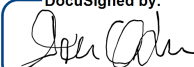


Radisson Royal Hotel Copenhagen ApS

Amager Strandvej 60, 3.
2300 Copenhagen S
CVR No. 35255095

Annual report 2019

The Annual General Meeting adopted the
annual report on 28.08.2020

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Tina Øster Larsen

Chairman of the General Meeting

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Entity details

Entity

Radisson Royal Hotel Copenhagen ApS

Amager Strandvej 60, 3.

2300 Copenhagen S

CVR No.: 35255095

Registered office: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

URL: www.radissonblu.com

Board of Directors

Thomas Christopher Flanagan, Chairman

Lars Gordon Nielsen

Lena Monique Bergengren

Ronaldus Johannes Marinus Smithjes

Executive Board

Jens Brandin, 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 Royal Hotel Copenhagen ApS 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, 28.08.2020

Executive Board

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Jens Brandin

Chief Executive Officer

Board of Directors

DocuSigned by:



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Thomas Christopher Flanagan

Chairman

DocuSigned by:



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Lena Monique Bergengren


DocuSigned by:



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Lars Gordon Nielsen

DocuSigned by:



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Ronaldus Johannes Marinus Smithjes

Independent auditor's report

To the shareholder of Radisson Royal Hotel Copenhagen ApS

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 Royal Hotel Copenhagen ApS 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, 28.08.2020

PricewaterHouseCoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231

DocuSigned by:

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

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Gross profit/loss	64,009	64,294	52,585	56,758	64,648
Operating profit/loss	5,168	5,458	2,867	5,260	11,945
Net financials	(534)	(778)	(370)	(57)	(72)
Profit/loss for the year	3,551	3,583	1,895	4,158	8,883
Total assets	94,285	110,394	112,064	43,960	38,731
Investments in property, plant and equipment	1,552	12,157	93,190	13,379	5,173
Equity	30,413	26,862	23,279	21,384	17,226
Ratios					
Return on equity (%)	12.4	14.3	8.5	24.1	69.5
Profit margin (%)	3.2	3.5	2.3	3.5	8.0
Gross margin (%)	39.9	41.5	41.4	37.4	43.5
Net margin (%)	2.2	2.3	1.5	2.7	6.0

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

The activities at Radisson Royal Hotel Copenhagen ApS consist in the operation of hotel and restaurant as well as congress facilities.

In connection with the agreed cooperation on sales and marketing with Radisson Hotels International, the Company applies the business name Radisson Collection Hotel, Royal Copenhagen.

Development in activities and finances

Total profit for the year amounts to DKK 3,551 thousand. The profit for the year is considered satisfactory.

As expected, revenue for 2019 has increased compared to 2018. Net profit decreased slightly due to increase in expenses. As expected, net profit was positive in 2019.

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 neither affected by special risks.

Outlook

Because of the corona virus outbreak in the spring of 2020 the hotel has been closed for more than two months in the beginning of the year. Because of this and with an outlook on a limited second half of 2020, we expect a negative impact on the outcome of 2020.

Particular risks

The main current risks is related to the effects of the COVID-19 Pandemic. On the short term all governmental packages has been utilized to make the effects as small as possible. On a longer term it is difficult to predict the effects, as we do not know, how fast business will recover or if there will be a second wave of the pandemic.

COVID-19

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 2.

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.

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. As part of the environmental programme, energy control systems for approx. DKK 2 million have been installed to optimise the hotel's energy consumption.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross profit/loss		64,009	64,294
Staff costs	3	(43,587)	(44,681)
Depreciation, amortisation and impairment losses		(15,254)	(14,155)
Operating profit/loss		5,168	5,458
Other financial expenses		(534)	(778)
Profit/loss before tax		4,634	4,680
Tax on profit/loss for the year		(1,083)	(1,097)
Profit/loss for the year	4	3,551	3,583

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Other fixtures and fittings, tools and equipment		30,809	38,529
Leasehold improvements		56,113	63,097
Property, plant and equipment in progress		1,052	50
Property, plant and equipment	5	87,974	101,676
Fixed assets		87,974	101,676
Manufactured goods and goods for resale		922	1,083
Inventories		922	1,083
Trade receivables		3,710	5,724
Receivables from group enterprises		127	176
Other receivables		14	16
Prepayments	6	1,432	1,679
Receivables		5,283	7,595
Cash		106	40
Current assets		6,311	8,718
Assets		94,285	110,394

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital	7	500	500
Retained earnings		29,913	26,362
Equity		30,413	26,862
Deferred tax	8	4,538	5,333
Provisions		4,538	5,333
Other payables	9	427	0
Non-current liabilities other than provisions	10	427	0
Trade payables		2,884	2,897
Payables to group enterprises		43,218	56,457
Income tax payable		1,877	1,375
Other payables		10,632	17,153
Deferred income	11	296	317
Current liabilities other than provisions		58,907	78,199
Liabilities other than provisions		59,334	78,199
Equity and liabilities		94,285	110,394
Going concern	1		
Events after the balance sheet date	2		
Contingent liabilities	12		
Related parties with controlling interest	13		
Group relations	14		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	26,362	26,862
Profit/loss for the year	0	3,551	3,551
Equity end of year	500	29,913	30,413

Notes

1 Going concern

The Company has received a letter of support from Radisson Hospitality AB stating that they will provide necessary support to ensure that the Company will be able to meet its obligations. The support letter is valid until the annual general shareholders meetings at which the entities will be asked to approve the annual accounts as of 31.12.2020.

2 Events after the balance sheet date

No events materially affecting the Company's financial position at December 31, 2019 have occurred after the balance sheet date.

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).

3 Staff costs

	2019 DKK'000	2018 DKK'000
Wages and salaries	26,915	31,592
Pension costs	1,962	2,249
Other social security costs	705	655
Other staff costs	14,005	10,185
	43,587	44,681
Average number of full-time employees	64	80

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

4 Proposed distribution of profit and loss

	2019 DKK'000	2018 DKK'000
Retained earnings	3,551	3,583
	3,551	3,583

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	47,705	71,391	50
Additions	355	195	1,002
Disposals	(175)	0	0
Cost end of year	47,885	71,586	1,052
Depreciation and impairment losses beginning of year	(9,176)	(8,294)	0
Depreciation for the year	(8,075)	(7,179)	0
Reversal regarding disposals	175	0	0
Depreciation and impairment losses end of year	(17,076)	(15,473)	0
Carrying amount end of year	30,809	56,113	1,052

6 Prepayments

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

7 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	500	100	500
	500		500

8 Deferred tax

	2019 DKK'000	2018 DKK'000
Property, plant and equipment	4,538	5,333
Deferred tax	4,538	5,333

	2019 DKK'000
Changes during the year	DKK'000
Beginning of year	5,333
Recognised in the income statement	(795)
End of year	4,538

9 Other payables

	2019 DKK'000	2018 DKK'000
Holiday pay obligation	427	0
	427	0

10 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK'000
Other payables	427
	427

11 Deferred income

Short-term deferred income comprises income received for recognition in subsequent financial years.

12 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.

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

Contractual obligations

The company has entered into a noncallable rent obligation, which runs until 2034. The company is committed to a fixed rent and a variable rent depending on the company's operating profit.

The yearly fixed rent is DKK 32,000 thousand.

The commitment for the fixed rent amount to DKK 480,000 thousand until the expiry of the agreement.

13 Related parties with controlling interest

Related parties with a controlling interest in Radisson Royal Hotel Copenhagen ApS:

<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

14 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.

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 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, and social security contributions, pension contributions, etc for company 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 of property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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**Property, plant and equipment**

Other fixtures and fittings, tools and equipment as well as leasehold improvements 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	3-5 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Manufactured goods and goods for resale, 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 at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

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.

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.

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 statement of Radisson Hospitality AB, Stockholm.