

**Rezidor Russia A/S**  
**Central Business Registration No**  
**25441893**  
**Amager Strandvej 60-64, 3rd floor**  
**2300 Copenhagen S**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 23/5 2016

**Chairman of the General Meeting**

  
Name: Monica Reib

## Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	9
Balance sheet at 31.12.2015	10
Statement of changes in equity for 2015	12
Notes	13

## **Entity details**

### **Entity**

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

Central Business Registration No: 25441893  
Registered in: Copenhagen  
Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Knut Kleiven, Chairman  
Ingrid Jenny Winkler  
Lars Gordon Nielsen  
Andreas Fondell

### **Executive Board**

Gopal Sawhney, Chief Executive Officer

### **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 Russia 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.

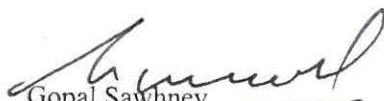
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 18.05.2016

### Executive Board

  
Gopal Sawhney  
Chief Executive Officer

### Board of Directors

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Chairman

Ingrid Jenny Winkler

  
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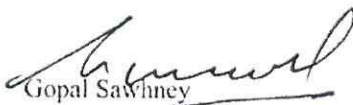
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Chief Executive Officer

### Board of Directors

  
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Chairman

  
Ingrid Jenny Winkler

  
Lars Gordon Nielsen

  
Andreas Fondell

## **Independent auditor's reports**

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

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

We have audited the financial statements of Rezidor Russia 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, 18.05.2016

### Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen  
State Authorised Public Accountant

CVR-nr. 33963556



## **Management commentary**

### **Primary activities**

The Entity's activities consist in hotel management and development as well as hotel business.

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

Loss for the year amounts to EUR 1,028 thousand, which is considered unsatisfactory.

### **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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Revenue**

Revenue comprises fees for the year.

## Accounting policies

### Other external expenses

Other external expenses include expenses for administration.

### Staff costs

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### 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

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

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

### Income tax payable or receivable

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.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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

## Income statement for 2015

	<u>Notes</u>	<u>2015 EUR'000</u>	<u>2014 EUR'000</u>
Revenue		3.824	4.116
Other external expenses		<u>(1.783)</u>	<u>(2.017)</u>
<b>Gross profit/loss</b>		<b>2.041</b>	<b>2.099</b>
Staff costs		(2.783)	(2.728)
Depreciation, amortisation and impairment losses		<u>(37)</u>	<u>(95)</u>
<b>Operating profit/loss</b>		<b>(779)</b>	<b>(724)</b>
Other financial income		858	213
Other financial expenses		<u>(1.106)</u>	<u>(435)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(1.027)</b>	<b>(946)</b>
Tax on profit/loss from ordinary activities	1	<u>(1)</u>	<u>3</u>
<b>Profit/loss for the year</b>		<b><u>(1.028)</u></b>	<b><u>(943)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(1.028)</u>	<u>(943)</u>
		<b><u>(1.028)</u></b>	<b><u>(943)</u></b>

**Balance sheet at 31.12.2015**

<u>Notes</u>	<u>2015</u> <u>EUR'000</u>	<u>2014</u> <u>EUR'000</u>
Other fixtures and fittings, tools and equipment	60	30
<b>Property, plant and equipment</b>	<b>60</b>	<b>30</b>
<b>Fixed assets</b>	<b>60</b>	<b>30</b>
Manufactured goods and goods for resale	8	4
<b>Inventories</b>	<b>8</b>	<b>4</b>
Trade receivables	256	171
Receivables from group enterprises	774	699
Other short-term receivables	36	51
Income tax receivable	5	3
Prepayments	379	396
<b>Receivables</b>	<b>1.450</b>	<b>1.320</b>
<b>Cash</b>	<b>47</b>	<b>102</b>
<b>Current assets</b>	<b>1.505</b>	<b>1.426</b>
<b>Assets</b>	<b>1.565</b>	<b>1.456</b>



**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 EUR'000</u>	<u>2014 EUR'000</u>
Contributed capital	2	670	670
Retained earnings		425	(657)
<b>Equity</b>		<u><b>1.095</b></u>	<u><b>13</b></u>
Trade payables		11	0
Debt to group enterprises		5	1.212
Income tax payable		0	96
Other payables		454	135
<b>Current liabilities other than provisions</b>		<u><b>470</b></u>	<u><b>1.443</b></u>
<b>Liabilities other than provisions</b>		<u><b>470</b></u>	<u><b>1.443</b></u>
<b>Equity and liabilities</b>		<u><u><b>1.565</b></u></u>	<u><u><b>1.456</b></u></u>
Contingent liabilities	3		
Related parties with control	4		
Ownership	5		
Consolidation	6		

**Statement of changes in equity for 2015**

	<b>Contributed capital EUR'000</b>	<b>Retained earnings EUR'000</b>	<b>Total EUR'000</b>
Equity beginning of year	670	(657)	13
Exchange rate adjustments	0	110	110
Other adjustments	0	2.000	2.000
Profit/loss for the year	0	(1.028)	(1.028)
<b>Equity end of year</b>	<b>670</b>	<b>425</b>	<b>1.095</b>

In 2015, the Company received a grant from its Parent of EUR 2.000 thousand, which has been credited directly to equity, as other entries/adjustments on equity.



## Notes

	<u>2015</u> <u>EUR'000</u>	<u>2014</u> <u>EUR'000</u>
<b>1. Tax on ordinary profit/loss for the year</b>		
Current tax	1	(3)
	<u>1</u>	<u>(3)</u>
		<b>Nominal value</b>
	<b>Number</b>	<b>value</b>
		<b>EUR'000</b>
<b>2. Contributed capital</b>		
Share capital	5.000	134,00
	<u>5.000</u>	<u>670</u>
		<u>670</u>

### 3. Contingent liabilities

The Company 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 companies for the total corporation tax and for any obligation to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### 4. Related parties with control

Related parties with a controlling interest in Rezidor Russia A/S:

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

## Notes

### 5. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Rezidor Hospitality ApS, Amager Strandvej 60-64, 3rd floor, 2300 Copenhagen S

### 6. Consolidation

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

Rezidor Hotel Group AB (publ), Stockholm, Sweden