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CVR no. 20 22 26 70

**RUTHS HOTEL A/S**  
**HANS RUTHS VEJ 1, 9990 SKAGEN**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2022**  
**35rd FINANCIAL YEAR**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 13 April 2023**

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**Anne-Marie Krog**

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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 Helle Dyhr Jensen Mark Murray Preston Mark Philip Sørensen Peter Christian Bühlmann Jensen
<b>Executive Board</b>	Tom Boye
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Spliidsvej 25 A, Box 170 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 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 13 April 2023

Executive Board

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Tom Boye

Board of Directors

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Anne-Marie Krog  
Chairman

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Helle Dyhr Jensen

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Mark Murray Preston

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Mark Philip Sørensen

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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 Financial Statements of Ruths Hotel A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Financial Statements

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

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

#### 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 Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 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 Financial Statements 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, 13 April 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Allan Andersen  
State Authorised Public Accountant  
MNE no. mne31387

**FINANCIAL HIGHLIGHTS**

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Gross profit/loss.....	39,852	33,305	29,807	24,884	24,473
Operating profit/loss before depreciation and amortisation (EBITDA)...	10,694	8,917	9,115	5,105	5,080
Operating profit/loss of main activities...	7,099	5,870	6,418	2,333	2,192
Financial income and expenses, net.....	-34	-138	-94	1	0
Profit/loss for the year before tax.....	7,065	5,733	6,324	2,334	2,192
Profit/loss for the year.....	7,065	5,733	6,324	2,334	2,192
<b>Balance sheet</b>					
Total assets.....	150,819	144,653	142,088	129,163	125,991
Equity.....	140,289	133,224	127,491	121,167	119,333
<b>Cash flows</b>					
Cash flows from operating activities.....	7,861	12,722	7,456	5,695	4,960
Cash flows from investing activities.....	-12,095	-13,148	-7,956	-1,031	-7,736
Cash flows from financing activities.....	-20	-1	18	-500	-500
Total cash flows.....	-4,254	-427	-482	4,164	-3,276
Investment in property, plant and equipment.....	-12,186	-8,661	-7,477	-1,031	-7,736
<b>Key ratios</b>					
Equity ratio.....	93.0	92.1	89.7	93.8	94.7

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

Equity ratio: 
$$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

## 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 conditions**

The results and financial development of the company were better than foreseen.

The company achieved a profit of DKK ('000) 7,065 in 2022 against DKK ('000) 5,733 in 2021. The results of the company for 2022 are considered satisfactory.

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

The results and financial development of the company were better than foreseen.

### **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 2023 will be at a lower level than 2022 due to the financial instability in the world, which is expected to have an effect on the restaurant and hotel industry.



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>GROSS PROFIT</b> .....	1	<b>39,851,862</b>	<b>33,305,370</b>
Staff costs.....	2	-29,158,306	-24,388,280
Depreciation, amortisation and impairment.....		-3,594,718	-3,046,602
<b>OPERATING PROFIT</b> .....		<b>7,098,838</b>	<b>5,870,488</b>
Income from other equity investments and securities.....		0	-20,000
Other financial income.....		59,751	14,842
Other financial expenses.....		-93,568	-132,450
<b>PROFIT BEFORE TAX</b> .....		<b>7,065,021</b>	<b>5,732,880</b>
Tax on profit/loss for the year.....		0	0
<b>PROFIT FOR THE YEAR</b> .....	3	<b>7,065,021</b>	<b>5,732,880</b>

**BALANCE SHEET AT 31 DECEMBER**

ASSETS	Note	2022 DKK	2021 DKK
Land and buildings.....		109,591,567	108,393,789
Other plant, tools and equipment.....		13,285,373	9,691,834
Tangible fixed assets in progress and prepayment.....		3,800,000	0
<b>Property, plant and equipment.....</b>	<b>4</b>	<b>126,676,940</b>	<b>118,085,623</b>
<b>NON-CURRENT ASSETS.....</b>		<b>126,676,940</b>	<b>118,085,623</b>
Raw materials and consumables.....		4,008,794	2,458,045
Finished goods and goods for resale.....		98,900	73,307
<b>Inventories.....</b>		<b>4,107,694</b>	<b>2,531,352</b>
Trade receivables.....		2,275,101	2,097,455
Other receivables.....		512,966	492,613
Prepayments and accrued income.....	5	181,824	127,199
<b>Receivables.....</b>		<b>2,969,891</b>	<b>2,717,267</b>
Other securities and equity investments.....		5,000,000	5,000,000
<b>Current investments.....</b>		<b>5,000,000</b>	<b>5,000,000</b>
<b>Cash and cash equivalents.....</b>		<b>12,064,300</b>	<b>16,318,302</b>
<b>CURRENT ASSETS.....</b>		<b>24,141,885</b>	<b>26,566,921</b>
<b>ASSETS.....</b>		<b>150,818,825</b>	<b>144,652,544</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....	6	16,600,000	16,600,000
Retained earnings.....		123,689,146	116,624,125
<b>EQUITY.....</b>		<b>140,289,146</b>	<b>133,224,125</b>
Bank debt.....		3,210	23,707
Prepayments and deposit.....		295,290	257,600
Trade payables.....		1,048,875	1,332,295
Payables to group enterprises.....		500,000	500,000
Other liabilities.....		3,935,623	4,283,284
Accruals and deferred income.....	7	4,746,681	5,031,533
<b>Current liabilities.....</b>		<b>10,529,679</b>	<b>11,428,419</b>
<b>LIABILITIES.....</b>		<b>10,529,679</b>	<b>11,428,419</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>150,818,825</b>	<b>144,652,544</b>
<b>Contingencies etc.</b>	<b>8</b>		
<b>Charges and securities</b>	<b>9</b>		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	16,600,000	116,624,125	133,224,125
Proposed profit allocation, Note3.....		7,065,021	7,065,021
<b>Equity at 31 December 2022.....</b>	<b>16,600,000</b>	<b>23,689,146</b>	<b>40,289,146</b>

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

	<b>2022</b>	<b>2021</b>
	DKK	DKK
Profit/loss for the year.....	7,065,021	5,732,880
Depreciation and amortisation, reversed.....	3,594,718	3,046,602
Reversed realisation gains.....	-91,500	-13,440
Profit/loss from associated enterprises.....	0	20,000
Change in inventories.....	-1,576,342	-663,428
Change in receivables (ex tax).....	-252,624	7,766,774
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-878,243	-3,167,167
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>7,861,030</b>	<b>12,722,221</b>
Purchase of property, plant and equipment.....	-12,186,035	-8,660,996
Sale of property, plant and equipment.....	91,500	13,440
Instalments on non-current lending and current investments.....	0	-4,500,000
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-12,094,535</b>	<b>-13,147,556</b>
Change in bank overdraft.....	-20,497	-1,466
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-20,497</b>	<b>-1,466</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>-4,254,002</b>	<b>-426,801</b>
Cash and cash equivalents at 1. januar.....	16,318,302	16,745,103
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>12,064,300</b>	<b>16,318,302</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	12,064,300	16,318,302
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>12,064,300</b>	<b>16,318,302</b>

## NOTES

			Note
<b>Special items</b>			<b>1</b>
	2022 DKK	2021 DKK	
Compensation Covid-19.....	223,955	2,415,000	
	<b>223,955</b>	<b>2,415,000</b>	
<b>Staff costs</b>			<b>2</b>
Average number of employees	66	55	
Wages and salaries.....	26,492,630	22,280,586	
Pensions.....	1,399,865	1,164,106	
Social security costs.....	617,768	482,638	
Other staff costs.....	648,043	460,950	
	<b>29,158,306</b>	<b>24,388,280</b>	
Remuneration of Management and Board of Directors.....	1,236,201	1,477,320	
	<b>1,236,201</b>	<b>1,477,320</b>	
<b>Proposed profit allocation</b>			<b>3</b>
Retained earnings.....	7,065,021	5,732,880	
	<b>7,065,021</b>	<b>5,732,880</b>	
<b>Property, plant and equipment</b>			<b>4</b>
	Land and buildings	Other plant, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022.....	146,437,316	25,100,939	0
Additions.....	2,767,577	5,618,458	3,800,000
Disposals.....	0	-217,964	0
<b>Cost at 31 December 2022.....</b>	<b>149,204,893</b>	<b>30,501,433</b>	<b>3,800,000</b>
Depreciation and impairment losses at 1 January 2022.....	38,043,522	15,409,110	
Reversal of depreciation of assets disposed of..	0	-217,964	
Depreciation for the year.....	1,569,804	2,024,914	
<b>Depreciation and impairment losses at 31 December 2022.....</b>	<b>39,613,326</b>	<b>17,216,060</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>109,591,567</b>	<b>13,285,373</b>	<b>3,800,000</b>

## NOTES

	2022 DKK	2021 DKK	Note
<b>Prepayments and accrued income</b>			<b>5</b>
Costs.....	181,824	127,199	
	<b>181,824</b>	<b>127,199</b>	

Accruals include costs related to the coming financial year.

<b>Share capital</b>			<b>6</b>
Allocation of share capital:			
Shares, 16,600 units in the denomination of 1,000 DKK.....	16,600,000	16,600,000	
	<b>16,600,000</b>	<b>16,600,000</b>	

<b>Accruals and deferred income</b>			<b>7</b>
Accruals include income related to the coming financial year.			

<b>Contingencies etc.</b>			<b>8</b>
<b>Contingent assets</b>			
The Company has at 31 December 2022 an unrecognised deferred tax asset of DKK ('000) 19,911.			

**Contingent liabilities**  
The Company 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.

<b>Charges and securities</b>			<b>9</b>
There are none charges and securities.			

## ACCOUNTING POLICIES

The Annual Report of Ruths Hotel A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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

## INCOME STATEMENT

### Net revenue

Net revenue from 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, duties and less discounts related to the sale.

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

### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

### Cost of sales

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

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the Company's employees. Repayments from public authorities are deducted from staff costs.

### Income from other securities

Income from other securities include interest income, realised and unrealised exchange gains and losses.

### Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from transactions in foreign currencies. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### 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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Tangible fixed assets**

Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

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

**Impairment of fixed assets**

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are assessed on an annual basis 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 amount is written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

**Inventories**

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

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 cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

**Accruals, assets**

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



## ACCOUNTING POLICIES

### Investments

Investments, recognised as current assets, comprise current investments that are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

### 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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that 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

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

### Accruals, liabilities

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

## 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 bank overdraft and cash in hand.