

Radisson Hotels ApS Danmark

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

Annual report 2019

The Annual General Meeting adopted the
annual report on 14.09.2020

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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

CVR No.: 73337712

Registered office: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

URL: www.radissonblu.com

Board of Directors

Sergio Amodeo, Chairman

Elie Younes

Eva-Maria Margaretha Erauw

Inigo Capell Arrieta

Sven Gösta Andreas Fondell

Lars Gordon Nielsen

Executive Board

Gopal Krishan Sawhney, 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 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

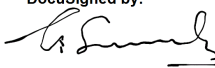
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

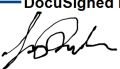
We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.09.2020

Executive Board

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Gopal Krishna Sawhney
Chief Executive Officer

Board of Directors

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Sergio Amodeo
Chairman

DocuSigned by:

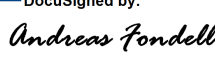
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Elie Younes

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Eva-Maria Margaretha Erauw

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Inigo Capell Arrieta

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Sven Gösta Andreas Fondell

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Lars Gordon Nielsen

Independent auditor's report

To the shareholders 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 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 Hotels ApS Danmark 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, 14.09.2020

PricewaterhouseCoopers

CVR No. 33771231

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

DocuSigned by:

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

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Revenue	1,613,433	1,637,652	1,577,661	1,351,882	1,144,538
Gross profit/loss	60,215	40,996	67,700	33,857	258,651
Operating profit/loss	13,728	(4,187)	14,287	(14,139)	219,584
Net financials	352,088	59,175	44,955	(594,620)	226,501
Profit/loss for the year	335,224	16,735	42,399	(622,394)	385,092
Total assets	4,559,866	4,093,315	3,966,587	3,905,481	3,673,599
Investments in property, plant and equipment	808	410	580	1,118	0
Equity	3,720,846	3,386,916	3,370,879	3,326,868	2,718,445
Average number of employees	55	54	52	53	43
Ratios					
Return on equity (%)	9.4	0.5	1.4	(20.6)	15.0
Solvency ratio (%)	81.6	87.0	86.3	85.2	74.0

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.

At 31.12.2019, the Radisson Hotel Group had 387 (380) hotels in operation and 125 (114) hotels under construction and development. This corresponds to 84,842 (83,331) rooms in operation and additionally 24,985 (23,827) under construction and development.

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

Profit for the year amounts to DKK 335,224 thousand, which is considered satisfactory and in line with expectations.

Results for 2019 were in line with the expected outlook in 2018 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.

Distributing services in more than 80 (79) countries, Radisson Hospitality Danmark ApS 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 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 re-coverable amount and carrying amount. The majority of the fluctuation in the income from investments in subsidiaries results from the write-down of the capital contribution to group enterprises with negative equity.

Outlook

The results for 2020 will be severely impacted by COVID-19.

The outbreak and spread of COVID-19 that occurred after the balance sheet date does not influence the evaluation of this annual report since there are no circumstances of the event which will influence this annual report.

It has at this present time not been possible to reliably estimate the overall effect on the Company's activities which the outbreak and spread of COVID-19 will have for the Company and its result of 2020, however it is expected that net result will decrease compared to 2019.

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

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.

Intellectual capital 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 2019. The Radisson Hotel Group also extended its training portfolio by introducing tailored eLearning resources to supplement the school's face-to-face forum.

Environmental performance

The Radisson Group has in recent years implemented the "Responsible Business" programme. The primary purpose is to systematically obtain information about the hotel's energy consumption, waste disposal and consumption of chemicals that are detrimental to the environment and then to lay down a plan to minimise the impact on the environment as much as possible. The programme also includes special training programmes for group hotel staff in order for them to be able to identify potential impacts on the environment and to plan the operation of the hotels, of which environmental considerations are an important factor.

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 con-solidated 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.radissonhospitalityab.com/static-files/d620a74d-e9e1-4927-9db2-42f635b54312>

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 31.12.2019 there is only one female board member and therefore the target figures have not been met. 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's Top Management only consists of two persons and therefore has no obligation to report further disclosures.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK '000
Revenue	3	1,613,433	1,637,652
Other operating income		10,772	0
Other external expenses	4	(1,563,990)	(1,596,656)
Gross profit/loss		60,215	40,996
Staff costs	5	(42,168)	(38,717)
Depreciation, amortisation and impairment losses	6	(4,319)	(6,466)
Operating profit/loss		13,728	(4,187)
Income from investments in group enterprises	7	303,025	27,524
Income from investments in associates		58	0
Income from other financial assets		718	766
Other financial income	8	75,428	70,735
Other financial expenses	9	(27,141)	(39,850)
Profit/loss before tax		365,816	54,988
Tax on profit/loss for the year	10	(30,592)	(38,253)
Profit/loss for the year	11	335,224	16,735

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Acquired intangible assets		26,525	4,246
Acquired rights		14,273	14,650
Goodwill		8,913	11,462
Development projects in progress	13	84	0
Intangible assets	12	49,795	30,358
Land and buildings		280	280
Other fixtures and fittings, tools and equipment		873	478
Leasehold improvements		0	49
Property, plant and equipment	14	1,153	807
Investments in group enterprises		2,614,473	2,732,964
Receivables from group enterprises		913,999	655,243
Investments in associates		108,073	107,710
Receivables from associates		22,593	21,602
Other investments		0	2,063
Other receivables		37,216	64,003
Other financial assets	15	3,696,354	3,583,585
Fixed assets		3,747,302	3,614,750
Trade receivables		136,782	99,470
Receivables from group enterprises		446,788	120,112
Receivables from associates		0	6,713
Deferred tax	16	9,141	9,019
Other receivables		140,421	145,794
Prepayments	17	39,738	7,808
Receivables		772,870	388,916
Cash		39,694	89,649
Current assets		812,564	478,565
Assets		4,559,866	4,093,315

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital	18	212,000	212,000
Retained earnings		3,508,846	3,174,916
Equity		3,720,846	3,386,916
Provisions for investments in group enterprises	19	8,736	0
Provisions		8,736	0
Other payables		37,320	66,214
Non-current liabilities other than provisions		37,320	66,214
Trade payables		10,880	10,425
Payables to group enterprises		720,107	549,830
Income tax payable		13,384	12,801
Other payables		48,593	67,129
Current liabilities other than provisions		792,964	640,185
Liabilities other than provisions		830,284	706,399
Equity and liabilities		4,559,866	4,093,315
Going concern	1		
Events after the balance sheet date	2		
Financial instruments	20		
Contingent liabilities	21		
Related parties with controlling interest	22		
Group relations	23		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	212,000	3,174,916	3,386,916
Value adjustments	0	(1,294)	(1,294)
Profit/loss for the year	0	335,224	335,224
Equity end of year	212,000	3,508,846	3,720,846

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

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).

In 2020 Group Management has taken a number of measures to mitigate the financial impact on both profit and cash flow of the significant effect from COVID-19. These measures include, but are not limited to, temporary layoffs of personnel, rent negotiations and deferrals, application for governmental subsidies and loans, and postponement of certain capex investments in subsidiaries."

3 Revenue

	2019	2018
	DKK'000	DKK'000
Denmark	62,622	61,110
Other countries	1,550,811	1,576,542
Total revenue by geographical market	1,613,433	1,637,652

4 Other external expenses

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

5 Staff costs

	2019	2018
	DKK'000	DKK'000
Wages and salaries	35,121	33,722
Pension costs	2,988	2,681
Other social security costs	273	240
Other staff costs	3,786	2,074
	42,168	38,717
Average number of full-time employees	55	54

6 Depreciation, amortisation and impairment losses

	2019	2018
	DKK'000	DKK'000
Amortisation of intangible assets	3,856	5,727
Depreciation of property, plant and equipment	463	739
	4,319	6,466

7 Income from investments in group enterprises

	2019	2018
	DKK'000	DKK'000
Sale of investment in group enterprises	259,973	0
Reversal of impairment losses from prior years	51,183	78,810
Write-down of investment	(8,131)	(64,042)
Dividends received	0	12,756
	303,025	27,524

8 Other financial income

	2019	2018
	DKK'000	DKK'000
Financial income from group enterprises	35,257	35,119
Financial income from associates	11,113	5,231
Other interest income	4,712	8,883
Exchange rate adjustments	24,346	21,502
	75,428	70,735

9 Other financial expenses

	2019	2018
	DKK'000	DKK'000
Financial expenses from group enterprises	5,272	6,107
Financial expenses from associates	1,969	1,894
Exchange rate adjustments	19,459	26,078
Other financial expenses	441	5,771
	27,141	39,850

10 Tax on profit/loss for the year

	2019	2018
	DKK'000	DKK'000
Current tax	40,732	36,804
Change in deferred tax	243	(1,490)
Adjustment concerning previous years	(10,383)	2,939
	30,592	38,253

11 Proposed distribution of profit and loss

	2019 DKK'000	2018 DKK'000
Retained earnings	335,224	16,735
	335,224	16,735

12 Intangible assets

	Acquired intangible assets DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	7,858	28,885	50,971	0
Additions	26,525	2,051	0	84
Disposals	(4,246)	(7,225)	0	0
Cost end of year	30,137	23,711	50,971	84
Amortisation and impairment losses beginning of year	(3,612)	(14,235)	(39,509)	0
Amortisation for the year	0	(1,307)	(2,549)	0
Reversal regarding disposals	0	6,104	0	0
Amortisation and impairment losses end of year	(3,612)	(9,438)	(42,058)	0
Carrying amount end of year	26,525	14,273	8,913	84

13 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.

14 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	280	990	1,118
Additions	0	808	0
Disposals	0	0	(1,118)
Cost end of year	280	1,798	0
Depreciation and impairment losses beginning of year	0	(512)	(1,069)
Depreciation for the year	0	(413)	(35)
Reversal regarding disposals	0	0	1,104
Depreciation and impairment losses end of year	0	(925)	0
Carrying amount end of year	280	873	0

15 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000
Cost beginning of year	4,623,769	655,243	109,991	21,602	33,131
Exchange rate adjustments	0	85	0	0	0
Additions	235	261,383	49	991	0
Disposals	(170,514)	(2,712)	0	0	(4,049)
Cost end of year	4,453,490	913,999	110,040	22,593	29,082
Revaluations beginning of year	0	0	256	0	0
Revaluations end of year	0	0	256	0	0
Impairment losses beginning of year	(1,890,805)	0	(2,281)	0	(31,068)
Impairment losses for the year	(8,131)	0	0	0	0
Reversal of impairment losses	51,183	0	58	0	1,986
Investments with negative equity value transferred to provisions	8,736	0	0	0	0
Impairment losses end of year	(1,839,017)	0	(2,223)	0	(29,082)
Carrying amount end of year	2,614,473	913,999	108,073	22,593	0

	Other receivables DKK'000
Cost beginning of year	64,003
Exchange rate adjustments	0
Additions	0
Disposals	(26,787)
Cost end of year	37,216
Revaluations beginning of year	0
Revaluations end of year	0
Impairment losses beginning of year	0
Impairment losses for the year	0
Reversal of impairment losses	0
Investments with negative equity value transferred to provisions	0
Impairment losses end of year	0
Carrying amount end of year	37,216

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Radisson Scandinavia Hotel Aarhus A/S	Aarhus	A/S	100.0	18,291	2,349
SIHNSKA A/S under frivillig likvidation	Copenhagen	A/S	100.0	68,359	1,373
Hotel Development S. Africa A/S	Copenhagen	A/S	100.0	27,031	3,881
Radisson Hotel Kiev A/S	Copenhagen	A/S	100.0	22,376	(547)
Radisson Hotel Investment Egypt A/S	Copenhagen	A/S	100.0	9,197	1,742
Radisson Hotel Management & Development A/S	Copenhagen	A/S	100.0	31,100	218
Radisson Scandinavia Hotel Copenhagen ApS	Copenhagen	ApS	100.0	40,736	6,032
Radisson Royal Hotel Copenhagen ApS	Copenhagen	ApS	100.0	30,413	3,551
Radisson Hotel Amsterdam B.V	Amsterdam	B.V.	100.0	74,140	4,776
Radisson Hotels UK Ltd., United Kingdom	London	Ltd.	100.0	1,066,286	24,826
Radisson Park UK Limited	London	Ltd.	100.0	386,692	(5,376)
Radisson Hospitality France	Paris	SAS	100.0	343,240	23,065
Radisson Hotels Deutschland GmbH	Hamburg	GmbH	100.0	408,821	(5,012)
SIA Radisson Baltics	Riga	SIA	100.0	2,018	131
Radisson Hotel Milan	Milan	S.r.l	100.0	7,134	2,110
Radisson Hospitality Turkey AS	Turkey	AS	100.0	267	74
Radisson Hotel Madrid SL	Madrid	SL	100.0	22	0
Radisson Hotel Group SPRL	Brussels	S.A.	100.0	629,835	7,616

Investments in associates	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Afrinord Hotel Investments A/S	Copenhagen	A/S	20.0	3,134	(23)
Prize Holding GmbH	Hamburg	GmbH	49.0	224,185	41

16 Deferred tax

	2019 DKK'000	2018 DKK'000
Intangible assets	(1,590)	(1,702)
Property, plant and equipment	186	230
Receivables	10,545	10,491
Deferred tax	9,141	9,019

Changes during the year	2019 DKK'000
Beginning of year	9,019
Recognised in the income statement	(243)
Recognised directly in equity	365
End of year	9,141

17 Prepayments

Prepayments consist of prepaid marketing expenses.

18 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	212,000	1	212,000
	212,000		212,000

19 Provisions for investments in group enterprises

The provision for investments in group enterprises comprises investments in which the equity value is negative, and where the Company has a legal or constructive obligation, and a loss is expected.

20 Financial instruments

Other receivables include negative fair value of derivative financial instruments of DKK 1,002 thousand. Derivative financial instruments have been entered into to hedge the exchange rate exposure of future income of EUR 131 thousand. All forward exchange contracts expire in 2020. The fair value adjustment has been recognised in equity with the expectation of realisation and recognition in the income statement.

21 Contingent liabilities

Letters of support

The Company has issued letters of support to management of its subsidiaries in the UK.

Among others, the Company states in these letters of support that for a specified period it will provide funds to the subsidiaries for them to continue their ordinary operations.

The subsidiaries in the UK have positive equity at 31.12.2019.

The Company does not expect that the letters of support will be brought into effect. If the letters of support, contrary to expectation, are brought into effect, it follows from a letter of support from Radisson Hospitality AB 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. Consequently, no provision for losses has been recognised in this respect.

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 2020. The annual payment is DKK 2,861 thousand.

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 EUR 250,000,000 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 Hotels ApS Danmark is one of the direct and indirect subsidiaries who's shares or assets have been included in the security uptake.

22 Related parties with controlling interest

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

<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

No transactions with related parties were made in the financial year 2019 which were not made on an arm's length basis.

23 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 www.radissonhotelgroup.com

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

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.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

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.

Receivables

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

Other investments

Other investments are measured at fair value. Other investments are measured at cost if a reliable measurement of the fair value cannot be determined.

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.

Other provisions

Other provisions comprise acquisition of investments in group enterprises. Other provisions are recognised based on the equity value of the enterprises, if a legal or constructive obligation exists and a loss is expected.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which 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.

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.