategic focus point was training with digital literacy being the most important and urgent factor – in the beginning. However, as Covid19 continued to impose severe regulations followed by devastating consequences for our business, ensuring funding through government supported funds quickly became even more important.

That enabled us to execute 2.976 training days after the break-out of Covid19 – the majority of which was online training, which in itself has positively impacted our overall digital literacy.

EMPLOYEE DEMOGRAPHICS

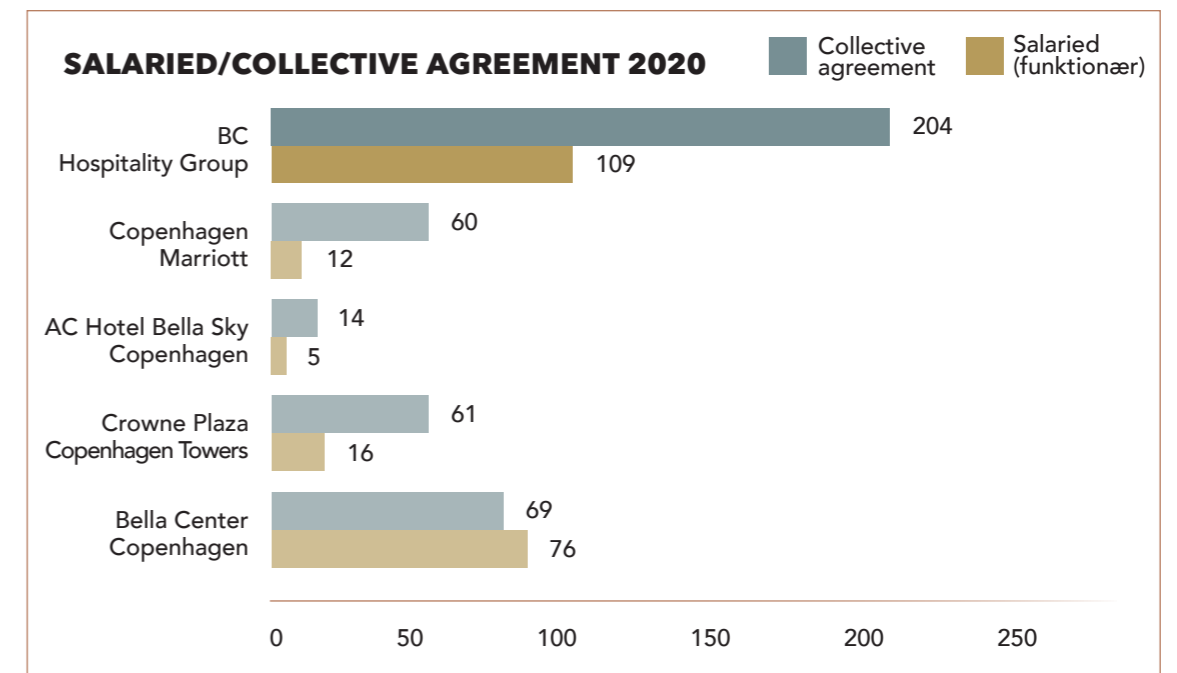
One of the hardest things for BC Hospitality Group in 2020, was that we had to let a very big number of employees go, in order to ensure the survival of the company. As the figure below shows, we have had to reduce our workforce from 800 to 313 persons during the year. A reduction of 61% in staff. The number of on-callers remains steady, however, we have had limited to no work opportunities for on-callers during 2020.



COLLECTIVE AGREEMENTS

Fruitful collaboration with trade unions during the 2020 pandemic has been vital in order to preserve as many jobs as possible and ensure the best possible outcome for all parties involved.

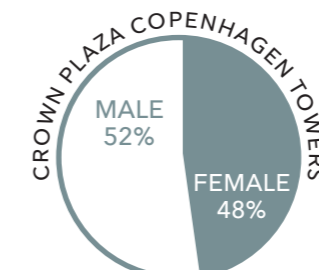
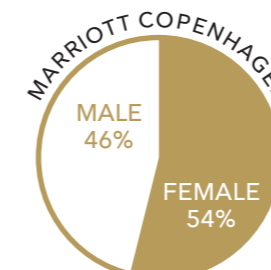
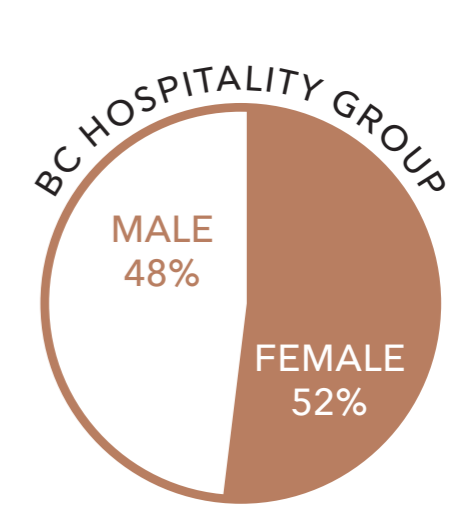
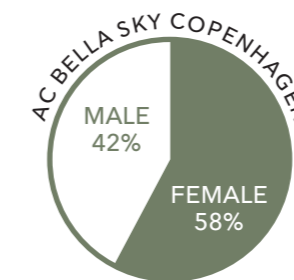
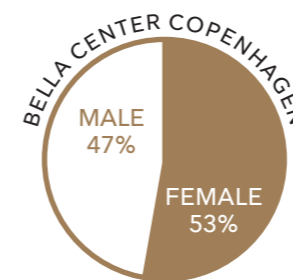
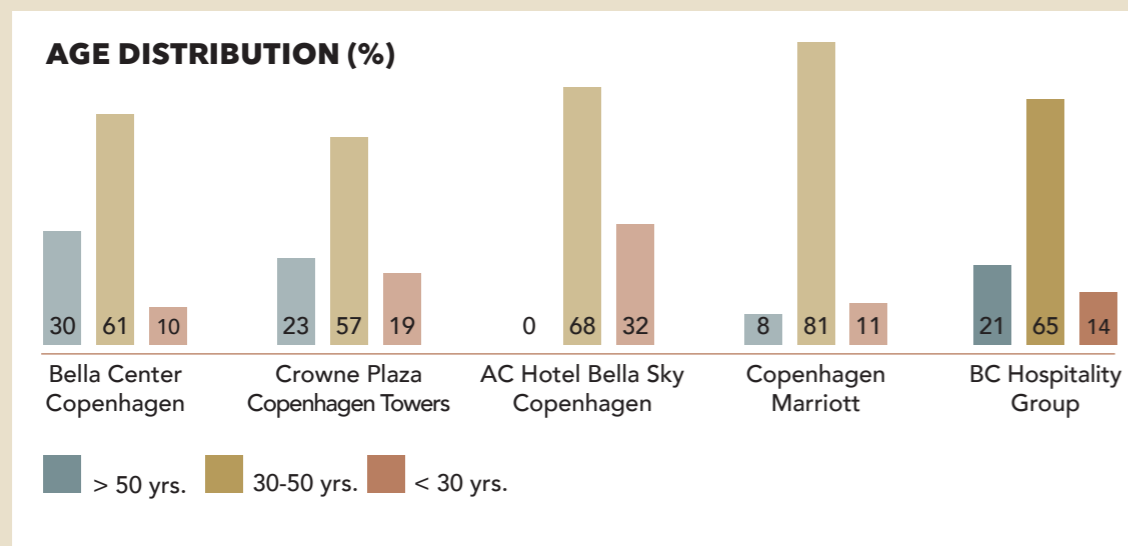
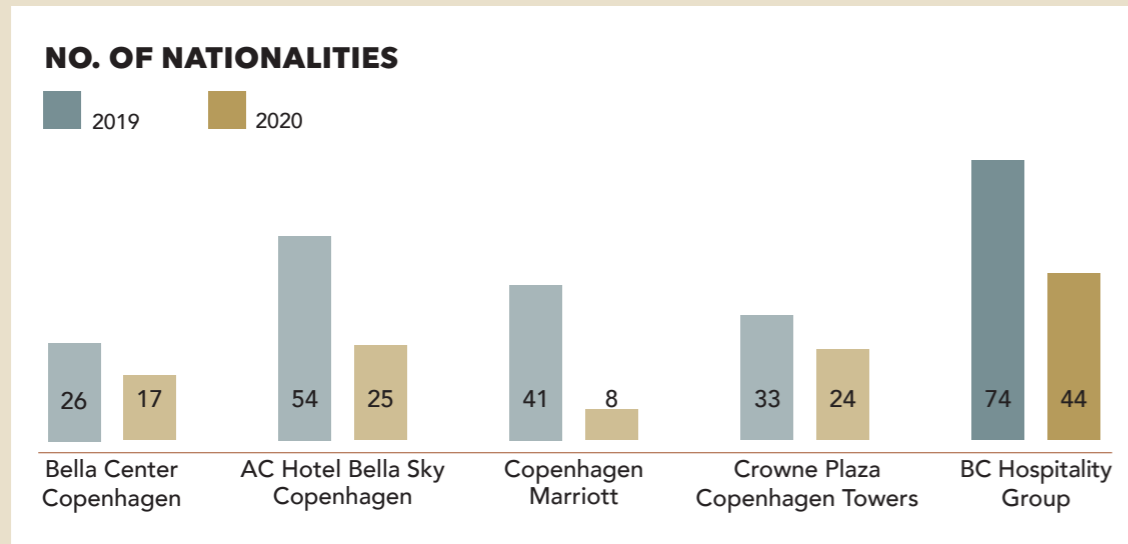
The figure below shows the share of employees who are covered by or member of collective agreements, and the share of salaried employees in each business unit. We want to create the best possible working conditions for our employees with the aim to avoid disputes and to maintain a peaceful corporation in the workplace. We encourage our employees to elect trade union representatives. Currently, there are three union representatives at BC Hospitality Group representing three different trade unions.



INCLUSION, DIVERSITY & EQUALITY

We are proud to employ and serve people with many backgrounds, cultures, sexualities, religions, and nationalities, we therefore find it very important to foster and facilitate inclusive environments. Our diversity is considered as our strength and spark innovation and a dynamic work environment.

Even though we have had to terminate the contracts of many team members during the last year, our organization continues to be a diverse and remains focused on providing equal opportunities for all.



TALENT OPTIMIZATION

BCHG ACADEMY

For the 5th year running BCHG Academy is offering and administering in-house as well as external training and development activities for all our permanent employees. The training covers the full employee lifecycle and works from an inside-out perspective. We believe that culture is the ultimate competitive advantage and that it is created by the behavior of leaders and employees at every level within their organization. Therefore, our training programs strive to help our employees bring both great character and competence to their work and leadership style.

We develop our employees and leaders at three levels: Leading Myself, Leading Others, and Leading Leaders. Our aim is to give everyone tools to transform their lives, their teams, and their organizations modeling the highest levels of personal and interpersonal effectiveness, achieving results time and time again.

Due to the pandemic, we had to change our focus and efforts from delivering our planned internal training programs to organizing online AMU-training activities for all employees eligible for funding. Also, all employees were offered online training "Safe-to-Visit" training modules in order to enable them to cope with all the new regulations and safety measures that have been introduced on an ongoing basis throughout 2020.

During 2020 we have also developed Academy-programs offering our employees an opportunity to develop themselves whilst earning ECTS-points and publicly accredited diplomas. Once the Covid19 restrictions are lifted and the general circumstances allow us to resume our normal training activities, these new programs together with the rest of our 'normal' BCHG Academy offerings will be re-introduced to all our employees.

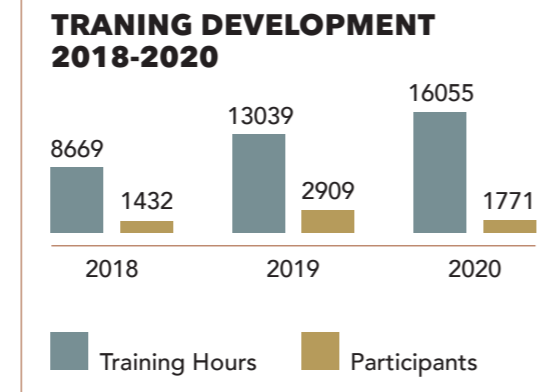
TRAINING OVERVIEW 2020

Despite having reduced our workforce by more than 60% during 2020, the total number of training hours still exceeded the record-breaking numbers from 2019 by more than 3.000 hours. This is primarily because training has been used to ensure external funds during times with very limited business.

This is also an illustration of the fact that there is something positive to be found in most situations – however hopeless they may seem.

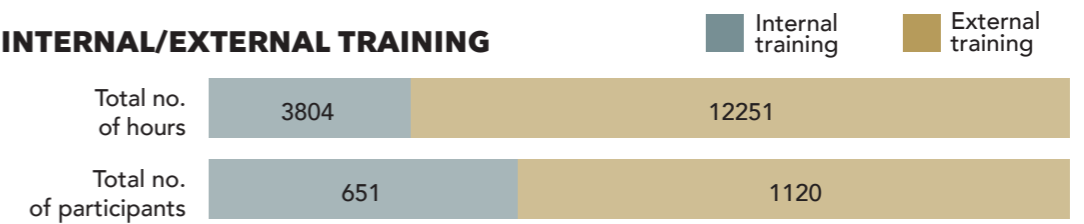
Thus, Covid19 allowed us to see a huge increase in training hours per employee thereby strengthening our core competencies and digital literacy across the organization.

The vast majority of training activities in 2019 were facilitated by internal trainers as a result of a deliberate strategy aiming to reduce costs, increase alignment with BCHG culture, values and tools, as well as increasing flexibility and training

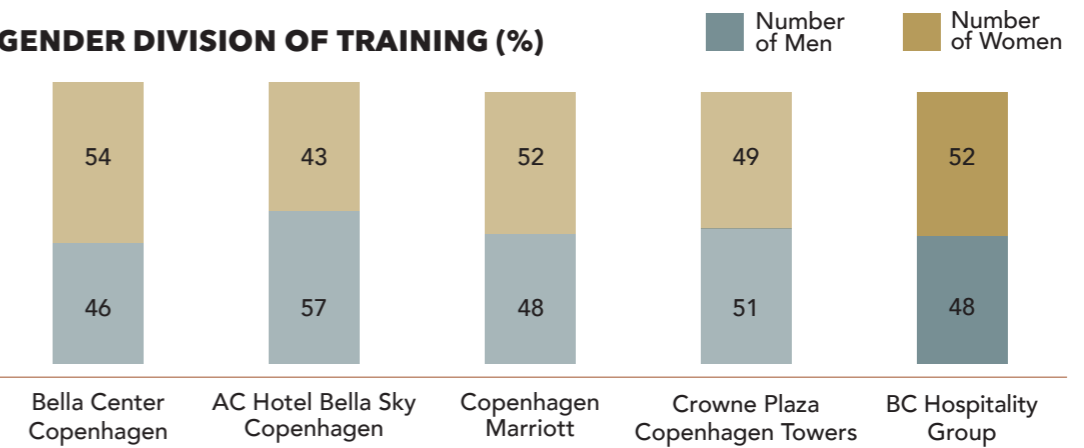


effectiveness. In 2020, however, the picture was completely turned upside down, with the majority of training activities being delivered by external trainers. This change reflects the fact that the main focus of the training activities was guided by the need for funding.

INTERNAL/EXTERNAL TRAINING



GENDER DIVISION OF TRAINING (%)

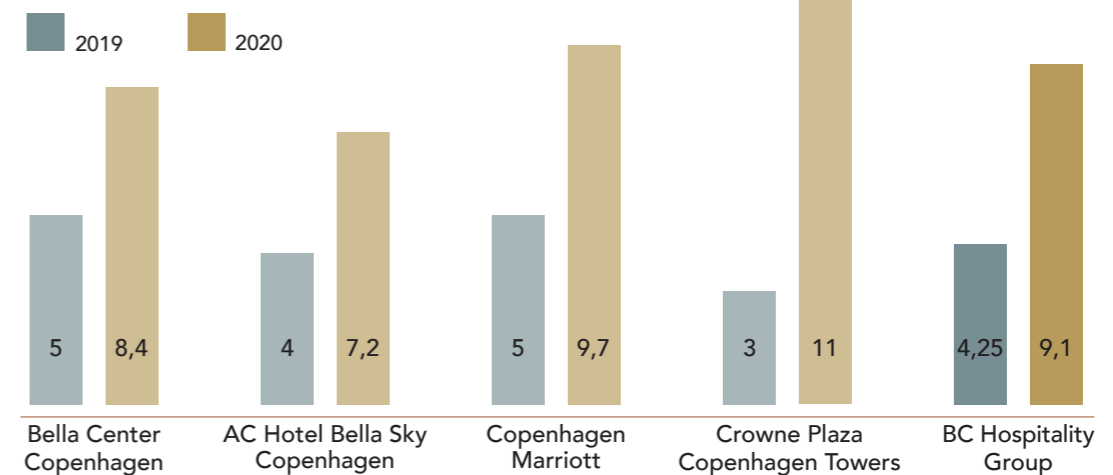


Like previous years, the gender balance with regards to training activities is very equal for BC Hospitality Group as a whole, with slight variations across units.

Despite being heavily decimated in numbers, our remaining employees have participated in a total of 16.055 training hours during 2020 exceeding the total from 2019 with more than 3.000 hours. This is a powerful illustration of the extreme determination of each and every employee to help ensure the survival and continued competitiveness of BC Hospitality Group.

The average number of training hours per employee more than doubled from 4,25 hrs./FTE in 2019 to 9,1 hours in 2020! Our strategic goal for 2020 was 5 training hours per employee. Since the majority of the training activities have been conducted online, we have also seen a significant improvement of the organizations overall digital literacy, with employees from all jobs and functions participating in these online training activities.

TRAINING (HOURS/FTE)





CAREERS THAT MATTER

Our “Careers That Matter” workshops create awareness of how and why any employee can establish their own Personal Development plan. We also planned to introduce our 9-box talent review tool for succession planning. Sadly, these workshops and initiatives were put on hold during 2020 but they will be offered again as soon as possible.



HØS TALENT PROGRAM

This program focuses on strengthening the participants’ competences in areas such as pricing, forecasting revenue management, product development, marketing, customer service, cost control, finance, HR and leadership. A central part of the program is a gamified business simulation that allows for the best possible ‘real life’ understanding of how to run a business.

In 2019 we selected three talented employees for the HØS Talent Program, and we were so proud to see them all ending up with extremely fine results. And of course, we were extremely happy to receive the news that one of them – Dennis Due Dickow from Crowne Plaza – was the overall winner of the competition that is part of the program, receiving a 50.000 kr. scholarship to be used for his continued development.

For the 2020 program we once again selected three employees for the program, and once again one of them – Niels Christian Käll from Crowne Plaza - ended up as the winner of the overall competition and a 50.000 kr. scholarship with his two colleagues ending up in the top 10. This kind of results bear witness to the amazing ability our leaders have to enable our passionate talents to unfold and develop.

APPRENTICESHIPS

At BC Hospitality Group we provide apprenticeships and work experience opportunities for students, in collaboration with educational institutions. In 2020 we have had the pleasure of having 38 apprentices across our units.

ENVIRONMENT & CLIMATE

Unfortunately, we have not had the pleasure to host as many guests as usual this past year. This has resulted in us having a very different resource use than normal. We have, nevertheless, continued to improve our efficiency, to ensure our business practices and buildings are not only fit for the future, but also supports healthy and productive environments for our guests and employees.

ZERO WASTE

At BC Hospitality Group we work towards a goal of having zero waste. For us this means sending as little as possible to the landfill and ensuring waste materials are reduced, reused, recycled or repurposed and no waste is sent to landfill or the ocean. We recognize that this might mean a gradual, slow and imperfect process and we understand that we need to reframe our whole approach toward waste management.

KEY ACTIONS WE WILL TAKE IN THE YEAR TO COME INCLUDE:

- **Improve waste data:** Working with our waste management supplier, we want to improve the quality and transparency of our data. Where is waste generated and where does it go. This information will help us better understand the impact of our operational decisions, what specific goals to set, how to assess progress as well as finding the right methodology to calculate our waste footprint.
- **Empower our employees:** We want to improve recycling at all our units, including the training of key employees.
- **Food rescue:** Work actively with food waste reduction, including a goal of zero food waste in the production process and expanding our composting program. Read more under Food Waste Reduction
- **Upcycle wherever possible:** Read more under Upcycling
- **Phase out single use plastics:** We want to phase out single use plastics by 2024.



FOOD WASTE REDUCTION

Reducing food waste is an integral part of responsible hospitality. While we in 2019 served more than 2 million meals to our guests, we only served approx. 400,000 meals in 2020. Our stakeholder feedback analysis also established that Food Waste is the most important area for our stakeholders.

Despite the reduction in food produced, we continue approach food waste proactively to secure food resources and to reduce food waste that produces greenhouse gas and contributes to global warming. We have had to postpone some of our reduction initiatives in 2020 but expect to make a strong comeback in the year to come.

We are working towards a goal of zero food waste in production by July 2021. We will formulate goals and action plans for our other processes, such as service once we have more accurate data. For us to achieve our goals, we focus on several key initiatives.

New waste measurement system:

We have changed our food waste measurement system. Our new system is expected to completely rolled out by January 2021, which will enable us to get much increase data accuracy and reduce waste even further. This means that we measure all foods to avoid overproduction.



TOO GOOD TO GO

We also collaborate with Too Good To Go, an organization who fights food waste using an app that connects users to e.g. restaurants like ours, that have unsold, surplus food. In 2020 our goal was to save 2500 meals. As we had a lot of food that was going out of date, due to lock down and restrictions, we saved 3252 meals from disposal. In 2021 our goal is once again to save 2.500 meals via the app.

FOOD DONATIONS

We have continued to work with several different organizations, including Det Runde Bord, to ensure that the food we might have left from large events can be given to the homeless or others in need in our local community. This was primarily during the months of January and February.

TAKE HOME BOXES

Employees at the Bella Center can continue to take home boxes of leftovers lunch from the canteen free of charge.

COMPOSTING

We have installed an on-site composting machine at Bella Center Copenhagen which involves turning food leftovers from our production, that cannot be recycled e.g., pineapple peel, into a rich soil. The compost machine can convert 5 kg of leftover food into 500 grams of compost in 24 hours. In due course, the plan is to use the soil for flowers used in our house decorations.

FOOD WASTE TO BIOGAS

Leftovers from plates are sorted, grinded by our food grinder and collected and converted into biogas. The gas is used for electricity and heating in local homes. That is a great solution for diverting waste from landfill.

SINGLE-USE PLASTIC

Our guests are as concerned as we are for the negative effects single use plastics are having on the environment. As an organization we have thus made it our goal to phase out all single use plastics by 2024. The current pandemic and restrictions have unfortunately meant that we have had to increase certain single use plastic products.

We are however very focused on reducing this usage as soon as possible.

While we have replaced our small single-use plastic amenity bottles at Crowne Plaza Copenhagen Towers, we were not able to do so at our Marriott franchised hotels. Due to challenges related to the pandemic, the implementation has unfortunately been postponed, with the new replacement being completed at the latest June 2022.

into something new and better, is not something new for BC Hospitality Group. In fact, the very construction of Crowne Plaza Copenhagen Towers is/was groundbreaking in terms of implementing upcycled solutions. Wood waste from window frames, old doors, floors and scaffolding is used to create modern wall panels, while the floor is upcycled concrete, to name but a few examples.

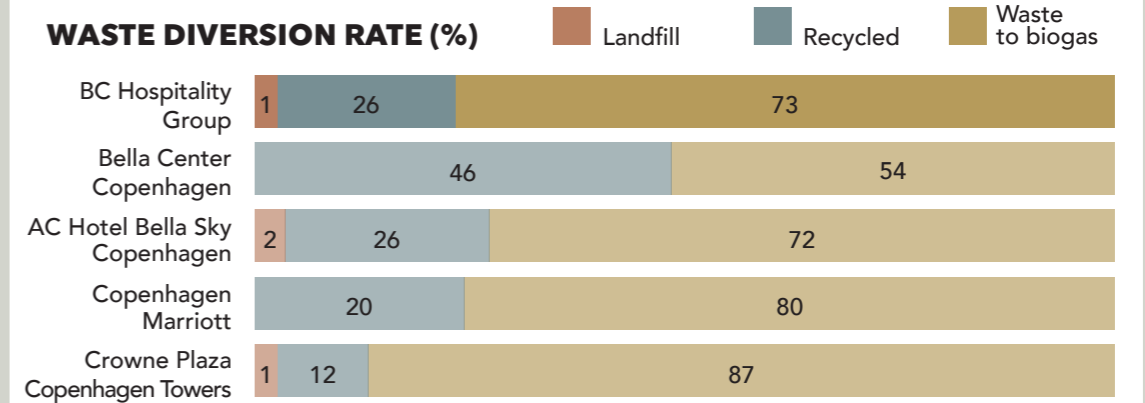
We are nevertheless, constantly working on innovative ways to integrate big and small upcycled solutions in our operations. In collaboration with our linen-service provider, De Forenede Dampvaskerier, we are working on new ways in which to reuse linen, whether it's tablecloths, towels, sheets or pillowcases; we believe there is still some value in these materials. Tablecloths are sewn into chefs' jackets and plastic items can perhaps be replaced with textile alternatives.

UPCYCLING

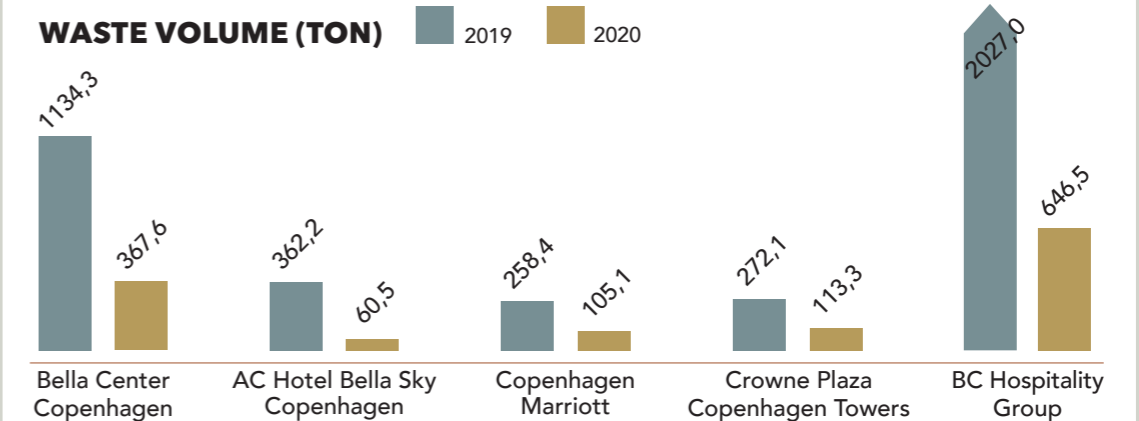
Implementing upcycled solutions, where resources traditionally considered as waste, is transformed

These small steps, coupled with recycling and reducing our waste from the start, will help to address the pollution crisis and curb waste from landfills.

WASTE DIVERSION RATE (%)

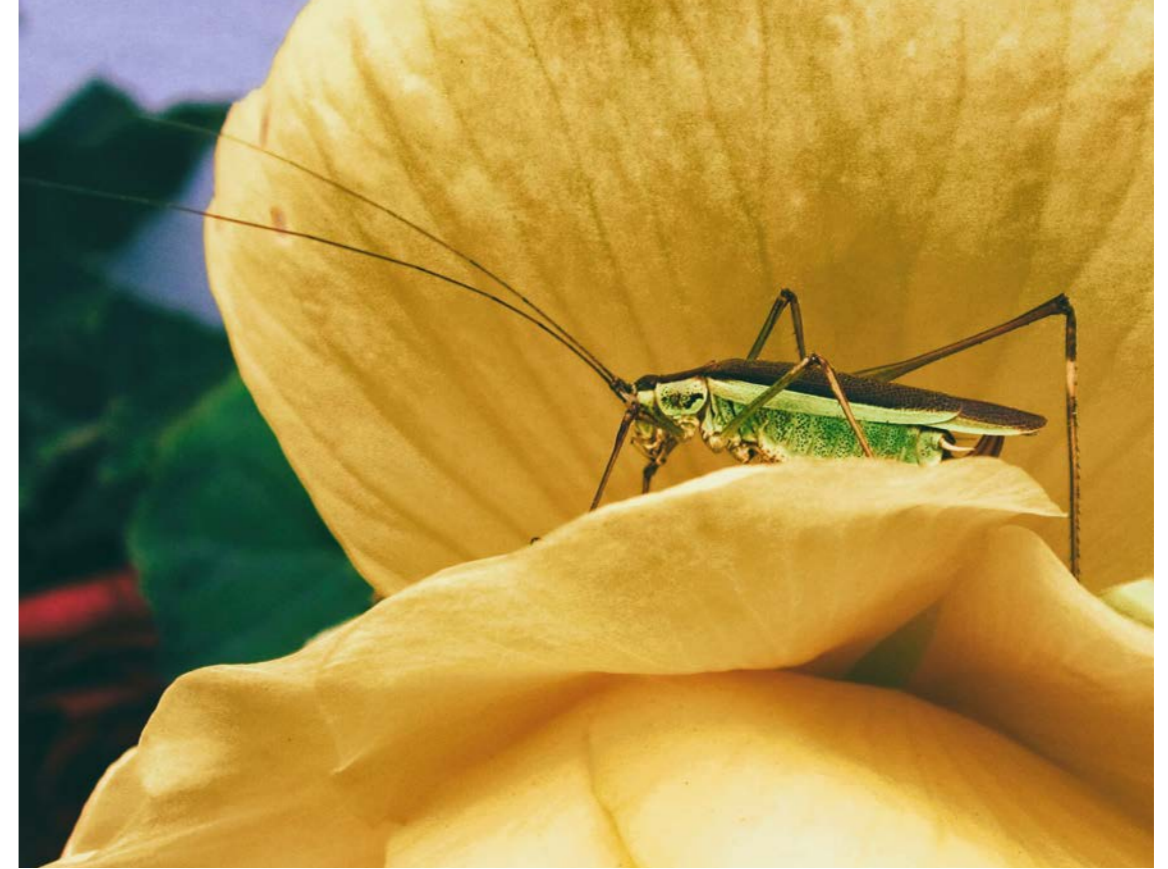


WASTE VOLUME (TON)



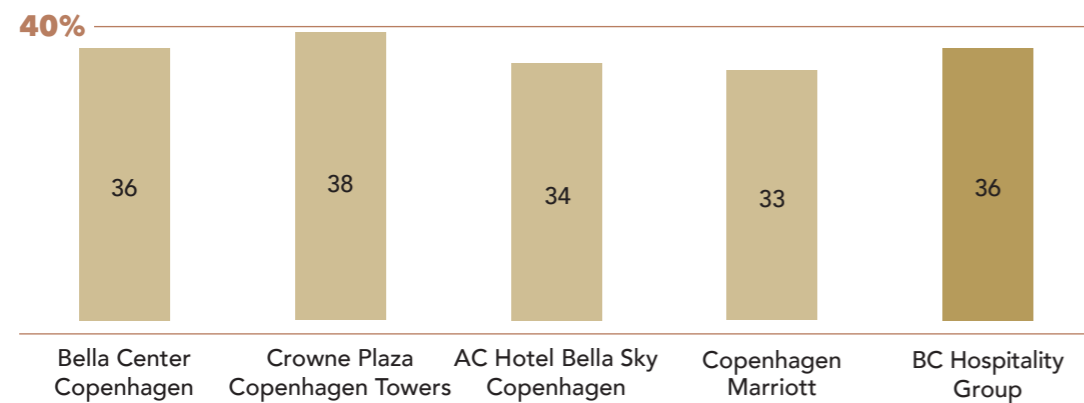
BUILDING A BETTER FOOD EXPERIENCE

We want to offer an assortment of food and beverage that support a healthy lifestyle and stem from sustainable sources. That includes the advancement of biodiversity, animal welfare, sustainable fishing practices and reduce animal proteins with a high carbon footprint.



ORGANIC FOOD SHARE

ORGANIC FOOD & BEVERAGE SHARE (weight) 2020 (%)



CRICKET HOTEL

In order to support our ambition to support more sustainable sources of protein, we are very proud to have established our very own Cricket farm, or Cricket Hotel, on-site at the Bella Center Copenhagen and AC Bella Sky Copenhagen. The project is done in collaboration with the start-up Entomation, who specializes in Urban Cricket Farms. The residents of our Cricket Hotel will contribute as ingredients to our kitchens in the longer run.

Crickets are in fact a highly effective source of protein in food. They only require a fraction of water, less space and multiply much faster than other traditional animal protein sources. In comparison, it takes about 15,000 liters of water to produce one kilo of beef while it only takes 8 liters of water to produce 1 kg. of crickets. In addition, 1 kg of beef emits 15 kg. CO₂, where 1 kg. of crickets emits 0.15 kg. CO₂. In addition, crickets are rich in protein, vitamin B12, iron and amino acids. On several parameters, it is a super food, and we believe there is great potential in introducing crickets as a new and more climate-friendly raw material not only at our facilities, but in our local community at large.

The intention is also to make the production site/farm as circular as possible. For example, the container is placed on top of an existing refrigerated container whose excess heat is used to heat the farm up to between 27 and 35 degrees.

The crickets are also close to their food source, as they are fed with food leftovers from our kitchens. The production thus provides an opportunity to produce local food with high efficiency, which is in line with the sustainable food production of the future in our big cities.

By the end of 2020, we had a population of approx. 40.000 crickets. This is expected to grow to 5.000.000 during 2021. Although it will probably take some time before the crickets become a regular part of the menu offered at our facilities, we have so far had many positive experiences with using the new ingredient. Food prepared with crickets, are usually received as an exciting experience and a good conversation-starter for events. However, we are not there yet, where it is considered everyday food. With the Cricket hotel we hope to be able to push a little to the eating habits and demystify the idea of insects as a food source.



LOCAL SIMPLY TASTES BETTER

Local and seasonal produce are grown in optimum conditions delivered to us soon after harvest. We have a very clear goal: To provide a high quality and sustainable food experience to our guests, therefore produce from our local area is the best choice.

BREAD

FoodPeople is located 5 kilometers from BC Hospitality Groups headquarters. Sustainability and local responsibility are fundamental to their actions and they were the first to convert 100% to organic production. Similar to BC Hospitality Group they are a diverse business with many nationalities and have a close cooperation with the municipality and authorities for the inclusion of unemployed, challenged young people as well as refugees.

HONEY

Bybi (City Bee) provides us with some of the honey used in our confectionery and is produced in our own hives on our rooftops. Our 280.000 bees produced 203 kilos of honey in the summer of 2020. Bybi is a local socio-economic company that focus on including refugees and the different cultures and personalities engaged in the honey production are contribute to a much more inclusive society. The honey is free from pesticides and pollution from the air.

MILK AND DAIRY PRODUCTS

Øllingegaard Mejeri is a dairy farm situated in Northern Zealand producing over 60 different organic dairy products. The raw milk comes from 7 different farms located nearby and the transportation time is very short. All their suppliers plant herbs in the field providing a greater biodiversity. In addition, it gives a better tasting forage for the cows which can be tasted in the product: Tasty and healthy milk.

VEGETABLES

Our vegetable supplier, Sør is a value-based farm producing organic vegetables in the Northern part of Zealand. They have a broad selection of organic vegetables from their own produce and from a handful of other organic vegetables farmers. They only produce high quality seasonal vegetables, which is due to the minerals in the ground and our seasons and weather, the most traditional Danish vegetables.

GLOBAL NECESSITIES

As a food provider in Scandinavia, it is challenging to provide our guests solely with local produce. We need to partner with global suppliers to ensure a variety of fresh and healthy products. When we select our global suppliers we actively work on ensuring traceability, transparency and trust.

CHOCOLATE

Our chocolate supplier, Original Beans, sources sustainable and very delicate chocolate that supports many different sustainable projects on the planet. The supply chain is climate-positive through a regenerative business model and their One Bar: One Tree project: When you take a bite of your chocolate bar, you have literally cleared the way for planting a new tree. The reforestation protects endangered wildlife in collaboration with local conservation programs and farmers

COFFEE

Coffee is a very central and important product in our business. We were introduced to Orang Utan Coffee a high-quality coffee sustainable grown in a protected natural resort in Sumatra, Indonesia. The project supports the sustainable coffee growers, organic coffee beans, maintenance of the rain forest and last but certainly not least the work with protecting the existence of the threatened orangutans.

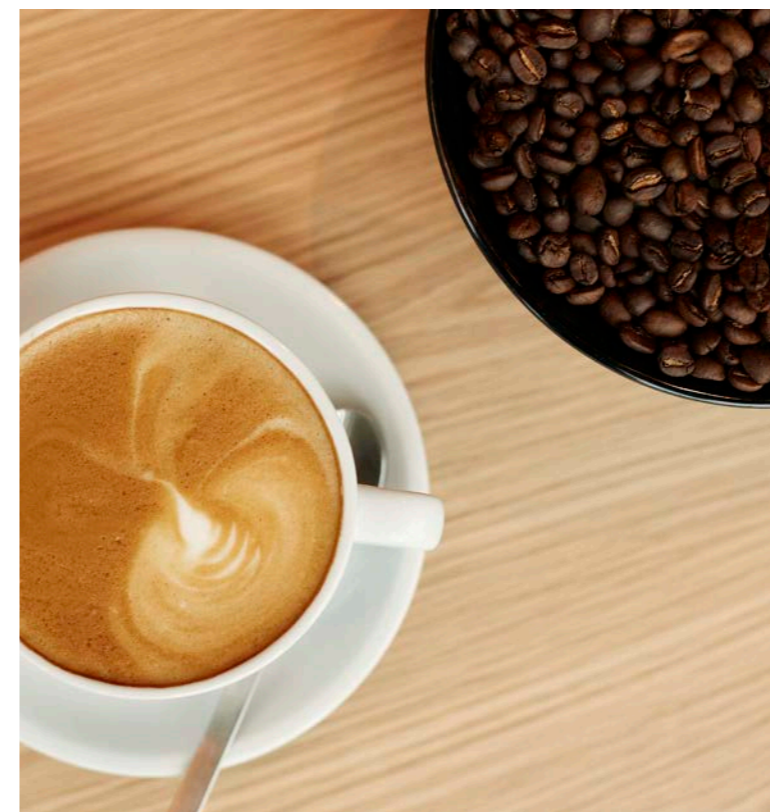


SEAFOOD

At BC Hospitality Group we always stay clear of purchasing seafood on the WWF red list. We buy our salmon from Hidden Fjord in the Faroe Island, raised in the wild without the use of antibiotics or hormones. Each phase of growth is natural, and each step of the process has been customized to provide the most ideal, stress-free environment resulting in the best quality. Hidden Fjord simply salmon provide some of the safest and most predictable fish production environment in the world.

TEA

Our tea supplier, Pukka, is a purpose driven company, who wants their tea to be of benefit to the health of people, plants, and the planet. The values that Pukka are built upon is organic farming, fair trade, and conservation through commerce. From being Fair for Life certified, donating 1% of their revenue to environmental and social causes, sourcing organic ingredients, and becoming carbon neutral in 2019. We are proud to support Pukka in to change the world for a positive future – one cup of tea at a time.



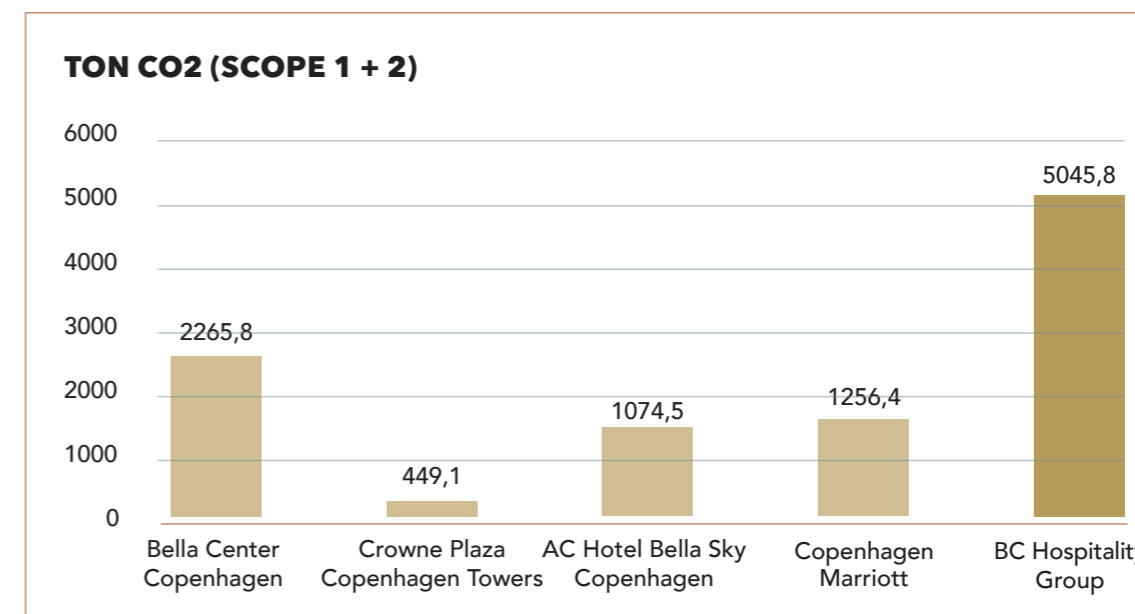
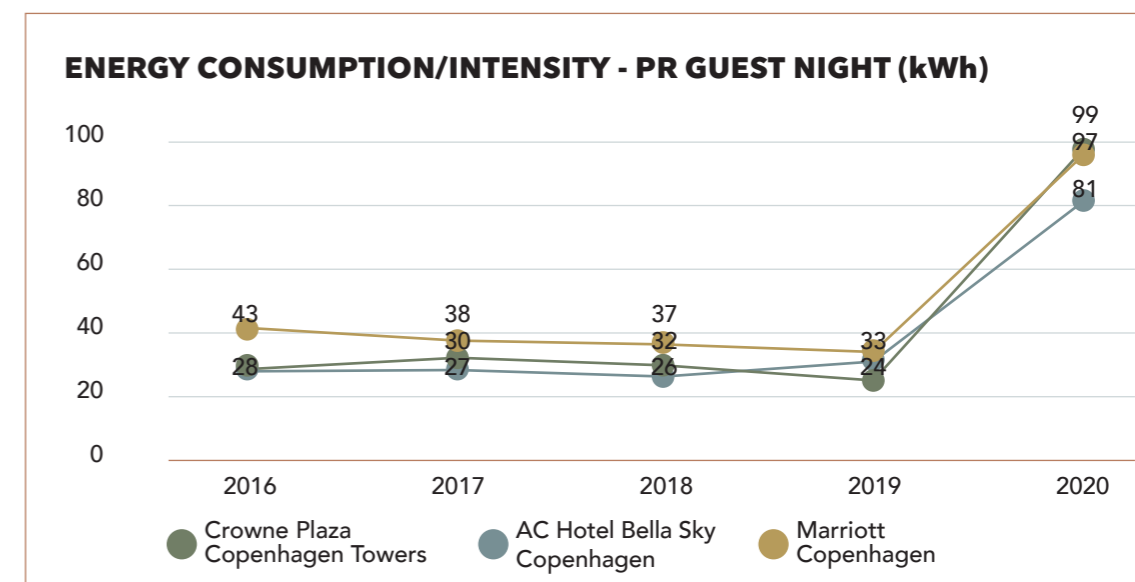
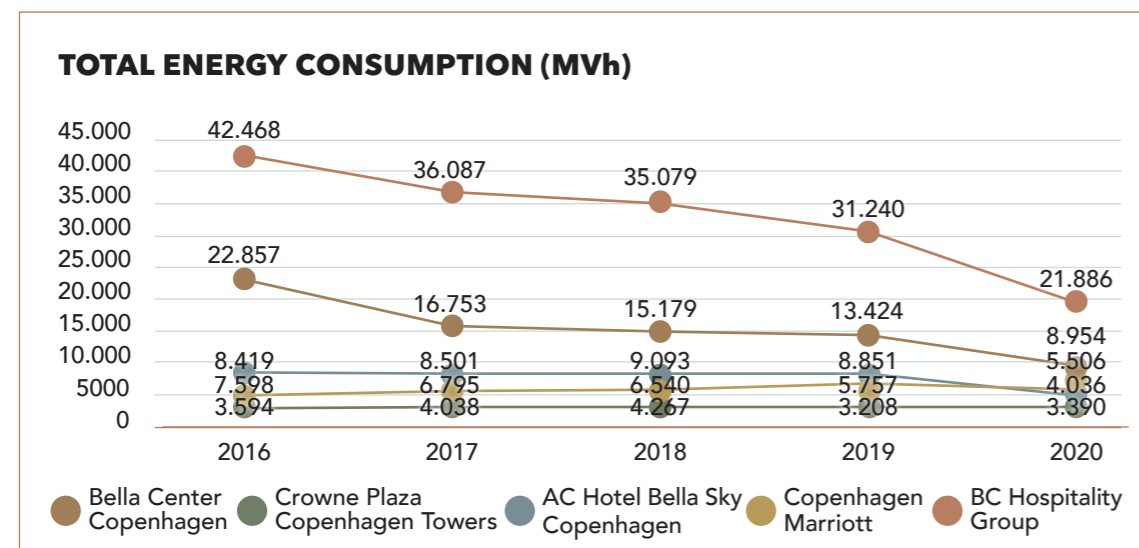


ENERGY AND CARBON

The landmark Paris Agreement and the United Nations Sustainable Development Goals provide both a framework and an urgent call to action against building-related emissions. The hotel industry accounts for around 1% of global greenhouse gas (GHG) emissions. There is a need for the industry to set science-based carbon reduction targets to reduce its greenhouse gas emissions per room (across all hotel operations) by 66% from 2010 levels by 2030, and by 90% by 2050 to align with the Paris Agreement.

Our goal for 2020, was to commence the process of setting science-based targets. Unfortunately, we were not able to honor this goal due to lack of resources. It is however still our intention to set these targets as soon as possible, no later than 2022. We will also continue to strive to reduce our climate impact in all operations through the improvement of energy efficiency, the reduction of fossil fuel usage and sharing best practice with our industry peers.

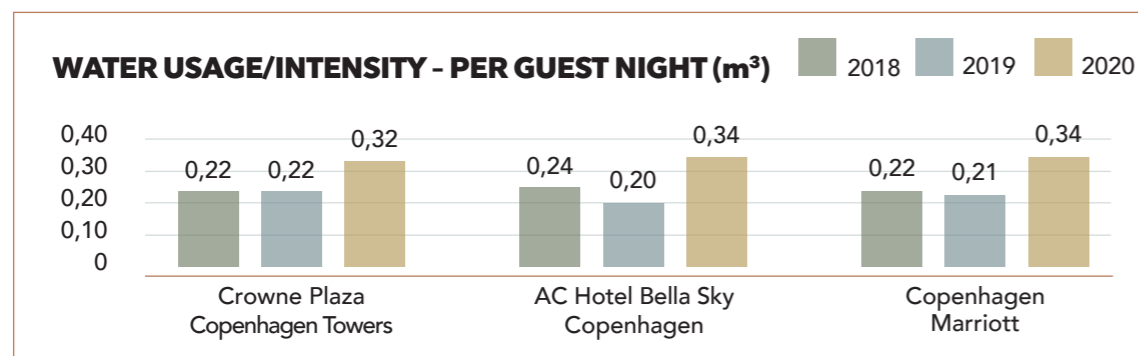
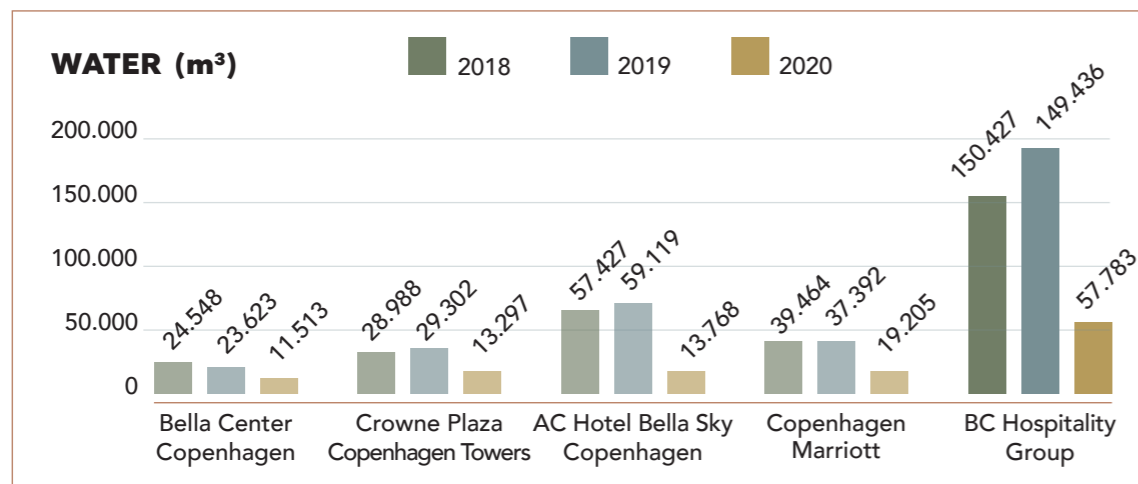
As our data shows, our energy consumption has also been drastically affected during 2020. While we have used fewer resources, due to fewer guest, our relative consumption per guest has risen. This is because certain foundational functions and machinery still required resources regardless.





WATER

A large amount of our water consumption comes from laundry and housekeeping. Once again, the large deviation in water use, is due to a dramatic fall in activity and guests.



COMMUNITY

JOB OPPORTUNITIES AND SKILL DEVELOPMENT

BC Hospitality Group has always actively worked with creating jobs and skill development opportunities for those facing difficulties joining the Danish labor market. As a large hospitality company in Denmark, one of the biggest risks facing our organization and industry during the last few years was the shortage of qualified work candidates. This has however not been the case in 2020. With none but a few critical recruitments, we have had to put on hold all initiatives related to employment and skill development. BC Hospitality Group did however have 40 selected candidates for a skill development internship in the beginning of 2020, of which 7 candidates were offered employment in one of our units.

JOB FAIR

We are all dramatically affected by the Corona-crisis and the impact on our industry is devastating. Since March we have been forced to lay off more than 500 good and valued colleagues as a direct consequence of the pandemic and the de facto lock down of our business.

Our hallmark is Responsible Hospitality and it influences all decisions in our organization and the way we work. In other words, we had to act: How can you change your professional path and direction after working many years in the hospitality industry? It can easily become chaotic and our job fair could hopefully assist in making the transition process easier.

In a very short time, we managed to arrange an internal job fair for our dismissed colleagues, taking place in September. We have the space and can easily adapt to the guidelines from the health authorities concerning social distance and safety. We therefore contacted our most important business partners in the local community, and the reaction and reception of our initiative were overwhelming.

The "admission fee" for participating as an "exhibitor" for our business partners were concrete offers e.g., jobs, education, sparring etc. – good intentions and "sweet talk" would not do it alone.

The participating companies and organizations decided to invest time and resources and did it for free. Three leading temp and recruitment agencies were present as well as two large companies, within convenience goods, looking for employees, to mention a few.

One thing is that we succeeded in assisting our colleagues in finding new jobs, further training, coaching and other ways to approach the future.

An additional and important "side effect" is that we have inspired other companies to copy our initiative and that itself is a success. We were contacted by other companies looking for employees and finally, we managed to obtain significant exposure in the media.

Fortunately, we were not alone: Copenhagen municipality, Job Centers and other relevant public organizations played important roles and it is basically all about joining forces: We as initiators, the participating companies and the public systems.

At the end of the day 80+ employees had a dialogue with our partners, interview appointments, new profile photos for LinkedIn accounts and many were able to find new positions fast and effectively. The occasion was indeed very sad; however, the result was equally positive.

INVOLVING OUR COMMUNITY THROUGH EVENTS AND EXPERIENCE

BC Hospitality Group normally hosts millions of guests annually. We want to use this leverage to inspire and advocate for sustainable change in our local community and the hospitality industry at large. However, restrictions have unfortunately meant that we had to cancel most of our events and fairs in 2020. The massive strain social distancing and restrictions have put cultural experiences of our local community has been immense. When it has been possible, we have tried to contribute with a few cultural events for the public at large, to the extent it's been possible. This included a hosting the author Hella Joof at Bogforum Talks in November and our online concert with the musician Camille Jones in the spring.

SUSTAINABLE SOURCING PRACTICES AND PRODUCTS

We strive towards building a supply chain as transparent as possible, we want to know how the products we use are grown, made and sourced in order to maximize and improve our positive impacts – and eradicate the negative ones. Our mission is high-quality, sustainable products that add value to our guests and customers. We want to support the development of a strong local supply chain to help reduce the effects of climate change and strengthen socio-economic development. We are a global organization with many international stakeholders and responsibilities.

Nevertheless, we care for our local environment and have a great impact on our immediate environment, which is why many of our food products come from local growers.

In addition to delivering high quality products, we expect our suppliers to actively work towards more sustainable development. As a minimum we expect them to adhere to laws and regulations, as well as the other minimum requirement regarding human rights and labor rights, the environment and anti-corruption.

SUSTAINABLE HOSPITALITY ALLIANCE

BC Hospitality Group is a proud member of The Sustainable Hospitality Alliance. The Alliance uniquely represents how the hospitality industry is taking collective responsibility to ensure that destinations and communities are being supported and protected now and for future generations.

Members of the Alliance make up 25% of the global hotel industry by rooms and include 14 world-leading hotel companies with a combined reach of over 30,000 properties and 4.5 million rooms.

THE COLLECTIVE POWER OF HOSPITALITY



CHARITY FOOD RUN (STOP SPILD LOKALT)

BC Hospitality Group once again supported the local charitable organization Stop Spild Lokalt with their handout of surplus food from supermarkets to those in need. During Christmas we put our facilities and resources at the Bella Center Copenhagen at their disposal to facilitate this remarkable event in order to rescue tons of food from going to waste.

DONATIONS

Throughout the year, we have donated pillows, blankets, bedlinen, clothes and amenities to charitable organizations.



ABOUT BC HOSPITALITY GROUP

BC Hospitality Group is one of Denmark's leading hospitality companies. We provide an extensive range of Erstat med 'In 2021 our venue at Bella Center Copenhagen will be ready with 14,000 new square meters. Our client base covers the public and private sectors as well as business and leisure guests. The owner of BC Hospitality Group and Crowne Plaza Copenhagen Towers (which operates under two different CVR numbers) is Solstra Capital Partners, a private equity investment firm.

We offer a total of 1,584 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. In 2021 our new venue will be ready extending Bella Center Copenhagen with additional 14,000 square meters making our complex among the largest congress venue in Northern Europe. BC Hospitality Group and all its business units are in Copenhagen, Denmark.

THE EFFECTS OF COVID-19 ON OUR BUSINESS

Considering BC Hospitality Group is one of the leading businesses in the Danish hospitality industry and among the largest congress and exhibition venues in the Northern part of Europe, the most tangible impact of the corona crisis has been the consequences of the national lock down and closure of national boarder.

Almost all conference and congress activity, as well as fairs, seized overnight and it also applied for hotel activity. Though, before the corona crises locked the world down, we still managed to execute several events e.g., CIFF in connection with Copenhagen Fashion Week in February and LEGO World.

TWO IMPORTANT EVENTS

Due to low infection numbers and almost normal activity in society during summer 2020, we expected to be close to back to normal in the second half of 2020 and planned CIFF in August, and Bogforum in November, accordingly and with the necessary precautions in mind. Unfortunately, the pandemic picked up again late summer and we were forced to re-evaluate resulting in cancellation of both events. However, in order to support a very challenged fashion industry we temporarily transformed

CIFF in August into "Elevated Order Days" – an alternative meeting and marketplace connecting brands and buyers.

As an almost symbolic action we managed to host and execute our industry organization HORESTA's annual meeting in our house in November 2020. Considering our considerable number of square meters, we were able to comply with the restrictions and guidelines from the authorities valid at the time.

UPCOMING NEW ARENA AND NEW BRAND

On the positive side, the construction of our new congress and multipurpose arena progressed according to the original plan during whole 2020 and it will be ready for opening as planned in 2021. The opening of our new arena will further consolidate Copenhagen's position as an attractive international congress city and importance for the whole country.

The new hall will take Bella Center Copenhagen to the next level with not only 14,000 new square meters, but as a front runner in sustainability, high quality service and digital solutions.

Our conference and meeting unit has until recently been marketed under Comwell Conference Center Copenhagen brand. By the end of 2020 we terminated our corporation with Comwell as a natural consequence of the construction our new arena integrating our conference business in our own brand by introducing Bella Sky Conference & Events in January 2021.



BELLA CENTER COPENHAGEN

Scandinavia's largest exhibition and congress center

COMWELL CONFERENCE CENTER COPENHAGEN

(BELLA SKY CONFERENCE & EVENT FROM JANUARY 1ST, 2021)

Denmark's largest conference center

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 m² of permanent leasehold tenancies

INTERNATIONAL HOUSE

Bella Center Copenhagen's serviced offices



APPENDIX

HUMAN RIGHTS POLICY

INTRODUCTION

BC Hospitality Group is one of Denmark's leading businesses in the hotel, conference, exhibition and hospitality industry. In addition to delivering the best possible service to our guests and customers, we are dedicated to contributing to sustainable social, environmental and economic development. We call this Responsible Hospitality. Fundamental to our Responsible Hospitality approach is respecting Human Rights.

SCOPE

Human rights are the basic rights and freedoms that all people are entitled to. At BC Hospitality Group, we recognize and acknowledge that we have the responsibility to respect Human Rights,

across all our operations. Our commitment to respect Human Rights applies to all BC Hospitality Group employees, in all our business units.

BC Hospitality Group will also promote a company culture that embodies a commitment to support the respect of human rights. We expect our business partners, such as suppliers and other parties directly linked to our operations, to adhere to this commitment and to adopt similar policies within their business. Our expectations to suppliers are outlined in our Supplier Code of Conduct, which aligns with this policy.

This commitment is based on internationally recognized Human Rights Principles, as described by the International Bill of Human Rights as well

as The International Labor Organization Declaration on Fundamental Principles and Rights at Work. On the basis of the UN Guiding Principles on Business and Human Rights (UNGPs) of the United Nations Human Rights Council, we commit to our human rights responsibility and due diligence in our operations.

OUR COMMITMENT

We have identified specific actions necessary to live up to our commitment by assessing the actual and potential impact of our business activities. Based on this assessment we have particular focus on the following impacts:

HEALTH & SAFETY

At BC Hospitality Group, we are committed to providing a safe and healthy environment. This means ensuring that only the highest standards of health and safety are maintained for the benefit of all our stakeholders. Our employees and business partners are responsible for understanding and complying with all applicable safety and health laws and guidelines. In addition, every person has a clear duty to identify and respond to health and safety risks and security concerns and take every reasonable precaution to avoid the possibility of injuring himself or putting other persons at risk.

NON-DISCRIMINATION & HARASSMENT

BC Hospitality Group embraces diversity in all aspects of our business. We commit to provide a workplace free of harassment, with equal opportunities and treatment, and not to discriminate against employees or potential employees in our hiring and employment practice, on the basis of race, color, gender, religion, age, social and civil status, physical or mental disability or sexual orientation any other protection established by applicable law or regulation.

In addition, our operations affect other aspects of human rights, including, but not limited to, the right to privacy, just and favorable working conditions, forced labor. We will support our employees in understanding human rights and how we may adversely impact human rights.

GRIEVANCE MECHANISMS

BC Hospitality Group values and respects honest and open communication, and all stakeholders can raise questions and or concerns through direct enquiries, such as email, phone or social media channels. Employees may ask questions or raise

concerns regarding human rights impacts to their immediate manager or People & Culture representative. We also provide anonymous channels, to report unethical behavior, such as our 'What's on your mind' mailbox.

GOVERNANCE

Our commitment to respect Human Rights is integrated in our organization through our company values and our Group Policies. We understand that the respect of Human Rights is a dynamic process, which means that we will continuously seek to review and improve our commitment in accordance to expectations of our stakeholders.

In our annual Responsible Hospitality Report, we communicate our progress in implementing the United Nations Guiding Principles and we report on how we address severe human rights impacts that we may cause, contribute or be directly linked to.

The policy is approved by members of the Executive Committee and must be reviewed regularly in order to ensure its continued adequacy and relevance, in accordance to the UN Guiding Principles.

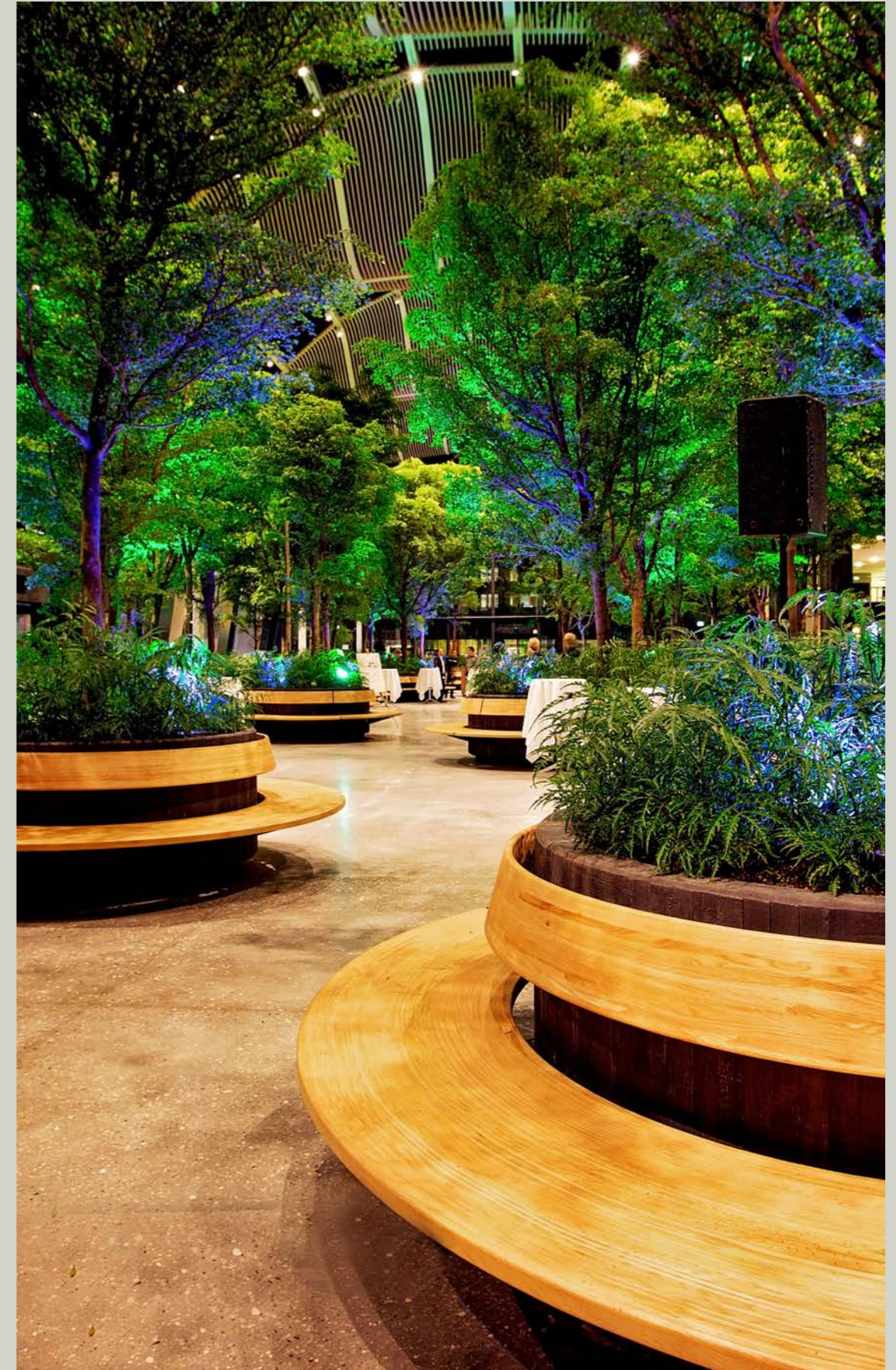


ENVIRONMENTAL POLICY

- 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



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 One Team	Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
102-8	Information on employees and other workers	One Team Community	UNGC Principle 6 SDG 8
102-10	Significant changes to the org. and its supply chain	About BC Hospitality Group Environment & Climate Community	
102-11	Precautionary principle or approach	Environment & Climate Community	
102-12	External Initiatives	About this report Responsible Hospitality	
102-13	Membership of associations	Responsible Hospitality Community	
102-14	Statement from senior decision-maker	Statement from the CEO	
102-16	Values principles, standards, norms of behavior	Responsible Hospitality About BC Hospitality Group	UNGC Principle 10 SDG 16
102-18	Governance structure	Governance & Ethics	Annual Financial Reports for Crowne Plaza Copenhagen Towers & BC Hospitality Group
102-40	List of stakeholder group	About BC Hospitality Group Responsible Hospitality	
102-41	Collective bargaining agreements	One Team	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	
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 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	Governance & Ethics One Team Environment & Climate Community	
103-2	The management approach and its components	Governance & Ethics One Team Environment & Climate Community Appendix	SDG 1, 5, 8 UNGC Principle 1
103-3	Evaluation of the management approach	Governance & Ethics One Team Environment & Climate Community 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	Environment & Climate	UNGC Principle 7, 8 SDG 7, 8, 12, 13
302-3	Energy intensity	Environment & Climate	UNGC Principle 8 SDG 7, 8, 12, 13
302-4	Reduction of energy consumption	Environment & Climate	UNGC Principle 8, 9 SDG 7, 8, 12, 13
303-1	Water withdrawal by source	Environment & Climate	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.	Environment & Climate	UNGC Principle 8 SDG 6, 14, 15
305-01	Direct (Scope 1) GHG emissions	Environment & Climate	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
305-02	Energy indirect (Scope 2) GHG emissions	Environment & Climate	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
306-2	Waste by type and disposal method	Environment & Climate	UNGC Principle 8 SDG 3, 12, 15

308-1	New suppliers that were screened using environmental criteria	Community Environment & Climate	
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	Governance & Ethics	
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities.	Governance & Ethics	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	One Team	UNGC Principle 6 SDG 4, 5, 8
404-2	Programs for upgrading employee skills and transition assistance programs	One Team	SDG 4, 8
405-1	Diversity of governance bodies and employees	Governance & Ethics	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	Governance & Ethics	UNGC Principle 1
412-2	Employee training on human rights policies or procedures	Governance & Ethics	UNGC Principle 1
413-1	Operations with local community engagement, impact assessments, and development programs.	Community	UNGC Principle 1,6 SDG 4, 8, 10, 17
414-1	New suppliers that were screened using social criteria	Governance & Ethics Community	UNGC Principle 2 SDG 5, 8
416-1	Assessment of the health and safety impacts of product and service categories	Governance & Ethics	
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 labeling	Governance & Ethics	SDG 2, 12
417-2	Incidents of non-compliance concerning product and service information and labeling		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 and regulations in the social and economic area		No incidents SDG 16



BC
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