

# Continued earnings improvement

## October–December 2021

- Revenue from Property Management amounted to MSEK 648 (570). For comparable units the increase was 18 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 542 (478). For comparable units the increase was 14 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 26 (-64)
- EBITDA amounted to MSEK 521 (378)
- Cash earnings amounted to MSEK 195 (129)
- Cash earnings per share amounted to SEK 1.07 (0.73)
- Profit for the period amounted to MSEK 258 (-305), including unrealised changes in value for Investment Properties of MSEK 97
- Earnings per share amounted to SEK 1.41 (-1.63)
- On 21 December, Pandox acquired and gained access to Aparthotel Adagio Edinburgh Royal Mile for MGBP 40.5
- Per 31 December 2021, cash and cash equivalents and unutilised credit facilities amounted to MSEK 3,576, compared with MSEK 4,202 per 30 September 2021
- On 20 October Anneli Lindblom was appointed new CFO

## January–December 2021

- Revenue from Property Management amounted to MSEK 2,422 (2,399). For comparable units, the increase was 6 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 2,027 (2,018). For comparable units the increase was 5 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK -22 (-168)
- EBITDA amounted to MSEK 1,868 (1,699)
- Cash earnings amounted to MSEK 712 (660)
- Cash earnings per share amounted to SEK 3.88 (3.64)
- Profit for the period amounted to MSEK 609 (-1,408), including unrealised changes in value for Investment Properties of MSEK -368
- Earnings per share amounted to SEK 3.32 (-7.61)
- The Board of Directors proposes no dividend payment for the 2021 financial year

## Financial summary

MSEK	Oct-Dec			Jan-Dec		
	2021	2020	Δ%	2021	2020	Δ%
Revenue Property Management	648	570	14	2,422	2,399	1
Net operating income Property Management	542	478	13	2,027	2,018	0
Net operating income Operator Activities	26	-64	n.a	-22	-168	n.a
EBITDA	521	378	38	1,868	1,699	10
Profit for the period	258	-305	n.a	609	-1,408	n.a
Earnings per share, SEK <sup>1)</sup>	1.41	-1.63	n.a	3.32	-7.61	n.a
Cash earnings	195	129	51	712	660	8
Cash earnings per share, SEK <sup>1)</sup>	1.07	0.73	47	3.88	3.64	7
<b>Key data</b>						
Market value properties	—	—	—	62,596	59,542	5
Net interest-bearing debt	—	—	—	31,159	29,007	7
Loan to value net, %	—	—	—	49.8	48.7	n.a
Interest cover ratio, times	2.5	1.8	n.a	2.1	2.0	n.a
EPRA NRV per share, SEK <sup>1)</sup>	—	—	—	173.54	167.60	—
WAULT (Investment Properties), years	—	—	—	14.0	14.6	n.a
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	423	101	319	277	227	22

<sup>1)</sup>Based on total number of shares for balance sheet items and weighted number for shares for profit and loss items. For information about number of shares see page 18.

See note 3 on page 26 for a summary of reclassifications, acquisitions and divestments. For complete definitions, see page 28.

# CEO comments

## Reason for optimism

### Good underlying demand

Hotel demand was good during most of the fourth quarter, supported by increased business travel, stable leisure travel and good average price development in general. Demand gradually slowed during the second half of the quarter due to a new virus variant which led to increased infection rates and new restrictions. The domestic and regional hotel markets saw the best development again in the fourth quarter, with the UK remaining at the top. Occupancy in the Nordic regional markets was periodically well in line with the 2019 levels\*.

The development experienced in the fourth quarter is a clear indication that underlying demand is strong and that there is substantial pent-up demand among both leisure and business travellers to travel and meet in person – and this demand is growing with each new round of restrictions.

### Clear earnings improvement

Pandox's total revenue and net operating income increased by 42 and 37 percent respectively compared with the fourth quarter of 2020. For comparable units the increase was 49 and 32 percent respectively, adjusted for currency effects. The majority of Pandox's revenue was made up of contractual minimum rents and fixed rents within Property Management. The amount contributed from revenue-based rents and revenue from Operator Activities was higher than in the third quarter. Occupancy for comparable units in the Property Management and Operator Activities business segments amounted to around 51 percent (22) and 38 percent (12) respectively in the fourth quarter.

### Acquisition, positive cash flow and strong financial position

At the end of the fourth quarter Pandox acquired the 146-room Aparthotel Adagio Edinburgh Royal Mile for around MGBP 40.5. This is an attractive hotel property in an exciting segment in a dynamic and growing city. The hotel is strategically and centrally located in one of the UK's most attractive hotel markets with well-diversified demand and very good RevPAR levels. This acquisition gives Pandox exposure to the extended stay segment, a segment of our portfolio that we hope to be able to grow over time.

Pandox has reported positive cash earnings every quarter since the pandemic started and the Company's financial position is strong. As of 31 December 2021, the net loan-to-value ratio was 49.8 percent and cash and cash equivalents plus unutilised credit facilities amounted to MSEK 3,576. Refinancing transactions equivalent to MSEK 2,313 were executed during the quarter. The majority of credit facilities maturing in 2022 will mature in the fourth quarter.

### Phased recovery with various levels of development

As previously communicated, Pandox is expecting the hotel market's recovery to take place in phases – provided that restrictions are eased and economic activity remains high – with six development levels and with various market segments gradually building up demand in the hotel market:

1. Cities and countries open up and restrictions are gradually lifted
2. Hotels open
3. Domestic leisure travel with a growing high-paying segment
4. Domestic business travel
5. Conferences and international travel
6. Group travel

Each phase will contribute to increased occupancy and revenue, which in turn will create the conditions for higher average prices and increased revenue per room.

Throughout the pandemic the hotel market has vacillated between levels 1 and 4. Pandox's assessment is that the hotel market is currently in a holding pattern between levels 3 and 4. In the wake of eased restrictions the hotel market is expected to quickly recover the ground lost at the end of the fourth quarter, supported by increased domestic business travel.

### Pandemic's new phase increases stability in demand

The trend in the fourth quarter shows once again that there is a substantial pent-up desire for travel, which is quickly converted into demand once restrictions are reduced and it becomes easier to travel. Good average prices also signal a high willingness to pay for a hotel stay.

With the spread of the omicron variant the pandemic has entered a new phase. There is discussion in many countries about removing restrictions and finding new ways to live with the virus that have less impact on society. With the exception of Germany and Canada, the authorities in all of the countries where Pandox operates have now announced a date – mostly in February – for when Covid-19 restrictions will be lifted. This will lead to higher hotel demand and will also likely increase demand predictability and stability.

So far in the first quarter hotel demand has been higher than in the corresponding period last year. The first quarter is also seasonally the weakest one of the year.

The recently announced and implemented easing of restrictions has resulted in more booking inquiries from both individuals and businesses. In the most recent phase of restrictions, businesses have opted to postpone meetings rather than cancel them altogether, because the need for meetings is constantly growing. Pandox has therefore made the assessment that the hotel market is in a good position to quickly recover lost ground once restrictions are eased again.

Taking into account the effects of the pandemic and the Covid-related government support received, the Board of Directors is proposing no dividend payment for 2021.



Liia Nõu, CEO

\*Benchmarking Alliance based on open hotel

# Summary of Covid-19 effects on Pandox

## Business segment Property Management

Pandox is monitoring and evaluating the business climate on an ongoing basis and is in close dialogue with tenants in the Property Management business segment regarding their respective situations.

Contractual guaranteed minimum rents plus contractual fixed rents amount to just over MSEK 1,900 on an annual basis.

Agreements are reached with tenants on temporary changes to payment terms where this is possible and appropriate. During the fourth quarter, rents were received in line with original and temporary payment terms. No reductions in hotel rents have been granted. As of 31 December 2021, accounts receivable relating to deferred rent under temporary payment terms amounted to the equivalent of MSEK 590, compared with MSEK 649 as of 30 September 2021.

Pandox received government grants in Sweden, Finland, Denmark and Norway totalling the equivalent of MSEK 8 in the fourth quarter (MSEK 7 in the third quarter of 2021). These have been recognised as revenue under "Other property revenue".

For more information, see pages 6, 7 and 24.

## Business segment Operator Activities

Pandox benefitted from relief programmes within Operator Activities in Belgium, Germany, Canada, the UK and the Netherlands equivalent to around MSEK 28 in the fourth quarter (MSEK 15 in the third quarter of 2021), most of which is for previous periods. This is recognised as a cost reduction within "Costs" in Operator Activities.

In addition, around MSEK 13 (MSEK 10 in the third quarter of 2021) was transferred directly from authorities to Pandox's employees in the form of salary support for furloughed personnel. These amounts are therefore not included in Pandox's numbers.

For more information, see pages 6, 7 and 24.

## Investments

Planned investments in 2022 amount to the equivalent of around MSEK 890.

For more information, see page 9.

## Hotel property valuation

Pandox performs internal valuation of its hotel property portfolio, and investment properties are recognised at fair value in accordance with accounting standard IAS 40. Operating properties are recognised at cost less depreciation and any impairment. Internal valuations of operating properties are reported for disclosure purposes only and these are included in EPRA NRV calculations.

External valuations of all properties are normally carried out annually by independent property appraisers. The external appraisers complete a more in-depth inspection at least every three years or in conjunction with major changes to the properties. The external valuations provide an important reference point for Pandox's internal valuations, to the extent that differences compared with internal valuations are analysed to challenge the internal valuation. It is Pandox's lenders who decide, or in certain cases participate in decisions, on which external appraiser to retain, which hotel properties to appraise and when to do it.

The valuation model consists of an accepted and proven cash flow model, where the future cash flows that the hotel properties are expected to generate are discounted by the market's yield requirements. The valuation is based on the hotel's business plan, which is updated at least twice a year and takes into consideration aspects such as development in underlying operator activities, market development with a particular focus on supply and demand, the contract situation, operating and maintenance issues, and investments aimed at maximising the hotel property's cash flow and return in the long term.

At the end of the fourth quarter Pandox's valuation of the hotel properties was based on the same method and the established cash flow model used since the IPO in 2015 as reviewed and approved by the independent auditor appointed by the stock exchange.

Pandox has mainly managed uncertainties associated with the Covid-19 pandemic through the cash flow forecasts that are the basis for the valuations. Uncertainty over the impact of the pandemic on future cash flows has decreased due to increased vaccination rates, eased government restrictions and the strength of the hotel market's recovery. There is still some uncertainty about possible long-term and lasting effects of Covid-19 on the hotel market in general.

The pandemic's effects on valuation yields cannot be established yet with certainty, mainly because there is still insufficient supporting evidence in transaction markets for the hotel property valuation process. Under normal circumstances Pandox's estimated yield requirements tend to be very similar to those obtained from external property appraisers. These are in turn based on the market yield, which, subject to availability, has been derived from transactions of comparable hotel properties. However, the complexity due to the Covid-19 pandemic has led to increased uncertainty about the future and a higher degree of estimates and assessments, including regarding the market's yield requirements. The higher degree of assessments of yield requirements has resulted in a greater deviation between Pandox's yield requirements and certain yield requirements used by the external property appraisers in their calculations. Pandox's management of the complexity and the necessary assessments has been discussed and analysed internally within the Company and by Pandox's Audit Committee, Finance Committee and the Board of Directors on an ongoing basis.

Pandox is carefully monitoring the parameters that impact valuations. As the effects of Covid-19 become clearer, it is expected to be possible to estimate valuation yield and future cash flows with greater precision.

Pandox believes that the Covid-19 pandemic is transitional in nature and will have a limited effect on long-term yield requirements based, for example, on the following:

1. Generally strong recovery in both leisure and business demand once restrictions are eased
2. Pandox's main exposure is to hotel markets with primarily domestic demand that have been more resilient in the face of increased restrictions and have seen faster and stronger recovery when restrictions have been eased
3. In 2021 some domestic hotel markets periodically performed at the same or a higher level than in the corresponding period in 2019
4. Accommodating banks and otherwise open credit and stock markets
5. Government relief programmes for tenants enabling continued payment of rent
6. Falling valuation yield for other types of properties has increased the difference in valuation yield compared with hotel properties

The differences between internal and external valuations gradually decreased in 2021. Around 98 percent of the properties have been subject to external valuation over the past 12 months and overall the outcomes are around 1 percent lower than Pandox's internal valuations – ranging from around +8 percent to around -12 percent per country/region. The negative deviation is mainly explained by external valuations performed in the UK and Ireland during the period of the pandemic when uncertainty was the highest (December 2020/January 2021). Since then there has been strong recovery in these markets, but this is not yet reflected in the external valuations.

During the fourth quarter 77 external valuations were performed. Overall these are around 1 percent higher than Pandox's internal valuations – ranging from around +14 percent to around -4 percent per country/region.

See page 23 for information on the properties' market value by country.

In the fourth quarter the unrealised changes in value amounted to MSEK 97 for investment properties. The unrealised changes in the value of operating properties amounted to MSEK -13.

Since the start of the Covid-19 pandemic in the first quarter of 2020 the unrealised and realised changes in value have totalled MSEK -2,147 for investment properties and MSEK -977 for operating properties, equivalent to a combined reduction of -4.9 percent, mainly explained by lower anticipated cash flows.

For more information, see pages 9 and 21 and 23.

## Financing

Pandox's financial position is strong. As of 31 December 2021, the net loan-to-value ratio was 49.8 percent and cash and cash equivalents plus unutilised credit facilities amounted to MSEK 3,576.

Pandox's debt financing consists exclusively of credit facilities from 11 Nordic and international banks secured mainly with mortgage collateral. Short-term credit facilities with a term of less than one year amount to MSEK 5,891, of which MSEK 4,693 matures in the fourth quarter of 2022. During the quarter, Pandox completed refinancing of the equivalent of around MSEK 2,313.

At the Group level, Pandox's financial covenants are:

1. Loan-to-value ratio at a level where Pandox's financial loan-to-value target provides comfortable headroom
2. Interest coverage ratio at a level where revenue from contractual minimum rents and fixed rents alone provides satisfactory headroom

Pandox has a positive and close dialogue with its lenders on refinancing and adjustment of terms and covenants in existing credit

agreements taking Covid-19 into account. In the fourth quarter, lenders provided waivers in individual credit agreements.

For more information, see page 10 and 11.

## Tax actions

To address the financial impact of Covid-19 on Pandox, certain tax actions have been implemented, for example correction of preliminary tax payments, and deferral of VAT payments and property tax. Tax payments, mainly VAT for 2020 and the first nine months of 2021, equivalent to around MSEK 28 have, for example, been deferred. The full deferred amount is expected to be paid in the first quarter of 2022.

Pandox is continually monitoring all new tax incentives that are offered in the jurisdictions where the Company operates and will act when it is deemed appropriate to do so.

# Hotel market development October–December 2021

## A big step forward, a small step back

Hotel market demand increased initially in the fourth quarter thanks to a better restriction situation. However, as the spread of primarily the omicron variant of Covid-19 increased, a number of limitations and restrictions were reintroduced in Pandox's markets, and this slowed the initial strong development during the second half of the fourth quarter.

Stricter restrictions in combination with a seasonally weak end to the year resulted in occupancy in Europe\* decreasing slightly to 54 percent in the fourth quarter, compared with around 59 percent in the third quarter and around 25 percent in the fourth quarter of 2020.

## New restrictions break a good trend

Initially, demand from the business segment increased in the fourth quarter, driven by more companies returning to their physical offices and becoming more active in travel and conferences. An easing of restrictions on the public/participants at, for example, cultural and sporting events compensated to some extent for a seasonally weaker period for leisure. On the negative side there were some remaining and reintroduced restrictions, which from the beginning of November adversely impacted hotel demand again. In general, however, the most recent wave of restrictions has not been as lasting and extensive as in the past, with Germany as an exception where the situation was significantly more restrictive than in countries like Sweden and the UK in the fourth quarter. As in the past, cities and markets that are highly dependent on demand from international travellers and from the event and conference segment were hit harder than cities and markets with mainly domestic leisure demand. Overall, however, the activity level and occupancy were significantly higher in the fourth quarter of 2021 than in the corresponding period the previous year.

## Hotel market in holding pattern

From a seasonal and restriction standpoint, the hotel market is currently in a holding pattern, although the outlook is significantly brighter than in the corresponding period in 2021. Vaccination rates are high, the spread of infection is slowing, and the restriction situation has already improved in several countries. An active discussion is underway about the need to manage Covid-19 in an endemic context, i.e. to live with the virus without extensive restrictions that have a negative impact on society. Many external analysis institutes also are optimistic about the hotel and travel industry in a broader context in 2022.

## Strong beginning yielded good occupancy in the quarter

In the Nordics\* overall occupancy in the fourth quarter was 56 percent compared with 60 percent in the third quarter. Demand in Nordic regional cities was strong with the exception of the second half of December, partly explained by a weaker season and partly by new restrictions. Altogether, occupancy for Nordic regional cities amounted to a good result of 56 percent, compared with 58 percent for the corresponding period in 2019 before the pandemic hit.

Nordic capitals also experienced a positive trend, with increased demand from all segments. The occupancy gap between regional cities and capitals decreased significantly. Occupancy in the four capitals combined was 55 percent in the fourth quarter, compared with 70 percent in the corresponding period in 2019. One of the explanations for the difference is that a significant share of international demand was lacking and that demand for larger conferences and events is lower.

Germany\*\* was relatively quick to impose renewed limitations and restrictions in the quarter. Occupancy for the country as a whole amounted to around 46 percent, compared with around 53 percent in the third quarter. There are still relatively large differences between markets, depending on the composition of the demand.

In the UK\*\* where new restrictions were introduced later and were milder than in other countries, occupancy was around 65 percent for the country as a whole in the fourth quarter. Occupancy in UK Regional was 66 percent and in London 62 percent, making a difference of around 4 percentage points. This can be compared with 18 percentage points in the third quarter. In general, the average prices continued to improve in the fourth quarter, which is explained by the hotel markets starting to have a more normal mix of demand and by a high willingness to pay for a hotel stay, especially in the leisure segment for attractive domestic markets and hotels.

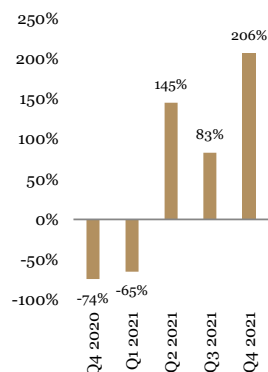
## Pandox's trendspotting for recovery

- Demand is dependent on the level of restrictions
- The leisure segment is the first to recover and hotels and destinations with a strong leisure offering are the most attractive in early phases
- Hotels that are easy for guests to reach by car or train have an advantage
- Markets with high domestic demand are recovering first
- Potential for increased domestic and regional tourism as long as international restrictions are in place
- Recovery takes longer for hotels with significant conference activity and that are highly dependent on international demand
- Good economic activity and increased household saving has created the conditions for a further increase in demand once restrictions are lifted
- Pent-up demand for travel among individuals and companies, which increases each time there is a new round of restrictions
- Discussion about living with Covid-19 begins

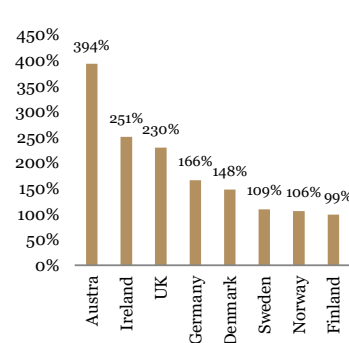
\* Benchmarking Alliance based on open hotels \*\* STR based on open hotels

## October–December 2021

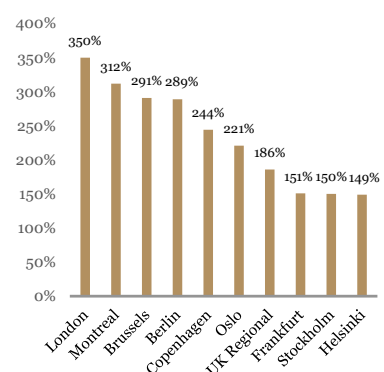
Europe  
RevPAR growth y/y



Countries  
RevPAR growth y/y



Key markets  
RevPAR growth y/y



Source: STR, Benchmarking Alliance. Based on open hotels. Rounded numbers.

# Financial development October–December 2021

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2020 for balance sheet items, unless otherwise stated.

## Net sales

Revenue from Property Management amounted to MSEK 648 (570), an increase of 14 percent. The majority of Pandox's revenue was made up of contractual minimum rents and fixed rents within Property Management, but the amount contributed by revenue-based rent increased and amounted to around MSEK 144. The increase is explained by a generally milder restriction situation in all markets, despite reintroduced restrictions towards the end of the quarter. Leisure demand remained strong during weekends at the same time as demand from the business segment increased. Revenue includes one-time revenue in the form of government grants equivalent to MSEK 8. For comparable units, revenue increased by 18 percent, adjusted for currency effects.

Revenue from Operator Activities amounted to MSEK 326 (117), an increase of 179 percent. For comparable units, revenue increased by 197 percent and RevPAR by 317 percent, adjusted for currency effects. The large revenue increase is explained by stable leisure demand, strong recovery in the business segment and the beginnings of conference activity, mainly in October. The increase was from low levels, explained by the fact that Pandox's Operator Activities segment has high exposure to large conference hotels in international markets, particular Brussels, which have seen relatively weaker development during the pandemic. Three hotels were closed for most of the quarter – two for renovation and one due to trade union negotiations.

The Group's net sales amounted to MSEK 974 (687). For comparable units, net sales increased by 49 percent, adjusted for currency effects.

## Net operating income

Net operating income from Property Management amounted to MSEK 542 (478), an increase of 13 percent. For comparable units, net operating income increased by 14 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 26 (-64). Pandox received government grants during the quarter totalling the equivalent of around MSEK 28 within Operator Activities relating to previous periods. In addition, around MSEK 13 was transferred directly from authorities to Pandox employees in the form of salary support for furloughed personnel. These amounts are therefore not included in Pandox's numbers. Read more on page 3 and in the section "Operator Activities".

Total net operating income amounted to MSEK 568 (414), an increase of 37 percent.

## Administration costs

Central administration costs amounted to MSEK -52 (-41), of which MSEK -5 (-5) was depreciation. The cost increase is explained by increased costs relating, among other things, to external property

valuation, system upgrades, office renovations and forming of a foundation.

## EBITDA

EBITDA amounted to MSEK 521 (378), an increase of 38 percent.

## Financial income and expense

Financial expense amounted to MSEK -229 (-228), of which MSEK -20 (-22) consists of depreciation of capitalised loan arrangement fees.

Financial income amounted to MSEK 2 (1). Financial expense associated with right-of-use assets amounted to MSEK -21 (-21).

## Profit before changes in value

Profit before changes in value amounted to MSEK 195 (62), an increase of 215 percent.

## Changes in value

Unrealised changes in the value of investment properties amounted to MSEK 97 (-533). Realised changes in the value of investment properties amounted to MSEK -12 (0).

Unrealised changes in the value of derivatives amounted to MSEK 187 (109), mainly explained by changed long-term market interest rates. See also pages 10–11.

## Current and deferred tax

Current tax amounted to MSEK -78 (-2), mainly explained by higher revenue in countries with limited opportunities for intra-Group eliminations as well as differences between booked and final tax amounts for 2020. Deferred tax amounted to MSEK -127 (59). See also page 11 and the section "Deferred tax".

## Profit for the period

Profit for the period amounted to MSEK 258 (-305) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 259 (-300), which is equivalent to SEK 1.41 (-1.63) per share.

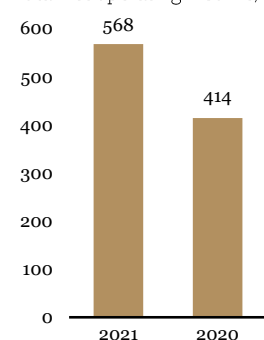
## Cash earnings

Total cash earnings amounted to MSEK 195 (129), an increase of 51 percent.

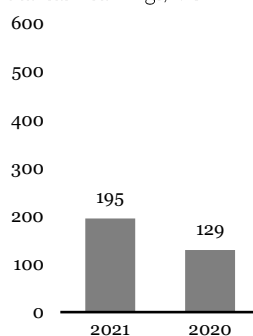
See page 26 for a list of reclassifications, acquisitions and divestments.

## October–December 2021

Total net operating income, MSEK



Total cash earnings, MSEK



# Financial development January–December 2021

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2020 for balance sheet items, unless otherwise stated.

## Net sales

Revenue from Property Management amounted to MSEK 2,422 (2,399), an increase of 1 percent. Most of the revenue consisted of minimum rent and fixed rent, but the share of revenue-based rent increased gradually during the period. Revenue includes one-time revenue in the form of government grants equivalent to MSEK 26. For comparable units, revenue increased by 6 percent, adjusted for currency effects.

A weak first six months caused by restrictions was followed by a significantly stronger second half of the year, driven by a clear improvement in demand. The recovery is explained by high economic activity, eased restrictions and pent-up demand for travel in all segments.

Revenue from Operator Activities amounted to MSEK 851 (779), an increase of 9 percent. For comparable units, revenue increased by 12 percent and RevPAR by 22 percent, adjusted for currency effects. The revenue increase is explained by a strong recovery in the second half of 2021, mainly explained by an increase in business travel. Four hotels were closed for part of the second half of the year – three for renovation and one due to trade union negotiations.

The Group's net sales amounted to MSEK 3,273 (3,178). For comparable units, net sales increased by 7 percent adjusted for currency effects.

## Net operating income

Net operating income from Property Management amounted to MSEK 2,027 (2,018). For comparable units, net operating income increased by 5 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK -22 (-168). Pandox received government grants during the period totalling around MSEK 185 within Operator Activities. In addition, around MSEK 83 was transferred directly from authorities to Pandox employees in the form of salary support for furloughed personnel. These amounts are therefore not included in Pandox's numbers. Read more on page 3 and in the section "Operator Activities".

Total net operating income amounted to MSEK 2,005 (1,850).

## Administration costs

Central administration costs amounted to MSEK -157 (-171), of which MSEK -20 (-20) was depreciation.

## EBITDA

EBITDA amounted to MSEK 1,868 (1,699), an increase of 10 percent.

## Financial income and expense

Financial expense amounted to MSEK -944 (-902), of which MSEK -77 (-72) consists of depreciation of capitalised loan arrangement fees.

Financial income amounted to MSEK 4 (2).

Financial expense associated with right-of-use assets amounted to MSEK -88 (-86).

## Profit before changes in value

Profit before changes in value amounted to MSEK 542 (458), an increase of 18 percent.

## Changes in value

Unrealised changes in the value of investment properties amounted to MSEK -368 (-1,779), most of which is explained by reduced cash flows. Realised changes in the value of investment properties amounted to MSEK -18 (0).

Unrealised changes in the value of derivatives amounted to MSEK 740 (-221), mainly explained by changed long-term market interest rates. See also pages 10–11.

## Current and deferred tax

Current tax amounted to MSEK -128 (-57), mainly explained by higher revenue in countries with limited opportunities for intra-Group eliminations and differences between booked and final tax amounts for 2020. Deferred tax amounted to MSEK -149 (191). See also page 11 and the section "Deferred tax".

## Profit for the period

Profit for the period amounted to MSEK 609 (-1,408) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 610 (-1,399), which is equivalent to SEK 3.32 (-7.61) per share.

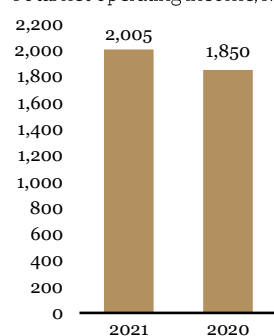
## Cash earnings

Total cash earnings amounted to MSEK 712 (660), an increase of 8 percent.

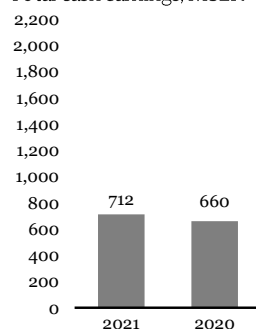
See page 26 for a list of reclassifications, acquisitions and divestments.

## January–December 2021

Total net operating income, MSEK



Total cash earnings, MSEK



# Segment reporting October–December 2021

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2020 for balance sheet items, unless otherwise stated.

## Property Management

MSEK	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Rental income	606	523	2,279	2,228
Other property income	42	47	143	171
Costs, excl. property admin	-56	-35	-218	-215
<b>Net operating income, before property admin</b>	<b>592</b>	<b>535</b>	<b>2,204</b>	<b>2,184</b>
Property administration	-50	-57	-177	-166
<b>Gross profit</b>	<b>542</b>	<b>478</b>	<b>2,027</b>	<b>2,018</b>
<b>Net operating income, after property admin</b>	<b>542</b>	<b>478</b>	<b>2,027</b>	<b>2,018</b>

### October–December 2021

Rental income and other property revenue amounted to MSEK 648 (570), of which MSEK 8 consists of government grants which are recognised under “Other property income”. The majority of Pandox’s revenue consisted of contractual minimum rent and fixed rent, although a gradual improvement of business conditions also resulted in a higher contribution from revenue-based rent. Marginal variable revenue was noted in the quarter in 16 leases with minimum levels, the majority of which in Sweden, compared with 11 leases in the third quarter.

On 1 October 2021 Motel One Copenhagen (previously h27) was reclassified from Operator Activities to Property Management.

Occupancy at comparable hotels amounted to around 51 percent during the quarter, compared with around 22 percent in the corresponding quarter of 2020 and around 55 percent in the third quarter. The improvement is explained by high economic activity and milder restrictions which in turn led to higher demand in all segments.

Hotels with mainly local demand, such as interstate hotels, hotels in smaller cities as well as destinations with an attractive leisure offering continued to perform well. Hotels in regional markets, such as Stockholm, Manchester, and Düsseldorf, noted positive development, supported by an increase in business demand and more meetings and events.

Net operating income amounted to MSEK 542 (478), an increase of 13 percent. For comparable units, revenue increased by 18 percent while net operating income increased by 14 percent, adjusted for currency effects.

## Operator Activities

MSEK	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Revenue	326	117	851	779
Costs	-373	-244	-1,151	-1,182
<b>Gross profit</b>	<b>-47</b>	<b>-127</b>	<b>-300</b>	<b>-403</b>
Plus: Depreciation included in costs	73	63	278	235
<b>Net operating income</b>	<b>26</b>	<b>-64</b>	<b>-22</b>	<b>-168</b>

### October–December 2021

Revenue from Operator Activities amounted to MSEK 326 (117), an increase of 179 percent. The increase in revenue is due to the same drivers as for Property Management and the fact that within Operator Activities Pandox has full and direct earnings exposure. Occupancy at comparable hotels amounted to around 38 percent during the quarter. Holiday Inn Brussels Airport was closed for renovation for much of the quarter and DoubleTree by Hilton Montreal was closed for the whole quarter due to trade union negotiations. Occupancy for comparable hotels in the same quarter of 2020 amounted to 12 percent.

Pandox’s hotel in Nuremberg remained closed for renovation and its reopening is planned for September 2022.

Hotels that saw particularly good development during the quarter were Hotel Hubert (Brussels, Belgium), Radisson Blu Glasgow (Scotland) and InterContinental Montreal (Canada).

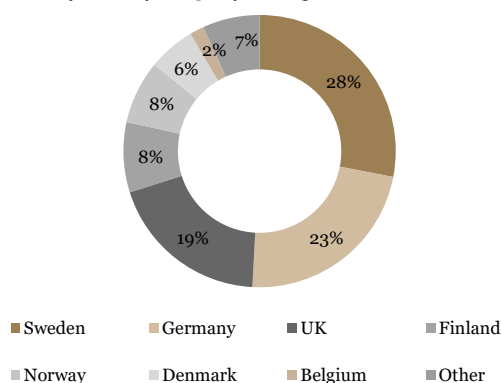
For comparable units, revenue increased by 197 percent and RevPAR by 319 percent, adjusted for currency effects.

Net operating income amounted to MSEK 26 (-64).

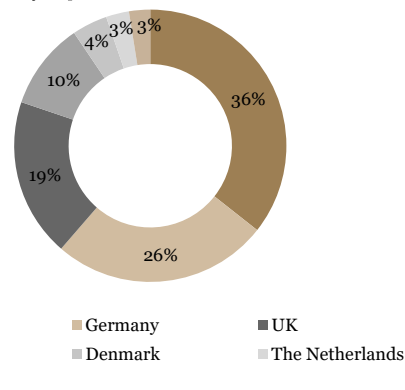
Pandox received government grants during the quarter totalling the equivalent of around MSEK 28 within Operator Activities, most of which relates to previous periods. In addition, around MSEK 13 was transferred directly from authorities to Pandox employees in the form of salary support for furloughed personnel. These amounts are therefore not included in Pandox’s numbers. Read more on page 3 and in the section “Operator Activities”.

## October–December 2021

Revenue by country, Property Management



Revenue by country, Operator Activities





# Property portfolio

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2020 for balance sheet items, unless otherwise stated.

## Change in property value

At the end of the period, Pandox's property portfolio had a total market value of MSEK 62,596 (59,542), of which Investment Properties accounted for MSEK 52,215 (50,181) and Operating Properties for MSEK 10,380 (9,361). As of the same date the carrying amount of the Operating Properties portfolio was MSEK 8,015 (7,363).

At the end of the period, Investment Properties had a weighted average unexpired lease term (WAULT) of 14.0 (14.6) years.

### Changes in value Investment Properties

	MSEK
<b>Investment Properties, opening balance (1 Jan, 2021)</b>	<b>50,181</b>
+ Acquisitions <sup>1)</sup>	482
+ Investments in current portfolio	563
- Divestments	—
+/- Reclassifications <sup>2)</sup>	-195
+/- Revaluation of fixed assets to total comprehensive income for the period	—
+/- Unrealised changes in value	-368
+/- Realised changes in value <sup>3)</sup>	-18
+/- Change in currency exchange rates	1,570
<b>Investment Properties, closing balance (31 Dec, 2021)</b>	<b>52,215</b>

### Changes in value Operating Properties, reported for information purposes only

	MSEK
<b>Operating Properties, market value (1 Jan, 2021)</b>	<b>9,361</b>
+ Acquisitions	—
+ Investments in current portfolio	419
- Divestments	—
+/- Reclassifications <sup>2)</sup>	218
+/- Unrealised changes in value	47
+/- Realised changes in value <sup>4)</sup>	-10
+/- Change in currency exchange rates	345
<b>Operating Properties, market value (31 Dec, 2021)</b>	<b>10,380</b>

<sup>1)</sup> Acquisition of Aparthotel Adagio Edinburgh Royal Mile.

<sup>2)</sup> Reclassification of hotel property in Nuremberg from Property Management to Operator Activities and of Motel One Copenhagen from Operator Activities to Property Management. The difference of MSEK -23 between Investment Properties and Operating properties refers to a change in the value of Motel One

<sup>3)</sup> Impairment development costs (MSEK -6) and other disposals (MSEK -12).

<sup>4)</sup> Disposals furnitures, fixtures and equipment.

## Investments

During the January–December 2021 period, investments in properties and fixed assets, excluding acquisitions, amounted to MSEK 990 (907), of which MSEK 563 (492) was for Investment Properties, MSEK 419 (406) was for Operating Properties and MSEK 8 (9) was for the head office.

At the end of the fourth quarter of 2021, approved investments for ongoing and future projects amounted to approximately MSEK 1,280, whereof MSEK 890 is expected to be completed during 2022. In 2021, total investments and maintenance have amounted to approximately MSEK 982 and MSEK 47, respectively.

Larger projects are Hilton Brussels Grand Place, Holiday Inn Brussels Airport, DoubleTree by Hilton Brussels City, Crowne Plaza Antwerpen, hotel property in Nuremberg (former Maritim Hotel Nürnberg), Hotel Berlin Berlin, Pullman Stuttgart Fontana, Mercure München Neuperlach, Dorint Parkhotel Bad Neuenahr, Jurys Inn Birmingham, Quality Grand Borås, Scandic Park Stockholm, Comfort Hotel Börsparken and the green investment programme.

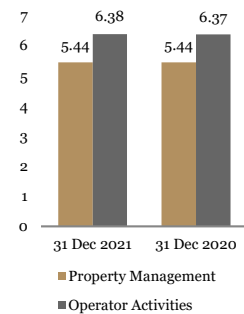
Financial effect of changes in certain key valuation parameters as of 31 December 2021

Investment Properties, effect on fair value	Change	Effect on value
Yield	+/- 0.5pp	-4,395 / +5,284
Change in currency exchange rates	+/- 1%	+/- 374
Net operating income <sup>1)</sup>	+/- 1%	+/- 395 (535)
Investment Properties, effect on revenues	Change	Effect on revenues
RevPAR (assuming 50/50 split between occupancy and rate) <sup>1)</sup>	+/- 1%	+/- 5 (26)
Operating Properties, effect on revenues	Change	Effect on revenues
RevPAR (assuming 50/50 split between occupancy and rate) <sup>1)</sup>	+/- 1%	+/- 7 (22)
Financial sensitivity analysis, effect on earnings	Change	Profit before changes in value
Interest expenses with current fixed interest hedging, change in interest rates, with derivatives <sup>2)</sup>	+/- 1%	+6/-171
Interest expenses with a change in the average interest rate level, without derivatives <sup>2)</sup>	+/- 1%	-215/+31
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	+/- 988

<sup>1)</sup> The value refers to level end of 2021 based on 32 fully variable agreements and 16 agreements (of total 96) with variable rent in addition to the minimum level. In lease agreements with a minimum level, variable rent is generated only when accumulated rent exceeds the minimum level. The value in parentheses refers to 2019, which was unaffected by the Covid-19 pandemic and is an approximation for a normal financial year.

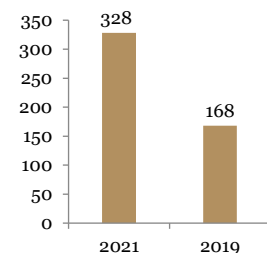
<sup>2)</sup> The earnings effect is asymmetrical due to limited possibilities for Pandox to benefit in full from negative interest rates.

## Average valuation yield, % (31 December 2021)

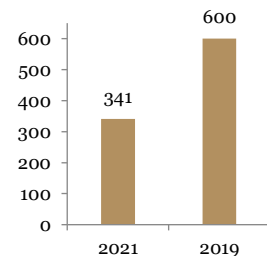


## Rental income split, MSEK\*

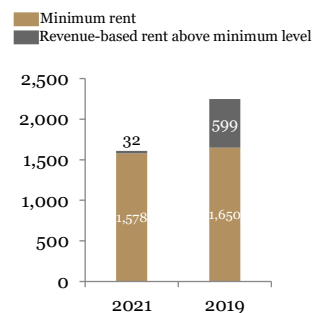
### Fixed leases



### Revenue-based leases without minimum level



### Revenue-based leases with minimum level



\*The graphs above show the breakdown between Pandox's revenue in the Property Management segment in 2021 compared with 2019, which was not affected by the Covid-19 pandemic and is an approximation of a normal financial year.

# Financing

Figures in brackets refer to the corresponding period the previous year for profit/loss items and year-end 2020 for balance sheet items, unless otherwise stated.

## Financial position and net asset value

At the end of the period the loan-to-value net was 49.8 (48.7) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 25,213 (23,880). EPRA NRV amounted to MSEK 31,905 (30,813), equivalent to SEK 173.54 (167.60) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 3,576 (5,221). In addition, there are additional credit facilities that, at any given time, fully cover the issued volume under the Pandox commercial paper programme.

## Interest-bearing liabilities

At the end of the period the loan portfolio amounted to MSEK 32,752 (31,629), excluding loan arrangement fees. Unutilised credit facilities amounted to MSEK 1,983 (2,599) and the volume issued under the commercial paper programme amounted to MSEK 2,191 (0).

Pandox has a continued positive and close dialogue with its lenders on refinancing as well as necessary adjustment of terms and covenants in existing credit agreements with consideration to Covid-19. In the fourth quarter, lenders have provided waivers in individual credit agreements.

Short-term credit facilities with a term of less than one year amount to MSEK 5,891, of which MSEK 4,693 matures in the fourth quarter 2022. Pandox has all short-term credit facilities with Nordic relationship banks. Pandox's refinancing transactions during the quarter amounted to the equivalent of around MSEK 2,313.

The average fixed rate period was 3.3 (2.8) years and the average interest rate, corresponding to the interest rate level at the end of the period, was 2.5 (2.6) percent, including effects from interest-rate derivatives, but excluding accrued arrangement fees. The average repayment period was 2.2 (2.8) years. The loans are secured by a combination of mortgage collateral and pledged shares.

Maturity structure credit facilities 31 December 2021

Year due (MSEK)	Credit facilities <sup>1)</sup>
< 1 year	5,891
1-2 year	14,604
2-3 year	3,889
3-4 year	8,859
4-5 year	1,492
> 5 year	-
<b>Sum</b>	<b>34,735</b>

<sup>1)</sup>Excluding contractual amortisation.

To reduce the currency exposure in foreign investment Pandox's aim is to finance the applicable portion of the investment in local currency. Equity is normally not hedged as Pandox's strategy is to have a long investment perspective. Currency exposures are largely in form of currency translation effects.

Loans by currency 31 December 2021

	SEK	DKK	EUR <sup>3)</sup>	CHF	CAD	NOK	GBP	Total
Sum credit facilities, MSEK <sup>1)</sup>	9,852	1,906	14,833	469	527	1,210	5,937	34,735
Sum interest bearing debt, MSEK <sup>1)</sup>	6,963	1,906	15,761	469	506	1,210	5,937	32,752
Share of debt in currency, %	21.3	5.8	48.1	1.4	1.5	3.7	18.1	100
Average interest rate, % <sup>2)</sup>	2.5	2.1	2.3	2.1	2.9	3.2	3.0	2.5
Average interest rate period, years	3.5	2.2	3.9	0.2	0.1	2.3	2.5	3.3
Market value Properties, MSEK <sup>1)</sup>	14,796	3,502	28,160	775	1,262	3,309	10,792	62,596

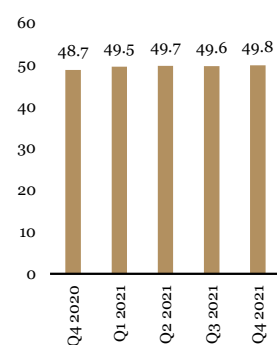
<sup>1)</sup>Converted to MSEK

<sup>2)</sup>Average interest rate including bank margin and derivatives.

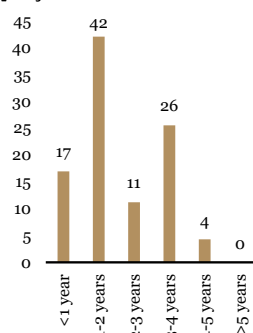
<sup>3)</sup>Part of the interest bearing debt is part of credit facilities in SEK, which can be drawn in multiple currencies, including EUR.

In order to manage interest rate risk and increase the predictability of Pandox's earnings, interest rate derivatives are used, mainly in the form of interest rate swaps. At the end of the period interest rate derivatives amounted to MSEK 27,343 gross and MSEK 22,318 net, which is also the portion of Pandox's loan portfolio for which interest rates are hedged. Approximately 64 percent net of Pandox's loan portfolio was thereby hedged against interest rate movements for periods longer than one year.

Loan to value per quarter, %



Maturity of credit facilities per year, %



## Financial covenants

On group level, Pandox's financial covenants are:

- Loan to value, at a level where Pandox's financial target for loan to value offers comfortable headroom
- Interest cover ratio, at a level, where also revenues from contractual minimum guaranteed rent and fixed rent only, offers satisfactory headroom

Interest maturity profile 31 December 2021

Tenor (MSEK)	Total interest maturity		Interest maturity derivatives		
	Amount <sup>1)</sup>	Share, %	Volume	Share, %	Average interest rate, %
< 1 year	12,942	40	2,508	11	1.0
1-2 year	1,533	5	1,533	7	2.9
2-3 year	1,400	4	1,400	6	0.1
3-4 year	1,936	6	1,936	9	-0.2
4-5 year	3,342	10	3,342	15	0.2
> 5 year	11,599	35	11,599	52	0.5
<b>Sum</b>	<b>32,752</b>	<b>100</b>	<b>22,318</b>	<b>100</b>	<b>0.6</b>

<sup>1)</sup>Share of loans with an interest rate reset during the period.

The market value of the derivatives portfolio is measured on each closing date, with the change in value recognised in profit or loss. Upon maturing, the market value of a derivative contract is dissolved entirely and the change in value over time thus does not affect equity.

At the end of the period, the net market value of Pandox's financial derivatives amounted to MSEK -58 (-798).

### Deferred tax

At the end of the period, the deferred tax assets amounted to MSEK 249 (631). These represent mainly the book value of tax loss carry forwards which the Company expects to be able to use in upcoming fiscal years, and temporary measurement differences for interest rate derivatives.

Deferred tax liabilities amounted to MSEK 4,281 (4,307) and relate mainly to temporary differences between fair value and the taxable value of Investment Properties, as well as temporary differences between the book value and the taxable value of Operating Properties.

# Other information

## Important events during and after the period

21 December 2021	Pandox acquires extended stay in Edinburgh
15 December 2021	Change in Pandox's Group Management
23 November 2021	Pandox Hotel Market Day 2021
27 October 2021	Interim report January–September 2021
20 October 2021	Anneli Lindblom appointed new CFO of Pandox

To read the full press releases, visit [www.pandox.se](http://www.pandox.se).

## Ongoing disputes and insurance cases

Due to Covid-19 the tenant at Park Centraal Amsterdam has filed a lawsuit against a Pandox subsidiary demanding certain temporary adjustments in existing leases, mainly with respect to minimum rent levels. Court proceedings are ongoing and, although Pandox has lost in the court of first instance, the outcome is not expected to have a material effect on the Group's earnings. Pandox has appealed the decision.

A Pandox subsidiary has filed a lawsuit against Köln Bonn Airport which has not granted an extension of a Hereditary Building Right ("HBR") for the 177-room Leonardo Hotel Köln Bonn Airport property. The case is ongoing and Pandox believes that there is a good possibility of a favourable decision, or compensation, for the company. No rental income was recognised in 2021.

As Pandox previously communicated, it received a decision from the Swedish Tax Agency on the Group's internal pricing. Pandox has appealed the decision with the Supreme Administrative Court. Pandox is maintaining its position that the Company has followed the law. Pandox's transfer pricing does not differ from industry practice. The Swedish Tax Agency is, however, of the opinion that no allocation of profits is to be made to the country where the properties are located and operations are conducted, but to the country of the parent company, i.e. Sweden. Pandox is maintaining that the Group's companies are following and have followed applicable laws on transfer pricing and taxation in the countries where the Group's companies are operating. Pandox has been granted a tax payment extension by the Swedish Tax Agency due to uncertainty about the outcome of the case. Pandox believes that there is a good possibility of a favourable decision in a higher court. An oral hearing was held 26 January in the Supreme Administrative Court and the ruling is expected to be announced shortly.

Dorint Parkhotel Bad Neuenahr has been closed since July due to extensive damage caused by flooding. The hotel property was full insured for property damage and consequential loss insurance covers rental income while the property is being restored.

The previous tenant of Maritim Hotel Nürnberg is claiming the right to a rent reduction for 2020–2021. Court proceedings are ongoing.

## Employees

At the end of the period, Pandox had the equivalent of 675 (634) full-time employees, based on number of worked hours translated to full-time employees. Of the total number of employees, 626 (587) are employed in the Operator Activities segment and 49 (47) in the Property Management segment and in central administration.

## Green investments

Pandox's green investment programme of MEUR 8, with an expected return of approximately 20 percent, remains in place within the planned timeframe (2023). The purpose is to reduce climate impact through energy and water reducing projects and technology installations. The goal is to reduce energy, gas and water use by 35 percent, 25 percent, and 20 percent respectively, and to reduce CO<sub>2</sub> emissions by 20 percent. The return is in parity with expectations, adjusted for Covid-19 effects.

## Parent company

Administration for activities within Pandox's property owning companies is provided by staff employed by the Parent Company, Pandox AB (publ). Pandox's subsidiaries are invoiced for these services. Amounts invoiced during the January–December 2021 period totalled MSEK 146 (150), and profit for the period amounted to MSEK 888 (-486).

At the end of the period the Parent Company's equity amounted to

MSEK 9,490 (8,603) and the external interest-bearing debt was MSEK 8,252 (4,804), of which MSEK 1,476 (3,294) was in the form of long-term debt.

## Transactions with related parties

The Parent Company carries out transactions with subsidiaries in the Group. Such transactions mainly entail allocation of centrally incurred administration cost and interest relating to receivables and liabilities. All related party transactions are entered into on market terms.

Eiendomsspar AS owns 5.1 percent of 22 hotel properties in Germany and 9.9 percent of another hotel property in Germany. The acquisitions were made by Pandox in 2015, 2016 and 2019. Pandox has a management agreement regarding Pelican Bay Lucaya Resort in the Bahamas owned by affiliates of Helene Sundt AS and CGS Holding AS. During January–December 2021, revenue from Pelican Bay Lucaya amounted to MSEK 0.6 (0.5).

## Financial risk management

Pandox seeks to achieve the lowest possible financing cost while simultaneously limiting the Company's interest rate, currency and liquidity risks. Pandox's approach is that increased financing cost resulting from moderate changes in interest rates is often compensated for by higher operating income due to increased economic activity. Also, Pandox has a loan portfolio with staggered maturities and fixed interest periods where the Company enters into interest rate swaps to hedge interest rate levels for a certain portion of the debt portfolio.

A significant amount of Pandox's operations are in countries outside Sweden and the Company is therefore exposed to exchange rate fluctuations. Pandox reduces currency exposure in foreign investments primarily by taking out loans in local currencies. In general, foreign operations report both income and costs in the local currency, which limits currency exposure in current flows.

Pandox aims to have a diversified loan portfolio in terms of the number of lenders, exposure to individual lenders, and maturities in order to manage liquidity risk.

Pandox's financial risks and risk management are described on pages 133–136 of the 2020 Annual Report.

## Risk and uncertainty factors

Pandox defines risk as a factor of uncertainty that may affect the Company's ability to fulfil its objectives. It is therefore of utmost importance that Pandox is able to identify and assess these factors of uncertainty.

Pandox's strategy is to invest in hotel properties with revenue-based leases with the best hotel operators, and also to be able to operate hotels itself when necessary. Based on this strategy, Pandox has classified risk in five categories: strategy risk, operational risk, financial risk, external risk and sustainability risk.

Pandox's risk management work is described on pages 84–89 in the section "Risk and risk management" in the 2020 Annual Report. Pandox is of the opinion that the Covid-19 pandemic is transitional in nature and will have a limited effect on the long-term valuation yield requirements. See also pages 3–4 and the section "Valuation of hotel properties" for more information.

Considering the extraordinary situation created by Covid-19 it cannot be ruled out that a situation might arise where, for example, commitments and covenants in the Company's credit agreements are not met. In such cases there are various actions that can be taken if needed to remedy any deviations, such as payment of interest into an escrow account, adjustment of covenants, covenant holidays or certain repayments, internal loans or increased equity in subsidiaries. Besides the effects of Covid-19 described above and on page 3–4, there have been no significant changes to Pandox's risk assessment after the publication of the 2020 Annual Report.

## Seasonal variations

The hotel industry is seasonal in nature. The periods during which the Company's properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. Since most of the customers that stay at Pandox owned or operated hotels are business travellers, the Company's total revenues have historically been greater particularly in the second quarter. The timing of holidays and major events can also impact the Company's quarterly results.

### Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties. Actual developments may differ materially from the expectations expressed, due to various factors, many of which are beyond the control of Pandox.

### Governing text

The report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy.



Exterior at Aparthotel Adagio Edinburgh Royal Mile, 146 rooms.

### Alternative performance measures

Pandox applies the European Securities and Market Authority's (ESMA) guidelines for Alternative Performance Measurements. The guidelines aim at making alternative Performance Measurements in financial reports more understandable, trustworthy and comparable and thereby enhance their usability. According to these guidelines, an Alternative Performance Measurement is a financial key ratio of past or future earnings development, financial position, financial result or cash flows which are not defined or mentioned in current legislation for financial reporting; IFRS and the Swedish Annual Accounts Act. Reconciliations of Alternative Performance Measurements are available on pages 18-20.

### Number of shares

At the end of the period, the total number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares. For the fourth quarter 2021 the weighted number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares.

### Pandox AGM 2022

Pandox AB (publ) Annual General Meeting 2022 will be held on 12 April 2022. Information about the Annual General Meeting and the forms for its implementation will be provided in the notice convening the Annual General Meeting.

### Presentation of the year-end report

Pandox will present the year-end report for investors, analysts and media via a webcasted telephone conference, 10 February at 08:30 CET. As a service to Pandox stakeholders there will also be an external update of the hotel market.

- Year-end report and business update  
*Liia Nõu CEO*  
*Anneli Lindblom, CFO*  
*Anders Berg, SVP Head of Communications and IR*
- The hotel market (external update separate from Pandox)  
*Natalie Weisz, Director, R&D and Analysis, STR*

The presentation material will be available at [www.pandox.se](http://www.pandox.se) at approximately 08:00 CET.

To follow the telephone conference online, go to <https://edge.media-server.com/mmc/p/87fcia4b>. Here you can also ask written questions.

To participate in the conference via telephone, please register via this link to access telephone numbers:  
<http://emea.directeventreg.com/registration/2065969>.

A recorded version of the presentation will be available at [www.pandox.se](http://www.pandox.se).

### Contact persons

For further information, please contact:

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This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on 10 February 2022, 07:00 CET.

### Financial calendar

Annual General Meeting 2022	12 April 2022
Interim report Jan-Mar 2022	27 April 2022
Interim report Jan-Jun 2022	15 July 2022
Interim report Jan-Sep 2022	27 October 2022
Year-end report 2022	9 February 2023

### Stockholm, 10 February 2022

**Liia Nõu, CEO**

*This report has not been examined by the Company's auditor.*

# Summary of financial reports

Condensed consolidated statement of comprehensive income

MSEK	Note	Oct-Dec		Jan-Dec	
		2021	2020	2021	2020
<b>Revenues Property Management</b>					
Rental income	2	606	523	2,279	2,228
Other property income		42	47	143	171
Revenue Operator Activities	2	326	117	851	779
<b>Total revenues</b>		<b>974</b>	<b>687</b>	<b>3,273</b>	<b>3,178</b>
<b>Costs Property Management</b>					
Costs Operator Activities	2	-106	-92	-395	-381
<b>Gross profit</b>		<b>495</b>	<b>351</b>	<b>1,727</b>	<b>1,615</b>
- whereof gross profit Property Management	2	542	478	2,027	2,018
- whereof gross profit Operator Activities	2	-47	-127	-300	-403
Central administration		-52	-41	-157	-171
Financial income		2	1	4	2
Financial expenses		-229	-228	-944	-902
Financial cost right of use assets		-21	-21	-88	-86
<b>Profit before changes in value</b>		<b>195</b>	<b>62</b>	<b>542</b>	<b>458</b>
<b>Changes in value</b>					
Properties, unrealised	2	97	-533	-368	-1,779
Properties, realised	2	-16	0	-28	0
Derivatives, unrealised		187	109	740	-221
<b>Profit before tax</b>		<b>463</b>	<b>-362</b>	<b>886</b>	<b>-1,542</b>
Current tax		-78	-2	-128	-57
Deferred tax		-127	59	-149	191
<b>Profit for the period</b>		<b>258</b>	<b>-305</b>	<b>609</b>	<b>-1,408</b>
<i>Items that may not be classified to profit or loss, net after tax<sup>1)</sup></i>					
This year's revaluation of tangible non-current assets		18	-	18	-
<i>Items that may be classified to profit or loss, net after tax<sup>2)</sup></i>					
Net investment hedge of foreign operations		-	189	-43	86
Translation differences of foreign operations		220	-985	765	-1,096
<b>Other comprehensive income for the period</b>		<b>238</b>	<b>-796</b>	<b>740</b>	<b>-1,010</b>
<b>Total comprehensive income for the period</b>		<b>496</b>	<b>-1,101</b>	<b>1,349</b>	<b>-2,418</b>
Profit for the period attributable to the shareholders of the parent company		259	-300	610	-1,399
Profit for the period attributable to non-controlling interests		-1	-5	-1	-9
Total comprehensive income for the period attributable to the shareholders of the parent company		497	-1,064	1,337	-2,379
Total comprehensive income for the period attributable to non-controlling interests		-1	-37	12	-39
<b>Earnings per share, before and after dilution, SEK</b>		<b>1.41</b>	<b>-1.63</b>	<b>3.32</b>	<b>-7.61</b>

1) Refers to fair value change of hotel properties that have been reclassified from Operator Activities to Property Management.

2) During Q2 2021, a redistribution took place between net investment hedge and translation differences, with no effect on Other comprehensive income. Comparative figures have been recalculated.

Condensed consolidated statement of financial position

MSEK	31 Dec	
	2021	2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Operating Properties	7,450	6,872
Equipment and interiors	581	502
Investment Properties	52,215	50,181
Deferred non-current rent attributable to new temporary payment terms	233	189
Right-of-use assets	3,039	2,926
Deferred tax assets	249	631
Derivatives <sup>1)</sup>	203	43
Other non-current receivables	86	36
<b>Total non-current assets</b>	<b>64,056</b>	<b>61,380</b>
<b>Current assets</b>		
Inventories	12	9
Current tax assets	64	95
Trade account receivables	269	180
Deferred current rent attributable to new temporary payment terms	357	250
Prepaid expenses and accrued income	296	110
Other current receivables	154	169
Cash and cash equivalents	1,593	2,622
<b>Total current assets</b>	<b>2,745</b>	<b>3,435</b>
<b>Total assets</b>	<b>66,801</b>	<b>64,815</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	460	460
Other paid-in capital	7,525	7,525
Reserves	13	-714
Retained earnings, including profit for the period	17,215	16,609
<b>Equity attributable to the owners of the Parent Company</b>	<b>25,213</b>	<b>23,880</b>
Non-controlling interests	209	208
<b>Sum equity</b>	<b>25,422</b>	<b>24,088</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Non-current interest-bearing liabilities <sup>2)3)</sup>	27,205	26,034
Other non-current liabilities	4	5
Long-term lease liability	3,020	2,901
Derivatives <sup>1)</sup>	261	841
Provisions	36	32
Deferred tax liability	4,281	4,307
<b>Total non-current liabilities</b>	<b>34,807</b>	<b>34,120</b>
<b>Current liabilities</b>		
Provisions	60	139
Current interest-bearing liabilities <sup>2)3)</sup>	5,418	5,418
Short-term lease liability	22	27
Tax liabilities	156	118
Trade accounts payable	214	179
Other current liabilities	150	265
Accrued expenses and prepaid income	552	461
<b>Total current liabilities</b>	<b>6,572</b>	<b>6,607</b>
<b>Total liabilities</b>	<b>41,379</b>	<b>40,727</b>
<b>Total equity and liabilities</b>	<b>66,801</b>	<b>64,815</b>

<sup>1)</sup>The fair value measurement belongs to level 2 in the fair value hierarchy in IFRS, i.e., it is based on inputs that are observable, either directly or indirectly.

<sup>2)</sup>The carrying amounts of interest-bearing liabilities and other financial instruments constitute a reasonable approximation of their fair values.

<sup>3)</sup>Arrangement fees of MSEK 129 have reduced interest-bearing liabilities in the period, compared to MSEK 177 same period 2020.

Condensed consolidated statement of changes in equity

Attributable to the owners of the parent company

MSEK	Share capital	Other paid in capital	Translation reserves	Revaluation reserve <sup>2)</sup>	Retained earnings, incl profit for the period	Total	Non-controlling interests	Total equity
Opening balance equity 1 Jan, 2020	460	7,525	89	169	18,107	26,350	156	26,506
Profit for the period	—	—	—	—	-1,399	-1,399	-9	-1,408
Other comprehensive income	—	—	-980	—	—	-980	-30	-1,010
Offset non-controlling interests <sup>1)</sup>	—	—	8	—	-99	-91	91	—
Closing balance equity 31 Dec, 2020	460	7,525	-883	169	16,609	23,880	208	24,088
Opening balance equity 1 Jan, 2021	460	7,525	-883	169	16,609	23,880	208	24,088
Profit for the period	—	—	—	—	610	610	-1	609
Other comprehensive income	—	—	709	18	—	727	13	740
Offset and transactions non-controlling interest <sup>1)</sup>	—	—	—	—	-4	-4	-11	-15
Closing balance equity 31 Dec, 2021	460	7,525	-174	187	17,215	25,213	209	25,422

<sup>1)</sup>Transfer from the Parent Company's shareholders to non-controlling interests of MSEK 4 (91) and guarantee dividend minority of MSEK 15.

<sup>2)</sup>Change of fair value due to reclassification of hotel properties from Operator Activities to Property Management.



Condensed consolidated statement of cash flow

MSEK	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>				
Profit before tax	463	-362	886	-1,542
Reversal of depreciation	73	64	280	238
Changes in value, realised	7	-	19	-
Changes in value, unrealised	-97	533	368	1,779
Changes in value, derivatives, unrealised	-187	-109	-740	221
Other items not included in the cash flow	27	56	63	-38
Taxes paid	-29	-3	-60	-45
<b>Cash flow from operating activities before changes in working capital</b>	<b>257</b>	<b>179</b>	<b>816</b>	<b>613</b>
Increase/decrease in operating assets	-11	224	-378	-36
Increase/decrease in operating liabilities	1	-125	-8	-117
<b>Change in working capital</b>	<b>-10</b>	<b>99</b>	<b>-386</b>	<b>-153</b>
<b>Cash flow from operating activities</b>	<b>247</b>	<b>278</b>	<b>430</b>	<b>460</b>
<b>INVESTING ACTIVITIES</b>				
Investments in properties and fixed assets	-213	-213	-990	-907
Acquisitions of hotel properties, net effect on liquidity	-482	4	-482	-689
Acquisitions of financial assets	-8	1	-49	-2
<b>Cash flow from investing activities</b>	<b>-703</b>	<b>-208</b>	<b>-1,521</b>	<b>-1,598</b>
<b>FINANCING ACTIVITIES</b>				
New loans	2,800	1,075	8,196	9,755
Amortisation of debt	-2,221	-757	-8,088	-6,664
Guaranteed minority dividend	-15	-20	-15	-20
<b>Cash flow from financing</b>	<b>564</b>	<b>298</b>	<b>93</b>	<b>3,071</b>
<b>Cash flow for the period</b>	<b>108</b>	<b>368</b>	<b>-998</b>	<b>1,933</b>
Cash and cash equivalents at beginning of period	1,494	2,309	2,622	632
Exchange differences in cash and cash equivalents	-9	-55	-31	57
Liquid funds end of period	1,593	2,622	1,593	2,622
<b>Information regarding interest payments</b>				
Interest received amounted to	2	1	4	2
Interest paid amounted to	-209	-191	-841	-819
Financial cost right of use assets	-21	-21	-88	-86
<b>Information regarding cash and cash equivalents end of period</b>	<b>1,593</b>	<b>2,622</b>	<b>1,593</b>	<b>2,622</b>
Cash and cash equivalents consists of bank deposits.				

Condensed income statement for the parent company

MSEK	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Total revenues	37	34	148	150
Administration cost	-65	-53	-209	-219
<b>Operating profit</b>	<b>-28</b>	<b>-19</b>	<b>-61</b>	<b>-69</b>
Other interest income and similar profit/loss items	203	-120	523	-383
Derivatives, unrealised	90	44	481	-188
<b>Profit after financial items</b>	<b>265</b>	<b>-95</b>	<b>943</b>	<b>-640</b>
Year-end appropriations	172	1	172	1
<b>Profit before tax</b>	<b>437</b>	<b>-94</b>	<b>1,115</b>	<b>-639</b>
Current tax	-1	0	-1	0
Deferred tax	-61	67	-226	153
<b>Profit for the period</b>	<b>375</b>	<b>-27</b>	<b>888</b>	<b>-486</b>

Condensed balance sheet for the parent company

Figures in MSEK	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
Non-current assets	20,085	19,443
Current assets	1,579	2,621
<b>Total assets</b>	<b>21,664</b>	<b>22,064</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	9,490	8,603
Provisions	91	168
Non-current liabilities	5,344	5,866
Current liabilities	6,739	7,427
<b>Total equity and liabilities</b>	<b>21,664</b>	<b>22,064</b>

Reconciliation alternative performance measurements

Per share, SEK <sup>1)</sup>	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Total comprehensive income per share, SEK</b>				
Total comprehensive income for the period attributable to the shareholders of the parent company, MSEK	497	-1,064	1,337	-2,379
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
<b>Total comprehensive income per share, SEK</b>	<b>2.70</b>	<b>-5.79</b>	<b>7.27</b>	<b>-12.94</b>
<b>Cash earnings per share, SEK</b>				
Cash earnings attr.to the shareholders of the parent company, MSEK	196	134	713	669
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
<b>Cash earnings per share, SEK</b>	<b>1.07</b>	<b>0.73</b>	<b>3.88</b>	<b>3.64</b>
<b>Net asset value (EPRA NRV) per share, SEK</b>				
EPRA NRV (net asset value), MSEK	-	-	31,905	30,813
Number of shares at the end of the period	-	-	183,849,999	183,849,999
<b>Net asset value (EPRA NRV) per share, SEK</b>	<b>-</b>	<b>-</b>	<b>173.54</b>	<b>167.60</b>
<b>Dividend per share, SEK</b>				
Dividend, MSEK	-	-	-	-
Number of shares at dividend	-	-	183,849,999	183,849,999
<b>Dividend per share, SEK<sup>3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
Number of shares at the end of the period	183,849,999	183,849,999	183,849,999	183,849,999
<b>PROPERTY RELATED KEY FIGURES</b>				
Number of hotels, end of period <sup>2)</sup>	-	-	157	156
Number of rooms, end of period <sup>2)</sup>	-	-	35,372	35,059
WAULT, years	-	-	14.0	14.6
Market value properties, MSEK	-	-	62,596	59,542
Market value Investment Properties, MSEK	-	-	52,215	50,181
Market value Operating Properties, MSEK	-	-	10,380	9,361
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	423	101	277	227

<sup>1)</sup> The total number of outstanding shares after full dilution amounts to 183,849,999, of which 75,000,000 are A shares and 108,849,999 are B shares. Calculated on the total number of shares for balance sheet items and weighted number of shares for profit and loss items.

<sup>2)</sup> Pandox's owned hotel properties.

<sup>3)</sup> For 2021 proposed dividend is indicated.

Reconciliation alternative performance measurements

MSEK	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Net interest-bearing debt</b>				
Non-current interest-bearing liabilities	-	-	27,205	26,034
Current interest-bearing liabilities	-	-	5,418	5,418
Arrangement fee for loans	-	-	129	177
Cash and cash equivalents	-	-	-1,593	-2,622
<b>Net interest-bearing debt</b>	-	-	<b>31,159</b>	<b>29,007</b>
<b>Loan to value net, %</b>				
Net interest-bearing debt	-	-	31,159	29,007
Market value properties	-	-	62,596	59,542
<b>Loan to value, %</b>	-	-	<b>49.8</b>	<b>48.7</b>
<b>Interest cover ratio, times</b>				
EBITDA	521	378	1,868	1,699
Less: Financial costs for right-of-use-assets	-21	-21	-88	-86
Net interest costs	200	199	831	793
<b>Interest cover ratio, times</b>	<b>2.5</b>	<b>1.8</b>	<b>2.1</b>	<b>2.0</b>
<b>Average interest on debt end of period, %</b>				
Average interest expenses	-	-	812	811
Non-current interest-bearing liabilities	-	-	27,205	26,034
Arrangement fee for loans	-	-	129	177
Current interest-bearing liabilities	-	-	5,418	5,418
<b>Average interest on debt end of period, %</b>	-	-	<b>2.5</b>	<b>2.6</b>
Investments, incl. parent company excl. acquisitions	213	213	990	907
<b>Net operating income, Property Management</b>				
Rental income	606	523	2,279	2,228
Other property income	42	47	143	171
Costs, excl. property administration	-56	-35	-218	-215
<b>Net operating income, before property administration</b>	<b>592</b>	<b>535</b>	<b>2,204</b>	<b>2,184</b>
Property administration	-50	-57	-177	-166
<b>Net operating income, Property Management</b>	<b>542</b>	<b>478</b>	<b>2,027</b>	<b>2,018</b>
<b>Net operating income, Operator Activities</b>				
Revenue	326	117	851	779
Costs	-373	-244	-1,151	-1,182
<b>Gross profit</b>	<b>-47</b>	<b>-127</b>	<b>-300</b>	<b>-403</b>
Plus: Depreciation included in costs	73	63	278	235
<b>Net operating income, Operator Activities</b>	<b>26</b>	<b>-64</b>	<b>-22</b>	<b>-168</b>
<b>EBITDA</b>				
Gross profit from respective operating segment	495	351	1,727	1,615
Plus: Depreciation included in costs Operator Activities	73	63	278	235
Less: Central administration, excluding depreciation	-47	-36	-137	-151
<b>EBITDA</b>	<b>521</b>	<b>378</b>	<b>1,868</b>	<b>1,699</b>
<b>Cash earnings</b>				
EBITDA	521	378	1,868	1,699
Plus: Financial income	2	1	4	2
Less: Financial expense	-229	-228	-944	-902
Less: Financial costs for right-of-use-assets	-21	-21	-88	-86
Plus/Less: Translation effect on bank deposits	0	1	0	4
Less: Current tax	-78	-2	-128	-57
<b>Cash earnings</b>	<b>195</b>	<b>129</b>	<b>712</b>	<b>660</b>
<b>EPRA NRV</b>				
Equity attr. to the shareholders of the parent company	-	-	25,213	23,880
Plus: Revaluation of Operating Properties	-	-	2,365	1,998
Plus: Fair value of financial derivatives	-	-	58	798
Less: Deferred tax assets related to derivatives	-	-	-12	-171
Plus: Deferred tax liabilities	-	-	4,281	4,307
<b>EPRA NRV</b>	-	-	<b>31,905</b>	<b>30,813</b>
<b>Growth in EPRA NRV, annual rate, %</b>				
EPRA NRV attr. to the shareholders of the parent company, OB	-	-	30,813	34,270
EPRA NRV attr. to the shareholders of the parent company, CB	-	-	31,905	30,813
<b>Growth in EPRA NRV, annual rate, %</b>	-	-	<b>3.5</b>	<b>-10.1</b>

Key figures not defined according to IFRS

A number of the financial descriptions and measures in this interim report provide information about development and status of financial and per share measurements that are not defined in accordance with the IFRS (International Financial Reporting Standards). Adjoining alternative financial measurements provides useful supplementary information to investors and management, as they facilitate evaluation of company performance. Since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Hence, these financial measures should not be seen as a substitute for measures defined according to the IFRS. Unless otherwise stated, the tables on pages 18–20 presents measures, along with their reconciliation, which are not defined according to the IFRS. The definitions of these measures appear on page 28.

Financial risk

Pandox owns, manages and develops hotel properties and operates hotels. The level of risk-taking is expressed in a loan-to-value ratio net of between 45 and 60 percent, depending on market development and the opportunities that exist. In addition to the loan-to-value ratio, interest cover ratio, average cost of debt and interest-bearing net debt are other relevant measurements of Pandox's financial risk.

Growth and profitability

Pandox's overall goal is to increase cash flow and property value and thereby enable Pandox to have the resources for investments to support the Group's continued expansion. Since Pandox both owns and operates hotel properties, multiple indicators are needed to measure the Company's performance in relation to goals in this regard. Growth in cash earnings is Pandox's primary focus and this is also the basis for the dividend paid annually to the shareholders, i.e. 30–50 percent of cash earnings with an average payout ratio of approximately 40 percent over time. Measuring net operating income creates transparency and comparability between the Company's two operating segments and with other property companies. EBITDA measures Pandox's total operational profitability in a uniform way.

EPRA NRV (net asset value) and equity

Net asset value (EPRA NRV) is the collective capital Pandox manages on behalf of its shareholders. Pandox measures long-term net asset value based on the balance sheet adjusted for items that will not yield any payments in the near future, such as derivatives and deferred tax liabilities. The market value of Operating Properties is included in the calculation. See also page 28.

Net asset value according to EPRA NRV, EPRA NTA and EPRA NDV

Net asset value is the aggregate capital the Company manages on behalf of its shareholders. Net asset value can be calculated in various ways, primarily affected by the time horizon and the portfolio's turnover. In general, Pandox has an industrial and long-term investment horizon.

From 31 December 2020 Pandox recognises the performance measures EPRA NRV (net reinstatement value), EPRA NTA (net tangible assets) and EPRA NDV (net disposal value). See page 28 for definitions.

EPRA NRV is the long-term net asset value and is based on the balance sheet adjusted for items where there will be no payments made in the near future, such as goodwill, financial derivatives, deferred tax liability and surplus value of Operating Properties (see page 3 and 9 for more information). EPRA NTA is the same as long-term net asset value with the difference that goodwill not attributable to deferred tax is to be added back and that deferred tax can be assigned a market value taking into account how the entity has carried out real estate transactions in recent years. As Pandox has no goodwill, has a long-term investment horizon, and does not report estimated actual deferred tax, the value of NRV and NTA in Pandox's case is the same. EPRA NDV is net asset value according to equity in the balance sheet adjusted for goodwill (Pandox has no goodwill) and surplus value of Operating Properties.

Net asset value

	31 Dec 2021		31 Dec 2020	
	MSEK	SEK/share <sup>1)</sup>	MSEK	SEK/share <sup>1)</sup>
Equity attr. to the shareholders of the parent company	25,213	137.14	23,880	129.89
Plus: Revaluation of Operating Properties	2,365	12.87	1,998	10.87
Plus: Fair value of financial derivatives	58	0.32	798	4.34
Less: Deferred tax assets related to derivatives	-12	-0.06	-171	-0.93
Plus: Deferred tax liabilities	4,281	23.29	4,307	23.43
<b>Net asset value, EPRA NRV, MSEK</b>	<b>31,905</b>	<b>173.54</b>	<b>30,813</b>	<b>167.60</b>
Plus:	—	—	—	—
<b>Net asset value, EPRA NTA, MSEK</b>	<b>31,905</b>	<b>173.54</b>	<b>30,813</b>	<b>167.60</b>
Plus: derivatives and deferred tax	-4,327	-23.54	-4,934	-26.84
<b>Net asset value, EPRA NDV, MSEK</b>	<b>27,578</b>	<b>150.00</b>	<b>25,878</b>	<b>140.76</b>

<sup>1)</sup>Number of shares at end of period.

## Quarterly data

### Condensed consolidated statement of comprehensive income

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MSEK	2021	2021	2021	2021	2020	2020	2020	2020
<b>Revenues Property Management</b>								
Rental income	606	617	541	515	523	563	502	640
Other property income	42	35	27	39	47	67	25	32
Revenue Operator Activities	326	287	146	92	117	169	74	419
<b>Total revenues</b>	<b>974</b>	<b>939</b>	<b>714</b>	<b>646</b>	<b>687</b>	<b>799</b>	<b>601</b>	<b>1,091</b>
<b>Costs Property Management</b>	<b>-106</b>	<b>-99</b>	<b>-98</b>	<b>-92</b>	<b>-92</b>	<b>-99</b>	<b>-79</b>	<b>-111</b>
Costs Operator Activities	-373	-334	-203	-241	-244	-266	-216	-456
<b>Gross profit</b>	<b>495</b>	<b>506</b>	<b>413</b>	<b>313</b>	<b>351</b>	<b>434</b>	<b>306</b>	<b>524</b>
Central administration	-52	-31	-37	-37	-41	-41	-42	-47
Financial net	-227	-242	-239	-232	-227	-227	-220	-226
Financial cost right of use assets	-21	-23	-23	-21	-21	-21	-22	-22
<b>Profit before value changes</b>	<b>195</b>	<b>210</b>	<b>114</b>	<b>23</b>	<b>62</b>	<b>145</b>	<b>22</b>	<b>229</b>
Changes in value								
Properties, unrealised	97	-9	-105	-351	-533	-315	-320	-611
Properties, realised	-16	-6	—	-6	0	0	—	—
Derivatives, unrealised	187	202	24	327	109	51	-22	-359
<b>Profit before tax</b>	<b>463</b>	<b>397</b>	<b>33</b>	<b>-7</b>	<b>-362</b>	<b>-119</b>	<b>-320</b>	<b>-741</b>
Current tax	-78	-15	-23	-12	-2	-17	-11	-27
Deferred tax	-127	-61	-16	55	59	33	-1	100
<b>Profit for the period</b>	<b>258</b>	<b>321</b>	<b>-6</b>	<b>36</b>	<b>-305</b>	<b>-103</b>	<b>-332</b>	<b>-668</b>
Other comprehensive income	238	128	-258	632	-796	46	-920	660
<b>Total comprehensive income for the period</b>	<b>496</b>	<b>449</b>	<b>-264</b>	<b>668</b>	<b>-1,101</b>	<b>-57</b>	<b>-1,252</b>	<b>-8</b>

### Condensed consolidated statement of financial position

MSEK	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
<b>Assets</b>								
Properties incl equipment and interiors	60,246	58,975	58,553	59,057	57,555	59,859	59,877	62,570
Right-of-use assets	3,039	3,009	2,975	3,016	2,926	3,071	3,051	3,176
Other non-current receivables	522	514	500	423	268	84	85	108
Deferred tax assets	249	488	529	502	631	559	570	546
Current assets	1,152	1,086	939	893	813	1,261	1,008	893
Cash and cash equivalents	1,593	1,494	2,712	2,610	2,622	2,309	2,298	1,220
<b>Total assets</b>	<b>66,801</b>	<b>65,566</b>	<b>66,208</b>	<b>66,501</b>	<b>64,815</b>	<b>67,143</b>	<b>66,889</b>	<b>68,513</b>
<b>EQUITY AND LIABILITIES</b>								
Equity	25,422	24,941	24,492	24,756	24,088	25,189	25,246	26,498
Deferred tax liability	4,281	4,319	4,275	4,293	4,307	4,407	4,458	4,623
Interest-bearing liabilities	32,623	31,747	32,724	32,735	31,452	32,173	31,981	31,882
Leasing liabilities	3,042	3,011	2,977	3,018	2,928	3,073	3,052	3,177
Non interest-bearing liabilities	1,433	1,548	1,740	1,699	2,040	2,301	2,152	2,333
<b>Total equity and liabilities</b>	<b>66,801</b>	<b>65,566</b>	<b>66,208</b>	<b>66,501</b>	<b>64,815</b>	<b>67,143</b>	<b>66,889</b>	<b>68,513</b>

### Key ratios

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MSEK	2021	2021	2021	2021	2020	2020	2020	2020
NOI, Property Management	542	553	470	462	478	531	448	561
NOI, Operator Activities	26	22	10	-80	-64	-39	-85	20
EBITDA	521	550	447	350	378	456	327	538
Interest coverage ratio, times	2.5	2.5	2.0	1.6	1.8	2.2	1.6	2.6
Earnings per share before and after dilution, SEK	1.41	1.73	-0.04	0.22	-1.63	-0.56	-1.79	-3.63
Cash earnings, MSEK	195	270	162	85	129	194	75	262
Cash earnings per share before and after dilution, SEK	1.07	1.45	0.88	0.49	0.73	1.06	0.42	1.43
RevPAR growth (Operator Activities) for comparable units and constant currency, %	319	92	103	-81	-89	-81	-92	-30

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
Net interest-bearing debt	31,159	30,387	30,159	30,288	29,007	30,056	29,878	30,862
Loan to value, %	49.8	49.6	49.7	49.5	48.7	48.5	48.0	47.2
Market value properties	62,596	61,255	60,696	61,161	59,542	62,022	62,259	65,345
EPRA NRV per share, SEK	173.54	171.49	168.97	170.38	167.60	175.33	177.32	186.97
WAULT (Property Management), yrs	14.0	14.2	14.1	14.4	14.6	14.9	15.2	15.3

# Portfolio overview

At the end of the period Pandox's property portfolio consisted of 157 (156) hotel properties with 35,372 (35,059) hotel rooms in fifteen countries, including the sub-markets England, Scotland, Wales, and Northern Ireland.

Pandox's main geographical focus is Northern Europe. Germany (24 percent) is Pandox's single largest geographical market, measured as a percentage of the property portfolio's total market value, followed by Sweden (24 percent), UK (17 percent), Belgium (7 percent) and Finland (6 percent).

137 of the hotel properties are leased to third parties, which means that approximately 83 percent of the portfolio market value is covered by external leases. Pandox's tenant base consists of highly reputable hotel operators with strong hotel brands.

On 31 December 2021 Investment Properties had a weighted average unexpired lease term (WAULT) of 14.0 years (14.6).

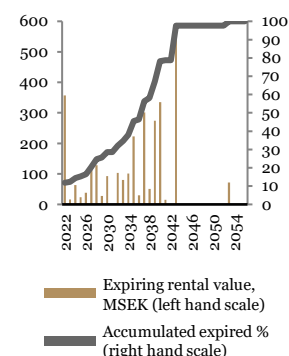
## Portfolio overview by segment and geography

Property Management	Number		Market value (MSEK)		
	Hotels	Rooms	Per country	In % of total	Per room
Sweden	42	8,953	14,796	24	1.7
Germany	32	6,560	11,353	18	1.7
UK	20	4,821	9,976	16	2.1
Finland	13	2,922	3,954	6	1.4
Norway	14	2,573	3,309	5	1.3
Denmark	7	1,642	3,153	5	1.9
Austria	2	639	1,461	2	2.3
Belgium	2	519	912	1	1.8
Ireland	3	445	1,379	2	3.1
Switzerland	1	206	775	1	3.8
The Netherlands	1	189	1,146	2	6.1
<b>Sum Property Management</b>	<b>137</b>	<b>29,469</b>	<b>52,215</b>	<b>83</b>	<b>1.8</b>
<b>Operator Activities</b>					
Belgium	7	1,955	3,587	6	1.8
Germany	6	1,806	3,981	6	2.2
Canada	2	952	1,262	2	1.3
UK	2	611	815	1	1.3
The Netherlands	1	216	362	1	1.7
Denmark	1	203	350	1	1.7
Finland	1	160	24	0	0.2
<b>Sum Operator Activities</b>	<b>20</b>	<b>5,903</b>	<b>10,380</b>	<b>17</b>	<b>1.8</b>
<b>Sum total</b>	<b>157</b>	<b>35,372</b>	<b>62,596</b>	<b>100</b>	<b>1.8</b>

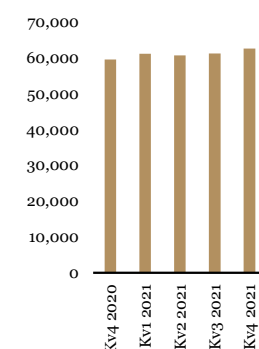
## Portfolio overview by brand

Brand	Number		
	Hotels	Rooms	In % of total
Scandic	50	11,024	31
Jurys Inn	20	4,410	12
Leonardo	18	3,547	10
Hilton	8	2,652	7
Radisson Blu	8	2,033	6
Nordic Choice Hotels	11	1,887	5
NH	7	1,681	5
Dorint	5	1,085	3
Mercure	4	760	2
Elite Hotels	2	492	1
Holiday Inn	2	469	1
Novotel	2	421	1
InterContinental	1	357	1
Indigo	1	284	1
Crowne Plaza	1	262	1
Pullman	1	252	1
Meininger	1	228	1
Motel One	1	200	1
Adagio	1	146	0
Best Western	1	103	0
Independent brands	12	3,079	9
<b>Total</b>	<b>157</b>	<b>35,372</b>	<b>100</b>

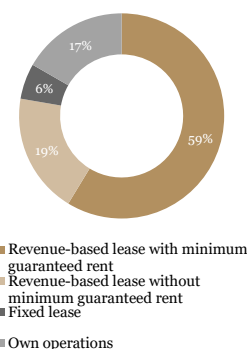
## Lease maturity profile (31 December 2021)



## Market value properties per quarter, MSEK



## Distribution of lease and operating models, number of rooms % (31 December 2021)



# Notes

## Not 1. Accounting principles

Pandox AB follows the International Financial Reporting Standards (IFRS) and interpretations (IFRIC), as adopted by the EU. This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR2 Accounting principles for legal entities. Under RFR2 the parent company of a legal entity applies all EU approved IFRS principles and interpretations within the framework defined by the Swedish Annual Accounts Act and taking into consideration the connection between accounting and taxation.

The interim financial statements are included on pages 1–26 and pages 27–29 are thus an integrated part of this financial report.

The accounting principles applied are consistent with those described in Pandox's 2020 Annual Report.

## Not 2. Operating segments

Pandox's operating segments consist of the Property Management and Operator Activities business streams. The Property Management segment owns, improves and manages hotel properties and provides external customers with premises for hotel operations, as well as other types of premises adjacent to hotel properties. The Operator Activities segment owns hotel properties and operates hotels in such owned properties. The Operator Activities segment also includes one hotel property under an asset management agreement. Non-allocated items are any items that are not attributable to a specific segment or are common to both segments, and financial cost for right-of-use assets according to IFRS 16. The segments have been established based on the reporting that takes place internally to executive management on financial outcomes and position. Segment reporting applies the same accounting principles as those used in the annual report in general, and the amounts reported for the segments are the same as those for the Group. Scandic Hotels Group and Fattal Hotels Group are tenants who account for more than 10 percent of revenues each.

For the fourth quarter and full-year 2021, revenue-based rent in Property Management amounted to MSEK 144 and MSEK 373 respectively.

MSEK	Q4 2021 (Oct-Dec 2021)				Q4 2020 (Oct-Dec 2020)			
	Property Management	Operator Activities	Group and non-allocated items	Total	Property Management	Operator Activities	Group and non-allocated items	Total
<b>Revenues Property Management</b>								
Rental and other property income	648	—	—	648	570	—	—	570
Revenue Operator Activities	—	326	—	326	—	117	—	117
<b>Total revenues</b>	<b>648</b>	<b>326</b>	<b>—</b>	<b>974</b>	<b>570</b>	<b>117</b>	<b>—</b>	<b>687</b>
<b>Costs Property Management</b>								
Costs Property Management	-106	—	—	-106	-92	—	—	-92
Costs Operator Activities	—	-373	—	-373	—	-244	—	-244
<b>Gross profit</b>	<b>542</b>	<b>-47</b>	<b>—</b>	<b>495</b>	<b>478</b>	<b>-127</b>	<b>—</b>	<b>351</b>
Central administration	—	—	-52	-52	—	—	-41	-41
Financial income	—	—	2	2	—	—	1	1
Financial expenses	—	—	-229	-229	—	—	-228	-228
Financial cost right of use assets	—	—	-21	-21	—	—	-21	-21
<b>Profit before value changes</b>	<b>542</b>	<b>-47</b>	<b>-300</b>	<b>195</b>	<b>478</b>	<b>-127</b>	<b>-289</b>	<b>62</b>
<b>Changes in value</b>								
Properties, unrealised	97	—	—	97	-533	—	—	-533
Properties, realised	-13	-3	—	-16	0	—	—	0
Derivatives, unrealised	—	—	187	187	—	—	109	109
<b>Profit before tax</b>	<b>626</b>	<b>-50</b>	<b>-113</b>	<b>463</b>	<b>-55</b>	<b>-127</b>	<b>-180</b>	<b>-362</b>
Current tax	—	—	-78	-78	—	—	-2	-2
Deferred tax	—	—	-127	-127	—	—	59	59
<b>Profit for the period</b>	<b>626</b>	<b>-50</b>	<b>-318</b>	<b>258</b>	<b>-55</b>	<b>-127</b>	<b>-123</b>	<b>-305</b>

### Q4 2021 (Oct-Dec 2021)

	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	182	36	49	54	148	11	125	44	648
- Operator Activities	0	14	0	8	84	116	61	43	326
Market value properties	14,796	3,502	3,309	3,978	15,334	4,499	12,170	5,008	62,596
Investments in properties	44	6	5	4	72	38	28	15	212
Acquisitions of properties	—	—	—	—	—	—	482	—	482
Realised value change properties	0	-16	0	—	—	—	0	—	-16
Book value Operating Properties	—	340	—	29	2,616	2,679	970	1,380	8,015
Total non-current assets at book value, less deferred tax assets	15,599	3,505	3,311	4,671	14,794	3,760	13,185	4,982	63,807

### Q4 2020 (Oct-Dec 2020)

	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	139	44	7	49	162	11	114	44	570
- Operator Activities	0	3	0	3	29	47	26	9	117
Market value properties	14,573	3,383	3,036	3,873	15,047	4,136	10,666	4,828	59,542
Investments in properties	59	16	6	10	20	81	18	0	211
Acquisitions of properties	—	—	—	—	-4	—	-2	2	-4
Book value Operating Properties	—	724	—	26	1,914	2,535	878	1,286	7,363
Total non-current assets at book value, less deferred tax assets	15,182	3,406	3,038	4,552	14,455	3,579	11,514	4,834	60,560



	Q1-Q4 2021 (Jan-Dec 2021, accumulated)				Q1-Q4 2020 (Jan-Dec 2021, accumulated)			
Figures in MSEK	Property Management	Operator Activities	Group and non-allocated items	Total	Property Management	Operator Activities	Group and non-allocated items	Total
<b>Revenues Property Management</b>								
Rental and other property income	2,422	—	—	2,422	2,399	—	—	2,399
Revenue Operator Activities	—	851	—	851	—	779	—	779
<b>Total revenues</b>	<b>2,422</b>	<b>851</b>	<b>—</b>	<b>3,273</b>	<b>2,399</b>	<b>779</b>	<b>—</b>	<b>3,178</b>
<b>Costs Property Management</b>								
Costs Property Management	-395	—	—	-395	-381	—	—	-381
Costs Operator Activities	—	-1,151	—	-1,151	—	-1,182	—	-1,182
<b>Gross profit</b>	<b>2,027</b>	<b>-300</b>	<b>—</b>	<b>1,727</b>	<b>2,018</b>	<b>-403</b>	<b>—</b>	<b>1,615</b>
Central administration	—	—	-157	-157	—	—	-171	-171
Financial income	—	—	4	4	—	—	2	2
Financial expenses	—	—	-944	-944	—	—	-902	-902
Financial cost right of use assets	—	—	-88	-88	—	—	-86	-86
<b>Profit before value changes</b>	<b>2,027</b>	<b>-300</b>	<b>-1,185</b>	<b>542</b>	<b>2,018</b>	<b>-403</b>	<b>-1,157</b>	<b>458</b>
Changes in value								
Properties, unrealised	-368	—	—	-368	-1,779	—	—	-1,779
Properties, realised	-18	-10	—	-28	0	—	—	0
Derivatives, unrealised	—	—	740	740	—	—	-221	-221
<b>Profit before tax</b>	<b>1,641</b>	<b>-310</b>	<b>-445</b>	<b>886</b>	<b>239</b>	<b>-403</b>	<b>-1,378</b>	<b>-1,542</b>
Current tax	—	—	-128	-128	—	—	-57	-57
Deferred tax	—	—	-149	-149	—	—	191	191
<b>Profit for the period</b>	<b>1,641</b>	<b>-310</b>	<b>-722</b>	<b>609</b>	<b>239</b>	<b>-403</b>	<b>-1,244</b>	<b>-1,408</b>

Q1-Q4 2021 (Jan-Dec)	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
- Property Management	610	105	165	217	623	44	484	174	2,422
- Operator Activities	1	44	0	22	212	292	143	138	851
Market value properties	14,796	3,502	3,309	3,978	15,334	4,499	12,170	5,008	62,596
Investments in properties	173	46	35	21	241	292	102	72	982
Acquisitions of properties	—	—	—	—	—	—	482	—	482
Realised value change properties	-6	-16	0	—	—	—	-6	—	-28
Book value Operating Properties	—	340	—	29	2,616	2,679	970	1,380	8,015
Total non-current assets at book value, less deferred tax assets	15,599	3,505	3,311	4,671	14,794	3,760	13,185	4,982	63,807

Q1-Q4 2020 (Jan-Dec)	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
- Property Management	559	123	145	203	664	46	480	178	2,399
- Operator Activities	0	9	0	17	214	278	131	130	780
Market value properties	14,573	3,383	3,036	3,873	15,047	4,136	10,666	4,828	59,542
Investments in properties	192	43	36	117	92	240	108	70	900
Acquisitions of properties	—	—	—	—	643	—	48	-2	689
Book value Operating Properties	—	724	—	26	1,914	2,535	878	1,286	7,363
Total non-current assets at book value, less deferred tax assets	15,182	3,406	3,038	4,552	14,455	3,579	11,514	4,834	60,560

### Not 3. Reclassifications, acquisitions and divestments with date of consolidation or deconsolidation

Date	Hotel property	Event
21 December 2021	Aparthotel Adagio Edinburgh Royal Mile	Acquisition Property Management
1 October 2021	h27 (to Motel One Copenhagen)	Reclassification to Property Management
31 August 2021	Hotel property in Nuremberg	Reclassification to Operator Activities
1 April 2020	h27 (from First Hotel Twentyseven)	Reclassification to Operator Activities
1 April 2020	Hotel Mayfair	Reclassification to Operator Activities
31 March 2020	Office property belonging to Jurys Inn Cardiff	Acquisition Property Management
31 January 2020	Maritim Hotel Nürnberg	Acquisition Property Management
11 December 2019	Seven hotel properties in Germany	Acquisition Property Management
3 December 2019	Two hotels in Germany and the Netherlands	Acquisition Operator Activities

### Not 4. Currency exchange rates

Currency exchange rates January-December

	Average rate			Rate at end-of-period		
	2021	2020	Change %	2021	2020	Change %
Euro (EUR)	10.145	10.487	-3%	10.227	10.038	2%
British pound (GBP)	11.802	11.798	0%	12.179	11.087	9%
Danish krone (DKK)	1.364	1.407	-3%	1.375	1.349	2%
Norwegian krone (NOK)	0.998	0.979	2%	1.025	0.955	7%
Canadian dollar (CAD)	6.845	6.860	0%	7.064	6.400	10%
Swiss franc (CHF)	9.384	9.798	-4%	9.854	9.254	7%

# Pandox in short

Pandox is a leading owner of hotel properties in Northern Europe with a focus on sizeable hotels in key leisure and corporate destinations. Pandox's hotel property portfolio comprises 157 hotels with approximately 35,500 hotel rooms in 15 countries. Pandox's business is organised into Property Management, which comprises hotel properties leased on a long-term basis to market leading hotel operators, and Operator Activities, which comprises hotel operations executed by Pandox in its owner-occupied hotel properties. Pandox was founded in 1995 and the company's B shares are listed on Nasdaq Stockholm.

## Vision and business concept

Pandox's vision is to be a world-leading hotel property company. Pandox's business concept is to own hotel properties and lease them to strong hotel operators under long-term revenue-based lease agreements. Pandox's ability to act throughout the complete hotel value-chain both reduces risk and creates business opportunities.

## Strategy and business model

Pandox's strategy and business model is founded on:

1. Focus on hotel properties
2. Large hotel properties in strategic locations
3. Long-term revenue-based lease agreements with the best hotel operators
4. Sustainability with business focus
5. Geographical diversification which limits fluctuations
6. Own operations reduce risk

## Financial targets and dividend policy

### Loan-to-value ratio

Pandox's target is a loan-to-value ratio of 45–60 percent, depending on the market environment and opportunities that exist. The Company defines loan-to-value ratio as interest-bearing liabilities less cash and cash equivalents as a percentage of the market value of the properties at the end of the period.

### Dividend policy

Pandox's target is a dividend pay-out ratio of 30–50 percent of cash earnings, with an average pay-out ratio over time of around 40 percent. Future dividends and the size of any such dividends depend on Pandox's future performance, financial position, cash flows, working capital requirements, investment plans and other factors.

## Organisation and execution

Pandox has two business segments. One is Property Management in which Pandox owns and leases out hotel properties to external operators under long-term revenue-based lease agreements. The other is Operator Activities in which Pandox owns hotel properties and operates hotels under external brands or its own brands.



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[www.pandox.se](http://www.pandox.se)  
Corp.reg.nr 556030-7885

# Definitions

## Financial information

Average interest on debt, %

Average interest expense based on interest maturity in respective currencies as a percentage of interest-bearing liabilities.

Cash earnings, MSEK

EBITDA plus financial income less financial expense less financial cost for right-of-use assets according to IFRS 16 less current tax, adjusted any unrealised translation effect on bank balances.

EBITDA, MSEK

Total gross profit less central administration (excluding depreciation).

EPRA NRV, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including reversal of derivatives, deferred tax asset derivatives, deferred tax liabilities related to properties, and revaluation of Operating Properties.

EPRA NTA, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including reversal of derivatives, deferred tax asset derivatives, deferred tax liabilities related to properties, and revaluation of Operating Properties.

EPRA NDV, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including revaluation Operating Properties.

Growth for comparable units adjusted for currency effects

Growth measure that excludes effects of acquisitions, divestments and reclassifications, as well as exchange rate changes.

Growth in EPRA NRV (net asset value growth), annual rate, %

Accumulated percentage change in EPRA NRV, with dividends added back and issue proceeds deducted, for the immediately preceding 12-month period.

Gross profit, Operator Activities, MSEK

Revenue less directly related costs for Operator Activities including depreciation of Operator Activities.

Gross profit, Property Management, MSEK

Revenue less directly related costs for Property Management.

Interest-bearing net debt, MSEK

Current and non-current interest-bearing liabilities plus arrangement fee for loans less cash and cash equivalents and short-term investments that are equivalent to cash and cash equivalents. Long-term and short-term lease liabilities according to IFRS 16 are not included.

Interest cover ratio, multiple

EBITDA less financial expense for right-of-use assets divided by net interest expense, which consists of interest expense less interest income.

Investments, excl. acquisitions, MSEK

Investments in non-current assets excluding acquisitions.

Loan-to-value ratio net, %

Interest-bearing liabilities, including arrangement fee for loans, less cash and cash equivalents as a percentage of the properties' market value at the end of the period.

Net operating income Operator Activities, MSEK

Gross profit for Operator Activities plus depreciation included in costs for Operator Activities.

Net operating income, Property Management, MSEK

Net operating income corresponds to gross profit for Property Management.

Net operating margin, Operator Activities, %

Net operating income for Operator Activities as a percentage of total revenue from Operator Activities.

Rounding off

Since amounts have been rounded off in MSEK, the tables do not always add up.

## Per share

Cash earnings per share, SEK

EBITDA plus financial income less financial expense less current tax, after non-controlling interests, less financial expense for right-of-use assets according to IFRS 16 adjusted any unrealised translation effect on bank balances divided by the weighted average number of shares outstanding.

Comprehensive income per share SEK

Comprehensive income attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding after dilution at the end of the period.

Dividend per share, SEK

Proposed/approved dividend for the year divided by the weighted average number of outstanding shares after dilution at the end of the period.

Earnings per share, SEK

Profit for the period attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding.

NRV, NTA, NDV per share, SEK

EPRA NRV, NTA, NDV divided by the total number of shares outstanding after dilution at the end of the period.

Weighted average number of shares after dilution, thousands

The weighted average number of outstanding shares taking into account changes in the number of shares outstanding after dilution during the period.

Weighted average number of shares before dilution, thousands

The weighted average number of outstanding shares taking into account changes in the number of shares outstanding, before dilution, during the period.

## Property information

Market value properties, MSEK

Market value of Investment Properties plus market value of Operating Properties.

Number of hotels

Number of owned hotel properties at the end of the period.

Number of rooms

Number of rooms in owned hotel properties at the end of the period.

RevPAR for Operating Properties (comparable units at constant exchange rates), SEK

Revenue per available room, i.e. total revenue from sold rooms divided by the number of available rooms. Comparable units are defined as hotel properties that have been owned and operated during the entire current period and the comparative period. Constant exchange rate is defined as the exchange rate for the current period, and the comparative period is recalculated based on that rate.

WAULT (Investment Properties)

Weighted average unexpired lease term across the property portfolio, weighted based on the 2019 rental income level (which is an approximation of a normal financial year not affected by the Covid-19 pandemic).



NH Brussels Bloom  
305 rooms



Hotel Mayfair  
203 rooms



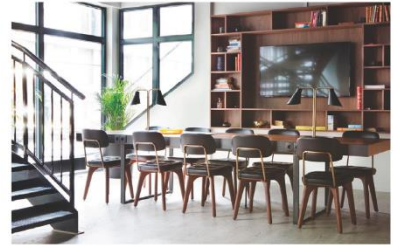
Scandic Kuopio  
137 rooms



InterContinental Montreal  
357 rooms



Park Centraal Amsterdam  
189 rooms



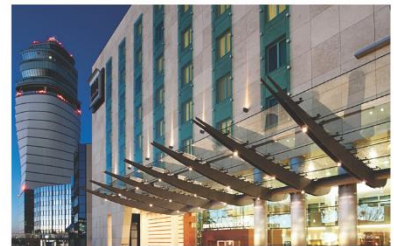
Comfort Hotel Bergen  
159 rooms



Elite Stora Hotellet Jönköping  
167 rooms



Radisson Blu Hotel, Basel  
206 rooms



NH Vienna Airport  
499 rooms



Dorint am Dom Erfurt  
160 rooms



The Midland Manchester  
312 rooms



Jurys Inn Dublin Christchurch  
182 rooms

Belgium / Denmark / Finland / Canada / Netherlands / Norway  
Sweden / Switzerland / Austria / Germany / United Kingdom / Ireland

