

**Rezidor Hotel Kiev A/S  
Central Business Registration No  
25727258**

**Annual report 2015**

The Annual General Meeting adopted the annual report on

31/5 2016

**Chairman of the General Meeting**

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Name: Monica Reib

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## **Entity details**

### **Entity**

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

Central Business Registration No: 25727258

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Knut Kleiven, Chairman

Andreas Fondell

Ingrid Jenny Winkler

Lars Gordon Nielsen

### **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 Hotel Kiev 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, 31.05.2016

### Executive Board



Gopal Sawhney  
Chief Executive Officer

### Board of Directors



Knut Kleiven  
Chairman



Andreas Fondell



Ingrid Jenny Winkler



Lars Gordon Nielsen

## Independent auditor's reports

### To the owners of Rezidor Hotel Kiev A/S

#### Report on the financial statements

We have audited the financial statements of Rezidor Hotel Kiev 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, 31.05.2016

### Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen  
statsautoriseret revisor

## **Management commentary**

### **Primary activities**

The Entity's activities consist in shareholding and interests in hotels.

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

Loss for the year amounts to DKK 105 thousand, which is considered unsatisfactory.

### **Uncertainty relating to recognition and measurement**

The turbulence in Ukraine may affect the value of the Company's fixed asset investments. As described in note 1, Management assesses that there is not yet enough documentation to justify and quantify a possible impairment of the Company's fixed assets. If the turbulence in Ukraine is getting worse or the economy in Ukraine is not coming back to the level as prior to the unrest, we expect that the fixed asset investments will be written down.

### **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.

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**

#### **Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, etc.



## Accounting policies

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### 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

#### Other investments

Other investments are recognised and measured at fair value.

#### 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.

#### 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</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Other external expenses		(37)	(37)
<b>Operating profit/loss</b>		<b>(37)</b>	<b>(37)</b>
Financial expenses from group enterprises		(99)	(121)
<b>Profit/loss from ordinary activities before tax</b>		<b>(136)</b>	<b>(158)</b>
Tax on profit/loss from ordinary activities	2	31	39
<b>Profit/loss for the year</b>		<b><u>(105)</u></b>	<b><u>(119)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(105)	(119)
		<b><u>(105)</u></b>	<b><u>(119)</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other investments		30.958	30.958
<b>Fixed asset investments</b>	3	<u>30.958</u>	<u>30.958</u>
<b>Fixed assets</b>		<u>30.958</u>	<u>30.958</u>
Income tax receivable		32	39
<b>Receivables</b>		<u>32</u>	<u>39</u>
<b>Current assets</b>		<u>32</u>	<u>39</u>
<b>Assets</b>		<u><u>30.990</u></u>	<u><u>30.997</u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	1.000	1.000
Retained earnings		<u>21.822</u>	<u>21.927</u>
<b>Equity</b>		<u><b>22.822</b></u>	<u><b>22.927</b></u>
Debt to group enterprises		8.128	8.030
Other payables		<u>40</u>	<u>40</u>
<b>Current liabilities other than provisions</b>		<u><b>8.168</b></u>	<u><b>8.070</b></u>
<b>Liabilities other than provisions</b>		<u><b>8.168</b></u>	<u><b>8.070</b></u>
<b>Equity and liabilities</b>		<u><u><b>30.990</b></u></u>	<u><u><b>30.997</b></u></u>
Going concern	1		
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**Statement of changes in equity for 2015**

	<b>Contri- buted capi- tal DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1.000	21.927	22.927
Profit/loss for the year	0	(105)	(105)
<b>Equity end of year</b>	<b>1.000</b>	<b>21.822</b>	<b>22.822</b>

## Notes

### 1. Going concern

The turbulence in Ukraine may affect the value of the Company's fixed asset investments. However, we agree with Management's assessment that there is not yet enough documentation to justify and quantify a possible impairment of the Company's fixed assets. If the turbulence in Ukraine is getting worse or the economy in Ukraine is not coming back to the level as prior to the unrest, we expect that the fixed asset investments will be written down.

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Tax on ordinary profit/loss for the year</b>		
Current tax	(31)	(39)
	<u>(31)</u>	<u>(39)</u>
		<b>Other invest-ments</b>
		<b>DKK'000</b>
<b>3. Fixed asset investments</b>		
Cost beginning of year		21.282
<b>Cost end of year</b>		<u>21.282</u>
Revaluations beginning of year		9.676
<b>Revaluations end of year</b>		<u>9.676</u>
<b>Carrying amount end of year</b>		<u>30.958</u>

At 31.12.2015, the Entity owns shares at a nominal value of EUR 2,855 thousand in Doriscus Enterprise Limited, Cyprus. The ownership is 13.41%.

	<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	1.000	1.000,00	1.000
	<u>1.000</u>		<u>1.000</u>

## Notes

### 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 dividends for the jointly taxed entities. The jointly taxed entities' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### 6. Related parties with control

Related parties with a controlling interest in Rezidor Hotel Kiev 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	Stockholm	Parent
Carlson Holding Inc.	Minnetonka	Ultimate Parent

### 7. Ownership

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

### 8. Consolidation

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

Rezidor Hotel Group AB (publ), Stockholm, Sweden

Consolidated accounts are available at <http://www.rezidor.com/phoenix.zhtml?c=205430&p=irol-library>