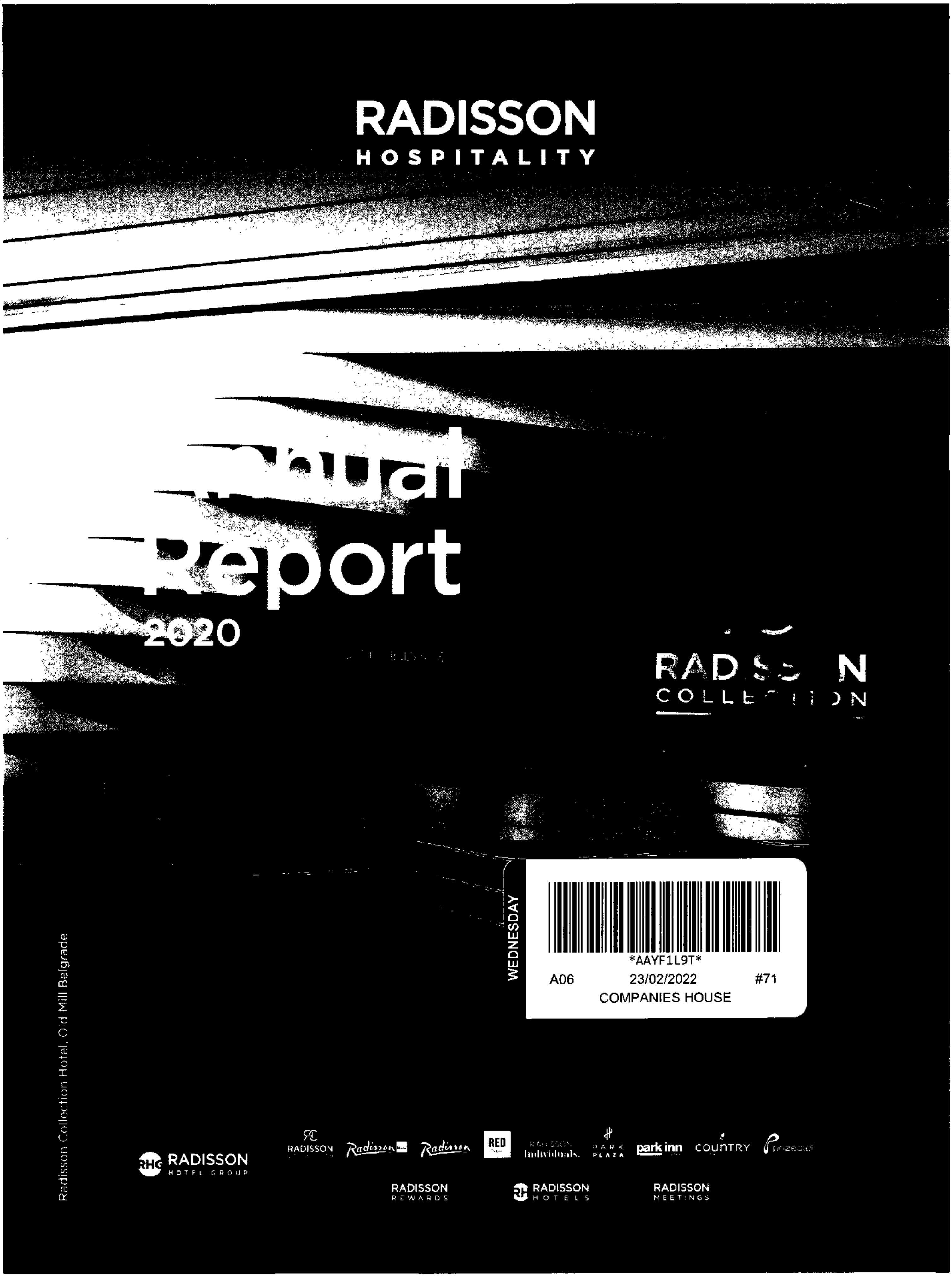
RADISSON
HOSPITALITY

Annual Report
2020



Radisson Collection Hotel, Old Mill Belgrade

RADISSON HOTEL GROUP

RADISSON REWARDS
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RADISSON MEETINGS

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BOARD OF DIRECTORS' REPORT

The Board of Directors and the President & Chief Executive Officer of Radisson Hospitality AB, corporate registration number 556674-0964, hereby submit the Annual Report and Consolidated Financial Statements for the financial year 2020.

Operations

Radisson Hospitality AB ("Radisson") is a hospitality company managing hotels and assets owned by third parties. Radisson operates the brands Radisson Collection, Radisson Blu, Radisson, Radisson RED, Radisson Individuals, Park Plaza, Park Inn by Radisson and Country Inn & Suites by Radisson.

In October 2020, Radisson became the owner of the brands in the portfolio worldwide, following a transaction with its sister company Radisson Hospitality, Inc. and its subsidaries

Strategies

The hotels in Radisson's portfolio are either operated by Radisson itself under a lease contract, by providing management services for a hotel owner under a management contract, or by a separate operator using one of the brands under a franchise contract. Radisson's strategy is to grow with an asset-right approach, balancing management and franchise contracts with selected lease contracts. Management and franchise contracts offer a higher profit margin and more stable income streams and lease contracts allows Radisson to complete the presence in mature markets.

Covid-19 Impact & Going Concern

The outbreak of Covid-19 in the beginning of 2020 has significantly adversely impacted and disrupted the business, including the financial performance and condition, operating results and cash flows This disruption is expected to continue into the near future.

The pandemic has had significant repercussions across regional and global economies and financial markets Radisson has been, and expects to continue to be, negatively affected by governmental regulations and travel advisories to fight the pandemic.

The effects of the pandemic on the hotel industry are unprecedented. Global demand for lodging has been drastically reduced and occupancy levels have reached historic lows Since March 2020, the Company has experienced a significant decline in occupancy and RevPAR associated with Covid-19. The scale and duration of this pandemic remain uncertain but are expected to further impact our business

The Board of Directors and Management has taken a number of measures to mitigate the financial impact on both profit and cash flow of the significant drop in revenue. These measures include, but are not limited to, optimization of staff levels, rent renegotiations, and application for government grants.

Radisson's credit facilities and available liquidity as of December 31, 2020 are presented in the section "Liquidity risks" in Note 4 The effects of Covid-19 in 2020 have significantly impaired available liquidity. Through the Group's and the shareholders' direct actions, including a support letter issued by a related party, liquidity for the next twelve months is secured, and the Group's continued operations are not threatened.

Based on the circumstances as described above, the financial statements are prepared on the assumption that the entity is a going concern.

Income Statement

MEUR	**2020**	2019
Revenue	332.1	999.3
Other income	10.1	–
EBITDAR	–23.1	340.6
EBITDA	–66.9	165.2
EBIT	–217.8	73.2
Profit/(loss) for the year	–228.0	22.0
EBITDAR margin	–6.9%	34.1%
EBITDA margin	–20.1%	16.5%
EBIT margin	–65.6%	7.3%

Revenue decreased by MEUR 667.2 (–66.8%) to MEUR 332.1 The decrease is due to the negative impact of the Covid-19 outbreak. Most of the hotels were partially closed during year and hotels that were kept open have operated with a low occupancy in general

EBITDA decreased by MEUR 232.1 to MEUR –66.9. The results were severely impacted by the decrease in revenue. However, the decline was slowed down due to the flexible cost base and the measures taken by management, including, but not limited to, furloughs, rent renegotiations and applications for government grants.

The EBITDA margin was –20.1% compared to 16.1% previous year

EBIT decreased by MEUR 291.0 to MEUR –217.8. In addition to the EBITDA decrease, results are impacted by MEUR 54.0 higher costs for write-downs of fixed assets Please see Note 6 for additional details.

The EBIT margin was –65.6% compared to 7.3% previous year.

Profit/(loss) for the year decreased by MEUR 250.0 to MEUR –228.0 In addition to the decrease in EBIT, results are impacted by higher financial costs, due to additional borrowings and termination of the high yield bond, partly offset by lower taxes

Balance Sheet end of 2020

MEUR	**31 Dec 2020**	31 Dec 2019
Total assets	1,498.3	1,194.3
Net working capital	–151.4	–158.5
Net cash (net debt)	–782.1	–3.0
Equity	1.5	148.8

The non-current assets increased by MEUR 510.1 and amounted to MEUR 1,294.8. The increase is mainly due to the acquistion of the Radisson brands (see further "Other Events" below), additional investments in the global IT platform and capitalised deferred tax on losses, partly offset by write-downs.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –151.4 at the end of the year, compared to MEUR –158.5 in the beginning of the year.

Compared to the beginning of the year, equity decreased by MEUR 147.3 to MEUR 1.5, which is mainly due to the loss for the period of MEUR 228.0, partly offset by a capital contribution received from the shareholders of MEUR 86.0.

Cash Flow

Cash flow from operations, before change in working capital, amounted to MEUR –71.3, a decrease of MEUR 220.1, which is due to the decrease in EBITDA, partly offset by less tax paid. Cash flow from change in working capital amounted to MEUR 47.9, compared to MEUR 5.1 last year.

Cash flow used in investing activities was MEUR 585.2 higher compared to last year and amounted to MEUR –673.8. The increase is mainly due to the acquistion of the Radisson brands (see further "Other Events" below) and investments in the global IT platform and Prizeotel, partly offset by less investments in the portfolio of leased properties.

Cash flow from financing activities amounted to MEUR 508.3 compared to MEUR –75.7 last year. Proceeds from borrowings (mainly from related parties) and capital contribution are partly offset by repayments of the high yield bond and lease liabilites as well as payment of interest.

Liquidity

At the end of the period, the company had MEUR 50.4 (239.6) in cash and cash equivalents. The total credit facilities amounted to MEUR 5.0 (25.0), of which MEUR 0.5 (24.7) was unutilised per the end of the year.

Other Events

In October 2020, Radisson became the owner of the Radisson brands worldwide, following a transaction with its sister company Radisson Hospitality, Inc. and its subsidaries. The acquisition value of the acquired intangible assets amounted to MEUR 486.0. Please see Note 17 for additional details.

Subsequent Events

Per end of February 2021, Radisson acquired from its sister company Radisson Hospitality, Inc. a group of companies responsible for the operation of the Radisson brand in Asia Pacific. Included in the transaction was also a portfolio of hotel management contracts, directly owned by Radisson Hospitality, Inc., as well as internal borrowings. The acquisition value of the acquired assets amounts to MEUR 105.7. The transaction was financed through shareholders' loans and contributions.

Risk Management

Radisson is exposed to operational and financial risks in the day-to-day running of the business. Operational risks occur mainly in running the hotels locally but also include implementation risks related to margin enhancing initiatives launched centrally. Such initiatives include, inter alia, gaining market share, cost cutting programmes, room growth and asset management activities related to the existing portfolio. Financial risks arise because Radisson has external financing needs and operates in a number of foreign currencies. To allow local hotels to fully focus on their operations, financial risk management is centralised as far as possible to group management, governed by Radisson's Finance Policy. The objectives of Radisson's Risk Management can be summarised as follows:

- ensure that the risks and benefits of new investments and financial commitments are in line with Radisson's Finance Policy,
- reduce business cycle risks through brand diversity, geographic diversification and by increasing the proportion of managed and franchised contracts in the portfolio;
- carefully evaluate investments in high risk regions and seek returns that exceed higher cost of capital in such regions;
- protect brand values through strategic control and operational policies;
- review and assess Radisson's insurance programmes on an on-going basis,
- review and assess Safety & Security procedures.

Operational Risks

Market Risks

The general market, economic, financial conditions and the development of RevPAR in the markets where Radisson operates are the most important factors influencing the company's earnings. As the hotel business is, by its nature, cyclical, a recession puts industry RevPAR under pressure. In order to balance the market related risks, Radisson uses three different contract types for its hotels

- the company leases hotel properties and operates the hotels as its own operations;
- the company manages a hotel on behalf of a hotel owner and receives a management fee; and
- the company franchises one of the brands to an independent owner and receives a franchise fee.

The management and franchise models are the most resilient while the leased model is more volatile and sensitive to market fluctuations.

Radisson's client base is well distributed with ca 50% business clients in a normal year. Radisson is not dependent on a small number of customers or any particular industry.

Radisson operates a well defined multi-brand portfolio of hotels covering different segments of the market and operates world wide.

Political and Country Risks

Radisson's growth focus includes emerging markets such as Russia & other CIS countries, the Middle East and Africa. Some of the countries in these markets have a higher political risk than those in the more mature markets. In order to mitigate the political risks, Radisson only operates under management and franchise contracts with limited or minimal financial exposure in these markets.

Radisson acknowledges that terrorism as well as other issues such as increased tensions between countries, social unrest, labour disruption, outbreak of diseases, crime and weakness of local infrastructure (including legal systems) can be threats to safe and secure hotel operations at certain times in certain locations. Radisson's ability to perform or discharge its obligations may also be impacted due to acts of governments or other international bodies, such as imposition of sanctions. With the aid of external expertise, threat assessments are continuously carried out and hotels notified if a possible material change to their threat situation is detected.

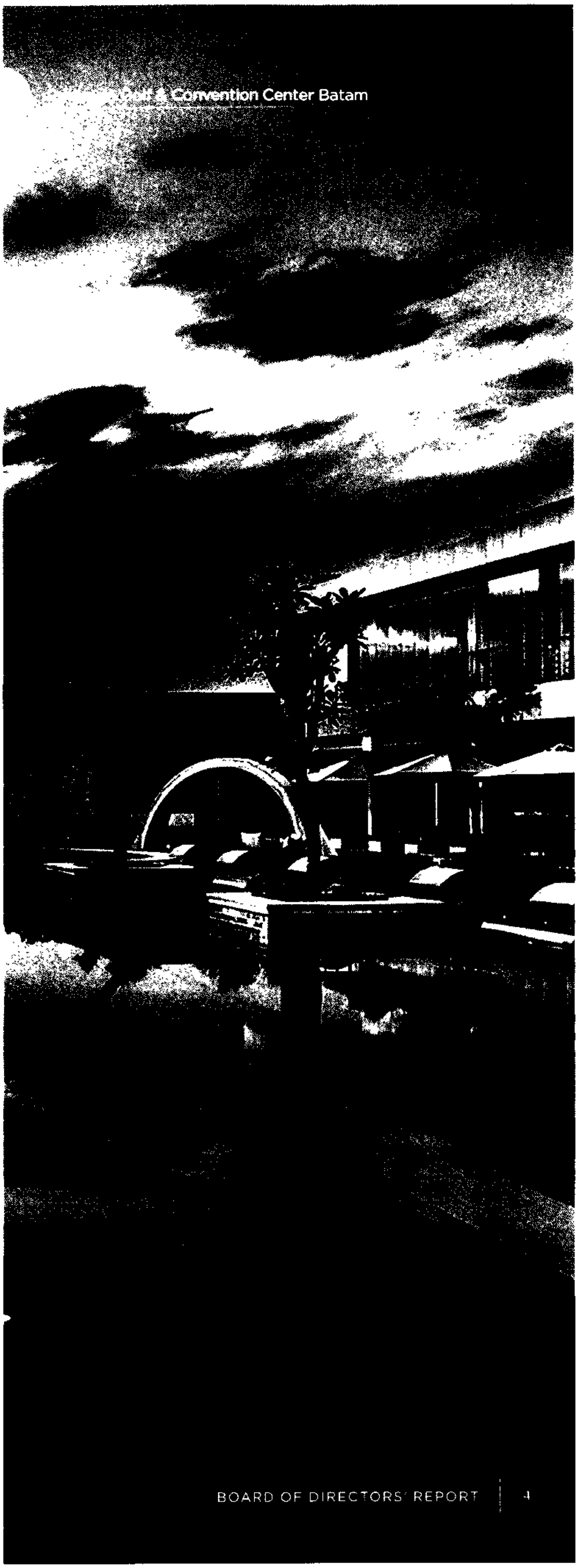
Litigation Risks

Radisson is exposed to the risk of litigation from guests, customers, potential partners, suppliers, employees, regulatory authorities, franchisees and/or the owners of hotels leased or managed by Radisson.

Strategy Execution Risks

Radisson's future growth and ability to achieve the efficiency benefits anticipated by Radisson will depend on the successful execution of the company's business strategy, including the implementation of asset management initiatives aimed at optimising the hotel portfolio and other measures to improve operational efficiency and profitability. Radisson's ability to implement its business strategy and expand its business is subject to a variety of factors, many of which are beyond Radisson's control, including, but not limited to, Radisson's ability to:

- terminate lease contracts or otherwise renegotiate more favorable terms, as well as extend profitable contracts,
- grow its fee-based business by gradually increasing the number of managed and franchised hotels in proportion to leased hotels;
- maintain and strengthen its position as a provider of high-quality service and hospitality products;
- realise estimated cost savings in the manner anticipated; and
- enhance operational efficiencies and improve overall profitability



Other potential risks identified related to the execution of Radisson's strategy are;

- New brands, products or services that are launched in the future may not be as successful as anticipated, which could have a material adverse effect on Radisson's business, financial condition or results of operations.
- Radisson's strategy to grow in emerging markets may strain its managerial, operational and control systems.
- Risks arising out of Radisson's plan to maintain and upgrade its portfolio of leased hotels.
- Hotel openings in Radisson's existing development pipeline may be delayed or not result in new hotels, which could adversely affect Radisson's growth prospects.
- Failures in, material damage to, or disruptions in the information technology systems used by Radisson, as well as failure to keep pace with developments in technology, could have a material adverse effect on Radisson's business, financial condition and results of operations

Partner Risks

Radisson does not own the real estate in which the company operates hotels. The company cooperates with a large number of hotel owners and real estate owners and is not dependent on any particular partner. With a business model focusing on managing its partners' assets, Radisson is dependent on these partners' operational and financial capabilities. Radisson is responsible for maintaining assets used in good order and any defaults may have financial consequences for the company.

Employee Related Risks

The employee turnover in the hospitality industry is relatively high. Independent assesments show that the job satisfaction among employees in Radisson is high compared to the industry.

It is becoming increasingly difficult to source key talent due to the competitive nature of the business, the high mobility requirements of the business and the potential safety concerns in emerging markets. In addition, cost pressures for improved living wages are increasing

Financial Risks

Radisson's financial risk management is governed by a finance policy approved by the Board of Directors. According to the finance policy, the corporate treasury function of the company systematically monitors and evaluates the financial risks, such as foreign exchange, interest rate, credit, liquidity and market risks. Measures aimed at managing and handling these financial risks at the local hotel level are contained in a finance manual with the parameters and guidelines set forth in Radisson's finance policy. Operating routines and delegation authorisation with regard to financial risk management are documented in this finance manual. For further information about these identified risks please see Note 4

Share Capital

The share capital amounts to TEUR 11,626, corresponding to 174,388,857 registered shares. There is only one class of shares issued.

Articles of Association

The articles of association of the company do not include any additional conditions compared to those of the Swedish Companies Act regarding changes of the articles of asso-ciation

Change of Control Clauses

Certain lease and management contracts entered into by members of the company contain change of control clauses in relation to such members or their parents leading to possible changes in commercial terms and/or early termination. None of these clauses refer to a change of control of the parent company, Radisson Hospitality AB.

The agreements for Radisson's long-term committed credit lines carry customary clauses related to change of control

Proposed appropriation of Earnings

Non-restricted reserves in the Parent Company available for dividend are (TEUR):

Share premium reserve	254,119
Profit brought forward	86,013
Profit/(loss) for the year	−994
Total	**339,138**

The Board of Directors proposes to the Annual General Meeting 2021 that no dividend is to be paid for the financial year 2020 and that the distributable funds of TEUR 339,138 are brought forward.

Responsible Business

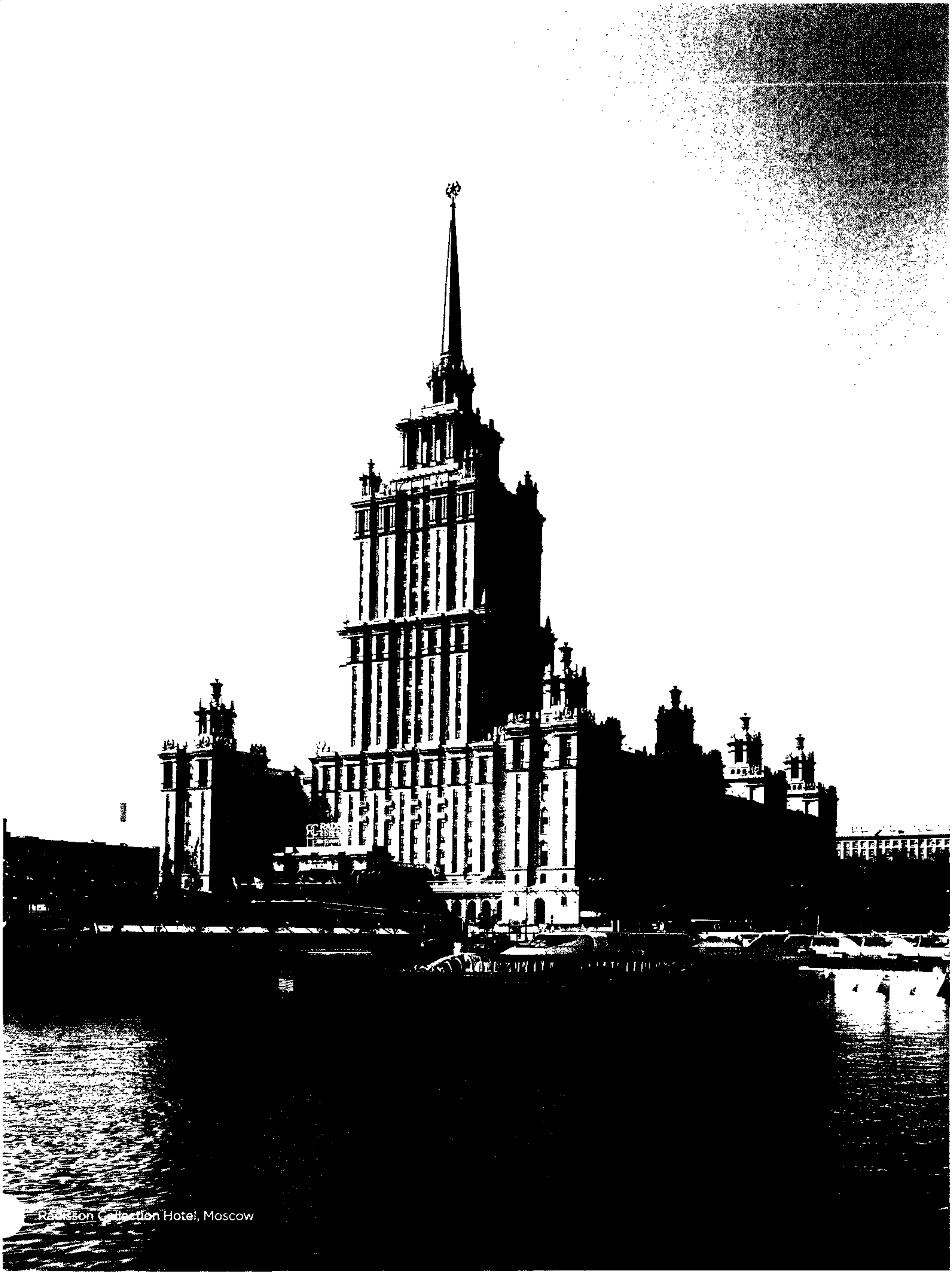
Radisson's ambitious and award-winning Responsible Business programme started in 1989. The programme's three core areas ensure that we care for people, the community and our planet and act in an ethical way: Think People – Caring about people in our hotels and value chain; Think Community – Meaningful contributions to communities around the world, Think Planet – A better planet for all. Reducing our carbon footprint, energy, water and waste.

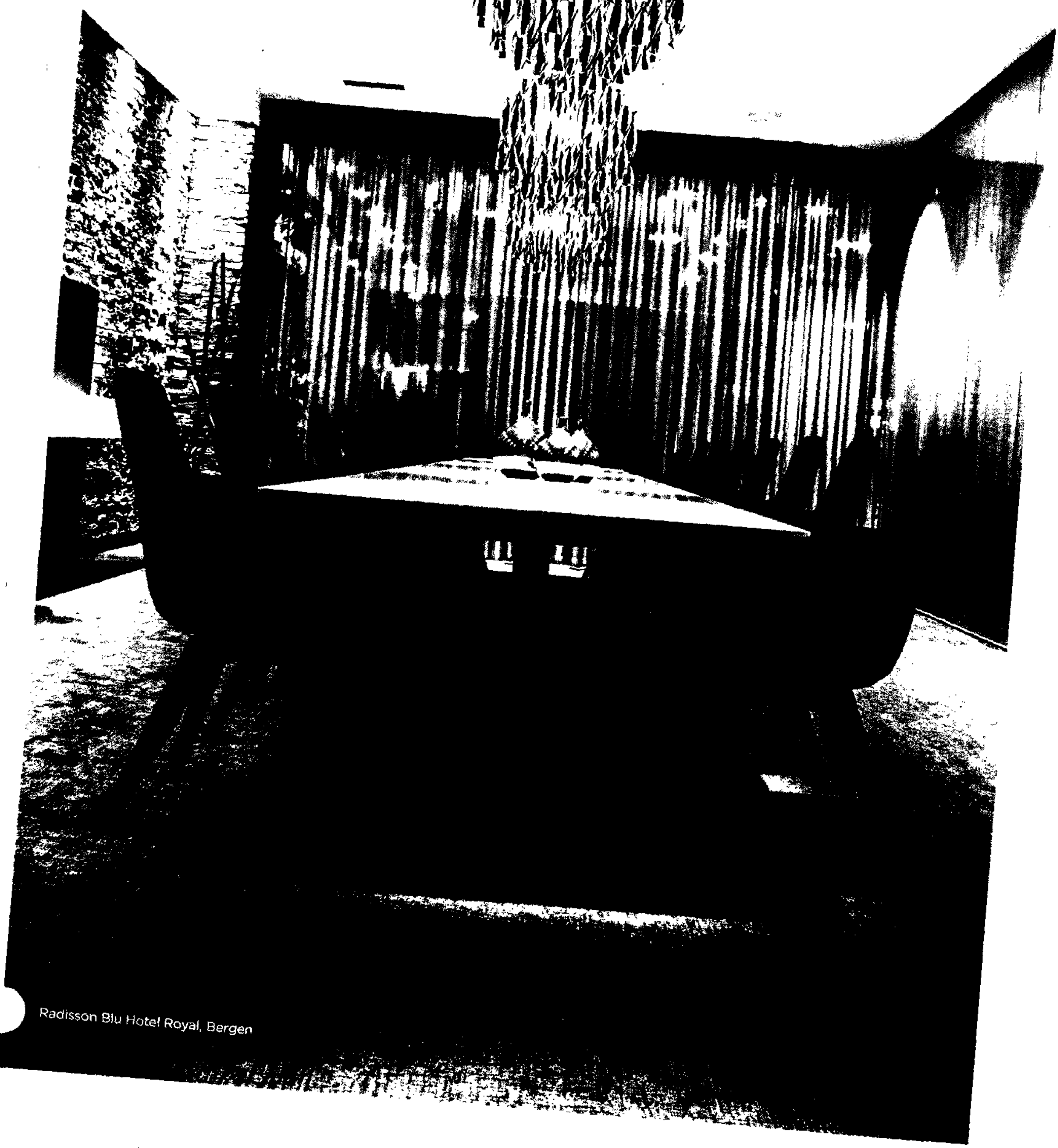
More details and performance indicators of our Responsible Business programme are published in the yearly Responsible Business Report. The Responsible Business Report 2020 offers a detailed description of Radisson's Responsible Business programme and can be found on radissonhotels.com.

Parent Company

The Parent Company was registered in early 2005 and the primary purpose of the company is to act as a holding company for the Group's investments in hotel operating subsidiaries in various countries. In addition to this main activity, the Parent Company also serves as a shared service centre for hotels in the Nordics. The main revenues of the company are internal fees charged to the hotels in the Nordics for the related administrative services provided by the shared service centre. Apart from the costs related to the activities of the shared service centre, the Parent Company also bears other listing and corporate related costs.

Risks and uncertainties in the business for the Group are described in the Board of Director's report for the Group. The financial position of the Parent Company is dependent on the financial position and development of the subsidiaries.


Radisson Collection Hotel, Moscow



Radisson Blu Hotel Royal, Bergen

FINANCIAL REPORTS

FIVE YEAR SUMMARY

MEUR (except stated otherwise)	**2020**	2019	2018	2017	2016
Income statement					
Revenue[4]	332.1	999.3	959.2	967.3	961.2
Other income	10.1	—	—	[illegible]	—
EBITDAR[5]	–23.1	340.6	325.4	314.6	314.6
EBITDA[5]	–66.9	165.2	103.7	82.1	79.3
EBIT[5]	–217.8	73.2	31.6	14.7	3.0
Financial income & expense, net	–61.4	–39.4	–12.9	–2.0	–0.3
Profit for the year	–228.0	22.0	3.6	4.4	26.4
Balance sheet					
Balance sheet total	1,498.3	1,194.3	750.3	513.4	502.5
Total equity attributable to equity holders of the parent	1.5	148.8	256.0	253.7	265.7
Total investments (tangible and intangible investments)	566.4	141.9	85.3	73.8	71.1
Cash flow					
Cash flow from operating activities	–23.4	153.8	121.3	72.4	33.9
Cash flow from investing activities	–673.8	–88.5	–86.2	–73.7	–83.1
Cash flow from financing activities	422.4	–75.7	207.6	0.8	16.1
Financial key figures[5]					
EBITDAR Margin, %	–6.9	34.0	33.9	32.5	32.7
EBITDA Margin, %	–20.1	16.5	10.8	8.5	8.3
EBIT Margin, %	–65.6	7.3	3.3	1.5	0.3
Return on capital employed, %	–20.2	25.8	28.5	18.9	20.1
Return on equity, %	–303.6	16.1	1.4	1.7	10.3
Operational key figures					
Number of hotels[1]	403	387	380	369	363
Number of rooms[1]	86,545	84,842	83,331	81,132	80,502
Number of employees[3]	2,270	4,248	4,431	5,033	5,142
Occupancy %[2,6]	30	69	67	66	65
RevPAR EUR[2,6]	26	73	71	70	69

1) Includes leased, managed and franchised hotels in operation
2) Including managed and leased hotels in operation
3) Including consolidated entities (leased hotels and administrative units)
4) IFRS Measure, see definition Note 4[illegible]
5) Non-IFRS Measure – Alternative Performance Measure, see definition Note 4[illegible]
6) Operating Measure, see definition Note 4[illegible]

CONSOLIDATED STATEMENT OF OPERATIONS

TEUR (except for share related data)	Notes	For the Year Ended December 31 2020	2019
Revenue	7	332,092	999,326
Other income	8	10,136	—
Costs of goods sold for Food & Beverage and other related expenses	9	–14,692	–46,789
Personnel cost and contract labour	*8,10*	–173,451	–315,003
Other operating expenses	11	–168,087	–282,738
Insurance of properties and property tax	12	–9,073	–14,201
Operating profit/(loss) before rental expense, share of income in associates and joint ventures, depreciation and amortisation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax (EBITDAR)		**–23,075**	**340,595**
Rental expense	8,13, 36	–43,971	–174,776
Share of income in associates and joint ventures	19	131	–654
***Operating profit before depreciation and amortisation, costs due to termination* of contracts, gain/loss on sale of fixed assets, net financial items and income tax (EBITDA)**		**–66,915**	**165,165**
Depreciation and amortisation	13, 17, 18	–83,843	–77,033
Write-downs and reversal of write-downs	6,13, 17, 18	–67,004	–13,980
Gain/loss due to lease modifications and terminations		—	–386
Gain/loss on sale of shares, intangible and tangible assets		–17	–70
Operating profit/(loss)(EBIT)		**–217,779**	**73,196**
Financial income	14	3,783	1,102
Financial expense	14	–65,225	–40,518
Profit/(loss) before year-end appropriations		**–279,221**	**33,780**
Year-end appropriations			
Group contribution		–9,228	—
Profit/(loss) before tax		**–288,449**	**33,780**
Income tax	15	60,410	–11,794
Profit/(loss) for the year		**–228,039**	**21,986**
Attributable to			
Owners of the Parent Company		–228,039	21,986
Non-controlling interests		—	—
		–228,039	**21,986**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TEUR	Notes	For the Year Ended December 31 2020	2019
Profit/(loss) for the year		–228,039	21,986
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses	21	–195	–756
Tax on actuarial gains and losses		49	189
Items that may be reclassified subsequently to profit or loss			
Currency differences on translation of foreign operations		–4,296	3,331
Tax on currency differences on translation of foreign operations		–909	867
Fair value gains and losses on cash flow hedges	30	131	–222
Tax on fair value gains and losses on cash flow hedges	30	–29	49
Other comprehensive income for the year, net of tax		**–5,249**	**3,458**
Total comprehensive income for the year		**–233,288**	**25,444**
Total comprehensive income attributable to:			
Owners of the Parent Company		*–233,288*	*25,444*
Non-controlling interests		—	—

CONSOLIDATED BALANCE SHEET STATEMENT

TEUR	Notes	As of December 31 2020	 2019
ASSETS			
Non-current assets			
Intangible assets			
Licenses and related rights	17	482,005	37,691
Other intangible assets	17	122,906	84,736
		604,911	**122,427**
Tangible assets			
Fixed installations in leased properties	18	62,938	66,971
Machinery and equipment	18	101,534	127,161
Investments in progress	18	25,623	28,955
		190,095	**223,087**
Right-of-use assets			
Land and buildings	13	294,682	293,273
Machinery and equipment	13	4,353	3,750
		299,035	**297,023**
Financial assets			
Investments in associated companies	19	1,698	1,479
Other shares and participations	20	5,196	5,180
Other non-current interest-bearing receivables	22	39,850	24,835
Other non-current non-interest-bearing receivables	22	2,902	1,207
		49,646	**32,701**
Deferred tax assets	15	151,160	109,496
		1,294,847	**784,734**
Current assets			
Inventories		2,670	3,988
Accounts receivables	23	17,798	71,251
Current tax assets	15	12,734	14,883
Other current interest bearing receivables	24	1,353	5,533
Other current non-interest-bearing receivables	25	69,720	58,177
Derivative financial instruments	4	—	3
Other short-term investments	26	1,537	2,068
		105,812	**155,903**
Cash and cash equivalents	27	50,375	239,643
Assets classified as held for sale	28	47,275	14,011
Total current assets		**203,462**	**409,557**
Total assets		**1,498,309**	**1,194,291**

TEUR	Notes	As of December 31 2020	2019
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	29	11,626	11,626
Other paid in capital	29	263,078	177,124
Reserves		–8,107	–3,004
Retained earnings including profit for the year		–265,147	–36,962
Equity attributable to owners of the Company		**1,450**	**148,784**
Non-controlling interests		1	1
Total equity		**1,451**	**148,785**
Non-current liabilities			
Bond	32	—	242,455
Non-current lease liabilities		337,706	419,164
Deferred tax liabilities	15	348	20,268
Retirement benefit obligations	21	4,804	4,312
Provisions	31	1,000	2,000
Other non-current interest-bearing liabilities	32	817,070	4,407
Other non-current non-interest-bearing liabilities		335	423
		1,161,263	**693,029**
Current liabilities			
Accounts payables		74,556	130,955
Current tax liabilities	15	24,177	3,086
Current lease liabilities		61,125	47,706
Provisions	31	5,396	5,984
Derivative financial instruments	4	—	134
Other current interest-bearing liabilities	32	20,060	—
Other current non-interest-bearing liabilities	33	146,577	164,612
Liabilities directly associated with assets classified as held for sale	28	3,704	—
		335,595	**352,477**
Total liabilities		**1,496,858**	**1,045,506**
Total equity and liabilities		**1,498,309**	**1,194,291**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	Share capital	Other paid in capital	Foreign currency translation reserve	Fair value reserve available for sale financial assets	Fair value reserve cash flow hedges1	Retained earnings incl. net profit/loss for the period	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Ending balance as of December 31, 2018	**11,626**	**177,124**	**–7,390**	**290**	**71**	**74,248**	**255,969**	**1**	**255,970**
Adjustments IFRS 16 Leases	—	—	—	—	—	–132,316	–132,316	—	**–132,316**
Adjusted opening balance as of January 1, 2019	**11,626**	**177,124**	**–7,390**	**290**	**71**	**–58,066**	**123,655**	**1**	**123,656**
Profit for the period	—	—	—	—	—	21,986	21,986	—	21,986
OTHER COMPREHENSIVE INCOME									
Actuarial gains and losses on defined benefit plans	—	—	—	—	—	–756	–756	—	–756
Tax on actuarial gains and losses on defined benefit plans	—	—	—	—		189	189	—	189
Currency differences on translation of foreign operations	—	—	3,331	—	—	—	3,331	—	3,331
Tax on exchange differences recognised in other comprehensive income	—	—	867	—	—	—	867	—	867
Fair value gains and losses on cash flow hedges1	—	—	—	—	–222	—	–222	—	–222
Tax on fair value gains and losses on cash flow hedges1	—	—	—	—	49	—	49	—	49
Total comprehensive income for the period	—	—	**4,198**	—	**–173**	**21,419**	**25,444**	—	**25,444**
TRANSACTIONS WITH OWNERS									
Long term incentive plans	—	—	—	—	—	–315	–315	—	–315
Opening balance as of January 1, 2020	**11,626**	**177,124**	**–3,192**	**290**	**–102**	**–36,962**	**148,784**	**1**	**148,785**
Profit for the period	—	—	—	—	—	–228,039	–228,039	—	–228,039
OTHER COMPREHENSIVE INCOME									
Actuarial gains and losses on defined benefit plans	—	—	—	—	—	–195	–195	—	–195
Tax on actuarial gains and losses on defined benefit plans	—	—	—	—	—	49	49	—	49
Currency differences on translation of foreign operations	—	—	–4,296	—	—	—	–4,296	—	–4,296
Tax on exchange differences recognised in other comprehensive income	—	—	–909	—	—	—	–909	—	–909
Fair value gains and losses on cash flow hedges1	—	—	—	—	131	—	131	—	131
Tax on fair value gains and losses on cash flow hedges1	—	—	—	—	–29	—	–29	—	–29
Total comprehensive income for the period	—	—	**–5,205**	—	**102**	**–228,185**	**–233,288**	—	**–233,288**
TRANSACTIONS WITH OWNERS									
Capital contribution	—	85,954	—	—	—	—	85,954	—	85,954
Ending balance as of December 31, 2020	**11,626**	**263,078**	**–8,397**	**290**	—	**–265,147**	**1,450**	**1**	**1,451**

1) See further Note 30

CONSOLIDATED STATEMENT OF CASH FLOWS

TEUR	Notes	For the Year Ended December 31 2020	2019
OPERATIONS			
Operating profit (EBIT)		–217,779	73,196
Adjustments for non-cash items:			
Depreciations, amortisations and write-downs	13, 17, 18	150,892	91,013
Change in pension assets/liabilities		492	927
Share of income in associated companies and joint ventures	16, 19	–131	654
Other adjustments for non-cash items		30	–1,616
Other financial items		–2,998	–831
Tax paid		–1,807	–14,579
Cash flows from operations before change in working capital		**–71,301**	**148,764**
Change in:			
Inventories		1,181	154
Current receivables		41,415	–28,934
Current liabilities		5,259	33,864
Change in working capital		**47,855**	**5,084**
Cash flow from operating activities		**–23,446**	**153,848**
INVESTMENTS			
Purchase of intangible assets	17	–597,105	–5,101
Purchase related to investments in progress	18	–29,668	–23,473
Purchase of machinery and equipment	18	–3,332	–26,787
Purchase fixed installations	18	–2,605	–21,276
Purchase of shares in Prizeotel		–29,500	—
Other investment and divestments of financial fixed assets		–13,956	–13,209
Interest received		2,369	1,272
Cash flow from investing activities		**–673,797**	**–88,574**
FINANCING			
Proceeds from borrowings	4	852,514	—
Bond - repayment	4	–250,000	—
Bond - early termination fee	4	–8,595	—
Repayments of borrowings	4	–20,006	–8,692
Repayments of lease liabilities	13	–110,776	–28,695
Interest paid on lease liabilities	13	–17,971	–19,331
Other interest paid	4	–22,777	–18,932
Total external financing		422,389	–75,650
Capital contribution		85,954	—
Total cash from transactions with shareholders		85,954	—
Cash flow from financing activities		**508,343**	**–75,650**
Cash flow for the year	4	**–188,900**	**–10,376**
Translation difference in cash and cash equivalents		–368	151
Cash and cash equivalents, January 1		**239,643**	**249,868**
Cash and cash equivalents, December 31	27	**50,375**	**239,643**

NOTES TO THE GROUP ACCOUNTS

Note 1 | General information

Radisson Hospitality AB, hereafter referred to as Radisson, the Company or the Group, is a limited liability company incorporated in Sweden. Its registered office and principal place of business is in Stockholm, Sweden, address: Klarabergsviadukten 70 D7, 111 64 Stockholm, Sweden. The corporate head office is located in Brussels, Belgium.

The Annual Report as of December 31, 2020 was approved by the Board of Directors on June 24, 2021. The Annual Report is subject to approval by the Annual General Meeting on June 25, 2021.

Note 2 | Adoption of new and revised international financial reporting standards

In current year, the Group has adopted all new and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee that are relevant to its operations and effective for accounting periods beginning on January 1, 2020 and endorsed by the European Commission prior to the release of these financial statements.

The IASB made an amendment to IFRS 16 Leases during 2020 which provides lessees with an option to treat qualifying rent concessions (rent concessions due to the COVID-19 pandemic) in the same way as they would if they were not lease modifications. The Group has applied the amendment and has accounted for the rent concessions as variable lease payments in the period in which they were granted.

None of the new and amended standards (including the amendment to IFRS 16) have had any significant impact on the financial statements.

Note 3 | Accounting principles

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as endorsed by EU and the Swedish Annual Accounts Act. In addition, RFR 1 Supplementary Rules for Groups has been applied, issued by the Swedish Financial Accounting Standards Council.

The same accounting principles have been applied for all periods in this annual report, unless otherwise stated in the accounting principles below.

Radisson applies the historical cost method when preparing the financial statements, except for valuation of certain financial instruments or as described below.

Reporting currency

EUR is the functional currency of the primary economic environment in which the Parent Company and the majority of the entities within the Group operates and consequently the financial statements are presented with EUR as the reporting currency. Any difference between the functional currency and the currencies in which the Group companies reports is recognized in other comprehensive income and accumulated in equity.

General provision on recognition and measurement

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the Group as a result of past events and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is likely that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Measurement after the initial recognition is effected as described below for each item.

Events or transactions occurring after the balance sheet date but before the financial statements are issued, that provides evidence of conditions which existed at the balance sheet, are used to adjust the amounts recognised in the financial statements.

Revenue is recognised in the income statement as and when earned, whereas costs are recognised at the amounts attributable to the financial period under review.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (directly or indirectly owned subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements used for consolidation have been prepared applying the Group's accounting policies.

The results from subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. That date is the date when the group effectively obtains or loses control over the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

For intra group restructurings such as the formation of the new Parent Company, any difference between the acquisition costs and the equity of the acquired companies are adjusted against equity as such transactions are considered common control transactions and should not have any impact on the consolidated balance sheet.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling's share of changes in equity since the date of the combination. Losses applicable to the non-controlling in excess of the non-controlling's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the non-controlling has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of companies or businesses is accounted for using the acquisition method. The cost acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Costs directly attributable to the business combination are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising from an acquisition is recognised as an asset being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. The non-controlling shareholders interest in goodwill is included or excluded on a case by case basis.

Investments in associates and interest in joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is normally present in situations where the company has more than 20% of the voting interests but less than 50%.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. That is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Currently, where the shareholding and votes are less than or equal to 50% of total (shareholding and votes) and joint control exists, the Company accounts for these related investments as investments in joint ventures.

The results, assets and liabilities of associates and joint ventures are incorporated in the Group's financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-Current Assets Held for Sale and discontinued operations.

The share of income represents the Company's share in the net income (after tax) from these associates and is directly accounted for in the income statement. No further income tax expense is charged to the share of income as this kind of income is untaxed in the countries of the related shareholding entities.

Under the equity method, investments in associates and joint ventures are carried in the consolidated balance sheet at cost, adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

Any goodwill arising from the acquisition of the Group's interest in a jointly controlled entity or an associated company is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see above).

Gains and losses from divestment of shares

Gains or losses from divestment of subsidiaries and associates are calculated as the difference between the selling price and the carrying amount of the net assets at the time of divestment, including a proportionate share of related goodwill and estimated divestment expenses. Gains and losses are recognised in the income statement under "Gain/loss on sale of shares, intangible and tangible assets".

Foreign currency

Assets and liabilities in foreign currency

Foreign currency transactions are translated into the reporting currency using average monthly rates, which essentially reflect the rate of exchange at the date of transaction. Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the rate of exchange at the balance sheet date. Exchange differences that arise between the rate at the date of transaction and the one in effect at the date of payment, or the rate at the balance sheet date, are recognised in the income statement as income or expense. Exchange differences on operating items are recognised in operating profit. Exchange differences on financial items are recognised in the income statement as financial income or expense.

Translation of financial statements of foreign subsidiaries

The functional currency of the majority of the reporting entities is considered to be their local currency. When consolidating, the reporting entities' income statements are translated using the monthly average rates and the balance sheets are translated using the rates at the balance sheet date. Any difference between the local currency and the functional currency for the Group is recognised in the statement of comprehensive income.

The main exchange rates affecting the financial statements are

		Year-end rate Dec. 31		Average rate Jan. 1–Dec. 31	
Country	**Currency**	**2020**	2019	**2020**	2019
Denmark	DKK	7.44	7.47	7.45	7.46
Sweden	SEK	10.06	10.49	10.48	10.58
Norway	NOK	10.49	9.84	10.73	9.85
United Kingdom	GBP	0.89	0.85	0.89	0.88
United States	USD	1.22	1.12	1.14	1.12

Income statement

Revenue recognition

Revenue consists of the value of goods and services sold in the leased properties, management fees, franchise fees and other revenues which are generated from the Group's operations.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. The following is a description of the composition of revenues of the Group.

Leased properties - primarily received from hotel operations, including all revenue received from guests for accommodation, conferences, food and drinks or other services. Revenue is recognised when the sale has been rendered.

Management fees – received from hotels managed by the Group under long-term contracts with the hotel owner. Management fee is normally a percentage of hotel revenue and/or profit and recognised in the income statement when earned and realised or realisable under the terms of the contract.

Franchise fees – received in connection with the license of the Group's brand names, usually under long-term contracts with the hotel owner. Franchise fee is normally a percentage of hotel revenue and/or profit and recognised in the income statement based on the underlying contract agreements.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable Dividend from investments is recognised when the shareholders rights to receive payment have been established

Customer Loyalty programme
A Customer loyalty programme, Radisson Rewards, is used by the Company to provide customers with incentives to buy room nights Radisson Hospitality AB is not liable for points awarded under the loyalty programme, which is operated by Radisson Hospitality, Inc

The Company's customers are awarded loyalty points under various third party loyalty programs The customers are entitled to utilise the awards as soon as they are granted Revenues for Radisson's portion of the award credits are recognised when the customer chooses to claim awards from the third party

Government grants
Government grants received are recognised in the consolidated statement of operations in accordance with IAS 20 Government grants received for general fixed cost compensation is recognised as other income Government grants received directly related to payroll is recognised as personnel costs. Government grants received directly related to rent is recognised as rental expense

Cost of goods sold
Cost of goods sold relates mainly to cost of goods in restaurants (Food & Drinks) incurred to generate revenue

Leasing
Radissons leases hotels in operation Lease contracts are recognized as right-of-use (RoU) assets as well as interest-bearing lease liabilities in the balance sheet Lease liabilities are measured by the present value of future lease payments The lease liability is calculated using discount rates depending on country and lease terms RoU assets are presented as tangible assets and are valued at cost less accumulated depreciation and impairment, if needed The cost of a RoU asset contains the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less any lease incentives received Moreover, any initial direct costs are included as well as an estimate of costs to be incurred in dismantling, removing or restoring the underlying asset The leased asset is depreciated on a straight-line basis over the lease term, or over the useful life The lease expense is recognized as depreciation of the asset within operating profit and interest expense within the financial expense Payments made are distributed between interest paid and amortization of the lease liability If a lease contract includes variable lease payments not dependent on an index or rate, or include a low value asset or has a lease term that is twelve months or less, the lease payments are recognized as operating expenses as they occur

Most of the lease contracts for the hotel properties include a so-called CAP mechanism In these contracts Radisson pays the higher of (1) a stipulated minimum rent amount and (2) a variable amount calculated as a percentage of revenue and/or profit of the hotel If the calculated variable amount is lower than the minimum rent (i e shortfall), the minimum rent is paid Such shortfall reduces the CAP amount (i e CAP is utilised) and is aggregated over time and as from the moment the aggregated shortfall reduces the CAP amount stipulated in the lease contract to nil, only variable lease is paid

Radisson considers the amount of the CAP as being the minimum unavoidable lease payment under IFRS 16 and therefore recognises the net present value of the CAP amount as the lease liability on the balance sheet The subsequent accounting for the lease liability depends whether or not management believes that the CAP will be utilised over the term of a lease

For hotels where management believes that the CAP will be utilised during the lease term Radisson measures the lease liability in line with management's expected usage of the CAP for each hotel based on the business plan and reduces the lease liability in line with the expected utilisation of the lease term

For hotels where management believes that the CAP will not be utilised during the lease term Radisson measures the lease liability assuming usage at the end of the lease term and reduces the lease liability at the end of the lease term

IFRS 16 is a new standard which is currently still being adopted and interpreted in practice Due to the lack of any applicable accounting standards or interpretations in relation to our specific CAP arrangements alternative accounting policies may have been developed or applied by other parties for similar contracts However, Radisson management currently believes that the applied accounting policies are both relevant and reliable and therefore provide useful information to the readers of these financial statements Management of Radisson, however, is constantly assessing and benchmarking these accounting policies As a result, changes to these accounting policies may be required once more guidance or industry specific interpretations might become available in the future

Personnel cost
Personnel costs comprise salaries and wages as well as social security costs, pension contributions, etc for employees employed by the legal entities of the Company

Other operating expenses
Other operating expenses include royalty fees to Radisson Hospitality, Inc and marketing expenses as well as expenses related to operating the hotels such as energy costs, supplies, other external fees, laundry and dry cleaning, contract services, administration costs, communication, travel, transport, operating equipment licences, maintenance contracts and exchange differences on operating items

Financial income and expenses
Financial income and expenses items include interest income and expenses, realised and unrealised foreign exchange gains on financial items, bank charges, write downs of financial loans and receivables and capital gains and losses on loans and receivables and on liabilities as well as capital gains and losses on financial assets

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax The current tax is based on taxable profit for the year Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in the respective tax jurisdictions on the balance sheet date

Deferred tax is recognised as the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax is generally recognised for all taxable temporary differences Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Groups intends to settle its current tax assets and liabilities on a net basis

Current and deferred tax for the period are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost

Balance sheet

Licences and other rights and Other intangible assets
Acquired intangible assets are measured at cost less accumulated amortisation These intangible assets are amortised on a straight line basis Licences and other rights primarily relate to the Radisson brands which is being amortised over 20 years Other intangible assets are normally the result of intangible assets acquired as part of new lease, management or franchise agreements and are amortised over the contract period

If impaired, intangible assets are written down to the lower of recoverable amount and carrying amount

Cont Note 3

Property, plant and equipment

Fixed installations in leased properties as well as machinery and equipment (mainly related to investments in leased hotels) are measured at cost less accumulated depreciation and write-downs

Cost includes the acquisition price, costs directly related to the acquisition and expenses incurred to make the asset ready to be put into operation

Interest and other finance costs relating to tangible assets during the manufacturing period are recognised in the income statement

The basis of depreciation is cost less the estimated residual value at the end of the assets useful life. Depreciation is calculated on a straight-line basis based on an assessment of the asset's estimated useful lives

Fixed installations and technical improvements	7 to 10 years
Guest room Furniture, Fixture and Equipment (FF&E)	5 to 7 years
Other Furniture, Fixtures & Equipment and Machinery	3 to 7 years

In case the remaining term of a lease agreement for a hotel is shorter than the estimated useful life of the asset, the depreciation period is limited to the remainder of the lease term

Tangible assets are written down to the recoverable amount if this amount is lower than the carrying amount. The recoverable amount is the higher of the net sale value and the value in use. Profits and losses from the sale of tangible assets are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is immediately recognised in profit or loss

Assets classified as held for sale

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell

Inventories

Inventories are measured at the lower of cost (using the FIFO principle) and net realisable value. Cost of goods for resale, raw materials and consumables consist of purchase price plus handling cost

Financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories: (1) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and (2) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For investments in equity instruments that are not held for trading, classification will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI"). The group reclassifies debt investments when and only when its business model for managing those assets changes

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss

(a) Debt instruments. Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments

Amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss

FVOCI. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss

FVPL. Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

(b) Equity instruments. The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value

(iv) Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk

For accounts receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable

Disclosures regarding derivatives and hedging activities

i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period

ii) Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of

Cont. Note 3

the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk

Contract assets

Contract assets are comprised of accrued fee income and other accrued income All due within 12 months

Receivables

Receivables are classified as loans and receivables and measured at amortised cost, usually equalling nominal value, less allowance for doubtful accounts

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due

The expected loss rates are based on the payment profiles of sales over a period of 24 month before the end of the reporting period and the corresponding historical credit losses experienced within this period The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables

Accounts receivables are written off when there is no reasonable expectation of recovery Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments Impairment losses on accounts receivables are presented as net impairment losses within operating profit Subsequent recoveries of amounts previously written off are credited against the same line item

Other short-term investments

Other short term investments are comprised of cash on restricted accounts and are measured at nominal value

Contract liabilities

Contract liabilities are comprised of prepayments from customers, accruals for loyalty programmes and prepaid income All due within 12 months

Accounts payable

Accounts payable are classified as other financial liabilities and recognised at amortised cost, usually equalling nominal value

Other interest- and non-interest-bearing liabilities

Other interest- and non-interest-bearing liabilities are classified as other financial liabilities and recognised at amortised cost

Provisions

Provisions for obligations related to lease contracts and management contracts are made if a contract is considered to be onerous Other provisions are recognised and measured as the best estimate of the expenses required for settling the liabilities at the balance sheet date Provisions that are estimated to mature in more than one year after the balance sheet date are measured at their present value

Retirement benefit obligations

Several companies within the Group have established pension plans for its employees. These pension commitments are mainly secured through various pension plans These vary considerably due to different legislation and agreements on occupational pension systems in the individual countries

For pension plans where the employer has accepted responsibility for defined contribution solutions, the obligations to employees ceases when contractual premiums have been paid For other pension plans where defined benefit pensions have been agreed, the commitments do not cease until the contractual pensions have been paid to the employee on retirement

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation In countries where there is no deep market in such bonds, the market rates on government bonds are used

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise

Past-service costs are recognised immediately in income

Share-based payment transactions

Fair value at grant date for the long-term equity-settled incentive programmes, in which the participants of the plans receive a certain amount of shares in the Company if certain performance criteria are met during the vesting period, is recognised as an expense over the vesting period, adjusted for the number of participants that are expected to remain in service An amount equal to the expense is credited to equity In addition to the service criteria, the programmes have a performance criteria related to earnings per share (EPS), a so called non-market condition The non-market conditions are taken into consideration in the assessment of the number of shares that will be vested at the end of the vesting period The additional social security costs are reported as a liability, revalued at each balance sheet date in accordance with UFR 7, issued by the Swedish Financial Accounting Standards Council's Emergency Task Force

Cash Flow Statement

The cash flow statement is presented using the indirect method It shows cash flows from operating activities, investing activities and financing activities as well as the cash and cash equivalents at the beginning and at the end of the financial period Cash flows from the acquisition and divestment of enterprises are shown separately under "Cash flow from investing activities Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition and cash flows from divested enterprises are recognised up to the time of sale

"Cash flow from operating activities" is calculated as operating income before tax adjusted for non-cash operating items, increase or decrease in working capital and change in tax position

"Cash flow from investing activities" includes payments in connection with the acquisition and divestment of enterprises and activities as well as the purchase and sale of intangible and tangible assets

"Cash flow from financing activities" includes changes in the size of the composition of the Group's issued capital and related costs as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends Cash flows denominated in foreign currencies, including cash flows in foreign subsidiaries, are translated to the Group reporting currency using average monthly rates which essentially reflect the rates at the date of payment Cash at year end is translated to the functional currency using the rates at the balance sheet date

Note 4 | Financial risk management

Radisson's financial risk management is governed by a finance policy approved by the Board of Directors. According to the finance policy, the corporate treasury function of the Company systematically monitors and evaluates the financial risks, such as foreign exchange, interest rate, credit and liquidity risks. Radisson's corporate and regional operational teams systematically monitor market risks related to its business. Measures aimed at managing and handling financial risks are documented in Radisson's finance policy as well as a finance manual. The finance policy is reviewed by the corporate treasury function on an ongoing basis and presented to the Board on an annual basis for approval.

According to the finance policy, the treasury function may use financial instruments, such as FX forwards, FX swaps, FX options and interest rate swaps to hedge against currency and interest rate risks. At year-end, the Company had entered into certain hedging contracts for cash flow related to some of its fee income. FX swaps have also been used to reduce or eliminate the use of overdraft facilities and mitigate FX volatility, as described under 'Liquidity risks'.

Interest rate risks

Cash flow risks

Current financing includes fixed interest rates. It is the policy of the Company that other borrowings and investments should have short term floating interest rates. The effect on financial net in the income statement of a change in market interest rates with 100 basis points would be immaterial, based on the net financial assets on December 31, 2020.

Fair value risks

Since almost all interest-bearing receivables are on a floating interest arrangement and carried at amortised cost, there is no material impact from changes in market interest rates on the carrying values of these receivables and consequently no material impact on the income statement or equity.

Off-balance sheet commitments

The main financing risk is related to the company's ability to control and meet the company's off-balance sheet commitments under leases with fixed rent payments and management agreements with guarantees. Such fixed lease and guaranteed amounts have historically been agreed on a fixed rate basis with indexation as a percent of change in the relevant consumer price index, and are, therefore, not exposed to variations in the market interest rates. In addition, lease commitments are normally limited to an agreed maximum financial exposure, which is usually capped at 2–3 times the annual guaranteed result under a contract or an annual minimum lease. The off-balance sheet commitments are consequently normally reduced over the contract term as the caps are consumed.

Currency risks

The Company has operations in a vast number of countries with many different currencies and is therefore exposed to currency exchange rate fluctuations. The most important foreign currencies are the Swedish Krona (SEK), the Norwegian Krone (NOK), the Danish Krone (DKK), the U.S. Dollar (USD), the Swiss Franc (CHF) and the Pound Sterling (GBP). The exposure from the DKK is, however, limited as the currency is pegged to the EUR.

Transaction exposure

When entities within the Group generate revenues and incur costs in different currencies, they are subject to transaction exposure. For the leased operations, the nature of the business is normally local, and consequently the exposure is limited. Unlike the leased operation, the fee business is generally subject to a relatively higher transaction exposure. This transaction exposure arises when fees are collected by entities located in another country than that of the hotel from which the fee originates. Hotels in certain markets with high currency volatility and a large international customer base, however, generally adjust their room rates charged in the local currency to take into account volatile fluctuations in the EUR, Radisson's reporting currency, or the USD.

Translation exposure

The Company presents its financial statements in EUR. Since certain of Radisson's foreign operations have a functional currency other than EUR, the consolidated financial statements and shareholders' equity are exposed to exchange rate fluctuations when the income statements and balance sheets in foreign currencies are translated into EUR. The exposure on the consolidated equity is however lowered through the decision to not own any real estate as this reduces the total assets denominated in foreign currencies.

A sensitivity analysis shows that if the EUR would fluctuate by 5% against other currencies in the Group, excluding DKK which is pegged to the EUR, the effect on the consolidated equity would be approximately MEUR 10.1, based on the equity at year-end 2020, and MEUR 8.6 on total revenue, MEUR 0.1 on EBITDA and MEUR 1.8 on net income, based on the income statement for 2020. This sensitivity assumes that all currencies would fluctuate 5% against the EUR and does not take into account the correlation between and the resulting risk diversification from those currencies.

Credit risks

Credit risks are related to the financial receivables in the balance sheet, i.e. 'Other long-term interest-bearing receivables', 'Other long-term non-interest bearing receivables', 'Other current interest-bearing receivables' and 'Accounts receivables'. Above that, the Group is also exposed to credit risks related to 'Other short-term investments' and 'Cash and cash equivalents'.

At the local hotel level, the credit exposure is normally limited, as the accounts regularly are settled in cash or by accepted credit cards. Credits are only offered to customers under a contract and only to companies or registered organisations with a legal structure. Credit terms must be described in the contract and comply with the guidelines as described in the finance manual. As for managed and franchised hotels, a background check of the hotel owner is made before entering into a new contract, including, where possible, an investigation of the creditworthiness. The credit term is normally 30 days for both local hotel customers and for fees. The financial guidelines set strict rules for the follow-up of overdue receivables and for credit meetings. As sales in both the local hotels and the fee invoicing to managed and franchised hotels, are dispersed among many different customers, the Group has little credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Information about accounts receivables overdue and impaired at year end is presented in Note 23.

In some cases, Radisson grants loans to owners of Radisson's hotels, or to joint venture partners and associated companies in early stages of new projects. The terms for such loans vary, but in principle there is an agreement on interest on the loans and the repayment schedule is based on the project opening and project progress. Based on market conditions, interest rates, repayment schedules and security arrangements have been agreed upon. Terms and conditions for such loans are decided upon centrally by Group financial management. Information about these loans, maturity dates, security arrangements etc. is presented in Notes 22 and 24.

Cash not necessary for the normal course of business is deposited in a bank. Central treasury is responsible to coordinate the handling of surplus liquidity and liquidity reserves, and only central treasury or persons authorised by central treasury may engage in external investment transactions. Individual hotels and administration units with excess liquidity which can not be held on accounts within the cash pool structure can invest externally only with the prior consent of central treasury and in accordance with the finance policy. According to the finance policy, the investments of surplus liquidity can only be made in creditworthy interest-bearing securities, in securities with high liquidity and, as regards deposits, normally with financial institutions with a rating of A-1/P1/F1 or higher. The carrying amount of these financial assets, as disclosed in the table below, represents the maximum credit exposure for the Group.

	As of Dec 31	
	2020	2019
Other long-term interest-bearing receivables	39,850	24,835
Other long-term non-interest-bearing receivables	2,902	1,207
Accounts receivable	17,798	71,251
Other current non-interest-bearing receivables	52,324	23,236
Other current interest-bearing receivables	1,353	5,533
Other short-term investments	1,537	2,068
Cash and cash equivalents	50,375	239,643
Maximum credit exposure	**166,139**	**367,773**

Liquidity risks

Liquidity risk is that the Company is unable to meet its payment obligations because of insufficient liquidity or difficulty in raising external financing. Raising of capital and placement of excess liquidity is managed centrally by the central treasury function. The Group has objectives for liquidity reserves, such as excess cash and irrevocable credit facilities, that the Group should have available at any time. The central treasury function monitors daily the cash position of the different entities within the Group to ensure an efficient and adequate use of cash and overdraft facilities.

Radisson's borrowings at year-end 2020 is presented in Note 32. In addition, the Company has credit facilities of TEUR 5,000 (25,000) with financial institutions. At year-end 2020, TEUR 4,000 (0) was used for overdraft and TEUR 453 (340) was used for bank guarantees. Cash and cash equivalents amounted to TEUR 50,375 (239,643), of which TEUR 49,782 (238,714) were in banks and TEUR 593 (929) in petty cash at several hotels and administration units.

To reduce or eliminate the use of overdraft and to mitigate FX volatility, Radisson regularly enters into short term FX swaps and rolling twelve-month currency hedges. On December 31, 2020, the Company had no outstanding FX swaps. On December 31, 2019, the Company had EUR to SEK swaps of TEUR 4,000, with a maturity of two weeks, and GBP to CHF swaps of TGBP 5,000, with a maturity of 1 month.

The effects of Covid-19 in 2020 have significantly impaired available liquidity. Through the Group's and the shareholders' direct actions, including a support letter issued by an affiliated company, liquidity for the next twelve months is secured, and the Group's continued operations are not threatened.

The payment obligations of the Group at year-end, defined as the remaining maturity for financial liabilities, is presented below.

As of December 31, 2020	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Other non-current interest bearing liabilities	47,861	48,111	517,811	932,886	1,546,669	817,070
Other current interest bearing liabilities	20,761	—	—	—	20,761	20,060
Lease liabilities	75,991	38,266	90,253	334,285	538,795	398,831
	144,613	**86,377**	**608,064**	**1,267,171**	**2,106,225**	**1,235,961**

As of January 1, 2020	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Bond	17,235	17,235	284,280	—	318,750	242,455
Other non-current interest bearing liabilities	198	184	448	4,717	5,547	4,407
Lease liabilities	47,706	40,461	105,135	482,391	675,693	466,870
	65,139	**57,880**	**389,863**	**487,108**	**999,990**	**713,732**

			Non cash changes				
	01/01/2020	Cash flows	Amortisation of issue discount and borrowing costs	Penalty early termination	Accrued interest	Effect of foreign currency exchange differences	31/12/2020
Bond	250,381	–277,982	7,545	8,595	11,461	—	—
Other non-current borrowings	4,407	809,058	—	—	11,453	209	825,127
Other short term borrowings	—	20,060	—	—	249	—	20,309
	254,788	**551,136**	**7,545**	**8,595**	**23,163**	**209**	**845,436**
Cash and cash equivalents	239,643	–188,900	—	—	—	–368	50,375
	239,643	**–188 900**	**—**	**—**	**—**	**–368**	**50,375**

			Non cash changes			
	01/01/2019	Cash flows	Amortisation of issue discount and borrowing costs	Accrued interest	Effect of foreign currency exchange differences	31/12/2019
Bond	248,729	–17,617	2,081	17,188	—	250,381
Other long term borrowings	13,552	–10,007	—	862	—	4,407
	262,181	**–27,624**	**2,081**	**18,050**	**—**	**254,788**
Cash and cash equivalents	249,868	–10,376	—	—	151	239,643
	249,868	**–10,376**	**—**	**—**	**151**	**239,643**

Market risks

Apart from interest rate risks and currency risks, which are described above, the Company is also subject to price risk related to changes in fair value of the investments in other shares and participations. These investments, normally the result of equity financing in early stages of certain hotel projects, are classified as available-for-sale investments with changes in fair value recognised in other comprehensive income. The Company is also subject to price risk from changes in fair value on FX swaps, with fair value recognised through profit or loss, and from changes in fair value on derivatives used for hedging. The fair value change on FX swaps and fee hedges outstanding on December 31, 2020, was net TEUR — (22) and TEUR — (–131) respectively. The real exposure to the Company is, however, limited as the contracts mature from within one week to less than one year.

Fair value

FX swaps are classified as held for trading with changes in fair value recognised in profit or loss. Fair value changes on derivatives used for hedging (cash flow hedges) are recognised in other comprehensive income. The fair value is obtained from banks which have derived the fair value through calculations based on market interest rates and market FX rates. Other shares and participations, classified as available-for-sale investments with changes in fair value recognised in other comprehensive income, are measured at fair value, based on discounted cash flow analyses.

Cont. Note 4

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The main approach used by the company for this purpose is discounted cash flow. The key assumptions for the calculations are similar to these described in Note 6, "Impairment testing".

As of Dec. 31 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	–	–	5,196	5,196
Total	**–**	**–**	**5,196**	**5,196**

As of Dec. 31 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	–	22	–	22
Derivatives used for hedging	–	–131	–	–131
Financial assets at fair value through other comprehensive income	–	–	5,180	5,180
Total	**–**	**–109**	**5,180**	**5,071**

Assets measured at fair value based on Level 3	Financial assets at fair value through other comprehensive income	Total
Opening balance as of Jan. 1, 2020	**5,180**	**5,180**
In other comprehensive income (mainly exchange differences)	16	**16**
Closing balance as of Dec. 31, 2020	**5,196**	**5,196**

For other financial assets and financial liabilities, measured at amortised cost in the balance sheet, the carrying amounts in the financial statements approximate their fair values, as they mature within one year, bear a floating interest or have other terms and conditions considered to be equal or close to equal to *market conditions*.

Categories of financial assets and liabilities

The carrying amounts of different categories, as defined in IAS 39, of financial assets and liabilities, December 31 were as follows

TEUR	As of Dec 31 2020	2019
Financial assets at fair value through profit and loss		
Other current non-interest bearing receivables	–	22
	–	22
Derivatives used for hedging		
Derivative financial instruments – current assets	–	3
Derivative financial instruments – current liabilities	–	–134
	–	**–131**
Financial assets measured at amortised cost		
Other long-term interest-bearing receivables	39,850	24,835
Other long-term non-interest bearing receivables	2,902	1,207
Accounts receivables	17,798	71,251
Other current non-interest-bearing receivables	52,324	23,236
Other current interest-bearing receivables	1,353	5,533
Other short-term investments	1,537	2,068
Cash and cash equivalents	50,375	239,643
	166,139	**367,773**

TEUR	As of Dec 31 2020	2019
Financial assets at fair value through other comprehensive income		
Other shares and participations	5,196	5,180
	5,196	**5,180**
Financial liabilities measured at amortised cost		
Bond	–	242,455
Other long-term interest-bearing liabilities	817,070	4,407
Other long-term non-interest-bearing liabilities	355	423
Accounts payables	74,556	130,955
Other current interest-bearing liabilities	20,060	–
Other current non-interest-bearing liabilities	34,937	24,121
	946,978	***402,361***

Effects of hedge accounting on financial statements

The effects of the foreign currency related hedging instruments on the group's financial position and performance are as follows

TEUR	As of Dec 31 2020	2019
Foreign currency forwards		
Carrying amount (liability)	–	–131
Notional amount	–	9,170
	Jan–Dec	Jan–Dec
Maturity date	2020	2019
Hedge ratio	1:1	1:1

Capital structure

Radisson defines its capital as equity and net debt, where net debt is external borrowing, including the use of overdraft facilities, minus cash and cash equivalents. The objective is to have an efficient capital structure, considering both the financing needs of the Group and the shareholders' return. To achieve this, the long-term policy is to distribute approximately one third of the annual net income as dividend and to maintain a small net cash position and sufficient credit facilities. Depending on the financing needs of the Company, dividends may be adjusted or new shares issued. At year-end 2020 the equity amounted to TEUR 1,451 (TEUR 148,785) and the net debt to TEUR 782,149 (2,829), excluding lease liabilities

Financial risk management – Parent Company

Joint risk management is applied to all units in the Group. The Parent Company forms a relatively small part of the Group. There are no material differences between the risk management applied for the Parent Company and that applied for the Group. Full application under IFRS 7 regarding qualitative and quantitative risk information is therefore not presented separately for the Parent Company

Note 5 | Critical judgements and estimates

The preparation of financial statements and application of accounting policies are often based on the management's assessments or on estimates and assumptions deemed reasonable and prudent at the time they are made. Below is an overall description of the accounting policies affected by such estimates or assumptions that are expected to have the most significant impact on Radisson's reported earnings and financial position.

*Reporting of costs for defined benefit pensions are based on actuarial esti-*mates derived from assumptions about discount rate, expected return on managed assets, future pay increases and inflation

Note 6 | Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed here below

Impairment testing

At each balance sheet date (closing date), a review is conducted assessing any indication that the company's tangible, intangible assets and contracts are impaired and if this is the case, the recoverable amount of the individual assets and contracts (or the cash-generating unit to which they belong) is calculated in order to determine whether impairment exists Each hotel contract is considered as a separate cash generating contract

The method used for testing assets in use is the discounted cash flow technique (DCF) using the internal pre-tax discount rate (Weighted Average Cost of Capital) which is recalculated regularly At year-end 2020 a discount rate of 8 2% was used when discounting future cash flows in Euro zone Denmark, Norway, Sweden and Switzerland If the net present value shows a net present value (NPV) that is below the carrying value, then impairment is considered on the related tangible and intangible group of assets

The key assumptions for the value in use calculations are discount rates, growth rates and expected changes in occupancy and room rates and direct costs during the period Changes in selling prices and occupancy and direct costs are based on past practices and expectations of future changes in the market Derived from the most recent financial budgets approved by management the group prepares cash flows over the related length of each respective contract normally ranging from 15 to 20 years Each individual hotel contract has been valued separately, taking into account the remaining contract term and the applicable commercial terms

The expected cash flows for each unit take into account the budgeted figures for 2021 and projected figures for 2022-2023 The long term growth in revenues, costs and profit margins follow similar development pattern as the change in local consumer price index in line with the historical growth rates experienced in those regions except when justified otherwise by other factors Such factors include ongoing higher than inflation improvement in market RevPAR, building up of revenues due to renovation works carried out to maintain the hotels at a certain standard, revenue turnaround and cost restructuring programmes and impact of rebranding

When required, write-downs have been accounted for During the year, write-downs of TEUR 29,506 (13 980) of fixed assets related to leased hotels were recognised as a result of impairment tests The impairments were primarily the result of lowered market growth expectations The assets have been written-down to the calculated value in use

In addition, intangible assets of TEUR 37,498 (—) has been written down, please see further Note 17

Portfolio management, a revision of plans and projections for loss-making hotels or a setback in the Covid 19 development, with major implications on the performance of the company's hotels, may lead to a renewed assessment of the carrying value of both tangible and intangible assets

Assessment of onerous contracts in management agreements

A similar method as for impairment is applied to test if management agreements are onerous and, if applicable, a provision is recorded A provision of TEUR 1,634 (—) has been recognised for an onerous management agreement in Western Europe with shortfall guarantee during the year Portfolio management, a revision of plans and projections for loss-making hotels or a setback in the economic recovery, with major implications on the performance of the company's hotels, may lead to a renewed assessment

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated)

For hotel leases, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate)
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate)
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset

As at December 31, 2020, all extension options for hotel leases have been included in the lease liability since it is reasonably certain that the leases will be extended

To determine the incremental borrowing rate, the group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease e g. term, country, currency and security

The Group is exposed to potential future increases in lease payments based on an index, which are not included in the lease liability until they take effect When adjustments to lease payments based on an index take effect, the lease liability is reassessed and adjusted against the right-of-use asset

Deferred tax assets

Deferred tax is recognised on temporary differences between stated and taxable income and on unutilised tax losses carried forward. The valuation of tax losses carried forward, and ability to utilise tax losses carried forward, is based on estimates of future taxable income The assumptions used in estimating the future taxable income are based on those used in the impairment tests During 2020 deferred tax assets on losses of TEUR 6,527 were written down following reviews of the likelihood to utilise tax losses carried forward During 2019 deferred tax assets on losses of net TEUR 1,032 were recognised following reviews of the likelihood to utilise tax losses carried forward Portfolio management, a revision of plans and projections for loss-making hotels or a setback in the economic recovery, with major implications on the performance of the company's hotels, could trigger a need for further assessment of the recoverability of accumulated tax losses carry forward and therefore also on the carrying value of deferred tax assets Furthermore, changes in tax rules and regulations, for example a reduction of the income considered taxable, the right to deduct expenses, or restrictions on loss utilisation can also trigger a need for further assessment of the recoverability of the tax losses carry forward and the related deferred tax assets

Assessment of the off-balance sheet commitments

For management contract commitments, the Company discloses its maximum capped financial exposure related to all management agreements that carry a financial commitment However of the maximum exposure presently disclosed (see Note 36), the annual costs are just a small part of the maximum commitment

Provisions

Provisions are made when any probable and quantifiable risk of loss attributable to disputes is judged to exist Provisions for claims due to known disputes are recorded whenever there is a situation where it is more likely than not that the company will have an obligation to settle the dispute and where a reliable estimate can be made regarding the outcome of such dispute

Note 7 | Revenue

Operating Revenue per area of operation

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Rooms revenue	157,733	548,911
Food & beverage revenue	66,141	226,382
Other hotel revenue	*15,462*	*22,883*
Hotel revenue	**239,336**	**798,176**
Fee revenue	56,534	144,044
Other revenue	36,222	57,106
Total revenue	**332,092**	**999,326**

Specification of Fee revenue

Management fees	13,989	35,056
Incentive fees	7,486	34,530
Franchise fees	8,247	17,699
Marketing fees	13,258	33,333
Termination fees	549	2,196
Other fees	13,005	21,230
Total	**56,534**	**144,044**

- The line item 'Other hotel revenue' consists of complementary hotel revenue such as revenue from parking, pool, laundry and gym
- *The line item 'Other revenue' consists of complementary group revenue* such as administration revenue and revenue from shared service centres

Note 8 | *Government grants*

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Government grants recognised as other income	10,136	–
Government grants offsetting personnel cost	27,303	–
Government grants offsetting rental expense	22,141	–
Total	**59,580**	–

Note 9 | Cost of goods sold for food & drinks and other related expenses

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Cost of food	9,865	30,987
Cost of beverage	2,633	8,013
Cost of other income	1,778	6,884
Cost of other goods sold	198	659
Cost of telephone, fax, internet	218	246
Total	**14,692**	**46,789**

- The line item 'Cost of other income' consists of various costs directly related to 'Other hotel revenue' and 'Other revenue'

Note 10 | Payroll cost, number of employees, etc

Payroll cost	For the Year Ended Dec 31	
TEUR	**2020**	2019
Salaries	111,037	205,185
Social security	25,574	35,165
Pension costs	5,986	7,004
Sub-total	**142,597**	**247,354**
Other personnel costs (other benefits in kind), including contract labour costs	30,854	67,649
Total	**173,451**	**315,003**

These costs are included in the line personnel cost and contract labour in the income statement

No remuneration has been paid to the Board of Directors in 2020 (TEUR 94 in 2019). Radisson has identified the Executive Committee and the CEO as key management personnel

Remuneration of the Executive Committee (incl. the CEO)[1]

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Base remuneration	3,751	3,301
Variable remuneration	3,188	2,374
Retention bonus	1,335	995
Pension cost defined contribution plan	166	302
Housing, schooling and company car	524	502

1) The table above shows the gross amounts. One member of the Executive Committee was remunerated on a net basis. Apart from the impact of changes in the agreed upon remuneration levels, the gross remuneration may also differ from year to year due to special tax treatment rules in Belgium. Regarding number of persons in the Executive Committee, see below

The variable remuneration of the members of the Executive Committee is subject to accruals each year. The basis for the annual variable remuneration scheme for the members of the Executive Committee is financial and personal performance objectives. The first financial objective which represents 40% of the total variable opportunity is defined as the level of earnings before interest, tax, depreciation and amortisation (EBITDA) achieved in the year. The second financial objective which represents 40% of the total variable opportunity, is defined as the level of earnings after interest, tax, depreciation and amortisation (net profit) achieved in the year. The maximum variable opportunity depends on the executive's role and is capped to between 60% and 200% of the annual base remuneration. The related variable remuneration costs recorded in the P&L as of the end of the year represent the best estimate made at the balance sheet dates. The final variable remuneration payment is dependent on certain factors that will finally be known at a date subsequent to the release of the financial statements. Therefore, variable remuneration accrued in a specific year may be adjusted in subsequent periods as a result of the final parameters deviating from the assumptions made at the balance sheet dates

The Executive Committee participate in long-term cash settled incentive programmes for 2017, 2018, 2019 and 2020, covering a three-year performance period. The variable remuneration of the participants is subject to accruals each year. The long-term variable remuneration programmes for the participants represent a potential to earn a percentage of the fixed annual base remuneration subject *to meeting ambitious, but achievable predefined financial and operational* performance objectives. Depending on the level of performance achieved, multi-year variable remuneration can vary from no variable payment up to 100% of the fixed annual base remuneration for Executive Committee members and up to 200% for the CEO. The 2017 programme was partially settled in 2020 and the *amount paid out has been included in the table above.*

In 2016 the AGM approved a long-term equity settled performance based incentive programme to be offered to executives within Radisson. Due to the mandatory public offer to the shareholders of Radisson, the Board of Directors decided in 2019 to replace the equity settled incentive programme with a cash settled programme. Two current members and two former members of the Executive Committee participated in the programme. The programme was settled in 2019 and the amount paid out has been included in the table above

In 2020, the Board put in place a retention bonus programme for 2020-2021, subject to certain conditions. The cost recognised in 2020 for the Executive Committee members participating in the programme has been included in the table above. In 2018, the Board put in place a retention bonus for 2018-2019, subject to certain conditions. The cost recognised in 2019 for the Executive Committee members participating in the programme has been included in the table above. In addition, for one Executive Committee member the Board also put in place an additional performance based bonus for 2018, 2019 and 2020, which may vary from 0 up to EUR 50,000 per year and with up to an additional EUR 150,000 based on cumulative performance in the years 2018, 2019 and 2020.

In the event of a change in scope following a change in control, the CEO can exercise his right to terminate his contract within the first six months after such change in scope event. In that case, the CEO will have a right to a notice period of six months with continued payment of base remuneration and contractual benefits as well as full entitlement to the annual and long term incentive payment and, in addition, a severance payment equal to eighteen months' base remuneration and contractual benefits as well as the annual and long term incentive payment for eighteen months, both at target level.

For other members of the Executive Committee the contracted notice period for termination of their agreements is between zero and six months. Additional contracted severance payments are calculated based on between six and eighteen months' remuneration.

The average number of employees in Radisson's companies was 2,270 (4,248) and is split as follows:

	For the Year Ended Dec 31			
	2020		2019	
	Men	Women	Men	Women
Denmark	114	99	162	146
Norway	195	162	418	367
Sweden	114	117	202	263
United Kingdom	171	189	421	475
Germany	177	191	343	352
France	77	101	169	121
Spain	49	49	25	20
Belgium	88	84	126	151
Other	156	137	253	234
Total	**1,141**	**1,129**	**2,119**	**2,129**
Total men and women		**2,270**		**4,248**

	As of Dec 31			
	2020		2019	
	Men	Women	Men	Women
Members of the Board of Directors[1]	7	2	7	2
Executive Committee (including CEO)	6	1	6	1

1) Including two male employee representatives elected by the Swedish labour organisation

Note 11 | Other operating expenses

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Fees for royalty, marketing, reservations, rentals and licences to Radisson Hospitality Inc. (see Note 34)	14,149	20,515
Energy costs	16,633	24,335
Supplies	5,833	12,402
Marketing expenses	26,582	83,052
External fees	34,498	49,270
Laundry and dry cleaning	6,409	16,810
Contract services and maintenance	14,440	14,753
Administration costs	4,314	15,511
Communication, travel and transport	6,615	12,594
Operating equipment	1,204	3,273
Rentals and licences	12,445	10,639
Property operating expenses	4,454	7,165
Other expenses	20,511	12,419
Total	**168,087**	**282,738**

Note 12 | Insurance of properties and property tax

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Property and miscellaneous taxes	7,398	12,665
Building insurance	1,675	1,536
Total	**9,073**	**14,201**

Note 13 | Leases

This section provides information for leases where Radisson is a lessee
For accounting principles applied, please see Note 2 and Note 3

Right-of-use Assets

TEUR	Land and buildings	Machinery and equipment	Total
Cost			
Balance as of 1 Jan. 2019	**669,580**	**4,552**	**674,132**
Additions	4,766	792	5,558
Remeasurements	10,704	239	10,943
Disposals	—	−394	−394
Effect of foreign currency exchange differences	7,689	8	7,697
Reclassifications	−2,190	—	−2,190
Balance as of Jan. 1, 2020	**690,549**	**5,197**	**695,746**
Additions	3,395	1,989	5,384
Remeasurements	45,525	—	45,525
Disposals	−620	−811	−1,431
Effect of foreign currency exchange differences	−14,269	−6	−14,275
Reclassifications	−486	—	−486
Balance as of Dec. 31, 2020	**724,094**	**6,369**	**730,463**
Accumulated depreciation and impairment			
Balance as of 1 Jan. 2019	**−369,896**	**−255**	**−370,151**
Depreciation	−23,571	−1,529	−25,100
Disposals	—	341	341
Effect of foreign currency exchange differences	−3,809	−4	−3,813
Balance as of Jan. 1, 2020	**−397,276**	**−1,447**	**−398,723**
Depreciation	−25,654	*−1,384*	*−27,038*
Write-downs and reversals of write-downs	−13,727	—	−13,727
Disposals	468	*811*	*1,279*
Effect of foreign currency exchange differences	6,778	3	6,781
Balance as of Dec. 31, 2020	**−429,411**	**−2,017**	**−431,428**
Carrying amount			
As of Dec. 31, 2019	**293,273**	**3,750**	**297,023**
As of Dec. 31, 2020	**294,683**	**4,352**	**299,035**

Amounts recognised in the statement of profit or loss

TEUR	2020	2019
Variable lease payments (included in rental expense)	18,167	171,195
Low-value assets lease payments (included in rental expense)	1,271	1,306
Short-term lease payments (included in rental expense)	947	1,063
Depreciation charge of right-of-use assets (included in depreciation and amortisation expense)	27,038	25,099
Gain from modification of lease agreements (included in costs due to termination of contracts)	—	−1,385
Interest expense (included in financial expense)	17,971	19,331

The statement of cash flow shows the following amounts relating to leases

TEUR	2020	2019
Variable lease payments, low-value assets lease payments, short-term lease payments	20,385	173,564
Repayments of lease liabilities	110,776	*28,695*
Interest paid on lease liabilities	17,971	19,331

*Per December 31, 2020, Radisson had 58 leased hotels in operation. The follow*ing provides an overview of the expiry of the main property lease contracts for those 58 hotels

Year	**2020** *Number of* lease agreements expiring	Year	2019 *Number of* lease agreements expiring
2021	—	2020	—
2022-2026	6	2021-2025	5
2027-2031	13	2026-2030	11
2032-2036	23	2031-2035	24
2037-2041	12	2036-2040	11
2042-2046	4	2041-2045	4
2047-2051	—	2046-2050	—

This section provides information for leases where Radisson is a lessor

Future minimum sub lease income
Revenue from sub leases recognised in 2020 amounted to TEUR 2,500 (2,636). The expected future sub lease payments to be received from all fixed rent agreements are shown in the table below

TEUR	2020	2019
Within 1 year	2,366	2,461
1–5 years	8,757	7,869
After 5 years	18,118	23,983
Total	**29,241**	**34,313**

Note 14 | Financial items

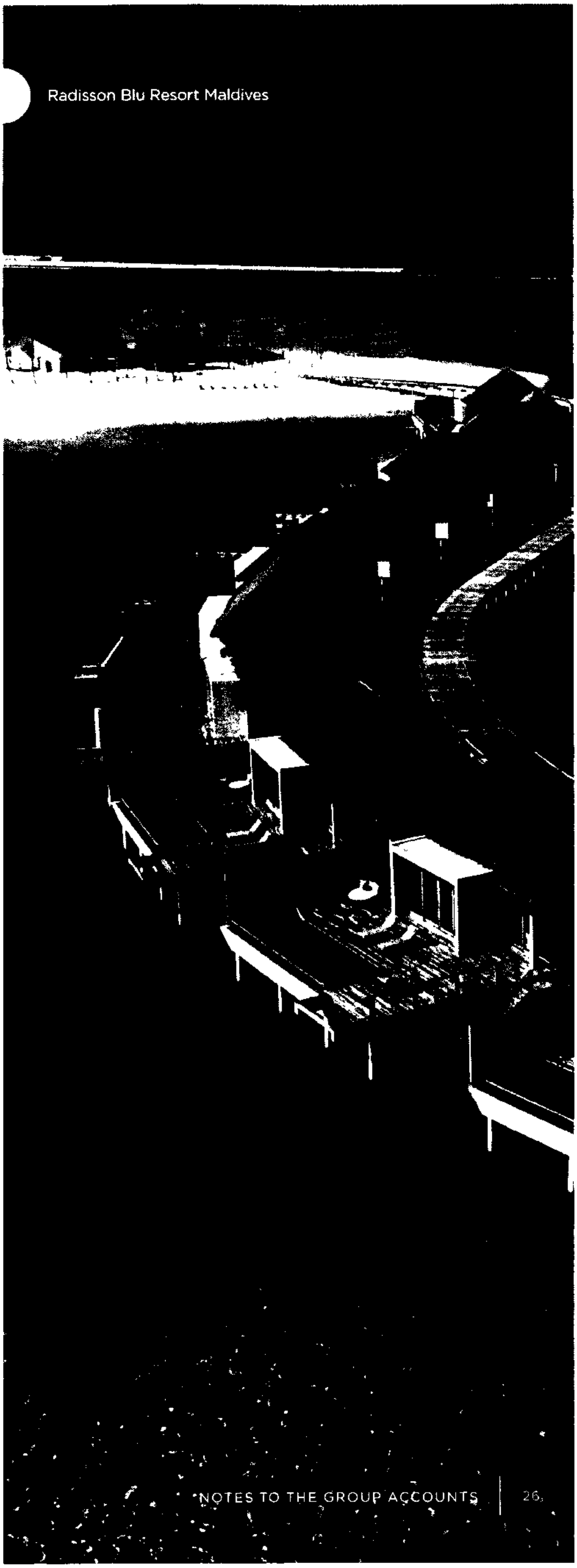
TEUR	For the Year Ended Dec 31 2020	2019
Interest income from external financial institutions	282	295
Interest income from other loans and receivables	2,475	545
Gain on the sale of assets held for sale	884	—
Other financial income	142	122
Foreign currency exchange gains	—	140
Financial income	**3,783**	**1,102**
Interest expense to external financial institutions	−233	−321
Interest expense on lease liabilities	−17,971	−19,331
Interest expense bond	−12,376	−17,459
Interest expense other loans and payables	−11,702	−469
Borrowing costs bond	−15,227	−1,973
Write-down of other loans and receivables	−4,569	−59
Other financial expense	−2,479	−906
Foreign currency exchange losses	−668	—
Financial expense	**−65,225**	**−40,518**
Financial income and expenses, net	−61,442	**−39,416**

Other financial expenses are related to bank charges and similar items

Net gain/loss per category of financial assets and liabilities.

TEUR	For the Year Ended Dec 31 2020	2019
Financial assets at fair value through profit and loss	−22	−62
Loans and receivables and financial liabilities measured at amortised cost	−61,420	−39,354
Total	**−61,442**	**−39,416**

All interest income and expenses in 2020 and 2019 are related to financial assets and liabilities measured at amortised cost. No interest income in 2020 and 2019 was recognised on impaired financial assets.



Note 15 | Income taxes

Income tax recognised in profit or loss

TEUR	For the Year Ended Dec 31 2020	2019
Tax expense(+)/income(–) comprises		
Current tax expense(+)/income(–)	2,430	12,124
Adjustments recognised in the current year in relation to the current tax of prior years	94	–1,414
Defered tax expense(+)/income(–) relating to the origination and reversal of temporary differences	–62,934	1,084
Total tax expense	**–60,410**	**11,794**

The total charge for the year can be reconciled to the accounting profit as follows:

TEUR	For the Year Ended Dec 31 2020	2019
Profit/loss before tax from continuing operations	–288,449	33,780
Income tax income(–)/expense(+) calculated at the local tax rate	–70,335	9,879
Effect of revenue that is exempt from taxation	–284	–434
Effect of expenses that are not deductible in determining taxable profit	7,413	2,535
Effect of tax losses and tax offsets not recognised as deferred tax assets	—	–25
Effect of previously unrecognised deferred tax attributable to tax losses, tax credits or temporary differences of prior years	–293	–2,003
Effect on deferred tax balances due to the change in income tax rate	–2,532	278
Effect of utilisation of tax losses carry forward previously unrecognised	—	–98
Write-downs of deferred tax assets	6,527	–
Effect of withholding taxes	2,081	3,082
Tax credit	–2,751	—
Other	–324	–6
Sub total	**–60,504**	**13,208**
Adjustments recognised in the current year related to the current tax of prior years	94	–1,414
Income tax expense recognised in profit or loss	**–60,410**	**11,794**

TEUR	For the Year Ended Dec 31 2020	2019
Income tax recognised in Other comprehensive Income:		
Current tax		
Arising on exchange differences	909	–867
Total	**909**	**–867**
Deferred tax		
Arising on income and expenses recognised in Other comprehensive income		
Remeasurement of defined obligation	–49	–189
Arising on exchange differences	–247	—
Gains and losses on cash flow hedges	29	–49
Total	**–267**	**–238**

The average effective tax rate was 21% (35%)

DEFERRED TAX ASSETS(+)/LIABILITIES(–) ARISE FROM THE FOLLOWING:

2020	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Exchange differences	Closing balance
Temporary differences					
Net lease obligations	39,358	–15,274	—	–792	23,292
Cash flow hedges	29	—	–29	—	—
Tangible assets	–1,122	4,266	—	–292	2,852
Intangible assets	–9,281	7,948	—	—	–1,333
Provisions	44	1	—	–1	44
Doubtful receivables	1,494	991	—	4	2,489
Untaxed reserves	–1,300	1,349	—	–49	—
Pensions	1,030	59	49	–11	1,127
Other liabilities	829	–427	—	26	428
Other current non-interest-bearing liabilities	60	3	—	18	81
	31,141	**–1,084**	**20**	**–1,097**	**28,980**
Unused tax losses and credits					
Tax losses	58,087	64,018	247	–520	121,832
	58,087	**64,018**	**247**	**–520**	**121,832**
Total	**89,228**	**62,934**	**267**	**–1,617**	**150,812**

2019	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Exchange differences	Closing balance
Temporary differences					
Net lease obligations	39,785	–798	—	371	39,358
Cash flow hedges	–20	—	49	—	29
Tangible assets	968	–2,572	—	482	–1,122
Intangible assets	–9,672	391	—	—	–9,281
Provisions	171	–127	—	—	44
Doubtful receivables	1,575	–82	—	1	1,494
Untaxed reserves	—	–1,300	—	—	–1,300
Pensions	803	38	189	—	1,030
Other liabilities	666	204	—	–41	829
Other current non-interest-bearing liabilities	152	–148	—	56	60
	34,428	**–4,394**	**238**	**869**	**31,141**
Unused tax losses and credits					
Tax losses	54,395	3,310	—	382	58,087
	54,395	**3,310**	**—**	**382**	**58,087**
Total	**88,823**	**–1,084**	**238**	**1,251**	**89,228**

Deferred tax balances are presented in the balance sheet as follows:

	As of Dec 31	
TEUR	**2020**	2019
Deferred tax assets	151,160	109,496
Deferred tax liabilities	–348	–20,268
Total	**150,812**	**89,228**

UNRECOGNISED DEFERRED TAX ASSETS

The following deferred tax assets have not been recognised at the balance sheet date:

	As of Dec 31	
TEUR	**2020**	2019
Tax losses	9,568	2,852
Total	**9,568**	**2,852**

The unrecognised tax losses have no expiry date

Capital gains and losses on sale of shares in subsidiaries, associates and joint ventures are normally not subject to any taxation and there are consequently no temporary differences associated with these assets

Deferred tax assets attributable to tax losses carry forward are recognised to the extent it is probable, based on convincing evidence, that future taxable profits will be available against which the unused tax losses can be utilised such as for example that a previously loss making entity has turned into profitability or that a change in structure will generate taxable income to offset historic losses When assessing the probability of utilisation, the amount of taxable temporary differences relating to the same taxation authority as the tax losses carry forward are taken into account as well as the projected future taxable profits The projected future taxable profits are estimated based on budgets and long range plans, taking into account the expiry of contracts The deferred tax assets attributable to tax losses carry forward are mainly found in Belgium (TEUR 101,276), Germany (TEUR 1,602), France (TEUR 13,673), Italy (1,025) and Denmark (3,962) Portfolio management, a revision of plans and projections for loss-making hotels or a setback in the economic recovery with major implications on the performance of the company's hotels, could trigger a need for further assessment of the recoverability of tax losses carry forward and therefore also on the carrying value of deferred tax assets In addition to changes to future cash flow projections, deferred tax assets are also sensitive to changes in tax rules and regulations

Note 16 | Sold and acquired operations

The sale of the participation in Mongolia Nord GmbH was finalised in the beginning of 2020, resulting in a gain of TEUR 884

The sale of the participation in Radisson Royal Hotel Beijing Co Ltd was finalised in the beginning of 2019, resulting in a gain of TEUR 118

Radisson has in 2019 also disposed its participation in PBR Hotel, Ltd with no impact on the profit & loss statement

Radisson has in 2019 acquired 20% in Fast Lane Hospitality GmbH Please see Note 19 for further details

Note 17 | Intangible assets

TEUR	Other intangible assets	Licenses and trademarks	Total
Cost			
Balance as of Jan. 1, 2019	**45,533**	**55,154**	**100,687**
Investments	70,296	29	70,325
Disposals	–198	–36	–234
Effect of foreign currency exchange differences	249	–13	236
Reclassifications	2,190	—	2,190
Balance as of Jan. 1, 2020	**118,070**	**55,134**	**173,204**
Investments	44,850	485,984	530,834
Disposals	–1,701	–54,463	–56,164
Transfer from investments in progress	79	3	82
Effect of foreign currency exchange differences	–632	—	–632
Other movements	6,762	—	6,762
Balance as of Dec. 31, 2020	**167,428**	**486,658**	**654,086**
Accumulated amortisation and impairment			
Balance as of Jan. 1, 2019	**–28,079**	**–16,192**	**–44,271**
Amortisation	–4,758	–1,278	–6,036
Write downs and reversals of write-downs	–348	—	–348
Disposals	38	35	73
Effect of foreign currency exchange differences	–187	–8	–195
Balance as of Jan. 1, 2020	**–33,334**	**–17,443**	**–50,777**
Amortisation	–6,653	–5,006	–11,659
Write-downs and reversals of write downs	—	–37,498	–37,498
Disposals	1,589	54,464	56,053
Effect of foreign currency exchange differences	333	—	333
Other movements	–6,457	830	–5,627
Balance as of Dec. 31, 2020	**–44,522**	**–4,653**	**–49,175**
Carrying amount			
As of Dec. 31, 2019	**84,736**	**37,691**	**122,427**
As of Dec. 31, 2020	**122,906**	**482,005**	**604,911**

In 2020, Radisson has acquired contractual rights to the Radisson brands from Radisson Hospitality, Inc. and its subsidiaries of TEUR 485,984. The assets are amortised over 20 years. The assets of TEUR 37,498 related to the previous master franchise agreements with Radisson Hospitality, Inc. has been written down.

Other movements are mainly related to reclassifications between asset categories and adjustments as result of the transfer to a new accounting system.

Note 18 | Tangible assets

TEUR	Fixed installations	Machinery and equipment	Investments in progress	Total
Cost				
Balance as of Jan. 1, 2019	**193,076**	**320,311**	**32,128**	**545,515**
Investments	21,276	26,787	23,473	71,536
Disposals	–10,460	–19,464	—	–29,924
Effect of foreign currency exchange differences	3,394	4,208	–20	7,582
Transfer from investments in progress	5,860	17,862	–23,722	—
Balance as of Jan. 1, 2020	**213,146**	**349,704**	**31,859**	**594,709**
Investments	2,605	3,332	29,668	35,605
Disposals	–6,575	–15,907	–987	–23,469
Transfer from investments in progress	16,327	16,671	–33,080	–82
Effect of foreign currency exchange differences	–4,601	–7,063	–1,980	–13,644
Other movements	–6,639	–1,650	907	–7,382
Balance as of Dec. 31, 2020	**214,263**	**345,087**	**26,387**	**585,737**
Accumulated depreciations and impairment				
Balance as of Jan. 1, 2019	**–131,229**	**–202,490**	**–2,671**	**–336,390**
Depreciation				
Write-downs and reversals of write-downs	–12,380	–33,518	—	–45,898
Disposals	–11,001	–2,399	–232	–13,632
Effect of foreign currency exchange differences	10,805	19,060	—	29,865
Other	–2,370	–3,196	–1	–5,567
Balance as of Jan. 1, 2020	**–146,175**	**–222,543**	**–2,904**	**–371,622**
Depreciation	–14,578	–30,568	—	–45,146
Write-downs and reversals of write downs	–5,088	–7,827	–2,864	–15,779
Disposals	6,560	15,790	—	22,350
Effect of foreign currency exchange differences	3,196	5,586	6	8,788
Other movements	4,760	–3,991	4,998	5,767
Balance as of Dec. 31, 2020	**–151,325**	**–243,553**	**–764**	**–395,642**
Carrying amount				
As of Dec. 31, 2019	**66,971**	**127,161**	**28,955**	**223,087**
As of Dec. 31, 2020	**62,938**	**101,534**	**25,623**	**190,095**

More information about the write-downs recognised during the year is provided in Note 6.

Note 19 | Investments in associated companies

TEUR	Ownership (%) as of Dec 31, 2019	Ownership (%) as of Dec 31, 2020	Carrying value as of Dec 31, 2019	Acquisition during the year	Dividends	Share of income	Exchange difference	Carrying value as of Dec 31, 2020
Al Quesir Hotel Company S A E	20.00%	20.00%	1,354	—	—	140	88	1,582
Fast Lane Hospitality GmbH	20.00%	20.00%	41	—	—	—	—	41
Afrinord Hotel Investment A/S	20.00%	20.00%	84	—	—	–9	—	75
Total			**1,479**	**—**	—	**131**	**88**	**1,698**

TEUR	Ownership (%) as of Dec 31, 2018	Ownership (%) as of Dec 31, 2019	Carrying value as of Dec 31, 2018	Acquisition during the year	Dividends	Share of income	Exchange difference	Less assets held for sale	Carrying value as of Dec 31, 2019
Al Quesir Hotel Company S A E	20.00%	20.00%	1,221	—	—	133	–		1,354
Fast Lane Hospitality GmbH	–	20.00%		41		–	–		41
Afrinord Hotel Investment A/S	20.00%	20.00%	76	—	—	8	—		84
Prize Holding GmbH	49.00%	49.00%	15,022	—	–96	–913	–2	–14,011	—
Total			**16,319**	**41**	**–96**	**–772**	**–2**	**–14,011**	**1,479**

Summarised financial information for associated companies TEUR	As of and for the Year Ended Dec 31 **2020**	2019
Total assets	6,897	12,387
Total liabilities	2,535	9,093
Net assets	4,362	3,294
Group's share in net assets	872	659
Revenue	920	1,238
Profit/loss from continuing operations	687	383
Profit/loss after tax	696	383
Other comprehensive income	—	—
Total comprehensive income	696	383
Group's share in net profit	139	77

The difference between the carrying value of the investments and group's share in net assets amounting to 826 TEUR (820) is predominantly due to goodwill

Note 20 | Other shares and participations

TEUR	Ownership (%) as of Dec 31 2019	Ownership (%) as of Dec 31, 2020	Carrying value as of Dec 31 2019	Exchange difference	Carrying value as of Dec 31, **2020**
Doriscus Enterprise Ltd	13.41%	13.41%	4,145	14	4,159
First Hotels Co K.S.C.C	1.82%	1.82%	1,013	7	1,020
Other	–	–	22	–5	17
Total			**5,180**	**16**	**5,196**

Note 21 | Pension funds, net

Defined Benefit Pension Plans

These plans mainly cover retirement pensions and widow pensions where the employer has an obligation to pay a lifelong pension corresponding to a certain guaranteed percentage of wages or a certain annual sum. Retirement pensions are based on the number of years a person is employed. The employee must be registered in the plan for a certain number of years in order to receive full retirement pension. For each year at work the employee earns an increasing right to pension, which is recorded as pension earned during the period as well as an increase in pension obligations. Some of Radisson's pension plans for salaried employees in Sweden and Belgium are funded through defined benefit pensions plans with insurance companies.

The amounts recognised in the balance sheet for the defined benefit plans are determined as follows

TEUR	As of Dec 31 2020	2019
Present value of funded obligations	15,512	13,590
Fair value on plan assets	–10,954	–9,466
Deficit/(surplus) of funded plans	**4,558**	**4,124**
Present value of unfunded obligations	246	188
Total deficit of defined benefit pension plans	**4,804**	**4,312**
Impact of minimum funding requirement/asset ceiling	–	–
Liability in the balance sheet	**4,804**	**4,312**

The movement in the defined benefit obligation over the year is as follows

TEUR	For the year ended Dec 31 2020	2019
Opening defined benefit obligation	**13,778**	**11,661**
Current service cost	982	910
Interest cost	109	183
Components recognised in profit or loss	**1,091**	**1,093**
Remeasurement on the defined benefit obligation		
Actuarial (gains)/losses from change in financial assumptions	330	1,859
Actuarial (gains)/losses arising from experience adjustments	520	–445
Components recognised in other comprehensive income	**850**	**1,414**
Benefits paid	–184	–386
Exchange (gains)/losses on foreign plans	223	–4
Closing defined benefit obligation	**15,758**	**13,778**

The movement in plan assets over the year is as follows

TEUR	For the year ended Dec 31 2020	2019
Opening plan assets	**9,466**	**8,276**
Interest income	78	137
Components recognised in profit or loss	**78**	**137**
Remeasurement on the plan assets		
Actuarial gains/(losses) arising from experience adjustments	655	658
Components recognised in other comprehensive income	**655**	**658**
Contributions from employer	802	739
Contributions from plan participants	84	76
Benefits paid	–184	–386
Exchange gains/(losses) on foreign plans	53	–34
Closing fair value of plan assets	**10,954**	**9,466**

The significant actuarial assumptions were as follows

TEUR	As of Dec 31 2020	2019
Discount rate		
Belgium	0.58%	0.65%
Sweden	0.65%	2.0%
Expected rate of salary increase		
Belgium	2.0%	2.0%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Increase in assumption	Decrease in assumption
Discount rate 0.50%	1,278	−1,472
Expected rate of salary increase 0.50%	−549	506
Life expectancy (men and women) 1 year	−178	183

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Plan assets are comprised as follows.

	As of Dec 31					
	2020			2019		
TEUR	Quoted	Unquoted	%	Quoted	Unquoted	%
Equity investments	552	—	5.0%	435	—	4.6%
Bond investments:						
Government	6,686	—	61.0%	6,074	—	64.2%
Corporate	1,989	—	18.2%	1,459	—	15.4%
Mortgage	248	—	2.3%	153	—	1.6%
Properties	—	1,479	13.5%	—	1,345	14.2%
Total	**9,475**	**1,479**		**8,121**	**1,345**	

The plan assets are part of common funds used by insurance companies for investing. Therefore information of specific Radisson's assets allocations is not available and it is the insurance companies' allocation of its total assets that is applied to Radisson's assets in the table above.

Through its defined benefit pension plans the group is exposed to a number of risks, the most significant of which are:

Asset volatility:
The present value of defined benefit liability is calculated using a discount rate determined by reference to high quality corporate bond yields in Belgium and government bonds in Sweden. If the return on plan asset is below this rate, it will create a plan deficit.

Changes in bond yields:
A decrease in the bond interest rate will increase the plan liability, however, this will be partially offset by an increase in the return on the plan's debt investments.

Life expectancy:
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

Expected contributions to post-employment benefit plans for the year ending December 31, 2020 are TEUR 717.

The weighted average duration of the defined benefit obligation is 15.2 years.

Expected maturity analysis of undiscounted pension benefits

TEUR	
Year 2021	239
Year 2022	173
Year 2023–Year 2025	956
Year 2026–Year 2030	3,621

Defined Contribution Pension Plans
These plans mainly cover retirement, sick and family pensions. The premiums are paid regularly during the year by group companies to different insurance companies. The size of the premium is based on wages. Pension costs for the period are included in the income statement and amount to TEUR 4,972 (6,048).

For clerical employees in Sweden, the defined benefit obligations in the ITP 2 plan for retirement and family pension (or family pension), are safeguarded through insurance in Alecta. According to a statement from the Swedish Accounting Standards Council, UFR 10, this is a defined benefit multi-employer plan. For the financial year 2020, the Company has not had access to the information necessary to account for its shared part of the plan's obligations, plan assets and costs, and a consequence it has not been possible to report the plan as a defined benefit plan. The pension plan ITP 2, which is safeguarded through insurance in Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is inter alia taking into account salary, previously earned pension and anticipated remaining seniority. Expected fees next reporting period for ITP 2 insurances, covered by Alecta, amounts to TEUR 905 (851). The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan is 0.024% and 0.02% (0.039 and 0.024).

The collective consolidation level is the market value of Alecta's assets as a percentage of insurance obligations measured in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 155%. If Alecta's collective consolidation level is less than 125% or greater than 155%, measures should be taken in order to create the conditions to return the consolidation level within the normal range. At low consolidation, an action can be to raise the agreed price for subscription and expansion of existing benefits. At high consolidation, an action can be to introduce premium reductions. At the end of 2020, Alecta's surplus in the form of the collective consolidation level was 148% (148).

Note 22 | Other long-term receivables

In some cases Radisson grants loans to owners of the company's hotels, or to the company's joint venture and associated companies in early stages of new projects. The terms for such loans vary, but in principle there is an agreement on interest on the loans and the repayment schedule is based on the project opening and project progress. These related parties and terms concerning these loans are presented below. No collateral was held as security for these receivables and no receivables were past due at the end of the reporting periods.

As of Dec. 31, **2020** Counterpart/Specification	Nominal loan amount	Currency	Nominal value in TEUR	Impairment & exchange losses in TEUR	Loan Repayment	Short term portion	Amortised cost in TEUR
Jizhaku Rubanenko	2,020	EUR	2,020	−500	—	−20	1,500
Afrinord Hotel Investment A/S	1,865	EUR	1,865	−1,865	—	—	0
Afrinord Hotel Investment A/S	1,495	USD	1,223	−1 223	—	—	0
SIA (Ltd) D N.H.	1,512	EUR	1,512	−500	—	−1,012	0
Prigan D O O Beograd	401	EUR	401	−401	—	—	0
Al Quseir Hotel Company S A.E.	520	EUR	520	—	—	−20	500
RR Mpls DT, LLC	17,850	EUR	17,850	—	—	—	17,850
Radisson Hospitality Inc	20,000	EUR	20,000	—	—	—	20,000
Bastion of the Deaf (Pty) Ltd	898	EUR	898	−898	—	—	0
Total interest-bearing			**46,289**	**−5,387**	**—**	**−1,052**	**39,850**
Meritor Hotels AS	800	EUR	800	—	—	—	800
Deposits and guarantees paid	2,102	EUR	2,102	—	—	—	2,102
Total non-interest-bearing			**2,902**	**—**	**—**	**—**	**2,902**
Total long-term receivables			**49,191**	**−5,387**	**—**	**−1,052**	**42,752**

As of Dec 31, **2019** Counterpart/Specification	Nominal loan amount	Currency	Nominal value in TEUR	Impairment & exchange losses in TEUR	Loan Repayment	Short term portion	Amortised cost in TEUR
SIA Polar BEK Daugava	1,750	USD	1,526	—	−1,526	—	—
Jizhaku Rubanenko	2,020	EUR	2,020	—	—	−20	2,000
Afrinord Hotel Investment A/S	981	USD	855	—	−855	—	—
Afrinord Hotel Investment A/S	1,808	EUR	1,808	—	—	—	1,808
Afrinord Hotel Investment A/S	1,365	USD	1,218	—	—	—	1,218
SIA (Ltd) D N.H	1,513	EUR	1,513	—	—	−513	1,000
Prigan D O O Beograd	400	EUR	400	—	—	—	400
Dydi Opco B V	1,605	EUR	1,605	—	−1,605	—	—
Al Quseir Hotel Company S A E.	500	EUR	500	—	—	—	500
RR Mpls DT, LLC	17,850	EUR	17,850	—	—	—	17,850
Other	59	EUR	59	—	—	—	59
Total interest-bearing			**29,354**	—	**−3,986**	**−533**	**24,835**
Meritor Hotels AS	800	EUR	800	—	—	—	800
Deposits and guarantees paid	407	EUR	407	—	—	—	407
Total non-interest-bearing			**1,207**	**—**	**—**	**—**	**1,207**
Total long-term receivables			**30,561**	**—**	**−3,986**	**−533**	**26,042**

Note 23 | Accounts receivables

TEUR	As of Dec 31 2020	2019
Accounts receivables before allowance for doubtful accounts	39,516	83,597
Allowance for doubtful accounts	–21,718	–12,346
Accounts receivables net of allowance for doubtful accounts	**17,798**	**71,251**

As of Dec 31, **2020**	Accounts receivables before allowance for doubtful accounts	Provision for doubtful accounts	Accounts receivables net of allowance for doubtful accounts
Accounts receivables not overdue	4,231	–2,811	1,420
Accounts receivables overdue			
1–30 days	4,997	–893	4,104
31–60 days	4,351	–972	3,379
61–90 days	3,447	–915	2,532
More than 90 days	22,490	–16,126	6,363
Total overdue	**35,285**	**–18,907**	**16,378**
Total ledger	**39,516**	**–21,718**	**17,798**

As of Dec 31, **2019**	Accounts receivables before allowance for doubtful accounts	Provision for doubtful accounts	Accounts receivables net of allowance for doubtful accounts
Accounts receivables not overdue	39,063	–2,072	36,991
Accounts receivables overdue			
1–30 days	20,616	–952	19,664
31–60 days	8,146	–615	7,531
61–90 days	3,572	–533	3,039
More than 90 days	12,200	–8,174	4,026
Total overdue	**44,534**	**–10,274**	**34,260**
Total ledger	**83,597**	**–12,346**	**71,251**

Movement in the allowance for doubtful accounts

TEUR	As of Dec 31 2020	2019
Balance at the beginning of the year	**–12,346**	**–18,057**
Amounts written off during the year	30	3,000
Amounts recovered during the year	5,214	14,862
Increase/decrease in allowance recognised in profit or loss	–14,601	–12,149
Translation difference	–15	–2
Balance at the end of the year	**–21,718**	**–12,346**

No collaterals are held as security for accounts receivables outstanding

Note 24 | Other current interest-bearing receivables

Counterpart (As of Dec 31, **2020**)	Amortised cost in TEUR
Jizhaku Rubanenko	20
SIA (Ltd) D N H	1,012
Al Quseir Hotel Company S.A E	20
Radisson Finance Co.,Ltd	301
Total of current interest-bearing receivables	**1,353**

Counterpart (As of Dec 31, **2019**)	Amortised cost in TEUR
Jizhaku Rubanenko	20
SIA (Ltd) D N H	513
Rubyrock Co Ltd	5,000
Total of current interest-bearing receivables	**5,533**

No collaterals are held as security for these receivables

Note 25 | Other current non-interest-bearing receivables

TEUR	As of Dec 31 2020	2019
Prepaid expenses		
Prepaid rent	6,396	10,574
Prepaid property tax	21	1,692
Other prepaid expenses	8,824	12,062
	15,241	**24,328**
Accrued Income		
Accrued fee income	963	6,742
Other accrued income	1,192	3,871
	2,155	**10,613**
VAT receivables	28,855	9,975
Receivables related to governmental support	15,658	–
Other current non-interest-bearing receivables	7,811	13,261
Total	**69,720**	**58,177**

Note 26 | Other short term investments

Other short-term investments predominantly consist of cash in restricted accounts and collaterals

Note 27 | Cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows

TEUR	As of Dec 31 2020	2019
Bank accounts	49,782	238,715
Cash on hand	593	928
Total cash and cash equivalents	**50,375**	**239,643**

Note 28 | Assets classified as held for sale

The assets and liabilities classified as held for sale are related to the 91% investment in prize Holding GmbH

Note 29 | Share capital

Issue capital

TEUR	Share capital 2020	Other paid in capital 2020	Share capital 2019	Other paid in capital 2019
Opening balance as of Jan 1	11,626	177,124	11,626	177,124
Capital contribution	—	85,954	—	—
Closing balance as of Dec. 31	**11,626**	**263,078**	**11,626**	**177,124**

Fully paid ordinary shares	Date of resolution	Change in number of shares	Change in share capital
The company is registered	Mar 8, 2005	1,000	1,000
Share split of ordinary shares	Mar 22, 2005	10,000	—
Share issue of ordinary shares	Mar 22, 2005	89,000	89,000
Share issue of ordinary shares	Oct 10, 2006	26,584	26,584
Share split of ordinary shares	Oct 10, 2006	149,875,456	—
Bonus issue, without new share issue	May 4, 2007	—	9,873,416
New share issue	June 5, 2014	24,386,817	1,625,766

The total share capital at year end was EUR 11,625,766, corresponding to 174,388,857 shares, giving a quota value per share of EUR 0.067. All issued shares are fully paid. There are no differences in classes of shares. Each owner of shares in the company is entitled to vote for the full amount of such shares at a general meeting, without any voting limitations.

Dividend per share
In accordance with the recommendation from the Board of Directors to the Annual General Meeting 2020, the Annual General Meeting decided to not pay any dividend for the financial year 2019. The Board of Directors proposes to the Annual General Meeting 2021 that no dividend is to be paid for the financial year 2020.

Note 30 | Fair value reserve – Cash-flow hedges

TEUR	2020	2019
Opening value as of Jan 1	**–102**	**71**
Effective gains and losses recognised in equity during the year	358	–550
Tax on effective gains and losses recognised in equity during the year	–79	121
Gains and losses reclassified out of equity during the year	–227	328
Tax on gains and losses reclassified out of equity during the year	50	–72
Closing value as of Dec. 31	**—**	**–102**

Note 31 | Provisions

TEUR	Restructuring and termination	Onerous contracts	Legal claims	Other	Total
Balance as of Jan. 1, 2019	**4,658**	**—**	**6**	**—**	**4,664**
Additional provisions recognised	1,500	2,100	1,200	—	4,800
Reductions resulting from remeasurement	—	—	0	—	0
Reductions arising from payments	–1,474	—	–6	—	–1,480
Balance as of Dec. 31, 2019	**4,684**	**2,100**	**1,200**	**—**	**7,984**
Additional provisions recognised	425	1,634	150	36	2,245
Reductions resulting from remeasurement	–885	—	—	—	–885
Reductions arising from payments	–1,648	–100	–1,200	—	–2,948
Balance as of Dec. 31, 2020	**2,576**	**3,634**	**150**	**36**	**6,396**

Restructuring and termination
The provision for restructuring and termination of TEUR 2,576 relates to initiatives taken on hotel level and on corporate level. These cost advantage initiatives are taken to enable higher competitiveness, performance and cost efficiency through the development of new organisational and operating models that are optimised and consistent across the organisation.

Onerous contracts
The provision for onerous contracts relates to IT system contracts which will be obsolete due to internal development of new systems (TEUR 2,000) and to a management contract in Western Europe (TEUR 1,634).

Legal claims
The provision for legal claims of TEUR 150 relates to a case in Eastern Europe.

Note 32 | Borrowings

	Current As of Dec 31		Non current As of Dec 31	
TEUR	**2020**	2019	**2020**	2019
Borrowings from related parties	20,060	—	795,000	—
Bond	—	—	—	242,455
Governmental loans	—	—	13,464	—
Bank overdraft facilities	—	—	4,000	—
Other borrowings	—	—	4,606	4,407
Total	**20,060**	**—**	**817,070**	**246,862**

The TEUR 250,000 senior secured notes, issued by the subisidiary Radisson Hotel Holdings AB, were redeemed in August 2020

The company has secured borrowings of TEUR 815,060 from related parties in 2020 In addition, the company has secured bank borrowings of TEUR 17,464

Other borrowings of TEUR 4,606 (4,407) are related to the financing of renovation investments in a German hotel under a management contract

No borrowing costs have been capitalised

Split of bank overdraft

	As of Dec 31	
TEUR	**2020**	2019
Bank overdraft facilities granted	5,000	25,000
Utilisation of bank overdraft in guarantees	−453	−340
Utilisation of bank overdraft in cash	−4,000	—
Bank overdraft facilities unutilised	**547**	**24,660**

The committed credit facilities, amounting to TEUR 5,000, can as per general terms and conditions be terminated with 30 days notice

Note 33 | Other current non-interest-bearing liabilities

	As of Dec 31	
TEUR	**2020**	2019
Prepayments from customers	10,250	13,126
Accrued expenses & prepaid income	101,390	127,365
Other current non-interest-bearing liabilities	34,937	24,121
Total	**146,577**	**164,612**

Specification of accrued expenses and prepaid income

TEUR	**2020**	2019
Accrual for vacation pay including social costs	9,528	14,183
Accrual for bonus including social costs	2,113	14,341
Other payroll accruals	15,377	16,473
Accrual for energy expenses	4,085	5,243
Accrued fees	11,017	2,219
Accrued rent	6,855	14,814
Accrued sales & marketing expenses	3,490	11,691
Accrued interest expense	8,306	7,926
Accruals for loyalty programs	1,695	2,813
Other accrued expenses	37,453	35,800
Prepaid income	1,471	1,862
Total	**101,390**	**127,365**

Note 34 | Related parties

Radisson Hospitality, Inc is a significant related party The transactions with Radisson Hospitality, Inc are split as follows.

	Revenue		Operating expenses	
TEUR	**2020**	2019	**2020**	2019
Royalty fees, marketing fee, reservation fee and rentals & licenses	1,192	—	14,149	20,515
Radisson Rewards	675	2,780	1,777	5,315
Recharged third party costs	—	—	886	2,789
Joint IT projects	13,582	15,597	390	24,750
Other	5,438	11,293	288	753

On December 31, 2020, Radisson had receivables of TEUR 54 related to Radisson Hospitality, Inc (33,877) and current liabilities of TEUR 13,287 (101,953)

In addition, Radisson had non-current interest bearing receivables on Radisson Hospitality, Inc and its subsidiaries of TEUR 37 850 (17,850)

Radisson had current interest bearing receivables on Radisson Finance Co Limited of TEUR 310 (—).

The business relationship with Radisson Hospitality, Inc mainly consisted of operating costs related to the use of the brands and the use of Radisson Hospitality, Inc 's reservation system in addition, Radisson Hospitality, Inc operates a customer loyalty programme, Radisson Rewards, to provide customers with incentives to buy room nights Loyalty points earned when guests have stayed at hotels are charged by Radisson Hospitality, Inc to these hotels Similarly, when points have been redeemed at hotels, these hotels are reimbursed by Radisson Hospitality, Inc

In Q4 2020, Radisson acquired the ownership of the brands

Radisson Hospitality, Inc furthermore recharges costs that it has incurred from third parties, mainly internet-based reservation channels, to the hotels to which these costs are related

Radisson Hospitality, Inc and Radisson also cooperated in various other areas, such as a global integrated IT platform, global sales, brand websites, revenue optimisation tools and purchasing These other areas did not, however, always lead to direct transactions between the two companies All transactions are done at an arms' length basis

The amounts outstanding are unsecured and will be settled in cash No guarantees have been given or received No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties

Per December 31, 2020, Radisson had interest bearing liabilities to two subsidiaries of of Jin Jiang International Holdings Co TEUR 415,000 (—) to Silking Investments Co SARL and TEUR 400,060 (—) to Radisson Finance Co Limited The interest payables related to these liabilities amounted to TEUR 1,904 (—) and TEUR 6,402 (—) respectively

In addition to the above, Radisson has a current liability to the parent company Aplite Holdings AB of TEUR 9,228 (–)

Per December 31, 2019, Radisson had an interest bearing receivable on one of the subsidiaries of Jin Jiang International Holdings Co., Ltd of TEUR 5,000

Joint ventures and associated companies

	As of Dec 31	
TEUR	**2020**	2019
Loans due from joint ventures and associated companies	3,608	3,526
Revenue (Management Fees) from joint ventures and associated companies	15	220

Loans due from Afrinord Hotel Investment A/S listed in table above and amounting to TEUR 3,088 have been fully impaired in 2020 The remaining outstanding loans amounting to 520 TEUR (500 TEUR) are due from Al Quesir Hotel Company S A E

More information about shares in joint ventures and associates and the loans to the entities is disclosed in Note 19 and Note 22

Key management personnel

The Executive Committee, including the CEO, is defined as key management personnel The remuneration to this group is presented in Note 10

Note 35 | Contingent liabilities and committed investments

Contingent liabilities

	As of Dec 31	
TEUR	**2020**	2019
Guarantees provided for management contracts*)	—	—
Miscellaneous guarantees provided	453	340
Total	**453**	**340**

*) Refer to Note 36 where these amounts are included in the total maximum future capped guarantee payment

Under the lease agreements, Radisson is responsible for maintaining the hotel building in good repair and condition over the term of the lease agreement. Under certain lease agreements, Radisson is required to invest an agreed percentage of the hotel revenue in maintenance of the particular property. If renovation works for a period have been lower than what is required in the lease agreements, the renovation works will have to be carried out at a later stage or settled in alternative ways. The total investments carried out by Radisson may therefore vary from year to year, but normally amount to ca 5% of leased hotel revenue.

Litigation

Radisson operates in a number of countries around the world and is always involved in several complex projects and business relationships where professional disputes on various issues can arise. Most times these situations are resolved through negotiations and discussions. In some rare situations, these disputes can lead to major disagreements or claims of violation of law. Provisions for claims due to known disputes are recorded whenever there is a situation where it is more likely than not, that Radisson will have an obligation to settle the dispute and where a reliable estimate can be made regarding the outcome of such dispute. Radisson is not engaged in any judicial or arbitral proceedings, including those which are pending and described below or known to be contemplated, which, in Radisson's judgement, may have or have a material effect on Radisson's financial position of profitability during 2020. The members of the Board of Directors have no knowledge of any proceeding pending or threatened against Radisson or any of the subsidiaries or any facts likely to give rise to any litigation, claim or proceeding which might materially affect the financial position or business of Radisson as at December 31, 2020.

A claim of MEUR 49.5 against a Radisson subsidiary, as compensation for alleged wrongful termination of negotiations of a management agreement, was tried and was first dismissed by commercial court of Brussels in 2009 subsequently by court of appeal of Brussels in 2019. The supreme court partially quashed the judgment of the court of appeal in 2020 and referred the case back to the court of appeal of Liege for a new ruling on the case.

An alleged mismanagement and wrongful termination claim was made in 2017 by the owner of a managed hotel, which has been terminated by Radisson in 2017 for owner's alleged material breaches of the management agreement. In parallel, the owner has brought criminal claims against several of its employees at the hotel, including the general manager and the financial controller. The owner has filed in 2019 an arbitration case for alleged mismanagement and alleged wrongful termination by Radisson of the management agreement in an amount of not less than MEUR 68. It is not possible to make a sensible assessment of any provision based on the known circumstances. The mismanagement part of the claim if successful will be covered by Radisson's insurance.

An arbitration claim of MEUR 11.4 for alleged mismanagement and breaches of the IMA has been filed in 2018 by an owner of a managed hotel. It is not possible to make a sensible assessment of any provision based on the known circumstances. The mismanagement part of the claim will be covered by Radisson's insurance.

A trial on the interpretation of a preliminary issue on the charging basis for utilities was filed in 2019 for a leased property. The judge ruled in 2020 following the landlord's interpretation. An accrual has been recognised per December 31, 2020 to cover the financial consequences of the difference in interpretation.

Summary proceedings have been commenced in 2020 by the owner of a managed property on the payment of the guarantee under the contracts. An accrual has been recognised per December 31, 2020 to cover the amounts if the guarantee claim will be successful.

Note 36 | Management contract commitments

Under Radisson's management agreements, Radisson provides management services to third-party hotel proprietors. Radisson derives revenue primarily from base fees determined as a percentage of total hotel revenue and incentive management fees defined as percentage of the gross operating profit or adjusted gross operating profit of the hotel operations.

In certain circumstances, Radisson guarantees the hotel proprietor a minimum result measured by adjusted gross operating profit or some other financial measure (a "guarantee"). Under such contracts, in the event that the actual result of a hotel is less than the guaranteed amount, Radisson compensates the hotel proprietor for the shortfall. However, in most agreements with such clauses, Radisson's obligation to compensate for such shortfall amount is typically limited to two to three times the annual guarantee (the "guarantee cap").

As at the end of the year, Radisson granted a certain level of financial commitment in 16 management contracts, as compared to 17 at the end of 2019. The management contracts containing such financial risk for the group will expire as presented in the table below:

	2020		2019
Year	Number of management agreements expiring	Year	Number of management agreements expiring
2021	—	2020	1
2022-2026	1	2021-2025	2
2027-2031	3	2026-2030	3
2032-2036	5	2031-2035	5
2037-2041	4	2036-2040	4
2042-2046	2	2041-2045	2
2047-2051	1	2046-2050	—

The following table presents the Company's capped contractual obligations under all management contracts with financial guarantees and shows the maximum capped financial exposure.

Total maximum future capped guarantee payments

TEUR	**2020**	2019
Total	28,628	43,958

The capped guarantee payment includes the contingent liabilities as disclosed in Note 35 (i.e. Guarantees provided for management contracts). For 2020, Radisson's costs for shortfalls under its management agreements with guarantees amounted to TEUR 23,586 (1,212), they are included in the line Rental expense.

Note 37 | Auditors' fees

TEUR	**2020**	2019
PwC		
Audit assignments	1,442	1,356
where of PwC Sweden	489	524
Other audit related assignments	476	47
where of PwC Sweden	74	3
Tax assignments	9	22
where of PwC Sweden	—	—
Other assignments	249	50
where of PwC Sweden	51	—
Total fees	**2,176**	**1,475**
where of PwC Sweden	**614**	**526**

Note 38 | Post balance sheet events

Acquisition of Radisson Asia Pacific

Per end of February 2021, Radisson acquired from its sister company Radisson Hospitality, Inc. a group of companies responsible for the operation of the Radisson brand in Asia Pacific. Included in the transaction was also a portfolio of hotel management contracts, directly owned by Radisson Hospitality, Inc., as well as internal borrowings. The acquisition value of the acquired assets amounts to TEUR 105,694. The transaction was financed through shareholders loans and contributions.

Note 39 | Group companies and legal structure

Radisson Hospitality AB has the following subsidiaries, joint-ventures, associated companies and other investments

	Registered in	As of Dec 31, **2020**		As of Dec 31, 2019	
		Ownership %	Share capital	Ownership %	Share capital
Belgium					
Radisson Hospitality Belgium SPRL	Brussels	100	MEUR 29.4	100	MEUR 29.4
Radisson Hospitality Services BV	Brussels	100	MEUR 0.0	100	MEUR 0.0
Czech Republic					
Radisson Hotel Prague s.r.o.	Prague	100	MCZK 4.5	100	MCZK 4.5
Cyprus					
Doriscus Enterprises Limited	Limassol	13.4	MEUR 19.8	13.4	MEUR 19.8
Denmark					
Radisson Hotels ApS Danmark	Copenhagen	100	MDKK 212.0	100	MDKK 212.0
Radisson Scandinavia Hotel Aarhus A/S	Aarhus	100	MDKK 0.5	100	MDKK 0.5
Hotel Development S. Africa A/S	Copenhagen	100	MDKK 1.0	100	MDKK 1.0
Radisson Hotel Kiev A/S	Copenhagen	100	MDKK 1.0	100	MDKK 1.0
Radisson Hotel investment Egypt A/S	Copenhagen	100	MDKK 1.0	100	MDKK 1.0
Radisson Russia A/S	Copenhagen	100	MEUR 0.7	100	MEUR 0.7
Radisson Loyalty Management A/S	Copenhagen	100	MEUR 0.1	100	MEUR 0.1
Radisson Cornerstone A/S	Copenhagen	100	MDKK 2.4	100	MDKK 2.4
Radisson Hotel Management & Development A/S	Copenhagen	100	MDKK 2.5	100	MDKK 2.5
Radisson Hospitality Denmark ApS	Copenhagen	100	MEUR 83.0	100	MEUR 83.0
Afrinord Hotel Investments A/S	Copenhagen	20	MEUR 0.3	20	MEUR 0.3
Radisson Royal Hotel Copenhagen ApS	Copenhagen	100	MEUR 0.5	100	MEUR 0.5
Radisson Scandinavia Hotel Copenhagen ApS	Copenhagen	100	MEUR 0.5	100	MEUR 0.5
Egypt					
Al Quseir Hotel Company S.A.E	Nasr City, Cairo	20	MEGP 68.0	20	MEGP 68.0
France					
Radisson Resort France S.A.S	Puteaux	—	—	100	MEUR 0.0
Radisson Hospitality France S.A.S	Puteaux	100	MEUR 110.4	100	MEUR 110.4
Royal Scandinavia Hotel Nice S.A.S	Nice	100	MEUR 10.1	100	MEUR 10.1
Royal Scandinavia Hotel Marseille S.A.S	Marseille	100	MEUR 0.0	100	MEUR 0.0
Radisson Lyon S.A.S	Lyon	100	MEUR 0.0	100	MEUR 0.0
SARL Régence Plage	Nice	100	MEUR 0.0	100	MEUR 0.0
Radisson Collection Lyon S.A.S	Lyon	100	MEUR 2.5	—	—
Germany					
Radisson Hotels Deutschland GmbH	Duisburg	100	MEUR 0.2	100	MEUR 0.2
Radisson Revenue Center Central Europe	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Hannover GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Hamburg Airport GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Koln GmbH	*Duisburg*	*100*	*MEUR 0.0*	*100*	*MEUR 0.0*
Radisson Hotel Wiesbaden GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Berlin GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Karlsruhe GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Frankfurt am Main GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Park Inn by Radisson Frankfurt Airport GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Park Inn by Radisson Stuttgart GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Shared Services Centre Deutschland GmbH	Duisburg	100	MEUR 0.8	100	MEUR 0.8
Park Inn Munchen Frankfurter Ring GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Park Inn Munchen Ost GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Dusseldorf Media Harbour Hotel GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Park Inn by Radisson Nurnberg GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Mongolia Nord GmbH	Frankfurt	—	—	14.28	MEUR 0.0
Radisson Sales & Marketing Central Europe GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
prize Holding GmbH	Hamburg	91	MEUR 0.0	49	MEUR 0.0
Fast Lane Hospitality GmbH	Berlin	20	MEUR 0.2	20	MEUR 0.2

	Registered in	As of Dec 31, **2020** Ownership %	Share capital	As of Dec 31, 2019 Ownership %	Share capital
Italy					
Radisson Hotel Milan S r l	Milan	100	MEUR 0.0	100	MEUR 0.0
Radisson Collection Hotel, Palazzo Touring Club Milan S R.L	Milan	100	MEUR 0.0	100	MEUR 0.0
Radisson Collection Hotel, Palazzo Nani S R L	Venice	100	MEUR 0.0	—	—
Kuwait					
First Hotels Company KSCC	Safat	18.2	MKWD 40.0	18.2	MKWD 40.0
Latvia					
Radisson Hospitality Baltics SIA	Riga	100	MLVL 0.0	100	MLVL 0.0
Netherlands					
Radisson Hotel Amsterdam B V	Amsterdam	100	MEUR 0.0	100	MEUR 0.0
Norway					
Radisson Hospitality Norway AS	Oslo	100	MNOK 249.0	100	MNOK 249.0
Radisson Hotels Norway AS	Oslo	100	MNOK 11.0	100	MNOK 11.0
Radisson Hotel Atlantic Stavanger AS (dormant)	Oslo	100	MNOK 0.0	100	MNOK 0.0
Radisson Hotel Norge Bergen AS (dormant)	Oslo	100	MNOK 0.0	100	MNOK 0.0
South Africa					
Radisson Hospitality South Africa (Pty) Ltd	Johannesbourg	74	MZAR 0.0	74	MZAR 0.0
RHW Management Southern Africa (Pty) Ltd	Johannesbourg	—	—	74	MZAR 0.0
Spain					
Radisson Hospitality Services Spain S L	Madrid	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Madrid S L U	Madrid	100	MEUR 3.5	100	MEUR 3.5
Radisson Red Madrid S L.	Madrid	100	MEUR 0.0	100	MEUR 0.0
Sweden					
Radisson Hotel Holdings AB	Stockholm	100	MEUR 0.1	100	MEUR 0.1
Radisson Hospitality Sweden AB	Stockholm	100	MSEK 18.0	100	MSEK 18.0
Radisson Hotel & Congress AB	Stockholm	100	MSEK 0.1	100	MSEK 0.1
AB Strand Hotel	Stockholm	100	MSEK 0.3	100	MSEK 0.3
Royal Viking Hotel AB	Stockholm	100	MSEK 8.0	100	MSEK 8.0
Radisson Arlandia Hotel AB	Stockholm	100	MSEK 1.0	100	MSEK 1.0
Radisson SkyCity Hotel AB	Stockholm	100	MSEK 1.0	100	MSEK 1.0
Radisson Royal Hotel AB	Malmo	100	MSEK 1.0	100	MSEK 1.0
Switzerland					
Park Inn by Radisson Switzerland AG	Rumlang	100	MCHF 0.1	100	MCHF 0.1
Radisson Hotels Switzerland AG	Basel	100	MCHF 0.1	100	MCHF 0.1
Turkey					
Radisson Otelcilik Anonim Şirketi	Istanbul	100	MTRY 0.0	100	MTRY 0.0
United Kingdom					
Radisson Hotels UK Ltd	Manchester	100	MGBP 32.2	100	MGBP 32.2
Radisson Hotel Manchester Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Radisson Hotel Leeds Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Radisson Hotel Edinburgh Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Radisson Hotel Stansted Airport Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
park Inn by Radisson UK Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Park Inn by Radisson Hotel Heathrow Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Park Inn by Radisson Hotels Management Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
Radisson Collection Hotel Edinburgh Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
United Stated of America					
Rezidor Hospitality Minnesota, Inc	Saint Paul, MN	100	MUSD 0.0	100	MUSD 0.0

Note 40 | Proposed appropriation of Earnings

Non-restricted reserves in the Parent Company available for dividend are (TEUR)

TEUR	
Share premium reserve	254,119
Profit brought forward	86,013
Profit/loss for the year	–994
Total	**339,138**

The Board of Directors proposes to the Annual General Meeting 2021 that no dividend is to be paid for financial year 2020 and that the distributable funds of TEUR 339,138 are brought forward.

Note 41 | Definitions

The company presents certain financial measures in this interim report that are not defined under IFRS. The company believes that these measures provide useful supplemental information to investors and the company's management as they allow evaluation of the company's performance. Because not all companies calculate these financial measures similarly, these are not always comparable to measures used by other companies. These financial measures should not be considered a substitute for measures defined under IFRS.

IFRS MEASURES

Revenue
All related business revenue (including rooms revenue, food & drinks revenue, other hotel revenue, fee revenue and other non-hotel revenue from administration units)

Earnings per Share
Profit for the period, before allocation to non-controlling interests, divided by the weighted average number of shares outstanding

Basic Average Number of Shares
Weighted average number of ordinary shares outstanding during the period

NON-IFRS MEASURES – ALTERNATIVE PERFORMANCE MEASURES

Capital Employed
Total assets less interest bearing financial assets and cash and cash equivalents and non-interest bearing operating liabilities, including pension liabilities, and excluding tax assets and tax liabilities

MEUR	31 Dec. 2020	31 Dec 2019
Total assets [A]	1,498.3	1,194.3
Interest-bearing financial assets [B]	41.2	30.4
Cash & cash equivalents [C]	50.4	239.6
Non-interest-bearing operating liabilities, including pension liabilities and excluding tax assets and tax liabilities [D]	403.2	432.7
Capital employed [A–B–C–D]	**1,003.6**	**491.6**

EBIT
Operating profit before net financial items and tax

EBIT Margin
EBIT as a percentage of Revenue

EBITDA
Operating profit before depreciation and amortisation, costs due to termination/restructuring of contracts, net financial items and tax

EBITDA Margin
EBITDA as a percentage of Revenue.

EBITDAR
Operating profit before rental expense and share of income in associates, depreciation and amortisation, costs due to termination/restructuring of contracts, net financial items and tax

EBITDAR Margin
EBITDAR as a percentage of Revenue

Net Cash (Debt)
Cash & cash equivalents plus short-term interest-bearing assets (with maturity within three months) minus interest-bearing liabilities (short-term & long-term), *excluding lease liabilities, retirement benefit obligations as well as liabilities* related to investments in hotels under management contracts, for which repayments are linked to fees collected

MEUR	31 Dec. 2020	31 Dec 2019
Cash & cash equivalents [A]	50.4	239.6
Interest-bearing liabilities [B]	1,240.7	717.9
Lease liabilities [C]	398.8	466.9
Retirement benefit obligations [D]	4.8	4.3
Liabilities related to investments in hotels under management contracts [E]	4.6	4.3
Net cash (debt) [A–B+C+D+E]	**–782.1**	**–3.0**

Net Interest-bearing Assets/Liabilities
Interest-bearing assets minus interest-bearing liabilities

MEUR	31 Dec. 2020	31 Dec 2019
Interest-bearing assets [A]	93.0	271.9
Interest-bearing liabilities [B]	1,240.7	717.9
Net interest-bearing assets/liabilities [A–B]	**–1,147.7**	**–446.0**

Free Cash Flow
Total cash flow from operating activities and investing activities

MEUR	2020	2019
Cash flow from operating activities [A]	–23.4	153.8
Cash flow from investing activities [B]	–673.8	–88.5
***Free cash flow* [A+B]**	**–697.2**	**65.3**

Net Working Capital
Inventory plus current non-interest-bearing receivables minus current non-interest bearing liabilities

MEUR	31 Dec. 2020	31 Dec 2019
Inventory [A]	2.7	4.0
Current non-interest-bearing receivables [B]	100.3	144.3
Current non-interest-bearing liabilities [C]	254.4	306.8
Net working capital [A+B–C]	**–151.4**	**–158.5**

Return on Capital Employed
Operating profit/(loss) (EBIT), excluding costs due to termination of contracts and write-downs and reversals of write-downs divided by average capital employed

MEUR	2020	2019
Operating profit (loss) (EBIT) [A]	–217.8	73.2
Write-downs and reversals of write downs [B]	67.0	14.0
Costs due to termination of contracts [C]	–	0.9
Capital employed, beginning of the year [D]	491.6	191.7
Capital employed, end of the year [E]	1,003.6	491.6
Return on Capital Employed [(A+B+C)/((D+E)/2)]	**–20.2%**	**25.8%**

Return on Equity

Profit for the period, attributable to equity holders of the parent, as a percentage of average shareholders' equity, excluding minority interests

MEUR	2020	2019
Profit/(loss) for the period [A]	–228.0	22.0
Equity, beginning of the year [B]	148.8	123.7
Equity, end of the year [C]	1.5	148.8
Return on Equity [A/((B+C)/2)]	**–303.6%**	**16.1%**

RevPAR

Rooms revenue in relation to available rooms, whereas available rooms is defined as total rooms inventory less rooms not available for sale

Leased portfolio	2020	2019
Rooms revenue (MEUR) [A]	157.7	548.9
Number of available rooms (thousands) [B]	5,604	5,561
RevPAR [A/B]	**28.1**	**98.7**

OPERATING MEASURES

Average Room Rate

Average Room Rate – Rooms revenue in relation to number of rooms sold. This is also referred to as ARR (Average Room Rate), ADR (Average Daily Rate) or AHR (Average House Rate) in the hotel industry

F&B

Food and Beverage

FF&E

Furniture, Fittings and Equipment

Like-for-like Hotels ("LFL")

Hotels that have been in operation during all months within the current and previous financial year compared. No new hotels, exited hotels or hotels under renovation are included

Like-for-like hotels including renovation ("LFL&R")

Like-for-like hotels plus hotels under renovation during the current and/or previous financial year compared

Occupancy (%)

Number of rooms sold in relation to the number of rooms available for sale

Revenue LFL

Revenue for LFL hotels at constant exchange rates

Revenue LFL&R

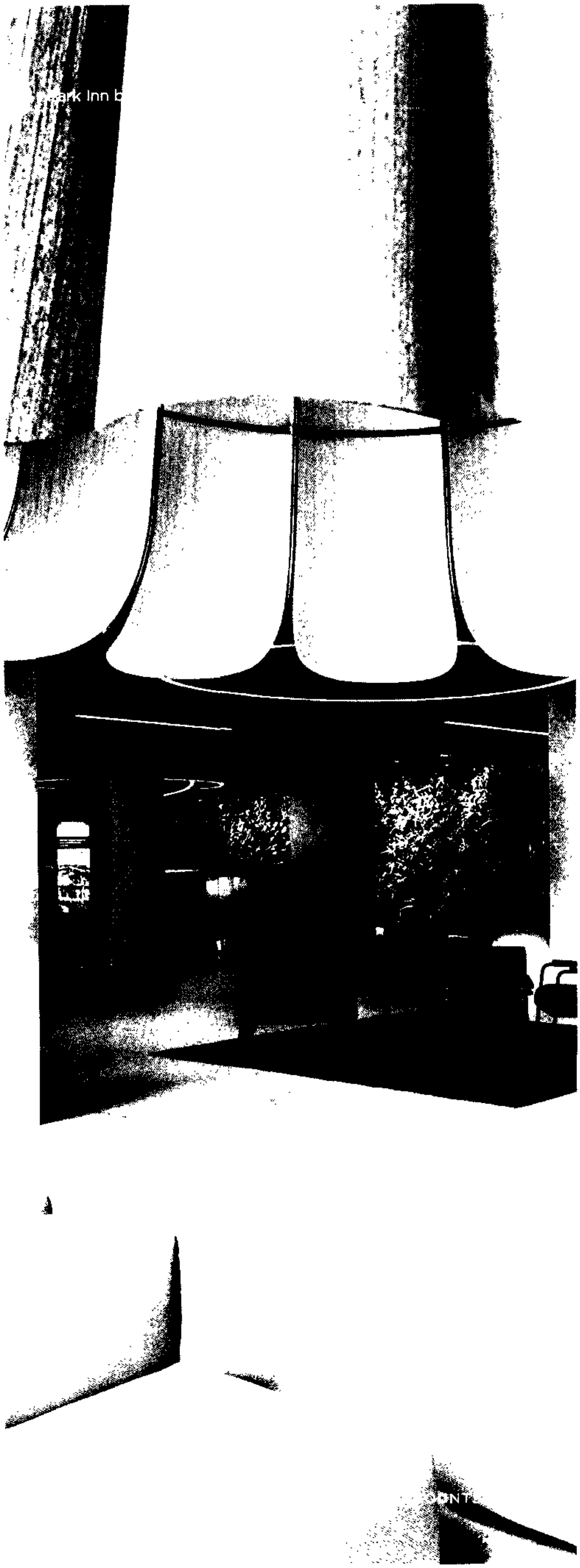
Revenue for LFL&R hotels at constant exchange rates

RevPAR LFL

RevPAR for LFL hotels at constant exchange rates

RevPAR LFL&R

RevPAR for LFL&R hotels at constant exchange rates



PARENT COMPANY, STATEMENT OF OPERATIONS

TEUR	Notes	For the Year Ended December 31 2020	2019
Revenue	2	7,766	14,264
Personnel cost	3,4	−4,541	−6,096
Other operating expenses	5	−4,269	−8,153
Operating profit/(loss) before depreciation and amortisation		**−1,044**	**15**
Depreciation and amortisation expense	9,10	−68	−69
Operating profit/(loss)		**−1,112**	**−55**
Financial income	7	3,882	416
Financial expenses	7	−5,172	−3
Profit/(loss) before year-end appropriations		**−2,402**	**358**
Year-end appropriations			
Group contribution		1,436	−252
Profit/(loss) before tax		**−966**	**106**
Income tax	8	−28	0
Profit/(loss) for the year		**−994**	**106**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/(loss) for the year		**−994**	**106**
Other comprehensive income		**—**	**—**
Total comprehensive income for the year		**−994**	**106**

PARENT COMPANY, BALANCE SHEET STATEMENT

TEUR	Notes	As of December 31 2020	2019
ASSETS			
Non-current assets			
Intangible assets	9	—	—
Tangible assets	10	31	99
Receivables on group companies	12	295,000	—
Shares in subsidiaries	11	322,888	236,934
		617,919	**237,033**
Current assets			
Receivables on group companies	12	151,511	32,328
Accounts receivable		120	—
Current tax assets		145	126
Other receivables		209	71
Prepaid expenses and accrued income	13	388	645
Cash and cash equivalents		1	1
		152,374	**33,171**
Total assets		**770,293**	**270,204**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		11,626	11,626
		11,626	**11,626**
Non-restricted equity			
Share premium reserve		254,119	254,119
Retained earnings		86,013	−46
Profit/(loss) for the year		−994	106
		339,138	**254,179**
Total equity		**350,764**	**265,805**
Non-current liabilities			
Other non-current interest-bearing liabilities	15	395,000	—
		395,000	—
Current liabilities			
Accounts payable		292	435
Liabilities to group companies	14	197	936
Accrued expenses and prepaid income	16	3,978	2,756
Other current interest-bearing liabilities	15	20,000	—
Other current liabilities		62	272
		24,529	**4,399**
Total liabilities		**419,529**	**4,399**
Total equity and liabilities		**770,293**	**270,204**

PARENT COMPANY, STATEMENT OF CHANGES IN EQUITY

TEUR	Share capital	Share premium reserve	Retained earnings	Net profit/loss forthe year	Total Equity
Opening balance as of Jan 1, 2019	**11,626**	**254,119**	**40**	**229**	**266,014**
Allocation of last year's result	—	—	229	−229	—
Long term incentive programmes	—	—	−315	—	−315
Profit/(loss) for the year	—	—	0	106	106
Ending balance as of Dec 31, 2019	**11,626**	**254,119**	**−46**	**106**	**265,805**
Allocation of last year's result	—	—	106	106	—
Capital contribution	—	—	85,953	—	85,953
Profit/(loss) for the year	—	—	—	−994	−994
Ending balance as of Dec 31, 2020	**11,626**	**254,119**	**86,013**	**−994**	**350,764**

For information on share capital, please see Note 29 of the consolidated financial statements

PARENT COMPANY, STATEMENT OF CASH FLOWS

TEUR	Notes	For the Year Ended December 31 2020	2019
OPERATIONS			
Operating profit/(loss)		−1,112	−55
Adjustments for non-cash items			
Depreciation and amortisation	8, 9	68	69
Interest paid/received	7	−2,748	131
Other financial items	7	−15	−3
Taxes		−47	—
Cash flows from operations before change in working capital		**−3,854**	**142**
Change in			
Current receivables		406	707
Current liabilities		−1,775	−37
Change in working capital		**−1,369**	**670**
Cash flow from operating activities		**−5,223**	**812**
INVESTMENTS			
Borrowings to subsidiaries	12	−315,000	—
Purchase of machinery and equipment	9	—	−5
Cash flow from investing activities		**−315,000**	**−5**
FINANCING			
Proceeds from borrowings	15	415,000	—
Change in cash pool accounts		−94,777	−807
Cash flow from financing activities		**320,223**	**−807**
Cash flow for the year		**0**	**0**
Cash and cash equivalents, January 1		**1**	**1**
Cash and cash equivalents, December 31		**1**	**1**

NOTES TO THE PARENT COMPANY

Note 1 | General information

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act, RFR 2 (Accounting for legal entities) of the Swedish Financial Accounting Standards Council and applicable statements from its emerging issues Committee. Pursuant to RFR 2, in preparing the Annual Accounts for the legal entity, the Parent Company shall apply all international Financial Reporting Standards (IFRS) and statements, as approved by the European union, as far as this is possible within the framework of the Swedish Annual Accounts Act and the Act on Safeguarding of pension obligations (Tryggandelagen) taking into account the relationship between reporting and taxation. The Parent Company has Euro as presentation currency.

The Parent Company mainly applies the principles explained in the present Note 3 to the Group accounts as in the consolidated accounts with the exception of shares in subsidiaries that are recognised at cost and the accounting of leases. The Parent Company does not apply IFRS 16 Leases.

None of the changes in RFR 2 (Accounting for legal entities) effective for accounting periods beginning on January 1, 2020 have had any significant impact on the financial statements 2020.

The Parent Company applies the alternative rule in RFR 2 IAS 27 related to Group contributions.

Note 2 | Revenue distribution

	For the Year Ended Dec 31	
TEUR	**2020**	2019
External revenue	464	1,540
Revenue from group companies	7,302	12,724
Total	**7,766**	**14,264**

Note 3 | Government grants

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Government grants offsetting personnel cost	328	—
Total	**328**	—

Note 4 | Personnel

Payroll cost	For the Year Ended Dec 31	
TEUR	**2020**	2019
Salaries	2,806	4,061
Social security	1,077	1,473
Pension costs	603	438
Other personnel costs (other benefits in kind)	55	124
Total	**4,541**	**6,096**

These costs are included in the line personnel cost in the income statement.

No remuneration has been paid to the Board of Directors in 2020 (TEUR 94 in 2019). Radisson has defined the Executive Committee and the CFO as key management personnel.

Average number of employees

	As of Dec 31			
	2020		2019	
	Men	Women	Men	Women
Sweden	15	25	22	40

Information related to Board members is disclosed in Note 10 of the Group accounts.

Note 5 | Other operating expenses

	For the Year Ended Dec 31	
TEUR	**2020**	2019
External service fees	909	1,320
Other external expenses	1,123	1,779
Expenses from group companies	1,730	4,542
Rent	506	512
Total	**4,269**	**8,153**

Note 6 | Auditor's fees

	For the Year Ended Dec 31	
TEUR	**2020**	2019
PwC		
Audit assignments	418	448
Other assignments	50	38
Total	**468**	**486**

Note 7 | Financial income and expenses

	For the Year Ended Dec 31	
TEUR	**2020**	2019
Interest income from group companies	3,882	131
Foreign currency exchange gains	—	285
Financial income	**3,882**	**416**
Interest expense on other loans and payables	−4,700	—
Foreign currency exchange losses	−254	—
Other financial expenses	−218	−3
Financial expenses	**−5,172**	**−3**
Financial income and expenses, net	**−1,290**	**413**

Note 8 | Tax

TEUR	**2020**	%	**2019**	%
Profit loss before tax	−966		106	
Tax at the domestic income tax rate	−207	21.4	23	21.4
Tax effect of revenue that is exempt from taxation	−75		−60	
Tax effect of expenses that are not deductible in determining taxable income	232		37	
Recorded tax	**28**	**21.4**	**—**	**21.4**

Note 9 | Intangible assets

TEUR	As of Dec 31 2020	2019
Cost		
Balance as of January 1	**176**	**176**
Investments	–	–
Balance as of December 31	**176**	**176**
Accumulated depreciations		
Balance as of January 1	**–176**	**–176**
Depreciation	–	–
Balance as of December 31	**–176**	**–176**
Carrying amount	**–**	**–**

Note 10 | Tangible assets

TEUR	As of Dec 31 2020	2019
Cost		
Balance as of January 1	**813**	**808**
Investments	–	5
Balance as of December 31	**813**	**813**
Accumulated depreciations		
Balance as of January 1	–714	–645
Depreciation	–68	–69
Balance as of December 31	**–782**	**–714**
Carrying amount	**31**	**99**

Note 11 | Shares in subsidiaries

TEUR	As of Dec 31 2020	2019
Balance as of January 1	**236,934**	**237,249**
Change in investment in the subsidiary Radisson Hotel Holdings AB	85,954	–315
Balance as of December 31	**322,888**	**236,934**

The change in the book value in 2019 is attributable to the equity based long-term incentive programmes. The remaining outstanding 2016 programme was cancelled in 2019, see further Note 10 in the Group Accounts.

Radisson Hospitality AB has the following subsidiary:

Sweden	Registered in	Identity no	No of shares	Owned share in %	Book value
Radisson Hotel Holdings AB	Stockholm	556674–0972	106,667	100	236,934

Note 12 | Receivables on group companies

TEUR	As of Dec 31 2020	2019
Non-current receivables on group companies		
Interest bearing receivables	295,000	–
Current receivables on group companies		
Interest bearing receivables	20,000	–
Cash pool	125,982	31,449
Accrued interest income	3,619	–
Group contribution	1,436	–
Other	474	879
Total	**446,511**	**32,328**

Note 13 | Prepaid expenses and accrued income

TEUR	As of Dec 31 2020	2019
Prepaid rent	127	121
Other	262	524
Total	**388**	**645**

Note 14 | Liabilities to group companies

TEUR	As of Dec 31 2020	2019
Accounts payable	197	684
Group contribution	–	252
Total	**197**	**936**

Note 15 | Borrowings

	Current As of Dec 31 2020	2019	Non-current As of Dec 31 2020	2019
Borrowings from *related parties*	*20,000*	–	*395,000*	–
Total	**20,000**	–	**395,000**	–

In addition to the above listed borrowings, the banking structure for Radisson provides a cross-border cash pool, which the Parent Company is part of.

Note 16 | Accrued expenses and prepaid income

TEUR	As of Dec 31 2020	2019
Vacation pay including social costs	627	706
Salaries and remuneration	782	1,557
Other accrued expenses	2,570	494
Total	**3,978**	**2,756**

Note 17 | Pledged assets and contingent liabilities

TEUR	As of Dec 31 2020	2019
Pledged assets	–	32,276
Contingent liabilities	See below	None

Receivables on group companies were per December 31, 2019 pledged as security for the Group's credit facility and bond. The related credit facility and bond have been cancelled in 2020.

The company issued a parent company guarantee pursuant to Article 403, Book 2 of the Dutch Civil Code in respect of Radisson Hotel Amsterdam B.V. The company issued a parent company guarantee pursuant to section 479A of the Companies Act 2006 of the Parliament of the United Kingdom in respect of Radisson Hotels UK Limited, Radisson Hotel Manchester Limited, Radisson Hotel Stansted Limited, Radisson Hotel Leeds Limited, Radisson Hotel Edinburgh Limited, Radisson Hotel Edinburgh Collection Limited, Park Inn by Radisson UK Limited, Park Inn by Radisson Hotels Management Limited and Park Inn by Radisson Hotel Heathrow Limited. This means that Radisson Hospitality AB declares and accepts, under reservation of legal repeal of the declaration, joint and several liability for the debts resulting from legal acts of Radisson Hotel Amsterdam B.V., Radisson Hotels UK Limited, Radisson Hotel Manchester Limited, Radisson Hotel Stansted Limited, Radisson Hotel Leeds Limited, *Radisson Hotel Edinburgh Limited, Radisson Hotel Edinburgh Collection* Limited, Park Inn by Radisson UK Limited, Park Inn by Radisson Hotels Management Limited and Park Inn by Radisson Hotel Heathrow Limited. As the probability of a settlement is remote, an estimate of its financial effect is not practical to be calculated.

The parent company has issued support letters to its subsidiaries to secure liquidity in the subsidiaries for the next twelve months.

SIGNATURES

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The Board of Directors' report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and companies included in the Group.

Stockholm June 24, 2021

Mingju Ma
Chairman of the Board

Qian Zhu
Board Member

Jin Chen
Board Member

Liming Chen
Board Member

Wei Zhou
Board Member

Jing Qin
Board Member

Federico J. González
Board Member / President & CEO

Goran Larsson
Employee Representative

Ulf Petersson
Employee Representative

Our audit report was submitted on
June 24, 2021
PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in Charge

AUDITOR'S REPORT

To the annual general meeting of the shareholders of Radisson Hospitality AB Corporate identity number 556674-0964

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Radisson Hospitality AB for the year 2020

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Radisson Hospitality AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- *has undertaken any action or been guilty of any omission which can give rise to liability to the company, or*
- *in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.*

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

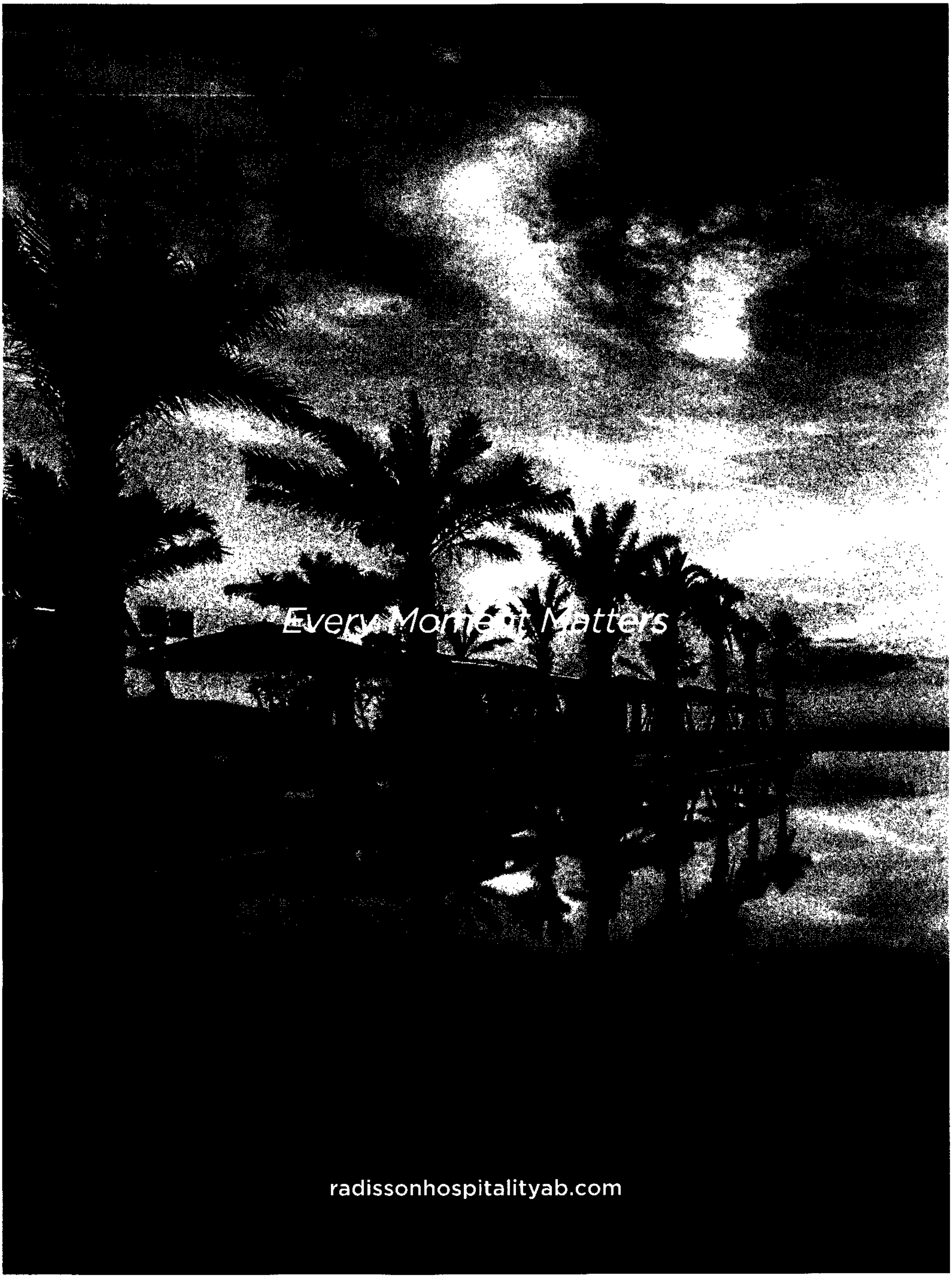
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm June 24, 2021

PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in Charge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