

# RADISSON HOSPITALITY INTERIM REPORT

## January–June 2020

### Second Quarter 2020

- **Revenue decreased by MEUR 234.0 (–89.3%) to MEUR 27.9**, due to the negative impact of the COVID-19 outbreak. A majority of the hotels were closed during the quarter and gradually started to reopen in June. The hotels that were kept open operated with a low occupancy in general. **On a like-for-like basis, including hotels under renovation (“LFL&R”), Revenue decreased by MEUR 225.0 (–88.9%).**
- **Reported RevPAR for leased and managed hotels decreased by 89.7%.** RevPAR LFL&R decreased by 89.4%.
- **EBITDA decreased by MEUR 104.7 to MEUR –50.3 and the EBITDA margin was –180.3% (20.8%).** The results were severely impacted by the decrease in revenue. However, the decline was slowed down due to the flexible cost base and the measures taken.
- **EBIT decreased by MEUR 107.4 to MEUR –72.0.** In addition to the EBITDA decrease, results are impacted by costs for depreciation of the new IT platform and investments in the leased properties in 2019. **The EBIT margin was –258.1% (13.5%).**
- **Profit/loss for the period decreased by MEUR 82.2 to MEUR –63.3.**
- **1,943 (2,857) rooms were contracted, 323 (926) rooms opened and 175 (272) rooms left the system.**

### Half Year 2020

- **Revenue decreased by MEUR 276.8 (–58.2%) to MEUR 198.5.** Revenue LFL&R decreased by MEUR 266.6 (–57.9%).
- **Reported RevPAR for leased and managed hotels decreased by 58.1%.** RevPAR LFL&R decreased by 58.4%.
- **EBITDA decreased by MEUR 135.2 to MEUR –55.6 and the EBITDA margin was –28.0% (16.7%).**
- **EBIT decreased by MEUR 141.9 to MEUR –99.4 and the EBIT margin was –50.1% (8.9%).**
- **Profit/loss for the period decreased by MEUR 108.4 to MEUR –92.5.**
- **Cash flow from operating activities amounted to MEUR –21.3 (40.9).**
- **5,514 (6,734) rooms were contracted, 775 (2,214) rooms opened and 175 (1,321) rooms left the system.**

MEUR	Q2 2020	Q2 2019	Change	%	H1 2020	H1 2019	Change	%
Revenue	27.9	261.9	–234.0	–89.3%	198.5	475.3	–276.8	–58.2%
EBITDA	–50.3	54.4	–104.7	N/A	–55.6	79.6	–135.2	N/A
<i>EBITDA margin</i>	–180.3%	20.8%	N/A		–28.0%	16.7%	N/A	
EBIT	–72.0	35.4	–107.4	N/A	–99.4	42.5	–141.9	N/A
<i>EBIT margin</i>	–258.1%	13.5%	N/A		–50.1%	8.9%	N/A	
Profit/loss for the period	–63.3	18.9	–82.2	N/A	–92.5	15.9	–108.4	N/A

## Comments from the CEO

**AFTER A DIFFICULT H1 DUE TO COVID-19, WE START TO SEE A GRADUAL RECOVERY AS FROM JUNE WHICH IS EXPECTED TO CONTINUE THROUGHOUT THE YEAR. OUR SHAREHOLDERS' HAVE SUPPORTED WITH A SOLID FINANCING PLAN**



The outbreak of COVID-19 has had a significant impact on Radisson's performance as from end of February 2020. A majority of the hotels have been closed during this period, but we have gradually started to reopen as from June. 93 hotels out of 392 were still closed per end of June, but a majority of those are expected to reopen in July and August.

Management has taken several measures to mitigate the financial impact, on both profit and cash flow, of the significant drop in revenue. These measures include, but are not limited to, furloughs, rent renegotiations and deferrals, application for governmental subsidies and loans, and postponement of non-strategic capex investments. The Group is helped by a flexible cost model, which shows an immediate capability to reduce costs. Starting in June, we

have seen a gradual and consistent recovery, with a RevPAR increase that is expected to continue in the coming months.

Management has taken advantage of the low activity period to push forward strategic repositioning and development projects.

Radisson's shareholders have reacted by supporting with a MEUR 100 cash injection in the form of a subordinated loan. A global financing plan has been finalised to cover medium- and long-term cash needs until the expected end of the crisis. With this cash injection and the ability to raise further funding, to the extent needed, Radisson can cover its liquidity needs.

Federico J. González, President & CEO

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## RevPAR Development Q2

On a like-for-like basis, including hotels under renovation ("LFL&R"), RevPAR for leased and managed hotels totalled only EUR 8.2, which is -89.4% below last year. The decrease, which is fully attributable to the COVID-19 pandemic, is mainly driven by volumes (-83.5%), followed by the inevitable impact on room rates (-33.9%).

The negative deviation versus last year is almost balanced in three of the four regions. Nordics, Rest of Western Europe and Eastern Europe registered -90.0%, -97.1% and -94.3%, respectively. Middle East & Africa suffered slightly less with -67.4% versus last year due to their higher domestic footprint and the positive performance in Qatar and Chad.

Reported RevPAR for leased and managed hotels decreased by 89.7% versus the same quarter last year.

RevPAR LFL&R for leased hotels decreased by 93.7%. Reported RevPAR for leased hotels decreased by 94.2%.

## Income Statement

### Second Quarter 2020

MEUR	Q2 2020	Q2 2019	Change	%
Revenue	27.9	261.9	-234.0	-89.3%
EBITDA	-50.3	54.4	-104.7	N/A
<i>EBITDA margin</i>	-180.3%	20.8%	N/A	
EBIT	-72.0	35.4	-107.4	N/A
<i>EBIT margin</i>	-258.1%	13.5%	N/A	
Profit/loss for the period	-63.3	18.9	-82.2	N/A

Revenue decreased by MEUR 234.0 (-89.3%) to MEUR 27.9. The decrease is due to the negative impact of the COVID-19 outbreak. Most of the hotels were closed during the quarter and gradually started to reopen in June. The hotels kept open operated with a low occupancy in general.

On a like-for-like basis, including hotels under renovation ("LFL&R"), revenue decreased by MEUR 225.0 (-88.9%). The change in revenue compared to the same period last year is presented in the table below.

MEUR	LFL&R	Openings	Exits	FX	Change
Rooms revenue	-137.6	-0.1	-1.6	-0.5	-139.8
F&B revenue	-55.6	-0.0	-0.5	-0.3	-56.4
Other hotel revenue	-0.4	-1.0	-0.0	-0.4	-1.8
<b>Total leased revenue</b>	<b>-193.6</b>	<b>-1.1</b>	<b>-2.1</b>	<b>-1.2</b>	<b>-198.0</b>
Fee revenue	-28.9	-0.8	-3.9	0.0	-33.6
Other revenue	-2.5	—	—	0.1	-2.4
<b>Total revenue</b>	<b>-225.0</b>	<b>-1.9</b>	<b>-6.0</b>	<b>-1.1</b>	<b>-234.0</b>

EBITDA decreased by MEUR 104.7 to MEUR -50.3. The results were severely impacted by the decrease in revenue. However, the decline was slowed down due to the flexible cost base and the measures taken. We start to see a gradual recovery of the results as from June.

The EBITDA margin was -180.3% compared to 20.8% previous year.

EBIT decreased by MEUR 107.4 to MEUR -72.0. In addition to the EBITDA decrease, results are impacted by higher costs for depreciation due to the global IT platform and accelerated investments in the hotels in 2019.

The EBIT margin was -258.1% compared to 13.5% last year.

Profit/loss for the period decreased by MEUR 82.2 to MEUR -63.3. The decrease in EBIT is partly offset by lower taxes.

## Half Year 2020

MEUR	H1 2020	H1 2019	Change	%
Revenue	198.5	475.3	-276.8	-58.2%
EBITDA	-55.6	79.6	-135.2	N/A
EBITDA margin	-28.0%	16.7%	N/A	
EBIT	-99.4	42.5	-141.9	N/A
EBIT margin	-50.1%	8.9%	N/A	
Profit/loss for the period	-92.5	15.9	-108.4	N/A

Revenue decreased by MEUR 276.8 (-58.2%) to MEUR 198.5. The decrease is due to the negative impact of the COVID-19 outbreak. Most of the hotels were closed as from March and gradually started to reopen in June. The hotels kept open during this difficult period have operated with a low occupancy in general.

On a like-for-like basis, including hotels under renovation ("LFL&R"), revenue decreased by MEUR 266.6 (-57.9%). The change in revenue compared to the same period last year is presented in the table below.

MEUR	LFL&R	Openings	Exits	FX	Change
Rooms revenue	-164.6	0.7	-2.8	-1.1	-167.8
F&B revenue	-68.9	0.5	-0.9	-0.7	-70.0
Other hotel revenue	1.5	-1.4	-0.1	-0.4	-0.4
<b>Total leased revenue</b>	<b>-232.0</b>	<b>-0.2</b>	<b>-3.8</b>	<b>-2.2</b>	<b>-238.2</b>
Fee revenue	-35.0	1.8	-6.2	0.3	-39.1
Other revenue	0.4	—	—	0.1	0.5
<b>Total revenue</b>	<b>-266.6</b>	<b>1.6</b>	<b>-10.0</b>	<b>-1.8</b>	<b>-276.8</b>

EBITDA decreased by MEUR 135.2 to MEUR -55.6. EBITDA YTD February was in line with last year, excluding timing differences of certain marketing activities and accelerated IT initiatives. The results as from March, however, have been severely impacted by the revenue drop. However, the decline was slowed down due to the flexible cost base and the measures taken by management.

The EBITDA margin was -28.0% compared to 16.7% previous year.

EBIT decreased by MEUR 141.9 to MEUR -99.4. In addition to the EBITDA decrease, results are impacted by higher costs for depreciation due to the global IT platform and accelerated investments in the hotels in 2019.

The EBIT margin was -50.1% compared to 8.9% last year.

Profit/loss for the period decreased by MEUR 108.4 to MEUR -92.5. The decrease in EBIT is partly offset by lower taxes.

## Q2 Comments by Region<sup>1</sup>

### Nordics

MEUR	Q2 2020	Q2 2019	Change	%
Revenue	14.9	104.2	-89.3	-85.7%
RevPAR LFL&R [EUR]	10.9	108.9	-98.0	-90.0%
EBITDA	5.1	25.4	-20.3	-79.9%
<i>EBITDA margin</i>	<i>34.2%</i>	<i>24.4%</i>	<i>9.8 pp</i>	
EBIT	-2.4	16.4	-18.8	N/A
<i>EBIT margin</i>	<i>-16.1%</i>	<i>15.7%</i>	<i>N/A</i>	

Revenue decreased by MEUR 89.3 (-85.7%) to MEUR 14.9 due to COVID-19. Hotel exits had an impact of MEUR -2.2.

Reported RevPAR was -90.8% below last year. RevPAR LFL&R decreased by 90.0%, driven mainly by volumes (-89.0%). Average room rates decreased by 9.5%.

Norway, with ca 74% of the share in room revenue, closed at -85.9%, being less affected by closings of hotels. Sweden (ca 18% of the share) lost 94.0% and Denmark (ca 7% of the share) was down 96.0%.

EBITDA decreased by MEUR 20.3 (-79.9%) to MEUR 5.1 due to the impact of COVID-19. The leased hotels in the region have benefitted from the flexible cost structure as well as governmental support. In addition, the accounting treatment under IFRS 16 of lease contracts with a CAP mechanism has had a significant positive impact on EBITDA.

EBIT decreased by MEUR 18.8 to MEUR -2.4.

### Rest of Western Europe

MEUR	Q2 2020	Q2 2019	Change	%
Revenue	5.5	129.2	-123.7	-95.7%
RevPAR LFL&R [EUR]	2.9	101.9	-99.0	-97.1%
EBITDA	-24.6	28.9	-53.5	N/A
<i>EBITDA margin</i>	<i>-447.3%</i>	<i>22.4%</i>	<i>N/A</i>	
EBIT	-35.0	20.4	-55.4	N/A
<i>EBIT margin</i>	<i>-636.4%</i>	<i>15.9%</i>	<i>N/A</i>	

Revenue decreased by MEUR 123.7 (-95.7%) to MEUR 5.5 due to COVID-19.

Reported RevPAR was -97.2% below last year. RevPAR LFL&R decreased by 97.1%, mainly coming from volumes (-95.5%), followed by an inevitable impact on rates (-36.0%).

Germany, one of the key markets in the region with ca 44% of the room revenue share, was -94.5% below last year. UK, another key market with ca 24% of the share, was down -97.6%. Italy and Spain were both down -100% since totally closed, due to be the epicentre of the European spread and ongoing planned refurbishments.

EBITDA decreased by MEUR 53.5 to MEUR -24.6. The impact on the lease portfolio is to a certain extent limited due to the above-mentioned flexible cost structure, however the fee business has been impacted by higher costs for bad debts and management guarantees.

EBIT decreased by MEUR 55.4 to MEUR -35.0. In addition to the decrease in EBITDA, results are impacted by higher depreciation costs.

<sup>1</sup> In Nordics, the business is predominantly leased contracts. In Rest of Western Europe, the business is a mix of leased, managed and franchise contracts. In Easter Europe and Middle East & Africa, the business is mainly management contracts.

## Eastern Europe

MEUR	Q2 2020	Q2 2019	Change	%
Revenue	0.9	14.2	-13.3	-93.7%
RevPAR LFL&R [EUR]	3.4	59.8	-56.4	-94.3%
EBITDA	-7.2	9.4	-16.6	N/A
EBITDA margin	-800.0%	66.2%	N/A	
EBIT	-7.5	9.3	-16.8	N/A
EBIT margin	-833.3%	65.5%	N/A	

Revenue decreased by MEUR 13.3 (-93.7%) to MEUR 0.9, due to the impact of COVID-19. Net openings and exits had a negative impact of MEUR -2.1.

Reported RevPAR was -94.3% below last year. RevPAR LFL&R was also weak with -94.3%, mainly impacted by volumes (-89.0%), followed by a decrease in average room rates (-37.4%).

In Russia, with ca 46% of the room revenue share in the region, RevPAR LFL&R decreased by -93.4%; followed by the Baltics (ca 24% of the share) with -92.9%, Turkey (ca 6% of the share) with a -94.8% decrease. To note also Poland (ca 5% of the share), with -97.5% in RevPAR year-on-year.

EBITDA decreased by MEUR 16.6 to MEUR -7.2. In addition to the impact of the decrease in fee revenue, results are negatively impacted by higher costs for bad debts and management guarantees.

## Middle East & Africa

MEUR	Q2 2020	Q2 2019	Change	%
Revenue	1.6	7.8	-6.2	-79.5%
RevPAR LFL&R [EUR]	17.9	54.8	-36.9	-67.4%
EBITDA	-1.5	5.4	-6.9	N/A
EBITDA margin	-93.8%	69.2%	N/A	
EBIT	-1.6	5.3	-6.9	N/A
EBIT margin	-100.0%	67.9%	N/A	

Revenue decreased by MEUR 6.2 (-79.5%) to MEUR 1.6. Net openings and exits had a negative impact of MEUR -1.2.

Reported RevPAR was behind last year with -70.4%. RevPAR LFL&R was down -67.4%, mainly impacted by occupancy (-53.3%), followed by a decrease in rates (-30.1%).

Two positive developments to note compared to last year: Qatar with 38.6%, driven by petroleum preventive quarantine group taking all rooms from May onwards and Chad with 5.8%, driven by quarantine business from repatriated citizens. In Saudi Arabia (ca 45% of the room revenue share) registered only -25.8%, also supported by quarantine business. UAE (ca 7% of the shares) was down -79.1%.

EBITDA decreased by MEUR 6.9 to MEUR -1.6. In addition to the impact of the decrease in fee revenue, results are negatively impacted by higher costs for bad debts.

## Central Activities

EBIT for Central Management decreased by MEUR 9.5 to MEUR -25.5, which is mainly due to intensified work on the new integrated IT platform, as well as related depreciation costs. In addition, the decrease in marketing fee revenue has had a negative impact on the central marketing activities. The decline due to the above-mentioned factors has been partly offset by the positive impact of the measures taken by management to reduce central costs during the pandemic (mainly furloughs).

## Comments to the Balance Sheet

Non-current assets increased by MEUR 26.5, compared to 31 December 2019, and amounted to MEUR 811.3. The increase is mainly due to lending of MEUR 20.0 to a sister company.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –128.1 at the end of the period, compared to MEUR –158.5 in the beginning of the year. The change is mainly due to settlement of accounts payables related to IT investments carried out at the end of 2019.

The increase of assets/liabilities held for sale of net MEUR 27.5 is related to prizeotel Holding GmbH.

Compared to the beginning of the year, equity decreased by MEUR 98.3 to MEUR 50.5. The decrease is due to the loss for the period of MEUR 92.5 and exchange differences on translation of foreign operations.

<b>MEUR</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
Total assets	1,107.9	1,194.3
Net working capital	–128.1	–158.5
Net cash (debt), excl. lease liabilities	–234.6	–2.8
Equity	50.5	148.8

## Cash Flow

<b>MEUR</b>	<b>H1 2020</b>	<b>H1 2019</b>
Cash flow before working capital changes	–56.7	70.7
Change in working capital	35.4	–29.8
Cash flow from investing activities	–142.8	–27.4
<b>Free cash flow</b>	<b>–164.1</b>	<b>13.5</b>
Cash flow from financing activities	58.8	–32.8
<b>Cash flow for the period</b>	<b>–105.3</b>	<b>–19.3</b>

Cash flow from operations, before change in working capital, amounted to MEUR –56.7, a decrease of MEUR 127.4. The change is due to the decrease in EBITDA, partly offset by less taxes paid. Cash flow from change in working capital amounted to MEUR 35.4, compared to MEUR –29.8 last year. The change is due to improved cash management and the effect of negotiations with stakeholders as a reaction to the COVID-19 crisis.

Cash flow used in investing activities was MEUR 115.4 higher compared to last year and amounted to MEUR –142.8, reflecting the acquisition of the remaining 51% of prizeotel Holding GmbH and payment of the IT investments carried out at the end of 2019 as well as additional investments in the global IT platform.

Cash flow used in financing activities amounted to MEUR 58.8 compared to MEUR –32.8 last year. The change is due to subordinated shareholders loan received of MEUR 100.0 and withdrawal of MEUR 25.0 from existing credit facilities, partly offset by the reduction of lease liabilities under IFRS 16.

## Liquidity

At the end of the period, the company had MEUR 133.9 (239.6) in cash and cash equivalents. The total credit facilities amounted to MEUR 26.0 (25.0). MEUR 25.0 (0.0) was used for overdrafts and MEUR 0.3 (0.3) was used for bank guarantees, leaving MEUR 0.7 (24.7) in available credit for use.

Net interest-bearing liabilities amounted to MEUR 623.2 (446.0). Net cash (debt), excluding lease liabilities, amounted to MEUR –234.6 (–2.8).

The effects of COVID-19 in 2020 has significantly impaired available liquidity. Through the Group's and the shareholders' direct actions, liquidity and equity for the foreseeable future are secured and the Group's continued operations are not threatened. The Board of Directors and management closely follow developments to continue to take the necessary measures. Radisson's shareholders have reacted by supporting with a MEUR 100 cash injection in the form of a subordinated loan. A global financing plan has been finalised to cover medium- and long-term cash needs until the expected end of the crisis. With this cash injection and the ability to raise further funding, to the extent needed, Radisson can cover its liquidity needs.

## Subsequent Events

Recently, the U.S. Administration requested Radisson Hotel Group, like many other foreign-owned businesses operating in the U.S., to ensure more vigorous data and information security of the US operations. We are working with our counterparts in the U.S. and with the shareholders to secure there is no impact on our business.

## Material Risks and Uncertainties

The current outbreak of COVID-19 has significantly adversely impacted and disrupted and is expected to continue to significantly adversely impact and disrupt, the business, financial performance and condition, operating results and cash flows of Radisson.

The outbreak of COVID-19 has had, and another pandemic in the future could similarly have, significant repercussions across regional and global economies and financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting a wide variety of control measures including states of emergency, mandatory quarantines, implementing "shelter in place" orders, border closures, and restricting travel and large gatherings. Radisson has been and expects to continue to be negatively affected by additional governmental regulations and travel advisories to fight the pandemic. Many experts predict that the outbreak will trigger a period of material global economic slowdown or a global recession.

COVID-19 has disrupted and has had a significant adverse effect on, and will continue to significantly adversely impact and disrupt, the business, financial performance and condition, operating results and cash flows of Radisson. The effects of the pandemic on the hotel industry are unprecedented. Global demand for lodging has been drastically reduced and occupancy levels have reached historic lows. Since March, Radisson has experienced a significant decline in occupancy and RevPAR associated with COVID-19 throughout its hotels, and, at the end of the second quarter, 93 of its 392 hotels were closed due to the pandemic. The remainder of its properties are currently operating at significantly reduced levels. In the future, Radisson may need or elect to temporarily suspend the operations at additional hotels as a result of the COVID-19 pandemic. Additionally, Radisson has furloughed employees, attempted to renegotiate and defer rent payments, applied for governmental support in different jurisdictions and postponed non-strategic capital expenditures. Radisson is seeing a significant reduction in new reservations through 2020. It is not currently known when the suspended operations at hotel properties will resume at any level, or if Radisson will need to suspend operations at additional hotel properties.

Additional factors that would negatively impact the ability of the Radisson to operate during or following COVID-19 or another pandemic, or that could otherwise significantly adversely impact and disrupt its business, financial performance and condition, operating results and cash flows, include:

- sustained negative consumer or business sentiment, economic metrics or demand for travel, including beyond the end of the COVID-19 pandemic and the lifting of travel restrictions and advisories, which could further adversely impact demand for lodging;
- an expansion of the number of postponed and cancelled conferences and similar events;
- increased costs to maintain hotels, including hotels whose operations are suspended, and increased sanitation and hygiene requirements, social distancing and other mitigation measures at hotels that continue to operate or that begin operating again;
- estimated cash burn rates are subject to numerous risks and uncertainties, including uncertainties related to hotel working capital needs as well as the terms of any financing available to Radisson;
- significant non-cash impairment charges due to adverse effects on assets from reduced travel demand;
- increased indebtedness and decreased operating revenues, which could increase the risk of default on loans;
- the continued service and availability of personnel, including the Radisson's senior leadership team and key field personnel, such as general managers, and its ability to recruit, attract and retain skilled personnel to the extent management or personnel are impacted by the outbreak of pandemic or epidemic disease and are not available or allowed to conduct work.

Moreover, many risk factors set forth in the Radisson's annual report for the year ended December 31, 2019 should be interpreted as heightened risks as a result of the impact of the COVID-19 pandemic.

The significance, extent and duration of the impacts caused by the COVID-19 outbreak on business, financial condition, operating results and cash flows of Radisson remains largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the continued severity, duration, transmission rate and geographic spread of COVID-19, the extent and effectiveness of the containment measures taken, the timing of and manner in which containment efforts are reduced or lifted, the timing and ability of vaccinations and other treatments to combat COVID-19, and the response of the overall economy, the financial markets and the population, particularly in areas in which Radisson operates, once the current containment measures are reduced or lifted. As a result, Radisson cannot provide an estimate of the overall impact of the COVID-19 pandemic on its business or when, or if, it will be able to resume normal, pre-COVID-19 level operations. Nevertheless, COVID-19 presents material uncertainty and risk with respect to its business, financial performance and condition, operating results and cash flows.



## Seasonal Effects

Radisson is active in an industry with seasonal variations. Sales and profits vary by quarter and the first quarter is generally the weakest. The timing of Easter can have a significant impact on Earnings when comparing to the equivalent period for the previous year. For quarterly revenue and margins, see table on page 23.

## Auditor's Review

The report has not been subject to review by the auditor.

## Presentation of the Q2 Results

On July 24, 2020 at 10:00 CET, a combined telephone conference and live webcast (in English) concerning the report will be presented by the President & CEO, Federico J. González and CFO, Sergio Amodeo. To follow the webcast, please visit <https://www.radissonhospitalityab.com/investors>.

To access the telephone conference, please dial:

Belgium, Local:	+32 (0)2 93 38 47
Belgium, Free:	0800 48741
Canada, Free:	1 866 925 0818
France, Local:	+33 (0)1 70 70 07 81
France, Free:	0805 101 465
Norway, Local:	+47 2156 3015
Norway, Free:	800 568 65
Spain, Local:	+34 914 143 675
Spain, Free:	900 828 480
Sweden, Local:	+46 (0)8 566 184 67
Sweden, Free:	0200 125 160
UK, Local:	+44 (0)844 481 9752
UK, Free:	0800 279 6619
USA, Local:	+1 646 741 3167
USA, Free:	1 646 741 3167
Standard international	+44 (0)207 192 8338

Confirmation code: 4874225. For a replay of the conference call please visit <https://www.radissonhospitalityab.com/investors>.

## Financial Calendar

Q3 2020 results: November 27, 2020

## For Further Information, Contact

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## About Radisson Hospitality AB

Radisson Hospitality AB is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson, as well as Radisson RED, Radisson and Radisson Collection.

The portfolio consists of 392 hotels, with 85,390 rooms, in operation and 141 hotels, with 28,453 rooms, under development in 80 countries across Europe, the Middle East and Africa.

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 allow Radisson to complete their presence in Mature markets.

Radisson is a member of Radisson Hotel Group. For more information, visit [www.radissonhospitalityab.com](http://www.radissonhospitalityab.com).

Stockholm, July 23, 2020

The Board of Directors

Radisson Hospitality AB

## Condensed Consolidated Statement of Operations

MEUR	Q2 2020	Q2 2019	H1 2020	H1 2019
Revenue	27.9	261.9	198.5	475.3
Costs of goods sold for Food & Beverage and other related expenses	-0.8	-12.4	-9.1	-23.1
Personnel cost and contract labour	-32.7	-79.0	-102.7	-154.7
Other operating expenses	-39.1	-66.4	-98.2	-123.9
Insurance of properties and property tax	-1.9	-3.5	-5.4	-7.1
<b>Operating profit before rental expense, share of income in associates and joint ventures, depreciation and amortisation, write-downs and reversals of write-downs, gain/loss due to lease modifications and terminations, gain/loss on sale of fixed assets, net financial items and income tax (EBITDAR)</b>	<b>-46.6</b>	<b>100.6</b>	<b>-16.9</b>	<b>166.5</b>
Rental expense	-3.7	-46.4	-38.7	-86.3
Share of income in associates and joint ventures	0.0	0.2	0.0	-0.6
<b>Operating profit before depreciation and amortisation, write-downs and reversals of write-downs, gain/loss due to lease modifications and terminations, gain/loss on sale of fixed assets, net financial items and income tax (EBITDA)</b>	<b>-50.3</b>	<b>54.4</b>	<b>-55.6</b>	<b>79.6</b>
Depreciation and amortisation	-21.1	-18.4	-42.1	-36.3
Write-downs and reversals of write-downs	-0.6	-0.4	-1.7	-0.6
Gain/loss due to lease modifications and terminations	—	-0.2	—	-0.2
<b>Operating profit/loss (EBIT)</b>	<b>-72.0</b>	<b>35.4</b>	<b>-99.4</b>	<b>42.5</b>
Financial income	0.4	0.2	1.8	0.7
Financial expense	-10.1	-9.8	-20.2	-20.2
<b>Profit/loss before tax</b>	<b>-81.7</b>	<b>25.8</b>	<b>-117.8</b>	<b>23.0</b>
Income tax	18.4	-6.9	25.3	-7.1
<b>Profit/loss for the period</b>	<b>-63.3</b>	<b>18.9</b>	<b>-92.5</b>	<b>15.9</b>
<b>Attributable to:</b>				
Owners of the parent company	-63.3	18.9	-92.5	15.9
Non-controlling interests	—	—	—	—
<b>Profit/loss for the period</b>	<b>-63.3</b>	<b>18.9</b>	<b>-92.5</b>	<b>15.9</b>

## Consolidated Statement of Comprehensive Income

MEUR	Q2 2020	Q2 2019	H1 2020	H1 2019
<b>Profit/loss for the period</b>	<b>-63.3</b>	<b>18.9</b>	<b>-92.5</b>	<b>15.9</b>
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	2.7	-2.4	-4.9	1.4
Tax on exchange differences	-0.1	-1.2	-1.0	-0.3
Fair value gains and losses on cash flow hedges	-0.2	0.2	0.1	-0.1
Tax on fair value gains and losses on cash flow hedges	0.1	-0.1	-0.0	0.0
<b>Other comprehensive income for the period, net of tax</b>	<b>2.5</b>	<b>-3.5</b>	<b>-5.8</b>	<b>1.0</b>
<b>Total comprehensive income for the period</b>	<b>60.8</b>	<b>15.4</b>	<b>-98.3</b>	<b>16.9</b>
<b>Attributable to:</b>				
Owners of the parent company	60.8	15.4	-98.3	16.9
Non-controlling interests	—	—	—	—

## Condensed Consolidated Balance Sheet Statements

MEUR	30 Jun 2020	31 Dec 2019
<b>ASSETS</b>		
Intangible assets	131.3	122.4
Tangible assets	208.2	223.1
Right-of-use assets	297.7	297.0
Investments in associated companies and joint ventures	1.5	1.5
Other shares and participations	5.2	5.2
Other long-term receivables	46.2	26.0
Deferred tax assets	121.2	109.6
<b>Total non-current assets</b>	<b>811.3</b>	<b>784.8</b>
Inventories	3.3	4.0
Other current receivables	112.2	149.8
Derivative financial instruments	—	0.0
Other short-term investments	2.0	2.1
Cash and cash equivalents	133.9	239.6
Assets classified as held for sale	45.2	14.0
<b>Total current assets</b>	<b>296.6</b>	<b>409.5</b>
<b>TOTAL ASSETS</b>	<b>1,107.9</b>	<b>1,194.3</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent	50.5	148.8
Non-controlling interests	0.0	0.0
<b>Total equity</b>	<b>50.5</b>	<b>148.8</b>
Shareholders' loans	100.0	—
Bond	243.5	242.5
Loans from financial institutions	25.0	—
Non-current lease liabilities	356.4	419.2
Deferred tax liabilities	5.8	20.3
Retirement benefit obligations	4.6	4.3
Other non-current liabilities	6.7	6.8
<b>Total non-current liabilities</b>	<b>742.0</b>	<b>693.1</b>
Current lease liabilities	70.6	47.7
Derivative financial instruments	0.1	0.1
Other current liabilities	241.0	304.6
Liabilities classified as held for sale	3.7	—
<b>Total current liabilities</b>	<b>315.4</b>	<b>352.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,107.9</b>	<b>1,194.3</b>

## Consolidated Statement of Changes in Equity

MEUR	Share capital	Other paid in capital	Other reserves	Retained earnings incl. net profit/loss for the period	Attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>Opening balance as of January 1, 2019</b>	11.6	177.1	-6.9	-25.8	156.0	0.0	156.0
Profit for the period	—	—	—	15.9	15.9	—	15.9
<i>Other comprehensive income:</i>							
Currency differences on translation of foreign operations	—	—	1.4	—	1.4	—	1.4
Tax on exchange differences recognised in other comprehensive income	—	—	-0.3	—	-0.3	—	-0.3
Cash flow hedges	—	—	-0.1	—	-0.1	—	-0.1
Tax on cash flow hedges	—	—	0.0	—	0.0	—	0.0
<b>Total comprehensive income for the period</b>	—	—	1.0	15.9	16.9	—	16.9
<i>Transactions with owners:</i>							
Long term incentive programmes	—	—	—	-0.3	-0.3	—	-0.3
<b>Ending balance as of June 30, 2019</b>	11.6	177.1	-5.9	-10.2	172.6	0.0	172.6
<b>Opening balance as of January 1, 2020</b>	11.6	177.1	-2.9	-37.0	148.8	0.0	148.8
Profit for the period	—	—	—	-92.5	-92.5	—	-92.5
<i>Other comprehensive income:</i>							
Currency differences on translation of foreign operations	—	—	-4.9	—	-4.9	—	-4.9
Tax on exchange differences recognised in other comprehensive income	—	—	-1.0	—	-1.0	—	-1.0
Cash flow hedges	—	—	0.1	—	0.1	—	0.1
Tax on cash flow hedges	—	—	-0.0	—	-0.0	—	-0.0
<b>Total comprehensive income for the period</b>	—	—	-5.8	-92.5	-98.3	—	-98.3
<b>Ending balance as of June 30, 2020</b>	11.6	177.1	-8.7	-129.5	50.5	0.0	50.5

## Condensed Consolidated Statement of Cash Flow

MEUR	Q2 2020	Q2 2019	H1 2020	H1 2019
<b>Operating profit (EBIT)</b>	<b>-72.0</b>	<b>35.4</b>	<b>-99.4</b>	<b>42.5</b>
Non-cash items	21.7	18.7	44.1	37.4
Taxes paid and other cash items	1.4	-3.6	-1.4	-9.2
Change in working capital	31.1	-11.5	35.4	-29.8
<b>Cash flow from operating activities</b>	<b>-17.8</b>	<b>39.0</b>	<b>-21.3</b>	<b>40.9</b>
Purchase of intangible assets	-43.4	-0.8	-81.9	-1.6
Purchase of tangible assets	-14.2	-14.8	-20.0	-30.5
Investments in assets held for sale	-3.1	—	-27.5	—
Other investments/divestments	-15.0	2.1	-14.0	3.7
Interest received	0.4	0.1	0.6	1.0
<b>Cash flow from investing activities</b>	<b>-75.3</b>	<b>-13.4</b>	<b>-142.8</b>	<b>-27.4</b>
New borrowings	101.0	—	125.0	—
Repayments of borrowings	-0.0	-0.1	-0.0	-0.2
Repayments of lease liabilities	-34.1	-3.5	-48.2	-13.8
Interest paid on lease liabilities	-4.6	-4.8	-9.3	-9.7
Other interest paid	-0.1	-0.0	-8.7	-9.1
<b>Cash flow from financing activities</b>	<b>62.2</b>	<b>-8.4</b>	<b>58.8</b>	<b>-32.8</b>
<b>Cash flow for the period</b>	<b>-30.9</b>	<b>17.2</b>	<b>-105.3</b>	<b>-19.3</b>
Effects of exchange rate changes on cash and cash equivalents	-0.1	-0.0	-0.4	-0.0
<b>Cash and cash equivalents at beginning of the period</b>	<b>164.9</b>	<b>213.4</b>	<b>239.6</b>	<b>249.9</b>
<b>Cash and cash equivalents at end of the period</b>	<b>133.9</b>	<b>230.6</b>	<b>133.9</b>	<b>230.6</b>

## Parent Company, Condensed Statement of Operations

MEUR	Q2 2020	Q2 2019	H1 2020	H1 2019
Revenue	1.3	3.6	4.3	6.8
Personnel cost and contract labour	-1.0	-1.4	-2.4	-3.0
Other operating expenses	-0.7	-2.0	-2.4	-4.5
<b>Operating profit/loss before depreciation and amortization (EBITDA)</b>	<b>-0.4</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.7</b>
Depreciation and amortization	-0.0	-0.1	-0.0	-0.1
<b>Operating profit/loss (EBIT)</b>	<b>-0.4</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.8</b>
Financial income	0.0	0.2	0.1	0.5
Financial expense	-0.2	-0.1	-0.4	-0.1
<b>Profit/loss before tax</b>	<b>-0.6</b>	<b>0.2</b>	<b>-0.8</b>	<b>-0.4</b>
Income tax	0.2	0.0	0.2	0.1
<b>Profit/loss for the period</b>	<b>-0.4</b>	<b>0.2</b>	<b>-0.6</b>	<b>-0.3</b>

## Parent Company, Statement of Comprehensive Income

MEUR	Q2 2020	Q2 2019	H1 2020	H2 2019
<b>Profit/loss for the period</b>	<b>-0.4</b>	<b>0.2</b>	<b>-0.6</b>	<b>-0.3</b>
Other comprehensive income	—	—	—	—
<b>Total comprehensive income for the period</b>	<b>-0.4</b>	<b>0.2</b>	<b>-0.6</b>	<b>-0.3</b>

## Parent Company, Condensed Balance Sheet Statements

MEUR	30 Jun 2020	31 Dec 2019
<b>ASSETS</b>		
Intangible assets	0.0	0.0
Tangible assets	0.1	0.1
Shares in subsidiaries	236.9	236.9
<b>Total non-current assets</b>	<b>237.0</b>	<b>237.0</b>
Current receivables	131.0	33.1
<b>Total current assets</b>	<b>131.0</b>	<b>33.1</b>
<b>TOTAL ASSETS</b>	<b>368.0</b>	<b>270.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>265.2</b>	<b>265.8</b>
Shareholders' loans	100.0	—
<b>Total non-current liabilities</b>	<b>100.0</b>	<b>—</b>
Current liabilities	2.8	4.3
<b>Total current liabilities</b>	<b>2.8</b>	<b>4.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>368.0</b>	<b>270.1</b>



## Parent Company, Statement of Changes in Equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
<b>Opening balance as of January 1, 2019</b>	<b>11.6</b>	<b>254.2</b>	<b>0.2</b>	<b>266.0</b>
Total comprehensive income for the period	—	—	-0.3	-0.3
<i>Transactions with owners:</i>				
Long term incentive programmes	—	—	-0.3	-0.3
<b>Ending balance as of June 30, 2019</b>	<b>11.6</b>	<b>254.2</b>	<b>-0.4</b>	<b>265.4</b>
<b>Opening balance as of January 1, 2020</b>	<b>11.6</b>	<b>254.2</b>	<b>0.0</b>	<b>265.8</b>
Total comprehensive income for the period	—	—	-0.6	-0.6
<b>Ending balance as of June 30, 2020</b>	<b>11.6</b>	<b>254.2</b>	<b>-0.6</b>	<b>265.2</b>

## Comments on the Income Statement

The primary purpose of the Parent Company is to act as a holding company for the Group's investments in hotel operating subsidiaries in various countries. In addition to this main activity, the Parent Company also serves as a Shared Service Centre.

The main revenue of the company is internal fees charged to hotels for the services provided by the Shared Service Centre. In Q2 2020 and H1 2020 the intercompany revenue of the Parent Company amounted to MEUR 1.5 (3.1) and MEUR 4.0 (5.9), respectively. The intercompany costs in Q2 2020 and H1 2020 amounted to MEUR 0.2 (1.0) and MEUR 1.1 (2.2).

## Comments on the Balance Sheet

The increase in assets and liabilities since year-end 2019 is mainly due to the shareholders' loans received of MEUR 100.0 and subsequent increase of intercompany liabilities. At the end of the period the intercompany receivables amounted to MEUR 130.1 (31.9) and the intercompany liabilities amounted to MEUR 0.3 (0.5).

## Notes to Condensed Consolidated Financial Statements

### **Basis of preparation**

The report has been prepared in accordance with the Swedish Annual Accounts Act and International Accounting Standard (IAS) 34 Interim Financial Reporting. The report has been prepared using accounting principles consistent with International Financial Reporting Standards (IFRS). Disclosures in accordance with IAS 34 Interim Financial Reporting are presented either in notes or elsewhere in the report.

The report for the Parent Company has been prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2, Accounting for Legal Entities, issued by Swedish Financial Accounting Standards Council. The Parent Company applies the exception rule in RFR 2 and reports all leases as operational in the income statement.

The same accounting policies, presentation and methods of computation have been followed in this report as were applied in the company's 2019 Annual Report.

### **Financial instruments at fair value through other comprehensive income**

Per June 30, 2020, Radisson had financial instruments measured at fair value through other comprehensive income amounting to MEUR 5.2 (5.2).

## Related party transactions

Radisson Hospitality, Inc. and its subsidiaries are significant related parties.

On June 30, 2020 Radisson had operating receivables of MEUR 9.2 (33.9 on December 31, 2019) related to Radisson Hospitality, Inc. and operating current liabilities of MEUR 24.5 (102.0). In addition, Radisson had non-current interest-bearing receivables on subsidiaries of Radisson Hospitality, Inc. of MEUR 37.8 (17.8) and related interest receivables of MEUR 0.2 (0.2).

The business relationship with Radisson Hospitality, Inc. mainly consisted of operating costs related to the use of the brands and the use of Radisson Hospitality, Inc.'s reservation system. During Q2 2020 and H1 2020 Radisson had operating costs towards Radisson Hospitality, Inc. of MEUR 4.0 (5.0) and MEUR 9.0 (10.6) respectively.

Radisson Hospitality, Inc. also charged MEUR 0.1 (1.4) and MEUR 1.2 (2.5), respectively, for points earned in the Radisson Rewards loyalty programme and reimbursed MEUR 0.4 (0.7) and MEUR 0.4 (1.2), respectively, for points redeemed. Furthermore, Radisson Hospitality, Inc. recharged MEUR 0.9 (0.5) and MEUR 1.5 (1.3), respectively, of costs incurred from third parties, mainly internet-based reservation channels.

Radisson Hospitality, Inc. and Radisson are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q2 2020 and H1 2020 Radisson had revenue towards Radisson Hospitality, Inc. of MEUR 1.7 (2.5) and MEUR 3.5 (4.9), respectively, and costs of MEUR 0.0 (0.3) and MEUR 0.3 (0.4), respectively, related to these cost sharing arrangements.

Radisson is developing a global integrated IT platform. During Q2 2020 and H1 2020 Radisson had cost recharges to Radisson Hospitality, Inc. of MEUR 3.3 (1.7) and MEUR 7.0 (3.2), respectively, and costs of MEUR 0.1 (1.6) and MEUR 0.1 (3.8), respectively, related to the platform.

Per June 30, 2020, Radisson had an interest-bearing non-current liability to one of the subsidiaries of Jin Jiang International Holdings Co., Ltd. of MEUR 100.0. Per December 31, 2019, Radisson had an interest-bearing receivable on one of the subsidiaries of Jin Jiang International Holdings Co., Ltd. of MEUR 5.0.

Except for the above-mentioned transactions, there are no material transactions with Jin Jiang International Holdings Co., Ltd. and its affiliates.

## Pledged assets

On June 29, 2018, Radisson entered into a Super Senior Multicurrency Revolving Facility Agreement. On July 6, 2018, Radisson issued TEUR 250,000 Senior Secured Notes. For both transactions Radisson has agreed to provide security to its creditors through share pledges on several of its direct and indirect subsidiaries, pledges on (intra-group) receivables and bank accounts, as well as assignment of rights in relation to certain agreements. The notes are issued by the subsidiary Radisson Hotel Holdings AB (publ). The issuer's obligations under the Notes and the Indenture are guaranteed jointly and severally on a senior basis by 34 subsidiaries within the Group. The Issuer and the Guarantors together comprised 94% of the total assets of the Group as of June 30, 2020.

## Contingent liabilities

	30 Jun 2020	31 Dec 2019
<b>Contingent liabilities, MEUR</b>		
Guarantees provided	0.3	0.3

## RevPAR Development by Brand (Leased & Managed Hotels)

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019
Radisson <sup>2</sup>	11.7%	-57.9 pp	76.7	-36.7%	9.0	-89.4%	8.6	-89.6%
Park Inn by Radisson	10.4%	-62.5 pp	59.5	-25.3%	6.2	-89.3%	5.9	-89.8%
<b>Group</b>	<b>11.4%</b>	<b>-59.2 pp</b>	<b>72.5</b>	<b>-33.9%</b>	<b>8.2</b>	<b>-89.4%</b>	<b>7.9</b>	<b>-89.7%</b>

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019
Radisson	31.7%	-34.6 pp	103.2	-12.1%	32.7	-58.0%	32.6	-57.7%
Park Inn by Radisson	29.9%	-36.5 pp	67.1	-11.3%	20.9	-60.1%	19.8	-60.3%
<b>Group</b>	<b>31.2%</b>	<b>-35.1 pp</b>	<b>94.0</b>	<b>-11.6%</b>	<b>29.4</b>	<b>-58.4%</b>	<b>29.4</b>	<b>-58.1%</b>

<sup>2</sup> Includes Radisson Collection, Radisson Blu and Radisson RED

## RevPAR Development by Region (Leased & Managed Hotels)

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019
Nordics	8.6%	-69.7 pp	125.7	-9.5%	10.9	-90.0%	10.0	-90.8%
Rest of Western Europe	3.6%	-77.1 pp	80.8	-36.0%	2.9	-97.1%	2.9	-97.2%
Eastern Europe	6.4%	-63.1 pp	53.9	-37.4%	3.4	-94.3%	3.5	-94.3%
Middle East & Africa	26.5%	-30.3 pp	67.4	-30.1%	17.9	-67.4%	16.6	-70.4%
<b>Group</b>	<b>11.4%</b>	<b>-59.2 pp</b>	<b>72.5</b>	<b>-33.9%</b>	<b>8.2</b>	<b>-89.4%</b>	<b>7.9</b>	<b>-89.7%</b>

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019
Nordics	32.7%	-41.6 pp	120.7	-7.5%	39.5	-59.2%	38.0	-60.4%
Rest of Western Europe	28.6%	-47.2 pp	107.5	-10.8%	30.7	-66.4%	30.9	-65.7%
Eastern Europe	24.8%	-35.2 pp	71.2	-12.5%	17.7	-63.9%	19.3	-61.3%
Middle East & Africa	40.4%	-19.0 pp	88.4	-11.4%	35.8	-39.7%	35.2	-42.4%
<b>Group</b>	<b>31.2%</b>	<b>-35.1 pp</b>	<b>94.0</b>	<b>-11.6%</b>	<b>29.4</b>	<b>-58.4%</b>	<b>29.4</b>	<b>-58.1%</b>

## RevPAR Development by Region (Leased Hotels)

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019	Q2 2020	vs. 2019
Nordics	9.5%	-70.1 pp	125.3	-7.4%	11.9	-89.0%	10.9	-89.8%
Rest of Western Europe	2.9%	-77.7 pp	88.4	-33.7%	2.5	-97.6%	2.5	-97.6%
<b>Group</b>	<b>5.8%</b>	<b>-74.3 pp</b>	<b>115.4</b>	<b>-14.1%</b>	<b>6.7</b>	<b>-93.7%</b>	<b>6.2</b>	<b>-94.2%</b>

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019	H1 2020	vs. 2019
Nordics	33.2%	-41.3 pp	120.0	-6.2%	39.8	-58.2%	38.2	-59.5%
Rest of Western Europe	28.0%	-48.1 pp	112.9	-11.4%	31.6	-67.4%	32.0	-67.0%
<b>Group</b>	<b>30.3%</b>	<b>-45.0 pp</b>	<b>116.4</b>	<b>-8.8%</b>	<b>35.3</b>	<b>-63.3%</b>	<b>34.7</b>	<b>-63.8%</b>

## Revenue per Area of Operation

MEUR	Q2 2020	Q2 2019	Change %	H1 2020	H1 2019	Change %
Rooms revenue	8.6	148.4	-94.2%	95.9	263.7	-63.6%
F&B revenue	3.3	59.7	-94.5%	43.0	113.0	-61.9%
Other hotel revenue	5.3	7.1	-25.4%	11.6	12.0	-3.3%
<b>Total hotel revenue (leased)</b>	<b>17.2</b>	<b>215.2</b>	<b>-92.0%</b>	<b>150.5</b>	<b>388.7</b>	<b>-61.3%</b>
Fee revenue (managed & franchised)	3.4	37.0	-90.8%	27.7	66.8	-58.5%
Other revenue	7.3	9.7	-24.7%	20.3	19.8	2.5%
<b>Total revenue</b>	<b>27.9</b>	<b>261.9</b>	<b>-89.3%</b>	<b>198.5</b>	<b>475.3</b>	<b>-58.2%</b>

## Total Fee Revenue

MEUR	Q2 2020	Q2 2019	Change %	H1 2020	H1 2019	Change %
Management fees	1.0	9.1	-89.0%	7.5	16.8	-55.4%
Incentive fees	-0.6	7.8	n/a	3.5	13.7	-74.5%
Franchise fees	0.8	4.6	-82.6%	3.8	8.2	-53.7%
Other fees (incl. marketing, reservation fee etc.)	2.2	15.5	-85.8%	12.9	28.1	-54.1%
<b>Total fee revenue</b>	<b>3.4</b>	<b>37.0</b>	<b>-90.8%</b>	<b>27.7</b>	<b>66.8</b>	<b>-58.5%</b>

## Revenue per Segment

Q2	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	14.1	100.7	3.2	113.9	0.0	1.1	—	—
Managed	-0.1	0.5	-0.2	6.7	0.3	11.0	1.4	7.6
Franchised	0.4	2.6	0.8	6.3	0.6	2.1	0.2	0.2
Other	0.5	0.4	1.7	2.3	—	—	—	—
<b>Total</b>	<b>14.9</b>	<b>104.2</b>	<b>5.5</b>	<b>129.2</b>	<b>0.9</b>	<b>14.2</b>	<b>1.6</b>	<b>7.8</b>

Q2	Central Management		Central Marketing		Other Central Activities		Intra Segment Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-0.1	-0.5	17.2	215.2
Managed	—	—	—	—	—	—	—	—	1.4	25.8
Franchised	—	—	—	—	—	—	—	—	2.0	11.2
Other	—	—	—	—	—	—	-1.3	-0.5	0.9	2.2
Central Activities	3.6	0.9	3.1	17.6	1.3	3.0	-1.6	-14.0	6.4	7.5
<b>Total</b>	<b>3.6</b>	<b>0.9</b>	<b>3.1</b>	<b>17.6</b>	<b>1.3</b>	<b>3.0</b>	<b>-3.0</b>	<b>-15.0</b>	<b>27.9</b>	<b>261.9</b>

H1	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	78.0	182.0	71.9	205.9	1.0	1.6	—	—
Managed	0.2	1.1	4.1	11.8	6.3	18.1	8.7	16.8
Franchised	2.1	5.1	3.5	10.0	2.1	3.6	0.7	0.3
Other	1.4	0.8	3.6	4.2	—	—	—	—
<b>Total</b>	<b>81.7</b>	<b>189.0</b>	<b>83.1</b>	<b>231.9</b>	<b>9.4</b>	<b>23.3</b>	<b>9.4</b>	<b>17.1</b>

H1	Central Management		Central Marketing		Other Central Activities		Intra Segment Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-0.4	-0.8	150.5	388.7
Managed	—	—	—	—	—	—	—	—	19.3	47.8
Franchised	—	—	—	—	—	—	—	—	8.4	19.0
Other	—	—	—	—	—	—	-1.9	-0.8	3.1	4.2
Central Activities	9.0	2.2	14.7	32.9	4.4	6.2	-10.9	-25.7	17.2	15.6
<b>Total</b>	<b>9.0</b>	<b>2.2</b>	<b>14.7</b>	<b>32.9</b>	<b>4.4</b>	<b>6.2</b>	<b>-13.2</b>	<b>-27.3</b>	<b>198.5</b>	<b>475.3</b>

## EBITDA per Segment

Q2	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	5.4	22.9	-16.0	18.8	-0.3	-0.3	—	—
Managed	0.0	0.2	-9.9	5.0	-7.1	8.6	-1.5	5.2
Franchised	-0.3	1.4	0.0	4.4	0.2	1.1	0.0	0.1
Other	0.0	0.9	1.3	0.7	—	—	—	0.1
<b>Total</b>	<b>5.1</b>	<b>25.4</b>	<b>-24.6</b>	<b>28.9</b>	<b>-7.2</b>	<b>9.4</b>	<b>-1.5</b>	<b>5.4</b>

Q2	Central Management		Central Marketing		Other Central Activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-10.9	41.4
Managed	—	—	—	—	—	—	-18.5	19.0
Franchised	—	—	—	—	—	—	-0.1	7.0
Other	—	—	—	—	—	—	1.3	1.7
Central Activities	-18.9	-17.7	-3.6	1.4	0.4	1.6	-22.1	-14.7
<b>Total</b>	<b>-18.9</b>	<b>-17.7</b>	<b>-3.6</b>	<b>1.4</b>	<b>0.4</b>	<b>1.6</b>	<b>-50.3</b>	<b>54.4</b>

H1	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	11.2	35.4	-16.3	27.2	-1.0	-0.4	—	—
Managed	0.1	0.5	-10.1	6.9	-5.1	12.4	3.5	12.0
Franchised	0.7	2.6	0.9	6.4	1.0	2.3	0.2	0.1
Other	0.2	1.0	2.2	1.1	—	—	—	0.1
<b>Total</b>	<b>12.2</b>	<b>39.5</b>	<b>-23.3</b>	<b>41.6</b>	<b>-5.1</b>	<b>14.3</b>	<b>3.7</b>	<b>12.2</b>

H1	Central Management		Central Marketing		Other Central Activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-6.1	62.2
Managed	—	—	—	—	—	—	-11.6	31.8
Franchised	—	—	—	—	—	—	2.8	11.4
Other	—	—	—	—	—	—	2.4	2.2
Central Activities	-41.0	-34.1	-4.2	2.7	2.1	3.4	-43.1	-28.0
<b>Total</b>	<b>-41.0</b>	<b>-34.1</b>	<b>-4.2</b>	<b>2.7</b>	<b>2.1</b>	<b>3.4</b>	<b>-55.6</b>	<b>79.6</b>

## EBIT per Segment

Q2	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	-2.0	13.9	-26.2	10.8	-0.3	-0.3	—	—
Managed	-0.1	0.2	-10.2	4.8	-7.4	8.5	-1.6	5.1
Franchised	-0.3	1.3	-0.1	4.3	0.2	1.1	0.0	0.1
Other	0.0	1.0	1.5	0.5	—	—	—	0.1
<b>Total</b>	<b>-2.4</b>	<b>16.4</b>	<b>-35.0</b>	<b>20.4</b>	<b>-7.5</b>	<b>9.3</b>	<b>-1.6</b>	<b>5.3</b>

Q2	Central Management		Central Marketing		Other Central Activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-28.5	24.4
Managed	—	—	—	—	—	—	-19.3	18.6
Franchised	—	—	—	—	—	—	-0.2	6.8
Other	—	—	—	—	—	—	1.5	1.6
Central Activities	-22.4	-19.0	-3.5	1.4	0.4	1.6	-25.5	-16.0
<b>Total</b>	<b>-22.4</b>	<b>-19.0</b>	<b>-3.5</b>	<b>1.4</b>	<b>0.4</b>	<b>1.6</b>	<b>-72.0</b>	<b>35.4</b>

H1	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	-3.7	19.6	-36.9	10.1	-1.1	-0.4	—	—
Managed	0.0	0.5	-10.7	6.4	-5.4	12.3	3.3	11.8
Franchised	0.6	2.5	0.8	6.3	1.0	2.3	0.2	0.1
Other	0.2	1.0	2.2	0.7	—	—	—	0.1
<b>Total</b>	<b>-2.9</b>	<b>23.6</b>	<b>-44.6</b>	<b>23.5</b>	<b>-5.5</b>	<b>14.2</b>	<b>3.5</b>	<b>12.0</b>

H1	Central Management		Central Marketing		Other Central Activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Leased	—	—	—	—	—	—	-41.7	29.3
Managed	—	—	—	—	—	—	-12.8	31.0
Franchised	—	—	—	—	—	—	2.6	11.2
Other	—	—	—	—	—	—	2.4	1.8
Central Activities	-47.8	-36.8	-4.2	2.6	2.1	3.4	-49.9	-30.8
<b>Total</b>	<b>-47.8</b>	<b>-36.8</b>	<b>-4.2</b>	<b>2.6</b>	<b>2.1</b>	<b>3.4</b>	<b>-99.4</b>	<b>42.5</b>

## Reconciliation of Profit/Loss for the Period

MEUR	Q2 2020	Q2 2019	H1 2020	H1 2019
<b>Total operating profit/loss (EBIT) for reportable segments</b>	<b>-72.0</b>	<b>35.4</b>	<b>-99.4</b>	<b>42.5</b>
Financial income	0.4	0.2	1.8	0.7
Financial expense	-10.1	-9.8	-20.2	-20.2
<b>Group's total profit/loss before tax</b>	<b>-81.7</b>	<b>25.8</b>	<b>-117.8</b>	<b>23.0</b>

## Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East & Africa		Total	
	30 Jun 2020	31 Dec 2018	30 Jun 2020	31 Dec 2018	30 Jun 2020	31 Dec 2018	30 Jun 2020	31 Dec 2018	30 Jun 2020	31 Dec 2018
Assets	358.5	365.0	705.7	784.4	19.6	20.8	24.1	24.1	1,107.9	1,194.3
Investments (tangible & intangible assets)	4.7	30.4	29.9	111.1	0.0	1.4	0.0	0.0	34.6	142.9

## Quarterly Key Figures

MEUR	Q2 2020	Q2 2019	Q2 2018	Q2 2017	Q2 2016
RevPAR	7.9	76.8	76.0	74.9	73.1
Revenue	27.9	261.9	253.7	254.1	259.8
EBITDAR	-46.6	100.6	95.6	88.4	98.1
EBITDA	-50.3	54.4	40.4	28.4	36.4
EBIT	-72.0	35.4	27.1	6.3	22.0
Profit/loss for the period	-63.3	18.9	20.5	3.6	16.2
EBITDAR margin, %	-167.0	38.4	37.7	34.8	37.8
EBITDA margin, %	-180.3	20.8	15.9	11.2	14.0
EBIT margin, %	-258.1	13.5	10.7	2.5	8.5

MEUR	2020		2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	7.9	50.8	69.9	80.7	76.8	63.6	67.6	78.0	76.0	61.7
Revenue	27.9	170.6	262.2	261.8	261.9	213.4	246.0	253.3	253.7	206.2
EBITDAR	-46.6	29.7	69.6	104.5	100.6	65.9	70.4	96.7	95.6	62.7
EBITDA	-50.3	-5.3	26.5	59.1	54.4	25.2	17.0	40.2	40.4	6.1
EBIT	-72.0	-27.4	-8.6	39.3	35.4	7.1	-10.4	19.8	27.1	-4.8
Profit/loss for the period	-63.3	-18.9	-15.9	22.0	18.9	-3.0	-21.0	9.1	20.5	-5.0
EBITDAR Margin %	-167.0	17.4	26.5	39.9	38.4	30.9	28.6	38.2	37.7	30.4
EBITDA Margin %	-180.3	-3.1	10.1	22.6	20.8	11.8	6.9	15.9	15.9	3.0
EBIT Margin %	-258.1	-16.1	-3.3	15.0	13.5	3.3	-4.2	7.8	10.7	-2.3

## Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	Q2 2020	Q2 2020	H1 2020	H1 2020	Q2 2020	Q2 2020	H1 2020	H1 2020
<b>By region:</b>								
Nordics	—	—	—	—	—	—	2	648
Rest of Western Europe	—	—	1	60	5	672	7	994
Eastern Europe	2	323	4	552	3	478	8	1,221
Middle East & Africa	3	3	1	163	4	793	11	2,651
<b>Total</b>	<b>2</b>	<b>323</b>	<b>6</b>	<b>775</b>	<b>12</b>	<b>1,943</b>	<b>28</b>	<b>5,514</b>
<b>By brand:</b>								
Radisson Blu	1	219	1	219	2	360	3	794
Park Inn by Radisson	—	—	—	—	1	168	1	168
Other	1	104	5	556	9	1,415	24	4,552
<b>Total</b>	<b>2</b>	<b>323</b>	<b>6</b>	<b>775</b>	<b>12</b>	<b>1,943</b>	<b>28</b>	<b>5,514</b>
<b>By contract type:</b>								
Leased	—	—	1	60	—	—	3	536
Managed	—	—	1	163	5	958	12	2,827
Franchised	2	323	4	552	7	985	13	2,151
<b>Total</b>	<b>2</b>	<b>323</b>	<b>6</b>	<b>775</b>	<b>12</b>	<b>1,943</b>	<b>28</b>	<b>5,514</b>

In Q2 2020, one hotel and 175 rooms went offline, resulting in a net opening of 148 rooms.

## Hotels and Rooms in Operation and under Development (in Pipeline)

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>30 June</b>								
<b>By region:</b>								
Nordics	55	57	13,821	14,152	5	3	1,140	492
Western Europe	129	125	26,287	25,883	28	18	4,951	3,021
Eastern Europe	117	114	26,699	26,242	36	29	6,289	5,616
Middle East & Africa	91	88	18,583	17,847	72	78	16,073	17,722
<b>Total</b>	<b>392</b>	<b>384</b>	<b>85,390</b>	<b>84,124</b>	<b>141</b>	<b>128</b>	<b>28,453</b>	<b>26,851</b>
<b>By brand:</b>								
Radisson Blu	253	252	57,891	57,864	44	55	9,640	11,527
Park Inn by Radisson	112	109	22,515	21,918	17	28	3,003	6,234
Other	27	23	4,984	4,342	80	45	15,810	9,090
<b>Total</b>	<b>392</b>	<b>384</b>	<b>85,390</b>	<b>84,124</b>	<b>141</b>	<b>128</b>	<b>28,453</b>	<b>26,851</b>
<b>By contract type:</b>								
Leased	56	56	15,210	15,365	14	11	2,625	2,094
Managed	193	196	43,349	43,650	96	97	20,035	21,193
Franchised	143	132	26,831	25,109	31	20	5,793	3,564
<b>Total</b>	<b>392</b>	<b>384</b>	<b>85,390</b>	<b>84,124</b>	<b>141</b>	<b>128</b>	<b>28,453</b>	<b>26,851</b>



## 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 & beverage revenue, other hotel revenue, fee revenue and other non-hotel revenue from administration units).

### Non-IFRS Measures – Alternative Performance Measures

#### EBIT

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 of contracts, gain/loss on sale of fixed assets, net financial items and income tax.

#### EBITDA Margin

EBITDA as a percentage of Revenue.

#### EBITDAR

Operating profit 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 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 retirement benefit obligations, liabilities related to investments in hotels under management contracts, for which repayments are linked to fees collected, and lease liabilities.

	30 Jun 2020	31 Dec 2019
Cash & cash equivalents [A]	133.9	239.6
Interest-bearing liabilities [B]	804.6	718.1
Retirement benefit obligations [C]	4.6	4.3
Liabilities related to investments in hotels under management contracts [D]	4.5	4.3
Lease liabilities [E]	427.0	466.9
<b>Net cash (debt) [A–B+C+D+E]</b>	<b>–234.6</b>	<b>–2.8</b>

#### Net Interest-bearing Assets/Liabilities

Interest-bearing assets minus interest-bearing liabilities.

MEUR	30 Jun 2020	31 Mar 2019
Interest-bearing assets [A]	181.4	272.1
Interest-bearing liabilities [B]	804.6	718.1
<b>Net interest-bearing assets/(liabilities) [A–B]</b>	<b>–623.2</b>	<b>–446.0</b>

### **Free Cash Flow**

Total cash flow from operating activities and investing activities.

<b>MEUR</b>	<b>H1 2020</b>	<b>H1 2019</b>
Cash flow from operating activities [A]	-21.3	40.9
Cash flow from investing activities [B]	-142.8	-27.4
<b>Free cash flow [A+B]</b>	<b>-164.1</b>	<b>13.5</b>

### **Net Working Capital**

Inventory plus current non-interest-bearing receivables minus current non-interest-bearing liabilities.

<b>MEUR</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
Inventories [A]	3.3	4.0
Current non-interest-bearing receivables [B]	111.7	144.3
Current non-interest-bearing liabilities [C]	243.1	306.8
<b>Net working capital [A+B-C]</b>	<b>-128.1</b>	<b>-158.5</b>

### **RevPAR**

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

<b>Leased portfolio</b>	<b>H1 2020</b>	<b>H1 2019</b>
Rooms revenue (MEUR) [A]	95.9	263.7
Number of available rooms (thousands) [B]	2,765	2,753
<b>RevPAR [A/B]</b>	<b>34.7</b>	<b>95.8</b>

### **Operating Measures**

#### **Average Room Rate**

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

#### **F&B**

Food and Beverage.

#### **FF&E**

Furniture, Fittings and Equipment.

#### **Like-for-like Hotels (“LFL”)**

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

#### **Like-for-like hotels including renovation (“LFL&R”)**

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

#### **Occupancy (%)**

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

#### **Revenue Generation Index (“RGI”)**

RGI measures a hotel's RevPAR performance relative to an aggregated grouping of hotels (i.e. competitive set, market or submarket). If all things are equal, a property's RevPAR index, or RGI, is 100, compared to the aggregated group of hotels.

**Revenue LFL**

Revenue for LFL hotels at constant exchange rates.

**Revenue LFL&R**

Revenue for LFL&R hotels at constant exchange rates.

**RevPAR LFL**

RevPAR for LFL hotels at constant exchange rates.

**RevPAR LFL&R**

RevPAR for LFL&R hotels at constant exchange rates.

**Geographic Regions/Segments*****Nordics***

Denmark, Finland, Iceland, Norway and Sweden.

***Rest of Western Europe***

Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom.

***Eastern Europe***

Armenia, Azerbaijan, Belarus, Croatia, Cyprus, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine and Uzbekistan.

***Middle East & Africa***

Algeria, Bahrain, Cameroon, Cape Verde, Chad, Congo, Egypt, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Kuwait, Lebanon, Libya, Madagascar, Mali, Mauritius, Morocco, Mozambique, Niger, Nigeria, Oman, Pakistan, Qatar, Reunion, Rwanda, Saudi Arabia, Senegal, Sierra Leone, South Africa, South Sudan, Tunisia, Uganda, the United Arab Emirates, Zambia and Zimbabwe.

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