

# **NH Strandgade ApS**

**Strandgade 7**

**1401 København K**

**CVR No. 41438355**

## **Annual Report 2021**

**2. financial year**

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 13 July 2022

A handwritten signature in black ink, appearing to be 'Paul Spée', written over a horizontal line.

Paul Spée  
Chairman

**Contents**

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Statement of changes in Equity	14
Notes	15

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of NH Strandgade ApS for the financial year 1 January 2021 - 31 December 2021.

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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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

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

Copenhagen, 13 July 2022

### **Executive Board**



Paul Christiaan Petrus  
Wilhelmus Spée



Martinus Joseph Maria Markus

## Independent Auditors' Report

### To the shareholders of NH Strandgade ApS

#### Opinion

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

We have audited the Financial Statements of NH STRANDGADE ApS for the financial year 1 January - 31 December 2021, which comprise a summary of accounting policies, income statement, balance sheet, statement of changes in equity and notes ("the Financial Statements")

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

#### Management's responsibilities for the Financial Statements

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

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

## Independent Auditors' Report

### Auditor's responsibilities for the audit of the Financial Statements

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

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

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

Hellerup, 13 July 2022

PricewaterhouseCoopers Statsautoriseret

**Revisionspartnerselskab**

CVR-no. 33771231



Mads Blichfeldt Henriksen

State Authorised Public Accountant

mne46065

## NH Strandgade ApS - 2021

### Company details

<b>Company</b>	NH Strandgade ApS Strandgade 7 1401 København K
<b>CVR No.</b>	41438355
<b>Executive Board</b>	Paul Christiaan Petrus Wilhelmus Spée, Manager Martinus Joseph Maria Markus, Manager
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## **Management's Review**

### **Key activities**

NH Strandgade ApS ("the Company") has been established on June 17, 2020. The Company's purpose is hotel management of the NH Collection Copenhagen hotel, which was opened on September 1, 2021 and has been operating since.

### **Development in the year**

The income statement of the Company for 2021 shows a loss of DKK -22.870.217 and on 31 December 2021 the balance sheet of the Company shows equity of - DKK -21.337.549.

### **Capital Resources**

Considering the negative equity, the parent company i.e KRASNAPOLSKY HOTELS & RESTAURANTS N.V., has issued a letter of support confirming that the parent company, if needed, will support NH Strandgade ApS financially to an extend not exceeding 12 Million DKK till atleast 30 June 2023 (refer to Note 5).

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Accounting Policies

### Reporting Class

The annual report of NH Strandgade ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Financial Statements for 2021 are presented in DKK.

## General information

### Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Income statement

### Gross profit/loss

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

### Revenue

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales. The revenue consists of room revenue of overnight rooms sold, food & beverage services such as breakfasts, lunch, dinner, and banqueting services as well as meeting room sales.

### Other external expenses

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



## Accounting Policies

### Salaries and wages

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

### Depreciation

Depreciation and impairment of intangible assets, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost.

### Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

### Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance sheet

### Intangible assets

The intangible fixed assets contain software that are presented at cost less accumulated amortisation. The amortisation is on straight-line basis over the estimated useful economic live; the rate is 20%

### Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Other fixtures and fittings, tools and equipment	4-10 years	0%
Assets under construction	4-10 years	0%

## Accounting Policies

### Inventories

Inventories are valued at acquisition price or lower net realizable value. This lower net realizable value is determined by individual assessment of the stocks. The valuation of stocks is based on first in first out. The realisable value of goods for resale is the estimated sales price less directly attributable sales costs. In determining the realisable value, the obsolescence of the inventories is taken into account.

### Receivables

Upon initial recognition the trade debtors are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

### Prepayments, assets

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

### Cash and cash equivalents

Cash at bank and cash in hand are stated at face value.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period. Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2021 kr.	17-06-2020 to 31-12-2020 kr.
<b>Gross profit</b>		<b>24.751.747</b>	<b>0</b>
Salaries and wages	1	-12.313.381	0
Depreciation		-162.393	0
Other external expenses		-34.945.218	-7.445
<b>Profit from ordinary operating activities</b>		<b>-22.669.245</b>	<b>-7.445</b>
Other finance income	2	16.737	772
Finance expenses	3	-217.709	-659
<b>Profit from ordinary activities before tax</b>		<b>-22.870.217</b>	<b>-7.332</b>
<b>Profit</b>		<b>-22.870.217</b>	<b>-7.332</b>
<b>Proposed distribution of results</b>			
Retained earnings		-22.870.217	-7.332
<b>Distribution of profit</b>		<b>-22.870.217</b>	<b>-7.332</b>

## Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
<b>Assets</b>			
Intangible assets		69.398	0
<b>Intangible assets</b>		<b>69.398</b>	<b>0</b>
Other fixtures, fittings, tools and equipment		2.713.597	0
Assets under construction		1.630.722	115.188
<b>Property, plant and equipment</b>	4	<b>4.344.319</b>	<b>115.188</b>
<b>Fixed assets</b>		<b>4.413.717</b>	<b>115.188</b>
Inventory		1.114.867	0
<b>Inventory</b>		<b>1.114.867</b>	<b>0</b>
Trade receivables		1.196.445	0
Receivables from group enterprises		726.486	40.000
Other receivables		1.230.291	0
Prepayments		249.241	0
<b>Receivables</b>		<b>3.402.463</b>	<b>40.000</b>
<b>Cash and cash equivalents</b>		<b>9.558.267</b>	<b>1.776.450</b>
<b>Current assets</b>		<b>14.075.597</b>	<b>1.816.450</b>
<b>Assets</b>		<b>18.489.314</b>	<b>1.931.638</b>

**Balance Sheet as of 31 December**

	Note	2021 kr.	2020 kr.
<b>Liabilities and equity</b>			
Contributed capital		40.000	40.000
Sundry reserves		1.500.000	-40
Retained earnings		-22.877.549	-7.332
<b>Equity</b>		<b>-21.337.549</b>	<b>32.628</b>
Trade payables		3.487.501	7.441
Payables to group enterprises		6.040.561	1.783.729
Other payables		30.298.801	107.840
<b>Short-term liabilities</b>		<b>39.826.863</b>	<b>1.899.010</b>
<b>Liabilities</b>		<b>39.826.863</b>	<b>1.899.010</b>
<b>Liabilities and equity</b>		<b>18.489.314</b>	<b>1.931.638</b>
Capital Resources	5		
Contingent liabilities	6		
Related Parties	7		

## NH Strandgade ApS - 2021

### Statement of changes in Equity

	Share capital	Other reserves	Retained earnings	Total
Equity 1 January 2021	40.000	-40	-7.332	32.628
Other adjustments of equity	0	40	0	40
Profit (loss)	0	0	-22.870.217	-22.870.217
Contribution from group	0	1.500.000	0	1.500.000
<b>Equity 31 December 2021</b>	<b>40.000</b>	<b>1.500.000</b>	<b>-22.877.549</b>	<b>-21.337.549</b>

## Notes

	2021	17-06-2020 to 31-12-2020
<b>1. Salaries and wages</b>		
Wages and salaries	10.900.702	0
Pensions	826.365	0
Other social security	55.845	0
Other staff expenses	530.469	0
	<b>12.313.381</b>	<b>0</b>

Average number of employees	23	0
-----------------------------	----	---

**2. Other financial income**

Interest received from group enterprises	10.438	0
Other financial income	6.299	772
	<b>16.737</b>	<b>772</b>

**3. Finance expenses**

Finance expenses arising from group enterprises	176.508	0
Other finance expenses	41.201	659
	<b>217.709</b>	<b>659</b>

**4. Fixed assets**

	Other fixtures, fittings, tools, and equipment	Assets under construction	Total
Cost at the beginning of the year	0	115.188	115.188
Addition during the year	2.872.302	1.515.534	4.387.836
<b>Cost at the end of the year</b>	<b>2.872.302</b>	<b>1.630.722</b>	<b>4.503.024</b>
Depreciation for the year	-158.705	0	-158.705
<b>Impairment losses and depreciation at the end of the year</b>	<b>-158.705</b>	<b>0</b>	<b>-158.705</b>
<b>Carrying amount at the end of the year</b>	<b>2.713.597</b>	<b>1.630.722</b>	<b>4.344.319</b>

**5. Capital Resources**

Considering the negative equity, the parent company i.e. KRASNAPOLSKY HOTELS & RESTAURANTS N.V., has issued a letter of support confirming that the parent company, if needed, will support NH Strandgade ApS financially to an extend not exceeding 12 Million DKK till atleast 30 June 2023

**6. Contingent liabilities**

The Company has entered into a lease agreement with a non-terminable period until 31 August 2041, with a total commitment of DKK 979,090,000. The company has entered into a charge agreement in which a floating pledge of EUR 12.5 million is given to the landlord secured on the Companies fixed assets.

## **Notes**

### **7. Related Parties**

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Krasnapolsky International Holding B.V., Hoofddorp, The Netherlands

#### **Group structure**

The Company's parent company is NH Hotel Group S.A., a Spanish hotel company listed on the Madrid Stock Exchange. NH Hotel group S.A. is a 94.1% subsidiary of its ultimate parent Minor International Public Company Limited, a Thai company listed on the Thai Stock Exchange.