
Scandic Hotels Holding A/S

Nansensgade 19, 7, DK-1366 København K

Annual Report for 1 January - 31 December 2015

CVR No 30 61 64 56

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2016

Tonny Poulsen
Chairman



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Scandic Hotels Holding A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2016

Direktion

Jens Jacob Mathiesen
CEO

Bestyrelse

Tonny Poulsen
Chairman

Jens Jacob Mathiesen

Majken Gunilla Rudebjer
Blomqvist

Frank Fiskers

Independent Auditor's Report on the Financial Statements

To the Shareholder of Scandic Hotels Holding A/S

Report on the Financial Statements

We have audited the Financial Statements of Scandic Hotels Holding A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 evaluating 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 financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 31 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
statsautoriseret revisor

Leif Ulbæk Jensen
statsautoriseret revisor

Company Information

The Company

Scandic Hotels Holding A/S
Nansensgade 19, 7
DK-1366 København K

Telephone: + 45 33 48 04 50
Facsimile: + 45 33 91 76 00

CVR No: 30 61 64 56
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Tonny Poulsen, Chairman
Jens Jacob Mathiesen
Majken Gunilla Rudebjer Blomqvist
Frank Fiskers

Executive Board

Jens Jacob Mathiesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Main activity

The object of the company is to hold the shares in Scandic Hotel A/S and activities related thereto.

Development in the year

The income statement of the Company for 2015 shows a loss of TDKK 16,704, and at 31 December 2015 the balance sheet of the Company shows equity of TDKK 152,519.

Capital resources

The Company's parent Scandic Hotels AB has issued a letter of support to support the company with sufficient financial resources to ensure the company's normal trading commitments up to 31 december 2016.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 TDKK	2014 TDKK
Gross profit/loss		0	0
Financial income	1	0	488
Financial expenses	2	<u>-21,835</u>	<u>-19,504</u>
Profit/loss before tax		-21,835	-19,016
Tax on profit/loss for the year	3	<u>5,131</u>	<u>4,550</u>
Net profit/loss for the year		<u>-16,704</u>	<u>-14,466</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-16,704</u>	<u>-14,466</u>
		<u>-16,704</u>	<u>-14,466</u>

Balance Sheet 31 December

Assets

	Note	2015 TDKK	2014 TDKK
Investments in subsidiaries	4	392,305	392,305
Receivables from group enterprises		9,873	5,322
Fixed asset investments		402,178	397,627
Fixed assets		402,178	397,627
Corporation tax		5,131	4,550
Receivables		5,131	4,550
Currents assets		5,131	4,550
Assets		407,309	402,177

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> TDKK	<u>2014</u> TDKK
Share capital		500	500
Retained earnings		<u>152,019</u>	<u>168,723</u>
Equity	5	<u>152,519</u>	<u>169,223</u>
Payables to group enterprises		<u>254,790</u>	<u>232,954</u>
Long-term debt	6	<u>254,790</u>	<u>232,954</u>
Debt		<u>254,790</u>	<u>232,954</u>
Liabilities and equity		<u>407,309</u>	<u>402,177</u>
Contingent assets, liabilities and other financial obligations	7		
Related parties and group information	8		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	500	168,723	169,223
Net profit/loss for the year	0	-16,704	-16,704
Equity at 31 December	500	152,019	152,519

Notes to the Financial Statements

	2015 <u>TDKK</u>	2014 <u>TDKK</u>
1 Financial income		
Exchange adjustments	<u>0</u>	<u>488</u>
	<u>0</u>	<u>488</u>
2 Other financial expenses		
Interest paid to group enterprises	21,296	19,504
Exchange loss	<u>539</u>	<u>0</u>
	<u>21,835</u>	<u>19,504</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>-5,131</u>	<u>-4,550</u>
	<u>-5,131</u>	<u>-4,550</u>

At 31 December 2015 the Company has an unrecognized tax asset. The basis for the calculation of the tax asset is DKK 81 million (31. December 2014 DKK 81 million), whereof DKK 0 is recognized in the balance sheet.

4 Investments in subsidiaries

Cost at 1 January	<u>1,187,330</u>	<u>1,187,330</u>
Cost at 31 December	<u>1,187,330</u>	<u>1,187,330</u>
Value adjustments at 1 January	<u>-795,025</u>	<u>-795,025</u>
Value adjustments at 31 December	<u>-795,025</u>	<u>-795,025</u>
Carrying amount at 31 December	<u>392,305</u>	<u>392,305</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Scandic Hotel A/S	Copenhagen	11,000	100%	79,180	47,392

Notes to the Financial Statements

5 Equity

The share capital consists of 500,001 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2015</u> TDKK	<u>2014</u> TDKK
Payables to group enterprises		
Between 1 and 5 years	254,790	232,954
Long-term part	<u>254,790</u>	<u>232,954</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>254,790</u>	<u>232,954</u>

7 Contingent assets, liabilities and other financial obligations

Security

The shares in Scandic Hotel A/S are pledged with first priority to Scandic Hotels AB. In addition, the shares in Scandic Hotel A/S are pledged with the second priority to Nordea Bank AB.

Other

The company is jointly taxed with Scandic Hotel A/S. The company has solidary liability for corporate income tax, withholding taxes on dividends, royalty tax and interest on the jointly taxed income, etc, for the joint taxation.

Notes to the Financial Statements

8 Related parties and group information

Basis

Controlling interest

EQT V, St. Peter Port, Guernsey
Scandic Hotels AB, PO BOX 6197, SE-102 33,
Sveavägen 167, Stockholm, Sverige

Ultimative parent company
Controlling Shareholder

Consolidated Financial Statements

The Company's immediate parent company is Scandic Hotels AB.

The Company's ultimate parent company is EQT V.

There are published consolidated report for Scandic Hotels AB, a subsidiary of the ultimate parent company EQT V.

Scandic Hotels AB
Box 6197
Sveavägen 167
SE 102 33 Stockholm
Sweden

Accounting Policies

Basis of Preparation

Financial Statements of Scandic Hotels Holding A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.