

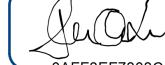
Radisson Cornerstone A/S

Amager Strandvej 60-64, 3.
2300 Copenhagen S
CVR No. 17099442

Annual report 2019

The Annual General Meeting adopted the
annual report on 31.08.2020

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Tina Øster Larsen

Chairman of the General Meeting

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Entity details

Entity

Radisson Cornerstone A/S

Amager Strandvej 60-64, 3.

2300 Copenhagen S

CVR No.: 17099442

Registered office: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Remy Jean Eddy Merckx, Chairman

Lars Gordon Nielsen

Gopal Krishan Sawhney

Executive Board

Lars Gordon Nielsen, Chief Executive Officer

Auditors

PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

CVR No.: 33771231

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 Cornerstone A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 31.08.2020

Executive Board


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Lars Gordon Nielsen
Chief Executive Officer

Board of Directors

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Remy Jean Eddy Merckx
Chairman

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Lars Gordon Nielsen

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Gopal Krishna Sawhney

Independent auditor's report

To the shareholder of Radisson Cornerstone 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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Radisson Cornerstone A/S for the financial year 1 January - 31 December 2019, 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.

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, 31.08.2020

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

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Steffen Kaj Pedersen

Steffen Kaj Pedersen

State-Authorised Public Accountant

Identification No (MNE) mne34357

DocuSigned by:

Annika Søndergaard Nielsen

Annika Søndergaard Nielsen

State-Authorised Public Accountant

Identification No (MNE) mne45835

Management commentary

Primary activities

Radisson Cornerstone A/S is an internal marketing service company rendering services to all Radisson hotels and the Radisson central administration in Brussels:

- All kinds of graphic production and printing
- Project management
- Brand protection

Description of material changes in activities and finances

Profit for the year amounts to DKK 2.860 thousand, which is considered satisfactory.

Events after the balance sheet date

During May 2020 the company carried out a reorganizing of the activities performed by Radisson Cornerstone. As a result the majority of the employees have received termination notices and the remaining employees will be transferred to other group companies and effective 31/12-2020 the company will not any longer have any employees.

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 1.

Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross profit/loss		20,428	18,796
Staff costs	2	(16,842)	(15,192)
Operating profit/loss		3,586	3,604
Other financial income	3	159	108
Other financial expenses		(34)	(29)
Profit/loss before tax		3,711	3,683
Tax on profit/loss for the year		(851)	(816)
Profit/loss for the year		2,860	2,867
Proposed distribution of profit and loss			
Retained earnings		2,860	2,867
Proposed distribution of profit and loss		2,860	2,867

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Deferred tax		50	49
Other financial assets		50	49
Fixed assets		50	49
Trade receivables		888	676
Receivables from group enterprises		17,450	14,522
Other receivables		862	878
Prepayments		173	104
Receivables		19,373	16,180
Cash		17	24
Current assets		19,390	16,204
Assets		19,440	16,253

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		2,400	2,400
Retained earnings		10,456	7,596
Equity		12,856	9,996
Other payables		533	0
Non-current liabilities other than provisions		533	0
Trade payables		671	123
Income tax payable		756	734
Other payables		3,150	3,405
Deferred income		1,474	1,995
Current liabilities other than provisions		6,051	6,257
Liabilities other than provisions		6,584	6,257
Equity and liabilities		19,440	16,253

Events after the balance sheet date	1
Unrecognised rental and lease commitments	4
Contingent liabilities	5
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Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,400	7,596	9,996
Profit/loss for the year	0	2,860	2,860
Equity end of year	2,400	10,456	12,856

Notes

1 Events after the balance sheet date

During May 2020 the company carried out a reorganizing of the activities performed by Radisson Cornerstone. As a result the majority of the employees have received termination notices and the remaining employees will be transferred to other group companies and effective 31/12-2020 the company will not any longer have any employees.

The implications of COVID-19 with many governments across the world deciding to 'close down their countries' will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date 31 December 2019, and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).

2 Staff costs

	2019 DKK'000	2018 DKK'000
Wages and salaries	14,856	13,525
Pension costs	1,157	898
Other social security costs	317	223
Other staff costs	512	546
	16,842	15,192
Average number of full-time employees	34	29

3 Other financial income

	2019 DKK'000	2018 DKK'000
Financial income from group enterprises	159	108
	159	108

4 Unrecognised rental and lease commitments

	2019 DKK'000	2018 DKK'000
Liabilities under rental or lease agreements until maturity in total	752	867

5 Contingent liabilities

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

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 250,000,000 EUR 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 Cornerstone A/S is one of the direct and indirect subsidiaries whose shares or assets have been included in the security uptake.

6 Related parties with controlling interest

Related parties with a controlling interest in Radisson Cornerstone A/S:

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

7 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 Hotel Group AB, Stockholm, Sweden
Group accounts are available at 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 B enterprises with addition of certain provisions for reporting class C.

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 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.

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.

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

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

Staff costs

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

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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**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.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income 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.