January–June 2019

Second Quarter 2019

- **Revenue increased by MEUR 8.2 (3.2%) to MEUR 261.9.** The increase is mainly due to the good development in the like-for-like lease portfolio (MEUR 3.8) and new openings (MEUR 4.8). **On a like-for-like basis, including hotels under renovation ("LFL&R"), Revenue increased by MEUR 5.3 (2.1%).**
- **Reported RevPAR for leased and managed hotels increased by 1.0% and RevPAR LFL&R decreased by 0.4%.** The decrease is mainly due to ongoing renovations in a number of key hotels, as well as lack of special events in key destinations. Also, the timing of Easter has had a negative impact, most notable in the Nordics.
- **EBITDA increased by MEUR 14.4 (35.6%) to MEUR 54.8 and the EBITDA margin increased 5.0 pp to 20.9%.** The increase is mainly due to the implementation of the new accounting standard IFRS 16 *Leases* (MEUR 9.3) and strong development in the fee business.
- **EBIT increased by MEUR 7.4 (27.3%) to MEUR 34.5,** where of MEUR 3.2 is due to the implementation of IFRS 16 *Leases*. **The EBIT margin was 13.2% (10.7).**
- **Profit/loss for the period decreased by MEUR 2.3 (–11.2%) to MEUR 18.2.**
- **Basic and diluted earnings per share were EUR 0.11 (0.12).**
- **2,857 (1,268) rooms were contracted, 926 (271) rooms opened and 272 (0) rooms left the system.**

Half Year 2019

- **Revenue increased by MEUR 15.4 (3.3%) to MEUR 475.3. Revenue LFL&R increased by MEUR 12.7 (2.8%).**
- **Reported RevPAR for leased and managed hotels increased by 1.7% and RevPAR LFL&R increased by 0.8%.**
- **EBITDA increased by MEUR 33.6 (72.3%) to MEUR 80.1 and the EBITDA margin increased 6.7 pp to 16.8%.**
- **EBIT increased by MEUR 18.6 (83.4%) to MEUR 40.9 and the EBIT margin increased 3.8 pp to 8.6%.**
- **Profit/loss for the period decreased by MEUR 0.7 (–4.5%) to MEUR 14.8**.
- **Basic and diluted earnings per share were EUR 0.09 (0.09).**
- **Cash flow from operating activities amounted to MEUR 41.4 (32.9).**
- **6,734 (3,306) rooms were contracted, 2,214 (1,966) rooms opened and 1,321 (473) rooms left the system.**

MEUR	Q2 2019	Q2 2018	Change	%	H1 2019	H1 2018	Change	%
Revenue	261.9	253.7	8.2	3.2%	475.3	459.9	15.4	3.3%
EBITDA	54.8	40.4	14.4	35.6%	80.1	46.5	33.6	72.3%
EBITDA margin	*20.9%*	*15.9%*	*5.0 pp*		*16.8%*	*10.1%*	*6.7 pp*	
EBIT	34.5	27.1	7.4	27.3%	40.9	22.3	18.6	83.4%
EBIT margin	*13.2%*	*10.7%*	*2.5 pp*		*8.6%*	*4.8%*	*3.8 pp*	
Profit/loss for the period	18.2	20.5	–2.3	–11.2%	14.8	15.5	–0.7	–4.5%
Adjusted EBITDA	46.2	40.6	5.6	13.8%	58.1	46.7	11.4	24.4%
Adjusted EBITDA margin	*17.6%*	*16.0%*	*1.6 pp*		*12.2%*	*10.2%*	*2.0 pp*	
Adjusted EBIT	34.0	28.4	5.6	19.7%	34.2	23.7	10.5	44.3%
Adjusted EBIT margin	*13.0%*	*11.2%*	*1.8 pp*		*7.2%*	*5.2%*	*2.0 pp*	
Adjusted Profit/loss for the period	21.5	21.5	0.0	N/A	16.7	16.6	0.1	0.6%

Comments from the CEO

Q2 2019 was an excellent quarter, with strong EBITDA growth, even after normalisation of the positive impact from IFRS 16, and above the 5-year operating plan

More in detail, in the quarter we achieved an EBITDA of MEUR 54.8 (an increase of 35.6% and 5.0 pp margin improvement). This is mainly explained by the adoption in 2019 of IFRS 16. Nevertheless, the normalised EBITDA still shows a very strong flow-through with a 13.8% growth and 1.6 pp margin improvement. Quarter revenues show a 3.2% growth, with excellent contribution from like-for-like room revenues (like-for-like RevPAR at 2.6% on leased hotels) and strong support from new openings in the fee business.

During the semester we made significant progress in all operational areas and company initiatives (strong like-for-like growth in the leased portfolio, new openings in the fee business, brands & experience, revenue management & pricing and repositioning). Future growth will rely on very strong support from new signings, double than previous year, at 6,734 new rooms, mainly in the fee business.

For the year we expect top-line growth in line with the 5-year operating plan, while creating value on EBITDA with operational scale and margins increase year on year.

Federico J. González, President & CEO

RevPAR Development Q2

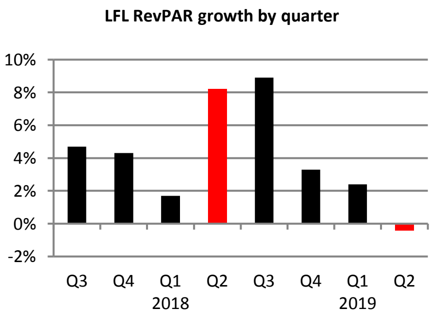
On a like-for-like basis, including hotels under renovation (“LFL&R”), RevPAR decreased by 0.4%. The decrease is mainly due to ongoing renovations in a number of key hotels, as well as lack of special events in key destinations. Worth mentioning is that last year’s figures were significantly impacted by the World Cup in football in Russia. In addition, the timing of Easter has had a negative impact, most notable in the Nordics.

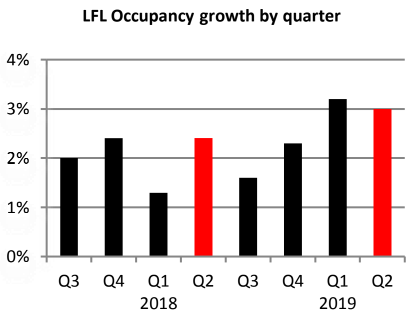
The strongest performance was noted in Middle East, Africa & Others (3.8%) and Rest of Western Europe (3.3%). In the Nordics the figures were relatively flat compared to last year (–0.6%) and in Eastern Europe the RevPAR LFL&R decreased by 7.1%.

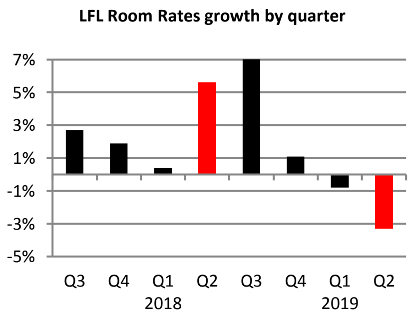
The RevPAR LFL&R performance was strong compared to competition with the third highest quarterly RGI increase of the last three years (2.1%), with 57% of the hotels growing. The continuous effects of the 5-year operating plan initiatives contributed to generate market share even in cities affected by supply increase, like for example Copenhagen. The new room type structure is now implemented in more than 280 hotels and the new revenue management system, which enables automated dynamic pricing, is implemented in more than 260 hotels.

Reported RevPAR for leased and managed hotels was 1.0% above last year.

RevPAR LFL&R for leased hotels increased by 2.6%, equally driven by occupancy and rates. Reported RevPAR for leased hotels was 2.6% above last year.







Income Statement

Second Quarter 2019

MEUR	Q2 2019	Q2 2018	Change	%
Revenue	261.9	253.7	8.2	3.2%
EBITDA	54.8	40.4	14.4	35.6%
EBITDA margin	*20.9%*	*15.9%*	*5.0 pp*	
EBIT	34.5	27.1	7.4	27.3%
EBIT margin	*13.2%*	*10.7%*	*2.5 pp*	
Profit/loss for the period	18.2	20.5	–2.3	–11.2%

Revenue increased by MEUR 8.2 (3.2%) to MEUR 261.9. The increase is mainly due to the good development in the like-for-like lease portfolio (MEUR 3.8) and new openings (MEUR 4.8).

On a like-for-like basis, including hotels under renovation (“LFL&R”), revenue increased by MEUR 5.3 (2.1%), although negatively impacted by the timing of Easter. 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	3.8	0.1	–1.2	–0.8	1.9
F&B revenue	–0.1	0.0	–0.4	–0.3	–0.8
Other hotel revenue	0.1	1.0	–0.0	0.0	1.1
Total leased revenue	**3.8**	**1.1**	**–1.6**	**–1.1**	**2.2**
Fee revenue	0.8	3.7	0.8	0.0	5.3
Other revenue	0.7	—	—	0.0	0.7
Total revenue	**5.3**	**4.8**	**–0.8**	**–1.1**	**8.2**

EBITDA increased by MEUR 14.4 (35.6%) to MEUR 54.8. The increase is mainly due to the implementation of the new accounting standard IFRS 16 *Leases* (MEUR 9.3) and the strong development in the fee business (MEUR 3.9).

The EBITDA margin increased 5.0 pp to 20.9%, where of 3.5 pp is due to the implementation of IFRS 16 *Leases*.

Adjusted EBITDA increased by MEUR 5.6 (13.8%) to MEUR 46.2.

EBIT increased by MEUR 7.4 (27.3%) to MEUR 34.5, where of MEUR 3.2 is due to the implementation of IFRS 16 *Leases*.

The EBIT margin increased 2.5 pp to 13.2%, where of 1.2 pp is due to the implementation of IFRS 16 *Leases*.

Adjusted EBIT increased by MEUR 5.6 (19.7%) to MEUR 34.0.

Profit/loss for the period decreased by MEUR 2.3 (–11.2%) to MEUR 18.2. The increase in EBIT is offset by MEUR 9.1 higher net financial expenses, mainly due to the bond issuance in July last year and the implementation of IFRS 16 *Leases*.

Half Year 2019

MEUR	H1 2019	H1 2018	Change	%
Revenue	475.3	459.9	15.4	3.3%
EBITDA	80.1	46.5	33.6	72.3%
EBITDA margin	*16.8%*	*10.1%*	*6.7 pp*	
EBIT	40.9	22.3	18.6	83.4%
EBIT margin	*8.6%*	*4.8%*	*3.8 pp*	
Profit/loss for the period	14.8	15.5	–0.7	–4.5%

Revenue increased by MEUR 15.4 (3.3%) to MEUR 475.3. The increase is mainly due to the good development for like-for-like hotels in the lease portfolio (MEUR 7.6) and new openings (MEUR 7.8).

On a like-for-like basis, including hotels under renovation (“LFL&R”), revenue increased by MEUR 12.7 (2.8%). 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	8.8	0.1	–1.7	–1.5	5.7
F&B revenue	–1.3	0.0	–0.7	–0.5	–2.5
Other hotel revenue	0.1	1.5	–0.0	–0.0	1.6
Total leased revenue	**7.6**	**1.6**	**–2.4**	**–2.0**	**4.8**
Fee revenue	2.2	6.2	–0.5	–0.2	7.7
Other revenue	2.9	—	—	–0.0	2.9
Total revenue	**12.7**	**7.8**	**–2.9**	**–2.2**	**15.4**

EBITDA increased by MEUR 33.6 (72.3%) to MEUR 80.1. The increase is mainly due to the implementation of the new accounting standard IFRS 16 *Leases* (MEUR 24.0), the strong revenue growth in both the lease and the fee business, as well as the positive effects from the new hotel operation model.

The EBITDA margin increased 6.7 pp to 16.8%, where of 5.0 pp is due to the implementation of IFRS 16 *Leases*.

Adjusted EBITDA increased by MEUR 11.4 (24.4%) to MEUR 58.1.

EBIT increased by MEUR 18.6 (83.4%) to MEUR 40.9, where of MEUR 10.9 is due to the implementation of IFRS 16 *Leases*.

The EBIT margin increased 3.8 pp to 8.6%, where of 2.3 pp is due to the implementation of IFRS 16 *Leases*.

Adjusted EBIT increased by MEUR 10.5 (44.3%) to MEUR 34.2.

Profit/loss for the period decreased by MEUR 0.7 (–4.5%) to MEUR 14.8. The increase in EBIT is offset by MEUR 17.3 higher net financial expenses, mainly due to the bond issuance in July last year and the implementation of IFRS 16 *Leases*.

Q2 Comments by Region[1]

Nordics

MEUR	Q2 2018	Q2 2018	Change	%
Revenue	104.2	107.6	–3.4	–3.2%
RevPAR LFL&R [EUR]	110.3	111.0	–0.7	–0.6%
EBITDA	25.4	20.2	5.2	25.7%
EBITDA margin	*24.4%*	*18.8%*	*5.6 pp*	
EBIT	15.8	14.5	1.3	9.0%
EBIT margin	*15.2%*	*13.5%*	*1.7 pp*	

Revenue decreased by MEUR 3.4 (–3.2%) to MEUR 104.2. The decrease is mainly due to the strengthening of the Euro (MEUR –1.8) and the exit of one lease end of August last year (MEUR –1.2). Revenue LFL&R decreased slightly (MEUR –0.3) due to the timing of Easter and hotels under renovation.

Reported RevPAR decreased by 1.5% compared to last year, negatively impacted by the strengthening of the Euro. RevPAR LFL&R decreased by 0.6%, negatively impacted by the timing of Easter. Denmark (–6.6%) was, in addition, impacted by increase of supply in Copenhagen. In Norway, with ca 44% of the room revenue share in the region, RevPAR LFL&R grew by 1.4%. In Sweden, with ca 23% of the room revenue share, RevPAR LFL&R increased slightly (0.2%), negatively impacted by ongoing renovations.

EBITDA increased by MEUR 5.2 (25.7%) to MEUR 25.4, which is mainly due to the implementation of IFRS 16 *Leases* (MEUR 5.8).

EBIT increased by MEUR 1.3 (9.0%) to MEUR 15.8, which is mainly due to the implementation of IFRS 16 *Leases* (MEUR 2.9), partly offset by higher costs for depreciation and termination of contracts.

Rest of Western Europe

MEUR	Q2 2019	Q2 2018	Change	%
Revenue	129.2	121.3	7.9	6.5%
RevPAR LFL&R [EUR]	100.7	97.5	3.2	3.3%
EBITDA	28.8	21.8	7.0	32.1%
EBITDA margin	*22.3%*	*18.0%*	*4.3 pp*	
EBIT	19.9	14.7	5.2	35.4%
EBIT margin	*15.4%*	*12.1%*	*3.3 pp*	

Revenue increased by MEUR 7.9 (6.5%) to MEUR 129.2. The increase is mainly due to the good revenue development LFL&R in the lease portfolio (MEUR 4.2), as well as fee revenue from openings and exits (MEUR 3.0).

Reported RevPAR was 6.3% above last year with a RevPAR LFL&R growth of 3.3%. The highest RevPAR LFL&R growth was noted in Austria (13.8%), followed by France (10.9%), Belgium (7.7%), Italy (6.6%), Germany (4.9%), Spain (3.2%) and Switzerland (2.4%).

EBITDA increased by MEUR 7.0 (32.1%) to MEUR 28.8. The increase is mainly due to the good revenue development and the introduction of a new hotel operation model. In addition, the implementation of IFRS 16 *Leases* had a positive impact of MEUR 2.0.

EBIT increased by MEUR 5.2 (35.4%) to MEUR 19.9 due to the strong EBITDA development. The implementation of IFRS 16 *Leases* had no impact on EBIT.

[1] 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 and Others, the business is mainly management contracts.

Eastern Europe

MEUR	Q2 2019	Q2 2018	Change	%
Revenue	14.2	11.6	2.6	22.4%
RevPAR LFL&R [EUR]	62.1	66.8	–4.7	–7.1%
EBITDA	9.4	9.1	0.3	3.3%
EBITDA margin	*66.2%*	*78.4%*	*–12.2 pp*	
EBIT	9.3	9.0	0.3	3.3%
EBIT margin	*65.5%*	*77.6%*	*–12.1 pp*	

Revenue increased by MEUR 2.6 (22.4%) to MEUR 14.2, mainly due to openings (MEUR 2.0).

Reported RevPAR was 8.0% below last year and. RevPAR LFL&R decreased by 7.1%, strongly impacted by the lack of special events compared to last year. In Russia, with ca 40% of the room revenue share in the region, RevPAR LFL&R decreased by 18.4%, as a consequence of the World Cup in Football last year. In Ukraine, RevPAR LFL&R decreased by 25.9%, since last year's figures were positively impacted by both the Champions League final and the second round of the President election.

EBITDA increased by MEUR 0.3 (3.3%) to MEUR 9.4. The positive impact from the revenue increase is partly offset by pre-opening costs for the leased hotel opened at the end of the period.

Middle East, Africa and Others

MEUR	Q2 2019	Q2 2018	Change	%
Revenue	7.8	6.5	1.3	20.0%
RevPAR LFL&R [EUR]	55.1	53.1	2.0	3.8%
EBITDA	5.4	5.0	0.4	8.0%
EBITDA margin	*69.2%*	*76.9%*	*–7.7 pp*	
EBIT	5.3	4.9	0.4	8.2%
EBIT margin	*67.9%*	*75.4%*	*–7.5 pp*	

Revenue increased by MEUR 1.3 (20.0%) to MEUR 7.8, mainly due to openings and exits (MEUR 1.0).

Reported RevPAR was 10.6% above last year, supported by the positive impact of new openings and FX. RevPAR LFL&R grew 3.8%, supported by a recovery in volumes. Very strong performance in several markets (e.g. Tunisia 47.3%, Lebanon 36.5%, Egypt 31.2% and Morocco 23.4%). To note that both South Africa (3.7%) and Saudi Arabia (3.2%) returned to positive figures in the quarter, however there are still some challenges in the United Arab Emirates (–8.7%).

EBITDA increased by MEUR 0.4 (8.0%) to MEUR 5.4, due to the positive revenue development, however partly offset by higher costs for bad debts and lower share of income in associates.

Central Activities

EBIT for Central Management decreased by MEUR 0.5 to MEUR –18.6. EBIT for Central Marketing improved by MEUR 0.6 to MEUR 1.1, which is mainly due to timing of activities. EBIT for Other Central Activities was in line with last year and amounted to MEUR 1.7.

Comments to the Balance Sheet

Non-current assets decreased by MEUR 5.0, compared to the adjusted opening balance per 1 January 2019, and amounted to MEUR 733.2. The decrease is mainly due to depreciation of right-of-use assets, partly offset by investments in tangible fixed assets.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –61.8 at the end of the period, compared to MEUR –88.2 in the beginning of the year (adjusted). The change is mainly due to lower accounts payables and accrued expenses.

Compared to the beginning of the year, equity increased by MEUR 15.5 to MEUR 171.5, which is mainly due to the profit for the period.

MEUR	30 Jun 2019	Adjusted opening balance 1 Jan 2019 [2]	31 Dec 2018
Total assets	1,100.2	1,113,6	750.3
Net working capital	–61.8	–88.2	–85.5
Net cash (debt)	–478.1	–473.1	0.6
Equity	171.5	156.0	256.0

Cash Flow and Liquidity

MEUR	H1 2019	H1 2018
Cash flow before working capital changes	71.2	41.8
Change in working capital	–29.8	–8.9
Cash flow from investing activities	–27.4	–28.7
Free cash flow	**14.0**	**4.2**
Cash flow from financing activities	–33.3	1.5
Cash flow for the period	**–19.3**	**5.7**

Cash flow from operations, before change in working capital, amounted to MEUR 71.2, an increase of MEUR 29.4. The increase is mainly due to the implementation of IFRS 16 *Leases* and the subsequent reclassification of fixed rent payments to financing activities (MEUR 24.0). Cash flow from change in working capital amounted to MEUR –29.8, compared to MEUR –8.9 last year. The negative change is mainly related to accounts payables and accrued expenses.

Cash flow used in investing activities was MEUR 1.3 lower compared to last year and amounted to MEUR –27.4. The cash in-flow from financial investments more than offset the increase in capex spend in the lease portfolio.

Cash flow used in financing activities amounted to MEUR –33.3 compared to MEUR 1.5 last year. The change is mainly due to the above-mentioned change in accounting principles for leases and payment of interest on the high-yield bond. In addition, in H1 2018 the cash flow was positive due to the use of overdraft (MEUR 2.0).

At the end of the period, the company had MEUR 230.6 (249.9) in cash and cash equivalents. The total credit facilities amounted to MEUR 25.0 (25.0). MEUR 0.3 (0.3) was used for bank guarantees, leaving MEUR 24.7 (24.7) in available credit for use.

Net interest-bearing liabilities amounted to MEUR 475.6 (467.3 per 1 January 2019 adjusted). Net cash (debt) amounted to MEUR –478.1 (–473.1 per 1 January 2019 adjusted).

Subsequent Events

There are no significant post balance sheet events to report.

[2] The opening balance per January 1, 2019 has been adjusted due to the implementation of IFRS 16 *Leases*

Material Risks and Uncertainties

No material changes have taken place during the period and reference is therefore made to the detailed description provided in the annual report for 2018. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Radisson operates, continue to be the most important factors influencing the company's earnings. To reduce the risks associated with operating in Emerging Markets, Radisson applies an asset light business model.

Management is continuously analysing ways to improve the performance of the hotel portfolio. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rate, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

The financial impact of exiting contracts is uncertain, and it cannot be ruled out that an exit could lead to a cash outflow which is currently not fully reflected in the reported liabilities of the Group.

Deferred tax is recognised on temporary differences between stated and taxable income and on unutilised tax losses carried forward. In addition to changes to future cash flow projections, deferred tax assets are also sensitive to changes in tax rules and regulations.

The Parent Company performs services of a common Group character. The risks for the Parent Company are the same as for the Group.

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.

Sensitivity Analysis

With the current business model and portfolio mix Radisson estimates that a EUR 1 RevPAR variation would result in a MEUR 6–8 change in LFL EBITDA. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rates, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

Auditor's Review

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

Presentation of the Q2 Results

On July 29, 2019 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)2 400 98 74
Belgium, Free	0800 48740
France, Local:	+33 (0)176 700 794
France, Free:	0805 103 028
Norway, Local:	+47 2396 0264
Norway, Free:	800 51874
Sweden, Local:	+46 (0)8 506 921 80
Sweden, Free:	0200 125 581
UK, Local:	+44 (0)844 571 88 92
UK, Free:	0800 376 79 22
USA, Local:	+1 163 151 074 95
USA, Free:	1 866 966 13 96
Standard international	+44 (0)207 192 80 00

Confirmation code: 4689049. For a replay of the conference call please visit https://www.radissonhospitalityab.com/investors.

Financial Calendar

Q3 2019 results: October 25, 2019

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About Radisson Hospitality AB (publ)

Radisson Hospitality AB (publ) is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson, as well as Radisson RED, an upscale “lifestyle select” brand inspired by the millennial lifestyle, and Radisson Collection, a premium lifestyle collection of exceptional hotels located in unique locations. Radisson also holds 49% in prizeotel, a young hotel chain in the economy segment.

The portfolio consists of 384 hotels, with 84,124 rooms, in operation and 128 hotels, with 26,851 rooms, under development in 81 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.

Stockholm, July 26, 2019

The Board of Directors

Radisson Hospitality AB (publ)

Condensed Consolidated Statement of Operations

MEUR	Q2 2019	Q2 2018	H1 2019	H1 2018
Revenue	261.9	253.7	475.3	459.9
Costs of goods sold for Food & Beverage and other related expenses	–12.4	–13.0	–23.1	–24.3
Personnel cost and contract labour	–79.0	–82.2	–154.7	–158.8
Other operating expenses	–66.4	–59.5	–123.9	–111.6
Insurance of properties and property tax	–3.5	–3.4	–7.1	–6.9
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)	**100.6**	**95.6**	**166.5**	**158.3**
Rental expense	–46.0	–55.7	–85.8	–111.7
Share of income in associates and joint ventures	0.2	0.5	–0.6	–0.1
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)	**54.8**	**40.4**	**80.1**	**46.5**
Depreciation and amortisation	–19.6	–12.2	–38.3	–23.0
Write-downs and reversals of write-downs	–0.4	–0.1	–0.6	–0.2
Gain/loss due to lease modifications and terminations	–0.3	–1.0	–0.3	–1.0
Operating profit/loss (EBIT)	**34.5**	**27.1**	**40.9**	**22.3**
Financial income	0.2	0.8	0.7	1.4
Financial expense	–9.8	–1.3	–20.0	–2.0
Profit/loss before tax	**24.9**	**26.6**	**21.6**	**21.7**
Income tax	–6.7	–6.1	–6.8	–6.2
Profit/loss for the period	**18.2**	**20.5**	**14.8**	**15.5**
Attributable to:				
Owners of the parent company	18.2	20.5	14.8	15.5
Non-controlling interests	—	—	—	—
Profit/loss for the period	**18.2**	**20.5**	**14.8**	**15.5**
Basic average no. of shares outstanding	171,856,301	171,166,316	171,856,301	171,166,316
Diluted average no. of shares outstanding	171,856,301	172,412,761	171,856,301	172,415,612
Earnings per share, in EUR				
Basic	0.11	0.12	0.09	0.09
Diluted	0.11	0.12	0.09	0.09

Consolidated Statement of Comprehensive Income

MEUR	Q2 2019	Q2 2018	H1 2019	H1 2018
Profit/loss for the period	**18.2**	**20.5**	**14.8**	**15.5**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	–2.4	0.3	1.4	2.2
Tax on exchange differences	–1.2	–0.2	–0.3	–0.1
Fair value gains and losses on cash flow hedges	0.2	–0.1	–0.1	–0.1
Tax on fair value gains and losses on cash flow hedges	–0.1	0.0	0.0	0.0
Other comprehensive income for the period, net of tax	–3.5	**0.0**	**1.0**	**2.0**
Total comprehensive income for the period	**14.7**	**20.5**	**15.8**	**17.5**
Attributable to:				
Owners of the parent company	14.7	20.5	15.8	17.5
Non-controlling interests	—	—	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	30 Jun 2019	Adjusted Opening Balance 1 Jan 2019 [3]	31 Dec 2018
ASSETS			
Intangible assets	58.0	58.5	58.5
Tangible assets	218.3	209.1	209.1
Right-of-use assets	328.6	342.4	—
Investments in associated companies and joint ventures	15.6	16.3	16.3
Other shares and participations	5.2	5.5	5.5
Other long-term receivables	8.6	10.5	16.8
Deferred tax assets	98.9	95.9	65.7
Total non-current assets	**733.2**	**738.2**	**371.9**
Inventories	4.2	4.1	4.1
Other current receivables	129.8	118.8	121.8
Derivative financial instruments	0.1	0.2	0.2
Other short-term investments	2.3	2.4	2.4
Cash and cash equivalents	230.6	249.9	249.9
Total current assets	**367.0**	**375.4**	**378.4**
TOTAL ASSETS	**1,100.2**	**1,113.6**	**750.3**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	171.5	156.0	256.0
Non-controlling interests	0.0	0.0	0.0
Total equity	**171.5**	**156.0**	**256.0**
Bond	241.4	240.4	240.4
Non-current lease liabilities	409.7	424.3	—
Deferred tax liabilities	16.5	16.6	16.6
Retirement benefit obligations	3.5	3.4	3.4
Other non-current liabilities	13.8	13.9	24.0
Total non-current liabilities	**684.9**	**698.6**	**284.4**
Current lease liabilities	48.7	49.4	—
Derivative financial instruments	0.1	0.1	0.1
Other current liabilities	195.0	209.5	209.8
Total current liabilities	**243.8**	**259.0**	**209.9**
TOTAL EQUITY AND LIABILITIES	**1,100.2**	**1,113.6**	**750.3**
Number of ordinary shares outstanding at the end of the period	171,856,301	171,856,301	171,856,301
Number of ordinary shares held by the company	2,532,556	2,532,556	2,532,556
Number of registered ordinary shares at the end of the period	174,388,857	174,388,857	174,388,857

[3] The opening balance per January 1, 2019 has been adjusted due to the implementation of IFRS 16 *Leases*

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**
Opening balance as of January 1, 2018	**11.6**	**177.1**	**–5.0**	**70.0**	**253.7**	**0.0**	**253.7**
Profit/loss for the period	—	—	—	15.5	**15.5**	—	**15.5**
Other comprehensive income:							
Currency differences on translation of foreign operations	—	—	2.2	—	**2.2**	—	**2.2**
Tax on exchange differences recognised in other comprehensive income	—	—	–0.1	—	**–0.1**	—	**–0.1**
Cash flow hedges	—	—	–0.1	—	**–0.1**	—	**–0.1**
Tax on cash flow hedges	—	—	0.0	—	**0.0**	—	**0.0**
Total comprehensive income for the period	**—**	**—**	**2.0**	**15.5**	**17.5**	**—**	**17.5**
Transactions with owners:							
Long term incentive programmes	—	—	—	0.4	**0.4**	—	**0.4**
Ending balance as of June 30, 2018	**11.6**	**177.1**	**–3.0**	**85.9**	**271.6**	**0.0**	**271.6**
Ending balance as of December 31, 2018	**11.6**	**177.1**	**–6.9**	**74.2**	**256.0**	**0.0**	**256.0**
Adjustments IFRS 16 *Leases*	—	—	—	–100.0	–100.0	—	–100.0
Adjusted opening balance as of January 1, 2019	**11.6**	**177.1**	**–6.9**	**–25.8**	**156.0**	**0.0**	**156.0**
Profit/loss for the period	—	—	—	14.8	**14.8**	—	**14.8**
Other comprehensive income:							
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**
Total comprehensive income for the period	**—**	**—**	**1.0**	**14.8**	**15.8**	**—**	**15.8**
Transactions with owners:							
Long term incentive programmes	—	—	—	–0.3	**–0.3**	—	**–0.3**
Ending balance as of June 30, 2019	**11.6**	**177.1**	**–5.9**	**–11.3**	**171.5**	**0.0**	**171.5**

Condensed Consolidated Statement of Cash Flow

MEUR	Q2 2019	Q2 2018	H1 2019	H1 2018
Operating profit (EBIT)	**34.5**	**27.1**	**40.9**	**22.3**
Non-cash items	20.0	12.0	39.5	23.8
Taxes paid and other cash items	–3.6	0.9	–9.2	–4.3
Change in working capital	–11.5	–5.4	–29.8	–8.9
Cash flow from operating activities	**39.4**	**34.6**	**41.4**	**32.9**
Purchase of intangible assets	–0.8	–0.1	–1.6	–0.1
Purchase of tangible assets	–14.8	–18.2	–30.5	–27.4
Other investments/divestments	2.1	–0.9	3.7	–1.4
Interest received	0.1	0.0	1.0	0.2
Cash flow from investing activities	**–13.4**	**–19.2**	**–27.4**	**–28.7**
Change in overdraft facilities	—	–12.2	—	2.0
Repayments of borrowings	–0.1	–0.1	–0.2	–0.2
Repayments of lease liabilities	–3.6	—	–14.3	—
Interest paid on lease liabilities	–5.1	—	–9.7	—
Other interest paid	–0.0	–0.2	–9.1	–0.3
Cash flow from financing activities	**–8.8**	**–12.5**	**–33.3**	**1.5**
Cash flow for the period	**17.2**	**2.9**	**–19.3**	**5.7**
Effects of exchange rate changes on cash and cash equivalents	–0.0	–0.1	–0.0	–0.1
Cash and cash equivalents at beginning of the period	**213.4**	**10.2**	**249.9**	**7.4**
Cash and cash equivalents at end of the period	**230.6**	**13.0**	**230.6**	**13.0**

Parent Company, Condensed Statement of Operations

MEUR	Q2 2019	Q2 2018	H1 2019	H1 2018
Revenue	3.6	3.7	6.8	7.1
Personnel cost and contract labour	–1.4	–1.6	–3.0	–3.4
Other operating expenses	–2.0	–2.4	–4.5	–4.1
Operating profit/loss before depreciation and amortization (EBITDA)	**0.2**	**–0.3**	**–0.7**	**–0.4**
Depreciation and amortization	–0.1	–0.0	–0.1	–0.0
Operating profit/loss (EBIT)	**0.1**	**–0.3**	**–0.8**	**–0.4**
Financial income	0.2	0.3	0.5	0.4
Financial expense	–0.1	–0.1	–0.1	–0.1
Profit/loss before tax	**0.2**	**–0.1**	**–0.4**	**–0.1**
Income tax	0.0	0.0	0.1	0.0
Profit/loss for the period	**0.2**	**–0.1**	**–0.3**	**–0.1**

Parent Company, Statement of Comprehensive Income

MEUR	Q2 2019	Q2 2018	H1 2019	H2 2018
Profit/loss for the period	**0.2**	**–0.1**	**–0.3**	**–0.1**
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	**0.2**	**–0.1**	**–0.3**	**–0.1**

Parent Company, Condensed Balance Sheet Statements

MEUR	30 Jun 2019	31 Dec 2018
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.1	0.2
Shares in subsidiaries	236.9	237.2
Total non-current assets	**237.0**	**237.4**
Current receivables	31.9	32.7
Total current assets	**31.9**	**32.7**
TOTAL ASSETS	**268.9**	**270.1**
EQUITY AND LIABILITIES		
Equity	**265.4**	**266.0**
Current liabilities	3.5	4.1
Total liabilities	**3.5**	**4.1**
TOTAL EQUITY AND LIABILITIES	**268.9**	**270.1**

Parent Company, Statement of Changes in Equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
Opening balance as of January 1, 2018	**11.6**	**254.2**	**–0.7**	**265.1**
Total comprehensive income for the period	—	—	–0.1	**–0.1**
Transactions with owners:				
Long term incentive programmes	—	—	0.4	**0.4**
Ending balance as of June 30, 2018	**11.6**	**254.2**	**–0.4**	**265.4**
Opening balance as of January 1, 2019	**11.6**	**254.2**	**0.2**	**266.0**
Total comprehensive income for the period	—	—	–0.3	**–0.3**
Transactions with owners:				
Long term incentive programmes	—	—	–0.3	**–0.3**
Ending balance as of June 30, 2019	**11.6**	**254.2**	**–0.4**	**265.4**

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 2019 and H1 2019 the intercompany revenue of the Parent Company amounted to MEUR 3.1 (3.2) and MEUR 5.9 (6.2), respectively. The intercompany costs in Q2 2019 and H1 2019 amounted to MEUR 1.0 (1.3) and MEUR 2.2 (2.0). The decrease in profit/loss before tax of MEUR –0.4 in H1 2019 is mainly due to the decrease in intercompany revenue.

Comments on the Balance Sheet

The decrease in current assets and liabilities since is mainly due to changes in intercompany balances. At the end of the period the intercompany receivables amounted to MEUR 30.9 (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 2018 Annual Report, except for the application of the new standard IFRS 16 *Leases* as from January 1, 2019.

IFRS 16 *Leases*

The new standard IFRS 16 *Leases* introduces a single lessee accounting model and requires recognition of right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (generally below USD 5,000 when new). For Radisson this implies a change in accounting of lease contracts for hotel properties, offices, company cars and a few other leased equipment items.

Per January 1, 2019, Radisson has 55 leased hotels in operation. Most of the lease contracts for the 55 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.

IFRS 16 does not include specific guidance on accounting for lease contracts that include these type of CAP arrangements. Management of Radisson has therefore used its judgement to develop its accounting policies in line with the requirements of IFRS 16. 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 initial lease liability on the balance sheet in line with IFRS 16 requirements.

The subsequent accounting for this 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.
- For hotels where management believes that the CAP will not be utilised during the lease term: Radisson measures the lease liability assuming usage at the end of the lease term and reduces the lease liability at the end of the lease term.

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

Radisson has chosen to implement the new standard in line with the modified retrospective approach with no restatement of any comparative information. Lease liabilities are recognised at the present value of future fixed lease payments, calculated using discount rates applicable at the transition date and depending on country and lease terms. Right-of-use assets have been determined, lease-by-lease, as either (1) an amount equal to the lease liability as identified at transition, or (2) an amount calculated as if IFRS 16 had always been applied. Based on updated impairment tests, the values of the right-of-use assets have been adjusted at transition date. Any remaining amounts of lease incentives for leases that were previously accounted for as an operating lease under IAS 17 have been adjusted against the right-of-use assets at the transition date to IFRS 16.

Hindsight has been used to determine the lease terms when an option to terminate or extend a lease was available. Lease contracts shorter than 12 months or ending within 12 months at the date of transition are considered short-term and hence not recognised on the balance sheet. Also, low value contracts are excluded.

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 2,532,556, corresponding to 1.5% of all registered shares. The average number of its own shares held by the company during Q2 2019 was 2,532,556 (3,222,541). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years.

Financial instruments at fair value through other comprehensive income

On June 30, 2019, Radisson had financial instruments measured at fair value through other comprehensive income amounting to MEUR 5.2 (5.5).

Related party transactions

Radisson Hospitality, Inc. is a significant related party.

On June 30, 2019 Radisson had receivables of MEUR 1.4 (3.2 on December 31, 2018) related to Radisson Hospitality, Inc. and current liabilities of MEUR 3.6 (6.0).

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 2019 and H1 2019 Radisson had operating costs towards Radisson Hospitality, Inc. of MEUR 5.0 (5.1) and MEUR 10.6 (10.0) respectively.

Radisson Hospitality, Inc. also charged MEUR 1.4 (1.2) and MEUR 2.5 (2.3), respectively, for points earned in the Radisson Rewards loyalty programme and reimbursed MEUR 0.7 (0.7) and MEUR 1.2 (1.1), respectively, for points redeemed. Furthermore, Radisson Hospitality, Inc. recharged MEUR 0.5 (0.6) and MEUR 1.3 (1.1), 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 2019 and H1 2019 Radisson had revenue towards Radisson Hospitality, Inc. of MEUR 2.5 (1.7) and MEUR 4.9 (3.2), respectively, and costs of MEUR 0.3 (0.3) and MEUR 0.4 (0.8), respectively, related to these cost sharing arrangements.

The two companies also collaborate on several IT projects. During Q2 2019 and H1 2019 Radisson had costs of MEUR 1.6 (none in Q2 2018) and MEUR 3.8 (none in H1 2018), respectively, related to these projects.

Except for the above-mentioned transactions with Radisson Hospitality, Inc., 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 93% of the total assets of the Group as of June 30, 2019.

Contingent liabilities

Contingent liabilities, MEUR	**30 Jun 2018**	**31 Dec 2018**
Guarantees provided	0.3	0.3

RevPAR Development by Brand (Leased & Managed Hotels)

	Occupancy LFL&R		**Av. Room Rates LFL&R**		**RevPAR LFL&R**		**Reported RevPAR**	
In EUR	**Q2 2019**	**vs. 2018**	**Q2 2019**	**vs. 2018**	**Q2 2019**	**vs. 2018**	**Q2 2019**	**vs. 2018**
Radisson[4]	70.1%	1.6 pp	120.5	–2.7%	84.4	–0.4%	83.0	–0.6%
Park Inn by Radisson	74.4%	3.6 pp	76.3	–5.6%	56.8	–0.8%	57.9	8.0%
Group	**71.1%**	**2.1 pp**	**109.6**	**–3.3%**	**77.9**	**–0.4%**	**76.8**	**1.0%**

	Occupancy LFL&R		**Av. Room Rates LFL&R**		**RevPAR LFL&R**		**Reported RevPAR**	
In EUR	**H1 2019**	**vs. 2018**	**H1 2019**	**vs. 2018**	**H1 2019**	**vs. 2018**	**H1 2019**	**vs. 2018**
Radisson	66.7%	1.6 pp	116.8	–1.6%	77.9	0.9%	77.1	1.3%
Park Inn by Radisson	67.6%	3.3 pp	73.3	–4.5%	49.5	0.3%	49.8	5.5%
Group	**66.9%**	**2.0 pp**	**106.5**	**–2.2%**	**71.3**	**0.8%**	**70.2**	**1.7%**

[4] 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 2019	vs. 2018	Q2 2019	vs. 2018	Q2 2019	vs. 2018	Q2 2019	vs. 2018
Nordics	78.1%	0.0 pp	141.3	–0.6%	110.3	–0.6%	108.2	–1.5%
Rest of Western Europe	80.5%	1.4 pp	125.0	1.5%	100.7	3.3%	101.9	6.3%
Eastern Europe	70.4%	3.3 pp	88.1	–11.4%	62.1	–7.1%	60.6	–8.0%
Middle East, Africa & Others	58.0%	2.7 pp	95.1	–1.1%	55.1	3.8%	56.3	10.6%
Group	**71.1%**	**2.1 pp**	**109.6**	**–3.3%**	**77.9**	**–0.4%**	**76.8**	**1.0%**

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	H1 2019	vs. 2018	H1 2019	vs. 2018	H1 2019	vs. 2018	H1 2019	vs. 2018
Nordics	74.0%	1.7 pp	132.9	0.1%	98.3	2.4%	95.9	1.3%
Rest of Western Europe	75.6%	1.5 pp	119.8	0.3%	90.5	2.3%	90.1	4.2%
Eastern Europe	61.5%	1.4 pp	84.7	–6.1%	52.1	–3.9%	49.9	–7.3%
Middle East, Africa & Others	60.5%	3.7 pp	98.0	–3.1%	59.3	3.2%	61.2	11.1%
Group	**66.9%**	**2.0 pp**	**106.5**	**–2.2%**	**71.3**	**0.8%**	**70.2**	**1.7%**

RevPAR Development by Region (Leased Hotels)

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	Q2 2019	vs. 2018	Q2 2019	vs. 2018	Q2 2019	vs. 2018	Q2 2019	vs. 2018
Nordics	79.2%	0.8 pp	137.5	–0.6%	108.9	0.4%	106.9	–0.8%
Rest of Western Europe	80.6%	1.6 pp	132.6	2.4%	106.9	4.5%	107.5	5.7%
Group	**79.9%**	**1.2 pp**	**134.8**	**1.0%**	**107.8**	**2.6%**	**107.2**	**2.6%**

In EUR	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
	H1 2019	vs. 2018	H1 2019	vs. 2018	H1 2019	vs. 2018	H1 2019	vs. 2018
Nordics	74.1%	1.8 pp	130.1	0.4%	96.4	2.9%	94.5	1.8%
Rest of Western Europe	76.1%	1.9 pp	126.6	1.2%	96.3	3.8%	96.9	5.0%
Group	**75.2%**	**1.9 pp**	**128.2**	**0.8%**	**96.3**	**3.4%**	**95.8**	**3.5%**

Revenue per Area of Operation

MEUR	Q2 2019	Q2 2018	Change %	H1 2019	H1 2018	Change %
Rooms revenue	148.4	146.5	1.3%	263.7	258.0	2.2%
F&B revenue	59.7	60.6	–1.5%	113.0	115.5	–2.2%
Other hotel revenue	7.1	5.9	20.3%	12.0	10.4	15.4%
Total hotel revenue (leased)	**215.2**	**213.0**	**1.0%**	**388.7**	**383.9**	**1.3%**
Fee revenue (managed & franchised)	**37.0**	31.7	16.7%	66.8	59.1	13.0%
Other revenue	**9.7**	9.0	7.8%	19.8	16.9	17.2%
Total revenue	**261.9**	**253.7**	**3.2%**	**475.3**	**459.9**	**3.3%**

Total Fee Revenue

MEUR	Q2 2019	Q2 2018	Change %	H1 2019	H1 2018	Change %
Management fees	9.1	7.7	18.2%	16.8	15.3	9.8%
Incentive fees	7.8	7.9	–1.3%	13.7	13.4	2.2%
Franchise fees	4.6	3.9	17.9%	8.2	6.6	24.2%
Other fees (incl. marketing, reservation fee etc.)	15.5	12.2	27.0%	28.1	23.8	18.1%
Total fee revenue	**37.0**	**31.7**	**16.7%**	**66.8**	**59.1**	**13.0%**

Revenue per Segment

Q2	Nordics 2019	Nordics 2018	Rest of Western Europe 2019	Rest of Western Europe 2018	Eastern Europe 2019	Eastern Europe 2018	Middle East, Africa & Others 2019	Middle East, Africa & Others 2018
Leased	100.7	103.9	113.9	109.4	1.1	—	—	—
Managed	0.5	0.8	6.7	6.6	11.0	10.0	7.6	6.4
Franchised	2.6	2.5	6.3	3.6	2.1	1.6	0.2	0.1
Other	0.4	0.4	2.3	1.7	—	—	—	—
Total	**104.2**	**107.6**	**129.2**	**121.3**	**14.2**	**11.6**	**7.8**	**6.5**

Q2	Central Management 2019	Central Management 2018	Central Marketing 2019	Central Marketing 2018	Other Central Activities 2019	Other Central Activities 2018	Intra Segment Eliminations 2019	Intra Segment Eliminations 2018	Total 2019	Total 2018
Leased	—	—	—	—	—	—	–0.5	–0.3	215.2	213.0
Managed	—	—	—	—	—	—	—	—	25.8	23.8
Franchised	—	—	—	—	—	—	—	—	11.2	7.8
Other	—	—	—	—	—	—	–0.5	–0.2	2.2	1.9
Central Activities	0.9	0.8	17.6	16.4	3.0	2.8	–14.0	–12.8	7.5	7.2
Total	**0.9**	**0.8**	**17.6**	**16.4**	**3.0**	**2.8**	**–15.0**	**–13.3**	**261.9**	**253.7**

H1	Nordics 2019	Nordics 2018	Rest of Western Europe 2019	Rest of Western Europe 2018	Eastern Europe 2019	Eastern Europe 2018	Middle East, Africa & Others 2019	Middle East, Africa & Others 2018
Leased	182.0	184.7	205.9	199.9	1.6	—	—	—
Managed	1.1	1.3	11.8	12.5	18.1	17.0	16.8	14.5
Franchised	5.1	4.8	10.0	6.4	3.6	2.3	0.3	0.2
Other	0.8	0.9	4.2	3.3	—	—	—	—
Total	**189.0**	**191.7**	**231.9**	**222.1**	**23.3**	**19.3**	**17.1**	**14.7**

H1	Central Management 2019	Central Management 2018	Central Marketing 2019	Central Marketing 2018	Other Central Activities 2019	Other Central Activities 2018	Intra Segment Eliminations 2019	Intra Segment Eliminations 2018	Total 2019	Total 2018
Leased	—	—	—	—	—	—	–0.8	–0.7	388.7	383.9
Managed	—	—	—	—	—	—	—	—	47.8	45.3
Franchised	—	—	—	—	—	—	—	—	19.0	13.7
Other	—	—	—	—	—	—	–0.8	–0.5	4.2	3.7
Central Activities	2.2	2.0	32.9	29.4	6.2	5.6	–25.7	–23.7	15.6	13.3
Total	**2.2**	**2.0**	**32.9**	**29.4**	**6.2**	**5.6**	**–27.3**	**–24.9**	**475.3**	**459.9**

EBITDA per Segment

Q2	Nordics 2019	Nordics 2018	Rest of Western Europe 2019	Rest of Western Europe 2018	Eastern Europe 2019	Eastern Europe 2018	Middle East, Africa & Others 2019	Middle East, Africa & Others 2018
Leased	22.9	18.1	18.8	14.6	–0.3	—	—	—
Managed	0.2	0.4	5.0	4.7	8.6	8.2	5.2	4.5
Franchised	1.4	1.2	4.4	2.1	1.1	0.9	0.1	0.1
Other	0.9	0.5	0.6	0.4	—	0.0	0.1	0.4
Total	**25.4**	**20.2**	**28.8**	**21.8**	**9.4**	**9.1**	**5.4**	**5.0**

Q2	Central Management 2019	Central Management 2018	Central Marketing 2019	Central Marketing 2018	Other Central Activities 2019	Other Central Activities 2018	Total 2019	Total 2018
Leased	—	—	—	—	—	—	41.4	32.7
Managed	—	—	—	—	—	—	19.0	17.8
Franchised	—	—	—	—	—	—	7.0	4.3
Other	—	—	—	—	—	—	1.6	1.3
Central Activities	–16.9	–17.8	1.1	0.5	1.6	1.6	–14.2	–15.7
Total	**–16.9**	**–17.8**	**1.1**	**0.5**	**1.6**	**1.6**	**54.8**	**40.4**

H1	Nordics 2019	Nordics 2018	Rest of Western Europe 2019	Rest of Western Europe 2018	Eastern Europe 2019	Eastern Europe 2018	Middle East, Africa & Others 2019	Middle East, Africa & Others 2018
Leased	35.4	20.9	27.3	16.5	–0.4	—	—	—
Managed	0.5	0.6	6.9	8.1	12.4	11.8	12.0	9.9
Franchised	2.6	2.3	6.4	3.5	2.3	2.3	0.1	0.1
Other	1.0	0.7	1.0	–0.1	—	—	0.1	0.4
Total	**39.5**	**24.5**	**41.6**	**28.0**	**14.3**	**14.1**	**12.2**	**10.4**

H1	Central Management 2019	Central Management 2018	Central Marketing 2019	Central Marketing 2018	Other Central Activities 2019	Other Central Activities 2018	Total 2019	Total 2018
Leased	—	—	—	—	—	—	62.3	37.4
Managed	—	—	—	—	—	—	31.8	30.4
Franchised	—	—	—	—	—	—	11.4	8.2
Other	—	—	—	—	—	—	2.1	1.0
Central Activities	–33.0	–34.2	2.1	0.1	3.4	3.6	–27.5	–30.5
Total	**–33.0**	**–34.2**	**2.1**	**0.1**	**3.4**	**3.6**	**80.1**	**46.5**

EBIT per Segment

Q2	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Leased	13.4	12.4	10.3	8.2	–0.3	—	—	—
Managed	0.2	0.4	4.8	4.3	8.5	8.1	5.1	4.4
Franchised	1.3	1.2	4.3	2.0	1.1	0.9	0.1	0.1
Other	0.9	0.5	0.5	0.2	—	0.0	0.1	0.4
Total	**15.8**	**14.5**	**19.9**	**14.7**	**9.3**	**9.0**	**5.3**	**4.9**

Q2	Central Management		Central Marketing		Other Central Activities		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Leased	—	—	—	—	—	—	23.4	20.6
Managed	—	—	—	—	—	—	18.6	17.2
Franchised	—	—	—	—	—	—	6.8	4.2
Other	—	—	—	—	—	—	1.5	1.1
Central Activities	–18.6	–18.1	1.1	0.5	1.7	1.6	–15.8	–16.0
Total	**–18.6**	**–18.1**	**1.1**	**0.5**	**1.7**	**1.6**	**34.5**	**27.1**

H1	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Leased	18.6	11.4	9.1	4.0	–0.4	—	—	—
Managed	0.5	0.6	6.4	7.6	12.3	11.6	11.8	9.7
Franchised	2.5	2.2	6.3	3.4	2.3	2.3	0.1	0.1
Other	0.9	0.6	0.7	–0.3	—	—	0.1	0.4
Total	**22.5**	**14.8**	**22.5**	**14.7**	**14.2**	**13.9**	**12.0**	**10.2**

H1	Central Management		Central Marketing		Other Central Activities		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Leased	—	—	—	—	—	—	27.3	15.4
Managed	—	—	—	—	—	—	31.0	29.5
Franchised	—	—	—	—	—	—	11.2	8.0
Other	—	—	—	—	—	—	1.7	0.7
Central Activities	–35.8	–34.9	2.0	0.0	3.5	3.6	–30.3	–31.3
Total	**–35.8**	**–34.9**	**2.0**	**0.0**	**3.5**	**3.6**	**40.9**	**22.3**

Reconciliation of Profit/Loss for the Period

MEUR	Q2 2019	Q2 2018	H1 2019	H1 2018
Total operating profit/loss (EBIT) for reportable segments	**34.5**	**27.1**	**40.9**	**22.3**
Financial income	0.2	0.8	0.7	1.4
Financial expense	–9.8	–1.3	–20.0	–2.0
Group's total profit/loss before tax	**24.9**	**26.6**	**21.6**	**21.7**

Balance Sheet and Investments

	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
MEUR	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Assets	382.9	193.1	673.3	526.6	19.6	14.6	24.4	16.0	1,100.2	750.3
Investments (tangible & intangible assets)	18.7	38.0	13.1	47.2	0.3	0.0	0.0	0.0	32.1	85.2

Quarterly Key Figures

MEUR	Q2 2019	Q2 2018	Q2 2017	Q2 2016	Q2 2015
RevPAR	76.8	76.0	74.9	73.1	77.2
Revenue	261.9	253.7	254.1	259.8	263.8
EBITDAR	100.6	95.6	88.4	98.1	94.8
EBITDA	54.8	40.4	28.4	36.4	33.6
EBIT	34.5	27.1	6.3	22.0	23.0
Profit/loss for the period	18.2	20.5	3.6	16.2	15.4
EBITDAR margin, %	38.4	37.7	34.8	37.8	35.9
EBITDA margin, %	20.9	15.9	11.2	14.0	12.7
EBIT margin, %	13.2	10.7	2.5	8.5	8.7

	2019		2018				2017			
MEUR	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	76.8	63.6	67.6	78.0	76.0	61.7	65.7	73.9	74.9	64.0
Revenue	261.9	213.4	246.0	253.3	253.7	206.2	241.6	249.1	254.1	222.5
EBITDAR	100.6	65.9	70.4	96.7	95.6	62.7	72.4	92.1	88.4	61.7
EBITDA	54.8	25.3	17.0	40.2	40.4	6.1	16.8	34.4	28.4	2.5
EBIT	34.5	6.4	–10.4	19.8	27.1	–4.8	–4.2	20.8	6.3	–8.2
Profit/loss for the period	18.2	–3.4	–21.0	9.1	20.5	–5.0	–6.0	14.4	3.6	–7.6
EBITDAR Margin %	38.4	30.9	28.6	38.2	37.7	30.4	30.0	37.0	34.8	27.7
EBITDA Margin %	20.9	11.9	6.9	15.9	15.9	3.0	7.0	13.8	11.2	1.1
EBIT Margin %	13.2	3.0	–4.2	7.8	10.7	–2.3	–1.7	8.4	2.5	–3.7

Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	Q2 2019	Q2 2019	H1 2019	H1 2019	Q2 2019	Q2 2019	H1 2019	H1 2019
By region:								
Nordics	—	—	—	—	—	—	1	220
Rest of Western Europe	—	—	—	—	2	266	8	1,401
Eastern Europe	3	487	7	1,238	7	1,340	9	1,672
Middle East, Africa & Others	3	389	5	976	7	1,251	15	3,441
Total	**6**	**926**	**12**	**2,214**	**16**	**2,857**	**33**	**6,734**
By brand:								
Radisson Blu	5	757	9	1,754	6	863	10	2,248
Park Inn by Radisson	—	—	—	—	2	398	3	548
Other	1	169	3	460	8	1,596	20	3,938
Total	**6**	**926**	**12**	**2,214**	**16**	**2,857**	**33**	**6,734**
By contract type:								
Leased	1	160	1	160	1	168	4	582
Managed	3	408	6	966	7	1,251	16	3,750
Franchised	2	358	5	1,088	8	1,438	13	2,402
Total	**6**	**926**	**12**	**2,214**	**16**	**2,857**	**33**	**6,734**

In Q2 2019, one hotel and 272 rooms went offline, resulting in a net opening of 654 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
30 June	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
By region:								
Nordics	57	58	14,152	14,308	3	3	492	505
Western Europe	125	130	25,883	26,431	18	11	3,021	1,665
Eastern Europe	114	106	26,242	24,896	29	29	5,616	5,709
Middle East, Africa & Others	88	82	17,847	17,177	78	67	17,722	16,445
Total	**384**	**376**	**84,124**	**82,812**	**128**	**110**	**26,851**	**24,324**
By brand:								
Radisson Blu	252	246	57,864	57,991	55	58	11,527	12,749
Park Inn by Radisson	109	118	21,918	22,933	28	31	6,234	7,614
Others	23	12	4,342	1,888	45	21	9,090	3,961
Total	**384**	**376**	**84,124**	**82,812**	**128**	**110**	**26,851**	**24,324**
By contract type:								
Leased	56	57	15,365	15,405	11	3	2,094	475
Managed	196	208	43,650	45,486	97	92	21,193	21,437
Franchised	132	111	25,109	21,921	20	15	3,564	2,412
Total	**384**	**376**	**84,124**	**82,812**	**128**	**110**	**26,851**	**24,324**

Definitions

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

IFRS Measures

Revenue

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

Earnings per Share

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

Basic Average Number of Shares

Weighted average number of ordinary shares outstanding during the period.

Non-IFRS Measures – Alternative Performance Measures

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.

Adjusted EBITDA

EBITDA adjusted for items of one-off nature and the effect of the implementation of IFRS 16 *Leases*.

MEUR	**Q2 2019**	**Q2 2018**
EBITDA	54.8	40.4
Restructurings & IT transformation	0.3	0.2
Retention bonus	0.4	—
Effect of implementation of IFRS 16 *Leases*	–9.3	—
Adjusted EBITDA	**46.2**	**40.6**

MEUR	H1 2019	H1 2018
EBITDA	80.1	46.5
Restructurings & IT transformation	1.3	0.2
Retention bonus	0.7	—
Effect of implementation of IFRS 16 *Leases*	–24.0	—
Adjusted EBITDA	**58.1**	**46.7**

Adjusted EBITDA Margin

Adjusted EBITDA as a percentage of Revenue.

Adjusted EBIT

EBIT adjusted for items of one-off nature and the effect of the implementation of IFRS 16 *Leases*.

MEUR	Q2 2019	Q2 2018
EBIT	34.5	27.1
Restructurings & IT transformation	0.3	0.2
Retention bonus	0.4	—
Write-downs and reversal of write-downs	0.4	0.1
Costs due to termination of contracts	1.6	1.0
Effect of implementation of IFRS 16 *Leases*	–3.2	—
Adjusted EBIT	**34.0**	**28.4**

MEUR	H1 2019	H1 2018
EBIT	40.9	22.3
Restructurings & IT transformation	1.3	0.2
Retention bonus	0.7	—
Write-downs and reversal of write-downs	0.6	0.2
Costs due to termination of contracts	1.6	1.0
Effect of implementation of IFRS 16 *Leases*	–10.9	—
Adjusted EBIT	**34.2**	**23.7**

Adjusted EBIT Margin

Adjusted EBIT as a percentage of Revenue.

Adjusted Profit/loss for the period

Profit/loss for the period adjusted for items of one-off nature and the effect of the implementation of IFRS 16 *Leases*.

MEUR	Q2 2019	Q2 2018
Profit/loss for the period	18.2	20.5
Restructurings & IT transformation	0.3	0.2
Retention bonus	0.4	—
Write-downs and reversal of write-downs	0.4	0.1
Costs due to termination of contracts	1.6	1.0
Tax impact on the adjustments above	–0.6	–0.3
Effect of implementation of IFRS 16 *Leases* (net after tax)	1.2	—
Adjusted Profit/loss for the period	**21.5**	**21.5**

MEUR	H1 2019	H1 2018
Profit/loss for the period	14.8	15.5
Restructurings & IT transformation	1.3	0.2
Retention bonus	0.7	—
Write-downs and reversal of write-downs	0.6	0.2
Costs due to termination of contracts	1.6	1.0
Tax impact on the adjustments above	–1.0	–0.3
Effect of implementation of IFRS 16 *Leases* (net after tax)	–1.3	—
Adjusted Profit/loss for the period	**16.7**	**16.6**

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 as well as liabilities related to investments in hotels under management contracts, for which repayments are linked to fees collected.

	30 Jun 2019	Adjusted Opening Balance 1 Jan 2019	31 Dec 2018
Cash & cash equivalents [A]	230.6	249.9	249.9
Interest-bearing liabilities [B]	716.7	731.0	257.3
Retirement benefit obligations [C]	3.5	3.4	3.4
Liabilities related to investments in hotels under management contracts [D]	4.5	4.6	4.6
Net cash (debt) [A–B+C+D]	**–478.1**	**–473.1**	**0.6**

Net Interest-bearing Assets/Liabilities

Interest-bearing assets minus interest-bearing liabilities.

MEUR	30 Jun 2019	Adjusted Opening Balance 1 Jan 2019	31 Dec 2018
Interest-bearing assets [A]	241.1	263.7	263.7
Interest-bearing liabilities [B]	716.7	731.0	257.3
Net interest-bearing assets/(liabilities) [A–B]	**–475.6**	**–467.3**	**6.4**

Free Cash Flow

Total cash flow from operating activities and investing activities.

MEUR	H1 2019	H1 2018
Cash flow from operating activities [A]	41.4	32.9
Cash flow from investing activities [B]	–27.4	–28.7
Free cash flow [A+B]	**14.0**	**4.2**

Net Working Capital

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

MEUR	30 Jun 2019	Adjusted Opening Balance 1 Jan 2019	31 Dec 2018
Inventories [A]	4.2	4.1	4.1
Current non-interest-bearing receivables [B]	129.1	117.3	120.3
Current non-interest-bearing liabilities [C]	195.1	209.6	209.9
Net working capital [A+B–C]	**–61.8**	**–88.2**	**–85.5**

RevPAR

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

Leased portfolio	H1 2019	H1 2018
Rooms revenue (MEUR) [A]	263.7	258.0
Number of available rooms (thousands) [B]	2,753	2,788
RevPAR [A/B]	**95.8**	**92.5**

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 & Others

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