

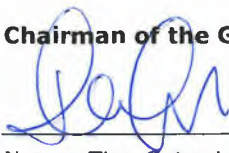
**Radisson Scandinavia Hotel  
Aarhus A/S**

Margrethepladsen 1  
8000 Aarhus C  
Business Registration No  
16739073

**Annual report 2018**

The Annual General Meeting adopted the annual report on 31.05.2019

**Chairman of the General Meeting**



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Name: Tina Øster Larsen

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## Entity details

### Entity

Radisson Scandinavia Hotel Aarhus A/S  
Margrethepladsen 1  
8000 Aarhus C

Central Business Registration No (CVR): 16739073

Registered in: Aarhus

Financial year: 01.01.2018 - 31.12.2018

Phone: 86128665

Fax: 89362025

Website: [www.radissonblu.com](http://www.radissonblu.com)

### Board of Directors

Thomas Christopher Flanagan

Lars Gordon Nielsen

Ronaldus Johannes Marinus Smithjes

Lena Monique Bergengren

### Executive Board

Helene Marie Hallre, Chief Executive Officer

### Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Radisson Scandinavia Hotel Aarhus A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Aarhus, 31.05.2019

### Executive Board



Helene Marie Hallre  
Chief Executive Officer

### Board of Directors

Thomas Christopher Flanagan

Lars Gordon Nielsen

Ronaldus Johannes Marinus  
Smithjes

Lena Monique Bergengren

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Aarhus, 31.05.2019

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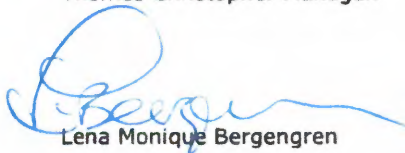
Aarhus, 31.05.2019

### Executive Board

Helene Marie Hallre  
Chief Executive Officer

### Board of Directors

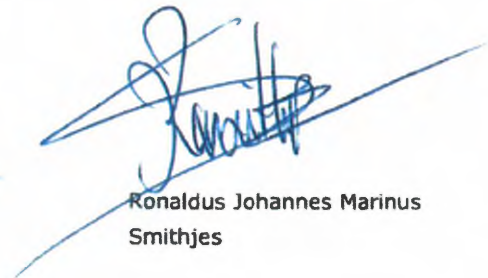
Thomas Christopher Flanagan



Lena Monique Bergengren



Lars Gordon Nielsen



Ronaldus Johannes Marinus  
Smithjes

## Independent auditor's report

### To the shareholder of Radisson Scandinavia Hotel Aarhus A/S

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31.12.2018, and of the results of the Company's operations for the financial year 01.01.2018 – 31.12.2018 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Radisson Scandinavia Hotel Aarhus A/S for the financial year 01.01.2018 – 31.12.2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 skepticism throughout the audit. We also:

## Independent auditor's report

- 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.
- 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 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 management commentary provides the information required under the Danish Financial Statements Act.



## Independent auditor's report

Based on the work we have performed, in our view, 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 in management commentary.

Hellerup, 31.05.2019

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33771231



Ulrik Ræbild  
State-Authorised Public Accountant  
Identification No (MNE) mne33262



Steffen Kaj Pedersen  
State-Authorised Public Accountant  
Identification No (MNE) mne34357

## Management commentary

|   | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    | <b>2015</b>    | <b>2014</b>    |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> | <b>DKK'000</b> | <b>DKK'000</b> | <b>DKK'000</b> |
| <b>Financial highlights</b>                     |                |                |                |                |                |
| <b>Key figures</b>                              |                |                |                |                |                |
| Gross profit                                    | 32.422         | 35.966         | 34.808         | 36.290         | 38.876         |
| Operating profit/loss                           | 3.035          | 3.347          | 3.138          | 4.087          | 3.912          |
| Net financials                                  | (49)           | (32)           | (42)           | (45)           | (50)           |
| Profit/loss for the year                        | 2.286          | 2.558          | 2.523          | 2.904          | 2.848          |
| Total assets                                    | 35.516         | 34.888         | 28.963         | 25.748         | 24.149         |
| Investments in property,<br>plant and equipment | 0              | 0              | 0              | 1.594          | 0              |
| Equity  | 15.942         | 13.656         | 11.098         | 11.575         | 8.671          |
| Average numbers of<br>employees                 | 86             | 92             | 94             | 94             | 102            |
| <b>Ratios</b>                                   |                |                |                |                |                |
| Return on equity (%)                            | 15,4           | 20,7           | 22,3           | 28,7           | 32,6           |
| Profit margin (%)                               | 3,0            | 3,0            | 3,0            | 3,9            | 4,5            |
| Return on assets (%)                            | 8,7            | 9,9            | 10,8           | 16,2           | 18,2           |
| Gross margin (%)                                | 32,6           | 32,5           | 33,7           | 36,0           | 38,8           |
| Net margin (%)                                  | 2,3            | 2,3            | 2,4            | 2,9            | 2,8            |
| Equity ratio (%)                                | 45,6           | 40,5           | 38,3           | 45,0           | 35,9           |

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

| <b>Ratios</b>        | <b>Calculation formula</b>   | <b>Calculation formula reflects</b>                                  |
|----------------------|--|--|
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners. |
| Profit margin (%)    | $\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$           | The entity's profitability   |
| Return on assets (%) | $\frac{\text{Operating profit/loss} \times 100}{\text{Balance sheet}}$     | The entity's return on the total capital                             |
| Gross margin (%)     | $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$               | The entity's operating gearing                                       |
| Net margin (%)       | $\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$        | The entity's operating profitability                                 |
| Equity ratio (%)     | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                     | The financial strength of the entity                                 |

## Management commentary

### Primary activities

As in previous years, the Company's activities have consisted in running hotel, restaurant and congress and conference facilities as a tenant in Scandinavian Congress Center.

In connection with the agreed cooperation on sales and marketing with Radisson Hotels International, the Company applies the business name Radisson Blu Scandinavia Hotel Aarhus.

### Development in activities and finances

Total profit for the year amounts to DKK 2.286 thousand. The result is considered satisfactory.

As expected, revenue for 2018 has increased compared to 2017. However, costs have also increased and have resulted in a slight decrease in gross profit compared to 2017.

### Uncertainty relating to recognition and measurement

There is no uncertainty relating to recognition and measurement in the financial statements.

### Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial statements. The financial statements are not affected by any special risks.

### Outlook

For 2019 a small increase in revenue is expected compared to 2018. Net profit for 2019 is expected to improve compared to 2018.

### Particular risks

The most material business risks are related to the general economic development, in particular to the development within the hotel, congress and event market in Aarhus, which has been characterised by a significantly increased supply in the years 2013-2014. An increase that continued with a new hotel opening in April 2017 with 305 rooms. Furthermore, a new large conference hotel, as well as one or two other smaller hotels, are expected to open in Aarhus by 2021.

### Environmental performance

During the last couple of years, Radisson Blu Hotels & Resorts has implemented the programme "Responsible Business". The main purpose of the programme is to obtain information systematically on the hotel's energy consumption, waste disposal and chemical consumption detrimental to the environment in order to prepare a plan for minimising environmental impacts as much as possible. Moreover, special education programmes for hotel employees are a part of the programme so that they will be capable of identifying potential environmental impacts and plan the operations of the hotel in which consideration for the environment is an important factor. As part of the environmental programme, energy control systems for approx. DKK 2 million have been installed to optimise the hotel's energy consumption.

## Management commentary

### **Service concept**

Radisson Blu and the chain's service concepts are operated and developed by The Rezidor Hotel Group. Management of Rezidor Scandinavia Hotel Aarhus A/S will ensure that the service concepts are carried out in accordance with the agreement made at chain level. In 2019, focus will continue to be on an improvement of the service concepts putting the guest in focus.

## Income statement for 2018

|  | <u>Notes</u> | <u>2018<br/>DKK'000</u> | <u>2017<br/>DKK'000</u> |
|--|--------------|-------------------------|-------------------------|
| <b>Gross profit</b>                              |              | <b>32.422</b>           | <b>35.966</b>           |
| Staff costs                                      | 2            | (29.068)                | (32.300)                |
| Depreciation, amortisation and impairment losses |              | <u>(319)</u>            | <u>(319)</u>            |
| <b>Operating profit/loss</b>                     |              | <b>3.035</b>            | <b>3.347</b>            |
| Other financial expenses                         |              | <u>(49)</u>             | <u>(32)</u>             |
| <b>Profit/loss before tax</b>                    |              | <b>2.986</b>            | <b>3.315</b>            |
| Tax on profit/loss for the year                  |              | <u>(700)</u>            | <u>(757)</u>            |
| <b>Profit/loss for the year</b>                  | 3            | <u><b>2.286</b></u>     | <u><b>2.558</b></u>     |

## Balance sheet at 31.12.2018

|  | <b>Notes</b> | <b>2018<br/>DKK'000</b> | <b>2017<br/>DKK'000</b> |
|--|--------------|-------------------------|-------------------------|
| Other fixtures and fittings, tools and equipment |              | 132                     | 451                     |
| <b>Property, plant and equipment</b>             | 4            | <b>132</b>              | <b>451</b>              |
| <b>Fixed assets</b>                              |              | <b>132</b>              | <b>451</b>              |
| Manufactured goods and goods for resale          |              | 564                     | 553                     |
| <b>Inventories</b>                               |              | <b>564</b>              | <b>553</b>              |
| Trade receivables                                |              | 3.865                   | 5.689                   |
| Receivables from group enterprises               |              | 528                     | 0                       |
| Deferred tax                                     |              | 85                      | 163                     |
| Other receivables                                |              | 1.605                   | 1.607                   |
| Prepayments                                      | 5            | 1.157                   | 940                     |
| <b>Receivables</b>                               |              | <b>7.240</b>            | <b>8.399</b>            |
| <b>Cash</b>                                      |              | <b>27.580</b>           | <b>25.485</b>           |
| <b>Current assets</b>                            |              | <b>35.384</b>           | <b>34.437</b>           |
| <b>Assets</b>                                    |              | <b>35.516</b>           | <b>34.888</b>           |

## Balance sheet at 31.12.2018

|  | <u>Notes</u> | <u>2018</u><br><u>DKK'000</u> | <u>2017</u><br><u>DKK'000</u> |
|--|--------------|-------------------------------|-------------------------------|
| Contributed capital                              | 6            | 500                           | 500                           |
| Retained earnings                                |              | <u>15.442</u>                 | <u>13.156</u>                 |
| <b>Equity</b>                                    |              | <u><b>15.942</b></u>          | <u><b>13.656</b></u>          |
| Trade payables                                   |              | 9.726                         | 5.689                         |
| Payables to group enterprises                    |              | 3.153                         | 4.362                         |
| Income tax payable                               |              | 628                           | 853                           |
| Other payables                                   |              | 5.224                         | 9.757                         |
| Deferred income                                  | 7            | <u>843</u>                    | <u>571</u>                    |
| <b>Current liabilities other than provisions</b> |              | <u><b>19.574</b></u>          | <u><b>21.232</b></u>          |
| <b>Liabilities other than provisions</b>         |              | <u><b>19.574</b></u>          | <u><b>21.232</b></u>          |
| <b>Equity and liabilities</b>                    |              | <u><b>35.516</b></u>          | <u><b>34.888</b></u>          |
| Events after the balance sheet date              | 1            |                               |                               |
| Unrecognised rental and lease commitments        | 8            |                               |                               |
| Contingent liabilities                           | 9            |                               |                               |
| Related parties with controlling interest        | 10           |                               |                               |
| Group relations                                  | 11           |                               |                               |

## Statement of changes in equity for 2018

|                           | <b>Contributed<br/>capital<br/>DKK'000</b> | <b>Retained<br/>earnings<br/>DKK'000</b> | <b>Total<br/>DKK'000</b> |
|---------------------------|--|--|--------------------------|
| Equity beginning of year  | 500  | 13.156                                   | 13.656                   |
| Profit/loss for the year  | 0  | 2.286                                    | 2.286                    |
| <b>Equity end of year</b> | <b>500</b>                                 | <b>15.442</b>                            | <b>15.942</b>            |



## Notes

### 1. 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.

|                             | <b>2018</b>    | <b>2017</b>    |
|-----------------------------|----------------|----------------|
|                             | <b>DKK'000</b> | <b>DKK'000</b> |
| <b>2. Staff costs</b>       |                |                |
| Wages and salaries          | 26.514         | 29.464         |
| Pension costs               | 2.099          | 2.276          |
| Other social security costs | 273            | 389            |
| Other staff costs           | 182            | 171            |
|                             | <b>29.068</b>  | <b>32.300</b>  |
| <br>                        |                |                |
| Average number of employees | <b>86</b>      | <b>92</b>      |

Referring to section 98b(3) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

|  | <b>2018</b>    | <b>2017</b>    |
|--|----------------|----------------|
|  | <b>DKK'000</b> | <b>DKK'000</b> |
| <b>3. Proposed distribution of profit/loss</b> |                |                |
| Retained earnings                              | 2.286          | 2.558          |
|  | <b>2.286</b>   | <b>2.558</b>   |

|   | <b>Other<br/>fixtures and<br/>fittings,<br/>tools and<br/>equipment<br/>DKK'000</b> |
|---|---|
| <b>4. Property, plant and equipment</b>               |   |
| Cost beginning of year                                | 1.594   |
| <b>Cost end of year</b>                               | <b>1.594</b>  |
| <br>  |   |
| Depreciation and impairment losses beginning of year  | (1.143)   |
| Depreciation for the year                             | (319)   |
| <b>Depreciation and impairment losses end of year</b> | <b>(1.462)</b>  |
| <br>  |   |
| <b>Carrying amount end of year</b>                    | <b>132</b>  |

## Notes

### 5. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years, such as rent, insurance, etc.

### 6. Contributed capital

The contributed capital consists of shares at DKK 1.000 or multiples thereof. The shares have not been divided into classes.

There have been no changes in the contributed capital since the establishment of the Company.

### 7. Deferred income

Deferred income primarily consists of prepayments received from customer arrangements in the coming year.

|  | <b>2018</b>           | <b>2017</b>           |
|--|-----------------------|-----------------------|
|  | <b><u>DKK'000</u></b> | <b><u>DKK'000</u></b> |
| <b>8. Unrecognised rental and lease commitments</b>                  |                       |                       |
| Liabilities under rental or lease agreements until maturity in total | <b><u>360.000</u></b> | <b><u>380.000</u></b> |

### 9. Contingent liabilities

The Company is jointly taxed with all Danish subsidiaries of the Radisson Group and other Danish entities controlled Jin Jiang International Holdings Co., Ltd. The Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme.

The Company is jointly and severally liable with the jointly registered group enterprises for the total VAT liability.

On June 29, 2018, Radisson Hotel Holdings AB (publ) entered into a Super Senior Multicurrency Revolving Facility Agreement ('SSRCF') with J.P. Morgan Securities PLC as mandated lead arranger.

On July 6, 2018, Radisson Hotel Holdings AB (publ) issued 250.000.000EUR Senior Secured Notes ('Bond') due 2023.

For both transactions above, Radisson Hotel Holdings AB (publ), has agreed to provide security to its creditors through share pledges on several of its direct and indirect subsidiaries, pledges on (intra-group) receivables and bank accounts, as well as assignment of rights in relation to certain agreements.

Radisson Scandinavia Hotel Aarhus ApS is one of the direct and indirect subsidiaries who's shares or assets have been included in the security uptake.

## Notes

### 10. Related parties with controlling interest

Related parties with a controlling interest in Radisson Scandinavia Hotel Aarhus A/S:

| <u>Name</u>                                | <u>Registered office</u> | <u>Basis of influence</u> |
|--|--------------------------|---------------------------|
| Radisson Hotels ApS Danmark                | Copenhagen               | Parent                    |
| Radisson Hospitality Denmark ApS           | Copenhagen               | Parent                    |
| Radisson Hospitality Holding AB            | Stockholm                | Parent                    |
| Radisson Hotel Group AB                    | Stockholm                | Parent                    |
| Jin Jiang International Holdings Co., Ltd. | Shanghai, China          | Ultimate Parent           |

### 11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Jin Jiang International Holdings Co., Ltd., Shanghai, China

The consolidated financial statements are not published.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Radisson Hotel Group AB, Stockholm, Sweden

Group accounts are available at [www.radissonhotelgroup.com](http://www.radissonhotelgroup.com)

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

### 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 rate 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.

### Income statement

#### Gross profit or loss

Referring to section 32 of the Danish Financial Statement Act. the income statement starts at gross profit or loss. Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## Accounting policies

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### Other external expenses

Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, etc.

### Staff costs

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

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to 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 property, plant and equipment.

### Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses, payables and transactions in foreign currencies.

### Tax on profit/loss for the year

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 all Danish subsidiaries in the Radisson Group and other Danish companies controlled by Jin Jiang International Holdings Co., Ltd. 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.

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

## Accounting policies

Estimated useful lives and residual values are reassessed annually.

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 of goods for resale, raw materials and consumables 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 in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

## Accounting policies

### Cash flow statement

The Company has not prepared any cash flow statement according to section 86(4) of the Danish Financial Statements Act, as the Company's cash flows are included in the cash flow statements of Radisson Hotel Group AB, Stockholm.