

Radisson Scandinavia Hotel Aarhus A/S

Margretheplassen 1
8000 Aarhus C
CVR No. 16739073

Annual report 2022

The Annual General Meeting adopted the
annual report on 09.06.2023

DocuSigned by:

Tina Øster Larsen

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Tina Øster Larsen

Chairman of the General Meeting

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Entity details

Entity

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

Business Registration No.: 16739073
Registered office: Aarhus
Financial year: 01.01.2022 - 31.12.2022
URL: www.radissonblu.com

Board of Directors

Thomas Christopher Flanagan, Chairman
Lena Monique Bergengren
Lars Gordon Nielsen
Helene Marie Hallre

Executive Board

Helene Marie Hallre, Chief Executive Officer

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
CVR No.: 33771231

Statement by Management

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 01.01.2022 - 31.12.2022.

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 Company's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 09.06.2023

Executive Board

DocuSigned by:



Helene Marie Hallre

Chief Executive Officer

Board of Directors

DocuSigned by:



Thomas Christopher Flanagan

Chairman

DocuSigned by:



Lena Monique Bergengren

DocuSigned by:



Lars Gordon Nielsen

DocuSigned by:



Helene Marie Hallre

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 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 1 January - 31 December 2022, 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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's Review.

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 judgment and maintain professional skepticism 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.
- 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.

Hellerup, 09.06.2023

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231

DocuSigned by:



Nikolaj Erik Johnsen

State-Authorised Public Accountant

Identification No (MNE) mne35806

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	39,830	26,975	21,309	32,967	32,422
Operating profit/loss	3,228	1,940	468	3,089	3,035
Net financials	(72)	(36)	(17)	(30)	(49)
Profit/loss for the year	2,393	1,478	335	2,349	2,286
Total assets	48,928	44,605	29,739	38,201	35,516
Equity	22,497	20,104	18,626	18,291	15,942
Ratios					
Return on equity (%)	11.23	7.63	1.80	13.70	15.40
Profit margin (%)	3.07	3.06	1.00	3.00	3.00
Gross margin (%)	37.87	42.53	46.80	32.29	32.60
Net margin (%)	2.28	2.33	0.70	2.29	2.29

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

Ratios	Calculation formula	Calculation formula reflects
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
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

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 2,393 thousand. In the context of the circumstances with regards to the economic uncertainty in regards to the conflict between Russia/Ukraine, high inflation, energy crisis and increase in interest rate, the profit for the year is considered satisfactory.

Profit/loss for the year in relation to expected developments

Revenue for 2022 is above expectation since revenue for 2022 has increased compared to 2021. The gross profit and net profit has also increased compared to previous years, which was affected by the COVID-19 restrictions.

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 2023 revenue and net profit is expected to be on the same level as in 2022.

Environmental performance

During the last couple of years, Radisson Blu Hotels & Resorts has implemented the programme "Responsible Business". The primary purpose of the programme is to obtain systematic information on the hotel's energy consumption, waste disposal and chemical consumption detrimental to the environment to prepare a plan for minimising environmental impacts as much as possible. Moreover, special education programmes for hotel employees are part of the hotel in which consideration for the environment is integrated as an important factor.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		39,830	26,975
Staff costs	2	(36,602)	(25,035)
Operating profit/loss		3,228	1,940
Other financial expenses		(72)	(36)
Profit/loss before tax		3,156	1,904
Tax on profit/loss for the year		(763)	(426)
Profit/loss for the year	3	2,393	1,478

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	4	0	0
Fixed assets		0	0
Manufactured goods and goods for resale		1,261	957
Inventories		1,261	957
Trade receivables		2,947	6,392
Receivables from group enterprises		43,364	35,735
Deferred tax	5	49	77
Other receivables		943	1,014
Prepayments	6	358	423
Receivables		47,661	43,641
Cash		6	7
Current assets		48,928	44,605
Assets		48,928	44,605

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital	7	500	500
Retained earnings		21,997	19,604
Equity		22,497	20,104
Trade payables		8,239	4,651
Payables to group enterprises		2,159	8,645
Tax payable		735	425
Other payables		14,161	10,277
Deferred income	8	1,137	503
Current liabilities other than provisions		26,431	24,501
Liabilities other than provisions		26,431	24,501
Equity and liabilities		48,928	44,605
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Related parties with controlling interest	11		
Group relations	12		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	19,604	20,104
Profit/loss for the year	0	2,393	2,393
Equity end of year	500	21,997	22,497

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.

2 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	32,743	22,441
Pension costs	2,122	1,605
Other social security costs	1,733	987
Other staff costs	4	2
	36,602	25,035
Average number of full-time employees	84	60

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

3 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	2,393	1,478
	2,393	1,478

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1,594
Cost end of year	1,594
Depreciation and impairment losses beginning of year	(1,594)
Depreciation and impairment losses end of year	(1,594)
Carrying amount end of year	0

5 Deferred tax

	2022 DKK'000	2021 DKK'000
Property, plant and equipment	47	63
Receivables	2	14
Deferred tax	49	77

	2022 DKK'000	2021 DKK'000
Changes during the year		
Beginning of year	77	81
Changes in deferred tax	(28)	(4)
End of year	49	77

Deferred tax assets

The company expects to achieve sufficient earnings within 3-5 years to be able to utilise the tax asset.

6 Prepayments

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

7 Share capital

The contributed capital consists of shares at DKK 1.000 or multiples thereof with a nominal value of DKK 500 for each share. The shares have not been divided into classes.

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

8 Deferred income

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

9 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	317,594	300,749

10 Contingent liabilities

The Company is jointly taxed with all Danish subsidiaries of the Radisson Group and other Danish companies controlled by 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.

11 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 Denmark	Copenhagen	Parent
Radisson Hospitality Denmark ApS	Copenhagen	Parent
Radisson Hotel Holdings AB	Stockholm	Parent
Radisson Hospitality AB	Stockholm	Parent
Aplite Holdings AB	Stockholm	Parent
Jin Jiang International Holdings Co., Ltd.	Shanghai, China	Ultimate parent

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest 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 Hospitality AB, Stockholm, Sweden

Group accounts are available at www.radissonhotelgroup.com

Accounting policies

Reporting class

This annual report has been prepared 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.

Changes have been made in regards to classification of comparative and current year figures. Changes to classification have no effect on the Company's profit or equity in the previous or current financial 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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, 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. 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

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, and also consists of received compensation from the Danish Government.

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 company staff.

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 Company 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 companies 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:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

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 usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable 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.

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 Hospitality AB, Stockholm.