
CP Hotel A/S

Ørestads Boulevard 114-118, DK-2300 Copenhagen S

Annual Report for 2022

CVR No. 30 54 80 43

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/5 2023

Jacob Kjær
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of CP Hotel A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 31 March 2023

Executive Board

Jens Christian Frank-Mikkelsen
CEO

Jacob Kjær
CFO

Board of Directors

Christian Folden Lund
Chairman

Jacob Kjær

Casper Brorsen

Independent Auditor's report

To the shareholder of CP Hotel A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CP Hotel A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 31 March 2023

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 Company	CP Hotel A/S Ørestads Boulevard 114-118 DK-2300 Copenhagen S CVR No: 30 54 80 43 Financial period: 1 January - 31 December Incorporated: 31 May 2007 Municipality of reg. office: Copenhagen
Board of Directors	Christian Folden Lund, chairman Jacob Kjær Casper Brorsen
Executive Board	Jens Christian Frank-Mikkelsen Jacob Kjær
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	146,496	70,769	55,439	169,689	173,092
Gross profit/loss	68,247	40,519	21,816	59,603	68,637
Profit/loss of financial income and expenses	-231	-309	25,699	15,524	-186
Net profit/loss	6,399	-1,910	3,338	8,824	1,962
Balance sheet					
Balance sheet total	48,285	37,399	37,655	82,467	93,797
Equity	23,824	17,723	19,633	13,739	4,915
Number of employees	111	79	100	172	176
Ratios					
Gross margin	46.6%	57.3%	39.4%	35.1%	39.7%
Solvency ratio	49.3%	47.4%	52.1%	16.7%	5.2%
Return on equity	30.8%	-10.2%	20.0%	94.6%	49.9%

Management's review

Key activities

The company's key activities is hosting moments that matter through the hotel we operate. Be it leisure or business, we believe in the power of bringing people together. Our purpose is to create positive impact that live on in the memory of all involved.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 6,399, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 23,824. During the year the Company was merged with CP Hotel Management Holding ApS (the former parent company to the Company) in a reverse vertical merger with effect from 1 January 2022. The effect of the net effect of the merger was recognised on equity with the amount of TDKK 298.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue		146,496	70,769
Other operating income	1	6,026	19,310
Cost of goods sold		-27,810	-14,773
Other external expenses		-56,465	-34,787
Gross profit		68,247	40,519
Staff expenses	2	-59,159	-38,552
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-3,398	-3,888
Other operating expenses		-33	0
Profit/loss before financial income and expenses		5,657	-1,921
Financial income	3	32	0
Financial expenses	4	-263	-309
Profit/loss before tax		5,426	-2,230
Tax on profit/loss for the year	5	973	320
Net profit/loss for the year		6,399	-1,910

Distribution of profit

	2022	2021
	TDKK	TDKK
Proposed distribution of profit		
Retained earnings	6,399	-1,910
	6,399	-1,910

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Acquired licenses		598	695
Intangible assets	6	598	695
Other fixtures and fittings, tools and equipment		8,284	9,285
Property, plant and equipment	7	8,284	9,285
Deposits		350	350
Fixed asset investments		350	350
Fixed assets		9,232	10,330
Finished goods and goods for resale		998	996
Inventories		998	996
Trade receivables		16,159	7,778
Other receivables		102	1,180
Deferred tax asset		995	0
Corporation tax receivable from group enterprises		0	320
Prepayments		1,195	2,787
Receivables		18,451	12,065
Cash at bank and in hand	8	19,604	14,008
Current assets		39,053	27,069
Assets		48,285	37,399

Balance sheet 31 December

Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital	9	750	750
Retained earnings		23,074	16,973
Equity		23,824	17,723
Lease obligations		0	1,382
Other payables		1,478	1,450
Long-term debt	10	1,478	2,832
Lease obligations	10	345	1,355
Trade payables		7,421	7,868
Payables to group enterprises		1,713	0
Other payables	10	12,323	6,996
Deferred income		1,181	625
Short-term debt		22,983	16,844
Debt		24,461	19,676
Liabilities and equity		48,285	37,399
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	750	16,973	17,723
Net effect from merger and acquisition under the uniting of interests method	0	-298	-298
Adjusted equity at 1 January	750	16,675	17,425
Net profit/loss for the year	0	6,399	6,399
Equity at 31 December	750	23,074	23,824

Notes to the Financial Statements

1. Other operating income

The Company has received compensation for fixed costs from the Danish government of TDKK 6,026 (2021: TDKK 14,300), which has been recognized as other operating income in the income statement.

	<u>2022</u> TDKK	<u>2021</u> TDKK
2. Staff Expenses		
Wages and salaries	50,701	29,157
Pensions	2,987	2,288
Other social security expenses	954	775
Other staff expenses	4,517	6,332
	<u>59,159</u>	<u>38,552</u>
Average number of employees	<u>111</u>	<u>79</u>

	<u>2022</u> TDKK	<u>2021</u> TDKK
3. Financial income		
Other financial income	32	0
	<u>32</u>	<u>0</u>

	<u>2022</u> TDKK	<u>2021</u> TDKK
4. Financial expenses		
Other financial expenses	263	309
	<u>263</u>	<u>309</u>

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	-995	-320
Adjustment of tax concerning previous years	22	0
	<u>-973</u>	<u>-320</u>

6. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	1,771
Cost at 31 December	<u>1,771</u>
Impairment losses and amortisation at 1 January	1,077
Amortisation for the year	96
Impairment losses and amortisation at 31 December	<u>1,173</u>
Carrying amount at 31 December	<u>598</u>
Amortised over	<u>20 years</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	25,986
Additions for the year	2,301
Cost at 31 December	<u>28,287</u>
Impairment losses and depreciation at 1 January	16,701
Depreciation for the year	3,302
Impairment losses and depreciation at 31 December	<u>20,003</u>
Carrying amount at 31 December	<u>8,284</u>
Amortised over	<u>3-10 years</u>

	2022	2021
	TDKK	TDKK
8. Cash at bank and in hand		
Other cash at bank and in hand	19,604	14,008
	<u>19,604</u>	<u>14,008</u>

At 31 December 2022 restricted cash amounts to TDKK 4,343 (2021: TDKK 1,465).

9. Share capital

The Company's share capital has remained TDKK 750 over the past 5 years.

Notes to the Financial Statements

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	0	1,382
Long-term part	0	1,382
Within 1 year	345	1,355
	<u>345</u>	<u>2,737</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	1,478	1,450
Long-term part	1,478	1,450
Within 1 year	0	0
Other short-term payables	12,323	6,996
	<u>13,801</u>	<u>8,446</u>
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK

11. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	25,377	25,377
Between 1 and 5 years	160,743	160,743
After 5 years	420,744	445,880
	<u>606,864</u>	<u>632,000</u>

Guarantee obligations

The Company is guarantor with liability for whatever amount BCHG Holding A/S, Bella Operation A/S and BCHG Properties A/S may owe Nordea Danmark, branch of Nordea Bank AB (Publ), Nordea Bank Finland OY and Nordea Kredit A/S in the future, including interest and expenses in the event of default.

Notes to the Financial Statements

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of TMC Invest 2021 ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability. Up to 2021 the Company was part of the joint taxation group of Copenhagen Skyline Holding ApS.

12. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of BCHG Holding A/S and the ultimate parent company TMC Invest 2021 ApS.

<u>Name</u>	<u>Place of registered office</u>
TMC Invest 2021 ApS	Copenhagen
BCHG Holding A/S	Copenhagen

Notes to the Financial Statements

13. Accounting policies

The Annual Report of CP Hotel A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

Revenues are 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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Leases

Leases in terms of which the Company 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 alternative borrowing rate 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 Company.

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.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Net sales

Revenue comprises income from hotel activities such as renting of rooms, conference facilities and income from restaurant activities, etc.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise expenses for distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

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.

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 changes in 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 other group entities. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Intangible assets include acquired licenses. Acquired licenses are measured at cost less accumulated amortisation and impairment losses and amortised over 20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories 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 selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Deferred tax assets and liabilities

Deferred income 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 for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

Deferred tax assets are measured 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.

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 or in equity if the deferred tax relates to items recognised in equity.

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.

Deferred income

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$