

## Cautious optimism

### April–June 2021

- Revenue from Property Management amounted to MSEK 568 (527). For comparable units the increase was 12 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 470 (448). For comparable units the increase was 11 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 10 (-85)
- EBITDA amounted to MSEK 447 (327)
- Cash earnings amounted to MSEK 162 (75)
- Cash earnings per share amounted to SEK 0.88 (0.42)
- Profit for the period amounted to MSEK -6 (-332), including unrealised changes in value for Investment Properties of MSEK -105
- Earnings per share amounted to SEK -0.04 (-1.79)
- Per 30 June 2021, cash and cash equivalents and unutilised credit facilities amounted to MSEK 4,377, compared with MSEK 4,689 per 31 March 2021
- On 21 May 2021, it was announced that the board had appointed CFO Liia Nõu as acting CEO due to CEO Anders Nissen undergoing medical treatment
- On 30 May 2021, it was announced that CEO Anders Nissen had tragically passed away after a short period of illness

### January–June 2021

- Revenue from Property Management amounted to MSEK 1,122 (1,199). For comparable units, the decrease was 3 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 932 (1,009). For comparable units the decrease was 3 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK -70 (-65)
- EBITDA amounted to MSEK 797 (865)
- Cash earnings amounted to MSEK 247 (337)
- Cash earnings per share amounted to SEK 1.37 (1.85)
- Profit for the period amounted to MSEK 30 (-1,000), including unrealised changes in value for Investment Properties of MSEK -456
- Earnings per share amounted to SEK 0.18 (-5.42)

### Financial summary

Figures in MSEK	Apr-Jun			Jan-Jun			Full-year
	2021	2020	Δ%	2021	2020	Δ%	2020
Revenue Property Management	568	527	8	1,122	1,199	-6	2,399
Net operating income Property Management	470	448	5	932	1,009	-8	2,018
Net operating income Operator Activities	10	-85	n.a.	-70	-65	n.a.	-168
EBITDA	447	327	37	797	865	-8	1,699
Profit for the period	-6	-332	n.a.	30	-1,000	n.a.	-1,408
Earnings per share, SEK <sup>1)</sup>	-0.04	-1.79	n.a.	0.18	-5.42	n.a.	-7.61
Cash earnings	162	75	116	247	337	-27	660
Cash earnings per share, SEK <sup>1)</sup>	0.88	0.42	109	1.37	1.85	-26	3.64
<b>Key data</b>							
Market value properties, MSEK	—	—	—	60,696	62,259	-3	59,542
Net interest-bearing debt, MSEK	—	—	—	30,159	29,878	1	29,007
Loan to value net, %	—	—	—	49.7	48.0	n.a.	48.7
Interest cover ratio, times	2.0	1.6	n.a.	1.8	2.1	n.a.	2.0
EPRA NRV per share, SEK <sup>1)</sup>	—	—	—	168.97	177.32	-5	167.60
WAULT (Investment Properties), years	—	—	—	14.1	15.2	n.a.	14.6
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	181	89	103	140	298	-53	225

<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 19. See note 3 on page 27 for a summary of reclassifications, acquisitions and divestments. For complete definitions see page 29.

## In memory of Anders Nissen



The second quarter has been characterized by the tragic passing of our CEO Anders Nissen. The loss of Anders is immeasurable on many levels.

Anders had a big heart and a genuine interest in making the people around him grow. He was fearless, honest and a great source of inspiration for everyone he met. We have lost an exceptional leader, a close colleague and, above all, a dear friend.

Anders Nissen has been the CEO of Pandox since 1995 and under Anders' leadership, the company has developed into one of the leading hotel property companies in Europe. We will continue to build on this fantastic company in memory of Anders.

## CEO comment

# Positive market signals

### Sorrow and determination

I have had the privilege of working with Anders Nissen for over 14 years as CFO of Pandox. It makes the sorrow over Anders extra severe. I have respect for the assignment as acting CEO and I am very motivated to continue to develop this strong company. Together with a close-knit organisation with competent, entrepreneurial employees and a clear game plan, I feel - despite the difficult situation - optimism for the future.

Pandox works in a structured way in three areas in response to the difficult situation created by Covid-19:

*Respond* – Steps to help alleviate the acute crisis

*Restart* – Plan for recovery

*Reinvent* – Create insights into how the hotel market will change

### Eagerly-awaited growth and strong financial position

Hotel demand increased in all markets in the second quarter, but the development in April and May remained weak due to extensive restrictions remaining in place and delayed reopening in many markets. However, supported by a strong recovery in the UK and improvement in other markets – particularly in June – Pandox saw positive growth in the quarter in both business segments. Altogether, Pandox's revenue and net operating income increased by 19 and 32 percent respectively, compared to the second quarter 2020. For comparable units the increase was 25 and 39 percent respectively, adjusted for currency effects. The comparison quarter was, however, very weak.

The majority of Pandox's revenue was made up of contractual minimum rents and fixed rents within Property Management. In addition, a gradual increase in occupancy during the quarter provided an increased contribution from pure, revenue-based rent in the Nordics and revenue from Operator Activities.

Pandox's financial position remains strong with a loan-to-value ratio of 49.7 percent and cash and cash equivalents and unutilised credit facilities of MSEK 4,377 as of 30 June 2021.

### Increased hotel demand and rising occupancy

Positive RevPAR growth was reported in the second quarter in all of the countries where Pandox has operations, partly explained by increased demand due to eased restrictions, partly a weak comparison quarter. Occupancy remained higher in regional cities than in larger cities with an international profile. However, towards the end of the quarter there were clear signs of improved demand in larger cities as well.

In terms of individual countries, the UK was clearly the bright spot during the quarter. Hotel demand improved significantly after restrictions were eased on 17 May. At the end of June occupancy\* for UK Regional was around 67 percent and for London around 45 percent. It is encouraging that the plans for full reopening on 19 July remain in place.

Germany has adopted a more cautious reopening strategy and the restrictions there are more extensive than in the UK. Despite this, a relatively strong increase in demand was noted in June, albeit from a lower starting point than in the UK. At the end of June occupancy\*\* was around 37 percent for Germany as a whole, compared with around 15 percent in May.

Hotel demand also improved in all Nordic countries in the quarter. At the end of June occupancy\*\*\* was around 50 percent for the Nordics as a whole and around 60 percent for regional Nordic cities.

### Phased recovery with various levels of progress

Pandox is expecting the hotel market's recovery to take place in phases – provided that restrictions are eased and economic activity picks up – 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 raised occupancy and increased revenue, which in turn will create the conditions for higher average prices and increased revenue per room.

The hotel market is currently at "Level 3" with elements of "Level 4" in individual markets that have a higher proportion of blue-collar business travel. Based on Pandox's own analysis of corporate clients within Operator Activities, the Company expects a cautious transition to more white-collar business travel in September/October of this year. Company decisions are mainly influenced by infection rates, restrictions and vaccination rates. Internet searches for air travel and hotels during the work week in September/October have increased and Pandox's hotels within Operator Activities are gradually receiving more requests regarding small conferences. One conclusion indicated by the analysis is the possibility of business travel involving fewer trips, but compensated for by people staying more nights than before.

### Good underlying growth potential

Demand in the hotel market is entirely dependent on the extent of restrictions. The easing of restrictions in the second quarter resulted in significantly higher hotel demand. The impact of new virus variants on restrictions and hotel demand is hard to assess. The European Commission has announced that sufficient doses have been delivered to fully vaccinate 70 percent of the EU's adult population before the end of July. The Commission has also confirmed its goal of delivering sufficient vaccine to vaccinate 100 percent of the adult population by the end of September.

Economic recovery in Pandox's markets is currently strong. This, combined with increased vaccination rates and eased restrictions, is creating good underlying growth potential in the hotel markets. Progress in Europe and other large hotel markets, such as the USA, indicates that there is considerable pent-up desire to travel, which is quickly converted into demand once restrictions are reduced and travel becomes easier.

Pandox is in an attractive position as around 80 percent of all rooms are in regional and domestic cities and therefore have high exposure to domestic demand, which will lead to recovery in the hotel market.

Currently, contractual minimum rents and fixed rents are expected to make up the majority of Pandox's total revenue.

Once demand in the hotel market picks up, the revenue increase – thanks to Pandox's operating model and contract mix – will initially be most obvious within Operator Activities as a whole and within Property Management in the Nordics.

Due to the structure of leases, variable revenue under leases with minimum rents are only expected to materialise to a limited extent in 2021.

*Liia Nõu, CFO and acting CEO*

Source: \*STR, \*\*Fairmas and \*\*\*Benchmarking Alliance. Figures rounded off.

# Summary of Covid-19 effects for 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 business situations.

As of 30 June 2021 around 97 percent of the hotel properties in this segment were open, measured in number of rooms.

Contractual guaranteed minimum rent combined with fixed rent amounts to the equivalent of almost MSEK 2,000 on an annualised basis and this is also expected to make up most of Pandox's revenue in the third quarter of 2021.

Agreements with tenants on temporary changes to payment terms are made where this is possible and appropriate. Rent payments were received in the second quarter in line with original and new, temporary payment terms. No hotel rent reductions have been granted. As of 30 June 2021, accounts receivable relating to deferred rent under the new temporary payment terms amounted to the equivalent of MSEK 640, compared with MSEK 566 as of 31 March 2021.

Pandox received government grants in Sweden, Finland and Denmark totalling the equivalent of MSEK 2 in the second quarter of 2021 (MSEK 10 in the first quarter of 2021). These have been recognised as revenue under Other property revenue.

*For more information, see pages 7, 8 and 25.*

## 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 98 in the second quarter (MSEK 44 in the first quarter of 2021), most of which is for previous periods. This is recognised as a cost reduction under Costs within Operator Activities.

In addition, around MSEK 26 (MSEK 33 in the first quarter of 2021) was transferred directly from the 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 7, 8 and 25.*

## Current earnings level

At the end of the second quarter, Pandox's total costs were on a par with revenue from contractual minimum rent and fixed rent.

*For more information, see pages 7 and 8.*

## Investments

Planned investments in 2021 amount to the equivalent of around MSEK 1,100, to which MSEK 45 is added for maintenance. Due to possible practical Covid-19 restrictions there is a risk that planned investment volumes will not be fully reached in 2021.

*For more information, see page 10.*

## Hotel property valuations

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

The valuation model incorporates an accepted and proven cash flow model, where the future cash flows the hotel properties are expected to generate are discounted based on 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, among other things, developments in underlying operator activities, market development, the contract situation, operating and maintenance issues and investments aimed at maximising the hotel property's cash flow and return in the long term. 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.

Pandox has a robust valuation process and a consistent valuation approach. At the end of the second quarter Pandox measured the value of the hotel properties according to the same method and established

cash flow model used since the IPO in 2015 after approved audit by the stock market auditor.

Pandox has managed uncertainties attributed to the Covid-19 pandemic primarily through the cash flow forecasts which lay the base for the valuations. Uncertainty about the pandemic's impact on future cash flows remains high. This is partly due to uncertainty about vaccination rates, infection rates and government restrictions, and partly to uncertainty about possible lasting effects of Covid-19 on economies and on the hotel market in the longer term. The pandemic's effects on valuation yields cannot be established yet with reasonable certainty, mainly because there is insufficient supporting evidence in transaction markets for valuation of hotel properties. During normal circumstances Pandox's estimated yield requirements tend to be very similar to those used by 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 increased complexity due to the Covid-19 pandemic, has led to increased uncertainty about the future and a higher degree of estimates and assessments also regarding the market's yield requirements. The higher degree of assessments regarding the yield requirements has resulted in a greater deviation between Pandox's yield requirements and certain yield requirements used by the external property appraisers. Pandox has continuously managed the ensuing complexity and necessary assessments through continuous discussions and analysis internally in the company, as well as in Pandox's audit committee, finance committee and board of directors. Pandox believes that the Covid-19 pandemic is transitional in nature and will have a limited effect on long-term yield requirements.

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.

As a reference point for Pandox's internal valuations, 112 external valuations have been completed during the past 12 months. In the second quarter 22 external valuations were carried out in the Nordic countries and Switzerland and the results of 21 previously completed external valuations in the UK and Ireland were received by Pandox. 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 external valuations show a large spread both within and between markets, which reflects the continued significant uncertainty and varying external valuation approaches. External valuations carried out over the past 12 months cover around 72 percent of the properties and their overall outcomes are around 6 percent lower than Pandox's internal valuations – ranging from around +6 percent to around -15 percent per country. Hotel properties in the Nordic region are all showing a smaller difference and spread with respect to Pandox's and the external appraisers' valuations, while hotel properties outside the Nordic region are showing a greater difference.

Overall, the 22 external valuations (9 in Sweden, 8 in Norway, 4 in Finland and 1 in Switzerland) carried out in the second quarter are around 2 percent higher than Pandox's internal valuations – ranging from around +6 percent to around -2 percent per country.

The difference in the valuations of hotel properties outside the Nordic region is mainly explained by the fact that the external valuations were carried out during a particularly challenging period in the pandemic, where the external property appraisers raised the hotel property yield requirements based on an assumption of long-lasting and sustained negative effects from Covid-19. See page 22 for information on the properties' market value by country.

In the second quarter the unrealised changes in value amounted to MSEK -105 for Investment Properties, mainly as an effect of lower anticipated cash flows due to Covid-19. The unrealised changes in value for Operating Properties amounted to MSEK -4.

Since the start of the Covid-19 pandemic in the first quarter of 2020, the accumulated unrealised changes in value amount to MSEK -2,235 for Property Management and MSEK -1,011 for Operating Properties, equivalent to a combined reduction of -5.1 percent, mainly explained by lower anticipated cash flows.

*For more information, see page 10, 23 and 25.*

## Financing

Pandox's financial position is strong. As of 30 June 2021 the net loan-to-value ratio was 49.7 percent and cash and cash equivalents plus unutilised credit facilities amounted to MSEK 4,377.

Pandox's debt financing consists exclusively of credit facilities from 11 Nordic and international banks secured mainly by mortgage collateral. Credit facilities maturing in less than one year amount to MSEK 5,832, of which MSEK 3,787 will mature in December 2021. During the quarter, Pandox completed refinancing of the equivalent of around MSEK 867. Constructive discussions on additional refinancing are under way.

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 second quarter, lenders provided waivers in individual credit agreements.

*For more information, see pages 11 and 12.*

## Government relief programmes for tenants and employees

In certain countries there are programmes in place that cover a specific percentage of companies' fixed costs. There is in general no rent support for property owners. Since the beginning of the pandemic, tenants in Germany and the UK have been able to postpone rent payments and to capitalise and pay their rents subsequently over an extended period. This possibility has been extended until 25 March 2022 in the UK but has expired in Germany. Germany has introduced income support for companies that were affected by restrictions in November and December 2020. This transitioned into fixed cost support for the first six months of 2021 and continued until 30 June 2021.

In the second quarter, other than the above-mentioned fixed cost support in Germany, the main form of relief that was still available and could be used was furlough support in Pandox's various markets.

Pandox intends to apply for additional government grants in 2021 to cover past costs and these will be recognised when the amounts are known.

## Tax actions

To address the financial impact of Covid-19 for Pandox, certain fiscal measures have been implemented, for example correction of preliminary tax payments, and deferral of VAT payments and property tax. For example, tax payments mainly relating to VAT for 2020 and for the first six months of 2021, equivalent to around MSEK 87, have been deferred. Most of this amount is expected to be paid in 2021.

Pandox has taken a cautious approach with respect to certain relief programmes that can involve an additional cost, to lower the one-time effect when the Covid-19 crisis is over and relief packages expire. Pandox is continually monitoring all new tax incentives presented in the jurisdictions where the Company operates and will act when it is deemed appropriate to do so.

# Hotel market development April–June 2021

As complete market data has not yet been published for the second quarter of 2021, the RevPAR growth for international markets refers to the period April – May 2021, 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.

## Recovery from low level

The second quarter began at the same low level as the first quarter ended. Demand in the hotel market was very low in April and most of May, but improved gradually as vaccination rates increased, infection rates went down and restrictions were reduced in phases. On 17 May the UK was the first country in Europe to ease many of the restrictions that have restrained the hotel market. This had an immediate positive effect on occupancy, mainly within Regional UK.

All countries where Pandox operates have subsequently followed the UK's example and eased certain restrictions, mainly in June, and the potential for domestic travel has improved. More restrictions are expected to be eased during the summer. Reopening plans vary from country to country however – both in terms of timing and scope, with the spread of the Delta variant being an important factor. The UK is, however, sticking to its plan of fully reopening on 19 July, which is very encouraging for the country's hotel market. However, various types of restrictions and obstacles are still impacting international travel in many cases.

## Gradual improvements in occupancy

In the second quarter, overall hotel demand consisted primarily of essential business demand on weekdays and permitted individual leisure demand at weekends. In Europe\* as a whole, occupancy amounted to 26 percent in April and 32 percent in May, with an expectation of continued improvement in June. In general, domestic and regional markets performed better than cities that are more dependent on international demand. International demand remained weak, but there was an increase from a low level as the quarter continued.

Restrictions also determined the level of demand in the hotel market in the second quarter. Occupancy within Regional UK\* increased to 40 percent, from 30 percent in the first quarter, immediately after the announcement of the country's plan to reopen on 17 May. It then rose to more than 60 percent in the weeks that followed. There was also a positive trend in London\* with occupancy rising to around 40 percent. A similar trend was noted in Germany\*\*, albeit at a slower pace, with the country as a whole seeing occupancy of just over 35 percent the last week in June.

In the Nordic region\*\*\* overall occupancy was around 35 percent for the quarter – an improvement of around 26 percent on the first quarter.

The pattern of higher demand in regional cities compared with large metropolitan ones was still evident. Occupancy in regional cities\*\*\* was just over 40 percent, compared with around 30 percent in capital cities\*\*\*. The difference is still an effect of the fact that capital city destinations are more dependent on conferences and international demand.

## Strong recovery in the USA continues

The strongest and most encouraging signals from a market in recovery are coming from the USA. The last week in June occupancy\* was at around 70 percent – just 7 percentage points lower than the same period in 2019 and the highest level since the start of the Covid-19 pandemic. This is a high level considering that international demand is still low, that travel restrictions are still in place for many large companies and that the activity in conference and event market – such an important market for the USA – has not yet started. The main driver of this strong trend is domestic leisure demand in popular resort destinations. Similar to Europe, the market conditions are still challenging in larger cities, particularly for large conference hotels. The recovery in the USA is powerful and is tracking anticipated patterns, with clear differences between various submarkets. Explanations for this include dependence on international demand, geographical location, effects of government restrictions, the business mix and how attractive destinations are for leisure travellers.

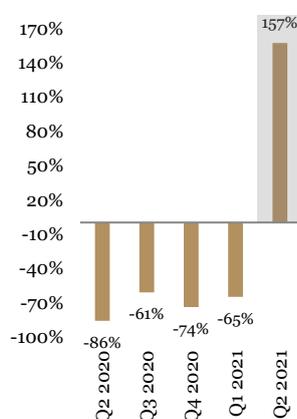
## Pandox's trendspotting for recovery

- Demand is dependent on the level of restrictions
- The leisure segment is recovering first – 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 and train have an advantage
- Markets with high domestic demand are recovering first
- Potential for increased domestic and regional tourism while international restrictions remain in place
- For hotels with a large conference segment and significant dependence on international demand, the recovery takes longer
- Increased household saving has created the conditions for a further increase in demand once restrictions are lifted
- People who have been in lockdown will want to travel extensively once they are given the opportunity

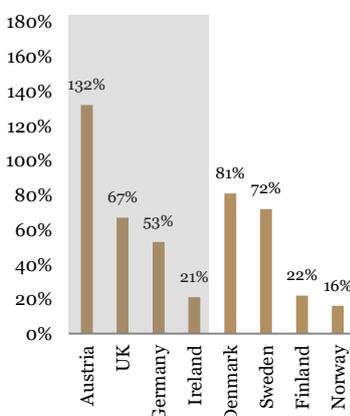
\* STR based on open hotels, \*\*Fairmas based on open hotels and \*\*\* Benchmarking Alliance based on open hotels

## April-June 2021

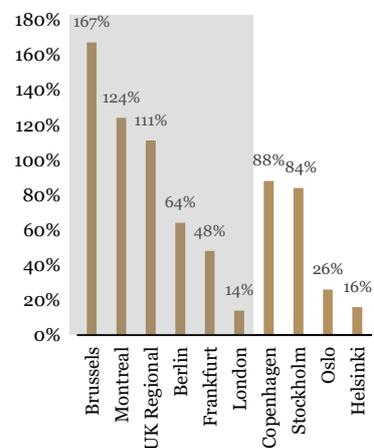
Europe  
RevPAR growth y/y



Countries  
RevPAR growth y/y



Key markets  
RevPAR growth y/y



Refers to average growth for open hotels for the period April-May 2021.

Source: STR (estimated based on monthly data April and May), Benchmarking Alliance. Based on open hotels. Rounded numbers.

# Financial development April–June 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 568 (527), an increase of 8 percent. The majority of Pandox's revenue was made up of contractual minimum rent and fixed rent within Property Management, although a gradual increase in occupancy also resulted in a higher contribution from revenue-based rent. The increase was from low levels and is explained by a relatively improved restriction situation. Revenue includes one-time revenue in the form of government grants equivalent to MSEK 2. For comparable units, revenue increased by 12 percent, adjusted for currency effects.

Demand consisted primarily of leisure travel. An increase in business travel was also noted towards the end of the quarter.

Revenue from Operator Activities amounted to MSEK 146 (74), an increase of 97 percent. For comparable units, revenue increased by 126 percent and RevPAR by 103 percent, adjusted for currency effects. The increase in revenue is explained by the same drivers as for Property Management, and the fact that within Operator Activities Pandox has full earnings exposure and demand affects revenue more quickly.

The Group's net sales amounted to MSEK 714 (601). For comparable units, net sales increased by 25 percent, adjusted for currency effects.

## Net operating income

Net operating income from Property Management amounted to MSEK 470 (448), an increase of 5 percent. Net operating income increased by 11 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 10 (-85). Pandox received government grants during the quarter totalling the equivalent of around MSEK 98 within Operator Activities, most of which relates to previous periods. In addition, around MSEK 26 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 4 and in the section "Operator Activities".

Total net operating income amounted to MSEK 480 (363), an increase of 32 percent.

## Administration costs

Central administration costs amounted to MSEK -37 (-42), of which MSEK -5 (-5) was depreciation.

## EBITDA

EBITDA amounted to MSEK 447 (327), an increase of 37 percent.

## Financial income and expense

Financial expense amounted to MSEK -239 (-219), of which MSEK -19 (-16) consists of depreciation of capitalised loan arrangement fees.

Financial income amounted to MSEK 0 (-1).

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

## Profit before changes in value

Profit before changes in value amounted to MSEK 114 (22).

## Changes in value

Unrealised changes in value for Investment Properties amounted to MSEK -105 (-320), most of which is explained by reduced cash flows.

Unrealised changes in value of derivatives amounted to MSEK 24 (-22). See also pages 11–12.

## Current and deferred tax

Current tax amounted to MSEK -23 (-11), which is mainly explained by intra-Group eliminations. Deferred tax amounted to MSEK -16 (-1). See also page 12 and the section "Deferred tax".

## Profit for the period

Profit for the period amounted to MSEK -6 (-332) and profit for the period attributable to Parent Company shareholders amounted to MSEK -7 (-330), which is equivalent to SEK -0.04 (-1.79) per share.

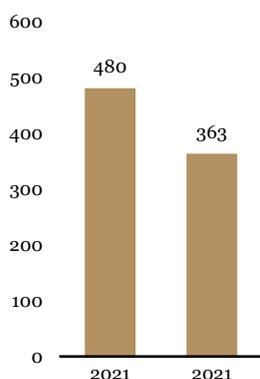
## Cash earnings

Total cash earnings amounted to MSEK 162 (75), an increase of 116 percent.

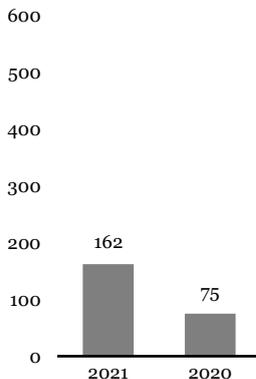
See page 27 for summary of reclassifications, acquisitions and divestments.

## April–June 2021

Total net operating income, MSEK



Total cash earnings, MSEK



# Financial development January–June 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 1,122 (1,199), a decrease of 6 percent. The decrease was offset to some extent by contractual minimum rent and fixed rent. Revenue includes one-time revenue in the form of government grants equivalent to MSEK 12. For comparable units, revenue decreased by 3 percent, adjusted for currency effects. The decrease compared to the corresponding period the previous year is explained by effects relating to Covid-19, with a slightly improved second quarter not fully able to compensate for a very weak first quarter.

Demand consisted mainly of essential business travel and some leisure travel in markets where this was permitted. From mid-May restrictions started to be slowly lifted, which led to a gradual increase in demand, mainly from the leisure segment.

Revenue from Operator Activities amounted to MSEK 238 (493), a decrease of 52 percent. For comparable units, revenue decreased by 50 percent and RevPAR by 53 percent, adjusted for currency effects.

The decrease is explained by the same Covid-19-related effects as those affecting the Property Management business segment. The relatively large loss of revenue compared with Property Management is partly due to the fact that as an operator of hotels Pandox has full earnings exposure, and partly due to the higher percentage of large conference hotels in international markets, in particular Brussels.

The Group's net sales amounted to MSEK 1,360 (1,692). For comparable units, net sales decreased by 17 percent, adjusted for currency effects.

## Net operating income

Net operating income from Property Management amounted to MSEK 932 (1,009), a decrease of 8 percent. For comparable units, net operating income decreased by 3 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK -70 (-65).

Pandox received government grants during the period totalling the equivalent of around MSEK 142 within Operator Activities, most of which relates to previous periods. In addition, around MSEK 59 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 4 and in the section "Operator Activities".

Total net operating income amounted to MSEK 862 (944), a decrease of 9 percent.

## Administration costs

Central administration costs amounted to MSEK -74 (-89), of which MSEK -10 (-10) in depreciation.

## EBITDA

EBITDA amounted to MSEK 797 (865), a decrease of 8 percent.

## Financial income and expense

Financial expense amounted to MSEK -472 (-447), of which MSEK -37 (-33) consists of depreciation of capitalised loan arrangement fees.

Financial income amounted to MSEK 1 (1).

Financial expense associated with right-of-use assets amounted to MSEK -44 (-44).

## Profit before changes in value

Profit before changes in value amounted to MSEK 137 (251), a decrease of 45 percent.

## Changes in value

Unrealised changes in value for investment properties amounted to MSEK -456 (-931), most of which is explained by reduced cash flows.

Unrealised changes in the value of derivatives amounted to MSEK 351 (-381). See also pages 11–12.

## Current and deferred tax

Current tax amounted to MSEK -35 (-38), which is mainly explained by intra-Group eliminations. Taxes paid amounted to MSEK 39 (99). See also page 11 and the section "Deferred tax".

## Profit for the period

Profit for the period amounted to MSEK 30 (-1,000) and profit for the period attributable to Parent Company shareholders amounted to MSEK 34 (-997), which is equivalent to SEK 0.18 (-5.42) per share.

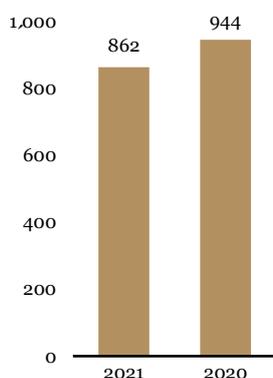
## Cash earnings

Total cash earnings amounted to MSEK 247 (337), a decrease of 27 percent.

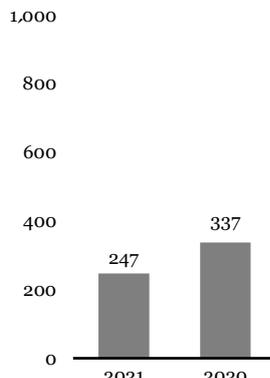
See page 27 for summary of reclassifications, acquisitions and divestments.

## January–June 2021

Total net operating income, MSEK



Total cash earnings, MSEK



# Segment reporting April–June 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

Figures in MSEK	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
Rental income	541	502	1,056	1,142	2,228
Other property income	27	25	66	57	171
Costs, excluding prop admin	-57	-47	-109	-115	-215
Net operating income, before property admin	511	480	1,013	1,084	2,184
Property administration	-41	-32	-81	-75	-166
Gross profit	470	448	932	1,009	2,018
Net operating income, after property admin	470	448	932	1,009	2,018

### April-June 2021

Rental income and Other property revenue amounted to MSEK 568 (527), of which MSEK 2 consists of government grants which are recognised under Other property revenue. The majority of Pandox's revenue consisted of contractual minimum rent and fixed rent, although a gradual increase in occupancy also resulted in a higher contribution from pure revenue-based rent. Only marginal variable revenue was noted in the quarter in two leases with minimum levels.

Occupancy at open hotels amounted to around 29 percent during the quarter, compared with around 10 percent in the corresponding quarter of 2020. The improvement reflects a relatively better restriction situation accompanied by increased hotel demand.

Motels and individual hotels with long-term contracts, such as those used for quarantine or defence purposes, had the strongest development during the quarter. Towards the end of the period, increased occupancy was also noted in attractive leisure destinations such as Fagernes (Norway), Erfurt (Germany) and Brighton (UK).

As before, higher occupancy rates were noted in many domestic and regional cities with predominantly domestic demand, compared with larger cities with an international profile.

Net operating income amounted to MSEK 470 (448), an increase of 5 percent. For comparable units, revenue increased by 12 percent while net operating income increased by 11 percent, adjusted for currency effects.

## Operator Activities

Figures in MSEK	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
Revenues	146	74	238	493	779
Costs	-203	-216	-444	-672	-1,182
Gross profit	-57	-142	-206	-179	-403
Add: Depreciation included in costs	67	57	136	114	235
Net operating income	10	-85	-70	-65	-168

### April-June 2021

Revenue from Operator Activities amounted to MSEK 146 (74), an increase of 97 percent. The increase in revenue is explained by the same drivers as for Property Management, and the fact that within Operator Activities Pandox has full and direct earnings exposure. Demand was mainly within framework agreements with government agencies and long-term contracts with companies in need of Covid-19-safe stopover rooms, e.g. within the defence and offshore sectors. Towards the end of the quarter an increase in demand was noted in both the leisure and business segments driven by eased restrictions.

The improvement was from low comparative levels in the second quarter of 2020 which was heavily impacted by restrictions, particularly in Belgium and Germany.

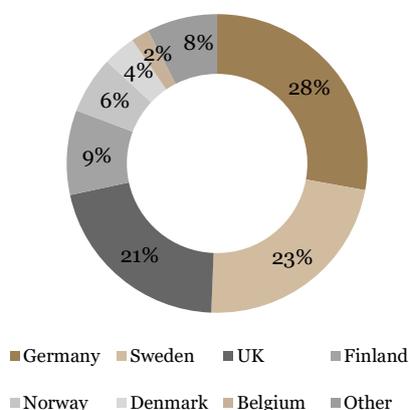
For comparable units, revenue increased by 126 percent and RevPAR by 103 percent, adjusted for currency effects.

Net operating income amounted to MSEK 10 (-85).

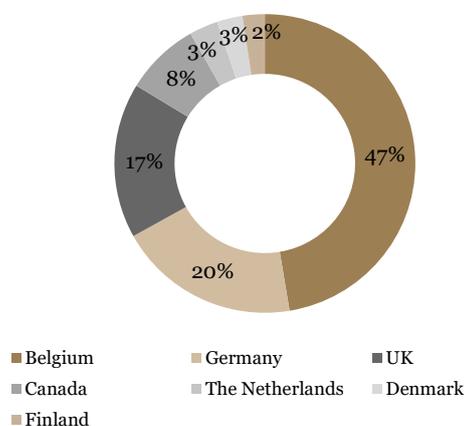
Pandox received government grants during the quarter totalling the equivalent of around MSEK 98 within Operator Activities, most of which relates to previous periods. In addition, around MSEK 26 was transferred directly from authorities to Pandox employees in the form of salary support for furloughed personnel. These amounts are therefore not included in Pandox's numbers. Read more on page 4 and in the section "Operator Activities".

## April–June 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 60,696 (59,542), of which Investment Properties accounted for MSEK 50,915 (50,181) and Operating Properties for MSEK 9,781 (9,361). As of the same date the carrying amount of the Operating Properties portfolio was MSEK 7,623 (7,363).

At the end of the period, Investment Properties had a weighted average unexpired lease term (WAULT) of 14.1 (14.6) years.

### Change in value Investment Properties

	Figures in MSEK
Investment Properties, opening balance (1 January, 2021)	50,181
+ Acquisitions	—
+ Investments in current portfolio	340
- Divestments	—
+/- Reclassifications	—
+/- Revaluation of fixed assets to total comprehensive income for the period	—
+/- Unrealised changes in value	-456
+/- Realised changes in value	—
+/- Change in currency exchange rates	850
<b>Investment Properties, closing balance (30 June, 2021)</b>	<b>50,915</b>

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

	Figures in MSEK
Operating Properties, market value (1 January, 2021)	9,361
+ Acquisitions	—
+ Investments in current portfolio	226
- Divestments	-6
+/- Reclassifications	—
+/- Unrealised changes in value <sup>1)</sup>	3
+/- Realised changes in value	—
+/- Change in currency exchange rates	197
<b>Operating Properties, market value (30 June, 2021)</b>	<b>9,781</b>

<sup>1)</sup>Decommissioning FF&E

## Investments

During the January-June 2021 period, investments in properties and fixed assets, excluding acquisitions, amounted to MSEK 572 (515), of which MSEK 340 (329) was for Investment Properties, MSEK 226 (183) was for Operating Properties and MSEK 6 (3) was for the head office.

At the end of the second quarter of 2021, approved investments for ongoing and future projects amounted to approximately MSEK 1,150, whereof approximately MSEK 1,100 is expected to be completed during 2021. In addition, approximately MSEK 45 will be maintenance.

Larger projects are Crowne Plaza Brussels Le Palace, NH Brussels Bloom, Hilton Brussels Grand Place, Holiday Inn Brussels Airport, Doubletree by Hilton Montreal, Hotel Berlin Berlin, Hotel Pullman Stuttgart Fontana, Mercure Hotel München, Dorint Parkhotel Bad Neuenahr, Holiday Inn Lübeck, NH Frankfurt Airport, NH Munich Airport, The Midland Manchester, Scandic Luleå, Quality Park Södertälje, Vildmarkshotellet, Quality Borås, Scandic Park Stockholm, h27, and the green investments programme.

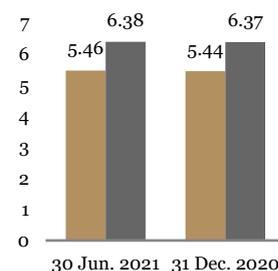
### Financial effects of changes in certain key valuation parameters as of 30 June, 2021

Investment Properties, effect on fair value	Change	Effect on value
Yield	+/- 0.5pp	-4,270 / +5,130
Change in currency exchange rates	+/- 1%	+/- 363
Net operating income <sup>1)</sup>	+/- 1%	+/- 389 (536)
Investment Properties, effect on revenues	Change	Effect on revenues
RevPAR (assuming 50/50 split between occupancy and rate) <sup>1)</sup>	+/- 1%	+/- 3 (25)
Operating Properties, effect on revenues	Change	Effect on revenues
RevPAR (assuming 50/50 split between occupancy and rate) <sup>1)</sup>	+/- 1%	+/- 7 (23)
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%	+9/-205
Interest expenses with a change in the average interest rate level, without derivatives <sup>2)</sup>	+/- 1%	-236/+21
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	+/-1,105

<sup>1)</sup> The lower value refers to outcome in 2020 and the higher value in parenthesis refers to normal years, "pre-Covid-19".

<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, % (30 June 2021)



### Property valuation

See page 4 and the section "Valuation of hotel properties".

# 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 49.7 (48.7) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 24,278 (23,880). EPRA NRV amounted to MSEK 31,065 (30,813), equivalent to SEK 168.97 (167.60) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 4,377 (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 32,871 (31,629), excluding loan arrangement fees. Unutilised credit facilities amounted to MSEK 1,665 (2,599) and the volume issued under the commercial paper programme amounted to MSEK 647 (1,688).

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 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 5,832, of which MSEK 3,787 matures in December 2021. Pandox has all short-term credit facilities with Nordic relationship banks and constructive discussions on refinancing are ongoing. During the second quarter, Pandox completed refinancing of the equivalent of approximately MSEK 867.

The average fixed rate period was 3.6 (2.8) years and the average interest rate, corresponding to the interest rate level at the end of the period, was 2.6 (2.6) percent, including effects from interest-rate derivatives, but excluding accrued arrangement fees. The average repayment period was 2.3 (2.8) years. The loans are secured by a combination of mortgage collateral and pledged shares.

### Maturity structure credit facilities 30 June 2021

Year due (MSEK)	Credit facilities <sup>1)</sup>
<1 year	5,832
1-2 years	9,404
2-3 years	7,866
3-4 years	9,365
4-5 years	1,435
<5 years	634
<b>Total</b>	<b>34,536</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 2021

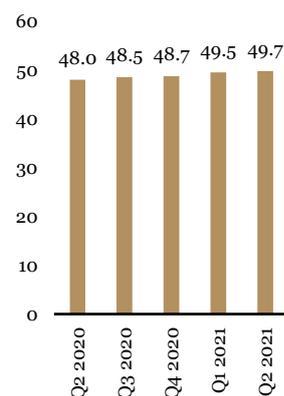
	SEK	DKK	EUR <sup>3)</sup>	CHF	CAD	NOK	GBP	Total
Sum credit facilities, MSEK <sup>1)</sup>	10,220	1,896	14,950	444	516	1,187	5,322	34,536
Sum interest bearing debt, MSEK <sup>1)</sup>	7,979	1,896	15,547	444	496	1,187	5,322	32,871
Share of debt in currency, %	24.3	5.8	47.3	1.4	1.5	3.6	16.2	100
Average interest rate, % <sup>2)</sup>	2.9	2.0	2.4	0.9	2.8	2.4	3.0	2.6
Average interest rate period, years	3.4	2.5	4.4	0.2	0.1	2.3	3.0	3.6
Market value Properties, MSEK <sup>1)</sup>	14,610	3,408	27,696	727	1,256	3,196	9,803	60,696

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

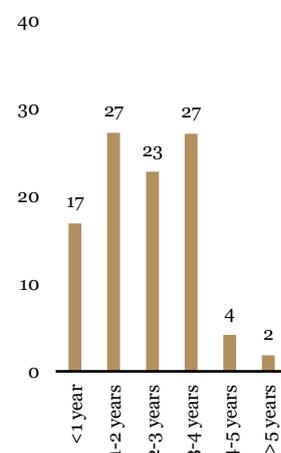
<sup>2)</sup> Average interest rate including bank margin.

<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.

### 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

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 29,765 gross and MSEK 24,771 net, which is also the portion of Pandox's loan portfolio for which interest rates are hedged. Approximately 70 percent net of Pandox's loan portfolio was thereby hedged against interest rate movements for periods longer than one year.

#### Interest maturity profile 30 June 2021

Tenor (MSEK)	Total interest maturity		Interest maturity derivatives		
	Amount <sup>1)</sup>	Share, %	Volume	Share, %	Average interest rate, %
< 1 year	11,729	36	3,630	15	1.6
1-2 year	5,544	17	5,544	22	1.2
2-3 year	-1,247	-4	-1,247	-5	1.3
3-4 year	1,946	6	1,946	8	-0.2
4-5 year	1,951	6	1,951	8	-0.1
> 5 year	12,949	39	12,949	52	0.5
Sum	32,871	100	24,771	100	0.7

<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 -447 (-798).

#### Deferred tax

At the end of the period, the deferred tax assets amounted to MSEK 529 (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 4,275 (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

30 May 2021	Pandox's CEO Anders Nissen has passed away
21 May 2021	Pandox's CFO Liia Nõu appointed acting CEO due to Anders Nissen undergoing medical treatment
27 April 2021	Pandox interim report January–March 2021
12 April 2021	Press release from the AGM 2021

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

## Ongoing disputes

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.

A Pandox subsidiary has filed a lawsuit against Köln Bonn Airport which has not granted an extension of a Heritage building right for the Leonardo Hotel Köln Bonn Airport property. The hotel has 177 rooms. The case is ongoing and Pandox believes that there is a good possibility of a favourable decision, or compensation, for the company. No revenue has been booked for the January–June 2021 period.

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 and is waiting for a decision, which is expected to be handed down in 2021. 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 is expected to be held at the end of 2021.

## Employees

At the end of the period, Pandox had the equivalent of 503 (802) full-time employees, based on number of worked hours translated to full-time employees. Of the total number of employees, 454 (754) are employed in the Operator Activities segment and 49 (48) in the Property Management segment and in central administration.

## Green investments

Pandox's green investment programme of MEUR 8 remains in place within the planned timeframe (2023). The investment programme focuses on projects to reduce energy and water consumption and on technical installations. The purpose is to reduce climate impact while also generating an average return of around 20 percent. Due to Covid-19, the larger and more technology-intensive investments have taken longer time to complete, which means that the savings from the programme will not materialise in earnest until the second half of 2021.

## 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–June 2021 period totalled MSEK 74 (78), and profit for the period amounted to MSEK 449 (-457).

At the end of the period the Parent Company's equity amounted to MSEK 9,052 (8,603) and the external interest-bearing debt was MSEK 7,631 (4,804), of which MSEK 4,293 (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–June 2021, revenue from Pelican Bay Lucaya amounted to MSEK 0.1 (0.4).

## 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, concentration, 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. On page 88 in the 2020 Annual Report it is stated that Pandox always uses the valuation yield provided by external property appraisers. The complex situation resulting from the Covid-19 pandemic has created greater uncertainty about the future and thus given rise to more estimates and assessments, including regarding the market's yield requirements. Accordingly, Pandox's valuation yield may deviate from that of external appraisers. 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 4–5 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 4–5, 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.



Lobby at h27, Copenhagen, 200 rooms

### Alternative performance measurements

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 19-20.

### 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 second quarter 2021 the weighted number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares.

### Presentation of the interim report

Pandox will present the interim report for investors, analysts and media via a webcasted telephone conference, 16 July at 08:30 CEST. The presentation also includes an external update of the hotel market.

- Interim report and business update  
*Liia Nõu CFO and acting CEO*  
*Anders Berg SVP Head of Communications & IR*
- The hotel market  
*Robin Rossmann, Managing Director International STR*

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

To follow the webcast, go to <https://edge.media-server.com/mmc/p/5u3xqrxq>. 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/2766747>.

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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+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 for publication, through the agency of the contact persons set out above on 16 July 2021, 07:00 CEST.

### Financial calendar

Interim report Jan-Sep 2021	27 October 2021
Year-end report 2021	10 February 2022
Interim report Jan-Mar 2022	27 April 2022
Interim report Jan-Jun 2022	15 July 2022

More information about Pandox is available at [www.pandox.se](http://www.pandox.se).

# 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, 16 July 2021

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  
Acting CEO

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

# Summary of financial reports

## Condensed consolidated statement of comprehensive income

Figures in MSEK	Note	Apr-Jun		Jan-Jun		FY
		2021	2020	2021	2020	2020
Revenues Property Management						
Rental income	2	541	502	1,056	1,142	2,228
Other property income		27	25	66	57	171
Revenue Operator Activities	2	146	74	238	493	779
<b>Total revenues</b>		<b>714</b>	<b>601</b>	<b>1,360</b>	<b>1,692</b>	<b>3,178</b>
Costs Property Management	2	-98	-79	-190	-190	-381
Costs Operator Activities	2	-203	-216	-444	-672	-1,182
<b>Gross profit</b>		<b>413</b>	<b>306</b>	<b>726</b>	<b>830</b>	<b>1,615</b>
- whereof gross profit Property Management	2	470	448	932	1,009	2,018
- whereof gross profit Operator Activities	2	-57	-142	-206	-179	-403
Central administration		-37	-42	-74	-89	-171
Financial income		0	-1	1	1	2
Financial expenses		-239	-219	-472	-447	-902
Financial cost right of use assets		-23	-22	-44	-44	-86
<b>Profit before changes in value</b>		<b>114</b>	<b>22</b>	<b>137</b>	<b>251</b>	<b>458</b>
<i>Changes in value</i>						
Properties, unrealised	2	-105	-320	-456	-931	-1,779
Properties, realised	2	—	—	-6	—	0
Derivatives, unrealised		24	-22	351	-381	-221
<b>Profit before tax</b>		<b>33</b>	<b>-320</b>	<b>26</b>	<b>-1,061</b>	<b>-1,542</b>
Current tax		-23	-11	-35	-38	-57
Deferred tax		-16	-1	39	99	191
<b>Profit for the period</b>		<b>-6</b>	<b>-332</b>	<b>30</b>	<b>-1,000</b>	<b>-1,408</b>
<i>Items that may be classified to profit or loss, net after tax<sup>1)</sup></i>						
Net investment hedge of foreign operations		37	272	-12	-81	86
Translation differences realisation of foreign operations		-295	-1,192	386	-179	-1,096
		<b>-258</b>	<b>-920</b>	<b>374</b>	<b>-260</b>	<b>-1,010</b>
<b>Other comprehensive income for the period</b>		<b>-258</b>	<b>-920</b>	<b>374</b>	<b>-260</b>	<b>-1,010</b>
<b>Total comprehensive income for the period</b>		<b>-264</b>	<b>-1,252</b>	<b>404</b>	<b>-1,260</b>	<b>-2,418</b>
Profit for the period attributable to the shareholders of the parent company		-7	-330	34	-997	-1,399
Profit for the period attributable to non-controlling interests		1	-2	-4	-3	-9
<b>Total comprehensive income for the period attributable to the shareholders of the parent company</b>		<b>-262</b>	<b>-1,236</b>	<b>398</b>	<b>-1,258</b>	<b>-2,379</b>
<b>Total comprehensive income for the period attributable to non-controlling interests</b>		<b>-2</b>	<b>-16</b>	<b>6</b>	<b>-2</b>	<b>-39</b>
<b>Earnings per share, before and after dilution, SEK</b>		<b>-0.04</b>	<b>-1.79</b>	<b>0.18</b>	<b>-5.42</b>	<b>-7.61</b>

<sup>1)</sup> 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

Figures in MSEK	2021	2020	2020
	30 Jun	30 Jun	31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Operating Properties	7,109	7,065	6,872
Equipment and interiors	529	525	502
Investment Properties	50,915	52,287	50,181
Deferred non-current rent attributable to new temporary payment terms	364	—	189
Right-of-use assets	2,975	3,051	2,926
Deferred tax assets	529	570	631
Derivatives <sup>1)</sup>	82	49	43
Other non-current receivables	54	36	36
<b>Total non-current assets</b>	<b>62,557</b>	<b>63,583</b>	<b>61,380</b>
<b>Current assets</b>			
Inventories	11	13	9
Current tax assets	100	82	95
Trade account receivables	222	533	180
Deferred current rent attributable to new temporary payment terms	276	—	250
Prepaid expenses and accrued income	164	219	110
Other current receivables	166	161	169
Cash and cash equivalents	2,712	2,298	2,622
<b>Total current assets</b>	<b>3,651</b>	<b>3,306</b>	<b>3,435</b>
<b>Total assets</b>	<b>66,208</b>	<b>66,889</b>	<b>64,815</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	-350	5	-714
Retained earnings, including profit for the period	16,643	17,011	16,609
<b>Equity attributable to the owners of the Parent Company</b>	<b>24,278</b>	<b>25,001</b>	<b>23,880</b>
Non-controlling interests	214	245	208
<b>Sum equity</b>	<b>24,492</b>	<b>25,246</b>	<b>24,088</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities <sup>2)3)</sup>	26,895	26,945	26,034
Other non-current liabilities	5	17	5
Long-term lease liability	2,956	3,022	2,901
Derivatives <sup>1)</sup>	529	1,007	841
Provisions	34	51	32
Deferred tax liability	4,275	4,458	4,307
<b>Total non-current liabilities</b>	<b>34,694</b>	<b>35,500</b>	<b>34,120</b>
<b>Current liabilities</b>			
Provisions	79	106	139
Interest-bearing liabilities <sup>2)3)</sup>	5,829	5,036	5,418
Short-term lease liability	21	30	27
Tax liabilities	153	51	118
Trade accounts payable	196	232	179
Other current liabilities	249	209	265
Accrued expenses and prepaid income	495	479	461
<b>Total current liabilities</b>	<b>7,022</b>	<b>6,143</b>	<b>6,607</b>
<b>Total liabilities</b>	<b>41,716</b>	<b>41,643</b>	<b>40,727</b>
<b>Total equity and liabilities</b>	<b>66,208</b>	<b>66,889</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 147 have reduced interest-bearing liabilities in the period, compared to MSEK 195 same period 2020.

## Condensed consolidated statement of changes in equity

Figures in MSEK	Attributable to the owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Other paid in capital	Translation reserves	Revaluation reserve <sup>2)</sup>	Retained earnings, incl profit for the period			
Opening balance equity 1 January, 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
Transactions regarding non-controlling interests <sup>1)</sup>	—	—	8	—	-99	-91	91	—
Closing balance equity 31 December, 2020	460	7,525	-883	169	16,609	23,880	208	24,088
Opening balance equity 1 January, 2021	460	7,525	-883	169	16,609	23,880	208	24,088
Profit for the period	—	—	—	—	34	34	-4	30
Other comprehensive income	—	—	364	—	—	364	10	374
Closing balance equity 30 June, 2021	460	7,525	-519	169	16,643	24,278	214	24,492

<sup>1)</sup> Transfer from the Parent Company's shareholders to non-controlling interests.

<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

Figures in MSEK	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
<b>OPERATING ACTIVITIES</b>					
Profit before tax	33	-320	26	-1,061	-1,542
Reversal of depreciation	68	57	137	115	238
Changes in value, realised	0	—	6	—	—
Changes in value, unrealised	105	320	456	931	1,779
Changes in value, derivatives, unrealised	-24	22	-351	381	221
Other items not included in the cash flow	-30	25	-11	-102	-38
Taxes paid	-5	-5	-5	-66	-45
Cash flow from operating activities before changes in working capital	147	99	258	198	613
Increase/decrease in operating assets	-129	-204	-276	-28	-36
Increase/decrease in operating liabilities	61	-83	15	-130	-117
Change in working capital	-68	-287	-261	-158	-153
Cash flow from operating activities	79	-188	-3	40	460
<b>INVESTING ACTIVITIES</b>					
Investments in properties and fixed assets	-289	-277	-572	-515	-907
Acquisitions of hotel properties, net effect on liquidity	—	-4	—	-693	-689
Acquisitions of financial assets	-16	0	-18	-1	-2
Cash flow from investing activities	-305	-281	-590	-1,209	-1,598
<b>FINANCING ACTIVITIES</b>					
New loans	1,728	5,238	4,339	7,508	9,755
Amortisation of debt	-1,423	-3,645	-3,642	-4,779	-6,664
Guaranteed minority dividend	—	—	—	—	-20
Cash flow from financing	305	1,593	697	2,729	3,071
Cash flow for the period	79	1,124	104	1,560	1,933
Cash and cash equivalents at beginning of period	2,610	1,220	2,622	632	632
Exchange differences in cash and cash equivalents	22	-46	-15	106	57
Liquid funds end of period	2,712	2,298	2,712	2,298	2,622
<b>Information regarding interest payments</b>					
Interest received amounted to	0	1	1	1	2
Interest paid amounted to	-215	-231	-416	-437	-819
Financial costs related to rights of use	-23	-22	-44	-44	-86
<b>Information regarding cash and cash equivalents end of period</b>	2,712	2,298	2,712	2,298	2,622
Cash and cash equivalents consists of bank deposits.					

## Condensed income statement for the parent company

Figures in MSEK	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
Net sales	37	48	74	78	150
Administration cost	-51	-55	-100	-115	-219
Operating profit	-14	-7	-26	-37	-69
Other interest income and similar profit/loss items	-88	-248	307	-281	-383
Derivates, unrealised	33	-82	293	-239	-188
Profit after financial items	-69	-337	574	-557	-640
Year-end appropriations	—	—	—	—	1
Profit before tax	-69	-337	574	-557	-639
Current tax	0	7	0	—	0
Deferred tax	17	48	-125	100	153
Profit for the period	-52	-282	449	-457	-486

## Condensed balance sheet for the parent company

Figures in MSEK	2021	2020	2020
	30 Jun	30 Jun	31 Dec
<b>ASSETS</b>			
Non-current assets	19,712	19,772	19,443
Current assets	2,660	2,433	2,621
<b>Total assets</b>	<b>22,372</b>	<b>22,205</b>	<b>22,064</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,052	8,633	8,603
Provisions	109	155	168
Non-current liabilities	6,917	7,678	5,866
Current liabilities	6,294	5,739	7,427
<b>Total equity and liabilities</b>	<b>22,372</b>	<b>22,205</b>	<b>22,064</b>

## Reconciliation alternative performance measurements

Per share, figures in SEK <sup>1)</sup>	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
<b>Total comprehensive income per share, SEK</b>					
Total comprehensive income for the period attributable to the shareholders of the parent company, MSEK	-262	-1,236	398	-1,258	-2,379
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>-1.43</b>	<b>-6.72</b>	<b>2.16</b>	<b>-6.84</b>	<b>-12.94</b>
<b>Cash earnings per share, SEK</b>					
Cash earnings attr.to the shareholders of the parent company, MSEK	161	77	251	340	669
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>0.88</b>	<b>0.42</b>	<b>1.37</b>	<b>1.85</b>	<b>3.64</b>
<b>Net asset value (EPRA NRV) per share, SEK</b>					
EPRA NRV (net asset value), MSEK	—	—	31,065	32,600	30,813
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>168.97</b>	<b>177.32</b>	<b>167.60</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 shares outstanding, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999	183,849,999
Number of shares at end of 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	156
Number of rooms, end of period <sup>2)</sup>	—	—	35,180	35,022	35,060
WAULT, years	—	—	14.1	15.2	14.6
Market value properties, MSEK	—	—	60,696	62,259	59,542
Market value Investment Properties, MSEK	—	—	50,915	52,287	50,181
Market value Operating Properties, MSEK	—	—	9,781	9,972	9,361
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	181	89	140	298	225

<sup>1)</sup> Total number of outstanding shares after dilution amounts to 183,849,999, of which 75,000,000 A shares and 108,849,999 B shares.

Based on total number of shares for balance sheet items and weighted number for shares for profit and loss items.

<sup>2)</sup> Pandox's owned hotel properties <sup>3)</sup> For 2020 actual dividend is indicated.

## Reconciliation alt. performance measurements

Figures in MSEK	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
<b>Net interest-bearing debt</b>					
Non-current interest-bearing liabilities	—	—	26,895	26,945	26,034
Current interest-bearing liabilities	—	—	5,829	5,036	5,418
Arrangement fee for loans	—	—	147	195	177
Cash and cash equivalents	—	—	-2,712	-2,298	-2,622
<b>Net interest-bearing debt</b>	<b>—</b>	<b>—</b>	<b>30,159</b>	<b>29,878</b>	<b>29,007</b>
<b>Loan to value net, %</b>					
Net interest-bearing debt	—	—	30,159	29,878	29,007
Market value properties	—	—	60,696	62,259	59,542
<b>Loan to value net, %</b>	<b>—</b>	<b>—</b>	<b>49.7</b>	<b>48.0</b>	<b>48.7</b>
<b>Interest cover ratio, times</b>					
EBITDA	447	327	797	865	1,699
Less: Financial costs for right-of-use-assets	-23	-22	-44	-44	-86
Net interest costs	214	193	418	397	793
<b>Interest cover ratio, times</b>	<b>2.0</b>	<b>1.6</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	—	—	844	758	811
Non-current interest-bearing liabilities	—	—	26,895	26,945	26,034
Arrangement fee for loans	—	—	147	195	177
Current interest-bearing liabilities	—	—	5,829	5,036	5,418
<b>Average interest on debt, end of period, %</b>	<b>—</b>	<b>—</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>
<i>See page 11-12 for a complete reconciliation</i>					
<b>Investments, incl. parent company excl. acquisitions</b>	<b>289</b>	<b>277</b>	<b>572</b>	<b>515</b>	<b>907</b>
<b>Net operating income, Property Management</b>					
Rental income	541	502	1,056	1,142	2,228
Other property income	27	25	66	57	171
Costs, excl. property administration	-57	-47	-109	-115	-215
<b>Net operating income, before property administration</b>	<b>511</b>	<b>480</b>	<b>1,013</b>	<b>1,084</b>	<b>2,184</b>
Property administration	-41	-32	-81	-75	-166
<b>Net operating income, Property Management</b>	<b>470</b>	<b>448</b>	<b>932</b>	<b>1,009</b>	<b>2,018</b>
<b>Net operating income, Operator Activities</b>					
Revenues Operator Activities	146	74	238	493	779
Costs Operator Activities	-203	-216	-444	-672	-1,182
<b>Gross profit</b>	<b>-57</b>	<b>-142</b>	<b>-206</b>	<b>-179</b>	<b>-403</b>
Plus: Depreciation included in costs	67	57	136	114	235
<b>Net operating income, Operator Activities</b>	<b>10</b>	<b>-85</b>	<b>-70</b>	<b>-65</b>	<b>-168</b>
<b>EBITDA</b>					
Gross profit from respective operating segment	413	306	726	830	1,615
Plus: Depreciation included in costs Operator Activities	67	57	136	114	235
Less: Central administration, excluding depreciation	-33	-36	-65	-79	-151
<b>EBITDA</b>	<b>447</b>	<b>327</b>	<b>797</b>	<b>865</b>	<b>1,699</b>
<b>Cash earnings</b>					
EBITDA	447	327	797	865	1,699
Plus: Financial income	0	-1	1	1	2
Less: Financial expense	-239	-219	-472	-447	-902
Less: Financial cost for right-of-use assets	-23	-22	-44	-44	-86
Plus/Less: Translation effect on bank deposits	0	1	0	0	4
Less: Current tax	-23	-11	-35	-38	-57
<b>Cash earnings</b>	<b>162</b>	<b>75</b>	<b>247</b>	<b>337</b>	<b>660</b>
<b>EPRA NRV</b>					
Equity attr. to the shareholders of the parent company	—	—	24,278	25,001	23,880
Plus: Revaluation of Operating Properties	—	—	2,158	2,388	1,998
Plus: Fair value of financial derivatives	—	—	447	958	798
Less: Deferred tax assets related to derivatives	—	—	-92	-205	-171
Plus: Deferred tax liabilities	—	—	4,275	4,458	4,307
<b>EPRA NRV</b>	<b>—</b>	<b>—</b>	<b>31,065</b>	<b>32,600</b>	<b>30,813</b>
<b>Growth in EPRA NRV, annual rate, %</b>					
EPRA NRV attr. to the shareholders of the parent company, OB	—	—	32,600	29,117	34,270
EPRA NRV attr. to the shareholders of the parent company, CB	—	—	31,065	32,600	30,813
Dividend added back, current year	—	—	—	—	—
Excluding proceeds from new share issue	—	—	—	-3,010	—
<b>Growth in EPRA NRV, annual rate, %</b>	<b>—</b>	<b>—</b>	<b>-4.7</b>	<b>1.6</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 19 and 20 presents measures, along with their reconciliation, which are not defined according to the IFRS. The definitions of these measures appear on page 29.

## 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 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 21.

## 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 29 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 10, Property valuation, 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	30 Jun 2021		30 Jun 2020		31 Dec 2020	
	MSEK	SEK/share <sup>1)</sup>	MSEK	SEK/share <sup>1)</sup>	MSEK	SEK/share <sup>1)</sup>
Group equity attr. to the shareholders of the parent company	24,278	132.05	25,001	135.99	23,880	129.89
Plus: Revaluation of Operating Properties	2,158	11.74	2,388	12.99	1,998	10.87
Plus: Fair value of financial derivatives	447	2.43	958	5.21	798	4.34
Less: Deferred tax assets related to derivatives	-92	-0.50	-205	-1.12	-171	-0.93
Plus: Deferred tax liabilities	4,275	23.25	4,458	24.25	4,307	23.43
Net asset value, EPRA NRV	31,065	168.97	32,600	177.32	30,813	167.60
Less:	—	—	—	—	—	—
Net asset value, EPRA NTA	31,065	168.97	32,600	177.32	30,813	167.60
Less: derivatives and deferred tax	-4,630	-25.18	-5,211	-28.34	-4,934	-26.84
Net asset value, EPRA NDV	26,436	143.79	27,389	148.97	25,878	140.76

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

## Quarterly data

### Condensed consolidated statement of comprehensive income

Figures in MSEK	2021		2020				2019	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Revenue Property Management								
Rental income	541	515	523	563	502	640	784	820
Other property income	27	39	47	67	25	32	26	31
Revenue Operator Activities	146	92	117	169	74	419	645	600
<b>Total revenues</b>	<b>714</b>	<b>646</b>	<b>687</b>	<b>799</b>	<b>601</b>	<b>1,091</b>	<b>1,455</b>	<b>1,451</b>
Costs Property Management	-98	-92	-92	-99	-79	-111	-94	-90
Costs Operator Activities	-203	-241	-244	-266	-216	-456	-536	-491
<b>Gross profit</b>	<b>413</b>	<b>313</b>	<b>351</b>	<b>434</b>	<b>306</b>	<b>524</b>	<b>825</b>	<b>870</b>
Central administration	-37	-37	-41	-41	-42	-47	-44	-40
Financial net	-239	-232	-227	-227	-220	-226	-234	-224
Financial cost for right-of-use assets	-23	-21	-21	-21	-22	-22	-21	-20
<b>Profit before value changes</b>	<b>114</b>	<b>23</b>	<b>62</b>	<b>145</b>	<b>22</b>	<b>229</b>	<b>526</b>	<b>586</b>
Changes in value								
Properties, unrealised	-105	-351	-533	-315	-320	-611	396	353
Properties, realised	—	-6	0	0	—	—	-41	110
Derivatives, unrealised	24	327	109	51	-22	-359	444	-211
<b>Profit before tax</b>	<b>33</b>	<b>-7</b>	<b>-362</b>	<b>-119</b>	<b>-320</b>	<b>-741</b>	<b>1,325</b>	<b>838</b>
Current tax	-23	-12	-2	-17	-11	-27	59	-60
Deferred tax	-16	55	59	33	-1	100	-93	-536
<b>Profit for the period</b>	<b>-6</b>	<b>36</b>	<b>-305</b>	<b>-103</b>	<b>-332</b>	<b>-668</b>	<b>1,291</b>	<b>242</b>
Other comprehensive income	-258	632	-796	46	-920	660	-199	-250
<b>Total comprehensive income for the period</b>	<b>-264</b>	<b>668</b>	<b>-1,101</b>	<b>-57</b>	<b>-1,252</b>	<b>-8</b>	<b>1,092</b>	<b>-8</b>

### Condensed consolidated statement of financial position

Figures in MSEK	2021		2020				2019	
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
<b>ASSETS</b>								
Properties incl equipment and interiors	58,553	59,057	57,555	59,859	59,877	62,570	60,558	56,759
Right of use assets	2,975	3,016	2,926	3,071	3,051	3,176	3,064	2,940
Other non-current receivables	500	423	268	84	85	108	151	78
Deferred tax assets	529	502	631	559	570	546	383	765
Current assets	939	893	813	1,261	1,008	893	1,025	832
Cash and cash equivalents	2,712	2,610	2,622	2,309	2,298	1,220	632	530
<b>Total assets</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>65,813</b>	<b>61,904</b>
<b>EQUITY AND LIABILITIES</b>								
Equity	24,492	24,756	24,088	25,189	25,246	26,498	26,506	22,405
Deferred tax liability	4,275	4,293	4,307	4,407	4,458	4,623	4,552	4,879
Interest-bearing liabilities	32,724	32,735	31,452	32,173	31,981	31,882	29,621	29,158
Leasing liabilities	2,977	3,018	2,928	3,073	3,052	3,177	3,064	2,941
Non interest-bearing liabilities	1,740	1,699	2,040	2,301	2,152	2,333	2,070	2,521
<b>Total equity and liabilities</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>65,813</b>	<b>61,904</b>

### Key ratios

Figures in MSEK	2021		2020				2019	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
NOI, Property Management	470	462	478	531	448	561	716	761
NOI, Operator Activities	10	-80	-64	-39	-85	20	159	160
EBITDA	447	350	378	456	327	538	834	886
Interest coverage ratio, times	2.0	1.6	1.8	2.2	1.6	2.6	4.2	4.5
Earnings per share before and after dilution, SEK	-0.04	0.22	-1.63	-0.56	-1.79	-3.63	7.30	1.45
Cash earnings	162	85	129	194	75	262	654	586
Cash earnings per share before and after dilution, SEK	0.88	0.49	0.73	1.06	0.42	1.43	3.72	3.51
RevPAR growth (Operator Activities) for comparable units and constant currency, %	103	-81	-89	-81	-92	-30	-4	4

	2021		2020				2019	
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Net interest-bearing debt, MSEK	30,159	30,288	29,007	30,056	29,878	30,862	29,191	28,806
Loan to value, %	49.7	49.5	48.7	48.5	48.0	47.2	46.0	48.3
Market value properties, MSEK	60,696	61,161	59,542	62,022	62,259	65,345	63,469	59,661
EPRA NRV per share, SEK	168.97	170.38	167.60	175.33	177.32	186.97	186.40	184.03
WAULT (Property Management), yrs	14.1	14.4	14.6	14.9	15.2	15.3	15.6	15.5

# Portfolio overview

At the end of the period Pandox's property portfolio consisted of 156 (156) hotel properties with 35,180 (35,060) 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 (24 percent), UK (16 percent), Belgium (7 percent) and Finland (6 percent).

136 of the hotel properties are leased to third parties, which means that approximately 84 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 30 June 2021 Investment Properties had a weighted average unexpired lease term (WAULT) of 14.1 years (14.6).

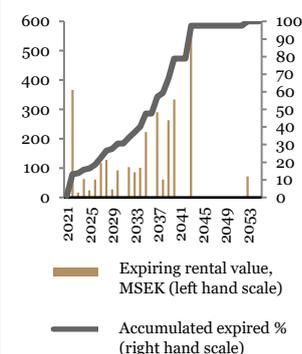
## Portfolio overview by segment and geography

Property Management	Number		Market value (MSEK)		
	Hotels	Rooms	Per country	In % of total	Per room
Sweden	42	8,907	14,610	24.1	1.6
Germany	33	6,876	11,934	19.7	1.7
UK	19	4,675	9,016	14.9	1.9
Finland	13	2,922	3,886	6.4	1.3
Norway	14	2,573	3,196	5.3	1.2
Denmark	6	1,442	2,663	4.4	1.8
Austria	2	639	1,443	2.4	2.3
Belgium	2	519	906	1.5	1.7
Ireland	3	445	1,377	2.3	3.1
Switzerland	1	206	727	1.2	3.5
The Netherlands	1	189	1,159	1.9	6.1
<b>Sum Property Management</b>	<b>136</b>	<b>29,393</b>	<b>50,915</b>	<b>84</b>	<b>1.7</b>
<b>Operator Activities</b>					
Belgium	7	1,955	3,466	5.7	1.8
Germany	5	1,490	3,159	5.2	2.1
Canada	2	952	1,256	2.1	1.3
UK	2	611	787	1.3	1.3
Denmark	2	403	746	1.2	1.9
The Netherlands	1	216	343	0.6	1.6
Finland	1	160	24	0.0	0.2
<b>Sum Operator Activities</b>	<b>20</b>	<b>5,787</b>	<b>9,781</b>	<b>16</b>	<b>1.7</b>
<b>Sum total</b>	<b>156</b>	<b>35,180</b>	<b>60,696</b>	<b>100</b>	<b>1.7</b>

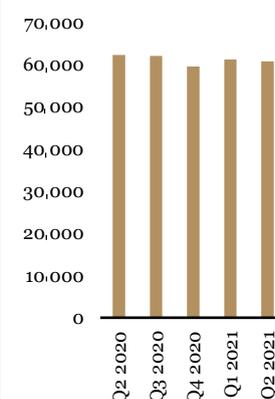
## Portfolio overview by brand

Brand	Number		
	Hotels	Rooms	In % of total
Scandic	50	11,027	31
Jurys Inn	20	4,410	13
Leonardo	18	3,547	10
Hilton	7	2,298	7
Radisson Blu	8	2,033	6
Nordic Choice Hotels	11	1,837	5
NH	7	1,681	5
Dorint	5	1,085	3
Mercure	4	760	2
Crowne Plaza	2	616	2
Elite Hotels	2	493	1
Holiday Inn	2	469	1
Novotel	2	421	1
InterContinental	1	357	1
Maritim	1	316	1
Indigo	1	284	1
Pullman	1	252	1
Meininger	1	228	1
Best Western	1	103	0
Independent brands	12	2,963	8
<b>Total</b>	<b>156</b>	<b>35,180</b>	<b>100</b>

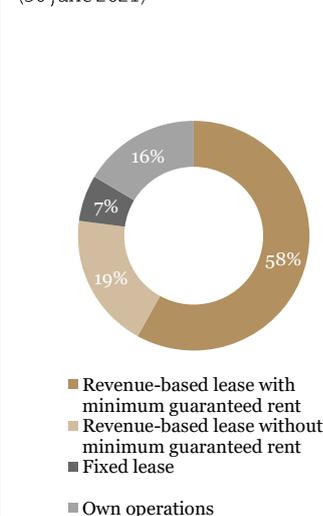
## Lease maturity profile (30 June 2020)



## Market value properties per quarter, MSEK



## Distribution of lease and operating models, number of rooms % (30 June 2021)



# 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.

Right-of-use-assets and long-term lease liability have adjusted the comparative figures retroactively regarding two site-leasehold rights.

The interim financial statements are included on pages 1–27 and pages 28–30 are thus an integrated part of this financial report.

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

## 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 and the first six months 2021, revenue-based rent in Property Management amounted to MSEK 51 and MSEK 82 respectively.

Operating segments	Property Management		Operator Activities		Group and non-allocated items		Total	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
<b>Figures in MSEK</b>								
Revenue Property Management	568	527	—	—	—	—	568	527
Rental and other property income	—	—	146	74	—	—	146	74
Revenue Operator Activities	—	—	—	—	—	—	—	—
<b>Total revenues</b>	<b>568</b>	<b>527</b>	<b>146</b>	<b>74</b>	<b>—</b>	<b>—</b>	<b>714</b>	<b>601</b>
Costs Property Management	-98	-79	—	—	—	—	-98	-79
Costs Operator Activities	—	—	-203	-216	—	—	-203	-216
<b>Gross profit</b>	<b>470</b>	<b>448</b>	<b>-57</b>	<b>-142</b>	<b>—</b>	<b>—</b>	<b>413</b>	<b>306</b>
Central administration	—	—	—	—	-37	-42	-37	-42
Financial income	—	—	—	—	0	-1	0	-1
Financial expenses	—	—	—	—	-239	-219	-239	-219
Financial cost right-of-use assets	—	—	—	—	-23	-22	-23	-22
<b>Profit before changes in value</b>	<b>470</b>	<b>448</b>	<b>-57</b>	<b>-142</b>	<b>-299</b>	<b>-284</b>	<b>114</b>	<b>22</b>
<i>Changes in value</i>								
Properties, unrealised	-105	-320	—	—	—	—	-105	-320
Properties, realised	—	—	—	—	—	—	—	0
Derivatives, unrealised	—	—	—	—	24	-22	24	-22
<b>Profit before tax</b>	<b>365</b>	<b>128</b>	<b>-57</b>	<b>-142</b>	<b>-275</b>	<b>-306</b>	<b>33</b>	<b>-320</b>
Current tax	—	—	—	—	-23	-11	-23	-11
Deferred tax	—	—	—	—	-16	-1	-16	-1
<b>Profit for the period</b>	<b>365</b>	<b>128</b>	<b>-57</b>	<b>-142</b>	<b>-314</b>	<b>-318</b>	<b>-6</b>	<b>-332</b>

## April-June 2021

Figures in MSEK	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK Ireland	Other	Total
Total revenues									
- Property Management	129	20	35	52	158	11	119	43	568
- Operator Activities	0	4	0	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

## April-June 2020

Figures in MSEK	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK Ireland	Other	Total
Total revenues									
- Property Management	107	18	23	45	161	11	117	45	527
- Operator Activities	—	1	—	2	16	16	19	20	74
Market value properties	14,730	3,548	3,115	4,041	15,879	4,494	11,301	5,151	62,259
Investments in properties	54	8	13	46	28	62	30	33	274
Acquisitions of properties	—	—	—	—	0	—	1	3	4
Book value Operating Properties	—	744	—	26	1,979	2,575	899	1,361	7,584
Total non-current assets at book value, less deferred tax assets	15,326	3,562	3,118	4,749	15,304	3,627	12,127	5,129	62,942

Operating segments	Property Management		Operator Activities		Group and non-allocated items		Total	
	Q1-Q2 2021	Q1-Q2 2020	Q1-Q2 2021	Q1-Q2 2020	Q1-Q2 2021	Q1-Q2 2020	Q1-Q2 2021	Q1-Q2 2020
<b>Figures in MSEK</b>								
Revenue Property Management	1,122	1,199	—	—	—	—	1,122	1,199
Rental and other property income	—	—	238	493	—	—	238	493
Revenue Operator Activities	—	—	—	—	—	—	—	—
<b>Total revenues</b>	<b>1,122</b>	<b>1,199</b>	<b>238</b>	<b>493</b>	<b>—</b>	<b>—</b>	<b>1,360</b>	<b>1,692</b>
Costs Property Management	-190	-190	—	—	—	—	-190	-190
Costs Operator Activities	—	—	-444	-672	—	—	-444	-672
<b>Gross profit</b>	<b>932</b>	<b>1,009</b>	<b>-206</b>	<b>-179</b>	<b>—</b>	<b>—</b>	<b>726</b>	<b>830</b>
Central administration	—	—	—	—	-74	-89	-74	-89
Financial income	—	—	—	—	1	1	1	1
Financial expenses	—	—	—	—	-472	-447	-472	-447
Financial expenses right-of-use assets	—	—	—	—	-44	-44	-44	-44
<b>Profit before changes in value</b>	<b>932</b>	<b>1,009</b>	<b>-206</b>	<b>-179</b>	<b>-589</b>	<b>-579</b>	<b>137</b>	<b>251</b>
<i>Changes in value</i>								
Properties, unrealised	-456	-931	—	—	—	—	-456	-931
Properties, realised	-6	—	—	—	—	—	-6	0
Derivatives, unrealised	—	—	—	—	351	-381	351	-381
<b>Profit before tax</b>	<b>470</b>	<b>78</b>	<b>-206</b>	<b>-179</b>	<b>-238</b>	<b>-960</b>	<b>26</b>	<b>-1,061</b>
Current tax	—	—	—	—	-35	-38	-35	-38
Deferred tax	—	—	—	—	39	99	39	99
<b>Profit for the period</b>	<b>470</b>	<b>78</b>	<b>-206</b>	<b>-179</b>	<b>-234</b>	<b>-899</b>	<b>30</b>	<b>-1,000</b>

## January-June 2021

Figures in MSEK	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK Ireland	Other	Total
Total revenues									
- Property Management	256	38	64	103	317	22	235	86	1,122
- Operator Activities	0	6	0	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

## January-June 2020

Figures in MSEK	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK Ireland	Other	Total
Total revenues									
- Property Management	279	56	61	102	338	23	250	90	1,199
- Operator Activities	—	1	—	9	127	196	68	92	493
Market value properties	14,730	3,548	3,115	4,041	15,879	4,494	11,301	5,151	62,259
Investments in properties	105	20	23	86	48	110	62	58	512
Acquisitions of properties	—	—	—	—	643	—	50	—	693
Book value Operating Properties	—	744	—	26	1,979	2,575	899	1,361	7,584
Total non-current assets at book value, less deferred tax assets	15,326	3,562	3,118	4,749	15,304	3,627	12,127	5,129	62,942

### Note 3 Reclassifications, acquisitions and divestments with date of consolidation or deconsolidation

#### Reclassifications, acquisitions and divestments

Date	Hotel property	Event
1 April 2020	h27	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
2 September 2019	Hotell Hasselbacken	Divestment Property Management
1 July 2019	Three hotel properties in Germany	Acquisition Property Management

### Note 4 Currency exchange rates

#### Currency exchange rates January-June

1 foreign currency = X SEK	Average rate			Rate at end-of-period		
	2021	2020	Δ%	2021	2020	Δ%
Euro (EUR)	10.128	10.660	-5%	10.125	10.480	-4%
British pound (GBP)	11.672	12.198	-5%	11.766	11.469	3%
Danish krone (DKK)	1.362	1.428	-5%	1.362	1.406	-3%
Norwegian krone (NOK)	0.996	0.995	0%	0.994	0.960	3%
Canadian dollar (CAD)	6.740	7.095	-5%	6.865	6.830	2%
Swiss franc (CHF)	9.254	10.017	-8%	9.230	9.811	-5%

# 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 156 hotels with approximately 35,000 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) Property portfolio of high quality with a sustainable footprint
- (5) Geographical diversification which limits fluctuations
- (6) Own operations reduce risk

## Overall goals

Pandox's overall goal is to make positive contribution to the Company's stakeholders through profitable and responsible growth:

- (1) To increase the value for Pandox's shareholders through higher cash flow and net asset value
- (2) To create attractive hotel products in cooperation with Pandox's business partners
- (3) To contribute to positive growth for Pandox employees

## 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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Corp. reg. no. 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)

Average lease term remaining to expiry, across the property portfolio, weighted by contracted rental income.



NH Brussels Bloom  
305 rooms



Hotel Mayfair  
203 rooms



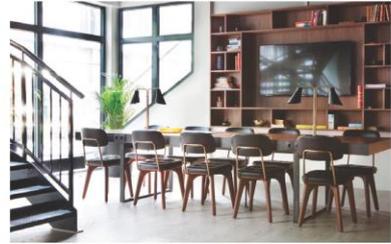
Scandic Kuopio  
137 rooms



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

