Soho House Copenhagen ApS

Havnegade 44, 1058 København K

Company reg. no. 42 88 24 10

Annual report

3 December 2021 - 31 December 2022

The annual report was submitted and approved by the general meeting on the 3 August 2023.

Andrew Ronald Carnie
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the Executive Board has approved the annual report of Soho House Copenhagen ApS for the financial year 3 December 2021 - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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 3 December 2021 – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 3 August 2023

Executive board

Nicholas Keith Arthur Jones
Chief executive officer

Andrew Ronald Carnie
Chief executive officer

Independent auditor's report

To the Shareholders of Soho House Copenhagen ApS

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Soho House Copenhagen ApS for the financial year 3 December 2021 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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 3 December 2021 - 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 (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.

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.

Independent auditor's report

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.

- 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'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.

Independent auditor's report

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of Danish VAT legislation
Contrary to the Danish VAT legislation, the company has reported incorrect VAT and not within the deadline. The Management may be held liable in this respect.

Violation of Danish Bookkeeping Act
The Company has not filed the annual report within the deadline. The Management may be held liable in this respect.

Violation of Danish Bookkeeping Act
The Company has not complied with the provisions of the Danish Bookkeeping Act, and the Company's Management may be held liable in this respect.

Copenhagen, 3 August 2023

BDO Statsautoriseret revisionsaktieselskab

Company reg. no. 20 22 26 70

Iben Larsen
State Authorised Public Accountants
mne34474

Company information

The company	Soho House Copenhagen ApS Havnegade 44 1058 København K	
	Web site	www.sohohouse.com
	Company reg. no.	42 88 24 10
	Established:	3 December 2021
	Domicile:	Copenhagen
	Financial year:	3 December 2021 - 31 December 2022 1st financial year
Executive board	Nicholas Keith Arthur Jones, Chief executive officer Andrew Ronald Carnie, Chief executive officer	
Auditors	BDO Statsautoriseret revisionsaktieselskab	
Parent company	Soho House Limited 180 The Strand, London WC2R 1EA, Great Britain	

Management´s review

Description of key activities of the company

The key activities of the company is to operate membership clubs where we provide the customer with a uniqie social experience at historical locations. All of our membership clubs provide food, drinks and events.

Prerequisites for continued operation

The company's management has chosen to present the financial statements on the assumption of continued operations. The management assesses that the company through sound and profitable operations is expected to generate profits in the coming years.

The company has received a statement of support from the company's legal owner stating that the necessary liquidity for the coming year has been secured, we refer to note 1, “Prerequisites for continued operations”.

Development in activities and financial matters

Loss from ordinary activities after tax totals DKK -23.440.000. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report for Soho House Copenhagen ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

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.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Leasehold improvements	15-20 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Accounting policies

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by write-downs for expected bad debt.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accounting policies

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement

All amounts in DKK.

Note		3/12 2021 - 31/12 2022
	Gross Loss	**-8.792.042**
2	Staff costs	-13.913.381
	Depreciation and impairment of non-current assets	-2.194.698
	Operating profit	**-24.900.121**
	Other financial income	1.474.316
	Other financial expenses	-14.242
	Pre-tax net profit or loss	**-23.440.047**
	Tax on net profit or loss for the year	0
	Net profit or loss for the year	**-23.440.047**
	Proposed distribution of net profit:	
	Allocated from retained earnings	-23.440.047
	Total allocations and transfers	**-23.440.047**

Balance sheet

All amounts in DKK.

Assets

Note		31/12 2022
	Non-current assets	
	Leasehold improvements	34.039.064
	Other fixtures, fittings, tools and equipment	14.693.484
	Total property, plant, and equipment	48.732.548
	Total non-current assets	**48.732.548**
	Current assets	
	Cutlery & crockery	778.812
	Food & beverages	464.137
	Total inventories	1.242.949
	Trade receivables	209.410
	Other receivables	7.533.943
	Prepayments	264.114
	Total receivables	8.007.467
	Cash and cash equivalents	3.856.439
	Total current assets	**13.106.855**
	Total assets	**61.839.403**

Balance sheet

All amounts in DKK.

Note	Equity and liabilities	31/12 2022
	Equity	
	Contributed capital	40.000
	Retained earnings	-23.440.047
	Total equity	**-23.400.047**
	Liabilities other than provisions	
3	Other payables	4.220.913
	Total long term liabilities other than provisions	4.220.913
	Trade payables	11.402.629
	Payables to group enterprises	65.355.507
	Other payables	1.827.300
	Deferred income	2.433.101
	Total short term liabilities other than provisions	81.018.537
	Total liabilities other than provisions	**85.239.450**
	Total equity and liabilities	**61.839.403**

1 Prerequisites for continued operation

4 Contingencies

5 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 3 December 2021	40.000	0	40.000
Retained earnings for the year	0	-23.440.047	-23.440.047
	40.000	**-23.440.047**	**-23.400.047**

Notes

All amounts in DKK.

1. Prerequisites for continued operation

The company has per 31 December 2022 lost more than 50% of the contributed capital. The company's management is aware that the provisions of Section 119 of the Danish Companies Act on capital losses must be observed. The management expects to generate earnings that can re-establish the company's equity, and the accounts have therefore been prepared under the assumption of going concern.

The company's management has chosen to present the financial statements on the assumption of continued operations. The management assesses that the company through sound and profitable operations is expected to generate profits in the coming years.

The company has received a statement of support from the company's legal and ultimate beneficial owner stating that they will provide the financial support needed directly or will arrange such support of minimum period of 18 months from the date of approval of the financial statements for the financial year ended 31 December 2022. It is also confirmed that none of the funding already provided to Soho House Copenhagen ApS will be recalled for a period of at least 18 months from the date of the financial statements for the financial year ended 31 December 2022.

	3/12 2021 - 31/12 2022
2. Staff costs	
Salaries and wages	13.137.737
Pension costs	686.798
Other costs for social security	88.846
	13.913.381
Average number of employees	28
3. Other payables	
Total other payables	**4.220.913**
Share of liabilities due after 5 years	4.220.913

Notes

All amounts in DKK.

4. Contingencies

Lease commitments have been entered into with a irrevacable agrreement in a period of 18 years. The rental obligation amounts to approx DKK 123.120.000.

The Company has not undertaken liabilities outside of the ordinary course of its business.

5. Related parties

Consolidated financial statements

The smallest and largest group in which the results of the Company are consolidated is that headed by Soho House & Co Inc. at 515 W. 20th Street, New York, NY 10011 and these financial statements may be obtained from its website:

https://sohohouseco.com/financials/quarterly-results/default.aspx