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Spliidsvej 25 A  
DK-9990 Skagen  
CVR no. 20 22 26 70

**RUTHS HOTEL A/S**  
**HANS RUTHS VEJ 1, 9990 SKAGEN**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**  
**36rd FINANCIAL YEAR**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 14 May 2024**

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**Anne-Marie Krog**

**CVR NO. 11 81 09 85**

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**COMPANY DETAILS**

<b>Company</b>	Ruths Hotel A/S Hans Ruths Vej 1 9990 Skagen  CVR No.: 11 81 09 85 Established: 1 January 1988 Municipality: Frederikshavn Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Anne-Marie Krog, chairman Mark Philip Sørensen Helle Dyhr Jensen Mark Murray Preston Peter Christian Bühlmann Jensen
<b>Executive Board</b>	Tom Boye
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Spliidsvej 25 A 9990 Skagen
<b>Bank</b>	Sparekassen Danmark Sct. Laurentii Vej 33 9990 Skagen
<b>Law Firm</b>	HjulmandKaptain Frederikshavnsvej 215 9800 Hjørring

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Ruths Hotel A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Skagen, 14 May 2024

Executive Board

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Tom Boye

Board of Directors

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Anne-Marie Krog  
Chairman

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Mark Philip Sørensen

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Helle Dyhr Jensen

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Mark Murray Preston

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Peter Christian Bühlmann Jensen

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Ruths Hotel A/S

### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Ruths Hotel A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

### 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or 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 Consolidated Financial Statements and the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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 Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

## INDEPENDENT AUDITOR'S REPORT

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Skagen, 14 May 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Allan Andersen  
State Authorised Public Accountant  
MNE no. mne31387

**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Gross profit/loss.....	37,556	39,852	32,744	29,807	24,884
Operating profit/loss before depreciation and amortisation (EBITDA)...	6,485	10,694	8,917	9,115	5,105
Operating profit/loss of main activities...	2,258	7,099	5,870	6,418	2,333
Financial income and expenses, net.....	196	-34	-138	-94	1
Profit/loss for the year before tax.....	2,455	7,065	5,733	6,324	2,334
Profit/loss for the year.....	2,455	7,065	5,733	6,324	2,334
Results for the year without minority interests.....	2,455	7,065	5,733	6,324	2,334
<b>Balance sheet</b>					
Total assets.....	160,388	150,819	144,653	142,088	129,163
Equity.....	151,325	140,289	133,224	127,491	121,167
<b>Cash flows</b>					
Cash flows from operating activities.....	6,078	7,861	12,736	7,456	5,695
Cash flows from investing activities.....	-16,126	-12,095	-13,161	-7,956	-1,031
Cash flows from financing activities.....	8,618	-20	-1	18	-500
Total cash flows.....	-1,430	-4,254	-426	-482	4,164
Investment in property, plant and equipment.....	-24,832	-12,186	-8,661	-7,477	-1,031
<b>Average number of full-time employees.....</b>					
	<b>67</b>	<b>66</b>	<b>55</b>	<b>52</b>	<b>51</b>
<b>Key ratios</b>					
Equity ratio.....	94.3	93.0	92.1	89.7	93.8

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: 
$$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$$



## MANAGEMENT COMMENTARY

### **Principal activities**

The principal activities comprise hotel operations and food service, administration of real estate as well as other business related hereto in the opinion of the Board of Directors.

### **Development in activities and financial and economic position**

The results and financial development of the group were slightly less than budget for the year 2023.

The group achieved a profit of DKK ('000) 2,455 in 2023 against DKK ('000) 7,065 in 2022.

### **Profit/loss for the year compared to the expected development**

The financial results were affected by market conditions with high costs and a summer season with variable weather.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

### **Future expectations**

It is expected that the results for 2024 will be at least at the same level as 2023.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
<b>GROSS PROFIT</b> .....		<b>37,556,090</b>	<b>39,851,862</b>	<b>37,613,365</b>	<b>39,851,862</b>
Staff costs.....	1	-31,070,843	-29,158,306	-31,070,843	-29,158,306
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-4,226,778	-3,594,718	-4,226,778	-3,594,718
<b>OPERATING PROFIT</b> .....		<b>2,258,469</b>	<b>7,098,838</b>	<b>2,315,744</b>	<b>7,098,838</b>
Income from investments in subsidiaries.....		0	0	-66,175	0
Other financial income.....	2	205,300	59,751	214,200	59,751
Other financial expenses.....		-8,882	-93,568	-8,882	-93,568
<b>PROFIT BEFORE TAX</b> .....		<b>2,454,887</b>	<b>7,065,021</b>	<b>2,454,887</b>	<b>7,065,021</b>
Tax on profit/loss for the year.....		0	0	0	0
<b>PROFIT FOR THE YEAR</b> .....	3	<b>2,454,887</b>	<b>7,065,021</b>	<b>2,454,887</b>	<b>7,065,021</b>

**BALANCE SHEET AT 31 DECEMBER**

ASSETS	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Land and buildings.....		127,303,316	109,591,567	118,819,031	109,591,567
Other plant, fixtures and equipment.....		16,178,416	13,285,373	16,178,416	13,285,373
Tangible fixed assets in progress and prepayments for tangible fixed assets.....		0	3,800,000	0	3,800,000
<b>Property, plant and equipment...</b>	<b>4</b>	<b>143,481,732</b>	<b>126,676,940</b>	<b>134,997,447</b>	<b>126,676,940</b>
Investments in subsidiaries.....		0	0	8,554,510	0
<b>Financial non-current assets.....</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>8,554,510</b>	<b>0</b>
<b>NON-CURRENT ASSETS.....</b>		<b>143,481,732</b>	<b>126,676,940</b>	<b>143,551,957</b>	<b>126,676,940</b>
Expenses for raw materials and consumables.....		4,252,274	4,008,794	4,252,274	4,008,794
Finished goods and goods for resale.....		170,679	98,900	170,679	98,900
<b>Inventories.....</b>		<b>4,422,953</b>	<b>4,107,694</b>	<b>4,422,953</b>	<b>4,107,694</b>
Trade receivables.....		1,036,513	2,275,099	1,036,513	2,275,099
Receivables from group enterprises.....		0	0	5,520,161	0
Other receivables.....		568,987	512,966	568,987	512,966
Prepayments.....	6	143,722	181,824	143,722	181,824
<b>Receivables.....</b>		<b>1,749,222</b>	<b>2,969,889</b>	<b>7,269,383</b>	<b>2,969,889</b>
Other securities and equity investments.....		100,000	5,000,000	100,000	5,000,000
<b>Current investments.....</b>		<b>100,000</b>	<b>5,000,000</b>	<b>100,000</b>	<b>5,000,000</b>
<b>Cash and cash equivalents.....</b>		<b>10,634,528</b>	<b>12,064,302</b>	<b>5,769,778</b>	<b>12,064,302</b>
<b>CURRENT ASSETS.....</b>		<b>16,906,703</b>	<b>24,141,885</b>	<b>17,562,114</b>	<b>24,141,885</b>
<b>ASSETS.....</b>		<b>160,388,435</b>	<b>150,818,825</b>	<b>161,114,071</b>	<b>150,818,825</b>

**BALANCE SHEET AT 31 DECEMBER**

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Share Capital.....	7	16,600,000	16,600,000	16,600,000	16,600,000
Reserve for net revaluation under the equity method.....		0	0	8,514,510	0
Retained earnings.....		134,724,719	123,689,147	126,210,209	123,689,147
<b>EQUITY.....</b>		<b>151,324,719</b>	<b>140,289,147</b>	<b>151,324,719</b>	<b>140,289,147</b>
Bank debt.....		40,751	3,210	40,751	3,210
Prepayments from customers.....		149,992	295,290	149,992	295,290
Trade payables.....		170,386	1,048,875	170,386	1,048,875
Debt to Group companies.....		500,000	500,000	500,000	500,000
Other liabilities.....		3,262,170	3,935,622	3,987,806	3,935,622
Deferred income.....	8	4,940,417	4,746,681	4,940,417	4,746,681
<b>Current liabilities.....</b>		<b>9,063,716</b>	<b>10,529,678</b>	<b>9,789,352</b>	<b>10,529,678</b>
<b>LIABILITIES.....</b>		<b>9,063,716</b>	<b>10,529,678</b>	<b>9,789,352</b>	<b>10,529,678</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>160,388,435</b>	<b>150,818,825</b>	<b>161,114,071</b>	<b>150,818,825</b>
Contingencies etc.	9				
Charges and securities	10				
Related parties	11				

## EQUITY

	<b>Group</b>		
	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	16,600,000	123,689,147	140,289,147
Proposed profit allocation, see note 3.....		2,454,887	2,454,887
Contribution from Group.....		8,580,685	8,580,685
<b>Equity at 31 December 2023 .....</b>	<b>16,600,000</b>	<b>134,724,719</b>	<b>151,324,719</b>

	<b>Parent Company</b>			
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023.....	16,600,000	0	123,689,147	140,289,147
Proposed profit allocation, jf. note 3.....		-66,175	2,521,062	2,454,887
<b>Other legal bindings</b>				
Other adjustments to equity value.....		8,580,685		8,580,685
<b>Equity at 31 December 2023 .....</b>	<b>16,600,000</b>	<b>8,514,510</b>	<b>126,210,209</b>	<b>151,324,719</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>		<b>Parent Company</b>	
	<b>2023</b> DKK	<b>2022</b> DKK	<b>2023</b> DKK	<b>2022</b> DKK
Profit/loss for the year.....	2,454,887	7,065,021	2,454,887	7,065,021
Depreciation and amortisation, reversed.....	4,226,778	3,594,718	4,226,778	3,594,718
Reversed realization gains.....	-5,380	-91,500	-5,380	-91,500
Profit/loss from subsidiaries.....	0	0	66,175	0
Change in inventories.....	-315,259	-1,576,342	-315,259	-1,576,342
Change in receivables (ex tax).....	1,220,667	-252,621	-4,299,494	-252,621
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	-1,503,505	-878,243	-777,868	-878,243
<b>CASH FLOWS FROM OPERATING ACTIVITY..</b>	<b>6,078,188</b>	<b>7,861,033</b>	<b>1,349,839</b>	<b>7,861,033</b>
Purchase of property, plant and equipment..	-24,831,569	-12,186,035	-16,347,285	-12,186,035
Sale of property, plant and equipment.....	3,805,381	91,500	3,805,381	91,500
Purchase of financial assets.....	0	0	-8,620,685	0
Instalments on non-current lending and current investments.....	4,900,000	0	4,900,000	0
Other cash flows from investing activities...	0	0	8,580,685	0
<b>CASH FLOWS FROM INVESTING ACTIVITY....</b>	<b>-16,126,188</b>	<b>-12,094,535</b>	<b>-7,681,904</b>	<b>-12,094,535</b>
Change in bank debt.....	37,541	-20,497	37,541	-20,497
Other cash flows from financing activities...	8,580,685	0	0	0
<b>CASH FLOWS FROM FINANCING ACTIVITY...</b>	<b>8,618,226</b>	<b>-20,497</b>	<b>37,541</b>	<b>-20,497</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.</b>	<b>-1,429,774</b>	<b>-4,253,999</b>	<b>-6,294,524</b>	<b>-4,253,999</b>
Cash and cash equivalents at 1. januar.....	12,064,302	16,318,301	12,064,302	16,318,301
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>10,634,528</b>	<b>12,064,302</b>	<b>5,769,778</b>	<b>12,064,302</b>
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	10,634,528	12,064,302	5,769,778	12,064,302
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>10,634,528</b>	<b>12,064,302</b>	<b>5,769,778</b>	<b>12,064,302</b>

## NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
<b>Staff costs</b>					<b>1</b>
Average number of full time employees	67	66	67	66	
Wages and salaries.....	26,685,367	26,492,630	26,685,367	26,492,630	
Pensions.....	3,006,240	1,399,865	3,006,240	1,399,865	
Social security costs.....	652,645	617,768	652,645	617,768	
Other staff costs.....	726,591	648,043	726,591	648,043	
	<b>31,070,843</b>	<b>29,158,306</b>	<b>31,070,843</b>	<b>29,158,306</b>	
Remuneration of Management and Board of Directors.....	1,375,729	1,236,201	1,375,729	1,236,201	
	<b>1,375,729</b>	<b>1,236,201</b>	<b>1,375,729</b>	<b>1,236,201</b>	
<b>Other financial income</b>					<b>2</b>
Interest income from group enterprises.....	0	0	9,361	0	
Other interest income.....	205,300	59,751	204,839	59,751	
	<b>205,300</b>	<b>59,751</b>	<b>214,200</b>	<b>59,751</b>	
<b>Proposed distribution of profit</b>					<b>3</b>
Allocation to reserve for net revaluation under the equity method.....	0	0	-66,175	0	
Retained earnings.....	2,454,887	7,065,021	2,521,062	7,065,021	
	<b>2,454,887</b>	<b>7,065,021</b>	<b>2,454,887</b>	<b>7,065,021</b>	
<b>Property, plant and equipment</b>					<b>4</b>
			<b>Group</b>		
			Land and buildings	Other plant, fixtures and equipment	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 January 2023.....	149,204,893	30,501,433	3,800,000		
Transferred.....	3,040,000	0	-3,040,000		
Additions.....	19,436,466	5,395,104	0		
Disposals.....	-3,040,000	-1,039,098	-760,000		
<b>Cost at 31 December 2023.....</b>	<b>168,641,359</b>	<b>34,857,439</b>	<b>0</b>		
Depreciation and impairment losses at 1 January 2023.....	39,613,326	17,216,060			
Reversal of depreciation of assets disposed of..	0	-1,039,098			
Depreciation for the year.....	1,724,717	2,502,061			
<b>Depreciation and impairment losses at 31 December 2023.....</b>	<b>41,338,043</b>	<b>18,679,023</b>			
<b>Carrying amount at 31 December 2023.....</b>	<b>127,303,316</b>	<b>16,178,416</b>	<b>0</b>		

## NOTES

## Tangible fixed assets (continued)

Note

4

	Parent Company		
	Land and buildings	Other plant, fixtures and equipment	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 January 2023.....	149,204,893	30,501,433	3,800,000
Transferred.....	3,040,000	0	-3,040,000
Additions.....	10,952,181	5,395,104	0
Disposals.....	-3,040,000	-1,039,098	-760,000
<b>Cost at 31 December 2023.....</b>	<b>160,157,074</b>	<b>34,857,439</b>	<b>0</b>
Depreciation and impairment losses at 1 January 2023.....	39,613,326	17,216,060	
Reversal of depreciation of assets disposed of..	0	-1,039,098	
Depreciation for the year.....	1,724,717	2,502,061	
<b>Depreciation and impairment losses at 31 December 2023.....</b>	<b>41,338,043</b>	<b>18,679,023</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>118,819,031</b>	<b>16,178,416</b>	<b>0</b>

## Financial non-current assets

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	Parent Company
	Investments in subsidiaries
Additions.....	8,620,685
<b>Cost at 31 December 2023.....</b>	<b>8,620,685</b>
Profit/loss for the year.....	-66,175
<b>Revaluation at 31 December 2023.....</b>	<b>-66,175</b>
<b>Carrying amount at 31 December 2023.....</b>	<b>8,554,510</b>

## Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Højene Huse ApS, Skagen.....	8,554,510	-66,175	100 %



## NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
<b>Prepayments</b>					<b>6</b>
Costs.....	143,722	181,824	143,722	181,824	
	<b>143,722</b>	<b>181,824</b>	<b>143,722</b>	<b>181,824</b>	

Prepayments include costs related to the coming financial year.

	2023 DKK	2022 DKK	
<b>Share Capital</b>			<b>7</b>
Allocation of share capital:			
Shares, 16,600 unit in the denomination of 1,000 DKK.....	16,600,000	16,600,000	
	<b>16,600,000</b>	<b>16,600,000</b>	

**Deferred income** **8**  
 Deferred income include income related to the coming financial year.

**Contingencies etc.** **9**

**Contingent assets**  
 The Group has at 31 December 2023 an unrecognised deferred tax asset of DKK ('000) 19,354.

**Contingent liabilities**  
 The Group has entered into an operating lease contract with an average annual lease payment of DKK ('000) 144.

The lease contract has a remaining period of 2-10 months with a total remaining lease payment of DKK ('000) 50.

**Charges and securities** **10**  
 The Group has issued mortgage deeds off a total amount of DKK ('000) 6,500. The amount has been provided as security for bank balances.

**Related parties** **11**  
 The Company's related parties include:

**Controlling interest**  
 LEGASY 4 LIMITED, Farncombe House, Broadway, Worcestershire, Great Britan, is the principal shareholder.

**Transactions with related parties**  
 The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

## ACCOUNTING POLICIES

The Annual Report of Ruths Hotel A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish medium-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

### Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Ruths Hotel A/S and the subsidiaries in which Ruths Hotel A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

## INCOME STATEMENT

### Net revenue

Net revenue from the sale is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

### Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

**ACCOUNTING POLICIES**

**Income from investments in subsidiaries**

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company’s accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company’s Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

**Financial income and expenses**

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

**Tax**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

**BALANCE SHEET**

**Tangible fixed assets**

Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	20-50 years	40 %
Other plant, fixtures and equipment.....	5-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

**Financial non-current assets**

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises’ carrying Equity value, calculated in accordance with the Parent Company’s accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

## ACCOUNTING POLICIES

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

### **Impairment of fixed assets**

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

### **Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

## ACCOUNTING POLICIES

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Securities and investments

Securities and investments, recognised as current assets, comprise public quoted bonds, shares and other securities. Public quoted securities are measured at the market price. Non-quoted equity interests are measured at cost price. Other securities are measured at cost price in so far as an approximate sales value cannot be stated reliably.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

## ACCOUNTING POLICIES

### CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

**Cash flows from operating activities:**

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

**Cash flows from investing activities:**

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

**Cash flows from financing activities:**

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

**Cash and cash equivalents:**

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.