

Afrinord Hotel Investments A/S
Central Business Registration No
29621675
Amager Strandvej 60-64, 3rd floor
2300 Copenhagen S

Annual report 2016

The Annual General Meeting adopted the annual report on 11 may 2017

Chairman of the General Meeting


Name: Tina Øster Larsen

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Entity details

Entity

Afrinord Hotel Investments A/S
Amager Strandvej 60-64, 3rd floor
2300 Copenhagen S

Central Business Registration No: 29621675

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Hans Jørgen Malmose Nyegaard

Lena Marianne Algerin

Paula Sundberg

Pedro Goncalo Camacho Raposo

Kristin Liv Sellevold

Executive Board

Lars Gordon Nielsen, 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 Afrinord Hotel Investments A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 04.05.2017

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Chief Executive Officer

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Board of Directors

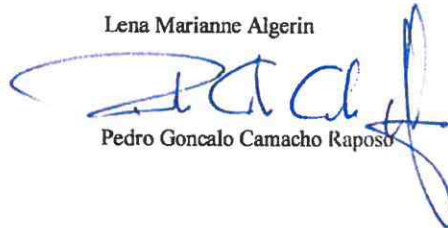
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Independent auditor's report

To the shareholders of Afrinord Hotel Investments A/S

Opinion

We have audited the financial statements of Afrinord Hotel Investments A/S for the financial year 01.01.2016 - 31.12.2016, which comprise a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 04.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33 96 35 56



Ove Nielsen
State-Authorised Public Accountant

Management commentary

Primary activities

The Entity's activities consist in lending to hotel projects in Africa.

The Entity is making an effort to obtain the best possible security for its loans. However, lending to Africa involves a high level of risk.

If one of the Entity's borrowers gets into financial trouble, this may very well have a great impact on the Entity's financial position.

Deposits from the Entity's shareholders finance its lending operations.

Development in activities and finances

Profit for the year amounts to EUR 22,079, 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. 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 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.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets

Other financial income

Other financial income comprises interest income, 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.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on transactions in foreign currencies 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.

Balance sheet

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

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 2016

	<u>Notes</u>	<u>2016 EUR</u>	<u>2015 EUR'000</u>
Revenue		486.563	305
Other external expenses		(455.092)	(234)
Operating profit/loss		<u>31.471</u>	<u>71</u>
Other financial income	1	3.406.538	5.083
Other financial expenses	2	(3.409.515)	(5.082)
Profit/loss from ordinary activities before tax		<u>28.494</u>	<u>72</u>
Tax on profit/loss from ordinary activities	3	(6.415)	(20)
Profit/loss for the year		<u>22.079</u>	<u>52</u>
 Proposed distribution of profit/loss			
Dividend for the financial year		-	250
Retained earnings		<u>22.079</u>	<u>(198)</u>
		<u>22.079</u>	<u>52</u>

Balance sheet at 31.12.2016

	Notes	2016 EUR	2015 EUR'000
Other receivables		21.323.761	22.294
Fixed asset investments	4	<u>21.323.761</u>	<u>22.294</u>
Fixed assets		<u>21.323.761</u>	<u>22.294</u>
Trade receivables		0	-
Other short-term receivables		4.413.905	3.410
Income tax receivable		9.038	3
Receivables		<u>4.422.943</u>	<u>3.413</u>
Cash		<u>405.773</u>	<u>841</u>
Current assets		<u>4.828.716</u>	<u>4.254</u>
Assets		<u>26.152.477</u>	<u>26.548</u>
Contributed capital	5	250.000	250
Retained earnings		152.778	131
Proposed dividend		-	250
Equity		<u>402.778</u>	<u>631</u>
Other payables	6	21.324.450	22.489
Non-current liabilities other than provisions		<u>21.324.450</u>	<u>22.489</u>
Current portion of long-term liabilities other than provisions	6	4.413.905	3.410
Income tax payable		-	7
Other payables		11.344	11
Current liabilities other than provisions		<u>4.425.249</u>	<u>3.428</u>
Liabilities other than provisions		<u>25.749.699</u>	<u>25.917</u>
Equity and liabilities		<u>26.152.477</u>	<u>26.548</u>
Ownership	7		

Statement of changes in equity for 2016

	Contributed capital	Retained earnings	Proposed dividend	Total
	EUR	EUR	EUR	EUR
Equity beginning of year	250.000	130.699	250.000	630.699
Ordinary dividend paid			(250.000)	(250.000)
Profit/loss for the year	0	22.079	-	22.079
Equity end of year	250.000	152.778	-	402.778

Notes

	2016 EUR	2015 EUR'000	
1. Other financial income			
Interest income	1.742.326	1.894	
Exchange rate adjustments	1.664.212	3.189	
	<u>3.406.538</u>	<u>5.083</u>	
	2016 EUR	2015 EUR'000	
2. Other financial expenses			
Interest expenses	1.748.840	1.896	
Exchange rate adjustments	1.660.675	3.186	
	<u>3.409.515</u>	<u>5.082</u>	
	2016 EUR	2015 EUR'000	
3. Tax on ordinary profit/loss for the year			
Current tax	6.415	20	
	<u>6.415</u>	<u>20</u>	
		Other receivables EUR	
4. Fixed asset investments			
Cost beginning of year		22.293.787	
Exchange rate adjustments		(283.762)	
Additions		1.520.000	
Disposals		(2.206.264)	
Cost end of year		<u>21.323.761</u>	
	Number	Par value EUR	Nominal value EUR
5. Contributed capital			
Ordinary shares	250	1.000,00	250.000
	<u>250</u>		<u>250.000</u>

Notes

	Instalments within 12 months 2015 EUR'000	Instalments within 12 months 2016 EUR	Instalments beyond 12 months 2016 EUR	Outstanding after 5 years 2016 EUR
6. Long-term liabilities other than provisions				
Other payables	3.410	4.413.905	21.324.450	2.140.050
	3.410	4.413.905	21.324.450	2.140.050

Other payables consist of debt to the Company's shareholders.

7. Ownership

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

The Industrialisation Fund for Developing Countries, Copenhagen, Denmark

Swedfund International AB, Stockholm, Sweden

Rezidor Hotels ApS Danmark, Copenhagen, Denmark

Finnish Fund for Industrial Cooperation Ltd., Helsinki, Finland

The Norwegian Investment Fund for Developing Countries, Oslo, Norway