

# Strong earnings growth

## April–June 2022

- Revenue from Property Management amounted to MSEK 858 (568), including government grants of MSEK 68 (2). For comparable units the increase was 39 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 761 (470). For comparable units the increase was 39 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 238 (10), including government grants of MSEK 88 (98)
- EBITDA amounted to MSEK 970 (447), an increase of 117 percent
- Cash earnings amounted to MSEK 647 (162), equivalent to SEK 3.51 (0.88) per share
- Unrealised changes in the value of investment properties and derivatives amounted to MSEK 388 (-105) and MSEK 632 (24) respectively. Unrealised changes in the value of operating properties amounted to MSEK 251 (-4) (reported for information purposes only)
- Profit for the period amounted to MSEK 1,372 (-6), equivalent to SEK 7.45 (0.04) per share
- On 10 June 2022 Pandox and Scandic announced lease extensions for 15 hotel properties in the Nordics

## January–June 2022

- Revenue from Property Management amounted to MSEK 1,492 (1,122), including government grants of MSEK 68 (12). For comparable units the increase was 26 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 1,304 (932). For comparable units the increase was 25 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 189 (-70), including government grants of MSEK 105 (142)
- EBITDA amounted to MSEK 1,438 (797), an increase of 80 percent
- Cash earnings amounted to MSEK 828 (247), equivalent to SEK 4.48 (1.37) per share
- Unrealised changes in the value of investment properties and derivatives amounted to MSEK 667 (-456) and MSEK 1,562 (351) respectively. Unrealised changes in the value of operating properties amounted to MSEK 381 (3) (reported for information purposes only)
- Profit for the period amounted to MSEK 2,416 (30), equivalent to SEK 13.12 (0.18) per share

## Financial summary

MSEK	Apr-Jun			Jan-Jun			Full-year
	2022	2021	Δ%	2022	2021	Δ%	2021
Total net sales	1,482	714	108	2,358	1,360	73	3,273
<i>Of which Property Management</i>	858	568	51	1,492	1,122	33	2,422
<i>Of which Operator Activities</i>	624	146	327	866	238	264	851
Total net operating income	999	480	108	1,493	862	73	2,005
<i>Of which Property Management</i>	761	470	62	1,304	932	40	2,027
<i>Of which Operator Activities</i>	238	10	n.a	189	-70	n.a	-22
EBITDA	970	447	117	1,438	797	80	1,868
Profit for the period	1,372	-6	n.a	2,416	30	n.a	609
Earnings per share, SEK	7.45	-0.04	n.a	13.12	0.18	n.a	3.32
Cash earnings	647	162	299	828	247	235	712
Cash earnings per share, SEK	3.51	0.88	299	4.48	1.37	228	3.88
Market value properties	—	—	—	65,804	60,696	8	62,596
Net interest-bearing debt	—	—	—	31,472	30,159	4	31,159
Loan to value net, %	—	—	—	47.8	49.7	n.a	49.8
Interest cover ratio, times	4.7	2.0	n.a	3.5	1.8	n.a	2.1
EPRA NRV per share, SEK	—	—	—	190.37	168.97	—	173.54
WAULT (Investment Properties), years	—	—	—	15.4	14.1	n.a	14.0
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	878	187	370	607	144	322	291

## CEO comments

# A hotel market in full swing

### Strong growth in revenue and net operating income

The hotel market experienced a very strong trend in the second quarter, with rising occupancy and higher average prices in all of Pandox's markets. This strong growth is explained in part by continued normalisation of travel with increased underlying demand, and in part by pent-up demand following the pandemic, particularly in the leisure segment.

For comparable units, Pandox's total net sales and total net operating income increased by 99 percent and 84 percent respectively in the second quarter, compared with the corresponding period in 2021. Occupancy for comparable units in the Property Management and Operator Activities business segments was around 64 percent (29) and 65 percent (20) respectively in the second quarter. In June individually, occupancy for comparable units in the Property Management and Operator Activities segments amounted to around 69 percent (36) and 76 percent (26) respectively. The amount contributed by revenue-based rent increased to around MSEK 258 (51). The tenants' financial position improved and the amount of delayed rents decreased to MSEK 537, compared with MSEK 558 in the first quarter.

### Important lease extensions and business-focused organisation

In the second quarter Pandox extended 15 hotel leases with Scandic in the Nordics. The extensions include a joint investment programme of around MSEK 700 for product development, repositioning and increased guest comfort. This is an important milestone; one that shows that the lease model works and that both property owner and tenant have a strong incentive to take a long-term approach based on a common, commercial perspective.

During the quarter Pandox also further strengthened the organisation's business focus, and I am delighted that we recruited Tobias Ekman to serve as the new head of Property Management Nordics. Tobias has long experience from leading roles in the hotel industry and will start his new job on 1 September when he will also join Pandox's group management team. This ensures a very strong team with extensive hotel and property expertise as we enter a new market phase.

### Consistent financing strategy...

Pandox has two sources of financing: the Company's equity and bank loans secured by underlying properties. We have no market financing in the form of bonds.

Pandox's financing model is based on long-term relationships with shareholders and banks and is the same as when the Company was formed. In the second quarter, Pandox increased the number of lenders from 11 to 13, adding Swedbank and AMF Tjänstepension AB as new lenders. In total, Pandox refinanced loans equivalent to around MSEK 4,570 during the second quarter, whereof the majority with maturity in three to four years and with stable credit margins. During the pandemic, hotel properties were seen as a more risky asset class than other types of properties. This resulted in refinancing with

shorter maturities and higher credit margins. Now when cash flow is improving, it is possible to refinance with longer maturities again.

### ... and good financial flexibility

Pandox's financial position is stable. As of 30 June 2022, the loan-to-value ratio was 47.8 percent, and cash and cash equivalents plus unutilised credit facilities amounted to MSEK 4,091. Pandox's loan-to-value ratio has fluctuated between 46.0 and 50.8 percent since the stock exchange listing in 2015. The quarterly outcomes have consistently been at the lower end of the financial target range of 45–60 percent. The loan-to-value ratio is also lower than before the pandemic, which is the result of an effective business model and good risk management.

### Good starting point for future quarters

A large percentage of Pandox's revenue is variable, which normally offers protection against both increased costs and higher interest rates. We therefore have a good starting point in terms of growth and profitability as we head into future quarters. A good financial position and strong cash flow also enables future investments to be made in the existing portfolio, as well as in add-on acquisitions. With the rising cost of input goods and more expensive financing, our primary focus is investment projects and acquisitions with high value creation potential. Our emphasis is on profitable growth. Opportunities exist for us to further optimise our portfolio through selective divestments if the price is right.

Our assessment is that the conditions for Pandox to report good growth in revenue and earnings in 2022 are good.



Liia Nöu, CEO

# A leading hotel property company

Pandox is a leading hotel property owner in northern Europe with a focus on large hotels in important leisure and corporate destinations. Pandox's hotel property portfolio consists of 156 hotels with around 35,500 rooms in 15 cities.



## Vision and business concept

Pandox's vision is to be a world-leading hotel property company.

The business concept is to own hotel properties and lease them to strong hotel operators under long-term revenue-based leases. Pandox's ability to act throughout the hotel value chain reduces risk and creates business opportunities.

## Strategy and business model

Pandox's strategy and business model is based 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 and shared investments
4. Sustainability with a business focus
5. Geographical diversification to limit fluctuations
6. Operating our own hotels reduces 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 the 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 and working capital requirements.

## Presentation of the interim report

Pandox will present this interim report to investors, analysts and the media in a conference call/webcast on 15 July at 14:00 CEST. As a service to Pandox's stakeholders there will also be an external update on the hotel market.

To follow the webcast, go to <https://tv.streamfabriken.com/pandox-q2-2022>.

To participate by phone, please use one of the following phone numbers:

SE: +46 8 505 163 86  
UK: +44 20 319 84 884  
US: +1 412 317 6300  
Pin code: 1545315#

## Contact persons

Liia Nõu, CEO  
+46 (0) 702 37 44 04

Anneli Lindblom, CFO  
+46 (0) 765 93 84 00

Anders Berg, Head of Communications and IR  
+46 (0) 760 95 19 40

This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted, through the agency of the contact persons set out above, for publication on 15 July 2022 at 07:00 CEST.

## Financial calendar

Interim Report Jan–Sep 2022	27 October 2022
Pandox Hotel Market Day 2022	15 November 2022
Year-End Report 2022	10 February 2023
Annual General Meeting 2023	12 April 2023

# Hotel market development April–June 2022

As complete market data has not yet been published for the second quarter of 2022, the RevPAR growth for international markets refers to the period April – May 2022, i.e. a portion of the reporting period. RevPAR growth for the Nordic markets refers to the period April – June, i.e. the full report period.

## Strong recovery during the quarter

The recovery in most markets was strong in the second quarter – both in terms of occupancy and average price development. The UK, Denmark and Norway, which lifted their coronavirus restrictions early on, saw stronger development in the second quarter than Germany and Finland, where reopening happened later and the recovery only really ramped up towards the end of the quarter.

## Good occupancy development and strong average prices

An initial strict restriction situation combined with seasonally weak demand resulted in occupancy of just under 47 percent for Europe\*\* as a whole in the first quarter.

Once the restrictions were lifted demand increased significantly, driven initially by the leisure segment. The business segment's contribution to demand increased as physical offices were reopened and travel and conference activity increased. Occupancy in Europe\*\* amounted to 63 percent in April and 70 percent in May (75 percent in 2019), with the strong trend continuing in June. In general, destinations that are more dependent on international travel had a weaker development, in particular those destinations with a larger percentage of long-haul flights. Markets with a high proportion of international conferences and larger events also lagged behind. However, the occupancy gap between large international cities and regional ones continued to close. Average price development was strong and heavily driven by pent-up demand in the leisure segment. Average prices during weekdays, which depend the most on business demand, also improved gradually after Easter. Altogether, the average price in Europe amounted to EUR 131 in May, compared with EUR 116 in May 2019. RevPAR for Europe was EUR 92 and EUR 87 respectively for the same periods.

## Markets picking up but with varying rates of recovery

In the Nordics\* occupancy in the second quarter was 67 percent, compared with 44 percent in the first quarter (68 percent in the second quarter of 2019). In absolute numbers, Denmark had the highest occupancy with 74 percent and Finland the lowest with 58 percent.

Finland was negatively impacted by restrictions being eased later and by a relatively high dependence on long-haul flights from Asia. Occupancy in Norway was 1.3 percent higher in the second quarter than in the corresponding quarter in 2019. In Sweden, Denmark and Finland occupancy in the second quarter was down by 1.3 percent, 3.3 percent and 11.0 percent respectively compared with the corresponding period in 2019. Regional cities again developed better than capital cities. All countries noted higher average prices compared with the second quarter of 2019 (in Norway close to 20 percent higher). Due to good average price development, RevPAR for the Nordics as a whole exceeded the 2019 level by around 8 percent in the second quarter.

Germany did not ease its coronavirus restrictions until the latter part of March, which resulted in a more cautious start to the second quarter. Occupancy for Germany\*\* as a whole amounted to 56 percent in April and 68 percent in May, compared with around 35 percent in the first quarter. Continued improvement is expected in June. Average prices also increased gradually, and in May they were on a par with 2019 levels in nominal terms. As the recovery in Germany becomes more widespread, average prices are expected to strengthen further in June. There are still relatively large differences between performance in various German markets, depending on the composition of demand.

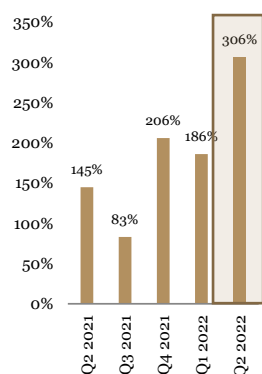
The UK started removing its coronavirus restrictions already in the beginning of February and saw strong development thereafter. Occupancy for the UK\*\* as a whole was 73 percent in April and 76 percent in May, compared with 60 percent in the first quarter. Occupancy in UK Regional\*\* was around 74 percent in April and 76 percent in May, which was slightly below the level in the corresponding months in 2019. Average prices continued to develop well (around 12 percent higher than in May 2019) explained by a more normal demand mix in the hotel market and a high willingness to pay for hotel accommodation, especially in the leisure segment.

The hotel market in Brussels\*\* also developed in a positive direction, with occupancy increasing to 56 percent in April and 67 percent in May, compared with 37 percent in the first quarter. Overall RevPAR amounted to EUR 81 in May 2022, compared with around EUR 102 in May 2019. The relatively large difference is explained by high dependence on international guests and conferences, delegations and international conferences which have still not fully recovered.

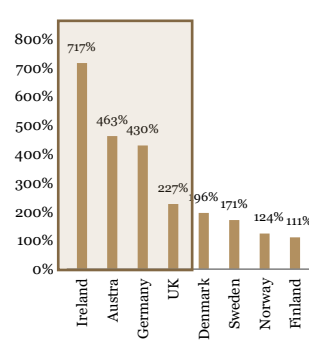
\* Benchmarking Alliance based on open hotels \*\* STR based on open hotels

## April–June 2022

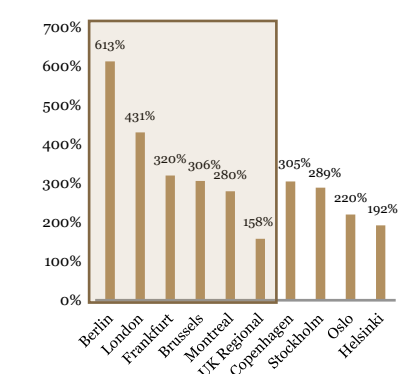
Europe  
RevPAR growth y/y



Countries  
RevPAR growth y/y



Key markets  
RevPAR growth y/y



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

■ Refers to average growth for open hotels for the period April–May 2022.

# Financial development April–June 2022

## Net sales

The Group's net sales amounted to MSEK 1,482 (714), an increase of 108 percent. For comparable units, net sales increased by 99 percent, adjusted for currency effects.

Revenue from Property Management amounted to MSEK 858 (568), an increase of 51 percent, mainly explained by increased revenue-based rent in the UK and the Nordics, in markets that were the first to ease Covid-related restrictions. The amount contributed by revenue-based rent increased overall to around MSEK 258 (51). Pandox received government grants of MSEK 68 (2) within Property Management during the quarter. The grants were mainly for previous financial years and the late disbursement is explained by long processing times, particularly in Germany. For comparable units, revenue increased by 39 percent, adjusted for currency effects.

Revenue from Operator Activities amounted to MSEK 624 (146), an increase of 327 percent. For comparable units, revenue increased by 314 percent and RevPAR by 370 percent, adjusted for currency effects. One hotel remained closed for renovation throughout the quarter.

## Net operating income

Total net operating income amounted to MSEK 999 (480), an increase of 108 percent. For comparable units, net operating income increased by 84 percent, adjusted for currency effects.

Net operating income from Property Management amounted to MSEK 761 (470), an increase of 62 percent. For comparable units, net operating income increased by 39 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 238 (10). Pandox received government grants of MSEK 88 (98) within Operator Activities during the quarter, most of which was for previous financial years. The late disbursement is explained by long processing times, mainly in Germany and Canada.

## Administration costs

Central administration costs amounted to MSEK -34 (-37), of which MSEK -5 (-5) was depreciation.

## Financial income and expense

Financial expense amounted to MSEK -244 (-239), of which MSEK -18 (-19) consists of depreciation of capitalised loan arrangement fees.

Financial income amounted to MSEK 8 (0). Financial expense associated with right-of-use assets amounted to MSEK -22 (-23).

## Changes in value

Unrealised changes in the value of investment properties amounted to MSEK 388 (-105), mainly related to higher anticipated cash flow. Realised changes in value for investment properties amounted to 7 (-). Unrealised changes in the value of operating properties amounted to MSEK 251 (-4) (reported for information purposes only).

Unrealised changes in the value of derivatives amounted to MSEK 632 (24), mainly explained by higher long-term market interest rates.

## Current and deferred tax

Current tax amounted to MSEK -59 (-23). Deferred tax amounted to MSEK -240 (-16). See also Note 3 on page 22.

## Profit for the period

Profit for the period amounted to MSEK 1,372 (-6) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 1,370 (-7), which is equivalent to SEK 7.45 (-0.04) per share.

## Cash earnings

Cash earnings amounted to MSEK 647 (162).

## Financing

On 30 June 2022 cash and cash equivalents and unutilised credit facilities amounted to MSEK 4,091, compared with MSEK 3,548 as of 31 March 2022.

## Deferred rent receivables

As of 30 June 2022, accounts receivable relating to deferred rent under temporary payment terms amounted to the equivalent of MSEK 537, compared with MSEK 558 as of 31 March 2022.



# Financial development January–June 2022

## Net sales

The Group's net sales amounted to MSEK 2,358 (1,360), an increase of 73 percent. For comparable units, net sales increased by 69 percent, adjusted for currency effects.

Revenue from Property Management amounted to MSEK 1,492 (1,122), an increase of 33 percent. Government grants received amounted to MSEK 68 (12). For comparable units, revenue increased by 26 percent, adjusted for currency effects.

Revenue from Operator Activities amounted to MSEK 866 (238), an increase of 264 percent. For comparable units, revenue increased by 257 percent and RevPAR by 322 percent, adjusted for currency effects.

## Net operating income

Total net operating income amounted to MSEK 1,493 (862), an increase of 73 percent. For comparable units, total net operating income increased by 57 percent, adjusted for currency effects.

Net operating income from Property Management amounted to MSEK 1,304 (932), an increase of 40 percent. For comparable units, net operating income increased by 25 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 189 (-70). Government grants received amounted to MSEK 105 (142).

## Administration costs

Central administration costs amounted to MSEK -66 (-74), of which MSEK -10 (-10) was depreciation.

## Financial income and expense

Financial expense amounted to MSEK -476 (-472), of which MSEK -36 (-37) consists of depreciation of capitalised loan arrangement fees. Financial income amounted to MSEK 10 (1). Financial expense associated with right-of-use assets amounted to MSEK -45 (-44).

## Changes in value

Unrealised changes in the value of investment properties amounted to MSEK 667 (-456), mainly related to higher anticipated cash flows and lower valuation yields in the Swedish hotel portfolio based on external valuations. Realised changes in value for investment properties amounted to MSEK 7 (-6). Unrealised changes in the value of operating properties amounted to MSEK 381 (3) (reported for information purposes only). Unrealised changes in the value of derivatives amounted to MSEK 1,562 (351), mainly explained by higher long-term market interest rates.

## Current and deferred tax

Current tax amounted to MSEK -92 (-35). Deferred tax amounted to MSEK -520 (39).

## Profit for the period

Profit for the period amounted to MSEK 2,416 (30) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 2,412 (34), which is equivalent to SEK 13.12 (0.18) per share.

## Cash earnings

Cash earnings amounted to MSEK 828 (247).

# Segment reporting April–June 2022

## Property Management

MSEK	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
Rental income	761	541	1,363	1,056	2,279
Other property income	97	27	129	66	143
Costs, excl. property admin	-57	-57	-115	-109	-218
<b>Net operating income, before property admin</b>	<b>801</b>	<b>511</b>	<b>1,377</b>	<b>1,013</b>	<b>2,204</b>
Property administration	-40	-41	-73	-81	-177
<b>Gross profit</b>	<b>761</b>	<b>470</b>	<b>1,304</b>	<b>932</b>	<b>2,027</b>
<b>Net operating income, after property admin</b>	<b>761</b>	<b>470</b>	<b>1,304</b>	<b>932</b>	<b>2,027</b>

### April–June 2022

Rental income and other property revenue amounted to MSEK 858 (568), an increase of 51 percent. Pandox received government grants of MSEK 68 (2) during the quarter, most of which was for previous financial years. For comparable units, revenue increased by 39 percent, adjusted for currency effects.

An improved business climate resulted in revenue-based leases of MSEK 258 (51). Variable revenue was noted during the quarter in 54 minimum-level leases (of 96), most of which are in the UK and Sweden.

Index adjustment of minimum rents and fixed rents also made a certain positive contribution.

Contractual guaranteed minimum rents plus fixed rents amount to around MSEK 2,000 on an annual basis.

Occupancy at comparable hotels amounted to around 64 (29) percent during the quarter. The improvement is explained by lifted restrictions and pent-up travel demand, which in turn led to significantly higher demand in all segments.

Hotel demand in many larger cities, such as Brussels, Amsterdam and Dublin, improved significantly in the second quarter, and hotels in smaller and regional cities continued to develop well.

Net operating income amounted to MSEK 761 (470), an increase of 62 percent. For comparable units, net operating income increased by 39 percent, adjusted for currency effects.

## Operator Activities

MSEK	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
Revenue	624	146	866	238	851
Costs	-449	-203	-801	-444	-1,151
<b>Gross profit</b>	<b>175</b>	<b>-57</b>	<b>65</b>	<b>-206</b>	<b>-300</b>
Plus: Depreciation included in costs	63	67	124	136	278
<b>Net operating income</b>	<b>238</b>	<b>10</b>	<b>189</b>	<b>-70</b>	<b>-22</b>

### April–June 2022

Revenue from Operator Activities amounted to MSEK 624 (146), an increase of 327 percent. The increase in revenue is explained by strong RevPAR development in larger cities such as Brussels, Montreal and Berlin. Pandox received government grants during the quarter totalling the equivalent of around MSEK 88 (98).

Occupancy at comparable hotels amounted to around 65 (20) percent. Pandox's hotel in Nuremberg remained closed for renovation and its reopening is planned for the end of 2022.

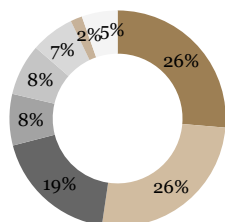
Hotels that saw particularly good development during the quarter were Hotel Hubert (Brussels, Belgium), Hotel Mayfair (Copenhagen, Denmark), Hilton Garden Inn London Heathrow Airport (UK) and Radisson Blu Glasgow (UK).

For comparable units, revenue and RevPAR increased by 314 percent and 370 percent respectively, adjusted for currency effects.

Net operating income amounted to MSEK 238 (10), including government grants.

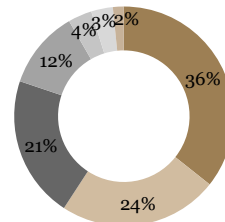
## April–June 2022

Revenue by country, Property Management



■ Sweden ■ Germany ■ UK ■ Finland  
■ Norway ■ Denmark ■ Belgium ■ Other

Revenue by country, Operator Activities



■ Belgium ■ Germany ■ Canada  
■ UK ■ Denmark ■ The Netherlands  
■ Finland

# Property portfolio

## Property valuation

Pandox performs internal valuation of its hotel properties each quarter and Investment Properties are recognised at fair value. The property values are based on Pandox's internal valuation. External valuation of the properties is also conducted for comparative purposes (see also Note E in Pandox's 2021 Annual Report).

The value of Operating Properties is reported for information purposes only and is included in EPRA NRV calculations. The Operating Properties' carrying amounts recognised in the condensed consolidated statement of financial position are equivalent to cost minus depreciation and any impairment losses and amounted to MSEK 8,549 (8,015) at the end of the period.

## Market value of properties

At the end of the period, Pandox's property portfolio had a total market value of MSEK 65,804 (62,596), of which Investment Properties accounted for MSEK 54,266 (52,215) and Operating Properties for MSEK 11,537 (10,380).

Over the past 12 months, external valuations were performed for around 98 percent of the hotel properties, measured in value, and are in line with the internal valuations.

On 2 May 2022 Pandox transferred possession of the hotel property that houses Mora Hotell & Spa.

### Changes in value Investment Properties

	MSEK
<b>Investment Properties, opening balance (1 Jan, 2022)</b>	<b>52,215</b>
+ Investments in current portfolio	174
- Divestments	-109
+/- Unrealised changes in value	667
+/- Realised changes in value	7
+/- Change in currency exchange rates	1,312
<b>Investment Properties, closing balance (30 Jun, 2022)</b>	<b>54,266</b>

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

	MSEK
<b>Operating Properties, market value (1 Jan, 2022)</b>	<b>10,380</b>
+ Investments in current portfolio	241
+/- Unrealised changes in value	381
+/- Change in currency exchange rates	535
<b>Operating Properties, market value (30 Jun, 2022)</b>	<b>11,537</b>

### Acquisitions, reclassifications and divestments

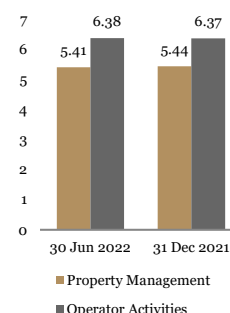
Date	Hotel property	Event
2 May 2022	Mora Hotell & Spa	Divestment Property Management
21 December 2021	Aparthotel Adagio Edinburgh Royal Mile	Acquisition Property Management
1 October 2021	h27 (to Motel One Copenhagen)	Reclassification to Property Management
31 August 2021	Hotel property in Nuremberg	Reclassification to Operator Activities

### Investment Properties sensitivity analysis, effect on value per 30 June 2022

Effect on fair value	Change	MSEK
Yield	+/- 0,5%	-4,591/ +5,526
Change in currency exchange rates	+/- 1%	+/- 391
Net operating income <sup>1)</sup>	+/- 1%	+/- 463

<sup>1)</sup> Per 31 December 2019, before the Covid-19 pandemic, the value was MSEK 535.

### Average valuation yield, % (30 June 2022)





# Portfolio overview

At the end of the period Pandox's property portfolio consisted of 156 (157) hotel properties with 35,243 (35,372) hotel rooms in fifteen countries, including the sub-markets England, Scotland, Wales, and Northern Ireland.

Pandox's main geographical focus is Northern Europe. Germany (25 percent) is Pandox's single largest geographical market, measured as a percentage of the property portfolio's total market value, followed by Sweden (23 percent), UK (17 percent), Belgium (7 percent) and Finland (6 percent).

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

On 30 June 2022 Investment Properties had a weighted average unexpired lease term (WAULT) of 15.4 years (14.0).

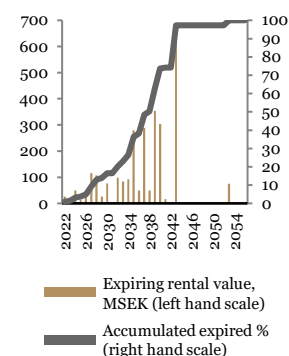
## Portfolio overview by segment and geography

Property Management	Number		Market value (MSEK)		
	Hotels	Rooms	Per country	In % of total	Per room
Sweden	41	8,823	15,124	23	1.7
Germany	32	6,560	11,867	18	1.8
UK	20	4,821	10,318	16	2.1
Finland	13	2,923	4,291	7	1.5
Norway	14	2,573	3,398	5	1.3
Denmark	7	1,642	3,290	5	2.0
Austria	2	639	1,529	2	2.4
Belgium	2	519	949	1	1.8
Ireland	3	445	1,460	2	3.3
Switzerland	1	206	842	1	4.1
The Netherlands	1	189	1,197	2	6.3
<b>Sum Property Management</b>	<b>136</b>	<b>29,340</b>	<b>54,266</b>	<b>83</b>	<b>1.8</b>
<b>Operator Activities</b>					
Belgium	7	1,955	3,939	6	2.0
Germany	6	1,806	4,433	7	2.5
Canada	2	952	1,529	2	1.6
UK	2	611	834	1	1.4
The Netherlands	1	216	387	1	1.8
Denmark	1	203	390	1	1.9
Finland	1	160	24	0	0.2
<b>Sum Operator Activities</b>	<b>20</b>	<b>5,903</b>	<b>11,537</b>	<b>17</b>	<b>2.0</b>
<b>Sum total</b>	<b>156</b>	<b>35,243</b>	<b>65,804</b>	<b>100</b>	<b>1.9</b>

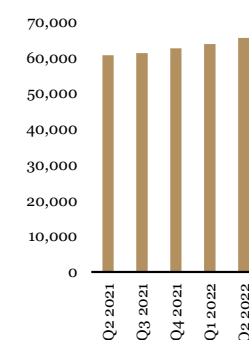
## Portfolio overview by brand

Brand	Number		
	Hotels	Rooms	In % of total
Scandic	50	11,034	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	11	2,940	8
<b>Total</b>	<b>156</b>	<b>35,243</b>	<b>100</b>

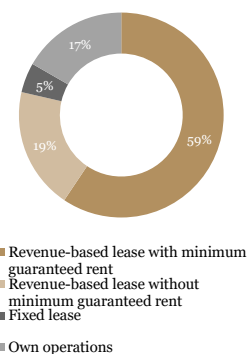
## Lease maturity profile (30 June 2022)



## Market value properties per quarter, MSEK



## Distribution of lease and operating models, number of rooms % (30 June 2022)



# Investments and sustainability

## Investments

In the period January–June 2022, investments in property, plant and equipment, excluding acquisitions, amounted to MSEK 416 (572), of which MSEK 174 (340) was for Investment Properties, MSEK 241 (226) for Operating properties.

At the end of the second quarter of 2022, approved investments for ongoing and future projects amounted to around MSEK 1,500, of which around MSEK 600 is for projects that are expected to be completed in 2022. The cost of maintenance in the second quarter of 2022 was MSEK 27.

Examples of larger completed projects



DoubleTree by Hilton Brussels City  
Operator Activities  
Extension of total 151 rooms  
Expected to be completed during 2025  
Investment: approximately MEUR 35



NH Collection Salzburg  
Property Management  
Complete renovation  
Completed Q4 2021  
Investment: approximately MSEK 30



Holiday Inn Brussels Airport  
Operator Activities  
Complete renovation  
Completed Q1 2022  
Investment: approximately MSEK 50

## Sustainability strategy

Pandox's sustainability work is aimed at promoting sustainable properties and operations and creating new business opportunities. The Company's overall sustainability goal is to offer tenants resource-efficient hotel properties that contribute to the UN Sustainable Development Goals, reduce climate impact and enable good management of climate risks.

Pandox's sustainability strategy is based on the Company's vision and business objectives, its impact on communities in terms of sustainability and climate change, and which issues the stakeholders consider to be important for Pandox to focus on. Current trends and the risks and opportunities identified by the Company are also taken into consideration.

Pandox has defined the most material sustainability topics and divided them up into five focus areas:

1. Environment and climate
2. Responsible and fair business
3. Guest satisfaction and security
4. Attractive and equal workplace
5. Inclusive local communities

## Green investments

Pandox's most important contribution to more sustainable growth is through its development of profitable green properties. The goal is to create resource-efficient properties and operations that reduce Pandox's environmental and climate footprint, but that can also handle climate change impacts in the form of torrential rain and a warmer climate.

Pandox's green investment programme of MEUR 8, with an expected return of around 20 percent, is still in place for the planned timeframe (2023). The purpose is to lower climate impact through energy and water reducing projects and technology installations. The target is a reduction in energy, gas and water use of 35 percent, 25 percent and 20 percent respectively, and a 20 percent reduction in CO<sub>2</sub> emissions.

# Financing

## Financial position and net asset value

At the end of the period the loan-to-value net was 47.8 (49.8) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 28,288 (25,213). EPRA NRV amounted to MSEK 34,999 (31,905), equivalent to SEK 190.37 (173.54) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 4,091 (3,576). In addition, there are additional unutilised credit facilities that, at any given time, fully cover the issued volume under the Pandox commercial paper programme. Commercial papers are used to optimize Pandox's financial costs via interest rate arbitrage.

## Interest-bearing liabilities

All Pandox debt financing is with banks, with the exception of AMF Tjänstepension AB, and commercial papers. At the end of the period the loan portfolio amounted to MSEK 33,344 (32,752), excluding loan arrangement fees. Unutilised credit facilities amounted to MSEK 2,218 (1,983) and the volume issued under the commercial paper programme amounted to MSEK 1,731 (2,191), which corresponds to approximately 5 percent of the total loan portfolio.

In total, the Group carried out refinancing corresponding to MSEK 4,570 million during the second quarter, all to credit terms in line with the Group's average, with maturities of up to four years. The refinancing includes two new lenders in the form of AMF Tjänstepension AB and Swedbank, which means that the number of lenders has increased from 11 to 13.

Pandox has a positive and close dialogue with its lenders on refinancing and new financing. In the second quarter, lenders have provided waivers in individual credit agreements.

Short-term credit facilities with a term of less than one year amount to MSEK 12,148, of which MSEK 9,157 matures in the first half of 2023. Positive dialogues about refinancing are ongoing regarding all these credit maturities and the intention is to refinance these in good time before contractual maturities.

The average fixed rate period was 3.0 (3.3) years and the average interest rate, corresponding to the interest rate level at the end of the period, was 2.5 (2.5) percent, including effects from interest-rate derivatives, but excluding accrued arrangement fees. The average repayment period was 2.0 (2.2) years. The loans are secured by a combination of mortgage collateral and pledged shares.

## Maturity structure financing credit facilities 30 June 2022

Year due (MSEK)	Credit facilities <sup>1)</sup>
< 1 year	12,148
1-2 year	8,191
2-3 year	3,623
3-4 year	9,735
4-5 year	1,865
> 5 year	-
<b>Sum</b>	<b>35,562</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 30 June 2022

	SEK	DKK	EUR <sup>3)</sup>	CHF	CAD	NOK	GBP	Total
Sum credit facilities, MSEK <sup>1)</sup>	9,778	2,011	15,484	504	587	1,203	5,995	35,562
Sum interest bearing debt, MSEK <sup>1)</sup>	6,685	1,984	16,410	504	563	1,203	5,995	33,344
Share of debt in currency, %	20.0	5.9	49.2	1.5	1.7	3.6	18.0	100
Average interest rate, % <sup>2)</sup>	2.6	1.7	2.1	2.2	4.1	3.8	3.4	2.5
Average interest rate period, years	3.3	1.9	3.6	0.2	0.1	2.4	2.1	3.0
Market value Properties, MSEK <sup>1)</sup>	15,124	3,681	30,078	842	1,529	3,398	11,152	65,804

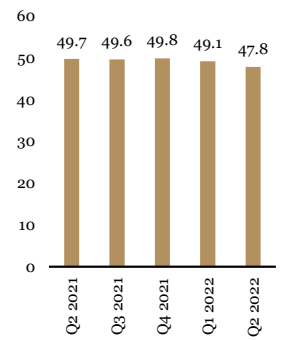
<sup>1)</sup>Converted to MSEK

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

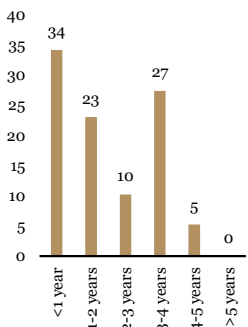
<sup>3)</sup>Part of the interest bearing debt is part of credit facilities in SEK, which can be drawn in multiple currencies, including EUR.

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 27,077 gross and MSEK 22,046 net, which is also the portion of Pandox's loan portfolio for which interest rates are hedged. Approximately 52 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 coverage ratio, at a level, where also revenues from contractual minimum guaranteed rent and fixed rent only, offers satisfactory headroom

Interest maturity profile 30 June 2022

Tenor (MSEK)	Total interest maturity		Interest maturity derivatives		
	Amount <sup>1)</sup>	Share, %	Volume	Share, %	Average interest rate derivatives, %
< 1 year	17,080	51	5,782	26	1.2
1–2 year	-1,266	-4	-1,266	-5	1.3
2–3 year	2,015	6	2,015	9	-0.2
3–4 year	2,028	6	2,028	9	-0.1
4–5 year	2,470	8	2,470	11	0.4
> 5 year	11,016	33	11,016	50	0.5
<b>Sum</b>	<b>33,344</b>	<b>100</b>	<b>22,046</b>	<b>100</b>	<b>0.5</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 1,504 (-58).

Financial sensitivity analysis

Effect on earnings before value changes	Change	MSEK
Current fixed interest hedging, change in interest rates, with derivatives <sup>1)</sup>	+/- 1%	-68/-110
Current fixed interest hedging, change in interest rates, without derivatives <sup>1)</sup>	+/- 1%	-287/+115
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	+/- 811

<sup>1)</sup> The earnings effect is asymmetrical due to limited possibilities for Pandox to benefit in full from negative interest rates.

# Other information

## Important events during and after the period

21 June 2022	Changes in Pandox's Group Management
10 June 2022	Pandox and Scandic extend leases for 15 hotel properties in the Nordics
27 April 2022	Interim report January–March 2022
12 April 2022	Minutes from Pandox's Annual General Meeting

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. In a ruling on 10 June 2022, Amsterdam's district court granted the tenant a rent reduction for 2020 and 2021. The amount is not expected to materially impact the Group's earnings. Pandox is investigating the possibilities of an appeal.

*No significant development has taken place in disputes and insurance matters commented on below during the period:*

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 or first half 2022.

Dorint Parkhotel Bad Neuenahr has been closed since July 2021 due to extensive damage caused by flooding. The hotel property was fully 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 1,097 (503) full-time employees, based on number of worked hours translated to full-time employees. Of the total number of employees, 1,051 (454) are employed in the Operator Activities segment and 46 (49) in the Property Management segment and in central administration.

## 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.

## 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–June 2022, revenue from Pelican Bay Lucaya amounted to MSEK 0.3 (0.1).

## Risk and uncertainty factors

Pandox's general view of business risks has not changed compared with the detailed description in the Annual Report 2021.

## 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.

## 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 23–25.

## 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 second quarter 2022 the weighted number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares.

## Comparison figures and periods

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2021 for balance sheet items, unless otherwise stated.

# Board of Directors' Assurance

The Board of Directors and the CEO confirms that this report provides a fair overview of the Company's business, position and results and describes the significant risks and uncertainties facing the Company and its subsidiaries.

Stockholm, 15 July 2022

Christian Ringnes  
Chairman

Bengt Kjell  
Board member

Jakob Iqbal  
Board member

Jon Rasmus Aurdal  
Board member

Ann-Sofi Danielsson  
Board member

Jeanette Dyhre Kvisvik  
Board member

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	Apr-Jun		Jan-Jun		Full-year
		2022	2021	2022	2021	2021
<b>Revenues Property Management</b>						
Rental income	2	761	541	1,363	1,056	2,279
Other property income		97	27	129	66	143
Revenue Operator Activities	2	624	146	866	238	851
<b>Total revenues</b>		<b>1,482</b>	<b>714</b>	<b>2,358</b>	<b>1,360</b>	<b>3,273</b>
<b>Costs Property Management</b>						
Costs Operator Activities	2	-449	-203	-801	-444	-1,151
<b>Gross profit</b>		<b>936</b>	<b>413</b>	<b>1,369</b>	<b>726</b>	<b>1,727</b>
- whereof gross profit Property Management	2	761	470	1,304	932	2,027
- whereof gross profit Operator Activities	2	175	-57	65	-206	-300
Central administration		-34	-37	-66	-74	-157
Financial income		8	0	10	1	4
Financial expenses		-244	-239	-476	-472	-944
Financial cost right of use assets		-22	-23	-45	-44	-88
<b>Profit before changes in value</b>		<b>644</b>	<b>114</b>	<b>792</b>	<b>137</b>	<b>542</b>
<b>Changes in value</b>						
Properties, unrealised	2	388	-105	667	-456	-368
Properties, realised	2	7	-	7	-6	-28
Derivatives, unrealised		632	24	1,562	351	740
<b>Profit before tax</b>		<b>1,671</b>	<b>33</b>	<b>3,028</b>	<b>26</b>	<b>886</b>
Current tax		-59	-23	-92	-35	-128
Deferred tax		-240	-16	-520	39	-149
<b>Profit for the period</b>		<b>1,372</b>	<b>-6</b>	<b>2,416</b>	<b>30</b>	<b>609</b>
<i>Items that may not be classified to profit or loss, net after tax</i>						
This year's revaluation of tangible non-current assets		-	-	-	-	18
<i>Items that may be classified to profit or loss, net after tax</i>						
Net investment hedge of foreign operations		-145	37	-198	-12	-43
Translation differences of foreign operations		600	-295	872	386	765
<b>Other comprehensive income for the period</b>		<b>455</b>	<b>-258</b>	<b>674</b>	<b>374</b>	<b>740</b>
<b>Total comprehensive income for the period</b>		<b>1,827</b>	<b>-264</b>	<b>3,090</b>	<b>404</b>	<b>1,349</b>
<b>Profit for the period attributable to the shareholders of the parent company</b>						
Profit for the period attributable to non-controlling interests	2	1	1	4	-4	-1
<b>Total comprehensive income for the period attributable to the shareholders of the parent company</b>		<b>1,818</b>	<b>-262</b>	<b>3,077</b>	<b>398</b>	<b>1,337</b>
<b>Total comprehensive income for the period attributable to non-controlling interests</b>		<b>9</b>	<b>-2</b>	<b>13</b>	<b>6</b>	<b>12</b>
Earnings per share, before and after dilution, SEK		7.45	-0.04	13.12	0.18	3.32

Condensed consolidated statement of financial position

MSEK	30 Jun		31 Dec
	2022	2021	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Operating Properties	7,978	7,109	7,450
Equipment and interiors	588	529	581
Investment Properties	54,266	50,915	52,215
Deferred non-current rent attributable to new temporary payment terms	167	364	233
Right-of-use assets	3,222	2,975	3,039
Deferred tax assets	262	529	249
Derivatives <sup>1)</sup>	1,607	82	203
Other non-current receivables	104	54	86
<b>Total non-current assets</b>	<b>68,194</b>	<b>62,557</b>	<b>64,056</b>
<b>Current assets</b>			
Inventories	14	11	12
Current tax assets	70	100	64
Trade account receivables	280	222	269
Deferred current rent attributable to new temporary payment terms	370	276	357
Prepaid expenses and accrued income	368	164	296
Other current receivables	165	166	154
Cash and cash equivalents	1,873	2,712	1,593
<b>Total current assets</b>	<b>3,140</b>	<b>3,651</b>	<b>2,745</b>
<b>Total assets</b>	<b>71,334</b>	<b>66,208</b>	<b>66,801</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	460	460	460
Other paid-in capital	7,525	7,525	7,525
Reserves	678	-350	13
Retained earnings, including profit for the period	19,625	16,643	17,215
<b>Equity attributable to the owners of the Parent Company</b>	<b>28,288</b>	<b>24,278</b>	<b>25,213</b>
Non-controlling interests	224	214	209
<b>Sum equity</b>	<b>28,512</b>	<b>24,492</b>	<b>25,422</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities <sup>2)</sup>	21,523	26,895	27,205
Other non-current liabilities	4	5	4
Long-term lease liability	3,195	2,956	3,020
Derivatives <sup>1)</sup>	103	529	261
Provisions	35	34	36
Deferred tax liability	4,918	4,275	4,281
<b>Total non-current liabilities</b>	<b>29,778</b>	<b>34,694</b>	<b>34,807</b>
<b>Current liabilities</b>			
Provisions	51	79	60
Current interest-bearing liabilities <sup>2)</sup>	11,719	5,829	5,418
Short-term lease liability	31	21	22
Tax liabilities	215	153	156
Trade accounts payable	282	196	214
Other current liabilities	138	249	150
Accrued expenses and prepaid income	608	495	552
<b>Total current liabilities</b>	<b>13,044</b>	<b>7,022</b>	<b>6,572</b>
<b>Total liabilities</b>	<b>42,822</b>	<b>41,716</b>	<b>41,379</b>
<b>Total equity and liabilities</b>	<b>71,334</b>	<b>66,208</b>	<b>66,801</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.

Condensed consolidated statement of changes in equity

MSEK	Attributable to the owners of the parent company					Retained earnings, incl profit for the period	Non-controlling interests		Total equity
	Share capital	Other paid in capital	Translation reserves	Revaluation reserve <sup>1)</sup>	Total		Total	Total	
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	
Guaranteed dividend, minority interests	—	—	—	—	—	—	-15	-15	
Transfer of non-controlling interest	—	—	—	—	-4	-4	4	—	
Closing balance equity 31 Dec, 2021	460	7,525	-174	187	17,215	25,213	209	25,422	
Opening balance equity 1 Jan, 2022	460	7,525	-174	187	17,215	25,213	209	25,422	
Profit for the period	—	—	—	—	2,412	2,412	4	2,416	
Other comprehensive income	—	—	665	—	—	665	9	674	
Transfer of non-controlling interest	—	—	—	—	-2	-2	2	—	
Closing balance equity 30 Jun, 2022	460	7,525	491	187	19,625	28,288	224	28,512	

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

Condensed consolidated statement of cash flow

MSEK	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
<b>OPERATING ACTIVITIES</b>					
Profit before tax	1,671	33	3,028	26	886
Reversal of depreciation	65	68	125	137	280
Changes in value, realised	-7	0	-7	6	19
Changes in value, unrealised	-388	105	-667	456	368
Changes in value, derivatives, unrealised	-632	-24	-1,562	-351	-740
Other items not included in the cash flow	-90	-30	12	-11	63
Taxes paid	-8	-5	-45	-5	-60
<b>Cash flow from operating activities before changes in working capital</b>	<b>611</b>	<b>147</b>	<b>884</b>	<b>258</b>	<b>816</b>
Increase/decrease in operating assets	-118	-129	2	-276	-378
Increase/decrease in operating liabilities	67	61	86	15	-8
<b>Change in working capital</b>	<b>-51</b>	<b>-68</b>	<b>88</b>	<b>-261</b>	<b>-386</b>
<b>Cash flow from operating activities</b>	<b>560</b>	<b>79</b>	<b>972</b>	<b>-3</b>	<b>430</b>
<b>INVESTING ACTIVITIES</b>					
Investments in properties and fixed assets	-182	-289	-417	-572	-990
Acquisitions/divestments of hotel properties, net effect on liquidity	105	0	105	-	-482
Acquisitions of financial assets	-11	-16	-15	-18	-49
<b>Cash flow from investing activities</b>	<b>-88</b>	<b>-305</b>	<b>-327</b>	<b>-590</b>	<b>-1,521</b>
<b>FINANCING ACTIVITIES</b>					
New loans	2,659	1,728	5,086	4,339	8,196
Amortisation of debt	-2,866	-1,423	-5,510	-3,462	-8,088
Guaranteed minority dividend	-	-	-	-	-15
<b>Cash flow from financing</b>	<b>-207</b>	<b>305</b>	<b>-424</b>	<b>697</b>	<b>93</b>
<b>Cash flow for the period</b>	<b>265</b>	<b>79</b>	<b>221</b>	<b>104</b>	<b>-998</b>
Cash and cash equivalents at beginning of period	1,477	2,610	1,593	2,622	2,622
Exchange differences in cash and cash equivalents	132	22	59	-15	-31
Liquid funds end of period	1,873	2,712	1,873	2,712	1,593
<b>Information regarding interest payments</b>					
Interest received amounted to	2	-	3	1	4
Interest paid amounted to	-214	-215	-413	-416	-841
Financial cost right of use assets	-22	-23	-45	-44	-88
<b>Information regarding cash and cash equivalents end of period</b>	<b>1,873</b>	<b>2,712</b>	<b>1,873</b>	<b>2,712</b>	<b>1,593</b>
Cash and cash equivalents consists of bank deposits.					

## Condensed income statement for the parent company

MSEK	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
Total revenues	33	37	68	74	148
Administration cost	-41	-51	-72	-100	-209
<b>Operating profit</b>	<b>-8</b>	<b>-14</b>	<b>-4</b>	<b>-26</b>	<b>-61</b>
Other interest income and similar profit/loss items	151	-88	140	307	523
Derivatives, unrealised	-6	33	174	293	481
<b>Profit after financial items</b>	<b>137</b>	<b>-69</b>	<b>310</b>	<b>574</b>	<b>943</b>
Year-end appropriations	-	-	-	-	172
<b>Profit before tax</b>	<b>137</b>	<b>-69</b>	<b>310</b>	<b>574</b>	<b>1,115</b>
Current tax	-10	0	-10	0	-1
Deferred tax	8	17	-46	-125	-226
<b>Profit for the period</b>	<b>135</b>	<b>-52</b>	<b>254</b>	<b>449</b>	<b>888</b>

## Condensed balance sheet for the parent company

Figures in MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>			
Non-current assets	20,508	19,712	20,085
Current assets	1,542	2,660	1,579
<b>Total assets</b>	<b>22,050</b>	<b>22,372</b>	<b>21,664</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,744	9,052	9,490
Provisions	84	109	91
Non-current liabilities	6,573	6,917	5,344
Current liabilities	5,649	6,294	6,739
<b>Total equity and liabilities</b>	<b>22,050</b>	<b>22,372</b>	<b>21,664</b>

## Notes

### Note 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.

Derivatives are measured at fair value according to Level 2 in the fair value hierarchy under IFRS, based on inputs that are observable, either directly or indirectly.

The carrying amounts of interest-bearing liabilities and other financial instruments constitute a reasonable approximation of their fair values.

The interim financial statements are included on pages 1–28 and page 1–14 is thus an integrated part of this financial report.

The accounting principles applied are consistent with those described in Pandox's Annual Report for 2021.

## Note 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 second quarter 2022 and first six months of 2022, revenue-based rent in Property Management amounted to MSEK 258 (51) and MSEK 356 (82) respectively.

MSEK	Q2 2022 (Apr-Jun 2022)				Q2 2021 (Apr-Jun 2021)			
	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	858	—	—	858	568	—	—	568
Revenue Operator Activities	—	624	—	624	—	146	—	146
<b>Total revenues</b>	<b>858</b>	<b>624</b>	<b>—</b>	<b>1,482</b>	<b>568</b>	<b>146</b>	<b>—</b>	<b>714</b>
<b>Costs Property Management</b>								
Costs Property Management	-97	—	—	-97	-98	—	—	-98
Costs Operator Activities	—	-449	—	-449	—	-203	—	-203
<b>Gross profit</b>	<b>761</b>	<b>175</b>	<b>—</b>	<b>936</b>	<b>470</b>	<b>-57</b>	<b>—</b>	<b>413</b>
Central administration	—	—	-34	-34	—	—	-37	-37
Financial income	—	—	8	8	—	—	0	0
Financial expenses	—	—	-244	-244	—	—	-239	-239
Financial cost right of use assets	—	—	-22	-22	—	—	-23	-23
<b>Profit before value changes</b>	<b>761</b>	<b>175</b>	<b>-292</b>	<b>644</b>	<b>470</b>	<b>-57</b>	<b>-299</b>	<b>114</b>
<b>Changes in value</b>								
Properties, unrealised	388	—	—	388	-105	—	—	-105
Properties, realised	7	—	—	7	—	—	—	—
Derivatives, unrealised	—	—	632	632	—	—	24	24
<b>Profit before tax</b>	<b>1,156</b>	<b>175</b>	<b>340</b>	<b>1,671</b>	<b>365</b>	<b>-57</b>	<b>-275</b>	<b>33</b>
Current tax	—	—	-59	-59	—	—	-23	-23
Deferred tax	—	—	-240	-240	—	—	-16	-16
<b>Profit for the period</b>	<b>1,156</b>	<b>175</b>	<b>41</b>	<b>1,372</b>	<b>365</b>	<b>-57</b>	<b>-314</b>	<b>-6</b>

### Q2 2022 (Apr-Jun 2022)

	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	226	56	66	66	223	15	160	46	857
- Operator Activities	—	22	—	10	147	223	72	150	625
Market value properties	15,124	3,681	3,398	4,316	16,301	4,889	12,612	5,483	65,804
Investments in properties	45	9	17	4	61	25	12	10	182
Realised value change properties	7	—	—	—	—	—	—	—	7
Book value Operating Properties	—	363	—	29	2,804	2,864	982	1,507	8,549
Total non-current assets at book value, less deferred tax assets	17,382	3,667	3,392	4,985	15,464	4,088	13,634	5,319	67,932

### Q2 2021 (Apr-Jun 2021)

	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	129	20	35	52	158	11	119	43	568
- Operator Activities	—	4	—	3	28	69	24	16	146
Market value properties	14,610	3,408	3,196	3,910	15,093	4,371	11,180	4,928	60,696
Investments in properties	42	12	13	3	66	91	21	37	285
Book value Operating Properties	—	748	—	29	1,942	2,617	929	1,357	7,623
Total non-current assets at book value, less deferred tax assets	15,624	3,423	3,199	4,596	14,460	3,694	12,128	4,904	62,028



	Q1-Q2 2022 (Jan-Jun 2022, accumulated)				Q1-Q2 2021 (Jan-Jun 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	1,492	—	—	1,492	1,122	—	—	1,122
Revenue Operator Activities	—	866	—	866	—	238	—	238
<b>Total revenues</b>	<b>1,492</b>	<b>866</b>	<b>—</b>	<b>2,358</b>	<b>1,122</b>	<b>238</b>	<b>—</b>	<b>1,360</b>
<b>Costs Property Management</b>								
Costs Property Management	-188	—	—	-188	-190	—	—	-190
Costs Operator Activities	—	-801	—	-801	—	-444	—	-444
<b>Gross profit</b>	<b>1,304</b>	<b>65</b>	<b>—</b>	<b>1,369</b>	<b>932</b>	<b>-206</b>	<b>—</b>	<b>726</b>
Central administration	—	—	-66	-66	—	—	-74	-74
Financial income	—	—	10	10	—	—	1	1
Financial expenses	—	—	-476	-476	—	—	-472	-472
Financial cost right of use assets	—	—	-45	-45	—	—	-44	-44
<b>Profit before value changes</b>	<b>1,304</b>	<b>65</b>	<b>-577</b>	<b>792</b>	<b>932</b>	<b>-206</b>	<b>-589</b>	<b>137</b>
<b>Changes in value</b>								
Properties, unrealised	667	—	—	667	-456	—	—	-456
Properties, realised	7	—	—	7	-6	—	—	-6
Derivatives, unrealised	—	—	1,562	1,562	—	—	351	351
<b>Profit before tax</b>	<b>1,978</b>	<b>65</b>	<b>985</b>	<b>3,028</b>	<b>470</b>	<b>-206</b>	<b>-238</b>	<b>26</b>
Current tax	—	—	-92	-92	—	—	-35	-35
Deferred tax	—	—	-520	-520	—	—	39	39
<b>Profit for the period</b>	<b>1,978</b>	<b>65</b>	<b>373</b>	<b>2,416</b>	<b>470</b>	<b>-206</b>	<b>-234</b>	<b>30</b>

Q1-Q2 2022 (Jan-Jun )									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	377	87	111	123	382	23	297	91	1,492
- Operator Activities	—	31	—	15	190	332	116	181	866
Market value properties	15,124	3,681	3,398	4,316	16,301	4,889	12,612	5,483	65,804
Investments in properties	85	21	25	8	127	113	19	18	415
Realised value change properties	7	—	—	—	—	—	—	—	7
Book value Operating Properties	—	363	—	29	2,804	2,864	982	1,507	8,549
Total non-current assets at book value, less deferred tax assets	17,382	3,667	3,392	4,985	15,464	4,088	13,634	5,319	67,932

Q1-Q2 2021 (Jan-Jun )									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
<b>Total revenues</b>									
- Property Management	256	38	64	103	317	22	235	86	1,122
- Operator Activities	—	6	—	6	39	124	36	27	238
Market value properties	14,610	3,408	3,196	3,910	15,093	4,371	11,180	4,928	60,696
Investments in properties	76	34	24	12	119	183	68	49	566
Realised value change properties	—	—	—	—	—	—	-6	—	-6
Book value Operating Properties	—	748	—	29	1,942	2,617	929	1,357	7,623
Total non-current assets at book value, less deferred tax assets	15,624	3,423	3,199	4,596	14,460	3,694	12,128	4,904	62,028

### Note 3. Tax

#### Deferred tax

At the end of the period, deferred tax assets amounted to MSEK 262 (249). This consists mainly of the carrying amount of tax loss carryforwards which the Company expects to be able to utilise in future financial years.

Deferred tax liabilities amounted to MSEK 4,918 (4,281) and relate mainly to temporary differences between fair value and the taxable value of investment properties, as well as temporary differences between the carrying amount and the taxable value of operating properties, and temporary measurement differences for interest rate derivatives.

### Note 4. Currency exchange rates

Currency exchange rates January-June

	Average rate			Rate at end-of-period		
	2022	2021	Change %	2022	2021	Change %
Euro (EUR)	10.479	10.128	3%	10.680	10.125	5%
British pound (GBP)	12.443	11.672	6%	12.413	11.766	5%
Danish krone (DKK)	1.408	1.362	3%	1.436	1.362	5%
Norwegian krone (NOK)	1.050	0.996	5%	1.031	0.994	4%
Canadian dollar (CAD)	7.539	6.740	11%	7.917	6.865	14%
Swiss franc (CHF)	10.151	9.254	9%	10.704	9.230	15%

## Reconciliation alternative performance measurements

Per share, SEK <sup>1)</sup>	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
<b>Total comprehensive income per share, SEK</b>					
Total comprehensive income for the period attributable to the shareholders of the parent company, MSEK	1,818	-262	3,077	398	1,337
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999	183,849,999
<b>Total comprehensive income per share, SEK</b>	<b>9.89</b>	<b>-1.43</b>	<b>16.74</b>	<b>2.16</b>	<b>7.27</b>
<b>Cash earnings per share, SEK</b>					
Cash earnings attr.to the shareholders of the parent company, MSEK	645	161	824	251	713
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999	183,849,999
<b>Cash earnings per share, SEK</b>	<b>3.51</b>	<b>0.88</b>	<b>4.48</b>	<b>1.37</b>	<b>3.88</b>
<b>Net asset value (EPRA NRV) per share, SEK</b>					
EPRA NRV (net asset value), MSEK	-	-	34,999	31,065	31,905
Number of shares at the end of the period	-	-	183,849,999	183,849,999	183,849,999
<b>Net asset value (EPRA NRV) per share, SEK</b>	<b>-</b>	<b>-</b>	<b>190.37</b>	<b>168.97</b>	<b>173.54</b>
<b>Dividend per share, SEK</b>					
Dividend, MSEK	-	-	-	-	-
Number of shares at dividend	-	-	183,849,999	183,849,999	183,849,999
<b>Dividend per share, SEK<sup>3)</sup></b>	<b>-</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	183,849,999
Number of shares at the end of the period	183,849,999	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>	-	-	156	156	157
Number of rooms, end of period <sup>2)</sup>	-	-	35,243	35,180	35,372
WAULT, years	-	-	15.4	14.1	14.0
Market value properties, MSEK	-	-	65,804	60,696	62,596
Market value Investment Properties, MSEK	-	-	54,266	50,915	52,215
Market value Operating Properties, MSEK	-	-	11,537	9,781	10,380
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	878	187	607	144	291

<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 actual dividend is indicated.

Reconciliation alternative performance measurements

MSEK	Apr-Jun		Jan-Jun		Full-year
	2022	2021	2022	2021	2021
<b>Net interest-bearing debt</b>					
Non-current interest-bearing liabilities	-	-	21,523	26,895	27,205
Current interest-bearing liabilities	-	-	11,719	5,829	5,418
Arrangement fee for loans	-	-	103	147	129
Cash and cash equivalents	-	-	-1,873	-2,712	-1,593
<b>Net interest-bearing debt</b>	-	-	<b>31,472</b>	<b>30,159</b>	<b>31,159</b>
<b>Loan to value net, %</b>					
Net interest-bearing debt	-	-	31,472	30,159	31,159
Market value properties	-	-	65,804	60,696	62,596
<b>Loan to value, %</b>	-	-	<b>47.8</b>	<b>49.7</b>	<b>49.8</b>
<b>Interest cover ratio, times</b>					
EBITDA	970	447	1,438	797	1,868
Less: Financial costs for right-of-use-assets	-22	-23	-45	-44	-88
Net interest costs	200	214	402	418	831
<b>Interest cover ratio, times</b>	<b>4.7</b>	<b>2.0</b>	<b>3.5</b>	<b>1.8</b>	<b>2.1</b>
<b>Average interest on debt end of period, %</b>					
Average interest expenses	-	-	838	844	812
Non-current interest-bearing liabilities	-	-	21,523	26,895	27,205
Arrangement fee for loans	-	-	103	147	129
Current interest-bearing liabilities	-	-	11,719	5,829	5,418
<b>Average interest on debt end of period, %</b>	-	-	<b>2.5</b>	<b>2.6</b>	<b>2.5</b>
Investments, incl. parent company excl. acquisitions	182	289	417	572	990
<b>Net operating income, Property Management</b>					
Rental income	761	541	1,363	1,056	2,279
Other property income	97	27	129	66	143
Costs, excl. property administration	-57	-57	-115	-109	-218
<b>Net operating income, before property administration</b>	<b>801</b>	<b>511</b>	<b>1,377</b>	<b>1,013</b>	<b>2,204</b>
Property administration	-40	-41	-73	-81	-177
<b>Net operating income, Property Management</b>	<b>761</b>	<b>470</b>	<b>1,304</b>	<b>932</b>	<b>2,027</b>
<b>Net operating income, Operator Activities</b>					
Revenue	624	146	866	238	851
Costs	-449	-203	-801	-444	-1,151
<b>Gross profit</b>	<b>175</b>	<b>-57</b>	<b>65</b>	<b>-206</b>	<b>-300</b>
Plus: Depreciation included in costs	63	67	124	136	278
<b>Net operating income, Operator Activities</b>	<b>238</b>	<b>10</b>	<b>189</b>	<b>-70</b>	<b>-22</b>
<b>EBITDA</b>					
Gross profit from respective operating segment	936	413	1,369	726	1,727
Plus: Depreciation included in costs Operator Activities	63	67	124	136	278
Less: Central administration, excluding depreciation	-29	-33	-55	-65	-137
<b>EBITDA</b>	<b>970</b>	<b>447</b>	<b>1,438</b>	<b>797</b>	<b>1,868</b>
<b>Cash earnings</b>					
EBITDA	970	447	1,438	797	1,868
Plus: Financial income	8	0	10	1	4
Less: Financial expense	-244	-239	-476	-472	-944
Less: Financial costs for right-of-use-assets	-22	-23	-45	-44	-88
Plus/Less: Translation effect on bank deposits	-6	0	-7	0	0
Less: Current tax	-59	-23	-92	-35	-128
<b>Cash earnings</b>	<b>647</b>	<b>162</b>	<b>828</b>	<b>247</b>	<b>712</b>
<b>EPRA NRV</b>					
Equity attr. to the shareholders of the parent company	-	-	28,288	24,278	25,213
Plus: Revaluation of Operating Properties	-	-	2,987	2,158	2,365
Plus: Fair value of financial derivatives	-	-	-1,504	447	58
Less: Deferred tax assets related to derivatives	-	-	310	-92	-12
Plus: Deferred tax liabilities	-	-	4,918	4,275	4,281
<b>EPRA NRV</b>	-	-	<b>34,999</b>	<b>31,065</b>	<b>31,905</b>
<b>Growth in EPRA NRV, annual rate, %</b>					
EPRA NRV attr. to the shareholders of the parent company, OB	-	-	31,065	32,600	30,813
EPRA NRV attr. to the shareholders of the parent company, CB	-	-	34,999	31,065	31,905
<b>Growth in EPRA NRV, annual rate, %</b>	-	-	<b>12.7</b>	<b>-4.7</b>	<b>3.5</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 23–25 presents measures, along with their reconciliation, which are not defined according to the IFRS. The definitions of these measures appear on page 27.

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 27.

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

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 8 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

MSEK	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	MSEK	SEK/share <sup>1)</sup>	MSEK	SEK/share <sup>1)</sup>	MSEK	SEK/share <sup>1)</sup>
Equity attr. to the shareholders of the parent company	28,288	153.86	24,278	132.05	25,213	137.14
Plus: Revaluation of Operating Properties	2,987	16.25	2,158	11.74	2,365	12.87
Plus: Fair value of financial derivatives	-1,504	-8.18	447	2.43	58	0.32
Less: Deferred tax assets related to derivatives	310	1.69	-92	-0.50	-12	-0.07
Plus: Deferred tax liabilities	4,918	26.75	4,275	23.25	4,281	23.29
<b>Net asset value, EPRA NRV</b>	<b>34,999</b>	<b>190.37</b>	<b>31,065</b>	<b>168.97</b>	<b>31,905</b>	<b>173.54</b>
Less:	—	—	—	—	—	—
<b>Net asset value, EPRA NTA</b>	<b>34,999</b>	<b>190.37</b>	<b>31,065</b>	<b>168.97</b>	<b>31,905</b>	<b>173.54</b>
Less: derivatives and deferred tax	-3,724	-20.25	-4,630	-25.18	-4,327	-23.53
<b>Net asset value, EPRA NDV</b>	<b>31,275</b>	<b>170.11</b>	<b>26,436</b>	<b>143.79</b>	<b>27,578</b>	<b>150.00</b>

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

EPRA LTV

EPRA LTV is a key ratio that shows interest-bearing net debt in relation to the total market value of the property portfolio and other available assets and is used to create comparability between property companies. EPRA LTV is essentially the same as Pandox's previous definition of loan-to-value ratio, with the only difference that net operating receivables and operating liabilities are included in the EPRA calculation. As Pandox has no associated companies or joint ventures, and as there are no minority interests that are material for the Company, no further adjustments are made.

MSEK	30 Jun 2022			30 Jun 2021			31 Dec 2021		
	Previously reported Loan to value, %	Adjustments	Loan to value, %, EPRA	Previously reported Loan to value, %	Adjustments	Loan to value, %, EPRA	Previously reported Loan to value, %	Adjustments	Loan to value, %, EPRA
Non-current interest-bearing liabilities	21,523	—	21,523	26,895	—	26,895	27,205	—	27,205
Current interest-bearing liabilities	11,719	—	11,719	5,829	—	5,829	5,418	—	5,418
Arrangement fee for loans	103	—	103	147	—	147	129	—	129
Net operating assets and operating liabilities	—	—	—	—	—	—	—	—	—
Exclude: Cash and cash equivalents	-1,873	—	-1,873	-2,712	—	-2,712	-1,593	—	-1,593
<b>Net debt</b>	<b>31,472</b>	<b>—</b>	<b>31,472</b>	<b>30,159</b>	<b>—</b>	<b>30,159</b>	<b>31,159</b>	<b>—</b>	<b>31,159</b>
Market value properties	65,804	—	65,804	60,696	—	60,696	62,596	—	62,596
Net operating assets and operating liabilities	—	199	199	—	87	87	—	264	264
<b>Total properties and other applicable assets</b>	<b>65,804</b>	<b>199</b>	<b>66,003</b>	<b>60,696</b>	<b>87</b>	<b>60,783</b>	<b>62,596</b>	<b>264</b>	<b>62,860</b>
<b>Loan to value, %</b>	<b>47.8%</b>		<b>47.7%</b>	<b>49.7%</b>		<b>49.6%</b>	<b>49.8%</b>		<b>49.6%</b>

## Quarterly data

### Condensed consolidated statement of comprehensive income

	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
MSEK	2022	2022	2021	2021	2021	2021	2020	2020
<b>Revenues Property Management</b>								
Rental income	761	602	606	617	541	515	523	563
Other property income	97	32	42	35	27	39	47	67
Revenue Operator Activities	624	242	326	287	146	92	117	169
<b>Total revenues</b>	<b>1,482</b>	<b>876</b>	<b>974</b>	<b>939</b>	<b>714</b>	<b>646</b>	<b>687</b>	<b>799</b>
<b>Costs Property Management</b>								
Costs Operator Activities	-449	-352	-373	-334	-203	-241	-244	-266
<b>Gross profit</b>	<b>936</b>	<b>433</b>	<b>495</b>	<b>506</b>	<b>413</b>	<b>313</b>	<b>351</b>	<b>434</b>
<b>Central administration</b>								
Financial net	-236	-230	-227	-242	-239	-232	-227	-227
Financial cost right of use assets	-22	-23	-21	-23	-23	-21	-21	-21
<b>Profit before value changes</b>	<b>644</b>	<b>148</b>	<b>195</b>	<b>210</b>	<b>114</b>	<b>23</b>	<b>62</b>	<b>145</b>
<b>Changes in value</b>								
Properties, unrealised	388	279	97	-9	-105	-351	-533	-315
Properties, realised	7	—	-16	-6	—	-6	-	0
Derivatives, unrealised	632	930	187	202	24	327	109	51
<b>Profit before tax</b>	<b>1,671</b>	<b>1,357</b>	<b>463</b>	<b>397</b>	<b>33</b>	<b>-7</b>	<b>-362</b>	<b>-119</b>
Current tax	-59	-33	-78	-15	-23	-12	-2	-17
Deferred tax	-240	-280	-127	-61	-16	55	59	33
<b>Profit for the period</b>	<b>1,372</b>	<b>1,044</b>	<b>258</b>	<b>321</b>	<b>-6</b>	<b>36</b>	<b>-305</b>	<b>-103</b>
Other comprehensive income	455	219	238	128	-258	632	-796	46
<b>Total comprehensive income for the period</b>	<b>1,827</b>	<b>1,263</b>	<b>496</b>	<b>449</b>	<b>-264</b>	<b>668</b>	<b>-1,101</b>	<b>-57</b>

### Condensed consolidated statement of financial position

MSEK	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
<b>Assets</b>								
Properties incl equipment and interiors	62,832	61,120	60,246	58,975	58,553	59,057	57,555	59,859
Right-of-use assets	3,222	3,155	3,039	3,009	2,975	3,016	2,926	3,071
Other non-current receivables	1,878	1,226	522	514	500	423	268	84
Deferred tax assets	262	55	249	488	529	502	631	559
Current assets	1,267	1,189	1,152	1,086	939	893	813	1,261
Cash and cash equivalents	1,873	1,477	1,593	1,494	2,712	2,610	2,622	2,309
<b>Total assets</b>	<b>71,334</b>	<b>68,222</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>EQUITY AND LIABILITIES</b>								
Equity	28,512	26,685	25,422	24,941	24,492	24,756	24,088	25,189
Deferred tax liability	4,918	4,415	4,281	4,319	4,275	4,293	4,307	4,407
Interest-bearing liabilities	33,242	32,710	32,623	31,747	32,724	32,735	31,452	32,173
Leasing liabilities	3,226	3,158	3,042	3,011	2,977	3,018	2,928	3,073
Non interest-bearing liabilities	1,436	1,254	1,433	1,548	1,740	1,699	2,040	2,301
<b>Total equity and liabilities</b>	<b>71,334</b>	<b>68,222</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>

### Key ratios

	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
MSEK	2022	2022	2021	2021	2021	2021	2020	2020
NOI, Property Management	761	543	542	553	470	462	478	531
NOI, Operator Activities	238	-49	26	22	10	-80	-64	-39
EBITDA	970	467	521	550	447	350	378	456
Interest coverage ratio, times	4.7	2.2	2.5	2.5	2.0	1.6	1.8	2.2
Earnings per share before and after dilution, SEK	7.45	5.67	1.41	1.73	-0.04	0.22	-1.63	-0.56
Cash earnings, MSEK	647	180	195	270	162	85	129	194
Cash earnings per share before and after dilution, SEK	3.51	0.97	1.07	1.45	0.88	0.49	0.73	1.06
RevPAR growth (Operator Activities) for comparable units and constant currency, %	370	232	319	92	103	-81	-89	-81
<b>Key ratios (continued)</b>								
	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Net interest-bearing debt	31,472	31,345	31,159	30,387	30,159	30,288	29,007	30,056
Loan to value, %	47.8	49.1	49.8	49.6	49.7	49.5	48.7	48.5
Market value properties	65,804	63,808	62,596	61,255	60,696	61,161	59,542	62,022
EPRA NRV per share, SEK	190.37	178.31	173.54	171.49	168.97	170.38	167.60	175.33
WAULT (Property Management), yrs	15.4	13.8	14.0	14.2	14.1	14.4	14.6	14.9



# 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.

EPRA LTV, MSEK

Loan-to-value ratio net adjusted for net operating assets and operating liabilities.

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 and rooms

Number of owned hotel properties and rooms 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)

## Hotelism by Pandox

DOUBLETREE BY HILTON BRUSSELS CITY



NHOW BRUSSELS BLOOM



MOTEL ONE COPENHAGEN



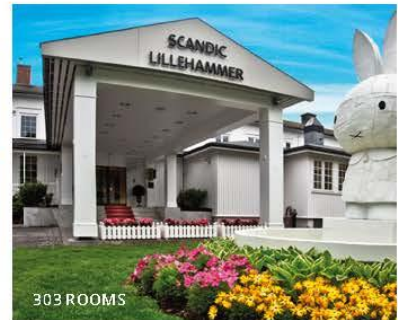
SCANDIC PARK HELSINKI



PARK CENTRAAL AMSTERDAM



SCANDIC LILLEHAMMER



SCANDIC LULEÅ



RADISSON BLU ARLANDIA



NH COLLECTION SALZBURG CITY



LEONARDO ROYAL HOTEL FRANKFURT



HOTEL BERLIN BERLIN



APARTHOTEL ADAGIO EDINBURGH ROYAL MILE

