

## Radisson Hotels ApS Danmark

Amager Strandvej 60-64, 3.  
2300 Copenhagen S  
CVR No. 73337712

### Annual report 2021

The Annual General Meeting adopted the  
annual report on 12.07.2022

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 Hotels ApS Danmark

Amager Strandvej 60-64, 3.

2300 Copenhagen S

Business Registration No.: 73337712

Registered office: Copenhagen

Financial year: 01.01.2021 - 31.12.2021

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

## Board of Directors

Sergio Amodeo, Chairman

Elie Younes

Sven Gösta Andreas Fondell

Inigo Capell Arrieta

Eva-Maria Margaretha Erauw

## Executive Board

Lars Gordon Nielsen, 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 Hotels ApS Danmark for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 12.07.2022

## Executive Board

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**Lars Gordon Nielsen**  
Chief Executive Officer

## Board of Directors

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**Sergio Arruñedo**  
Chairman

**Elie Younes**

DocuSigned by:



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**Sven-Gösta Andreas Fondell**

DocuSigned by:



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**Inigo Capell Arrieta**

DocuSigned by:



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**Eva-Maria Margaretha Erauw**

# Independent auditor's report

## To the shareholder of Radisson Hotels ApS Danmark

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Radisson Hotels ApS Danmark for the financial year 1 January - 31 December 2021, 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, 12.07.2022

**PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab**

CVR No. 33771231

DocuSigned by:

*Nikolaj Johnsen*

**Nikolaj Erik Johnsen**

State-Authorised Public Accountant

Identification No (MNE) mne35806

# Management commentary

## Financial highlights

|   | 2021<br>DKK'000 | 2020<br>DKK'000 | 2019<br>DKK'000 | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key figures</b>                              |                 |                 |                 |                 |                 |
| Revenue   | 879,391         | 607,653         | 1,613,433       | 1,637,652       | 1,577,661       |
| Gross profit/loss                               | 36,171          | (137,176)       | 60,215          | 40,996          | 67,700          |
| Operating profit/loss                           | (69,856)        | (211,583)       | 13,728          | (4,187)         | 14,287          |
| Net financials                                  | (35,053)        | (1,095,264)     | 308,795         | 59,175          | 44,955          |
| Profit/loss for the year                        | (353,421)       | (1,324,695)     | 291,931         | 16,735          | 42,399          |
| Total assets                                    | 4,777,976       | 5,621,362       | 4,516,573       | 4,093,315       | 3,966,587       |
| Investments in property,<br>plant and equipment | 0               | 507             | 808             | 410             | 580             |
| Equity  | 2,010,520       | 2,993,111       | 3,677,553       | 3,386,916       | 3,370,879       |
| Average number of<br>employees                  | 42              | 47              | 55              | 54              | 52              |
| <b>Ratios</b>                                   |                 |                 |                 |                 |                 |
| Return on equity (%)                            | (14.13)         | (44.80)         | 7.90            | 0.50            | 1.40            |
| Solvency ratio (%)                              | 42.08           | 53.10           | 81.40           | 87.00           | 86.30           |

Net Financials include income from investments.

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

| 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. |
| Solvency ratio (%)   | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                     | The financial strength of the entity                                 |



### Primary activities

The primary activities of Radisson Hotels ApS Danmark comprise possession of investments and intellectual property rights related to the Group's running of hotels as well as management hereof.

The Radisson Hotel Group is one of the fastest growing hotel companies in the world. The hotels in the portfolio are mainly operated under the four key brands Radisson Blu, Park Inn, Radisson Red and Radisson Collection.

The Radisson Hotel Group develops the Radisson Blu and Park Inn by Radisson brands in the EMEA region under a master franchise agreement with Radisson Inc. (former: Carlson Companies) in the United States. Radisson benefits from Radisson Inc's global brand, booking system and other business initiatives. The contract with Radisson Inc is active until 2052, including Radisson AB's extension options.

The Radisson Hotel Group operates a portfolio of brands covering most of the hotel market segments: luxury, lifestyle, full first-class service and mid-market brands. Radisson Blu is a first-class, full-service brand, while Park Inn appeals to the mid-market. Radisson Red is targeting Lifestyle Select, and Radisson Collection is targeting the luxury segment.

The Radisson Hotel Group is focusing on hotel management and operation. Currently, all hotels in the Radisson portfolio are operated either by Radisson under a lease or a management agreement or by a separate operator using one of the Radisson brands under a franchise agreement.

### Development in activities and finances

Loss for the year amounts to DKK 353,421 thousand.

### Profit/loss for the year in relation to expected developments

Results for 2021 were in line with the expected outlook in 2020 if income from investment in group enterprises are not considered. These are held at cost and internal sales or restructuring therefore significantly impact the net result. The result in 2021 is impacted severely by the COVID-19 pandemic.

Radisson Hotels ApS Danmark and the remaining companies of the Radisson Group are – like many other companies – affected by the trends in the global economy.

When observing the item income (loss) from investments in subsidiaries in the income statement, Management would like to emphasise that subsidiaries are recognised at cost and are written down to the lower of recoverable amount and carrying amount. The majority of the fluctuation in the income (loss) from investments in subsidiaries results from the write-down of the capital contribution to group enterprises with negative equity.

Management would like to emphasize that the equity in the parent company (Radisson Hospitality AB) is at EUR 1,5 Mio only. The value of equity reflected in this Annual report is driven by the fact that subsidiaries are recognized at the lower of cost or 0 (depending on the directly owned subsidiaries equity values) while negative equity values in subsidiaries are not recognized at a lower value than 0 in the annual report of this company.

## Outlook

The results for 2022 are expected to be better than in 2021.

### Particular risks

The key risk management objectives of Radisson Hotels ApS Danmark can be summarised as follows:

- Ensure that the risks and benefits of new investments and contingent liabilities are in line with the financial objectives of the Radisson Group.
- Reduce cyclical risks through brand diversity, geographic representation and by ensuring a mix of leased, managed and franchised hotels.
- Review and assess the insurance programmes of the Radisson Group on an ongoing basis.
- Carefully evaluate investments in high-risk areas to match these with premium returns on investments.

### Operating risks

Radisson Hotels ApS Danmark is subject to the operating risks common to the hotel industry, including:

- Changes in general economic conditions
- Changes in travel patterns and demand
- Cyclical over-supply of hotels
- The financial position of third-party property owners and franchisees
- Typical long-term leases and management contracts with guarantees
- Impact by local legislation in connection with the COVID-19 outbreak

The Company has issued letters of support to management of the subsidiaries in the UK. The Company's Management does not expect the letters of support to be brought into effect. The necessary funds will be made available to the Company by Radisson Hotel Group S.A. if the letters of support, contrary to expectation, are brought into effect.

### Financial exposure

Since the Company is financed through intercompany loans, the Company's risks from financing activities are limited.

### Currency exposure

Exposure to foreign currency fluctuations is mainly related to fluctuations in USD in connection with the settlement of royalties to Carlson. Credit risks related to financial assets equal the values recognised in the balance sheet.

### Cash flow risks

It is the policy of the Radisson Group that capital injections and placement of excess liquidity are managed centrally. At the same time, the Group has decided on objectives for liquidity reserves, such as excess cash and credit facilities, that are available to the Group at any time.

### Group credit facilities

The company is dependent on credit facilities being made available by other group companies. These credit facilities are subject to reoccurring renewal.

### Knowledge resources

The annual employee satisfaction survey looks at the employees' attitude to and perceptions of working conditions, career opportunities and management performance in the Radisson Group.

With the Radisson Hotel Group, training has a two-fold purpose: career development and personal development. The School for Management Training continued to attract members from all brands in 2021. The Radisson Hotel Group also extended its training portfolio by introducing tailored eLearning resources to supplement the school's face-to-face forum.

### Statutory report on corporate social responsibility

Radisson Hotels ApS Danmark does not have a separate CSR policy developed and adjusted to the Company's operational conditions. The Radisson Group has by its "Responsible Business" policy, applied to all consolidated companies, an internal code of practice which must be complied with as regards CSR.

The three basic principles of the "Responsible Business" programme are:

- Taking responsibility for the health and safety of employees and guests
- Respecting social and ethical issues in the Company as well as in the community
- Reducing our negative impact on the environment

The full "Responsible Business" efforts are described here:

<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/465737>

### Statutory report on the underrepresented gender

Radisson Group has a policy on diversity and its target figure is to always keep the minimum share of women in the Board of Directors at 33%. At 31.12.2021 there is only one female board member and therefore the target figures have not been met. The target figures have been delayed due to the outbreak and spread of COVID-19, but the target figures are expected to be met within 2 years. The Board members consist of key management personnel in Radisson Group, therefore there is limited possibility for replacement.

With reference to section 99 b of the Danish Financial Statements Act, Radisson Hotels ApS Danmark employs less than 50 employees and therefore has no obligation to report further disclosures.

### Statutory report on data ethics policy

We protect the confidentiality of information to which we have access in the course of our business in accordance with applicable law and contractual obligations. This information includes but is not limited to, Radisson Group trade secrets, financial data, products, personnel information, business transactions and information entrusted to Radisson Group in confidence by third parties – as well as information concerning our employees, clients, guests, travelers, suppliers and shareholders. We are all responsible for protecting this confidential information regardless of the form in which it comes to us (in conversations, paper copy, electronically, etc.).

Radisson Group has developed a policy on data ethics with several data-ethical values. The data-ethical values include ensuring equal treatment and transparency in data processing. The data ethics policy is part of the "Responsible Business" programme and the full "Responsible Business" efforts are described here:

<https://www.radissonhotels.com/en-us/corporate/responsible-business>

# Income statement for 2021

|  | Notes | 2021<br>DKK'000  | 2020<br>DKK '000   |
|--|-------|------------------|--------------------|
| Revenue  | 3     | 879,391          | 607,653            |
| Other operating income                           | 4     | 612              | 4,008              |
| Other external expenses                          | 5     | (843,832)        | (748,837)          |
| <b>Gross profit/loss</b>                         |       | <b>36,171</b>    | <b>(137,176)</b>   |
| Staff costs                                      | 6     | (90,006)         | (66,852)           |
| Depreciation, amortisation and impairment losses | 7     | (16,021)         | (7,555)            |
| <b>Operating profit/loss</b>                     |       | <b>(69,856)</b>  | <b>(211,583)</b>   |
| Income from investments in group enterprises     | 8     | (264,427)        | (1,100,688)        |
| Income from investments in associates            |       | (175)            | (63)               |
| Other financial income                           | 9     | 126,723          | 85,383             |
| Other financial expenses                         | 10    | (161,776)        | (80,840)           |
| <b>Profit/loss before tax</b>                    |       | <b>(369,511)</b> | <b>(1,307,791)</b> |
| Tax on profit/loss for the year                  | 11    | 16,090           | (16,904)           |
| <b>Profit/loss for the year</b>                  | 12    | <b>(353,421)</b> | <b>(1,324,695)</b> |

# Balance sheet at 31.12.2021

## Assets

|  | Notes | 2021<br>DKK'000  | 2020<br>DKK'000  |
|--|-------|------------------|------------------|
| Completed development projects                   | 14    | 201,801          | 181,602          |
| Acquired rights                                  |       | 21,476           | 19,016           |
| Goodwill   |       | 3,815            | 6,364            |
| <b>Intangible assets</b>                         | 13    | <b>227,092</b>   | <b>206,982</b>   |
| Land and buildings                               |       | 280              | 280              |
| Other fixtures and fittings, tools and equipment |       | 446              | 847              |
| <b>Property, plant and equipment</b>             | 15    | <b>726</b>       | <b>1,127</b>     |
| Investments in group enterprises                 |       | 2,028,911        | 2,248,043        |
| Receivables from group enterprises               |       | 278,596          | 900,440          |
| Investments in associates                        |       | 695              | 1,116            |
| Other investments                                |       | 0                | 0                |
| Other receivables                                |       | 5,960            | 36,347           |
| <b>Financial assets</b>                          | 16    | <b>2,314,162</b> | <b>3,185,946</b> |
| <b>Fixed assets</b>                              |       | <b>2,541,980</b> | <b>3,394,055</b> |
| Trade receivables                                |       | 258,173          | 68,952           |
| Receivables from group enterprises               |       | 1,826,486        | 1,972,372        |
| Deferred tax                                     | 17    | 39,113           | 9,319            |
| Other receivables                                |       | 83,124           | 89,208           |
| Prepayments                                      | 18    | 22,931           | 30,943           |
| <b>Receivables</b>                               |       | <b>2,229,827</b> | <b>2,170,794</b> |
| <b>Cash</b>                                      |       | <b>6,169</b>     | <b>19,893</b>    |
| <b>Current assets</b>                            |       | <b>2,235,996</b> | <b>2,190,687</b> |
| <b>Assets</b>                                    |       | <b>4,777,976</b> | <b>5,584,742</b> |

**Equity and liabilities**

|  | <b>Notes</b> | <b>2021<br/>DKK'000</b> | <b>2020<br/>DKK'000</b> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital                              | 19           | 212,000                 | 212,000                 |
| Retained earnings                                |              | 1,798,520               | 2,152,012               |
| Proposed dividend                                |              | 0                       | 629,099                 |
| <b>Equity</b>                                    |              | <b>2,010,520</b>        | <b>2,993,111</b>        |
| Trade payables                                   |              | 88,495                  | 42,530                  |
| Payables to group enterprises                    |              | 2,419,372               | 2,292,681               |
| Tax payable                                      |              | 1,162                   | 3,000                   |
| Other payables                                   |              | 258,427                 | 253,420                 |
| <b>Current liabilities other than provisions</b> |              | <b>2,767,456</b>        | <b>2,591,631</b>        |
| <b>Liabilities other than provisions</b>         |              | <b>2,767,456</b>        | <b>2,591,631</b>        |
| <b>Equity and liabilities</b>                    |              | <b>4,777,976</b>        | <b>5,584,742</b>        |
| Going concern                                    | 1            |                         |                         |
| Events after the balance sheet date              | 2            |                         |                         |
| Financial instruments                            | 20           |                         |                         |
| Unrecognised rental and lease commitments        | 21           |                         |                         |
| Contingent assets                                | 22           |                         |                         |
| Contingent liabilities                           | 23           |                         |                         |
| Related parties with controlling interest        | 24           |                         |                         |
| Group relations                                  | 25           |                         |                         |

# Statement of changes in equity for 2021

|                           | <b>Contributed<br/>capital<br/>DKK'000</b> | <b>Retained<br/>earnings<br/>DKK'000</b> | <b>Proposed<br/>dividend<br/>DKK'000</b> | <b>Total<br/>DKK'000</b> |
|---------------------------|--|--|--|--------------------------|
| Equity beginning of year  | 212,000                                    | 2,152,012                                | 629,099                                  | 2,993,111                |
| Ordinary dividend paid    | 0  | 0  | (629,099)                                | (629,099)                |
| Value adjustments         | 0  | (71)                                     | 0  | (71)                     |
| Profit/loss for the year  | 0  | (353,421)                                | 0  | (353,421)                |
| <b>Equity end of year</b> | <b>212,000</b>                             | <b>1,798,520</b>                         | <b>0</b>                                 | <b>2,010,520</b>         |

Management would like to emphasize that the equity in the parent company (Radisson Hospitality AB) is at EUR (92,1) Mio. The value of equity reflected in this Annual report is driven by the fact that subsidiaries are recognized at the lower of cost or 0 (depending on the directly owned subsidiaries equity values) while negative equity values in subsidiaries are not recognized at a lower value than 0 in the annual report of this company.

# 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 for at least the next 12 months from the date of the approval of the 2021 financial statements.

## 2 Events after the balance sheet date

No events materially affecting the Company's financial position at December 31, 2021 have occurred after the balance sheet date.

## 3 Revenue

|   | 2021<br>DKK'000 | 2020<br>DKK'000 |
|---|-----------------|-----------------|
| Denmark                                     | 23,935          | 33,955          |
| Other countries                             | 855,456         | 573,698         |
| <b>Total revenue by geographical market</b> | <b>879,391</b>  | <b>607,653</b>  |

## 4 Other operating income

The company has recognized a total of DKK 612 thousand in compensation for fixed costs from COVID-19 assistance packages from the Danish Government.

## 5 Other external expenses

Referring to section 96(3) of the Danish Financial Statements Act, Radisson Hotels ApS Danmark does not disclose its audit fee.

## 6 Staff costs

|                                       | 2021<br>DKK'000 | 2020<br>DKK'000 |
|---------------------------------------|-----------------|-----------------|
| Wages and salaries                    | 74,754          | 62,967          |
| Pension costs                         | 5,713           | 2,576           |
| Other social security costs           | 228             | 242             |
| Other staff costs                     | 9,311           | 1,067           |
|                                       | <b>90,006</b>   | <b>66,852</b>   |
| <br>                                  |                 |                 |
| Average number of full-time employees | <b>42</b>       | <b>47</b>       |

Payroll paid in branches are part of the total staff costs. For FY 2021 it amounts to DKK 56,826 thousand and for FY 2020 it amounts to DKK 36,823 thousand.



**7 Depreciation, amortisation and impairment losses**

|  | <b>2021</b>    | <b>2020</b>    |
|--|----------------|----------------|
|  | <b>DKK'000</b> | <b>DKK'000</b> |
| Amortisation of intangible assets  | 15,620         | 7,663          |
| Depreciation of property, plant and equipment                                | 401            | 533            |
| Profit/loss from sale of intangible assets and property, plant and equipment | 0              | (641)          |
|  | <b>16,021</b>  | <b>7,555</b>   |

**8 Income from investments in group enterprises**

|  | <b>2021</b>      | <b>2020</b>        |
|--|------------------|--------------------|
|  | <b>DKK'000</b>   | <b>DKK'000</b>     |
| Sale of investment in group enterprises        | 0                | (9,462)            |
| Reversal of impairment losses from prior years | 134,492          | 658,927            |
| Write-down of investment                       | (398,919)        | (1,750,153)        |
| Dividends received                             | 0                | 0                  |
|  | <b>(264,427)</b> | <b>(1,100,688)</b> |

**9 Other financial income**

|   | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> |
| Financial income from group enterprises | 23,239         | 46,399         |
| Financial income from associates        | 1,709          | 1,755          |
| Other interest income                   | 1,921          | 1,813          |
| Exchange rate adjustments               | 99,854         | 35,416         |
|   | <b>126,723</b> | <b>85,383</b>  |

**10 Other financial expenses**

|   | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> |
| Financial expenses from group enterprises | 10,290         | 6,287          |
| Exchange rate adjustments                 | 122,551        | 40,562         |
| Other financial expenses                  | 28,935         | 33,991         |
|   | <b>161,776</b> | <b>80,840</b>  |

**11 Tax on profit/loss for the year**

|                        | <b>2021</b>     | <b>2020</b>    |
|------------------------|-----------------|----------------|
|                        | <b>DKK'000</b>  | <b>DKK'000</b> |
| Current tax            | 13,704          | 17,299         |
| Change in deferred tax | (29,794)        | (395)          |
|                        | <b>(16,090)</b> | <b>16,904</b>  |

## 12 Proposed distribution of profit and loss

|  | 2021<br>DKK'000  | 2020<br>DKK'000    |
|--|------------------|--------------------|
| Ordinary dividend for the financial year | 0                | 629,099            |
| Retained earnings                        | (353,421)        | (1,953,794)        |
|  | <b>(353,421)</b> | <b>(1,324,695)</b> |

## 13 Intangible assets

|   | Completed<br>development<br>projects<br>DKK'000 | Acquired<br>rights<br>DKK'000 | Goodwill<br>DKK'000 |
|---|---|-------------------------------|---------------------|
| Cost beginning of year                                | 185,220   | 24,255                        | 50,971              |
| Additions   | 153,428   | 4,279                         | 0                   |
| Disposals   | (125,595)                                       | 0                             | 0                   |
| <b>Cost end of year</b>                               | <b>213,053</b>                                  | <b>28,534</b>                 | <b>50,971</b>       |
| Amortisation and impairment losses beginning of year  | (3,618)   | (5,239)                       | (44,607)            |
| Amortisation for the year                             | (11,252)  | (1,819)                       | (2,549)             |
| Reversal regarding disposals                          | 3,618   | 0                             | 0                   |
| <b>Amortisation and impairment losses end of year</b> | <b>(11,252)</b>                                 | <b>(7,058)</b>                | <b>(47,156)</b>     |
| <b>Carrying amount end of year</b>                    | <b>201,801</b>                                  | <b>21,476</b>                 | <b>3,815</b>        |

## 14 Development projects

Development projects in progress concerns development, further development and expansion of technological platforms, which the Company uses in their daily work. The basis of capitalization of cost consists mainly of expectations concerning optimization of workflows, which is expected to result in cost savings.

During the financial year the Company has invested in a new IT-system, which is developed by a third-party.

## 15 Property, plant and equipment

|   | Land and<br>buildings<br>DKK'000 | Other fixtures<br>and fittings,<br>tools and<br>equipment<br>DKK'000 |
|---|----------------------------------|--|
| Cost beginning of year                                | 280                              | 1,203  |
| <b>Cost end of year</b>                               | <b>280</b>                       | <b>1,203</b>   |
| Depreciation and impairment losses beginning of year  | 0                                | (356)  |
| Depreciation for the year                             | 0                                | (401)  |
| <b>Depreciation and impairment losses end of year</b> | <b>0</b>                         | <b>(757)</b>   |
| <b>Carrying amount end of year</b>                    | <b>280</b>                       | <b>446</b>   |

**16 Financial assets**

|                                      | <b>Investments in<br/>group<br/>enterprises<br/>DKK'000</b> | <b>Receivables<br/>from group<br/>enterprises<br/>DKK'000</b> | <b>Investments in<br/>associates<br/>DKK'000</b> | <b>Other<br/>investments<br/>DKK'000</b> | <b>Other<br/>receivables<br/>DKK'000</b> |
|--------------------------------------|---|---|--|--|--|
| Cost beginning of year               | 5,249,567   | 900,440   | 923  | 15,725                                   | 39,332                                   |
| Transfers                            | 246   | 0   | (246)  | 0  | 0  |
| Additions                            | 45,049  | 0   | 0  | 0  | 0  |
| Disposals                            | 0   | (621,844)   | 0  | 0  | (3,156)                                  |
| <b>Cost end of year</b>              | <b>5,294,862</b>  | <b>278,596</b>  | <b>677</b>                                       | <b>15,725</b>                            | <b>36,176</b>                            |
| Revaluations beginning of year       | 0   | 0   | 193  | 0  | 0  |
| Share of profit/loss for the year    | 0   | 0   | (14)   | 0  | 0  |
| <b>Revaluations end of year</b>      | <b>0</b>  | <b>0</b>  | <b>179</b>                                       | <b>0</b>                                 | <b>0</b>                                 |
| Impairment losses beginning of year  | (3,001,524)   | 0   | 0  | (15,725)                                 | (2,985)                                  |
| Impairment losses for the year       | (398,919)   | 0   | (161)  | 0  | (27,231)                                 |
| Reversal of impairment losses        | 134,492   | 0   | 0  | 0  | 0  |
| <b>Impairment losses end of year</b> | <b>(3,265,951)</b>  | <b>0</b>  | <b>(161)</b>                                     | <b>(15,725)</b>                          | <b>(30,216)</b>                          |
| <b>Carrying amount end of year</b>   | <b>2,028,911</b>  | <b>278,596</b>  | <b>695</b>                                       | <b>0</b>                                 | <b>5,960</b>                             |

| <b>Investments in subsidiaries</b>             | <b>Registered in</b> | <b>Corporate form</b> | <b>Equity interest %</b> | <b>Equity DKK'000</b> | <b>Profit/loss DKK'000</b> |
|--|----------------------|-----------------------|--------------------------|-----------------------|----------------------------|
| Radisson Scandinavia Hotel Aarhus A/S          | Aarhus               | A/S                   | 100.00                   | 20,104                | 1,478                      |
| Hotel Development S. Africa A/S                | Copenhagen           | A/S                   | 100.00                   | 16,881                | (4,972)                    |
| Radisson Hotel Kiev A/S                        | Copenhagen           | A/S                   | 100.00                   | (8,720)               | (31,004)                   |
| Radisson Hotel Investment Egypt A/S            | Copenhagen           | A/S                   | 100.00                   | 3,274                 | (4,058)                    |
| Radisson Hotel Management & Development A/S    | Copenhagen           | A/S                   | 100.00                   | 27,095                | (33)                       |
| Radisson Scandinavia Hotel Copenhagen ApS      | Copenhagen           | ApS                   | 100.00                   | 41,043                | 532                        |
| Radisson Royal Hotel Copenhagen ApS            | Copenhagen           | ApS                   | 100.00                   | 31,063                | 456                        |
| Radisson Hotel Amsterdam B.V                   | Amsterdam            | B.V.                  | 100.00                   | 77,150                | 2,406                      |
| Radisson Hotels UK Ltd., United Kingdom        | London               | Ltd.                  | 100.00                   | 83,446                | 4,795                      |
| Radisson Park UK Limited                       | London               | Ltd.                  | 100.00                   | 1,185,802             | (9,984)                    |
| Radisson Hospitality France                    | Paris                | SAS                   | 100.00                   | 445,673               | 15,790                     |
| Radisson Hotels Deutschland GmbH               | Hamburg              | GmbH                  | 100.00                   | 50,257                | (58,386)                   |
| SIA Radisson Baltics                           | Riga                 | SIA                   | 100.00                   | 2,308                 | 283                        |
| Radisson Hotel Milan                           | Milan                | S.r.l                 | 100.00                   | 16,136                | 2,943,255                  |
| Radisson Hotel Turkey AS                       | Turkey               | AS                    | 100.00                   | 232                   | 44                         |
| Radisson Hotel Madrid SL                       | Madrid               | SL                    | 100.00                   | 30,153                | 2,648                      |
| Radisson Hotel Group SPRL                      | Brussels             | S.A.                  | 100.00                   | (2,638,817)           | (1,528,666)                |
| Radisson Collection Palazzo Nani               | Venice               | S.A.                  | 100.00                   | 2,757                 | 1,066                      |
| Radisson Hospitality Services Brussels         | Brussels             | S.A.                  | 100.00                   | 980                   | 1,057                      |
| Radisson Hospitality Services Spain            | Madrid               | SL                    | 100.00                   | 2,767                 | 131                        |
| Prize Holding GmbH                             | Hamburg              | GmbH                  | 91.00                    | 215,458               | 13,940                     |
| Radisson Collection Hotel Magdalena Plaza      | Sevilla              | SL                    | 100.00                   | 3,100                 | (640)                      |
| Radisson Collection Hotel Palazzo Touring Club | Milan                | S.r.l                 | 100.00                   | 3,809                 | (62)                       |
| Radisson RED Hotel                             | Vienna               | GmbH                  | 100.00                   | 260                   | 0                          |
| Radisson Collection Bilbao                     | Bilbao               | SL                    | 100.00                   | 7,719                 | 0                          |

| <b>Investments in associates</b> | <b>Registered in</b> | <b>Corporate form</b> | <b>Equity interest %</b> | <b>Equity DKK'000</b> | <b>Profit/loss DKK'000</b> |
|----------------------------------|----------------------|-----------------------|--------------------------|-----------------------|----------------------------|
| Afrinord Hotel Investments A/S   | Copenhagen           | A/S                   | 20.0                     | 2,758                 | (68)                       |
| Fast Lane Hospitality GmbH       | Berlin               | GmbH                  | 20.00                    | 716                   | (409)                      |

### 17 Deferred tax

|                               | <b>2021<br/>DKK'000</b> | <b>2020<br/>DKK'000</b> |
|-------------------------------|-------------------------|-------------------------|
| Intangible assets             | (1,973)                 | (1,010)                 |
| Property, plant and equipment | 633                     | (5,657)                 |
| Receivables                   | 16,985                  | 15,986                  |
| Provisions                    | 23,468                  | 0                       |
| <b>Deferred tax</b>           | <b>39,113</b>           | <b>9,319</b>            |

| <b>Changes during the year</b>     | <b>2021<br/>DKK'000</b> |
|------------------------------------|-------------------------|
| Beginning of year                  | 9,319                   |
| Recognised in the income statement | 29,794                  |
| <b>End of year</b>                 | <b>39,113</b>           |

### Deferred tax assets

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

### 18 Prepayments

Prepayments consist of prepaid marketing expenses.

### 19 Share capital

|                 | <b>Number</b>  | <b>Par value<br/>DKK'000</b> | <b>Nominal<br/>value<br/>DKK'000</b> |
|-----------------|----------------|------------------------------|--------------------------------------|
| Ordinary shares | 212,000        | 1                            | 212,000                              |
|                 | <b>212,000</b> |                              | <b>212,000</b>                       |

### 20 Financial instruments

Other receivables include negative fair value of derivative financial instruments of DKK 0 thousand. Derivative financial instruments have been entered into to hedge the exchange rate exposure of future income of DKK 0 thousand. All forward exchange contracts expired in 2020. The fair value adjustment has been recognised in equity with the expectation of realisation and recognition in the income statement.

## 21 Unrecognised rental and lease commitments

|  | 2021<br>DKK'000 | 2020<br>DKK'000 |
|--|-----------------|-----------------|
| Liabilities under rental or lease agreements until maturity in total | 456             | 0               |

## 22 Contingent assets

The company has an unrecognized deferred tax asset amounting to DKK 37,867 thousand, which is primarily related to tax losses carried forward.

## 23 Contingent liabilities

### Disputes

The Radisson Hotel Group operates in a number of countries around the world and is always involved in several complex projects and business relationships in which professional disputes on various issues may arise. Most times these situations are resolved through negotiations and discussions. In some rare situations, these disputes may lead to major disagreements or claims of violation of the law. Provisions for claims due to known disputes are recorded whenever there is a situation in which it is more likely than not that Radisson will have an obligation to settle the dispute and in which a reliable estimate can be made regarding the outcome of such dispute. Currently no provisions for claims or disputes are recognized.

### Joint taxation

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

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.

### Guarantees

In the management contracts for a numbers of hotels, Radisson Hotels ApS Danmark and the subsidiaries guarantee the hotel owners a minimum amount of cash flow annually. For some of the contracts the guarantee is limited to a maximum amount for the duration of the contract and a maximum amount per year.

Radisson Hotels ApS Danmark has guaranteed a number of contractual obligations of the lease agreements and the management agreements entered into by other group enterprises, i.a. lease of the Group's hotels and performance guarantees as part of the management agreements with the Group's hotels in several countries.

The Company has also provided guarantees to a number of trading partners of and suppliers to the Group's operating companies.

### Other

The Company has a lease obligation until 2021. The annual payment is DKK 1,938 thousand.

## 24 Related parties with controlling interest

Related parties with a controlling interest in Radisson Hotels ApS Danmark:

| <b>Name</b>                                | <b>Registered office</b> | <b>Basis of influence</b> |
|--|--------------------------|---------------------------|
| 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           |

No transactions with related parties were made in the financial year 2021 which were not made on an arm's length basis.

## 25 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 statement 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 <https://web.rezidor.com/RHG%20Annual%20Report%202021%20SWE%202.pdf>

Management would like to emphasize that the equity in the parent company (Radisson Hospitality AB) is at EUR 1,5 Mio only. The value of equity reflected in this Annual report is driven by the fact that subsidiaries are recognized at the lower of cost or 0 ( depending on the directly owned subsidiaries equity values) while negative equity values in subsidiaries are not recognized at a lower value than 0 in the annual report of this company.

# 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 (large).

The accounting policies applied to these financial statements are consistent with those applied last year, except as noted in the accounting policy for Staff costs.

A few reclassifications have been made in the profit and loss account and comparative figures have been corrected. This has no effect on Profit/loss for the year and Equity.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The consolidated financial statement is prepared in Radisson Hotel Group AB.

## 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.

## Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other



payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

## **Income statement**

### **Revenue**

Revenue primarily consists of fees from hotel activities including management and franchise fees as well as management and administration services, etc. The fees are taken to income in the related period.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Other external expenses**

Other external expenses include fees and expenses relating to the Entity's ordinary activities, including sale, marketing, etc. This item also includes write-downs of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for company staff including the staff costs for branches. Staff costs for the branches is a reclassification between Other opex and Staff costs and has no effect on Profit/loss for the year and Equity.

### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and 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 intangible assets as well as property, plant and equipment.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises dividend received from the individual group enterprises in the financial year, write-downs for the year and reversal of write-downs from prior years.

### **Income from investments in associates**

Income from investments in associates comprises dividends etc received from the individual associates in the financial year.

### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, write-down on receivables from group enterprises, payables 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 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 companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

The useful life is estimated at 20 years, which equals the contractual period of the related hotel.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related Intellectual property rights, acquired intellectual property rights, prepayments for intangible assets and acquired intangible assets.

The basis of amortisation is cost. Straight-line amortisation over five years is made on the basis of the useful lives of the assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

**Property, plant and equipment**

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

|  |            |
|--|------------|
| Buildings  | 50 years   |
| Other fixtures and fittings, tools and equipment | 3-10 years |

For leasehold improvements and assets held under 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.

### **Investments in group enterprises**

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

If the equity value is negative, the amount is recognised under provisions if a legal or constructive obligation exists and a loss is expected.

### **Investments in associates**

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

If the equity value is negative, the amount is recognised under provisions if a legal or constructive obligation exists and a loss is expected.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **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.

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which 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.

**Cash flow statement**

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has omitted to prepare a cash flow statement as its cash flows are included in the cash flow statement of Radisson Hospitality AB.