RADISSON HOSPITALITY

Annual Report
2023

Radisson Blu Resort, Fiji Denarau Island

Contents

BOARD OF DIRECTORS' REPORT

The Board of Directors of Radisson Hospitality AB, corporate registration number 556674-0964, hereby submits the Annual Report and Consolidated Financial Statements for the financial year 2023.

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, Country Inn & Suites by Radisson and prizeotel.

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.

Income Statement

MEUR	2023	2022
Revenue	1,212.9	1,035.0
Other income	6.8	6.6
EBITDAR	375.7	250.1
EBITDA	181.1	73.1
EBIT	47.8	35.2
Profit/(loss) for the year	–12.0	–38.5
EBITDAR margin	31.0%	24.2%
EBITDA margin	14.9%	7.1%
EBIT margin	3.9%	3.4%

Revenue increased by MEUR 177.9 (17.2%) to MEUR 1,212.9, mainly due to organic growth.

EBITDA increased by MEUR 108.0 to MEUR 181.1, as a consequence of the increase in revenue and cost efficiency measures. EBITDA is now well above pre-Covid 19 levels.

The EBITDA margin was 14.9% compared to 7.1% previous year.

EBIT increased by MEUR 12.6 to MEUR 47.8. In 2022 EBIT was impacted by the gain of MEUR 99.5 related to the sale of brands for the Americas region.

The EBIT margin was 3.9% compared to 3.4% previous year.

Profit/(loss) for the year improved by MEUR 26.5 to MEUR –12.0.

Balance Sheet end of 2023

MEUR	31 Dec 2023	31 Dec 2022
Total assets	1,927.9	1,939.5
Net working capital	–184.4	–222.6
Net cash (net debt)	–590.5	–562.4
Equity	159.2	173.5

The non-current assets increased by MEUR 33.1 and amounted to MEUR 1,618.8. The increase is mainly due to investments in the leased portfolio and capitalised deferred tax on losses.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –590.2 at the end of the year, compared to MEUR –562.4 in the beginning of the year.

Compared to the beginning of the year, equity decreased by MEUR 14.3 to MEUR 159.2, which is mainly due to the the loss for the year of MEUR –11.9.

Cash Flow

Cash flow from operations, before change in working capital, amounted to MEUR 162.5, an improvement of MEUR 95.5, which is due to the increase in EBITDA, partly offset by tax paid. Cash flow from change in working capital amounted to MEUR –14.1, compared to MEUR 17.7 last year.

Cash flow from investing activities was MEUR 293.2 lower than last year and amounted to MEUR –72.3. The 2022 figures were positively impacted by the sale of brand assets and repayments of interest bearing loan receivables on related parties.

Cash flow used in financing activities amounted to MEUR –100.0 compared to MEUR –242.0 last year. The 2022 figures were impacted by higher repayments of borrowings, following the above mentioned sale of brand assets, partly offset by capital contribution.

Liquidity

At the end of the period, the company had MEUR 120.2 (150.7) in cash and cash equivalents. The total credit facilities amounted to MEUR 0.5 (0.5), of which MEUR 0.2 (0.1) was unutilised per the end of the year.

Other Matters

During the year, the Company has been subject to a tax audit from the local authorities in Belgium for the financial years 2020 and 2021. This audit resulted in issuance of additional tax assessments for both financial years for which the company has filed respective appeals in February 2024.

The contested items, for a total amount of MEUR 58, are related to intercompany party transactions for which the tax authorities challenged the arm's length character of remuneration methodologies used.

Based on management review, supported by third party advisors' opinion, the Board of Directors is of the opinion that, based on international tax and transfer pricing principles, the company will be able to successfully challenge the majority of additional income taxes assessed (MEUR 56). The elements which the company deemed acceptable, MEUR 2, have been properly accrued.

In line with applicable IFRS rules (IFRIC23, §9, 10) in relation with tax uncertainties, the company has assessed that it is probable that the tax authorities will accept its position during the appeal process. Accordingly, no tax provision has been recognised in the company's financial statements as of 31 December 2023 for the amount challenged of MEUR 56.

However, if the tax authorities would not accept the company's position, it could result in a material financial impact on the company's future financial statements.

Subsequent Events

There are no significant post balance sheet events.

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.

In 2023, a project was initiated to improve the corporate risk management framework with focus on:

- Governance: implement a unified risk management framwork including roles and responsibilities;
- Structure: provide a unified approach on how to reflect on risks, how to record risks, how to report on risks and how to follow-up mitigating acctions and report on them;
- Reporting and tools: implementation of top risks reporting at organizational level.

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. 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. 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.


Grand Hotel Brioni Pula, A Radisson Collection Hotel

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. It should be noted though that independent assesments show that the job satisfaction among employees in Radisson is high compared to the industry. Also, in 2023, for the third consecutive year, the Group was recognized by Forbes Magazine as one of the World's Best Employers in the Travel and Leisure 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.

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. All shares are owned by Hawksbill S.A.R.L.

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 association.

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	487,713
Profit/(loss) for the year	113
Total	**741,945**

The Board of Directors proposes to the Annual General Meeting 2024 that no dividend is to be paid for the financial year 2023 and that the distributable funds of TEUR 741,945 are brought forward.

Responsible Business

Radisson's 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 2023 offers a detailed description of Radisson's Responsible Business programme and can be found on radissonhotels.com.


Radisson Collection Hotel, Gran Via Bilbao

Radisson Blu Resort, Maldives

FINANCIAL REPORTS

FIVE YEAR SUMMARY

MEUR (except stated otherwise)	**2023**	2022	2021	2020	2019
Income statement					
Revenue[1]	1,212.9	1,035.0	480.2	332.1	999.3
Other income	6.8	6.6	25.2	10.1	—
EBITDAR[2]	375.7	250.1	8.3	–23.1	340.6
EBITDA[2]	181.1	73.1	–59.0	–66.9	165.2
EBIT[2]	47.8	35.2	–174.0	–217.8	73.2
Financial income & expense, net	–69.7	-79.4	–82.5	–61.4	–39.4
Profit for the year	–12.0	–38.5	–192.7	–228.0	22.0
Balance sheet					
Balance sheet total	1,927.9	1,939.5	1,941.7	1,634.3	1,194.3
Total equity attributable to equity holders of the parent	159.2	173.6	–91.6	1.5	148.8
Total investments (tangible and intangible investments)	97.6	89.3	105.3	566.4	141.9
Cash flow					
Cash flow from operating activities	148.5	84.7	–40.0	–23.4	153.8
Cash flow from investing activities	–72.3	220.9	–187.8	–673.8	–88.5
Cash flow from financing activities	–100.0	–242.0	260.8	422.4	–75.7
Financial key figures[2]					
EBITDAR Margin, %	31.0	24.2	1.7	–6.9	34.0
EBITDA Margin, %	14.9	7.1	–12.3	–20.1	16.5
EBIT Margin, %	3.9	3.4	–36.2	–65.6	7.3
Operational key figures					
Number of hotels[3]	788	718	660	403	387
Number of rooms[3]	148,233	139,299	130,619	86,545	84,842
Number of employees[4]	4,096	3,838	2,576	2,270	4,248

1) IFRS Measure, see definition Note 38.
2) Non-IFRS Measure – Alternative Performance Measure, see definition Note 38.
3) Includes leased, managed and franchised hotels in operation.
4) Including consolidated entities (leased hotels and administrative units).

CONSOLIDATED STATEMENT OF OPERATIONS

TEUR (except for share related data)	Notes	For the Year Ended December 31 2023	2022
Revenue	7	1,212,915	1,034,982
Other income	8	6,790	6,570
Costs of goods sold for Food & Beverage and other related expenses	9	–55,268	–44,867
Personnel cost and contract labour	8, 10	–375,722	–352,809
Other operating expenses	11	–399,142	–379,612
Insurance of properties and property tax	12	–13,834	–14,160
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)		**375,739**	**250,104**
Rental expense	8, 13, 33	–194,618	–176,970
Share of income in associated companies	19	–58	–23
Operating profit/(loss) before depreciation and amortisation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax (EBITDA)		**181,063**	**73,111**
Depreciation and amortisation	13, 17, 18	–134,628	–130,469
Write-downs and reversal of write-downs	6, 13, 17, 18	–2,872	–2,590
Gain/loss due to lease modifications and terminations		4,218	—
Gain/loss on sale of shares, intangible and tangible assets		31	95,182
Operating profit/(loss) (EBIT)		**47,812**	**35,234**
Financial income	14	1,343	4,679
Financial expense	14	–71,005	–84,095
Profit/(loss) before year-end appropriations		**–21,850**	**–44,182**
Year-end appropriations:			
Group contribution	31	—	–5,383
Profit/(loss) before tax		**–21,850**	**–49,565**
Income tax	15	9,900	11,107
Profit/(loss) for the year		**–11,950**	**–38,458**
Attributable to:			
Owners of the Parent Company		–11,904	–38,483
Non-controlling interests		–46	25
		–11,950	**–38,458**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TEUR	Notes	For the Year Ended December 31 2023	2022
Profit/(loss) for the year		–11,950	–38,458
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains and losses	21	591	–15
Tax on actuarial gains and losses		–148	—
Items that may be reclassified subsequently to profit or loss:			
Currency differences on translation of foreign operations		–2,702	–3,423
Tax on currency differences on translation of foreign operations		–144	–2,879
Other comprehensive income for the year, net of tax		**–2,403**	**–6,317**
Total comprehensive income for the year		**–14,353**	**–44,775**
Total comprehensive income attributable to:			
Owners of the Parent Company		–14,307	–44,800
Non-controlling interests		–46	25

CONSOLIDATED BALANCE SHEET STATEMENT

TEUR	Notes	As of December 31 2023	2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	17	117,184	117,184
Licenses and related rights	17	293,672	311,501
Other intangible assets	17	182,487	182,777
		593,343	**611,462**
Tangible assets			
Fixed installations in leased properties	18	51,497	62,757
Machinery and equipment	18	94,746	91,019
Investments in progress	18	68,564	43,679
		214,807	**197,455**
Right-of-use assets			
Land and buildings	13	524,337	515,937
Machinery and equipment	13	3,303	3,587
		527,640	**519,524**
Financial assets			
Investments in associated companies	19	3,830	4,167
Other shares and participations	20	1,065	1,037
Other non-current interest-bearing receivables	22	1,972	1,341
Other non-current non-interest-bearing receivables	22	10,432	5,694
		17,299	**12,239**
Deferred tax assets	15	265,740	245,023
		1,618,829	**1,585,703**
Current assets			
Inventories		4,397	4,416
Accounts receivables	23	107,850	97,826
Current tax assets	15	7,545	9,294
Other current interest-bearing receivables	31	—	25,000
Other current non-interest-bearing receivables	24	66,902	64,559
Other short-term investments	25	2,115	1,964
		188,809	**203,059**
Cash and cash equivalents	26	120,224	150,746
Total current assets		**309,033**	**353,805**
Total assets		**1,927,862**	**1,939,508**

		As of December 31	
TEUR	Notes	**2023**	2022
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	27	11,626	11,626
Other paid in capital	27	665,895	665,895
Reserves		–16,890	–14,044
Retained earnings including profit for the year		–501,356	–489,895
Equity attributable to owners of the Company		**159,275**	**173,582**
Non-controlling interests		–93	–47
Total equity		**159,182**	**173,535**
Non-current liabilities			
Non-current lease liabilities		578,162	559,012
Deferred tax liabilities	15	2,126	2,725
Retirement benefit obligations	21	3,119	3,974
Provisions	28	24,191	22,980
Liabilities customer loyalty programme		40,826	30,130
Other non-current interest-bearing liabilities	29	712,245	715,467
Other non-current non-interest-bearing liabilities		293	393
		1,360,964	**1,334,681**
Current liabilities			
Accounts payables		93,307	94,377
Current tax liabilities	15	9,074	27,401
Current lease liabilities		32,239	28,673
Provisions	28	6,370	15,125
Liabilities customer loyalty programme		24,701	21,390
Other current interest-bearing liabilities	29	2,300	2,033
Other current non-interest-bearing liabilities	30	239,725	242,293
		407,716	**431,292**
Total liabilities		**1,768,680**	**1,765,973**
Total equity and liabilities		**1,927,862**	**1,939,508**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	Share capital	Other paid in capital	Foreign currency translation reserve	Fair value reserve financial assets	Retained earnings incl. net profit/loss for the period	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Opening balance as of January 1, 2022	**11,626**	**335,895**	**–3,830**	**–3,912**	**–451,397**	**–91,618**	**–72**	**–91,690**
Profit for the period	—	—	—	—	–38,483	–38,483	25	–38,458
OTHER COMPREHENSIVE INCOME:								
Actuarial gains and losses on defined benefit plans	—	—	—	—	–15	–15	—	–15
Currency differences on translation of foreign operations	—	—	–3,423	—	—	–3,423	—	–3,423
Tax on exchange differences recognised in other comprehensive income	—	—	–2,879	—	—	–2,879	—	–2,879
Total comprehensive income for the period	**—**	**—**	**–6,302**	**—**	**–38,498**	**–44,800**	**25**	**–44,775**
TRANSACTIONS WITH OWNERS:								
Capital contribution	—	310,000	—	—	—	310,000	—	310,000
Opening balance as of January 1, 2023	**11,626**	**665,895**	**–10,132**	**–3,912**	**–489,895**	**173,582**	**–47**	**173,535**
Profit for the period	—	—	—	—	–11,904	–11,904	–46	–11,950
OTHER COMPREHENSIVE INCOME:								
Actuarial gains and losses on defined benefit plans	—	—	—	—	591	591	—	591
Tax on actuarial gains and losses on defined benefit plans	—	—	—	—	–148	–148	—	–148
Currency differences on translation of foreign operations	—	—	–2,702	—	—	–2,702	—	–2,702
Tax on exchange differences recognised in other comprehensive income	—	—	–144	—	—	–144	—	–144
Total comprehensive income for the period	**—**	**—**	**–2,846**	**—**	**–11,461**	**–14,307**	**–46**	**–14,353**
Ending balance as of December 31, 2023	**11,626**	**665,895**	**–12,978**	**–3,912**	**–501,356**	**159,275**	**–93**	**159,182**

CONSOLIDATED STATEMENT OF CASH FLOWS

TEUR	Notes	For the Year Ended December 31 2023	2022
OPERATIONS			
Operating profit (EBIT)		47,812	35,234
Adjustments for non-cash items:			
Depreciations, amortisations and write-downs	13, 17, 18	137,500	133,059
Gain/loss on disposals of fixed assets		–31	–95,182
Change in pension assets/liabilities		–855	–57
Share of income in associated companies	16, 19	–58	–23
Gain from modification of lease agreements	13	–4,217	—
Other financial items		–1,258	–1,107
Tax paid/received		–16,361	–4,944
Cash flows from operations before change in working capital		**162,532**	**66,980**
Change in:			
Inventories		19	–769
Current receivables		–17,091	–37,324
Current liabilities		3,019	55,779
Change in working capital		**–14,053**	**17,686**
Cash flow from operating activities		**148,479**	**84,666**
INVESTMENTS			
Purchase of intangible assets	17	–32,507	–37,833
Purchase related to investments in progress	18	–61,587	–44,059
Purchase of machinery and equipment	18	–2,546	–3,837
Purchase fixed installations	18	–991	–3,595
Proceeds from sale of Americas brands		—	265,342
Payments for acquired operations, net of cash acquired	16	—	–3,000
Other investment and divestments of financial fixed assets		25,296	46,238
Interest received		75	1,684
Cash flow from investing activities		**–72,260**	**220,940**
FINANCING			
Proceeds from borrowings	4	2,040	40,586
Repayments of borrowings	4	–5,221	–497,327
Payments of lease liabilities	13	–26,249	–34,595
Interest paid on lease liabilities	13	–25,298	–21,647
Other interest paid	4	–45,225	–39,056
Total external financing		**–99,953**	**–552,039**
Capital contribution		—	310,000
Total cash from transactions with shareholders		**—**	**310,000**
Cash flow from financing activities		**–99,953**	**–242,039**
Cash flow for the year	4	**–23,734**	**63,567**
Translation difference in cash and cash equivalents		–6,788	2,258
Cash and cash equivalents, January 1		**150,746**	**84,921**
Cash and cash equivalents, December 31	4,26	**120,224**	**150,746**

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: Box 248, 101 24 Stockholm, Sweden. The corporate head office is located in Brussels, Belgium.

The Annual Report as of December 31, 2023 was approved by the Board of Directors on June 26, 2024. The Annual Report is subject to approval by the Annual General Meeting on June 26, 2024.

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, 2023 and endorsed by the European Commission prior to the release of these financial statements.

None of the new and amended standards 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**	**2023**	2022	**2023**	2022
Denmark	DKK	7.46	7.44	7.45	7.44
Sweden	SEK	11.14	11.18	11.48	10.64
Norway	NOK	11.24	10.58	11.43	10.11
United Kingdom	GBP	0.87	0.89	0.87	0.85
United States	USD	1.10	1.07	1.08	1.05

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

Radisson Rewards is the name of the Company's frequent guest loyalty programme. The programme was operated by Radisson's sister company Radisson Hospitality, Inc. until June 2021. In June 2021, Radisson set up a separate new programme and members who resided in, or transacted primarily outside of the Americas, had their point balances transferred to the new programme. The remaining members stayed in the programme operated by Radisson Hospitality, Inc. which was renamed to Radisson Rewards Americas.

The Company's customers are awarded loyalty points under various third party loyalty programs. The customers are entitled to utlilise 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.

Participating members earn points based on spending at the Company's leased, managed and franchised properties and through participation in affiliated partners' programmes. Points are tracked on members' behalf and can be redeemed for stays at participating properties, as well as through other redemption opportunities with third parties, such as conversion to airline miles. Properties are charged a programme fee based on hotel guest expenditures.

The company determines the value of the customer loyalty programme obligation using statistical formulas that project the timing of future redemptions and include an estimate for points that will never be redeemed.

The customer loyalty programme revenues and costs of redemption are presented net in revenue on the consolidated statement of operations at the time of redemption. Consideration received from hotels when members earn points will be deferred until the customer redeems the points. An estimate of revenue related to points not expected to be redeemed ("breakage") is recognised at the time of redemption when the performance obligation has been fulfilled.

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 relatively new standard which is 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 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 if more guidance or industry specific interpretations 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 sales 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 investments in IT systems or the result of intangible assets acquired as part of new management or franchise agreements and are amortised over the estimated useful life or the contract period, respectively.

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

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 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, liabilities customer loyalty programme and prepaid income. All due within 12 months, except for part of liabilities customer loyalty programme.

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.

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 or 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.

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, 2023.

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 11.0, based on the equity at year-end 2023, and MEUR 29.4 on total revenue, MEUR 4.4 on EBITDA and MEUR 1.5 on net income, based on the income statement for 2023. 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 is presented in Note 22.

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 cannot 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	
	2023	2022
Other long-term interest-bearing receivables	1,972	1,341
Other long-term non-interest-bearing receivables	10,432	5,694
Accounts receivable	107,805	97,826
Other current non-interest-bearing receivables	24,326	38,920
Other current interest-bearing receivables	—	25,000
Other short term investments	2,115	1,964
Cash and cash equivalents	120,224	150,746
Maximum credit exposure	**266,874**	**321,491**

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 2023 is presented in Note 29. In addition, the Company has credit facilities of TEUR 500 (500) with financial institutions. At year-end 2023, TEUR 257 (428) was used for bank guarantees. Cash and cash equivalents amounted to TEUR 120,224 (150,746), of which TEUR 120,062 (150,061) were in banks and TEUR 162 (685) in petty cash at several hotels and administration units.

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

As of December 31, 2023	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	42,761	75,905	347,054	619,420	1,085,140	712,245
Other current interest bearing liabilities	2,473	—	—	—	2,473	2,300
Lease liabilities	54,450	52,830	158,770	637,014	903,064	610,401
	99,684	**128,735**	**505,824**	**1,256,434**	**1,990,677**	**1,324,946**

As of January 1, 2023	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	55,793	55,796	455,554	823,058	1,390,200	715,467
Other current interest bearing liabilities	2,033	—	—	—	2,033	2,033
Lease liabilities	58,045	44,731	135,184	608,640	846,600	587,685
	115,781	**100,527**	**590,738**	**1,431,698**	**2,238,833**	**1,305,185**

			Non cash changes		
	01/01/2023	Cash flows	Accrued interest	Effect of foreign currency exchange differences	31/12/2023
Other non-current borrowings	737,100	−48,656	37,957	211	726,613
Other current borrowings	2,033	250	—	17	2,300
	739,133	**−48,406**	**37,957**	**228**	**728,913**
Cash and cash equivalents	150,746	−23,734	—	−6,788	120,224
	150,746	**−23,734**	—	**−6,788**	**120,224**

			Non cash changes		
	01/01/2022	Cash flows	Accrued interest	Effect of foreign currency exchange differences	31/12/2022
Other non-current borrowings	1,172,506	−495,797	60,182	209	737,100
Other current borrowings	2,055	−9	—	−13	2,033
	1,174,561	**−495,806**	**60,182**	**196**	**739,133**
Cash and cash equivalents	84,921	63,567	—	2,258	150,746
	84,921	**63,567**	**—**	**2,258**	**150,746**

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.

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.

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 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	—	—	1,065	1,065
Total	**—**	**—**	**1,065**	**1,065**

As of Dec. 31 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	—	—	1,037	1,037
Total	**—**	**—**	**1,037**	**1,037**

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, 2023	**1,037**	**1,037**
Additions	31	31
In other comprehensive income	–3	–3
Closing balance as of Dec. 31, 2023	**1,065**	**1,065**

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, of financial assets and liabilities, at year-end 2023 were as follows:

	As of Dec.31	
TEUR	**2023**	2022
Financial assets measured at amortised cost		
Other long-term interest-bearing receivables	1,972	1,341
Other long-term non-interest-bearing receivables	10,432	5,694
Accounts receivables	107,805	97,826
Other current non-interest-bearing receivables	24,326	38,920
Other current interest-bearing receivables	—	25,000
Other short-term investments	2,115	1,964
Cash and cash equivalents	120,224	150,746
	266,874	**321,491**
Financial assets at fair value through other comprehensive income		
Other shares and participations	1,065	1,037
	1,065	**1,037**
Financial liabilities measured at amortised cost		
Other long-term interest-bearing liabilities	712,245	715,467
Other long-term non-interest-bearing liabilities	293	393
Accounts payables	93,307	94,377
Other current interest-bearing liabilities	2,300	2,033
Other current non-interest-bearing liabilities	37,963	43,700
	846,108	**855,970**

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 2023 the equity amounted to TEUR 159,182 (TEUR 173,535) and the net debt to TEUR 590,400 (562,400), 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 estimates 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 discount rate (Weighted Average Cost of Capital) which is recalculated regularly. At year-end 2023 a discount rate of between 6.1% and 11.6% was used when discounting future cash flows, depending on region. 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 2024 and projected figures for 2025-2027. 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 2,872 (1,480) 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, in 2023 intangible assets of TEUR 0 (1,110) were written down, please see further Note 17.

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 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. No provision has been recognised in 2023 or in 2022. 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, 2023, 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. No deferred tax assets were written down in 2023 or in 2022 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 33), 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.

Liability customer loyalty programme

The company determines the value of the customer loyalty programme obligation using statistical formulas that project the timing of future redemptions and include an estimate for points that will never be redeemed.

Note 7 | Revenue

Operating Revenue per area of operation

TEUR	For the Year Ended Dec. 31 2023	2022
Rooms revenue	672,678	571,882
Food & beverage revenue	213,124	189,785
Other hotel revenue	34,930	34,995
Hotel revenue	**920,732**	**796,662**
Fee revenue	223,984	204,352
Other revenue	68,199	33,968
Total revenue	**1,212,915**	**1,034,982**
Specification of Fee revenue		
Management fees	50,302	52,607
Incentive fees	44,480	28,026
Franchise fees	36,695	45,648
Marketing fees	45,083	40,091
Reservation fees	40,934	33,326
Termination fees	1,038	159
Other fees	5,452	4,495
Total	**223,984**	**204,352**

- 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, revenue from shared service centres and revenue from the customer loyalty programme.

Note 8 | Government grants

TEUR	For the Year Ended Dec. 31 2023	2022
Government grants recognised as other income	6,790	6,570
Government grants offsetting personnel cost	556	4,462
Government grants offsetting rental expense	—	6,243
Total	**7,346**	**17,275**

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

TEUR	For the Year Ended Dec. 31 2023	2022
Cost of food	37,937	31,821
Cost of beverage	10,348	7,978
Cost of other income	6,030	4,694
Cost of other goods sold	638	102
Cost of telephone, fax, internet	315	272
Total	**55,268**	**44,867**

- 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

TEUR	For the Year Ended Dec. 31 2023	2022
Salaries	241,713	226,976
Social security	45,285	38,977
Pension costs	6,509	6,116
Sub-total	**293,507**	**272,069**
Other personnel costs (other benefits in kind), including contract labour costs	82,215	80,740
Total	**375,722**	**352,809**

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 2023 or in 2022. Radisson has identified the Executive Committee as key management personnel.

Remuneration of the Executive Committee

TEUR	For the Year Ended Dec. 31 2023	2022
Base remuneration	4,426	3,923
Variable remuneration	4,625	4,026
Pension cost, defined contribution plan	253	238
Housing, schooling and company car	395	410

The variable remuneration of the members of the Executive Committee is subject to accruals each year.

The basis for the annual variable compensation scheme for the members of the Executive Committee is financial and personal performance objectives. The first objective, which represents 40% of the total variable, is a financial objective and is defined as the level of earnings before interest, tax, depreciation and amortisation (EBITDA) achieved in the year. The second objective, which represents 20% of the total variable, is a financial objective and is defined as the level of revenue achieved in the year. The third objective, which represents 40% of the total variable, is non-financial and determined by the individual personal objectives.

The related variable remuneration costs recorded in the profit & loss statement 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 the above mentioned 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 participated in long-term cash settled variable compensation programmes for 2021, 2022 and 2023, covering a three-year performance period. The long-term variable compensation of the participants is subject to accruals each year. The long-term variable compensation 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, the long-term variable compensation can vary from no payment up to between 100% and 150% of the fixed annual base salary for the majority of the Executive Committee members, 200% for the COO President and up to 260% for the Executive Vice Chairman. The 2020 programme was settled in 2023 and the amounts paid out have been included in the table above.

In the event of a change in scope following a change in control, the Executive Vice Chairman can exercise his right to terminate his contract within the first six months after such change in scope event. In that case, the Executive Vice Chairman 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 4,096 (3,838) and is split as follows:

	For the Year Ended Dec. 31			
	2023		2022	
	Men	Women	Men	Women
Denmark	108	115	93	142
Norway	350	334	362	276
Sweden	206	185	183	180
United Kingdom	333	349	282	290
Germany	278	304	257	292
France	117	104	149	96
Spain	223	236	191	199
Belgium	115	101	113	97
Other	317	321	328	308
Total	**2,047**	**2,049**	**1,958**	**1,880**
Total men and women		**4,096**		**3,838**

	For the Year Ended Dec. 31			
	2023		2022	
	Men	Women	Men	Women
Members of the Board of Directors[1]	8	1	8	1
Executive Committee	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	**2023**	2022
Fees for royalty, marketing, reservations, rentals and licences to Radisson Hospitality, Inc. (see Note 31)	–	9,853
Sales and marketing expenses	147,812	115,321
External fees	55,277	50,765
Contract services and maintenance	33,282	26,416
Energy costs	37,048	38,019
Supplies	14,497	14,459
Laundry and dry cleaning	22,361	16,743
Administration costs	15,143	10,452
Communication, travel and transport	14,734	15,677
Operating equipment	3,931	5,668
Rentals and licences	16,667	28,050
Property operating expenses	8,540	8,111
Other expenses	29,850	40,348
Total	**399,142**	**379,612**

Note 12 | Insurance of properties and property tax

	For the Year Ended Dec. 31	
TEUR	**2023**	2022
Property and miscellaneous taxes	11,494	12,014
Building insurance	2,340	2,146
Total	**13,834**	**14,160**

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 Jan. 1, 2022	**875,659**	**6,909**	**882,568**
Additions	132,216	1,085	133,301
Remeasurements	19,804	—	19,804
Disposals	–2,279	–624	–2,903
Effect of foreign currency exchange differences	–26,470	–8	–26,478
Balance as of Jan. 1, 2023	**998,930**	**7,362**	**1,006,292**
Additions	15,102	1,338	16,440
Remeasurements	35,870	—	35,870
Disposals	–2,858	–919	–3,777
Effect of foreign currency exchange differences	–5,135	10	–5,125
Balance as of Dec. 31, 2023	**1,041,909**	**7,791**	**1,049,700**
Accumulated depreciation and impairment			
Balance as of Jan. 1, 2022	**–466,371**	**–2,847**	**–469,218**
Depreciation	–35,200	–1,495	–36,695
Disposals	1,978	561	2,539
Effect of foreign currency exchange differences	16,602	4	16,606
Balance as of Jan. 1, 2023	**–482,993**	**–3,775**	**–486,768**
Depreciation	–39,823	–1,629	–41,452
Disposals	2,906	919	3,825
Write-downs and reversals of write-downs	–470	—	–470
Effect of foreign currency exchange differences	2,807	–2	2,805
Balance as of Dec. 31, 2023	**–517,573**	**–4,487**	**–522,060**
Carrying amount			
As of Jan. 1, 2023	**515,937**	**3,587**	**519,524**
As of Dec. 31, 2023	**524,336**	**3,304**	**527,640**

Amounts recognised in the statement of profit or loss

TEUR	**2023**	2022
Variable lease payments (included in rental expense)	200,634	174,584
Low-value assets lease payments (included in rental expense)	3,491	2,814
Short-term lease payments (included in rental expense)	910	718
Depreciation charge of right-of-use assets (included in depreciation and amortisation expense)	41,452	36,694
Gain from modification of lease agreements (included in costs due to termination of contracts)	–4,217	—
Interest expense (included in financial expense)	25,298	21,647

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

TEUR	**2023**	2022
Variable lease payments, low-value assets lease payments, short-term lease payments	205,036	178,116
Repayments of lease liabilities	26,249	34,595
Interest paid on lease liabilities	25,298	21,647

Per December 31, 2023, Radisson had 79 leased hotels in operation. The following provides an overview of the expiry of the main property lease contracts for these 79 hotels:

Year	**2023** Number of lease agreements expiring	Year	2022 Number of lease agreements expiring
2024	1	2023	—
2025-2029	13	2024-2028	10
2030-2034	24	2029-2033	15
2035-2039	20	2034-2038	20
2040-2044	12	2039-2043	16
2045-2049	8	2044-2048	13
2050-2054	1	2049-2053	2

This section provides information for leases where Radisson is a lessor.

Future minimum sub lease income
Revenue from sub leases recognised in 2023 amounted to TEUR 1,881 (2,408). The expected future sub lease payments to be received from all fixed rent agreements are shown in the table below:

TEUR	**2023**	2022
Within 1 year	1,765	2,276
1–5 years	6,516	7,395
After 5 years	14,308	16,605
Total	**22,589**	**26,276**

Note 14 | Financial items

TEUR	For the Year Ended Dec. 31 2023	2022
Interest income from external financial institutions	716	29
Interest income from other loans and receivables	271	1,806
Other financial income	355	210
Foreign currency exchange gains	—	2,634
Financial income	**1,343**	**4,679**
Interest expense to external financial institutions	−513	−112
Interest expense on lease liabilities	−25,339	−21,647
Interest expense other loans and payables	−36,825	−60,832
Write-down of other loans and receivables	72	−187
Other financial expense	−1,614	−1,317
Foreign currency exchange losses	−6,788	—
Financial expense	**−71,006**	**−84,095**
Financial income and expenses, net	**−69,663**	**−79,416**

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 2023	2022
Financial assets at fair value through profit and loss	—	—
Loans and receivables and financial liabilities measured at amortised cost	−69,663	−79,416
Total	**−69,663**	**−79,416**

All interest income and expenses in 2023 and 2022 are related to financial assets and liabilities measured at amortised cost. No interest income was recognised on impaired financial assets during 2023 and 2022.

Note 15 | Income taxes

Income tax recognised in profit or loss

TEUR	For the Year Ended Dec. 31 2023	2022
Tax expense(−)/income(+) comprises:		
Current tax expense(−)/income(+)	−11,324	−18,934
Adjustments recognised in the current year in relation to the current tax of prior years	168	−159
Defered tax expense(−)/income(+) relating to the origination and reversal of temporary differences	21,056	30,200
Total tax expense(−)/income(+)	**9,900**	**11,107**

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

TEUR	For the Year Ended Dec. 31 2023	2022
Profit/(loss) before tax from continuing operations	−21,850	−49,565
Income tax expense(−)/income(+) calculated at the local tax rate	3,383	12,455
Effect of revenue that is exempt from taxation	1,008	785
Effect of expenses that are not deductible in determining taxable profit	−1,738	−2,227
Effect of tax losses and tax offsets not recognised as deferred tax assets	−220	−995
Effect of previously unrecognised deferred tax attributable to tax losses, tax credits or temporary differences of prior years	12,354	−2,035
Effect on deferred tax balances due to the change in income tax rate	—	146
Effect of utilisation of tax losses carry forward previously unrecognised	2,423	547
Effect of BAPA agreement Belgium/Denmark	—	6,365
Effect of withholding taxes	−7,679	−4,103
Tax credit	201	248
Other	—	80
Sub total	**9,732**	**11,266**
Adjustments recognised in the current year related to the current tax of prior years	168	−159
Income tax expense(−)/income(+) recognised in profit or loss	**9,900**	**11,107**

TEUR	For the Year Ended Dec. 31 2023	2022
Income tax recognised in Other comprehensive income:		
Current tax		
Arising on exchange differences	−272	−2,881
Total	**−272**	**−2,881**
Deferred tax		
Arising on income and expenses recognised in Other comprehensive income:		
Remeasurement of defined obligation	−148	—
Arising on exchange differences	128	−110
Total	**−20**	**−110**

The average effective tax rate was 45% (22%).

Cont. Note 15

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

2023	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Reclassifications	Exchange differences	Closing balance
Temporary differences						
Net lease obligations	19,676	2,742	—	—	–37	22,381
Tangible assets	5,273	–192	—	—	269	5,350
Intangible assets	–11,438	615	—	—	1	–10,822
Doubtful receivables	3,524	260	—	—	–43	3,741
Pensions	862	–51	–148	—	64	727
Lease incentives	–842	–2,509	—	—	—	–3,351
Other current non-interest-bearing liabilities	7,750	–3,228	–1,137	—	–12	3,373
	24,805	**–2,363**	**–1,285**	—	**242**	**21,399**
Unused tax losses and credits						
Tax losses	217,493	22,500	1,265	—	10	241,268
Inerest deduction carried forward	—	919	—	—	28	947
	217,493	**23,419**	**1,265**		**38**	**242,215**
Total	**242,298**	**21,056**	**–20**	—	**280**	**263,614**

2022	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Reclassifications	Exchange differences	Closing balance
Temporary differences						
Net lease obligations	19,025	1,254	—	—	–603	19,676
Tangible assets	6,263	–760	—	—	–230	5,273
Intangible assets	–11,071	–371	—	—	4	–11,438
Doubtful receivables	3,378	–672	—	825	–7	3,524
Pensions	925	–56	—	—	–7	862
Lease incentives	–784	–58	—	—	—	–842
Other current non-interest-bearing liabilities	6,921	2,070	—	–1,044	–197	7,750
	24,657	**1,407**	—	**–219**	**–1,040**	**24,805**
Unused tax losses and credits						
Tax losses	188,797	28,793	–110	—	13	217,493
	188,797	**28,793**	**–110**	**—**	**13**	**217,493**
Total	**213,454**	**30,200**	**–110**	**–219**	**–1,027**	**242,298**

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

TEUR	As of Dec. 31 2023	2022
Deferred tax assets	265,740	245,023
Deferred tax liabilities	–2,126	–2,725
Total	**263,614**	**242,298**

UNRECOGNISED DEFERRED TAX ASSETS

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

TEUR	As of Dec. 31 2023	2022
Tax losses	19,001	26,566
Total	**19,001**	**26,566**

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 216,809), Spain (TEUR 1,012), Germany (TEUR 894), France (TEUR 12,007), UK (TEUR 8,466), Norway (TEUR 567) and Italy (TEUR 1,025). 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.

PILLAR 2

Pillar 2 legislation has been enacted or substantively enacted in certain jurisdictions where the Group is active. The legislation will be effective for the Group's financial year beginning 1 January 2024.

IAS 12 has been amended and now includes a temporary exception to recognizing and disclosing information about deferred tax assets and liabilities that are related to tax law that is enacted or substantively enacted to implement the Pillar 2 legislation. The Group applies this temporary exception.

The Group made an assessment of the Group's potential exposure to Pillar 2 income taxes using the most recent tax filings, Country-by-Country Reporting and financial statements for the constituent entities in the Group. The Group's assessment, based on December 2023 figures, indicates that:

(i) The Group is in scope of the enacted or substantively enacted legislation, given its consolidated revenues.

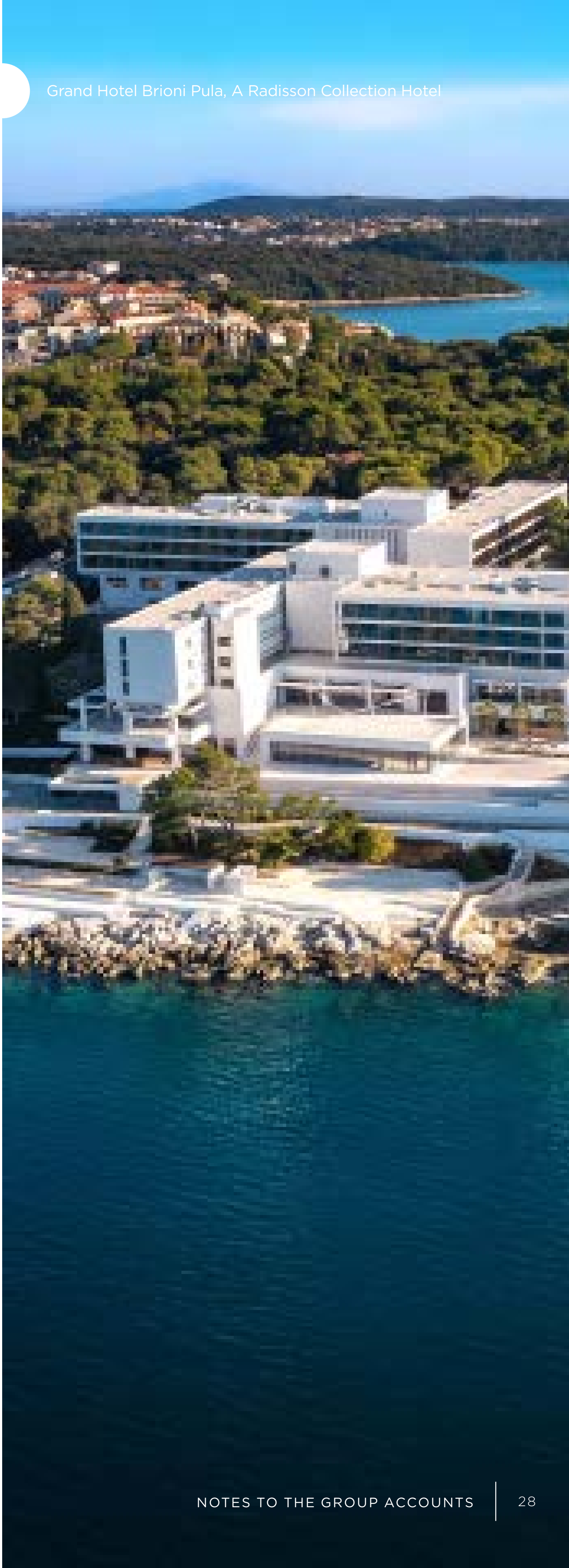
(ii) in no jurisdictions, the Simplified Pillar 2 effective tax rate is not above 15% and/or at least one of the other Transitional CbCR Safe Harbour tests is not met (Routine Profits test and/or the Simplified De-Minimis test).

(iii) There are a limited number of jurisdictions where the Transitional CbCR Safe Harbour relief applies. The Group does not expect a material Pillar 2 top-up tax exposure in those jurisdictions.

Further, the Group has the required procedures and controls in place to be compliant with local Pillar 2 requirements for financial years beginning on or after 1 January 2024.

Note 16 | Sold and acquired operations

There are no sold or acquired operations in 2023 or 2022.



Grand Hotel Brioni Pula, A Radisson Collection Hotel

Note 17 | Intangible assets

TEUR	Goodwill	Other intangible assets	Licenses and trade-marks	Total
Cost				
Balance as of Jan. 1, 2022	**141,714**	**235,557**	**532,652**	**909,923**
Investments	—	37,824	9	37,833
Disposals	—	–5,867	–182,057	–187,924
Transfer from investments in progress	—	43	13	56
Effect of foreign currency exchange differences	—	–711	6	–705
Other movements	—	–1,724	–35	–1,759
Balance as of Jan. 1, 2023	**141,714**	**265,122**	**350,588**	**757,424**
Investments	—	32,419	1	32,420
Disposals	—	–8,603	–153	–8,756
Transfer from investments in progress	—	1,720	3	1,723
Effect of foreign currency exchange differences	—	–327	–44	–371
Other movements	—	–23	23	—
Balance as of Dec. 31, 2023	**141,714**	**290,308**	**350,418**	**782,440**
Accumulated amortisation and impairment				
Balance as of Jan. 1, 2022	**–24,530**	**–63,718**	**–31,957**	**–120,205**
Amortisation	—	–25,267	–23,325	–48,592
Write-downs and reversals of write-downs	—	–1,105	–5	–1,110
Disposals	—	5,867	16,200	22,067
Effect of foreign currency exchange differences	—	903	—	903
Other movements	—	975	—	975
Balance as of Jan. 1, 2023	**–24,530**	**–82,345**	**–39,087**	**–145,962**
Amortisation	—	–33,540	–17,804	–51,344
Write-downs and reversals of write-downs	—	–85	—	–85
Disposals	—	8,603	149	8,752
Effect of foreign currency exchange differences	—	–936	–4	–940
Other movements	—	482	—	482
Balance as of Dec. 31, 2023	**–24,530**	**–107,821**	**–56,746**	**–189,097**
Carrying amount				
As of Jan. 1, 2023	**117,184**	**182,777**	**311,501**	**611,462**
As of Dec. 31, 2023	**117,184**	**182,487**	**293,672**	**593,343**

In 2022, Radisson sold the contractual rights to the Radisson brands in the Americas region to Choice Hotels International, Inc.

Note 18 | Tangible assets

TEUR	Fixed installations	Machinery and equipment	Investments in progress	Total
Cost				
Balance as of Jan. 1, 2022	**237,735**	**384,660**	**32,432**	**654,827**
Investments	3,595	3,837	44,059	51,491
Disposals	–8,728	–24,116	–5	–32,849
Transfer from investments in progress	5,558	24,019	–29,633	–56
Effect of foreign currency exchange differences	–7,685	–9,535	–1,428	–18,648
Other movements	11,287	–9,708	248	1,827
Balance as of Jan. 1, 2023	**241,762**	**369,157**	**45,673**	**656,592**
Investments	993	2,566	61,652	65,211
Disposals	–24,763	–18,624	–46	–43,433
Transfer from investments in progress	3,634	32,404	–37,761	–1,723
Effect of foreign currency exchange differences	–1,815	–570	–558	–2,943
Other movements	—	912	—	912
Balance as of Dec. 31, 2023	**219,811**	**385,845**	**68,960**	**674,616**
Accumulated depreciations and impairment				
Balance as of Jan. 1, 2022	**–174,378**	**–277,449**	**–1,581**	**–453,408**
Depreciation	–15,878	–29,304	—	–45,182
Write-downs and reversals of write-downs	–85	–657	–738	–1,480
Disposals	8,673	19,758	—	28,431
Effect of foreign currency exchange differences	5,663	7,836	57	13,556
Other movements	–3,000	1,678	268	–1,054
Balance as of Jan. 1, 2023	**–179,005**	**–278,138**	**–1,994**	**–459,137**
Depreciation	–14,322	–27,510	—	–41,832
Write-downs and reversals of write-downs	–75	–1,319	–923	–2,317
Disposals	24,838	18,582	—	43,420
Effect of foreign currency exchange differences	1,462	–162	157	1,457
Other movements	–1,212	–2,552	2,369	–1,395
Balance as of Dec. 31, 2023	**–168,314**	**–291,099**	**–391**	**–459,804**
Carrying amount				
As of Jan. 1, 2023	**62,757**	**91,019**	**43,679**	**197,455**
As of Dec. 31, 2023	**51,497**	**94,746**	**68,564**	**214,807**

Note 19 | Investments in associated companies

TEUR	Ownership (%) as of Dec. 31, 2022	Ownership (%) as of Dec. 31, 2023	Carrying value as of Dec. 31, 2022	Dividends	Share of income	Exchange difference	Other	Carrying value as of Dec. 31, 2023
Al Quesir Hotel Company S.A.E	20.00%	20.00%	1,307	—	—	-4	-230	1,073
Fast Lane Hospitality GmbH	20.00%	20.00%	19	—	—	—	-19	—
Afrinord Hotel Investment A/S	20.00%	20.00%	74	—	—	—	-1	73
Bestech Hotels Private Ltd.	26.00%	26.00%	1,600	—	—	33	—	1,633
Bestech Hotels & Resorts Private Ltd.	26.00%	26.00%	1,167	—	-58	-58	—	1,051
Total			**4,167**	—	**-58**	**-29**	**-250**	**3,830**

TEUR	Ownership (%) as of Dec. 31, 2021	Ownership (%) as of Dec. 31, 2022	Carrying value as of Dec. 31, 2021	Dividends	Share of income	Exchange difference	Other	Carrying value as of Dec. 31, 2022
Al Quesir Hotel Company S.A.E	20.00%	20.00%	1,322	—	—	-15	—	1,307
Fast Lane Hospitality GmbH	20.00%	20.00%	41	—	-22	—	—	19
Afrinord Hotel Investment A/S	20.00%	20.00%	75	—	-1	—	—	74
Bestech Hotels Private Ltd	26.00%	26.00%	1,589	—	—	95	—	1,600
Bestech Hotels & Resorts Private Ltd	26.00%	26.00%	1,015	—	—	68	—	1,167
Total			**4,042**	**—**	**-23**	**148**	**—**	**4,167**

Summarised financial information for associated companies

TEUR	As of and for the Year Ended Dec. 31 2023	2022
Total assets	22,228	24,577
Total liabilities	20,369	20,741
Net assets	1,859	3,837
Group's share in net assets	372	648
Revenue	3,291	3,007
Profit/(loss) from continuing operations	-1,666	-1,545
Profit/(loss) after tax	-1,666	-1,545
Other comprehensive income	—	—
Total comprehensive income	-1,666	-1,545
Group's share in net profit	-403	-392

Note 20 | Other shares and participations

TEUR	Ownership (%) as of Dec. 31, 2023	Carrying value as of Dec. 31, 2022	Additions	Change in fair value	Exchange difference	Carrying value as of Dec. 31, 2023
Doriscus Enterprise Ltd	13.41%	–	–	–	–	–
First Hotels Co K.S.C.C	1.82%	1,022	–	–	–3	1,019
Other	–	15	31	–	–	46
Total		**1,037**	**31**	–	**–3**	**1,065**

TEUR	Ownership (%) as of Dec. 31, 2022	Carrying value as of Dec. 31, 2021	Change in fair value	Exchange difference	Carrying value as of Dec. 31, 2022
Doriscus Enterprise Ltd	13.41%	–	–	–	–
First Hotels Co K.S.C.C	1.82%	982	–	40	1,022
Other	–	17	–	–2	15
Total		**999**	**–**	**38**	**1,037**

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 2023	2022
Present value of funded obligations	11,414	11,524
Fair value on plan assets	–8,505	–7,760
Deficit/(surplus) of funded plans	**2,909**	**3,764**
Present value of unfunded obligations	210	210
Total deficit of defined benefit pension plans	**3,119**	**3,974**
Impact of minimum funding requirement/asset ceiling	–	–
Liability in the balance sheet	**3,119**	**3,974**

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

TEUR	For the year ended Dec. 31 2023	2022
Opening defined benefit obligation	**11,734**	**15,304**
Current service cost	634	828
Interest cost	421	113
Components recognised in profit or loss	**1,055**	**941**
Remeasurement on the defined benefit obligation:		
Actuarial (gains)/losses from change in financial assumptions	32	–4,127
Actuarial (gains)/losses arising from experience adjustments	–847	286
Components recognised in other comprehensive income	**–815**	**–3,841**
Benefits paid	–364	–419
Exchange (gains)/losses on foreign plans	14	–251
Closing defined benefit obligation	**11,624**	**11,734**

The movement in plan assets over the year is as follows:

TEUR	For the year ended Dec. 31 2023	2022
Opening plan assets	**7,760**	**11,273**
Interest income	358	100
Components recognised in profit or loss	**358**	**100**
Remeasurement on the plan assets:		
Actuarial gains/(losses) arising from experience adjustments	–224	–3,855
Components recognised in other comprehensive income	**–224**	**–3,855**
Contributions from employer	900	688
Contributions from plan participants	71	71
Benefits paid	–364	–419
Exchange gains/(losses) on foreign plans	4	–98
Closing fair value of plan assets	**8,505**	**7,760**

The significant actuarial assumptions were as follows:

TEUR	As of Dec. 31 2023	2022
Discount rate		
Belgium	3.8%	3.8%
Sweden	4.2%	4.0%
Expected rate of salary increase		
Belgium	2.3%	2.4%

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%	680	-757
Expected rate of salary increase 0.50%	-301	278
Life expectancy (men and women) 1 year	-65	69

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					
	2023			2022		
TEUR	Quoted	Unquoted	%	Quoted	Unquoted	%
Equity investments	737	—	8.7%	579	—	7.5%
Bond investments:						
Government	4,847	—	57.0%	4,159	—	53.6%
Corporate	2,080	—	24.4%	1,712	—	22.1%
Mortgage	68	—	0.8%	92	—	1.2%
Properties	—	773	9.1%	—	1,218	15.6%
Total	**7,732**	**773**		**6,542**	**1,218**	

The plan assets are part of common funds used by insurance companies for investing. Therefore, information of specific Radisson's assets allocation 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, 2023 are TEUR 649.

The weighted average duration of the defined benefit obligation is 11.9 years.

Expected maturity analysis of undiscounted pension benefits:

TEUR	
Year 2024	275
Year 2025	306
Year 2026–Year 2028	1,493
Year 2029–Year 2033	3,375

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 5,813 (5,268).

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 2023, 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 441 (386). 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 0.021% (0.023 and 0.020).

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 2023, Alecta's surplus in the form of the collective consolidation level was 158% (172).

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, **2023**	Currency	Nominal loan amount	Nominal value in TEUR	Impairment & exchange losses in TEUR	Loan Repayment	Short term portion	Amortised cost in TEUR
Loans to external parties	EUR	4,831	4,831	–4,814	-12	—	5
Loans to related parties	EUR	500	500	–401	–99	—	—
	USD	1,495	1,223	–1,058	–165	—	—
	INR	118,815	1,620	347	—	—	1,967
Total interest-bearing			**8,174**	**–5,926**	**-276**	**—**	**1,972**
Loans to external parties	EUR	800	800	—	—	–800	—
	ZAR	600	35	–5	—	—	30
Deposits and guarantees paid	EUR	10,402	10,402	—	—	—	10,402
Total non-interest-bearing			**11,237**	**-5**	**—**	**–800**	**10,432**
Total long-term receivables			**19,411**	**–5,931**	**-276**	**–800**	**12,404**

As of Dec. 31, **2022**	Currency	Nominal loan amount	Nominal value in TEUR	Impairment & exchange losses in TEUR	Loan Repayment	Short term portion	Amortised cost in TEUR
Loans to external parties	EUR	4,831	4,831	–4,831	—	—	—
Loans to related parties	EUR	40,235	40,235	–2,385	–37,850	—	—
	USD	1,495	1,223	–1,223	—	—	—
	INR	118,815	1,380	–39	—	—	1,341
Total interest-bearing			**47,669**	**–8,478**	**-37,850**	**—**	**1,341**
Loans to external parties	EUR	800	800	—	—	—	800
	ZAR	600	35	–2			33
Deposits and guarantees paid	EUR	4,861	4,861	—	—	—	4,861
Total non-interest-bearing			**5,696**	**-2**	**—**	**—**	**5,694**
Total long-term receivables			**53,365**	**–8,480**	**-37,850**	**—**	**7,035**

Note 23 | Accounts receivables

	As of Dec. 31	
TEUR	**2023**	2022
Accounts receivables before allowance for doubtful accounts	157,112	141,439
Allowance for doubtful accounts	–49,262	–43,613
Accounts receivables net of allowance for doubtful accounts	**107,850**	**97,826**

As of Dec. 31, **2023**	Accounts receivables before allowance for doubtful accounts	Provision for doubtful accounts	Accounts receivables net of allowance for doubtful accounts
Accounts receivables not overdue	47,913	–6,980	40,933
Accounts receivables overdue			
1–30 days	28,611	–2,412	26,199
31–60 days	10,038	–3,156	6,882
61–90 days	9,093	–2,135	6,958
More than 90 days	61,457	–34,579	26,878
Total overdue	**109,199**	**–42,282**	**66,917**
Total ledger	**157,112**	**–49,262**	**107,850**

As of Dec. 31, 2022	Accounts receivables before allowance for doubtful accounts	Provision for doubtful accounts	Accounts receivables net of allowance for doubtful accounts
Accounts receivables not overdue	39,411	−2,621	36,790
Accounts receivables overdue			
1–30 days	23,917	−1,383	22,534
31–60 days	13,867	−941	12,926
61–90 days	10,369	−1,802	8,567
More than 90 days	53,875	−36,866	17,009
Total overdue	**102,028**	**−40,992**	**61,036**
Total ledger	**141,439**	**−43,613**	**97,826**

Movement in the allowance for doubtful accounts	As of Dec. 31	
TEUR	**2023**	2022
Balance at the beginning of the year	**−43,613**	**−34,965**
Amounts written off during the year	627	274
Amounts recovered during the year	452	254
Increase/decrease in allowance recognised in profit or loss	−6,739	−9,252
Translation difference	11	76
Balance at the end of the year	**−49,262**	**−43,613**

No collaterals are held as security for accounts receivables outstanding.

Note 24 | Other current non-interest-bearing receivables

	As of Dec. 31	
TEUR	**2023**	2022
Prepaid expenses		
Prepaid rent	8,956	4,158
Prepaid property tax	1,067	1,444
Other prepaid expenses	17,738	15,490
	27,761	**21,092**
Accrued Income		
Accrued fee income	3,944	1,853
Other accrued income	10,871	2,694
	14,815	**4,547**
VAT receivables	19,716	15,780
Receivables related to governmental support	889	714
Other current non-interest-bearing receivables	3,721	22,426
Total	**66,902**	**64,559**

Note 25 | Other short term investments

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

Note 26 | 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:

	As of Dec.31	
TEUR	**2023**	2022
Bank accounts	120,062	150,061
Cash on hand	162	685
Total	**120,224**	**150,746**

Note 27 | Share capital

Issue capital TEUR	Share capital **2023**	Other paid in capital **2023**	Share capital 2022	Other paid in capital 2022
Opening balance as of Jan. 1	**11,626**	**665,895**	**11,626**	**355,895**
Capital contribution	—	—	—	310,000
Closing balance as of Dec. 31	**11,626**	**665,895**	**11,626**	**665,895**

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	11,000
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 2023, the Annual General Meeting decided to not pay any dividend for the financial year 2022. The Board of Directors proposes to the Annual General Meeting 2024 that no dividend is to be paid for the financial year 2023.

Note 28 | Provisions

TEUR	Restructuring and termination	Onerous contracts	Legal claims	Other	Total
Balance as of Jan. 1, 2022	**3,141**	**2,041**	**18,950**	**27**	**24,159**
Additional provisions recognised	1,831	8,263	7,539	—	17,633
Reductions resulting from remeasurement	–1,023	–1,041	–150	—	–2,214
Reductions arising from payments	–473	–1,000	—	—	–1,473
Balance as of Dec. 31, 2022	**3,476**	**8,263**	**26,339**	**27**	**38,105**
Additional provisions recognised	206	5,260	853	—	6,319
Reductions resulting from remeasurement	–1,794	—	—	–27	–1,821
Reductions arising from payments	–779	–8,263	–3,000	—	–12,042
Balance as of Dec. 31, 2023	**1,109**	**5,260**	**24,192**	**—**	**30,561**

Restructuring and termination
The provision for restructuring and termination of TEUR 1,109 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 outstanding provision for onerous contracts of TEUR 5,260 at the end of 2023 relates to a lease hotel which is closed for renovation. The provision is to cover the estimated costs for non-cancellable contracts during the renovation period. The hotel is expected to reopen in the second half of 2024.

Legal claims
The provision for legal claims relates to cases ongoing per the balance sheet date and are based on management's best estimate of likely cash outflow.

Note 29 | Borrowings

TEUR	Current As of Dec. 31 2023	Current As of Dec. 31 2022	Non-current As of Dec. 31 2023	Non-current As of Dec. 31 2022
Borrowings from related parties	2,300	2,033	697,000	697,000
Governmental loans	–	–	11,322	14,101
Other borrowings	–	–	3,923	4,366
Total	**2,300**	**2,033**	**712,245**	**733,467**

The company has secured borrowings of TEUR 699,300 (699,033) from related parties in 2023. In addition, the company has secured governmental loans of TEUR 11,322 (14,101).

Other borrowings of TEUR 3,923 (4,366) 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

TEUR	As of Dec. 31 2023	2022
Bank overdraft facilities granted	500	500
Utilisation of bank overdraft: in guarantees	−257	−428
Utilisation of bank overdraft: in cash	–	–
Bank overdraft facilities unutilised	**243**	**72**

Note 30 | Other current non-interest-bearing liabilities

TEUR	As of Dec. 31 2023	2022
Prepayments from customers	15,643	15,329
Accrued expenses & prepaid income	186,119	183,264
Liabilities to related parties - Note 31	5,328	5,328
Other current non-interest-bearing liabilities	32,635	38,372
Total	**239,725**	**242,293**

Specification of accrued expenses and prepaid income

TEUR	2023	2022
Accrual for vacation pay including social costs	12,779	11,456
Accrual for bonus including social costs	34,666	25,113
Other payroll accruals	9,624	22,618
Accrual for energy expenses	7,745	4,503
Accrued fees	4,823	4,297
Accrued rent	25,482	16,964
Accrued sales & marketing expenses	12,795	6,585
Accrued interest expense	14,367	22,732
Accruals for loyalty programs	529	576
Accrued repair, maintenance and renovation costs	6,951	10,080
Other accrued expenses	52,312	56,488
Prepaid income	4,046	1,853
Total	**186,119**	**183,264**

Note 31 | Related parties

Transactions with Radisson Hospitality, Inc. and its subsidiaries

	For year ended Dec. 31			
	Revenue		Expenses	
TEUR	**2023**	2022	**2023**	2022
Royalty fees, marketing fee, reservation fee and rentals & licenses	–	9,513	–	9,853
Interest income on loan receivables	–	1,710	–	–

Transactions with the parent company Hawksbill S.A.R.L

	For year ended Dec. 31			
	Revenue		Expenses	
TEUR	**2023**	2022	**2023**	2022
Group contribution	–	–	–	5,383
Interest expense	–	–	2,149	500
	Receivables		Payables	
TEUR	**2023**	2022	**2023**	2022
Receivables/payables	–	–	5,328	5,328
Loan (incl. accrued interest)	–	–	35,510	35,500

Transactions with subsidiaries of Jin Jiang International Holdings Co.

	For year ended Dec. 31			
	Revenue		Expenses	
TEUR	**2023**	2022	**2023**	2022
Interest expense on loan due to Silking Investments Co. SARL	–	–	16,110	24,426
Interest expense on loan due to Radisson Finance Co, Ltd.	–	–	18,314	35,405
Interest income on the loan due from Rubyrock Co, Ltd.	75	–	–	–
Fee revenue from master franchise agreement with Shenzhen Vienna Hotel Management Co, Ltd.	1,479	449	–	–
Fee revenue from master franchise agreement with Metropolo Hotel Management Co, Ltd.	383	181	–	–
Other revenue on SAS Groupe du Louvre	85	–	–	–
	Receivables		Payables	
TEUR	**2023**	2022	**2023**	2022
Loan due to Silking Investments Co. SARL (incl. accrued interest)	–	–	265,819	265,512
Loan due to Radisson Finance Co, Ltd. (incl. accrued interest)	–	–	411,526	419,881
Loan due from Rubyrock Co, Ltd.	–	25,000	–	–
Accounts receivables due from Shenzhen Vienna Hotel Management Co, Ltd.	1,847	625	–	–
Accounts receivables due from Metropolo Hotel Management Co, Ltd.	525	373	–	–
Accounts receivables due from SAS Groupe du Louvre	125	–	–	–

Associated companies

	As of Dec. 31	
TEUR	**2023**	2022
Loans due from joint ventures and associated companies	3,285	3,889
Revenue (management fees) from associated companies	117	202

Loans due from Afrinord Hotel Investment A/S and Al Quseir Hotel Company S.A.E, listed in table above and amounting to TEUR 819 and TEUR 499 respectively, were fully impaired in prior years. Radisson has a loan due from Bestech Hotels Private Limited of TEUR 1,967 including accrued interest.

More information about shares in associated companies and the loans to the entities is disclosed in Note 19 and Note 22.

Key management personnel

The Executive Committee is defined as key management personnel. The remuneration to this group is presented in Note 10.

Note 32 | Contingent liabilities and committed investments

Contingent liabilities

	As of Dec. 31	
TEUR	**2023**	2022
Guarantees provided for management contracts[1]	–	–
Miscellaneous guarantees provided	257	428
Total	**257**	**428**

1) Refer to Note 33 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.

Litigations

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 2023. 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 of December 31, 2023.

Note 33 | 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 8 management contracts, as compared to 9 at the end of 2022. The management contracts containing such financial risk for the group will expire as presented in the table below:

Year	**2023** Number of management agreements expiring	Year	2022 Number of management agreements expiring
2024	–	2023	–
2025-2029	–	2024-2028	1
2030-2034	1	2029-2033	1
2035-2039	5	2034-2038	3
2040-2044	1	2039-2043	3
2045-2049	–	2044-2048	–
2050-2054	1	2049-2053	1

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	**2023**	2022
Total	17,741	18,734

The capped guarantee payment includes the contingent liabilities as disclosed in Note 32 (i.e. Guarantees provided for management contracts). For 2023, Radisson's costs for shortfalls under its management agreements with guarantees amounted to TEUR -10,417 (-1,146), which are included in the line Rental expense.

Note 34 | Auditors' fees

TEUR	**2023**	2022
PwC		
Audit assignments	2,301	1,881
where of PwC Sweden	575	578
Other audit related assignments	–	–
where of PwC Sweden	–	–
Tax assignments	41	19
where of PwC Sweden	–	–
Other assignments	124	126
where of PwC Sweden	–	–
Total fees PwC	**2,466**	**2,026**
where of PwC Sweden	575	578
Audit assignments - other auditors	203	136
Total fees	**2,669**	**2,162**
where of Swedish auditors	575	578

Note 35 | Post balance sheet events

There are no significant post balance sheet events.

Note 36 | Group companies and legal structure

Radisson Hospitality AB has the following subsidiaries, associated companies and other investments:

		As of Dec. 31, **2023**		As of Dec. 31, 2022	
	Registered in	Ownership %	Share capital	Ownership %	Share capital
Australia					
Radisson Hotels Asia Pacific Holdings Pty Ltd.	Sydney	100	MAUD 56.9	100	MAUD 56.9
Radisson Hotels Asia Pacific Pty Ltd.	Sydney	100	MAUD 1.8	100	MAUD 1.8
Radisson Asia Pacific Hotel Management Pty Ltd	Sydney	100	MAUD 0.0	100	MAUD 0.0
Light Year (Australia) Pty Ltd.	Sydney	100	MAUD 0.0	100	MAUD 0.0
D C Partnership Pty Ltd.	Sydney	100	MAUD 0.0	100	MAUD 0.0
DCP Head Unit Trust	Sydney	100	MAUD 0.8	100	MAUD 0.8
Facilities Planning Trust	Sydney	100	MAUD 0.0	100	MAUD 0.0
Vortraint No 188 Pty Ltd.	Sydney	100	MAUD 0.2	100	MAUD 0.2
PACT Productions Pty Ltd	Sydney	100	MAUD 0.0	100	MAUD 0.0
Hotel Resources (International) Pty Ltd.	Sydney	100	MAUD 0.0	100	MAUD 0.0
Austria					
Radisson Red Vienna GmbH	Vienna	100	MEUR 0.0	100	MEUR 0.0
Prize Austria GmbH	Vienna	100	MEUR 0.0	100	MEUR 0.0
Belgium					
Radisson Hospitality Belgium SRL	Brussels	100	MEUR 136.6	100	MEUR 719.9
Radisson Loyalty Management BV	Brussels	100	MEUR 0.0	100	MEUR 0.0
Radisson Hospitality Services BV	Brussels	100	MEUR 0.0	100	MEUR 0.0
Prize Belgium BV	Antwerp	100	MEUR 0.0	100	MEUR 0.0
China					
Radisson Hotel Management (Shanghai) Co., Ltd.	Shanghai	100	MCNY 2.8	100	MCNY 2.8
Cyprus					
Doriscus Enterprises Limited	Limassol	13.4	MEUR 19.8	13.4	MEUR 19.8
Czech Republic					
Radisson Hotel Prague s.r.o.	Prague	100	MCZK 4.5	100	MCZK 4.5
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 Services 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 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	MDKK 0.5	100	MDKK 0.5
Radisson Scandinavia Hotel Copenhagen ApS	Copenhagen	100	MDKK 0.5	100	MDKK 0.5
Egypt					
Al Quseir Hotel Company S.A.E	Nasr City, Cairo	20	MEGP 68.0	20	MEGP 68.0
France					
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	100	MEUR 2.5

	Registered in	As of Dec. 31, **2023** Ownership %	Share capital	As of Dec. 31, 2022 Ownership %	Share capital
Germany					
Radisson Hotels Deutschland GmbH	Duisburg	100	MEUR 0.2	100	MEUR 0.2
Radisson Red Cologne GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotel Stuttgart GmbH	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 Köln 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
Radisson Düsseldorf Media Harbour Hotel GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Park Inn by Radisson Nürnberg GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Radisson Sales & Marketing Central Europe GmbH	Duisburg	100	MEUR 0.0	100	MEUR 0.0
Prize Holding GmbH	Hamburg	100	MEUR 0.2	100	MEUR 0.2
Prize Deutschland GmbH	Bremen	100	MEUR 0.1	100	MEUR 0.1
Fast Lane Hospitality GmbH	Berlin	20	MEUR 0.2	20	MEUR 0.2
India					
Radisson Hospitality Marketing (India) Private Ltd.	New Delhi	100	MINR 4.5	100	MINR 4.5
Radisson Hotels (South Asia) Pvt Limited	New Delhi	100	MINR 4.9	100	MINR 4.9
Country Development & Management Services Pvt. Ltd.	New Delhi	100	MINR 34.3	100	MINR 34.3
Radisson Bestech Management Services Pvt. Ltd.	New Delhi	100	MINR 5.0	100	MINR 5.0
Bestech Hotels and Resorts Pvt. Ltd.	New Delhi	26	MINR 95.8	26	MINR 95.8
Bestech Hotels Pvt. Ltd.	New Delhi	26	MINR 68.5	26	MINR 68.5
RHW Bestech Hospitalities Pvt. Ltd..	New Delhi	33	MINR 0.1	33	MINR 0.1
Indonesia					
PT Radisson Hotels Indonesia	Jakarta	100	MIDR 6.818	100	MIDR 6.818
Italy					
Radisson Hotel Milan S.R.L.	Milan	–	–	100	MEUR 0.0
Radisson Hotels Italy S.R.L.	Milan	100	MEUR 0.0	100	MEUR 0.0
Kuwait					
First Hotels Company KSCC	Safat	1.82	MKWD 40.0	1.82	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
Saudi Arabia					
Radisson Hospitality International for Commercial Services Company	Riyadh	100	MSAR 0.1	–	–
Singapore					
Radisson Hotels Asia Pacific Investments	Singapore	100	MUSD 52.9	100	MUSD 41.6
South Africa					
Radisson Hospitality South Africa (Pty) Ltd	Johannesbourg	74	MZAR 0.0	74	MZAR 0.0
Spain					
Radisson Hospitality Services Spain S.L.	Madrid	100	MEUR 0.0	100	MEUR 0.0
Radisson Hotels Spain S.L.	Madrid	100	MEUR 3.5	100	MEUR 3.5

Cont. Note 36

		As of Dec. 31, **2023**		As of Dec. 31, 2022	
	Registered in	Ownership %	Share capital	Ownership %	Share capital
Radisson Collection Madrid S.L	Madrid	100	MEUR 0.0	–	–
Sweden					
Radisson Hotel Holdings AB	Stockholm	100	MSEK 1.1	100	MSEK 1.1
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	Malmö	100	MSEK 1.0	100	MSEK 1.0
Switzerland					
Park Inn by Radisson Switzerland AG	Rümlang	100	MCHF 0.1	100	MCHF 0.1
Radisson Hotels Switzerland AG	Basel	100	MCHF 0.1	100	MCHF 0.1
Prize Schweiz GmbH	Bern	100	MCHF 0.0	100	MCHF 0.0
Thailand					
Radisson Hotels (Thailand) Co., Ltd.	Bangkok	100	MTHB 2.0	100	MTHB 2.0
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
Radisson Hotel Heathrow Ltd	Manchester	100	MGBP 0.0	100	MGBP 0.0
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.	Minnesota	100	MUSD 0.0	100	MUSD 0.0
Park Global Holdings SAS LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0
Park Global Holdings LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0
Park Hospitality Worldwide LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0
Quorvus Collection LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0
PPK Holding LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0
Radisson Hotels International, Inc	Delaware	100	MUSD 0.0	100	MUSD 0.0
Country Inn & Suites by Radisson, Inc.	Minnesota	100	MUSD 0.0	100	MUSD 0.0
Park Hospitality LLC	Delaware	100	MUSD 0.0	100	MUSD 0.0

Note 37 | 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	487,713
Profit/(loss) for the year	113
Total	**741,945**

The Board of Directors proposes to the Annual General Meeting 2024 that no dividend is to be paid for financial year 2023 and that the distributable funds of TEUR 741,945 are brought forward.

Note 38 | 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).

NON-IFRS MEASURES – ALTERNATIVE PERFORMANCE MEASURES

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. 2023**	31 Dec. 2022
Cash & cash equivalents [A]	120.2	150.7
Interest-bearing liabilities [B]	1,328.1	1,309.2
Lease liabilities [C]	610.4	587.7
Retirement benefit obligations [D]	3.1	4.0
Liabilities related to investments in hotels under management contracts [E]	3.9	4.4
Net cash (debt) [A–B+C+D+E]	**–590.5**	**–562.4**

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

MEUR	**31 Dec. 2023**	31 Dec. 2022
Interest-bearing assets [A]	124.3	179.1
Interest-bearing liabilities [B]	1,328.1	1,309.2
Net interest-bearing assets/liabilities [A–B]	**–1,203.8**	**–1,130.1**

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

MEUR	**2023**	2022
Cash flow from operating activities [A]	148.5	84.7
Cash flow from investing activities [B]	–72.3	220.9
Free cash flow [A+B]	**76.2**	**305.6**

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

MEUR	**31 Dec. 2023**	31 Dec. 2022
Inventory [A]	4.4	4.4
Current non-interest-bearing receivables [B]	184.4	173,6
Current non-interest-bearing liabilities [C]	373.2	400.6
Net working capital [A+B–C]	**–184.4**	**–222.6**

OPERATING MEASURES

F&B
Food and Beverage.

FF&E
Furniture, Fittings and Equipment.

RevPAR
Revenue per available room.

PARENT COMPANY, STATEMENT OF OPERATIONS

TEUR	Notes	For the Year Ended December 31 2023	2022
Revenue	2	8,779	7,523
Personnel cost	3, 4	–4,912	–4,324
Other operating expenses	5, 6	–4,354	–2,986
Operating profit/(loss) before depreciation and amortisation		**–487**	**213**
Depreciation and amortisation expense	9, 10	–3	–2
Operating profit/(loss)		**–490**	**211**
Financial income	7	21,268	25,815
Financial expenses	7	–20,665	–25,189
Profit/(loss) before year-end appropriations		**113**	**837**
Year-end appropriations:			
Group contribution		—	837
Profit/(loss) before tax		**113**	**1,674**
Income tax	8	—	-370
Profit/(loss) for the year		**113**	**1,304**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/(loss) for the year		**113**	**1,304**
Other comprehensive income		**—**	**—**
Total comprehensive income for the year		**113**	**1,304**

PARENT COMPANY, BALANCE SHEET STATEMENT

TEUR	Notes	For the Year Ended December 31 2023	2022
ASSETS			
Non-current assets			
Intangible assets	9	—	—
Tangible assets	10	32	2
Receivables on group companies	12	297,000	290,000
Shares in subsidiaries	11	867,017	757,017
		1,164,049	**1,047,019**
Current assets			
Receivables on group companies	12	9,473	11,271
Accounts receivable		145	211
Current tax assets		156	168
Other receivables		21	75
Prepaid expenses and accrued income		77	107
Cash and cash equivalents		248	977
		10,120	**12,809**
Total assets		**1,174,169**	**1,059,828**
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		487,713	486,409
Profit/(loss) for the year		113	1,304
		741,945	**741,832**
Total equity		**753,571**	**753,458**
Non-current liabilities			
Liabilities to group companies	13	110,000	—
Other non-current interest-bearing liabilities	14	297,000	297,000
		407,000	**297,000**
Current liabilities			
Accounts payables		160	499
Liabilities to group companies	13	6,444	2,382
Accrued expenses and prepaid income	15	6,376	5,657
Other current interest-bearing liabilities	14	375	500
Other current liabilities		243	332
		13,598	**9,370**
Total liabilities		**420,598**	**306,370**
Total equity and liabilities		**1,174,169**	**1,059,828**

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, 2022	**11,626**	**254,119**	**177,836**	**–1,427**	**442,154**
Allocation of last year's result	—	—	–1,427	1,427	—
Capital contribution	—	—	310,000	—	310,000
Profit/(loss) for the year	—	—	—	1,304	1,304
Ending balance as of Dec 31, 2022	**11,626**	**254,119**	**486,409**	**1,304**	**753,458**
Allocation of last year's result	—	—	1,304	–1,304	—
Profit/(loss) for the year	—	—	—	113	113
Ending balance as of Dec 31, 2023	**11,626**	**254,119**	**487,713**	**113**	**753,571**

For information on share capital, please see Note 27 of the consolidated financial statements.

PARENT COMPANY, STATEMENT OF CASH FLOWS

		For the Year Ended December 31	
TEUR	Notes	**2023**	2022
OPERATIONS			
Operating profit/(loss)		–490	211
Adjustments for non-cash items:			
Depreciation and amortisation	9,10	3	2
Interest paid/received	7	468	690
Other financial items	7	–5	—
Taxes		12	167
Cash flows from operations before change in working capital		**–12**	**1,070**
Change in:			
Current receivables		8,374	2,995
Current liabilities		920	–898
Change in working capital		**9,294**	**2,097**
Cash flow from operating activities		**9,282**	**3,167**
INVESTMENTS			
Investments in tangible assets	9	–32	—
Borrowings to subsidiaries	12	-7,000	—
Reimbursement of borrowings to subsidiaries		—	458,000
Investments in shares in subsidiaries	11	–110,000	–310,000
Cash flow from investing activities		**–117,032**	**148,000**
FINANCING			
Proceeds from borrowings	14	110,300	35,965
Reimbursement of borrowing	14	–425	–493,965
Change in cash pool accounts		–2,850	–2,173
Cash flow from external financing activities		**107,025**	**–460,173**
Capital contribution		—	310,000
Cash flow from transactions with shareholders		**—**	**310,000**
Cash flow for the year		**–725**	**994**
Cash and cash equivalents, January 1		**977**	**170**
Exchange differences in cash and cash equivalents		–4	–187
Cash and cash equivalents, December 31		**248**	**977**

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, 2023 have had any significant impact on the financial statements 2023.

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	**2023**	2022
External revenue	401	282
Revenue from group companies	8,378	7,241
Total	**8,779**	**7,523**

Note 3 | Government grants

	For the Year Ended Dec. 31	
TEUR	**2023**	2022
Government grants offsetting personnel cost	–	39
Total	**–**	**39**

Note 4 | Personnel

Payroll cost	For the Year Ended Dec. 31	
TEUR	**2023**	2022
Salaries	3,582	2,830
Social security	1,134	1,038
Pension costs	441	471
Other personnel costs (including government grants offsetting personnel cost)	-246	-15
Total	**4,912**	**4,324**

These costs are included in the line personnel cost in the income statement. No remuneration has been paid to the Board of Directors in 2023 or in 2022. Radisson has defined the Executive Committee and the CEO as key management personnel.

Average number of employees

	As of Dec. 31			
	2023		2022	
	Men	Women	Men	Women
Sweden	8	29	8	26

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	**2023**	2022
External service fees	735	667
Other external expenses	1,326	134
Expenses from group companies	2,224	2,099
Rent	70	86
Total	**4,354**	**2,986**

Note 6 | Auditor's fees

	For the Year Ended Dec. 31	
TEUR	**2023**	2022
PwC		
Audit assignments	442	432
Total	**442**	**432**

Note 7 | Financial income and expenses

	For the Year Ended Dec. 31	
TEUR	**2023**	2022
Interest income from group companies	21,267	25,815
Other financial income	1	–
Financial income	**21,268**	**25,815**
Interest expense related parties	20,568	24,926
Interest expense group companies	88	66
Foreign currency exchange losses	4	187
Other financial expenses	5	10
Financial expenses	**20,665**	**25,189**

Note 8 | Tax

TEUR	**2023**	%	2022	%
Profit/(loss) before tax	113		1,674	
Tax at the domestic income tax rate	23	20.6	345	20.6
Tax effect of revenue that is exempt from taxation	-30		–	
Tax effect of expenses that are not deductible in determining taxable income	7		8	
Effect of previously unrecognized deferred tax attributable to tax losses, tax credits or temporary differences of prior years	–		17	
Recorded tax	–		**370**	

Note 9 | Intangible assets

TEUR	As of Dec. 31 2023	2022
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 2023	2022
Cost		
Balance as of January 1	**197**	**197**
Investments	32	–
Balance as of December 31	**229**	**197**
Accumulated depreciations		
Balance as of January 1	**-195**	**-193**
Depreciation	-3	-2
Balance as of December 31	**-198**	**-195**
Carrying amount	**32**	**2**

Note 11 | Shares in subsidiaries

TEUR	As of Dec. 31 2023	2022
Balance as of January 1	**757,017**	**447,017**
Investment in Radisson Hospitality Belgium SPRL	110,000	310,000
Balance as of December 31	**867,017**	**757,017**

Radisson Hospitality AB has the following subsidiaries:

	Registered in	Identity no.	No . of shares	Owned share in %	Book value
Radisson Hotel Holdings AB	Stockholm	556674-0972	106,667	100	234,625
Radisson Hospitality Belgium SPRL	Brussels	442832318	21,240,373,169	100	632,392

Note 12 | Receivables on group companies

TEUR	As of Dec. 31 2023	2022
Non-current receivables on group companies		
Interest-bearing receivables	297,000	290,000
Current receivables on group companies		
Cash pool	–	6,297
Accrued interest income	6,235	3,626
Group contribution	837	837
Other	2,401	511
Total	**306,473**	**301,271**

Note 13 | Liabilities to group companies

TEUR	As of Dec. 31 2023	2022
Non-current liabilities on group companies		
Interest-bearing liabilities	110,000	–
Current liabilities on group companies		
Cash pool	3,447	–
Accrued interest expense	2,139	–
Accounts payables	818	2,382
Other	40	–
Total	**116,444**	**2,382**

Note 14 | Borrowings

	Current As of Dec. 31		Non-current As of Dec. 31	
	2023	2022	**2023**	2022
Borrowings from related parties	375	500	297,000	297,000
Total	**375**	**500**	**297,000**	**297,000**

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 15 | Accrued expenses and prepaid income

TEUR	As of Dec. 31 2023	2022
Salaries and remuneration	1,599	1,334
Accrued interest expense	4,340	4,012
Other accrued expenses	437	311
Total	**6,376**	**5,657**

Note 16 | Pledged assets and contingent liabilities

TEUR	As of Dec. 31 2023	2022
Pledged assets	–	–
Contingent liabilities	See below	See below

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. 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. 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 26, 2024

Wei Zhou
Chairman of the Board

Qian Zhu
Board Member

Xiaoying Yuan
Board Member

Yichi He
Board Member

Jing Qin
Board Member

Lei Xie
Board Member

Federico J. González
Board Member

Göran Larsson
Employee Representative

Ulf Peterson
Employee Representative

Our audit report was submitted on
June 26, 2024
PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in Charge

Karin Wannfors
Authorised Public Accountant

AUDITOR'S REPORT

To the 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 2023.

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 as of 31 December 2023 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 2023 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.

Emphasis of matter

As stated in the Board of Directors report under the section "Other Matters" there are uncertainties regarding the outcome of a tax audit in Belgium for the years 2020 and 2021. The company has appealed the decision of the Belgian tax authorities in February 2024, and the company's exposure is described on page 3 of the annual report. Our opinion has not been modified as a result of this matter.

Responsibilities of the Board of Directors

The Board of Directors 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 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 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 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 Directors and the Managing Director of Radisson Hospitality AB for the year 2023 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 Directors 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 pace on the size of the parent company's and the group's 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.

Malmö June 26, 2024

PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in Charge

Karin Wannfors
Authorised Public Accountant

Radisson Safari Hotel Hoedspruit


Every Moment Matters
radissonhospitalityab.com