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# **BCHG Holding A/S**

Center Boulevard 5, DK-2300 København S

## **Annual Report for 2021**

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CVR No 38 24 67 12

The Annual Report has  
been presented and  
adopted at the Annual  
General Meeting of the  
Company on  
/ 2022

Chairman of the General  
Meeting



# Contents

	<b>Page</b>
<b>Reports</b>	
Management's Statement	3
Independent Auditor's Report	4
Company Information	7
Financial Highlights	8
Management's Review	9
<b>Consolidated Financial Statements</b>	
Income Statement 1 January – 31 December	14
Balance Sheet 31 December – Assets	15
Balance Sheet 31 December – Liabilities and Equity	16
Statement of Changes in Equity	17
Cash Flow Statement	18
Notes to the Consolidated Financial Statements	19
<b>Parent Company Financial Statements</b>	
Income Statement 1 January – 31 December	35
Balance Sheet 31 December – Assets	36
Balance Sheet 31 December – Liabilities and Equity	37
Statement of Changes in Equity	38
Notes to the Financial Statements	39
<b>Supplementary reporting - Responsible Hospitality Report for 2021</b>	<b>45</b>

## Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of BCHG Holding A/S for the financial year 1 January - 31 December 2021.

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

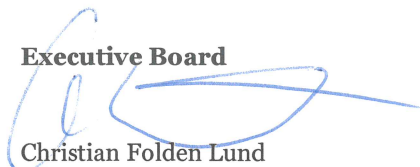
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

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

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

Copenhagen, 30 March 2022

### Executive Board



Christian Folden Lund  
CEO



Jacob Kjær  
CFO

### Board of Directors



Martin Gaarn Thomsen  
Chairman



Peter Korsholm



Christian Riis-Hansen



Michael Dano Andersen  
Staff Representative

# Independent Auditor's Report

To the Shareholders of BCHG Holding A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BCHG Holding A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as cash flow statement for the Group ("financial statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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 (page 9 -13).

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

## **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 30 March 2022

**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

BCHG Holding A/S  
Center Boulevard 5  
DK-2300 Copenhagen

CVR no: 38 24 67 12

Financial period: 1 January - 31 December

Financial year: 6<sup>th</sup> financial year

Municipality of reg. office: Copenhagen

[www.bellagroup.dk](http://www.bellagroup.dk)

### Board of Directors

Martin Gaarn Thomsen (Chairman)  
Christian Riis-Hansen  
Peter Korshold  
Michael Dano Andersen (Staff Representative)

### Executive Board

Christian Folden Lund, CEO  
Jacob Kjær, CFO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of  
TMC Invest 2021 ApS.

## Financial Highlights

### Group

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Revenue	251,454	261,090	892,243	959,225	953,776
Gross profit	285,855	159,513	377,465	422,639	440,713
Depreciation, amortisation and impairment	(40,726)	(87,109)	(50,227)	(58,448)	(67,569)
Profit before financial items	85,656	(590,682)	(9,406)	37,837	215,192
Financial income and expenses	(38,404)	(18,512)	(14,693)	(11,600)	(31,816)
Profit before tax	47,252	(609,194)	(24,099)	26,237	183,376
Net profit for the year	44,238	(460,165)	(19,954)	18,284	119,674
<b>Balance sheet</b>					
Balance sheet total	1,230,917	1,214,223	1,665,298	1,639,809	1,623,783
Equity	250,503	69,075	627,086	590,960	561,560
Production property	343,003	40,442	433,465	431,059	431,059
Investment property	555,616	555,616	745,446	745,127	745,127
Credit institution	743,223	823,252	613,946	597,383	627,287
<b>Cash flows</b>					
<i>Cash flows from:</i>					
Operating activities	(23,235)	(37,365)	8,004	67,939	71,570
Investing activities	(63,337)	(231,522)	(128,063)	(69,461)	811,837
Financing activities	165,515	243,171	71,923	(29,904)	(776,861)
Change in cash and cash equivalents	78,943	(25,716)	(48,136)	(31,426)	106,546
No of employees	287	423	751	740	705
<b>Ratios</b>					
Gross margin	114%	61%	42%	44%	46%
Solvency ratio	20%	6%	38%	36%	35%
Return on equity	28%	(132)%	(3)%	3%	15%

For definitions of financial ratios, see under accounting policies.



## Management's review

The consolidated financial statements of BCHG Holding A/S for 2021 have been prepared in accordance with the provision of the Danish Financial Statement Act applying to large enterprises of reporting class C.

Our Responsible Hospitality Report for 2021 is included as supplementary reporting.

### Main activity

#### Hosting moments that matter

The Group's primary activity is hosting moments that matter. Be it leisure or business, we believe in the power of bringing people together. Our purpose is to create a positive impact that live on in the memory of all involved. And we aim to make Copenhagen an international top destination for major events and conferences while shaping the sustainable hospitality platform of the future.

Through the subsidiary Bella Operation A/S, the company operates the hotels Copenhagen Marriott, AC Hotel Bella Sky Copenhagen and, through a management agreement, the Crowne Plaza Copenhagen Towers.

The company operating Crowne Plaza Copenhagen Towers was acquired 1 January 2022 and will going forward be operated in line with the other hotels in the Group. See below for further details regarding the acquisition of CP Hotel A/S, the operating company of Crowne Plaza Copenhagen Towers.

Bella Operation A/S also manages the operation of Bella Center Copenhagen and Bella Arena - including CIFF showrooms, International House, and the event brands CIFF, BogForum and others.

### Development in the year

#### A new beginning: Rethinking our business and launching a new strategy

2021 started where the previous year left off, with the COVID-19 pandemic continuing to have a significant negative impact on the business performance of the Group. But for us, the year was also a new beginning. A year of rethinking, regrouping, renaming, and re-emerging after new owners were found and the restrictions were lifted.

The prolonged COVID-19 situation had eroded the equity of BCHG Holding by the end of 2020 and we entered 2021 with significant financial difficulties. As one of the largest congress exhibition venues in Northern Europe, restrictions naturally continued to influence our business severely, shutting down almost all activities during the first half of 2021, resulting in a liquidity crisis and loss of equity. From the very beginning of the year, the Group was operated (solely) on acceptance from the bank, which was given due to the ongoing process of looking for new capital to re-establish the equity.

Not often do companies have the possibility to put operations on halt for months to rethink business, structure, and operations from the ground up. But due to COVID, we did.

With the backing of the bank to keep our business running, we developed a rescue plan that included cost cutting, restructuring and new equity. While travel restrictions, national lockdown and closed borders shut down almost all activities during the first half of 2021, we were working on restructuring assets and rethinking operations.

## **New strategy and name launched**

As a result, we launched a new strategy in October that reduced complexity by realizing Group synergies and unifying our delivery model in 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 in our way of work.

The turning point came after negotiations in April and May, and the General Assembly in June 2021. The agreement included reduction of our debt, new agreements with the hotel owners and new equity from new owners, leaving the Group in a better financial situation than pre-COVID and providing a solid financial foundation for future development and possible expansion.

The new beginning was marked by renaming the Group to Bellagroup.

## **Starting the long journey back to normal**

Business activities in venues and hotels were at a very low level during the first half of the year due to restrictions. This changed over the summer. Denmark was among the first countries to fully open during 2021. As restrictions eased, we reengaged the employees, COVID restrictions had forced us to let go. Getting hotels and venues ready for guests again and reopening AC Hotel Bella Sky after almost 1,5 years of lockdown was comprehensive, but nevertheless meaningful and what everyone at Bellagroup had been longing for.

We also opened the doors to Bella Arena, our new sustainable and long-awaited extension of the Bella Center. The venue, with room for 7,000 seated guests, will as a stand-alone brand be focused on cultural events and concerts, while at the same time giving Bella Center the future option to host several major events simultaneously or even larger international events which requires a spacious keynote speaker hall.

After the year's slow start, activities picked up again in the second half of 2021 and at Bellagroup we hosted the first major corporate events in Northern Europe. During the months from August until November, we experienced an increased demand for our services in both venues as well as hotel activities. During that time span, we moved closer to a normal activity level much faster than we had expected. We saw more activities in our venues, which reached the level pre-COVID. And we saw a period in which we were close to full occupancy at the hotels.

With COVID still lurking in late 2021, our focus was on safety as well as service, as we successfully hosted a corporate dinner for +4.000 participants, BogForum with +30,000 guests and WindEurope's annual conference with 8.000 attendees from all over the world.

## **Financial result for the year**

The financial result for 2021 clearly mirrors the above-described situation.

The full year profit before tax excluding COVID-19 compensation and remission of debt (part of other operating income) amounts to a loss of DKK 196 million. This is worse than the outlook for 2021 given in the Annual report for 2020. The result is a consequence of 8 months heavily impacted by COVID-19 and 4 months with lower COVID-19 impact. The basis for the expectations for 2021 was that COVID-19 would not impact second half of 2021, which it unfortunately did. However, we did, as expected realize a result close to break even, in the months less impacted by COVID-19.

The total result is a net profit of DKK 44 million, mainly because of the debt remission and capital restructuring in combination with governmental COVID-19 compensations.

## ***Outlook 2022***

### **On the rebound and ready for growth**

Unfortunately, the year ended with another lockdown in December and going into 2022, the global pandemic still has a significant impact on the hospitality industry and leads to unpredictability in terms of possible restrictions and future lockdowns.

However, we remain optimistic due to the combination of high vaccine participation and new less severe variants of the virus on the one hand, and a strong pipeline and strong liquidity on the other. There is a firm belief in Bellagroup that we are in a strong position to show solid economic performance in the future. The latter based on three major factors. First, the recapitalisation has left the company and Group financially in a much better position than pre-COVID. Second, the experience from the autumn where the return to pre-COVID levels was faster than expected, and third, because the company and Group over the year has built a strong order portfolio on the venue side.

2021 taught us that once lockdowns and restrictions are loosened, guests will be returning faster and in greater numbers than previously expected. Based on experiences from previous lockdowns and re-openings, we expect business to return in different pace for our business units. Hotels will rebound faster than our venues, as leisure will return faster than business customers. Similarly, we expect national business to pick up faster than our international guests.

A full return for the Group to the level of pre-COVID will likely take some years. That said, we are well under way and already have major events booked for 2022, 2023 and 2024.

We expect the result excluding other operating income for 2022 to be significantly better than 2021, even though the year have started with a full COVID-19 closure. The before mentioned pipeline in combination with the prolonged governmental compensations imply an expected Net Profit/Loss for 2022 close to zero. The strong cash position is expected to be kept during the year.

## ***Focus on sustainability***

### **Committed to responsible hospitality**

Even through challenging times, Bellagroup remains committed to building the sustainable hospitality platform of the future.

During 2021, we opened Bella Arena which is built with sustainable materials with an emphasis on energy efficiency and circularity and was pre-certified with the international gold certification in

sustainability from DGNB (Green Building Council Denmark). We also hosted the first large event, where the environmental impact was measured and documented from start to finish. In 2022, we hope to spread the approach to more events, so that we can continually measure, benchmark, and improve our initiatives.

Our ambitions and commitments to sustainability for 2022 cover all business areas as we aim to deliver real, tangible change.

Our Responsible Hospitality report is included in this Annual Report, summarising all activity, partnerships, and initiatives in 2021. The report is also available at [www.responsiblehospitality.dk](http://www.responsiblehospitality.dk)

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

Regarding the statement of corporate social responsibility by section 99a of the Danish Financial Statements Act, reference is made to the above-mentioned CSR report "[Responsible Hospitality Report 2021](#)".

### **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 change or extension of the aforementioned Boards, we will pay special attention to attract female members, however qualification and competences will also be part of the decision. The aim is to obtain equal representation in 2025/26 for the Board of Directors. The target has not yet been reached for Board of Directors.

We also aim to have equal gender representation for Executive Board and other executive levels and do in our recruitment process make sure that both genders are represented when selecting the final candidat. Going forward we will continue with the effort in our search for candidates.

### **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 law and comprises our data ethics principles and, data privacy policy. Reference is made to the above-mentioned CSR report "[Responsible Hospitality Report 2021](#)", page 29.

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

Recognition and measurement in the Annual Report have been subject to some judgement, see also note 24 to the Consolidated Financial Statements.

### **Subsequent events**

During the autumn of 2021, Bella Operation A/S had dialogues with Niam, the owner of Copenhagen Towers and Copenhagen Skyline Holding ApS, the owner of the company operating the Crown Plaza Hotel Copenhagen Towers. The parties discussed a possible transaction where Bella Operation acquired the operating hotel company. An agreement was reached at the very end of the year and closing of the deal took place on 1 January 2022. Hereafter, the operating company CP Hotel A/S, operating the Copenhagen Tower Crown Plaza Hotel, became a part of Bellagroup. The Crown Plaza Hotel is expected to support the growth of the entire Group in similar ways as the two other hotels - partly by its own operation and partly as a joint offer to the venue activities at Bella Center and Bella Arena.

## Income Statement of 1 January – 31 December

Group	Note		
		2021 DKK '000	2020 DKK '000
Revenue	2	251,454	261,090
Cost of goods sold		(42,554)	(29,600)
Other operating income	3	243,330	199,621
External costs		<u>(166,375)</u>	<u>(271,598)</u>
<b>Gross profit</b>		<b>285,855</b>	<b>159,513</b>
Staff expenses	4	(159,428)	(193,034)
Revaluations		0	(469,917)
Other operating expenses		(45)	(135)
Depreciation, amortisation and impairment	5	<u>(40,726)</u>	<u>(87,109)</u>
<b>Profit before financial income and expenses</b>		<b>85,656</b>	<b>(590,682)</b>
Financial income	6	5	1,032
Financial expenses	7	<u>(38,409)</u>	<u>(19,544)</u>
<b>Profit before tax</b>		<b>47,252</b>	<b>(609,194)</b>
Tax on profit for the year	8	<u>(3,014)</u>	<u>149,029</u>
<b>Net profit for the year</b>		<b><u>44,238</u></b>	<b><u>(460,165)</u></b>

## Balance Sheet 31 December - Assets

Group	Note		
		2021 DKK '000	2020 DKK '000
<b>Assets</b>			
Completed development projects	9	<u>7,016</u>	<u>9,680</u>
<b>Intangible assets</b>		<b><u>7,016</u></b>	<b><u>9,680</u></b>
Leasehold improvements	10	37,247	51,872
Equipment	11	49,316	45,339
Production properties	12	343,003	40,442
Investment properties	13	555,616	555,616
Tangible assets under construction	14	<u>0</u>	<u>266,146</u>
<b>Tangible assets</b>		<b><u>985,182</u></b>	<b><u>959,415</u></b>
Deposits		<u>38,651</u>	<u>64,679</u>
<b>Financial assets</b>		<b><u>38,651</u></b>	<b><u>64,679</u></b>
<b>Non-current assets</b>		<b><u>1,030,849</u></b>	<b><u>1,033,774</u></b>
Inventories		2,792	2,144
Trade receivables		33,890	30,064
Receivables from group enterprises		20	3,575
Other receivables		27,114	95,104
Prepaid expenses		24,239	16,492
Cash and cash equivalents		<u>112,013</u>	<u>33,070</u>
<b>Current assets</b>		<b><u>200,068</u></b>	<b><u>180,449</u></b>
<b>Total assets</b>		<b><u>1,230,917</u></b>	<b><u>1,214,223</u></b>

## Balance Sheet 31 December – Liabilities and Equity

Group	Note		
		2021 DKK '000	2020 DKK '000
<b>Liabilities and equity</b>			
Share capital	15	400	23,921
Share premium		119,600	0
Other reserves		0	(16,898)
Retained earnings		<u>130,503</u>	<u>62,052</u>
<b>Equity</b>		<b><u>250,503</u></b>	<b><u>69,075</u></b>
Credit institutions	16	720,980	541,557
Provision for deferred tax	17	49,334	41,595
Payables to group enterprises		0	30,000
Trade payables		8,771	20,094
Deposits		11,066	9,633
Other payables		<u>12,726</u>	<u>14,157</u>
<b>Non-current liabilities</b>		<b><u>802,877</u></b>	<b><u>657,036</u></b>
Credit institutions	16	22,243	281,695
Payables to group enterprises		0	9,923
Payables to group enterprises relating to corporation tax		428	0
Trade payables		43,418	95,306
Prepayments received from customers		67,034	48,911
Deposits		5,320	6,198
Other payables		<u>39,094</u>	<u>46,079</u>
<b>Current liabilities</b>		<b><u>177,537</u></b>	<b><u>488,112</u></b>
<b>Total liabilities and equity</b>		<b><u>1,230,917</u></b>	<b><u>1,214,223</u></b>



## Statement of Changes in Equity

### Group

	Share Capital DKK '000	Share Premium DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Total equity DKK '000
<b>At 1 January 2020</b>	23,921	0	114,696	488,469	627,086
Revaluation property	0	0	(93,264)	0	(93,264)
Interest rate swap	0	0	(4,582)	0	(4,582)
Adjustments*	0	0	(33,748)	33,748	0
Net profit for the year	0	0	0	(460,165)	(460,165)
<b>At 31 December 2020</b>	<b>23,921</b>	<b>0</b>	<b>(16,898)</b>	<b>62,052</b>	<b>69,075</b>
<b>At 1 January 2021</b>	23,921	0	(16,898)	62,052	69,075
Write-down of share capital	(23,921)	0	0	23,921	0
Share capital increase	400	119,600	0	0	120,000
Expenses incurred in connection with share capital increase	0	0	0	(1,770)	(1,770)
Interest rate swap	0	0	18,960	0	18,960
Adjustments*	0	0	(2,062)	2,062	0
Net profit for the year	0	0	0	44,238	44,238
<b>At 31 December 2021</b>	<b>400</b>	<b>119,600</b>	<b>0</b>	<b>130,503</b>	<b>250,503</b>

\*Adjustments comprises prior and current year allocation of revaluation of production properties and interest rate swap from shareholders equity to Income Statement

## Cash Flow Statement 1 January – 31 December

Group	Note	2021	2020
		DKK '000	DKK '000
<b>Profit before financial income and expenses</b>		<b>85,656</b>	<b>(590,682)</b>
Adjustments for income statement items without cash effect	21	(118,853)	557,025
Change in working capital	22	<u>53,392</u>	<u>1,747</u>
<b>Cash flow from operating activities before financial items</b>		<b><u>20,195</u></b>	<b><u>(31,910)</u></b>
Financial income received		5	1,032
Financial expenses paid		(42,008)	(19,544)
Taxes		<u>(1,427)</u>	<u>13,057</u>
<b>Cash flow from operating activities</b>		<b><u>(23,235)</u></b>	<b><u>(37,365)</u></b>
Purchase of intangible assets		0	(3,388)
Purchase of tangible assets		(82,697)	(228,134)
Sale of tangible assets		<u>19,360</u>	<u>0</u>
<b>Cash flow from investing activities</b>		<b><u>(63,337)</u></b>	<b><u>(231,522)</u></b>
Share capital increase		120,000	0
Change in mortgage loans		12,206	(42,174)
Expenses incurred with the share capital increase		(1,770)	0
Subordinated loan obtained		0	30,000
Credit facilities		<u>35,079</u>	<u>255,345</u>
<b>Cash flow from financing activities</b>		<b><u>165,515</u></b>	<b><u>243,171</u></b>
<b>Change in cash and cash equivalents</b>		<b>78,943</b>	<b>(25,716)</b>
Cash and cash equivalents at 1 January		<u>33,070</u>	<u>58,786</u>
<b>Cash and cash equivalents at 31 December</b>		<b><u>112,013</u></b>	<b><u>33,070</u></b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		109,268	30,325
Restricted cash		<u>2,745</u>	<u>2,745</u>
<b>Cash and cash equivalents at 31 December</b>		<b><u>112,013</u></b>	<b><u>33,070</u></b>

## Notes to the Financial Statements

### Group

Note 1	Subsequent events	20
Note 2	Revenue	20
Note 3	Other operating income	20
Note 4	Staff expenses	20
Note 5	Depreciation, amortisation and impairment	21
Note 6	Financial income	21
Note 7	Financial expenses	21
Note 8	Tax on profit for the year	21
Note 9	Intangible assets	22
Note 10	Leasehold improvements	22
Note 11	Equipment	23
Note 12	Production properties	23
Note 13	Investment properties	24
Note 14	Tangible assets under construction	25
Note 15	Share capital	25
Note 16	Long-term debt	25
Note 17	Provision for deferred tax	25
Note 18	Collateral	26
Note 19	Contingent liabilities and other financial obligations	26
Note 20	Related party transactions	26
Note 21	Cash flow statement, adjustments for income statement items without cash effect	27
Note 22	Cash flow statement, change in working capital	27
Note 23	Accounting policies for the Financial Statements	27
Note 24	Significant accounting estimates and assessment	33

## Note 1 – Subsequent events

During the autumn of 2021, Bella Operation A/S had dialogues with Niam, the owner of Copenhagen Towers and Copenhagen Skyline Holding ApS, the owner of the company operating the Crown Plaza Hotel Copenhagen Towers. The parties discussed a possible transaction where Bella Operation acquired the operating hotel company. An agreement was reached at the very end of the year and closing of the deal took place on 1 January 2022. Hereafter, the operating company CP Hotel A/S, operating the Copenhagen Tower Crown Plaza Hotel, became a part of Bellagroup. The Crown Plaza Hotel is expected to support the growth of the entire Group in similar ways as the two other hotels - partly by its own operation and partly as a joint offer to the venue activities at Bella Center and Bella Arena.

	<u>2021</u>	<u>2020</u>
	DKK '000	DKK '000
<b>Note 2 – Revenue</b>		
<b>Geographical segments</b>		
Denmark	<u>251,454</u>	<u>261,090</u>
	<u><b>251,454</b></u>	<u><b>261,090</b></u>
<b>Business segments</b>		
Hotel	87,232	77,346
Area & Entry	81,215	116,868
Technique & Services	34,453	22,855
Food & beverage	<u>48,554</u>	<u>44,021</u>
	<u><b>251,454</b></u>	<u><b>261,090</b></u>
<b>Note 3 – Other operating income</b>		
Covid-19 compensation for fixed costs, salary and arrangements and remission of financial debt and subordinated loan	<u>243,330</u>	<u>199,621</u>
	<u><b>243,330</b></u>	<u><b>199,621</b></u>
<b>Note 4 – Staff expenses</b>		
Wages and salaries	140,464	165,967
Pensions	11,975	16,000
Social security costs	2,591	2,900
Other staff related costs	<u>4,398</u>	<u>8,167</u>
	<u><b>159,428</b></u>	<u><b>193,034</b></u>
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	7,023	9,958
Board of Directors	<u>76</u>	<u>83</u>
	<u><b>7,099</b></u>	<u><b>10,041</b></u>
<b>Average number of employees</b>	<u><b>287</b></u>	<u><b>423</b></u>

	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
<b>Note 5 – Depreciation, amortisation and impairment</b>		
Goodwill	0	21,501
Completed development projects	1,924	7,388
Leasehold improvements	5,118	12,597
Equipment	17,170	25,463
Production and hotel properties	<u>16,514</u>	<u>20,160</u>
	<b><u>40,726</u></b>	<b><u>87,109</u></b>
<b>Note 6 – Financial income</b>		
Other financial income	5	311
Financial income from group enterprises	<u>0</u>	<u>721</u>
	<b><u>5</u></b>	<b><u>1,032</u></b>
<b>Note 7 – Financial expenses</b>		
Interest on long-term debt	34,287	14,267
Financial expenses from group enterprises	0	866
Lease obligations	125	165
Other financial expenses	<u>3,997</u>	<u>4,246</u>
	<b><u>38,409</u></b>	<b><u>19,544</u></b>
<b>Note 8 – Tax on profit for the year</b>		
Tax on profit for the year	(2,748)	3,404
Tax on profit prior year	(1,977)	(16,745)
Change in deferred tax	<u>7,739</u>	<u>(163,124)</u>
	<b><u>3,014</u></b>	<b><u>(176,465)</u></b>
can be allocated as follows:		
Tax on profit/loss for the year	1,181	(149,029)
Tax on equity movements	<u>1,833</u>	<u>(27,436)</u>
	<b><u>3,014</u></b>	<b><u>(176,465)</u></b>

## Note 9 – Intangible Assets

### Completed development projects

#### Costs

	2021 DKK '000	2020 DKK '000
At 1 January	17,068	0
Transfer from intangible assets under construction	0	13,266
Disposals	(740)	0
Additions	<u>0</u>	<u>3,802</u>
At 31 December	<u>16,328</u>	<u>17,068</u>

#### Accumulated amortisation

At 1 January	3,388	0
Amortisation for the year	<u>1,924</u>	<u>3,388</u>
At 31 December	<u>5,312</u>	<u>3,388</u>

#### Accumulated impairment

At 1 January	4,000	0
Impairment for the year	<u>0</u>	<u>4,000</u>
At 31 December	<u>4,000</u>	<u>4,000</u>

#### Carrying amount at 31 December

<u>7,016</u>	<u>9,680</u>
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## Note 10 – Leasehold improvements

#### Costs

At 1 January	70,283	50,184
Additions	181	16,134
Transfer from equipment	0	3,965
Disposals	<u>(20,544)</u>	<u>0</u>
At 31 December	<u>49,920</u>	<u>70,283</u>

#### Accumulated depreciation

At 1 January	11,958	5,814
Depreciation for the year	5,118	6,144
Reversal of depreciation of sold assets	<u>(4,403)</u>	<u>0</u>
At 31 December	<u>12,673</u>	<u>11,958</u>

#### Accumulated impairment

At 1 January	6,453	0
Impairment for the year	0	6,453
Reversal of impairment of sold assets	<u>(6,453)</u>	<u>0</u>
At 31 December	<u>0</u>	<u>6,453</u>

#### Carrying amount at 31 December

<u>37,247</u>	<u>51,872</u>
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## Note 11 – Equipment

### Costs

	2021 DKK '000	2020 DKK '000
At 1 January	204,367	210,732
Additions	29,588	2,987
Transfer to leasehold improvements	0	(3,965)
Disposals	<u>(55,054)</u>	<u>(5,387)</u>
At 31 December	<u>178,901</u>	<u>204,367</u>

### Accumulated depreciation

At 1 January	155,223	138,534
Depreciation for the year	17,170	21,658
Reversal of depreciation of sold assets	(42,808)	0
Disposals	<u>0</u>	<u>(4,969)</u>
At 31 December	<u>129,585</u>	<u>155,223</u>

### Accumulated impairment

At 1 January	3,805	0
Impairment for the year	0	3,805
Reversal of impairment of sold assets	<u>(3,805)</u>	<u>0</u>
At 31 December	<u>0</u>	<u>3,805</u>

### Carrying amount at 31 December

<u>49,316</u>	<u>45,339</u>
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## Note 12 – Production properties

### Halls/Auditoriums/Meeting facilities

#### Costs

At 1 January	598,306	571,533
Additions	0	6,438
Transfer	319,075	20,335
Disposals	<u>0</u>	<u>0</u>
At 31 December	<u>917,381</u>	<u>598,306</u>

#### Revaluation

At 1 January	(280,067)	119,569
Revaluation	<u>0</u>	<u>(399,636)</u>
At 31 December	<u>(280,067)</u>	<u>(280,067)</u>

#### Depreciation

At 1 January	277,797	257,637
Depreciation for the year	16,514	20,160
Depreciation on disposals for the year	<u>0</u>	<u>0</u>
Depreciation at 31 December	<u>294,311</u>	<u>277,797</u>

### Carrying amount at 31 December

<u>343,003</u>	<u>40,442</u>
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### Production property

The fair value of production property as of 31 December is determined by discounting expected cash flows 31 December 2021 by a discount rate of 9.6% (2020: 9.6%). Income from production properties comprises income from events and congresses, including additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc.

### Sensitivity – value adjustment of production property

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

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

	2021 DKK '000	2020 DKK '000
<b>Note 13 – Investment properties</b>		
<b>Costs</b>		
At 1 January	391,329	391,329
Additions	<u>0</u>	<u>0</u>
At 31 December	<u>391,329</u>	<u>391,329</u>
<b>Value adjustments</b>		
At 1 January	164,287	354,117
Revaluation	<u>0</u>	<u>(189,830)</u>
At 31 December	<u>164,287</u>	<u>164,287</u>
<b>Carrying amount at 31 December</b>	<b><u>555,616</u></b>	<b><u>555,616</u></b>

### Investment properties

Investment properties are measured at fair value. The determination of fair value is based on generally accepted valuation methods, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. Income from investment properties comprise external rent agreement regarding International House and Showrooms. The fair value of investment property as of 31 December 2021 is determined by discounting expected cash flows 31 December 2021 by a discount rate of 6.0% (2020: 6.0%).

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

### Sensitivity – value adjustment of investment property

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

In the case of production activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the assessment value by +/- DKK 22 million and +/- DKK 55 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 30 million.



	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
<b>Note 14 – Tangible Assets under construction</b>		
<b>Costs</b>		
At 1 January	266,146	81,777
Additions	52,929	204,704
Transfer for the year	<u>(319,075)</u>	<u>(20,335)</u>
At 31 December	<u>0</u>	<u>266,146</u>
<b>Carrying amount at 31 December</b>	<b><u>0</u></b>	<b><u>266,146</u></b>

<b>Note 15 – Share capital</b>		
Share capital at 1 January	23,921	23,921
Write-down of share capital	(23,921)	0
Capital increase	<u>400</u>	<u>0</u>
<b>Share capital at 31 December</b>	<b><u>400</u></b>	<b><u>23,921</u></b>

The share capital consists of 400,000 shares of a nominal value of DKK 0.01. No shares carry any special rights.

#### **Note 16 – Long-term debt**

<b>Credit institutions</b>		
After 5 years	376,715	303,448
Between 1 and 5 years	<u>344,265</u>	<u>238,109</u>
Long-term part	720,980	541,557
Within 1 year	<u>22,243</u>	<u>281,695</u>
<b>Financial obligations at amortised cost at 31 December</b>	<b><u>743,223</u></b>	<b><u>823,252</u></b>

#### **Note 17 – Provision for deferred tax**

Intangible fixed assets	9,302	20,318
Tangible fixed assets	(304,327)	(273,561)
Tax losses carried forward	65,640	62,275
Other timing differences	<u>5,141</u>	<u>1,902</u>
	<u>(224,244)</u>	<u>(189,066)</u>
Provision for deferred tax 22%:	<u>49,334</u>	<u>41,595</u>
Provision for deferred tax 31 December	41,595	204,719
Deferred income tax recognised in income statement and on equity	<u>7,739</u>	<u>(163,124)</u>
<b>Deferred tax 31 December</b>	<b><u>49,334</u></b>	<b><u>41,595</u></b>

	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000

### **Note 18 – Collateral**

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

Production and investment properties, carrying amount	898,619	862,184
Equipments for the value of	<u>20,000</u>	<u>20,000</u>
	<b><u>918,619</u></b>	<b><u>882,184</u></b>

### **Note 19 - Contingent liabilities and other financial obligations**

#### **Rental and lease obligations as of 31 December**

Within 1 year	32,481	32,274
Between 1 and 5 years	403,855	419,565
After 5 years	<u>2,548,287</u>	<u>2,646,489</u>
	<b><u>2,984,623</u></b>	<b><u>3,098,328</u></b>

Rent expenses charged to the income statement during the year	28,215	130,384
Lease expenses charged to the income statement during the year	1,773	1,995

#### **Joint Taxation**

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 16 June 2021 to 31 December 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 respectively Solstra Investments A/S and TMC Invest 2021 ApS, which is the management company for the two joint taxations groups. 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.

#### **Other contingent liabilities**

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

#### **Note 20 – Related party transactions**

The Group is controlled by TMC Invest 2021 ApS.

Related parties are considered to be the Board of Directors, Executive Board, TMC Invest 2021 ApS and Solstra Investments A/S' subsidiaries.

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

	2021 DKK '000	2020 DKK '000
<b>Note 21 – Cash flow statement, Adjustments for income statement items without cash effect</b>		
Revaluations	0	469,917
Remission of loans	(158,315)	0
Gain/losses fixed assets disposals	(1,264)	0
Depreciation, amortisation and impairment	<u>40,726</u>	<u>87,108</u>
	<b><u>(118,853)</u></b>	<b><u>557,025</u></b>
<b>Note 22 – Cash flow statement, change in working capital</b>		
Change in inventories	(648)	3,154
Change in receivables, etc.	86,770	(22,423)
Change in payables, etc.	<u>(32,730)</u>	<u>21,016</u>
	<b><u>53,392</u></b>	<b><u>1,747</u></b>

### Note 23 – Accounting policies for the Financial Statements

The Annual Report of the Group for 2021 has been prepared in accordance with the Danish Financial Statements Act applying to presentation of Annual Reports of large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for the financial year are presented in TDKK.

#### Recognition and measurement

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

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

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

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

#### Translation policies

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.

### **Consolidation policies**

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

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

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

### **Income statement**

#### **Revenue**

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

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

#### **Cost of goods sold**

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

#### **Value adjustment of investment property**

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

## Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment, remission of financial debt and subordinated loan as well as government grants, such as economic Covid-19 compensation packages.

## Depreciation and impairment losses

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

	<u>Useful life (years)</u>
Production buildings	100
Exhibition and convention centres, auditoriums etc.	10-50
Other fixtures and operating equipment	1-15
Completed development projects	5

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

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow to the Group in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

## Financial income and expenses

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

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised directly in equity. The Group is jointly taxed with Danish subsidiaries of TMC Invest 2021 ApS group and Solstra Investments A/S group. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

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

## **Balance sheet**

### **Intangible assets**

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

### **Completed development projects**

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

### **Tangible assets**

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

### **Leasehold improvements and fixtures and operating equipment**

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

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

### **Properties**

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

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

### **Impairment test**

An impairment test is carried out in terms of leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and

group of assets, respectively. The assets are written down to the higher of the asset's or group of assets' values in use and net selling price (recoverable amount) if this is lower than the carrying amount.

### **Finance leases**

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

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

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.

### **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. 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.

Provisions are determined on the basis of an individual assessment of the receivables that are estimated to be risky.

### **Equity**

Distributable reserves are transferred to retained earnings as they are considered free reserves. Included in Other reserves/retained earnings are the hedging reserve that includes changes in the fair value of derivatives classified and qualifying as cash flow hedges.

Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

### **Dividend**

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

## **Provisions**

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

## **Taxes payable and deferred tax**

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

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

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

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

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

## **Financial debts**

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

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

## **Derivative financial instruments**

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

## **Cash flow statement**

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



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

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

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

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

### **Financial ratios**

#### ***Gross margin:***

Gross profit (contribution margin) / Revenue \* 100

#### ***Solvency ratio:***

Equity/Assets \* 100

#### ***Return on equity:***

Net profit for the year/Average equity \* 100

#### ***Book value per share:***

Equity/outstanding shares of nominal 0.01

### **Note 24 – Significant accounting estimates and assessments**

On application of the Group's accounting policies as described in note 23, Management is required to perform assessments and use estimates as well as prepare assumptions for the carrying amount of assets and liabilities, which cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual outcome may differ from these estimates.

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

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

#### **Fair value adjustment of properties**

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

At the end of each reporting period, Management updates their assessment of the fair value of each property, taking into account the most recent market conditions and independent valuation reports. Management determines a property's value within a range of reasonable fair value estimates. The best

evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Management considers information from a variety of sources including:

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

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

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

### **COVID-19 compensation scheme**

The Group has applied for all the available governmental COVID-19 schemes. The Group has currently only been allowed to submit the final account for salary compensation received for the first applied compensation period. The final account for salary compensation for this period 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 are not due before 30 September 2022. Furthermore, the final control from the Danish Business Authority will not take place until after this date.

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 2021.

### **Capital structure**

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

## Income Statement of 1 January – 31 December

### Parent Company

	Note	2021	2020
		DKK '000	DKK '000
<b>Gross profit</b>		<b>(5,655)</b>	<b>(841)</b>
<b>Profit before financial income and expenses</b>		<b>(5,655)</b>	<b>(841)</b>
Reversal of / Impairment of financial assets	B	161,301	(573,945)
Financial expenses	C	(225)	(96)
<b>Profit before tax</b>		<b>155,421</b>	<b>(574,882)</b>
Tax on profit for the year	D	800	150
<b>Net profit for the year</b>	E	<b>156,221</b>	<b>(574,732)</b>

## Balance Sheet 31 December - Assets

### Parent Company

	Note	2021	2020
		DKK '000	DKK '000
<b>Assets</b>			
Investment in subsidiaries	F	281,301	0
<b>Financial assets</b>		<b>281,301</b>	<b>0</b>
<b>Non-current assets</b>		<b>281,301</b>	<b>0</b>
Deferred tax asset		154	0
Receivables from group enterprises		83	0
Receivables from group enterprises, corporation tax		647	91
Cash at bank and in hand		168	31
<b>Current assets</b>		<b>1,052</b>	<b>122</b>
<b>Total assets</b>		<b>282,353</b>	<b>122</b>

## Balance Sheet 31 December – Liabilities and Equity

### Parent Company

	Note	2021	2020
		DKK '000	DKK '000
<b>Liabilities and equity</b>			
Share capital	G	400	23,921
Share premium		119,600	0
Retained earnings		152,007	(26,365)
<b>Equity</b>		<b>272,007</b>	<b>(2,444)</b>
Trade payables		265	0
Payables to group enterprises		5,778	2,266
Other payables		4,303	300
<b>Current liabilities</b>		<b>10,346</b>	<b>2,566</b>
<b>Total liabilities and equity</b>		<b>282,353</b>	<b>122</b>

## Statement of Changes in Equity

### Parent Company

	Share capital DKK '000	Share premium DKK'000	Retained earnings DKK '000	Total equity DKK '000
<b>At 1 January 2020</b>	<b>23,921</b>	<b>0</b>	<b>548,367</b>	<b>572,288</b>
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>(574,732)</u>	<u>(574,732)</u>
<b>At 31 December 2020</b>	<b><u>23,921</u></b>	<b><u>0</u></b>	<b><u>(26,365)</u></b>	<b><u>(2,444)</u></b>
<b>At 1 January 2021</b>	23,921	0	(26,365)	(2,444)
Write-down of share capital	(23,921)	0	23,921	0
Share capital increase	400	119,600	0	120,000
Expenses incurred with share capital increase	0	0	(1,770)	(1,770)
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>156,221</u>	<u>156,221</u>
<b>At 31 December 2021</b>	<b><u>400</u></b>	<b><u>119,600</u></b>	<b><u>152,007</u></b>	<b><u>272,007</u></b>

# Notes to Financial Statement

## Parent Company

Note A	Subsequent events	40
Note B	Impairment of financial assets	40
Note C	Financial expenses	40
Note D	Tax on profit for the year	40
Note E	Distribution of profit	40
Note F	Investments in subsidiaries	41
Note G	Equity	41
Note H	Contingent liabilities and other financial obligations	41
Note I	Related parties	42
Note J	Accounting policies for the Parent Company	43

**Note A – Subsequent events**

During the autumn of 2021, Bella Operation A/S had dialogues with Niam, the owner of Copenhagen Towers and Copenhagen Skyline Holding ApS, the owner of the company operating the Crown Plaza Hotel Copenhagen Towers. The parties discussed a possible transaction where Bella Operation acquired the operating hotel company. An agreement was reached at the very end of the year and closing of the deal took place on 1 January 2022. Hereafter, the operating company CP Hotel A/S, operating the Copenhagen Tower Crown Plaza Hotel, became a part of Bellagroup. The Crown Plaza Hotel is expected to support the growth of the entire Group in similar ways as the two other hotels - partly by its own operation and partly as a joint offer to the venue activities at Bella Center and Bella Arena.

	<u>2021</u>	<u>2020</u>
	DKK '000	DKK '000
<b>Note B – Impairment of financial assets</b>		
Bella Operation A/S & BCHG Properties A/S	<u>0</u>	<u>(573.945)</u>
	<u><b>0</b></u>	<u><b>(573.945)</b></u>
<b>Note C – Financial expenses</b>		
Other financial expenses	(90)	(3)
Interest, Group enterprises	<u>(135)</u>	<u>(93)</u>
	<u><b>(225)</b></u>	<u><b>(96)</b></u>
<b>Note D – Tax on profit for the year</b>		
Current tax for the year	587	150
Deferred tax for the year	59	0
Adjustment of tax concerning previous years	<u>154</u>	<u>0</u>
	<u><b>800</b></u>	<u><b>150</b></u>
<b>Note E – Distribution of profit</b>		
Retained earnings	<u>(5.080)</u>	<u>(574.732)</u>
	<u><b>(5.080)</b></u>	<u><b>(574.732)</b></u>

After distribution of the loss for 2020, the equity was negative, and the entire share capital was lost 31 December 2020. The share capital has been re-established in 2021 through subscription of new share capital.



## Note F – Investments in subsidiaries

	<u>2021</u>	<u>2020</u>
	DKK '000	DKK '000
<b>Cost</b>		
Cost at 1 January	573,945	573,945
Additions for the year	<u>120,000</u>	<u>0</u>
Cost at 31 December	<u>693,945</u>	<u>573,945</u>
<b>Accumulated impairment</b>		
At 1 January	(573,945)	0
Reversal of impairment in prior year	161,301	0
Impairment for the year	<u>0</u>	<u>(573,945)</u>
At 31 December	<u>(412,644)</u>	<u>(573,945)</u>
<b>Carrying amount at 31 December</b>	<u><b>281,301</b></u>	<u><b>0</b></u>

Due to operating losses for 2020 and further losses in 2021 in Bella Operation A/S as well as revaluation of investment property in BCHG Properties A/S, the equity was lost in both subsidiaries at 31 December 2020. Together with the situation as described in the Annual Report for 2020, note 1 and note 2 to the consolidated financial statements, both investments were considered impaired at 31 December 2020.

In 2021 a business restructuring was made and consequently the impairment made in 2020 was partly reversed.

### Investments in subsidiaries are specified as follows:

	<b>Share capital</b>	<b>Votes and ownership</b>	<b>Equity</b>	<b>Net profit/loss for the year</b>
	DKK '000		DKK '000	DKK '000
<b>Name/place of registered office</b>				
Bella Operation A/S	1,000	100%	216,284	17,644
BCHG Properties A/S	1,190	100%	65,017	43,335

Information is based on latest available Annual Reports for the Companies.

### Note G – Equity

The share capital consists of 400,000 shares of a nominal value of DKK 0.01. No shares carry any special rights.

### Note H – Contingent liabilities and other financial obligations

#### Guarantee obligations

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

#### Joint Taxation

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 16 June 2021 to 31

December 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 respectively Solstra Investments A/S and TMC Invest 2021 ApS, which is the management company for the two joint taxations groups. 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.

### **Note I - Related parties**

Related parties are considered to be the Board of Directors, Executive Board, TMC Invest 2021 ApS and Solstra Investments A/S' subsidiaries.

	<u>Basis</u>
<b>Controlling interest</b>	
TMC Invest 2021 ApS, Copenhagen	Parent company, based on a shareholders agreement.

### **Transactions**

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

### **Consolidated Financial Statements**

The Company is included in the Consolidated Financial Statements of TMC Invest 2021 ApS.

<u>Name</u>	<u>Place of registered office</u>
TMC Invest 2021 ApS	Copenhagen

## **Note J – Accounting policies for the Parent Company**

### **Basis of Preparation**

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

The accounting policies applied remain unchanged from last year.

The Parent Company Financial Statements for 2021 are presented in DKK thousand.

### **Recognition and measurement**

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

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

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

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

### **Income statement**

#### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

#### **Financial income and expenses**

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

#### **Tax on profit/loss for the year**

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

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

## **Balance sheet**

### **Investments in subsidiaries**

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

### **Receivables**

Receivables are 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.

### **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.