

MG Amsterdam ApS

Company reg. no. 25 01 84 51

Annual report

1 January - 31 December 2015

The annual report has been submitted and approved by the general meeting on the 31 May 2016.

Kitt Æbelø Laurenz
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Auditor's report on compilation of the specifications to the annual accounts	2
Management's review	
Company data	4
Management's review	5
Annual accounts 1 January - 31 December 2015	
Accounting policies used	7
Profit and loss account	11
Balance sheet	12
Cash flow statement	14
Notes	15

Management's report

The executive board has today presented the annual report of MG Amsterdam ApS for the financial year 1 January to 31 December 2015.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København Ø, 31 May 2016

Executive board

Billy Skelli-Cohen

Michael Jensen

Auditor's report on compilation of the specifications to the annual accounts

To the shareholders of MG Amsterdam ApS

Report on the annual accounts

We have audited the annual accounts of MG Amsterdam ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

Auditor's report on compilation of the specifications to the annual accounts

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Reports on other legal and regulatory requirements

Emphasis of matter paragraph on other matters

Without effecting our opinion we inform that the company has not paid taxes on interest for the years 2010 to 2015 contrary to the Danish PAYE Act. The tax on interest have been reported and paid in 2015 and 2016.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 31 May 2016

Grant Thornton

Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant

Company data

The company

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Company reg. no. 25 01 84 51

Financial year: 1 January - 31 December

Executive board

Billy Skelli-Cohen
Michael Jensen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

Principal activities

The objective of the company is to conduct sale and financial business, including the acquisition and holding of shares in Danish and foreign companies, or other affiliated companies, in its capacity of a holding company at the choice of the management.

Development in activities and financial affairs

The gross loss for the year is EUR -60.970 against EUR -32.375 last year. The results from ordinary activities after tax are EUR 4.547.071 against EUR -45.304 last year.

The management considers these results satisfactory for the period of ownership, considering the hotel market conditions in and around Amsterdam Airport.

During 2015 MG Amsterdam ApS sold its wholly owned subsidiary Tencourts Leisure Investments B.V.

It is expected that MG Amsterdam ApS will start liquidation proceeds in 2016.

Mortgage loan

On September 26, 2008, Tencourts BV entered into a 6-year, EUR 40.000.000 senior secured term loan agreement with HSH Nordbank AG, mortgage backed by the Radisson BLU Hotel Amsterdam Airport. Pursuant to the terms of a standstill agreement dated September 30, 2014 the lender agreed to temporarily defer claiming the outstanding loan amount in September 30, 2014 and not to take any measures towards repayment, covenant measuring or enforcement of security with respect to the outstanding loan amount. The standstill agreement was effective from October 1, 2014 to October 30, 2014. On October 30, 2014 Tencourts BV and HSH Nordbank AG entered into a Supplemental Agreement and Amended and Restated Term Loan Agreement to extend the senior secured term loan from November 1, 2014 to September 30, 2015.

The loan was repaid on September 30, 2015.

Tax issue

During the year it was brought to the Company's attention that a portion of interest accrued on its debt was subject to interest withholding tax that had not been paid in error, due to a misunderstanding. The Company raised this with the Tax Authority ("SKAT") and after the balance sheet date it has been agreed with SKAT that the position would be settled to year end 2015 (at which point the loan was fully repaid). The interest of withholding tax has been agreed and paid after the balance sheet date to resolve this position.

Exchange rate risks

Transactions are mainly made in EURO and therefore there are not significant currency risks.

Interest risks

At the year end there was no interest bearing debt and therefore no interest risks.

Management's review

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date which will have a material impact on the financial position of the company.

Accounting policies used

The annual report for MG Amsterdam ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

No group accounts have been prepared for the financial year 2015 as the company sold its shares in the subsidiary in 2015 and thus, there is no group relation as at the balance sheet date.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Accounting policies used

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the profit and loss account at a proportional share of the subsidiaries' results after tax.

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Accounting policies used

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Liabilities

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

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities and payments related to the acquisition and sale of fixed assets.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short term securities which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross loss	-60.970	-32.375
2 Depreciation and writedown relating to tangible fixed assets	-297.317	-396.423
Operating profit	-358.287	-428.798
Income from equity investments in group enterprises	3.771.472	848.906
Other financial income	1.619.317	10
3 Other financial costs	-485.431	-465.422
Results before tax	4.547.071	-45.304
Tax on ordinary results	0	0
Results for the year	4.547.071	-45.304
Proposed disposal of the results:		
Disposed to results brought forward	4.547.071	0
Disposed from results brought forward	0	-45.304
Disposals in total	4.547.071	-45.304

Balance sheet 31 December

All amounts in EUR.

Assets		
<u>Note</u>	<u>2015</u>	<u>2014</u>
Fixed assets		
4 Equity investments in group enterprises	0	7.985.955
Financial fixed assets in total	0	7.985.955
Fixed assets in total	0	7.985.955
Current assets		
Amounts owed by group enterprises	609.268	0
Other debtors	2.044.978	0
Debtors in total	2.654.246	0
Cash funds	170.633	1.533
Current assets in total	2.824.879	1.533
Assets in total	2.824.879	7.987.488

Balance sheet 31 December

All amounts in EUR.

Liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
5	Contributed capital	16.805	16.805
6	Share premium account	430	430
7	Results brought forward	2.729.261	-1.817.810
	Equity in total	<u>2.746.496</u>	<u>-1.800.575</u>
Liabilities			
8	Debt to group enterprises	<u>0</u>	<u>9.773.328</u>
	Long-term liabilities in total	<u>0</u>	<u>9.773.328</u>
	Trade creditors	20.440	12.595
	Other liabilities	<u>57.943</u>	<u>2.140</u>
	Short-term liabilities in total	<u>78.383</u>	<u>14.735</u>
	Liabilities in total	<u>78.383</u>	<u>9.788.063</u>
	Equity and liabilities in total	<u>2.824.879</u>	<u>7.987.488</u>

9 Related parties

Cash flow statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Results for the year	4.547.071	-45.304
10 Adjustments	-4.608.041	12.929
11 Change in working capital	-2.590.598	-654
Cash flow from operating activities before net financials	-2.651.568	-33.029
Interest received and similar amounts	57.409	10
Interest paid and similar amounts	-485.431	-465.422
Cash flow from ordinary activities	-3.079.590	-498.441
Cash flow from operating activities	-3.079.590	-498.441
Sale of financial fixed assets	13.022.018	0
Cash flow from investment activities	13.022.018	0
Raising of long-term debts	0	467.896
Repayments of long-term debt	-9.773.328	0
Cash flow from financing activities	-9.773.328	467.896
Changes in available funds	169.100	-30.545
Available funds 1 January 2015	1.533	32.078
Available funds 31 December 2015	170.633	1.533
Available funds		
Cash funds	170.633	1.533
Securities	0	0
Available funds 31 December 2015	170.633	1.533

Notes

All amounts in EUR.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
No employees were hired by the parent company during the financial year. The management was not paid any remuneration during the financial year.		
2. Depreciation and writedown relating to tangible fixed assets		
Amortisation of group goodwill	<u>297.317</u>	<u>396.423</u>
	<u>297.317</u>	<u>396.423</u>
3. Other financial costs		
Interest, group enterprises	485.039	465.396
Other interest costs	<u>392</u>	<u>26</u>
	<u>485.431</u>	<u>465.422</u>

Notes

All amounts in EUR.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2015	15.928.788	15.928.788
Disposals during the year	<u>-15.928.788</u>	<u>0</u>
Cost 31 December 2015	<u>0</u>	<u>15.928.788</u>
Revaluations, opening balance 1 January 2015	-2.679.218	-3.528.124
Results for the year before goodwill amortisation	3.771.472	848.906
Reversal of prior revaluations	<u>-1.092.254</u>	<u>0</u>
Revaluation 31 December 2015	<u>0</u>	<u>-2.679.218</u>
Amortisation of goodwill, opening balance 1 January 2015	-5.263.615	-4.867.192
Amortisation of goodwill for the year	-297.317	-396.423
Reversal of amortisation of goodwill concerning disposals	<u>5.560.932</u>	<u>0</u>
Depreciation on goodwill 31 December 2015	<u>0</u>	<u>-5.263.615</u>
Book value 31 December 2015	<u>0</u>	<u>7.985.955</u>
The items include goodwill with an amount of	<u>0</u>	<u>2.664.845</u>
5. Contributed capital		
Contributed capital 1 January 2015	<u>16.805</u>	<u>16.805</u>
	<u>16.805</u>	<u>16.805</u>
6. Share premium account		
Share premium account 1 January 2015	<u>430</u>	<u>430</u>
	<u>430</u>	<u>430</u>
7. Results brought forward		
Results brought forward 1 January 2015	-1.817.810	-1.772.506
Profit or loss for the year brought forward	<u>4.547.071</u>	<u>-45.304</u>
	<u>2.729.261</u>	<u>-1.817.810</u>

Notes

All amounts in EUR.

	<u>31/12 2015</u>	<u>31/12 2014</u>
8. Debt to group enterprises		
Debt to group enterprises in total	0	9.773.328
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Debt to group enterprises in total	<u>0</u>	<u>9.773.328</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

The accounts payable is subject to interest at a rate of 5% per year calculated on the average balance.

9. Related parties

Controlling interest

Karasiaco Enterprises Company Limited
 Pantele Karelari 16, DIAGORAS HOUSE, 7th floor
 P.C. 1097, Nicosia
 Cyprus

Parent company

	<u>2015</u>	<u>2014</u>
10. Adjustments		
Depreciation and amortisation	297.317	396.423
Income from equity investments in group enterprises	-3.771.472	-848.906
Other financial income	-1.619.317	-10
Other financial costs	<u>485.431</u>	<u>465.422</u>
	<u>-4.608.041</u>	<u>12.929</u>

Notes

All amounts in EUR.

	<u>2015</u>	<u>2014</u>
	<u>2015</u>	<u>2014</u>
11. Change in working capital		
Change in debtors	-2.654.246	0
Change in trade creditors and other liabilities	<u>63.648</u>	<u>-654</u>
	<u>-2.590.598</u>	<u>-654</u>