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# ***NH STRANDGADE ApS***

Strandgade 7, DK-1401 København

## **Annual Report for 2022**

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CVR No 41 43 83 55

The Annual Report was  
presented and adopted at  
the Annual General Meeting of  
the Company on 27 /6 2023

Paul Spee  
Chairman of the General Meeting

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## Management's Statement

The Executive Board has today considered and adopted the Annual Report of NH Strandgade ApS ("the Company") for the financial year 2022

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

In our opinion the Financial Statements give a true and fair view of the financial position on 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

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

Copenhagen, 27 June 2023

### Executive Board

Martinus Joseph Maria Markus

Paul Christiaan Petrus Wilhelmus Spée

# Independent Auditor's Report

To the Shareholder 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, which comprise a summary of significant accounting policies ("the Financial Statements"), income statement, balance sheet, statement of changes in equity and notes.

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's Report

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional 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.

# Independent Auditor's Report

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, 27 June 2023  
PricewaterhouseCoopers Statsautoriseret  
Revisionspartnerselskab  
CVR-nr. 33 77 12 31

Mads Blichfeldt Fjord  
State Authorised Public Accountant  
mne46065

## Company Information

### The Company

NH Strandgade ApS  
Strandgade 7  
DK-1401 København

CVR No: 41 43 83 55

Financial period: 2022

Municipality of reg. office: Copenhagen

### Executive Board

Martinus Joseph Maria Markus  
Paul Christiaan Petrus  
Wilhelmus Spée

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

# 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 2022 shows a loss of DKK 33,226,260 and on 31 December 2022 the balance sheet of the Company shows equity of - DKK 54,563,809.

## Going Concern

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 15 million DKK til at least 30 June 2024.

Furthermore, it is stated in the letter of support that loans and future loans extended to NH Strandgade ApS will not be called unless the liquidity position of NH Strandgade ApS is adequate to justify such repayment til at lest 30 June 2024.

Based on this Management has prepared the annual report on the assumption of a going concern.

Furthermore, please refer to note 1.

## 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 2022 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 2022 are presented in DKK.

## General information

### Recognition and measurement

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

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

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

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

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## 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, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, and surcharges and allowances under the advance-payment of tax scheme.

## 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	10-25% p.a
Assets under construction	4-10 years	0% p.a

# 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 2022

	Note	01.01.2022 – 31.12.2022 DKK	01.01.2021 – 31.12.2021 DKK
<b>Gross profit/loss</b>		<b>122.288.218</b>	<b>24.751.747</b>
Salaries and wages	2	-32.079.618	-12.313.381
Depreciation		-939.995	-162.393
Other expenses		-121.706.440	-34.945.218
<b>Profit/loss before financial income and expenses</b>		<b>-32.437.835</b>	<b>-22.669.245</b>
Other financial Income	3	18.552	16.737
Financial Expenses	4	-806.977	-217.709
<b>Profit/loss before tax</b>		<b>-33.226.260</b>	<b>-22.870.217</b>
<b>Net profit/loss for the year</b>		<b>-33.226.260</b>	<b>-22.870.217</b>
<b>Proposed distribution of profit</b>			
Retained earnings		-33.226.260	-22.870.217
<b>Net profit/loss for the year</b>		<b>-33.226.260</b>	<b>-22.870.217</b>

# Balance Sheet 31 December

## Assets

	Note	2022 kr	2021 kr
Assets			
Intangible Assets		54.788	69.398
<b>Intangible Assets</b>		<b>54.788</b>	<b>69.398</b>
Other fixtures, fittings, tools and equipment		2.893.981	2.713.597
Assets under construction		941.324	1.630.722
<b>Property, plant, and equipment</b>	5	<b>3.835.304</b>	<b>4.344.319</b>
<b>Fixed Assets</b>		<b>3.890.092</b>	<b>4.413.717</b>
Inventory		1.167.466	1.114.867
<b>Inventory</b>		<b>1.167.466</b>	<b>1.114.867</b>
Trade receivables		7.455.661	1.196.445
Receivables from group enterprises		122.484	726.486
Other receivables		1.808.281	1.230.291
Prepayments		402.473	249.241
<b>Receivables</b>		<b>9.788.899</b>	<b>3.402.463</b>
<b>Cash and cash equivalents</b>		<b>18.049.277</b>	<b>9.558.267</b>
<b>Current Assets</b>		<b>29.005.642</b>	<b>14.075.597</b>
<b>Assets</b>		<b>32.895.734</b>	<b>18.489.314</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2022 kr	2021 kr
Liabilities and equity			
Contributed Capital		40.000	40.000
Sundry Reserves		1.500.000	1.500.000
Retained Earnings		-56.103.809	-22.877.549
<b>Equity</b>		<b>-54.563.809</b>	<b>-21.337.549</b>
Payable to group enterprises		11.112.179	0
<b>Long -term liabilities</b>		<b>11.112.179</b>	<b>0</b>
Trade Payables		6.093.272	3.487.501
Payable to group enterprises		19.227.165	6.040.561
Other Payables		51.026.927	30.298.801
<b>Short -term liabilities</b>		<b>76.347.364</b>	<b>39.826.863</b>
Liabilities		<b>87.459.543</b>	<b>39.826.863</b>
Liabilities and equity		<b>32.895.734</b>	<b>18.489.314</b>

Going Concern	1
Contingent liabilities, and other financial obligations	6
Related Parties	7

## Balance Sheet 31 December

### Liabilities and equity

### Statement of changes in Equity

	Share Capital DKK	Other Reserves DKK	Retained Earnings DKK	Total DKK
Equity at 01 January 2022	40.000	1.500.000	-22.877.549	-21.337.549
Net Profit / Loss for the year	0	0	-33.226.260	-33.226.260
<b>Equity at 31 December 2022</b>	<b>40.000</b>	<b>1.500.000</b>	<b>-56.103.809</b>	<b>-54.563.809</b>

# Notes on Financial Statement

## 1 Going Concern

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 15 million DKK til at least 30 June 2024.

Furthermore, it is stated in the letter of support that loans and future loans extended to NH Strandgade ApS will not be called unless the liquidity position of NH Strandgade ApS is adequate to justify such repayment til at least 30 June 2024.

Based on this Management has prepared the annual report on the assumption of a going concern.

## 2 Salaries & Wages –

Staff Expenses	Note	2022	2021
		DKK	DKK
Wages & Salaries		29.384.683	10.900.702
Pension		2.265.406	826.365
Other Social security		94.792	55.845
Other staff expenses		334.736	530.469
		<b>32.079.618</b>	<b>12.313.381</b>
Average number of employees		74	23

## 3 Financial Income –

Interest received from group enterprises	6.747	10.438
Other financial income	11.806	6.299
	<b>18.552</b>	<b>16.737</b>

## 4 Financial Expense –

Finance expenses arising from group enterprises	529.609	176.508
Other finance expenses	277.369	41.201
	<b>806.978</b>	<b>217.709</b>



## Notes on Financial Statement

### 5 Other fixtures and fittings, tools, and equipment –

	Other fixtures. fittings. tools and equipment	Assets under Construction	Total
<b>Cost at 1 January</b>	<b>2.872.302</b>	<b>1.630.722</b>	<b>4.503.024</b>
Additions for the year	416.370	0	416.370
Capitalization	689.398	- 689.398	0
<b>Cost at 31 December</b>	<b>3.978.070</b>	<b>941.324</b>	<b>4.919.394</b>
<b>Impairment losses and depreciation at 1 January</b>	- 158.705	0	- 158.705
Amortization of the year	- 925.385	0	- 925.385
<b>Impairment losses and amortisation at 31 December</b>	- 1.084.090	0	- 1.084.090
<b>Carrying amount at 31 December</b>	<b>2.893.980</b>	<b>941.324</b>	<b>3.835.304</b>

### 6 Contingent liabilities

The Company is continuing its lease agreement which has 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.

## 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.

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"By my signature I confirm all dates and content in this document."

## Paul Christiaan Petrus Wilhelmus Spée

### Direktør

On behalf of: NH Strandgade

Serial number: p.spee@nh-hotels.com

IP: 163.116.xxx.xxx

2023-06-27 15:17:38 UTC



## Martinus Joseph Maria Markus

### Direktør

On behalf of: NH Strandgade

Serial number: m.markus@nh-hotels.com

IP: 163.116.xxx.xxx

2023-06-27 15:43:26 UTC



## Mads Blichfeldt Henriksen

### Statsautoriseret revisor

On behalf of: Pricewaterhousecoopers Statsautoriseret...

Serial number: CVR:33771231-RID:31747717

IP: 83.136.xxx.xxx

2023-06-28 11:23:43 UTC

NEM ID 

## Paul Christiaan Petrus Wilhelmus Spée

### Dirigent

On behalf of: NH Strandgade

Serial number: p.spee@nh-hotels.com

IP: 163.116.xxx.xxx

2023-06-28 14:10:34 UTC



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