
Bella Operation A/S

Center Boulevard 5, DK-2300 Copenhagen

Annual Report for 2023

CVR No. 37 93 98 38

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 3/6 2024

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 Annual Report of Bella Operation A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 20 March 2024

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, 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, 20 March 2024

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	Bella Operation A/S Center Boulevard 5 2300 Copenhagen CVR No: 37 93 98 38 Financial period: 1 January - 31 December Incorporated: 18 August 2016 Financial year: 7th financial year Municipality of reg. office: Copenhagen
Board of Directors	Martin Gaarn Thomsen, chairman Christian Riis-Hansen Peter Korsholm Helle Kejser Nielsen Elisabeth Kathenes Støle
Executive Board	Christian Folden Lund Jacob Kjær
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	860,433	714,607	251,455	261,089	892,243
Gross profit	290,283	267,600	212,424	111,583	331,798
Profit/loss of primary operations	-26,971	-29,769	28,739	-180,253	-28,665
Profit/loss of financial income and expenses	-6,174	3,137	-5,775	-5,154	-991
Net profit/loss for the year	-27,068	-13,598	17,644	-141,019	-23,493
Balance sheet					
Balance sheet total	516,262	506,559	406,710	400,667	467,538
Investment in property, plant and equipment	40,819	47,217	29,770	19,118	38,719
Equity	175,618	202,687	216,284	78,031	219,695
Number of employees	570	534	287	423	751
Ratios					
Gross margin	33.7%	37.4%	84.5%	42.7%	37.2%
Solvency ratio	34.0%	40.0%	53.2%	19.5%	47.0%
Return on equity	-14.3%	-6.5%	12.0%	-94.7%	-11.9%

Management's review

Key activities

The company's main activity is hosting moments that matter. Whether it's for leisure or business, be it an intimate dinner or a grand congress, we are dedicated to the transformative influence of uniting people. Our mission is to craft positive impacts that linger in the memories of all participants. As part of parent company Bellagroup, we consider Bella Operation A/S to be a pivotal contributor to the growth of tourism and business in Copenhagen committed to actively shaping the Danish Capital into a premier global destination for major events, conferences, and travel. This mission builds on an integrated mission of shaping the sustainable hospitality platform of the future.

Bella Operation A/S operates the Copenhagen Marriott Hotel 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 showrooms at CIFF Village, offices at International House, and signature event and trade brands Copenhagen Gaming Week, CIFF – Copenhagen International Fashion Fair, BogForum etc.

Development in the year

While 2022 could be characterized as a rebound year following the global Covid-19 pandemic with an abundance of postponed international congresses and large events suddenly returned within a short timeframe further challenged by general staffing shortage in our company and industry, 2023 has been a year of re-stabilization.

The quantity and cadence of largescale events has returned to more typical levels and we are once again fully staffed following proactive recruitment initiatives by our own Bellagroup People & Culture department in close collaboration with municipal and governmental institutions. Simultaneously, the extreme and unforeseeable price fluctuations on goods and services that hit the Danish hospitality industry in 2022 in the wake of geopolitical unrest and war in Ukraine, and which in turn affected operations across Bellagroup, have generally subsided. Still the general price level remains significantly above pre-pandemic levels due to years of hefty inflation and global instability.

Adding positively to an increased sense of stability in Bellagroup's venue business, 2023 saw strategic efforts within areas such as cost management, cash flow optimization, and the innovative yielding of physical venue space allowing for Bella Center and Bella Arena to cater to multiple events simultaneously without comprising on clients' "buy-out" feeling of a fully formed branding universe. These tactical measures and optimization initiatives have paved the way for a future of producing even more high-quality events in a streamlined set-up utilizing existing resources –space as well as people – in smarter ways.

In terms of international congress activity 2023 accounted for a wide array of renowned associations within a broad range of professional fields, who all chose to gather delegates, customers, and experts in the Danish capital. To name a few: 18th Congress of ECCO - Inflammatory Bowel Diseases 2023 in March, ELCC – European Lung Cancer Congress 2023 in March/April, ECCMID 2023 - 33rd European Congress of Clinical Microbiology and Infectious Diseases in April, WindEurope Annual Event 2023 in April, PNS 2023 - 2023 Peripheral Nerve Society Annual Meeting in June, ESHRE 2023 – European Society of Human Reproduction and Embryology in June, MDS 2023 - International Congress of Parkinson's Disease and Movement Disorders in August, CIRSE 2023 – Cardiovascular and Interventional Radiological Society of Europe in September, ISPOR Europe 2023 – The International Society for Pharmacoeconomics and Outcomes Research in November and NLS - Nordic Life Science Days 2023 in November.

Management's review

In 2023 two stand-out congress events at Bella Center Copenhagen and Bella Arena were the result of in-depth partnership planning and co-development between our organization and others: The UIA 2023 World Congress of Architects in July and meeting industry peer event PCMA Convening EMEA 2023. While the World Congress of Architects saw close collaboration with e.g., destination partner Wonderful Copenhagen on highlighting the Danish capital as one of the world's most sustainable event destinations in terms of services and architecture, PCMA convening EMEA served as a strategic showcase for meeting, conference, and congress industry fellows with a strong focus on our own efforts in shaping the responsible hospitality platform of the future. This was visible in tangible efforts such as hosting a tailored Responsible Hospitality stand for attendees to explore as well as orchestrating a series of highly sought after "behind the scenes" tours allowing for competitors, clients, and partners to explore the inner workings of Bellagroup's responsible hospitality efforts.

New and existing projects

Following the creation of "Bella Presents" in 2022 - a new, strategic branch of our venue business birthed to drive innovation and secure the highest level of quality in our own event formats – and the subsequent onboarding of the first ever Director of Bella Presents by the end of the same year, 2023 has seen impressive growth and innovation within this field.

A specific focus for Bella Presents – apart from securing the platform for Denmark's largest literature festival, Bogforum – has been driving our own activity and demand in the typical off season for international association congresses in Q1. This resulted not only in the continued work surrounding the creation of Copenhagen Gaming Week described in further detail below, but also the pilot project "Bella Stage" created to explore opportunities for seated cultural events in Bella Arena, with the December 2023 production of "Love Actually in Concert" proving to be a smash hit with more than 5.000 spectators across two performances combining cinema with symphonic live music.

On the final homestretch towards the first ever Copenhagen Gaming Week:

last year's annual report, we described the efforts made by Bellagroup in crafting a new, recurring festival for all things gaming and esports. During 2023 we have continued this project in close collaboration with the municipality of Copenhagen, the governing body of the capital region of Denmark and destination partner Wonderful Copenhagen. Following a spring and summer of intense attempts at outlining potential exhibitors, collaborative partners, and program content for the first ever production of Copenhagen Gaming Week, ticket sales went online in the early fall of 2023 with event dates set for the second weekend of 2024.

The latter part of 2023 was dedicated to leveraging our efforts to promote this new megaevent, with a comprehensive approach that included impactful influencer collaborations, strategic media partnerships, omnichannel advertising, and focused PR and press initiatives. As this review concludes, we eagerly anticipate the imminent opening of Copenhagen Gaming Week, the details of which will be elaborated upon in the forthcoming annual report of 2024.

Breaking records with Bogforum:

A significant focus in 2023 was devoted to shaping the 32nd edition of Denmark's premier book and literature festival, Bogforum. What initially began as a strategic and communicative overhaul in the early months of the year evolved into a complete revitalization of the event format. This transformation centered on addressing three key objectives: 1) Clearly communicating Bogforum's commitment to the publishing industry as a unifying force benefiting all stakeholders in the value chain, 2) Overhauling and rebranding the children's segment of Bogforum to attract more families and cultivate future readers, and 3) Introducing new initiatives to enhance professional and social networking among exhibitors and key industry representatives during the event.

By the conclusion of Bogforum 2023 in November, it became evident that we not only met but surpassed all the aforementioned objectives. The event received overwhelmingly positive feedback from both guests and exhibitors, achieving a record-breaking attendance of over 39,000 literature enthusiasts from diverse backgrounds—an impressive growth of nearly 15% in just one year. This success solidifies our commitment to delivering exceptional experiences and fostering positive engagement within the literary community.

Management's review

The transformative journey of CIFF:

In early 2023, CIFF - Copenhagen International Fashion Fair, successfully acquired its former fashion trade fair competitor, Revolver ApS, which subsequently has been merged into Bella Operation A/S. The strategic move aimed to reinforce Copenhagen's standing as the fashion capital of Scandinavia. The merger is characterized as a "power move," anticipating significant benefits for the entire Scandinavian fashion industry. This initiative was a proactive response to a longstanding desire from key stakeholders in the Danish and Scandinavian fashion sectors for a unified and coordinated fashion city and order platform. The inaugural CIFF x Revolver showcase in August 2023 set a new benchmark for fashion fairs in Denmark, both in terms of scale and quality. Subsequent organizational and brand-related improvement discussions in the latter part of 2023 led to the decision to simplify communication by reverting to the original CIFF name, aligning with the event's rich history at Bella Center Copenhagen.

In November 2023, the 62nd edition of CIFF unveiled a new vision for the growing event and industry platform. The presentation outlined the path forward, emphasizing the commitment to excellence and will further solidify its position as a leading force in the dynamic landscape of the Scandinavian fashion industry.

Financial result for the year

The income statement of the Company for 2023 shows a loss of TDKK 27,068, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 175,618.

The realised EBIT in 2023 was within the range for the outlook given for 2023.

Outlook 2024

For 2024, we expect an EBIT in the range of DKK -15 - +15 million.

Management's review

Responsible hospitality

As part of parent company Bellagroup, Bella Operation A/S remains an ambitious organization– also when it comes to sustainability. We believe that unique meetings, moments, and hotel stays can and must go hand in hand with the ambition of being a force for good – for our planet and the people who inhabit it. This is what we call responsible hospitality.

Our approach to responsible hospitality is comprehensive, seeking to create positive impacts on ourselves, our guests, and the surrounding community. As pioneers in the hospitality industry, we strive to unlock potential, explore sustainable opportunities, reduce environmental impact, and share innovative solutions. In doing so, we aim to shape the sustainable hospitality platform of the future.

The Bellagroup Responsible Hospitality report (Responsible Hospitality Report 2023) summarizing all activities, partnerships, and initiatives in 2023 is available at www.bellagroup.dk/en/about-bellagroup/responsible-hospitality.

Responsible Hospitality milestones from Bella Operation A/S in 2023

- Implementing comprehensive mapping of CO₂e emissions, covering scope 1, 2, and primary scope 3, utilizing our corporate climate reporting system. The system has been built on historical mapping from 2019 to the present year.
- Introducing Viima chemical-free cleaning practices across all our hotels.
- Completing initial phases of the Copenhagen Marriott renovation, enhancing guest experiences while optimizing energy efficiency.
- Completing a 16,000m² roof-integrated solar panel park atop Bella Center Copenhagen – the largest in ?? -, advancing our renewable energy initiatives.
- Forming strategic partnerships for redirecting waste streams towards upcycling.
- Launching a comprehensive learning and development platform for all Bellagroup employees.
- Implementing a same-sex maternity/paternity leave framework, fostering an inclusive work environment and supporting diverse family structures.
- Publishing our inaugural annual climate report, encompassing all three emission scopes, showcasing our commitment to emission transparency.
- Pledging to set science-based targets, aligning our environmental efforts with established scientific benchmarks.
- Becoming a co-signatory of the UNGC CEO statement presented at COP28, underlining Bellagroup's dedication to global sustainability goals.
- Initiating the implementation of the ISO 14001/20121 management system across all units, with an external auditing process underway.
- Celebrating the recognition of Crowne Plaza Copenhagen Towers, which was honored with the HSMAI sustainability award.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements 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 2023" or www.bellagroup.dk/en/about-bellagroup/responsible-hospitality.

Management's review

Statement on gender composition, cf. section 99b of the Financial Statements 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). The Executive Board of Bellagroup consists of two male 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 2030 for the Board of Directors.

We also aim to have equal gender representation for the Executive Committee and other executive levels within Bellagroup 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 66,6% men and 33,3% women (6 vs. 3), while the Directors' Committee comprises 59% men and 41% women (13 vs. 9).

For all leadership positions in Bellagroup – especially in relation to potential future recruitments within our Executive Board, Executive Committee, and Director's Committee - procedures are being established to ensure that applicant proposals will include relevant female candidates to achieve the goal of equal gender representation. However, this ambition may never overshadow the candidate's capabilities and experience needed.

We aim for gender equality in the general composition of the abovementioned boards by 2030 at the latest - in time to meet the UN Sustainable Development Goal nr. 5.

2023

Top management

Total number of members	3
Underrepresented gender %	0%
Target figure %	40%
Year for meeting target	2030

Other management levels

Total number of members	13
Underrepresented gender %	41%
Target figure %	46%
Year for meeting target	2030

Management's review

Statement on data ethics, cf. section 99d of the Financial Statements 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.

The Data Privacy & Compliance team sets out our commitment for safeguarding the personal data of our employees, guests, customers, and other persons whose data we have been entrusted with. Like many industries, the hospitality industry is increasingly dependent on digitization and mobile transactions.

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.

The Data Privacy & Compliance team sets out our commitment for safeguarding the personal data of our employees, guests, customers, and other persons whose data we have been entrusted with. Like many industries, the hospitality industry is increasingly dependent on digitization and mobile transactions.

In recent years, there have been numerous data breach incidents around the world. In close corporation, our IT and Data Privacy & Compliance divisions continue to evolve our approach in terms of information security and data protection, identifying threats, mitigating risks, and preparing for possible incidents or disruptions.

Everyone working at Bellagroup has a personal responsibility to practice effective data management in accordance with our company policies, including our Data Privacy Policy and procedures, as well as global regulations such as GDPR.

In 2023, we have introduced mandatory GDPR and IT Security eLearning. The eLearning modules must be completed by all employees every year and all new employees must complete the training as a part of their onboarding process.

In 2023, no complaints or incidents concerning breaches of personal data were registered at Bellagroup.

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 2023.

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	2023	2022
		TDKK	TDKK
Revenue	1	860,433	714,594
Other operating income	2	0	58,930
Cost of goods sold		-179,172	-156,925
Other external expenses		-390,978	-348,999
Gross profit		290,283	267,600
Staff expenses	3	-286,618	-272,497
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-30,586	-24,872
Other operating expenses		-50	0
Profit/loss before financial income and expenses		-26,971	-29,769
Income from investments in subsidiaries	5	-3,989	6,399
Financial income	6	2,805	1,668
Financial expenses	7	-4,990	-4,930
Profit/loss before tax		-33,145	-26,632
Tax on profit/loss for the year	8	6,077	13,034
Net profit/loss for the year	9	-27,068	-13,598

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		15,283	4,064
Acquired other similar rights		3,293	0
Goodwill		37,225	0
Intangible assets	10	55,801	4,064
Other fixtures and fittings, tools and equipment		62,941	58,188
Leasehold improvements		52,135	53,674
Property, plant and equipment	11	115,076	111,862
Investments in subsidiaries	12	19,835	23,824
Receivables from group enterprises		66,200	66,200
Deposits		39,447	38,651
Fixed asset investments		125,482	128,675
Fixed assets		296,359	244,601
Finished goods and goods for resale		4,275	2,954
Inventories		4,275	2,954
Trade receivables		77,507	80,271
Receivables from group enterprises		10,444	6,626
Other receivables		11,844	7,691
Deferred tax asset		33,133	38,689
Corporation tax receivable from group enterprises		11,011	9,252
Prepayments		11,473	11,059
Receivables		155,412	153,588
Cash at bank and in hand		60,216	105,416
Current assets		219,903	261,958
Assets		516,262	506,559

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	13	1,000	1,000
Reserve for net revaluation under the equity method		18,735	22,724
Retained earnings		155,883	178,963
Equity		175,618	202,687
Lease obligations		9,049	783
Trade payables		0	8,771
Payables to group enterprises		14,341	14,341
Deposits		11,168	11,089
Other payables		10,820	10,544
Long-term debt	14	45,378	45,528
Lease obligations	14	2,256	1,534
Prepayments received from customers		65,819	46,712
Trade payables	14	112,363	78,417
Payables to group enterprises	14	18,731	46,580
Deposits	14	4,021	1,161
Other payables	14	92,076	83,940
Short-term debt		295,266	258,344
Debt		340,644	303,872
Liabilities and equity		516,262	506,559
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Fee to auditors appointed at the general meeting	17		
Accounting Policies	18		

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	22,724	178,962	202,686
Net profit/loss for the year	0	-3,989	-23,079	-27,068
Equity at 31 December	1,000	18,735	155,883	175,618

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
1. Revenue		
Geographical segments		
Revenue, Denmark	860,433	714,594
	<u>860,433</u>	<u>714,594</u>
Business segments		
Hotel	322,544	282,765
Area & Entry	207,682	147,649
Technique & Services	144,756	108,884
Food & Beverage	185,451	175,296
	<u>860,433</u>	<u>714,594</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
2. Other operating income		
Covid-19 compensation for fixed costs, salary and arrangements and remission of financial debt	0	42,605
Other income	0	16,325
	<u>0</u>	<u>58,930</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
6. Financial income		
Interest received from group enterprises	2,488	1,302
Other financial income	317	366
	<u>2,805</u>	<u>1,668</u>
	2023	2022
	TDKK	TDKK
7. Financial expenses		
Other financial expenses	4,990	4,930
	<u>4,990</u>	<u>4,930</u>
	2023	2022
	TDKK	TDKK
8. Income tax expense		
Current tax for the year	-1,784	-9,252
Deferred tax for the year	-4,219	-2,230
Adjustment of tax concerning previous years	-74	-9,095
Adjustment of deferred tax concerning previous years	0	7,543
	<u>-6,077</u>	<u>-13,034</u>
	2023	2022
	TDKK	TDKK
9. Profit allocation		
Reserve for net revaluation under the equity method	-3,989	22,724
Retained earnings	-23,079	-36,322
	<u>-27,068</u>	<u>-13,598</u>

Notes to the Financial Statements

10. Intangible fixed assets

	Completed development projects	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	16,328	0	0
Net effect from merger and acquisition	0	4,160	40,609
Transfers for the year	14,133	0	0
Cost at 31 December	<u>30,461</u>	<u>4,160</u>	<u>40,609</u>
Impairment losses and amortisation at 1 January	12,264	0	0
Amortisation for the year	2,607	867	3,384
Transfers for the year	307	0	0
Impairment losses and amortisation at 31 December	<u>15,178</u>	<u>867</u>	<u>3,384</u>
Carrying amount at 31 December	<u>15,283</u>	<u>3,293</u>	<u>37,225</u>

11. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	125,078	72,363
Additions for the year	36,404	4,415
Disposals for the year	-5,334	0
Transfers for the year	-14,133	0
Cost at 31 December	<u>142,015</u>	<u>76,778</u>
Impairment losses and depreciation at 1 January	66,890	18,689
Depreciation for the year	17,775	5,954
Reversal of impairment and depreciation of sold assets	-5,284	0
Transfers for the year	-307	0
Impairment losses and depreciation at 31 December	<u>79,074</u>	<u>24,643</u>
Carrying amount at 31 December	<u>62,941</u>	<u>52,135</u>
Amortised over	<u>3-20 years</u>	<u>3-20 years</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
12. Investments in subsidiaries		
Cost at 1 January	17,425	1,100
Net effect from merger and acquisition	0	16,325
Cost at 31 December	<u>17,425</u>	<u>17,425</u>
Value adjustments at 1 January	6,399	0
Net profit/loss for the year	-3,989	6,399
Value adjustments at 31 December	<u>2,410</u>	<u>6,399</u>
Carrying amount at 31 December	<u>19,835</u>	<u>23,824</u>

Investments in subsidiaries are specified as follows:

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

13. Share capital

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

	2023	2022
	TDKK	TDKK
14. 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:

Lease obligations		
After 5 years	2,147	0
Between 1 and 5 years	6,902	783
Long-term part	9,049	783
Within 1 year	2,256	1,534
	<u>11,305</u>	<u>2,317</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
14. Long-term debt		
Trade payables		
After 5 years	0	0
Between 1 and 5 years	0	8,771
Long-term part	0	8,771
Other short-term trade payables	112,363	78,417
	112,363	87,188
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	14,341	14,341
Long-term part	14,341	14,341
Other short-term debt to group enterprises	18,731	46,580
	33,072	60,921
Deposits		
After 5 years	0	0
Between 1 and 5 years	11,168	11,089
Long-term part	11,168	11,089
Other deposits	4,021	1,161
	15,189	12,250
Other payables		
After 5 years	0	0
Between 1 and 5 years	10,820	10,544
Long-term part	10,820	10,544
Other short-term payables	92,076	83,940
	102,896	94,484

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
15. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	181,254	105,270
Between 1 and 5 years	782,184	789,526
After 5 years	2,998,128	3,558,987
	<u>3,961,566</u>	<u>4,453,783</u>
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.		
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 ¹ 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.		
Including to group enterprises		
Rental and lease obligations	1,143,616	1,160,687

Notes to the Financial Statements

16. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
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

BCHG Properties A/S

CP Hotel A/S

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, intercompany receivables 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

2023

TDKK

2022

TDKK

17. 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

18. Accounting policies

The Annual Report of Bella Operation A/S for 2023 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 2023 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 2023 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. 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 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

Revenue

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

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year.

Acquired other similar rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Non compete clause are amortised over the period in force, however not exceeding 3 year.

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.

Notes to the Financial Statements

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.

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 32,000 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.

Notes to the Financial Statements

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.

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 liabilities

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