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# *Bella Operation A/S*

Center Boulevard 5, DK-2300 Copenhagen

## Annual Report for 2022

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CVR No. 37 93 98 38

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 Bella Operation 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

Christian Folden Lund  
CEO

Jacob Kjær  
CFO

## Board of Directors

Martin Gaarn Thomsen  
Chairman

Christian Riis-Hansen

Peter Korsholm

Helle Kejser Nielsen

Elisabeth Kathenes Støle

# Independent Auditor's report

To the shareholders of Bella Operation 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 Bella Operation 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

<b>The Company</b>	Bella Operation A/S Center Boulevard 5 DK-2300 Copenhagen  CVR No: 37 93 98 38 Financial period: 1 January - 31 December Incorporated: 18 August 2016 Financial year: 6th financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Martin Gaarn Thomsen, chairman Christian Riis-Hansen Peter Korsholm Helle Kejser Nielsen Elisabeth Kathenes Støle
<b>Executive Board</b>	Christian Folden Lund Jacob Kjær
<b>Auditors</b>	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
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	714,594	251,454	261,089	892,243	959,224
Gross profit/loss	267,600	212,424	111,583	331,798	327,324
Profit/loss before financial income and expenses	-29,769	28,739	-180,253	-28,665	11,572
Profit/loss of financial income and expenses	3,137	-5,775	-5,154	-991	-2,144
Net profit/loss	-13,598	17,644	-141,019	-23,493	5,347
<b>Balance sheet</b>					
Balance sheet total	506,559	406,710	400,667	467,538	409,827
Investment in property, plant and equipment	47,217	29,770	19,118	38,719	61,322
Equity	202,687	216,284	78,031	219,695	175,188
Number of employees	534	287	423	751	740
<b>Ratios</b>					
Gross margin	37.4%	84.5%	42.7%	37.2%	34.1%
Solvency ratio	40.0%	53.2%	19.5%	47.0%	42.7%
Return on equity	-6.5%	12.0%	-94.7%	-11.9%	6.1%

# Management's review

## Key activities

### Hosting moments that matter

The company's primary activity is hosting moments that matter. Be it leisure or business, an intimate dinner for two or a congress for thousands, we believe in the power of bringing people together. Our purpose is to create a positive impact that lives on in the memory of all involved. As a key stakeholder in the development of tourism and business in Copenhagen, we aim to play our part in making the Danish Capital an international top destination for major events, conferences, and travel by shaping the sustainable hospitality platform of the future.

Bella Operation A/S operates the hotels Copenhagen Marriott and AC Hotel Bella Sky Copenhagen and through the subsidiary CP Hotel A/S, Crowne Plaza Copenhagen Towers.

Bella Operation A/S also manages the operation of congress, conference, and cultural venues Bella Center Copenhagen and Bella Arena - including CIFF showrooms, offices at International House, and signature event and trade brands CIFF – Copenhagen International Fashion Fair, BogForum etc.

### Development in the year

#### Rampant demand challenged by new barriers

While the first months of 2022 still saw COVID-19 restrictions regarding social distancing and international access implemented by the Danish government – thus continuing to affect business activity across venues and hotels – Q2 marked the beginning of a new and exciting chapter. Large groups were once again permitted to travel to and gather in Copenhagen.

Many of the major events, which had been postponed during 2020 and 2021, could now finally take place, and just in the span of May through June, Bella Center Copenhagen hosted largescale international congresses ESTRO 2022 for Radiology and Oncology, SETAC Europe 32 for Environmental Toxicology and Chemistry, EULAR European Congress of Rheumatology 2022, EuroPerio 2022 for periodontology and implant dentistry and the ESPGHAN Annual Meeting for Pediatric Gastroenterology, Hepatology and Nutrition. The total number of congress guests in 2022 exceeded 200.000.

Meanwhile the hotels followed the same pattern, with a slow Q1 but with demand starting to pick up from Q2. In the outlook section of the annual report for 2021, we anticipated that leisure guests and national clients would return more rapidly than business guests and international clients, yet – and that has materialized. Generally, Denmark is back to or exceeding pre pandemic levels, but Copenhagen is not yet fully back, and we still miss business travelers from large parts of the world.

Just when travel started to pick up a new and unpredicted challenge arose. The general COVID-19 driven increase in costs on a wide array of supplies turned into an unprecedented growth in inflation fuelled by the war in Ukraine. As Russia embarked on a full out gas supply conflict with the European Union and the war started to upset global food production and export, the fall and winter of 2022 saw terms such as 'recession' and 'energy crises' necessarily dominate the strategic planning of activities throughout Bellagroup.

Likewise, we experienced how clients and guests suddenly became more careful with their spendings, which in turn put a damper on the explosive growth in business we saw in the beginning of 2022. We expect that these geopolitical and macroeconomic factors will continue to affect business in 2023, which we elaborate upon in the outlook section later in this review.



# Management's review

*Other highlights from the year gone by include:*

- Developing and implementing a state-of-the-art upskilling education program for chefs throughout Bellagroup. 'Bella Chefs' aims at attracting and retaining talent in a competitive job market, while at the same time broadening our social responsibility in terms of sharing our knowledge of business-oriented gastronomy with new generations of chefs to come.
- A new commercial structure at Bella Center Copenhagen with new key divisions including Bella Meeting place (congresses and meetings), Bella Presents (signature cultural events), and Bella Lifestyle (fashion events and vintage markets).
- A surge in employment and reemployment: A total of 348 colleagues were welcomed in Bellagroup during 2022 out of which 30 were familiar faces, who we had to let go during the pandemic lockdowns. Bellagroup now totals 560 permanent employees from 65 different nationalities. The gender breakdown for Bellagroup at the conclusion of 2022 was 47% women and 53% men.
- In our ExCom group – the top leadership level of Bellagroup – we onboarded two new members: Group Marketing Director, Louise Knox Martin and Group Director of People & Culture, Renée Mamsen-Svarter.

## **Updating the Bellagroup strategy**

In parallel with the rebranding of BC Hospitality Group to Bellagroup 2021, we launched a new strategy aimed at reducing operational complexity by realizing group synergies and unifying our delivery model across venues and hotels, while at the same time securing strong planning, process, and service delivery for our partners and customers. As always, with sustainability as a cornerstone.

The original strategy included twelve projects, out of which five were completed in 2022. These concerned optimizing planning functions at Bella Center Copenhagen, leveraging dialogue with large scale congress clients, increasing venue yielding, and optimizing hotel operations.

In the fall of 2022, we were ready to update the strategy for Bellagroup, as we had achieved several initial targets faster than anticipated back in 2021. We now focus on the remainder of the twelve strategic projects in combination with a small selection of new focal areas centering on key challenges facing our business including cost optimization and digital development.

# Management's review

## New and existing projects

### A year of innovation and optimization

2022 being the first year since 2019 open to explore business innovation and operation at full scale resulted in a veritable blossoming of new ideas and initiatives while also aiming to strategically improve existing event formats and business models.

Since 2020 Bellagroup has worked on developing a recurring megaevent for the international gaming and esports community and industry. Together with our project partners from the regional tourism organization Wonderful Copenhagen, 2022 saw ideas and visions finally develop into more concrete plans and as a result we onboarded a new Head of Projects with deep insights and experience within the field. We will elaborate on the aim of hosting the first ever Copenhagen Gaming Week in the outlook section later in this review.

Esports was also a focal point in the summer of 2023, where Bella Arena hosted the first ever FIFAE Finals gathering the world's best players and nations for three weeks of intense competition and global media attention. An event which also had a positive impact on group hotels used for accommodation and training facilities. The focus on soccer at Bella Arena continued in November, yet this time with real life players, as Bella Arena welcomed thousands of spectators to screenings of the Danish matches during the FIFA 2022 World Cup. This event secured massive media attention for our new arena while at the same time forging exciting partnerships with national football association, DBU, and national broadcasters DR and TV2.

Come August, Crowne Plaza Copenhagen Towers ventured to the Smukfest music festival in Skanderborg as part of a strategic collaboration aimed at exploring the demand for 'ho-tent' accommodation for one day ticket holders. In November 2022 the collaboration between Crowne Plaza and Smukfest won silver at the Spot:On Activation Awards for successful marketing partnerships within the field of art and culture.

In August we also welcomed a new Director of CIFF – Copenhagen International Fashion Fair. Sofie Dolva has been challenged with laying the foundation for CIFF 2.0: A revitalized platform for regional and international fashion capable of nurturing the community of exhibitors and year round showroom letters while also broadening the scope and impact of the biannual CIFF trade fairs as a business catalyst for Danish and Scandinavian fashion. Much of 2022 at CIFF also included negotiations with trade fair competitor REVOLVER, which was finalized in the very first days 2023. We will elaborate on this acquisition in the outlook section later in this review.

Finally, Denmark's largest festival for all things literary returned to full force: BogForum 2022 became a success in terms of visitor numbers with more than 34.000 guests attending – many of whom also came to explore our special theme focusing on Ukrainian literature in collaboration with the Kiev-based Book Arsenal festival. In 2022 we welcomed Nicole Bellaiche as director of the newly established commercial department Bella Presents where we innovate and grow Bellagroup's own event formats including BogForum.

### Financial result for the year

The financial result for 2022 clearly reflects the developments described in the previous sections of this management review: A year characterized by the "close-down" in the very beginning, followed by strong development in business activity and demand during spring, which was later on challenged by rising costs, inflation and energy crises. EBIT excluding other operating income amounts to DKK -88.7 million has been improved by DKK 60.6 million compared to 2021. This is better than the expectations for 2022 mentioned in the outlook section of the 2021 Annual report.

### Outlook 2023

For 2023, we expect an EBIT in the range of negative DKK 25-35 million.

# Management's review

## Ready to press play in uncertain times

Heading into 2023 and at the time of completion of this review, we expect that the current geopolitical and macroeconomic conditions will continue to affect the potentials and barriers of the main business activities of Bellagroup. Inflation will continue to impact costs, revenue, and pricing at our venues and hotels. Likewise, we expect that a looming recession in Denmark, Europe and even globally will undoubtedly influence demand from B2B customers looking to manage their own cost and limit financial risks during uncertain times.

As a direct response to this situation, 2023 will center on developing and implementing new initiatives within to strategic areas:

- Bellagroup's ability to create demand in times of low activity. This will be done through optimizing existing events and adding new formats to our portfolio. A great example is the development of Copenhagen Gaming Week set to drive national and international business as well as strong media and brand attention during Q4 2023 or Q1 2024. Stimulating demand and activity in the shoulder seasons is a key goal for Bellagroup when aiming to drive tourism to destination Copenhagen in a sustainable manor.
- Managing costs and cash position: The group's ability to withstand and navigate shifting and often unforeseen circumstances requires an increased level of financial stability.

There is a firm belief in Bellagroup that we are in a strong position to show solid economic performance in the future. This is due to the combination of financial security through the recapitalization implemented in 2021 as well as the strategic initiatives mentioned above. Additionally, the group has already built a strong order and event portfolio for 2023, 2024 and 2025. As a growing number of countries open their borders to international travel post COVID-19 – not least China, who historically has strong interests in Copenhagen and Denmark as a destination – we are hopeful for the future of both business and leisure activity.

*Other highlights of the year to come in the company include:*

- The Copenhagen Marriott Hotel will embark on a comprehensive renovation project in Q1 2023. Set to span the coming three years, the hotel will undergo modernization following a sleek, Scandinavian design guide approved by Marriott International. The renovation project also includes the outdoor terrace facing the harbor as well as the indoor reception, grand lobby, and bar. We expect increased guest satisfaction and general interest in the hotel's new aesthetic as the renovation progresses in the years to come.
- In early January 2023 Bellagroup announced, that CIFF – Copenhagen International Fashion Fair has acquired former trade fair competitor REVOLVER located at Øksnehallen and Forum. With a shared organization under the ownership of Bellagroup we aim to strengthen Copenhagen's position as the fashion capital of Scandinavia. Relocating resources previously used to combat each other, the new CIFF x Revolver organization will be able to support and develop a more coherent fashion week and showroom experience for buyers and brands at Bella Center Copenhagen and Øksnehallen, thus capitalizing more strategically on the unique fashion industry platform nurtured through the past 30 years at CIFF.
- 2023 also sees the production of two key congresses at Bella Center Copenhagen. The UIA World Congress of Architects in early July with 10,000 attendees supports Copenhagen's title as the UNESCO Capital of Architecture 2023 and will be a unique showcase for Bellagroup as a strong commercial player in the field as well as funnel great numbers of visitors and hotel guests our way. Likewise, the annual Wind Europe 2023 congress for the wind energy sector will take place at Bella Arena. An important event indeed, seeing as Wind Europe 2025 will also be hosted by Bellagroup, and because sustainability is a core value and focus area for our business model. We elaborate further on this matter in the next section.

# Management's review

## Responsible hospitality

### Commercializing core sustainability values

Even through challenging times, Bellagroup remains committed to shaping the sustainable hospitality platform of the future. Not just because it is an important commercial driver in regard to ever increasing sustainability demands from our guests and clients, but because we thoroughly believe we have a part to play when it comes to changing the hospitality industry locally – and inspiring globally.

Our ambitions and efforts within sustainability are accumulated under the umbrella we call Responsible Hospitality. Our Responsible Hospitality report (Responsible Hospitality Report 2022) is included in this Annual Report, summarizing all activity, partnerships, and initiatives in 2022. The report is also available at Responsible Hospitality (<https://www.bellagroup.dk/om-bellagroup/responsible-hospitality>).

Responsible hospitality highlights in Bellagroup during 2022 include:

- Recruitment of new Director of Responsible Hospitality, Frida Ulrik-Petersen
- Definition of Responsible Hospitality strategy and way forward
- Construction of Zealand's largest solar panel park atop Bella Center Copenhagen is to be completed in April 2023 (phase 1) and November 2023 (phase 2). The solar panel park will help address current issues in the Danish European energy supply grid and produce more than 2,79 MW green electricity equaling an annual CO<sub>2</sub>e reduction of 370 tons.
- Phase-out of disposable toiletries at all Bellagroup hotels
- Bella Arena obtained its official DGNB Gold-certification for sustainability in construction
- Green Key site visits at all units ensuring 2023 Green Key recertification

Our ambitions and commitments to sustainability for 2023 cover all business areas as we aim to deliver real, tangible change. Responsible hospitality ambitions for 2023 include:

- Identification of primary scope 3 CO<sub>2</sub>e emissions
- Mapping of CO<sub>2</sub>e scope 1, 2 and primary scope 3 emissions through corporate climate reporting system
- Setting science-based targets
- Publish pathway to net zero by 2050
- Be able to offer climate impact event reports to events clients
- Introduce Viima chemical-free cleaning at all our hotels
- Including energy efficiency projects in the renovation of the Copenhagen Marriott Hotel
- 5,500 new LED light fixtures at AC Hotel Bella Sky Hotel Copenhagen by end of 2023 equaling a 120 tons CO<sub>2</sub>e emission reduction annually

### 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 made to the above-mentioned CSR report "Responsible Hospitality Report 2022" or <https://responsiblehospitality.dk>.

# Management's review

## **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 do not have equal representation on the Board of Directors (three male out of three members elected by the General Assembly). Executive Board consist of two males out of two members.

In connection with future changes or extensions of the abovementioned Boards, we will pay special attention to attract female candidates, however qualification and competences will always be the primary objective regardless of gender. The aim is to reach equal gender representation in 2025/26 for the Board of Directors (75%/25%).

We also aim to have equal gender representation for the Executive Board and other executive levels and will - during recruitment processes – proactively work towards having both genders represented when selecting the final candidate. As of now the Executive Committee at Bellagroup comprises nine men and three women, while the Directors' Committee comprises eleven men and nine women.

## **Statement regarding data ethics in accordance with section 99(d) of the Danish Financial Statement Act**

The group has established a policy regarding data ethics. The data ethic policy includes all employees in the group and company. It complies with both Danish and EU legislation and comprises our data ethics principles and data privacy policy. Reference is made to the above-mentioned CSR report "Responsible Hospitality Report 2022", page 16 or <https://responsiblehospitality.dk>.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement in the annual report have not been subject to any judgment with significant uncertainty, except for the accounting treatment of COVID-19 compensation schemes.

The Company has applied for all the available governmental COVID-19 schemes. The Group has currently only been allowed to submit final accounts for salary compensation received. The final accounts for salary compensation ended in reduction in the compensation received due to change in Danish Business Authority interpretation of how to calculate the salary compensation.

Final account for other compensation received, fixed cost and arrangement compensation schemes has not yet been possible to submit. The final control from the Danish Business Authority will not take place until after these can be submitted.

Based on communication with the Authorities in connection with the application/request for compensation, it can be concluded that it is not completely clear how the regulations for compensation shall be interpreted. Due to this and the experience with the first final account for salary compensation, a provision for uncertainties has been made against receivable compensation at 31 December 2022.

## **Subsequent events**

Subsequently to 31 December 2022, the Company completed the acquisition of REVOLVER ApS. As the transaction was completed after 31 December 2022 the acquisition has no impact on the financial statements of Bella Operation A/S for 2022.

## Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	2	714,594	251,454
Other operating income	3	58,930	178,182
Cost of goods sold		-156,925	-42,555
Other external expenses		-348,999	-174,657
<b>Gross profit</b>		<b>267,600</b>	<b>212,424</b>
Staff expenses	4	-272,497	-159,428
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	5	-24,872	-24,212
Other operating expenses		0	-45
<b>Profit/loss before financial income and expenses</b>		<b>-29,769</b>	<b>28,739</b>
Income from investments in subsidiaries	6	6,399	0
Financial income	7	1,668	140
Financial expenses	8	-4,930	-5,915
<b>Profit/loss before tax</b>		<b>-26,632</b>	<b>22,964</b>
Tax on profit/loss for the year	9	13,034	-5,320
<b>Net profit/loss for the year</b>	10	<b>-13,598</b>	<b>17,644</b>

## Balance sheet 31 December

### Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		4,064	7,016
<b>Intangible assets</b>	11	<b>4,064</b>	<b>7,016</b>
Other fixtures and fittings, tools and equipment		58,188	49,317
Leasehold improvements		53,674	37,246
<b>Property, plant and equipment</b>	12	<b>111,862</b>	<b>86,563</b>
Investments in subsidiaries	13	23,824	0
Receivables from group enterprises		66,200	66,200
Deposits		38,651	38,651
<b>Fixed asset investments</b>		<b>128,675</b>	<b>104,851</b>
<b>Fixed assets</b>		<b>244,601</b>	<b>198,430</b>
Finished goods and goods for resale		2,954	2,792
<b>Inventories</b>		<b>2,954</b>	<b>2,792</b>
Trade receivables		80,271	33,890
Receivables from group enterprises		6,626	5,778
Other receivables		7,691	26,385
Deferred tax asset		38,689	27,364
Corporation tax receivable from group enterprises		9,252	0
Prepayments		11,059	24,239
<b>Receivables</b>		<b>153,588</b>	<b>117,656</b>
<b>Cash at bank and in hand</b>		<b>105,416</b>	<b>87,832</b>
<b>Current assets</b>		<b>261,958</b>	<b>208,280</b>
<b>Assets</b>		<b>506,559</b>	<b>406,710</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital	14	1,000	1,000
Reserve for net revaluation under the equity method		22,724	0
Retained earnings		178,963	215,284
<b>Equity</b>		<b>202,687</b>	<b>216,284</b>
Lease obligations		783	2,314
Trade payables		8,771	8,771
Payables to group enterprises		14,341	6,151
Deposits		11,089	11,066
Other payables		10,544	10,412
<b>Long-term debt</b>	15	<b>45,528</b>	<b>38,714</b>
Lease obligations	15	1,534	1,813
Prepayments received from customers		46,712	67,034
Trade payables		78,417	42,804
Payables to group enterprises		46,580	8,190
Payables to group enterprises relating to corporation tax		0	271
Deposits		1,161	5,319
Other payables	15	83,940	26,281
<b>Short-term debt</b>		<b>258,344</b>	<b>151,712</b>
<b>Debt</b>		<b>303,872</b>	<b>190,426</b>
<b>Liabilities and equity</b>		<b>506,559</b>	<b>406,710</b>
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	16		
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## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	0	215,285	216,285
Net profit/loss for the year	0	22,724	-36,322	-13,598
<b>Equity at 31 December</b>	<b>1,000</b>	<b>22,724</b>	<b>178,963</b>	<b>202,687</b>

# Notes to the Financial Statements

## 1. Subsequent events

In January 2023 Bella Operation A/S acquired REVOLVER ApS following dialogues throughout 2022. The acquisition is expected to support and develop a more coherent fashion week and showroom experience for buyers and brands at Bella Center Copenhagen and Øksnehallen. The completion date of the transaction was 3 March 2023.

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>2. Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	714,594	251,454
	<u>714,594</u>	<u>251,454</u>
<b>Business segments</b>		
Hotel	282,990	87,232
Area & Entry	147,649	81,215
Technique & Services	108,884	34,453
Food & Beverage	175,296	48,554
	<u>714,594</u>	<u>251,454</u>
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>3. Other operating income</b>		
Covid-19 compensation for fixed costs, salary and arrangements and remission of financial debt	42,605	178,182
Other income	16,325	0
	<u>58,930</u>	<u>178,182</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>4. Staff Expenses</b>		
Wages and salaries	242,290	140,464
Pensions	18,927	11,975
Other social security expenses	4,813	2,591
Other staff expenses	6,467	4,398
	<u>272,497</u>	<u>159,428</u>
Including remuneration to the Executive Board and Board of Directors:		
Executive board	7,491	7,023
Board of directors	90	76
	<u>7,581</u>	<u>7,099</u>
Average number of employees	<u>534</u>	<u>287</u>
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>5. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	2,953	1,924
Depreciation of property, plant and equipment	21,919	22,288
	<u>24,872</u>	<u>24,212</u>
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>6. Income from investments in subsidiaries</b>		
Profit (loss) of the year in subsidiary	6,399	0
	<u>6,399</u>	<u>0</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>7. Financial income</b>		
Interest received from group enterprises	1,302	135
Other financial income	<u>366</u>	<u>5</u>
	<u><b>1,668</b></u>	<u><b>140</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>8. Financial expenses</b>		
Other financial expenses	<u>4,930</u>	<u>5,915</u>
	<u><b>4,930</b></u>	<u><b>5,915</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>9. Income tax expense</b>		
Current tax for the year	-9,252	120
Deferred tax for the year	-2,230	4,707
Adjustment of tax concerning previous years	-9,095	493
Adjustment of deferred tax concerning previous years	<u>7,543</u>	<u>0</u>
	<u><b>-13,034</b></u>	<u><b>5,320</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>10. Profit allocation</b>		
Reserve for net revaluation under the equity method	22,724	0
Retained earnings	<u>-36,322</u>	<u>17,644</u>
	<u><b>-13,598</b></u>	<u><b>17,644</b></u>

# Notes to the Financial Statements

## 11. Intangible fixed assets

	Completed development projects
	TDKK
Cost at 1 January	16,328
Cost at 31 December	16,328
Impairment losses and amortisation at 1 January	9,312
Amortisation for the year	2,952
Impairment losses and amortisation at 31 December	12,264
<b>Carrying amount at 31 December</b>	<b>4,064</b>

## 12. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	100,304	49,920
Additions for the year	24,774	22,443
Cost at 31 December	125,078	72,363
Impairment losses and depreciation at 1 January	50,987	12,674
Depreciation for the year	15,903	6,015
Impairment losses and depreciation at 31 December	66,890	18,689
<b>Carrying amount at 31 December</b>	<b>58,188</b>	<b>53,674</b>

## Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>13. Investments in subsidiaries</b>		
Cost at 1 January	1,100	0
Net effect from merger and acquisition	16,325	0
Cost at 31 December	<u>17,425</u>	<u>0</u>
Net profit/loss for the year	6,399	0
Value adjustments at 31 December	<u>6,399</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>23,824</u></b>	<b><u>0</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
CP Hotel A/S	Denmark	750.000	100%

### 14. Share capital

The share capital consists of 1,000,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

# Notes to the Financial Statements

## 15. 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
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	783	2,314
Long-term part	783	2,314
Within 1 year	1,534	1,813
	<u>2,317</u>	<u>4,127</u>
<b>Trade payables</b>		
After 5 years	0	0
Between 1 and 5 years	8,771	8,771
Long-term part	8,771	8,771
Within 1 year	0	0
Other short-term trade payables	78,417	42,804
Short-term part	78,417	42,804
	<u>87,188</u>	<u>51,575</u>
<b>Payables to group enterprises</b>		
After 5 years	0	0
Between 1 and 5 years	14,341	6,151
Long-term part	14,341	6,151
Within 1 year	46,580	0
Other short-term debt to group enterprises	0	8,190
Short-term part	46,580	8,190
	<u>60,921</u>	<u>14,341</u>

## Notes to the Financial Statements

### Deposits

After 5 years	0	0
Between 1 and 5 years	11,089	11,066
Long-term part	11,089	11,066
Within 1 year	0	0
Other deposits	1,161	5,319
Short-term part	1,161	5,319
	<b>12,250</b>	<b>16,385</b>

### Other payables

After 5 years	0	0
Between 1 and 5 years	10,544	10,412
Long-term part	10,544	10,412
Within 1 year	0	0
Other short-term payables	83,940	26,281
	<b>94,484</b>	<b>36,693</b>

2022

TDKK

2021

TDKK

## 16. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	105,270	52,004
Between 1 and 5 years	789,526	817,519
After 5 years	3,558,987	3,516,508
	<b>4,453,783</b>	<b>4,386,031</b>

### Guarantee obligations

The Company is guarantor with liability for whatever amount BCHG Holding A/S, BCHG Properties A/S and CP Hotel 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 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 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. For the income year up to 15 June 2021, the company is jointly and severally liable for tax on the jointly taxed incomes etc., of the Solstra Investments A/S Group and for the period after 16 June 2021 the company is jointly and severally liable for tax on the jointly taxed incomes etc. of the TMC Invest 2021 ApS' Group. The total amount of corporation tax payables is disclosed in the Annual Report of TMC Invest 2021 ApS, which is the management company for the joint taxations group.

The Company has the obligation to perform maintenance of rented hotel buildings, both interior and exterior. There is the risk that one of the hotel buildings may require replacement of part of the facade. For the time being, it is not possible to evaluate and conclude the extent of the replacement. However the property owner will cover the majority part of the expense.

## 17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
TMC Invest 2021 ApS, Copenhagen	Ultimate parent company
BCHG Holding A/S, Copenhagen	Parent company

### Other related parties

BCHG Holding A/S is holding 100 % of the votes in the company

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The Company has had transactions related to intercompany payables and management fees. Interests received from group enterprises are disclosed in the income statement and note 7.

### 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

## 18. Fee to auditors appointed at the general meeting

In accordance with section 96(3) of the Danish Financial Statement Act, the Company has not disclosed fees for the financial year to the auditors performing the statutory audit.

# Notes to the Financial Statements

## 19. Accounting policies

The Annual Report of Bella Operation A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of BCHG Holding A/S and TMC Invest 2021 ApS, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of BCHG Holding A/S, the Company has not prepared a cash flow statement.

### 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

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

# Notes to the Financial Statements

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

## 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

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.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Net sales

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments. Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company. Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

### Cost of goods sold

Cost of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

# Notes to the Financial Statements

## Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

## Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## 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.

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income.

## Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## 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 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 subsidiaries of TMC Invest 2021 ApS group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

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.

### 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.

# Notes to the Financial Statements

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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	3-20 years
Leasehold improvements	3-20 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 31,000 are expensed in the year of acquisition.

## 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.

## Investments in subsidiaries

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

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## 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, raw materials and consumables equals landed cost.

## 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 concerning rent, insurance premiums, subscriptions and interest.

## 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.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

# Notes to the Financial Statements

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.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## 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	$\text{Net profit for the year} \times 100 / \text{Average equity}$