

**Rezidor Services A/S  
Central Business Registration No  
10511348  
Amager Strandvej 60-64, 3rd floor  
2300 Copenhagen S**

**Annual report 2015**

The Annual General Meeting adopted the annual report on *2.6/4 2016*

**Chairman of the General Meeting**

  
\_\_\_\_\_  
Name: Monica Reib

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## **Entity details**

### **Entity**

Rezidor Services A/S  
Amager Strandvej 60-64, 3rd floor  
2300 Copenhagen S

Central Business Registration No: 10511348  
Registered in: Copenhagen  
Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Knut Kleiven, Chairman  
Andreas Fondell  
Lars Gordon Nielsen

### **Executive Board**

Gopal Sawhney

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rezidor Services A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

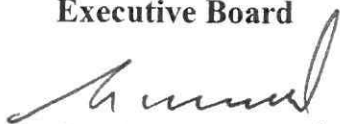
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.04.2016

### Executive Board



Gopal Sawhney

### Board of Directors



Knut Kleiven  
Chairman



Andreas Fondell



Lars Gordon Nielsen

## **Independent auditor's reports**

### **To the owners of Rezidor Services A/S**

#### **Report on the financial statements**

We have audited the financial statements of Rezidor Services A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## Independent auditor's reports

### Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 20.04.2016

### Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen  
State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Entity handles the operation of an internal accounting and IT service centre for a number of the Rezidor group entities. These activities have been recognised in both the income statement and the balance sheet.

At the end of the financial year, the Company transferred part of its activities to other sister subsidiaries. However, the transfer has not had any particular impact on the financial figures for 2015, though it is expected to affect the financial statements for 2016.

### **Development in activities and finances**

Profit for the year amounts to DKK 312 thousand, which is considered satisfactory.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



## Accounting policies

### Other external expenses

Other external expenses include expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Other financial income

Other financial income comprises interest income as well as realised and unrealised exchange gains on payables and transactions in foreign currencies.

### Other financial expenses

Other financial expenses comprise interest expenses as well as realised and unrealised exchange losses on payables and transactions in foreign currencies.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Parent and all of the Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		7.044	8.746
Other external expenses		<u>(1.492)</u>	<u>(2.164)</u>
<b>Gross profit/loss</b>		<b>5.552</b>	<b>6.582</b>
Staff costs	1	<u>(5.216)</u>	<u>(6.732)</u>
<b>Operating profit/loss</b>		<b>336</b>	<b>(150)</b>
Other financial income	2	73	101
Other financial expenses		<u>(1)</u>	<u>(6)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>408</b>	<b>(55)</b>
Tax on profit/loss from ordinary activities	3	<u>(96)</u>	<u>13</u>
<b>Profit/loss for the year</b>		<b><u>312</u></b>	<b><u>(42)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>312</u>	<u>(42)</u>
		<b><u>312</u></b>	<b><u>(42)</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Receivables from group enterprises		6.452	6.212
Other short-term receivables		2	0
Income tax receivable		0	13
Prepayments		<u>0</u>	<u>185</u>
<b>Receivables</b>		<u><b>6.454</b></u>	<u><b>6.410</b></u>
 <b>Current assets</b>		 <u><b>6.454</b></u>	 <u><b>6.410</b></u>
 <b>Assets</b>		 <u><u><b>6.454</b></u></u>	 <u><u><b>6.410</b></u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	2.000	2.000
Retained earnings		<u>3.272</u>	<u>2.960</u>
<b>Equity</b>		<u><b>5.272</b></u>	<u><b>4.960</b></u>
Trade payables		50	93
Income tax payable		96	0
Other payables		<u>1.036</u>	<u>1.357</u>
<b>Current liabilities other than provisions</b>		<u><b>1.182</b></u>	<u><b>1.450</b></u>
<b>Liabilities other than provisions</b>		<u><b>1.182</b></u>	<u><b>1.450</b></u>
<b>Equity and liabilities</b>		<u><u><b>6.454</b></u></u>	<u><u><b>6.410</b></u></u>
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**Statement of changes in equity for 2015**

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	2.000	2.960	4.960
Profit/loss for the year	0	312	312
<b>Equity end of year</b>	<b>2.000</b>	<b>3.272</b>	<b>5.272</b>

## Notes

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	4.615	5.953
Pension costs	374	461
Other social security costs	90	104
Other staff costs	137	214
	<b>5.216</b>	<b>6.732</b>

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	73	101
	<b>73</b>	<b>101</b>

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Tax on ordinary profit/loss for the year</b>		
Current tax	96	(13)
	<b>96</b>	<b>(13)</b>

	<b>Number</b>	<b>Par value</b>	<b>Nominal</b>
		<b>DKK</b>	<b>value</b>
			<b>DKK'000</b>
<b>4. Contributed capital</b>			
Ordinary shares	2.000	1.000,00	2.000
	<b>2.000</b>		<b>2.000</b>

## 5. Contingent liabilities

The Entity participates in joint taxation (DK) with Rezidor Hospitality ApS as the administration company and, consequently, is jointly and severally liable as of the financial year 2013 with the other jointly taxed entities for the total corporation tax and for any obligation to withhold tax at source on interest, royalties and dividend for the jointly taxed entities.

## 6. Assets charged and collateral

The Entity is jointly and severally liable with the jointly registered consolidated enterprises for the total VAT liability.



## Notes

### 7. Related parties with control

The following related parties have a controlling interest in Rezidor Services A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Rezidor Hotels ApS Danmark	Copenhagen	Parent
Rezidor Hospitality ApS	Copenhagen	Parent
Rezidor Hospitality Holding AB	Stockholm	Parent
Rezidor Hotel Group AB (publ)	Stockholm	Parent
Carlson Holding Inc.	Minnetonka	Ultimate Parent

### 8. Ownership

Rezidor Services A/S is a wholly owned subsidiary of Rezidor Hotels ApS Danmark, Amager Strandvej 60-64, 3<sup>rd</sup> floor, 2300 Copenhagen S.

### 9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Rezidor Hotel Group AB (publ), Stockholm, Sweden