

Q2 2022 presentation

Strong earnings growth

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15 July 2022



Quarter in brief

Our best quarter in a long time

- Strong progress in the hotel market
 - Confirms Pandox’s own research about the recovery of the market
- Strong earnings growth
 - Increased revenue-based rent and improvements in own operations
 - Confirms the power of Pandox’s business model
- Strong execution
 - Confirms the value of Pandox’s exceptional team and the unique “Pandox spirit”

Strategic position

A well-diversified portfolio

Pandox Group

156
Hotel properties

35,243
Rooms

SEK **65.8**_{bn}
Property market value

Property Management

136
Leased properties

29,340
Rooms

83%
Property market value

Operator Activities

20
Operated properties

5,903
Rooms

17%
Property market value

Strategic position

A strong network of partners and brands



Pandox cooperates with more than 30 business partners and brands

Quarter in brief

Strong earnings improvement

+13%

Return on equity ¹⁾

R12M

+84%

LFL growth in NOI
total ²⁾

Apr-Jun 2022

+39%

LFL growth in NOI
Property Management ³⁾

Apr-Jun 2022

MSEK 4,091

Liquid funds and unutilised
credit facilities

Per 30 June 2022

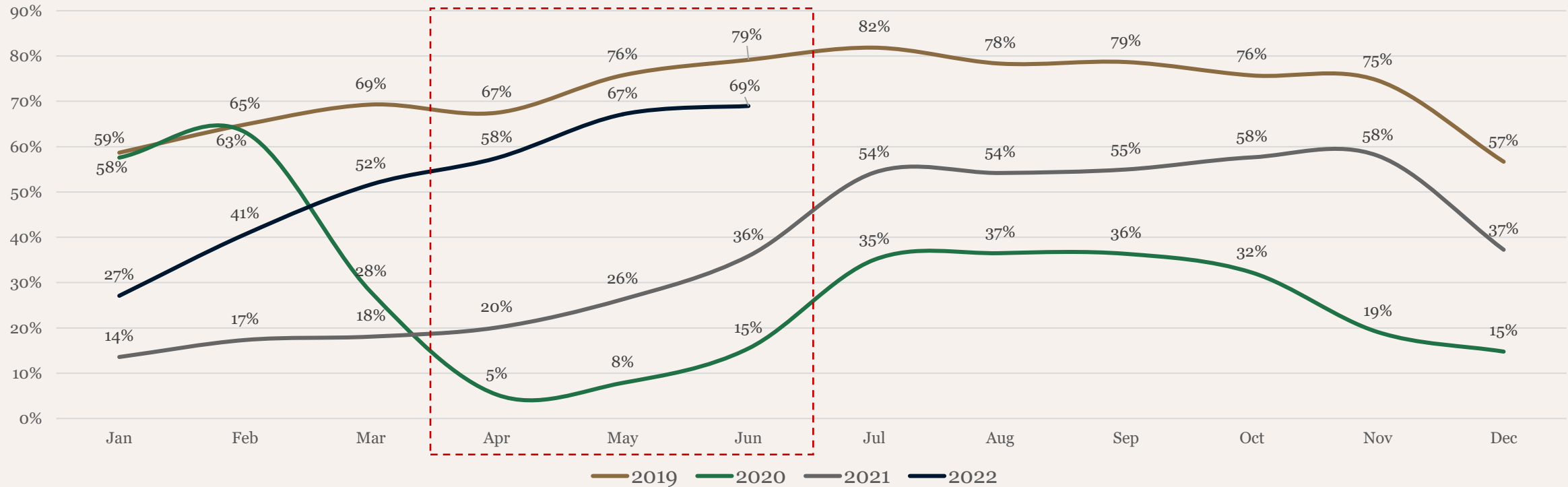
¹⁾ Measured as growth in EPRA NRV, including dividend and excluding proceeds from directed share issue, at annual rate.

²⁾ Measured as net operating income Property Management and gross profit plus depreciation Operating Activities.

³⁾ For comparable units adjusted for currency effects.

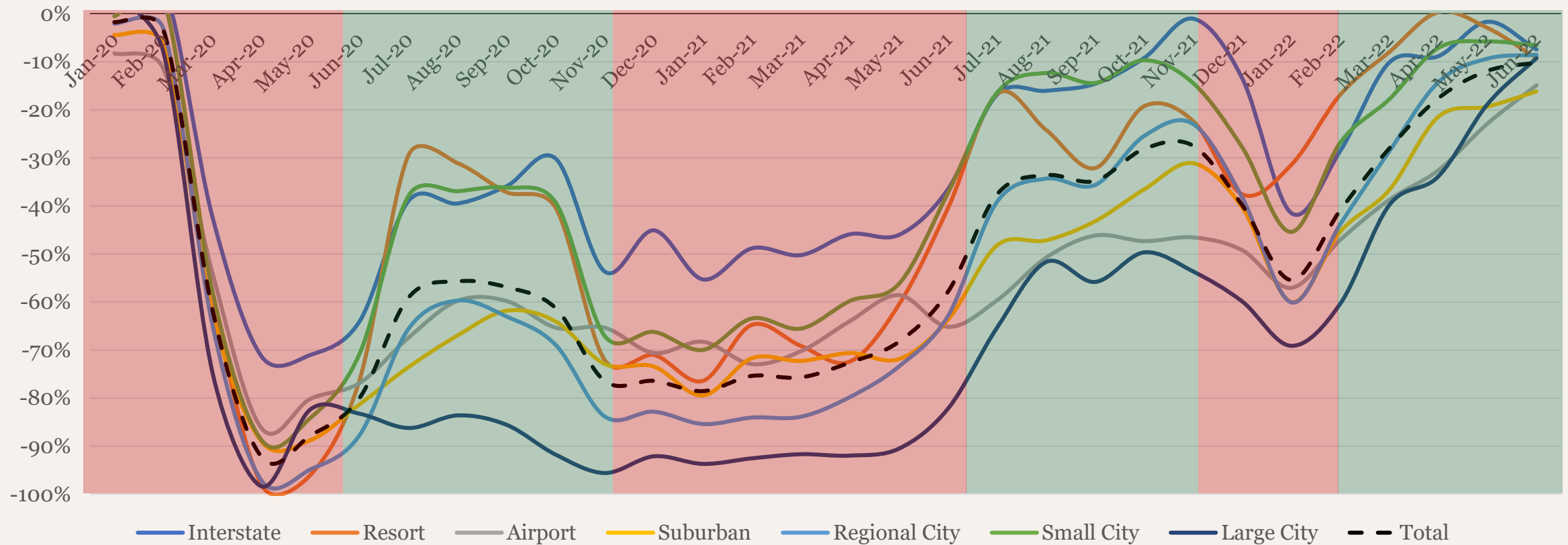
A hotel market in full swing

Property Management occupancy 2019-2022



Pandox total portfolio

Occupancy by segment indexed vs. 2019



Lease extension with Scandic

- 15 hotel properties in the Nordics with approximately 3,600 rooms
- Revenue-based leases with a contractual minimum level
- Tenor of 12-20 years
- Joint investment programme of approximately MSEK 700
- Good partnership with shared incentives



Strong recovery in earnings

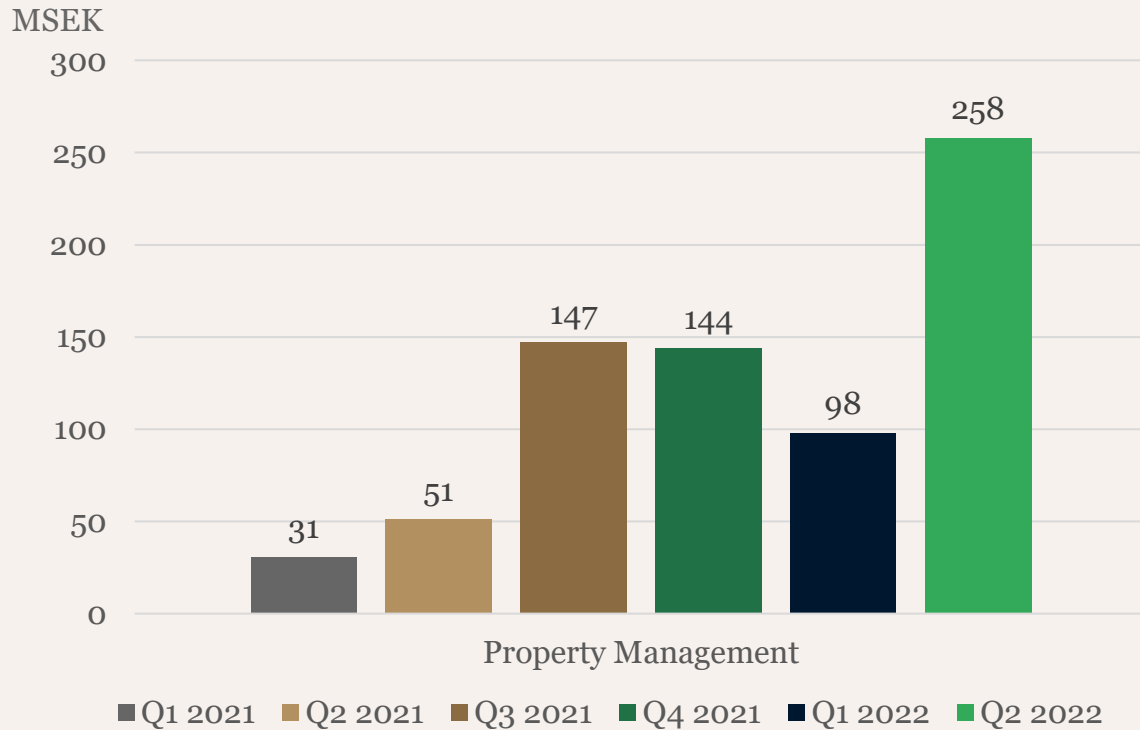
- Strong recovery in all markets, however, with some differences between countries with UK quickest and Germany slowest
- Strong growth in revenue, NOI and positive value changes
- MSEK 88 (98) in direct government support in Operator Activities and 68 (2) in Property Management, mainly for previous financial years
- Cash earnings of MSEK 647 (162)
- Repayment of deferred rent according to plan

Revenue and result (MSEK)	22Q2	21Q2	YoY	LFL ¹⁾
Pandox Group revenue	1,482	714	108%	99%
Pandox Group NOI	999	480	108%	84%
Property Management revenue	858	568	51%	39%
Property Management NOI	761	470	62%	39%
Operator Activities revenue	624	146	327%	314%
Operator Activities NOI	238	10	NM	NM
EBITDA	970	447	117%	-
Profit before value changes	644	114	465%	-
Cash earnings	647	162	299%	-

¹⁾ For comparable units adjusted for currency effects.

Positive trend in variable revenue

Variable revenue in Property Management



Growing number of leases with minimum contractual rent generating variable revenue



Property portfolio

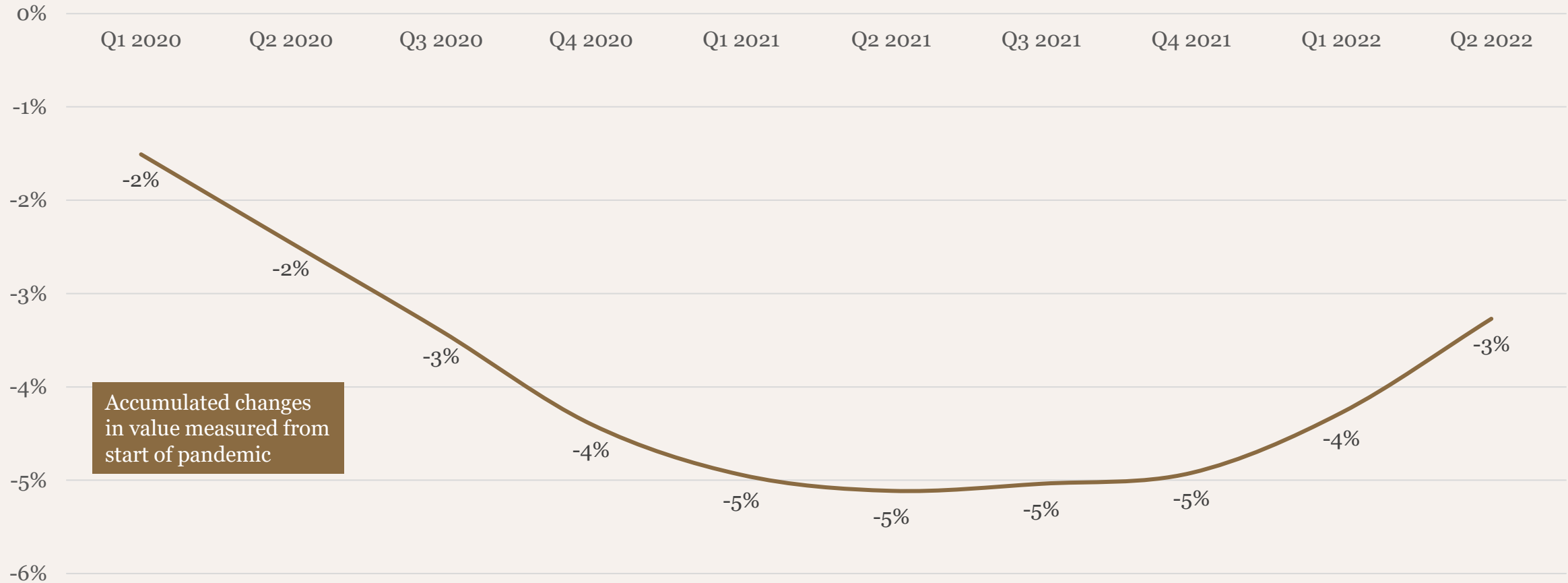
Positive changes in value

Change in value Investment Properties	MSEK	
Investment Properties, opening balance (1 Jan, 2022)	52,215	
+ Investments in current portfolio	174	
- Divestments	-109	
+/- Unrealised changes in value	667	+1.3%
+/- Realised changes in value	7	
+/- Change in currency exchange rates	1,312	
Investment Properties, closing balance (30 Jun, 2022)	54,266	
Change in value Operating Properties (for information purposes only)	MSEK	
Operating Properties, market value (1 Jan, 2022)	10,380	
+ Investments in current portfolio	241	
+/- Unrealised changes in value	381	+3.7%
+/- Change in currency exchange rates	535	
Operating Properties, market value (30 Jun, 2022)	11,537	

+1.7%

- > Pandox performs internal valuation of its hotel properties each quarter and Investment Properties are recognised at fair value. The value of Operating Properties is reported for information purposes only and is included in EPRA NRV calculations.
- > The property values are based on Pandox's internal valuation. External valuation of the properties is also conducted for comparative purposes.
- > Approximately 98 percent of the properties externally valued in the past 12 months, based on value
- > Total unrealised and realised changes in value of MSEK 1,055
- > Total property value of MSEK 65,804 (62,596) end-of-period
- > Average valuation yield Investment Properties 5.41 (5.44) percent and Operating Properties 6.38 (6.37) percent end-of-period
- > Divestment of Mora Hotell & Spa completed 2 May

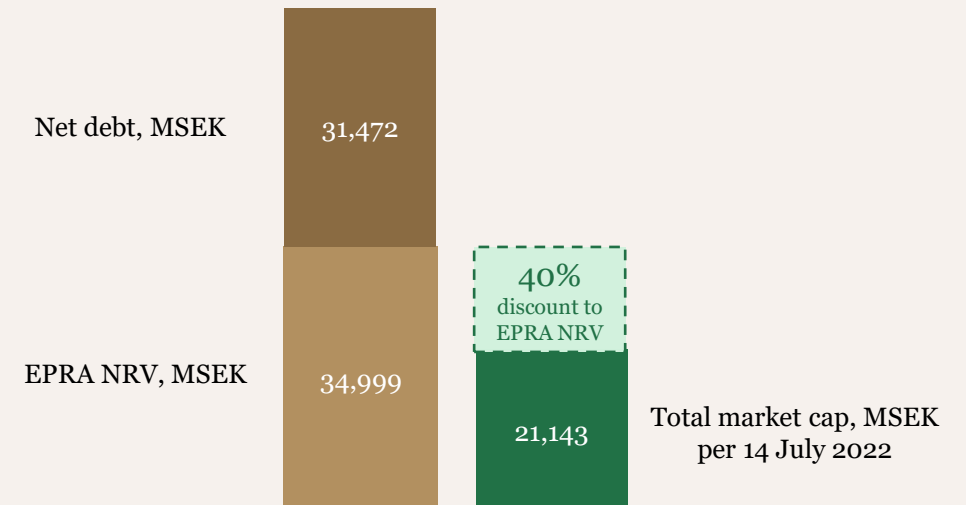
Hotel market recovery lifts property values



Well-proven financing strategy

- Well-proven financing strategy built on long-term relationships with banks and shareholders
- Equity and mortgage-backed bank loans are Pandox's sources of financing
- No market financing in the form of bonds/hybrids and no external rating requirements
- Given Pandox's business model, mortgage-backed bank loans are the most effective and predictable financing

Capital structure, per 30 June 2022

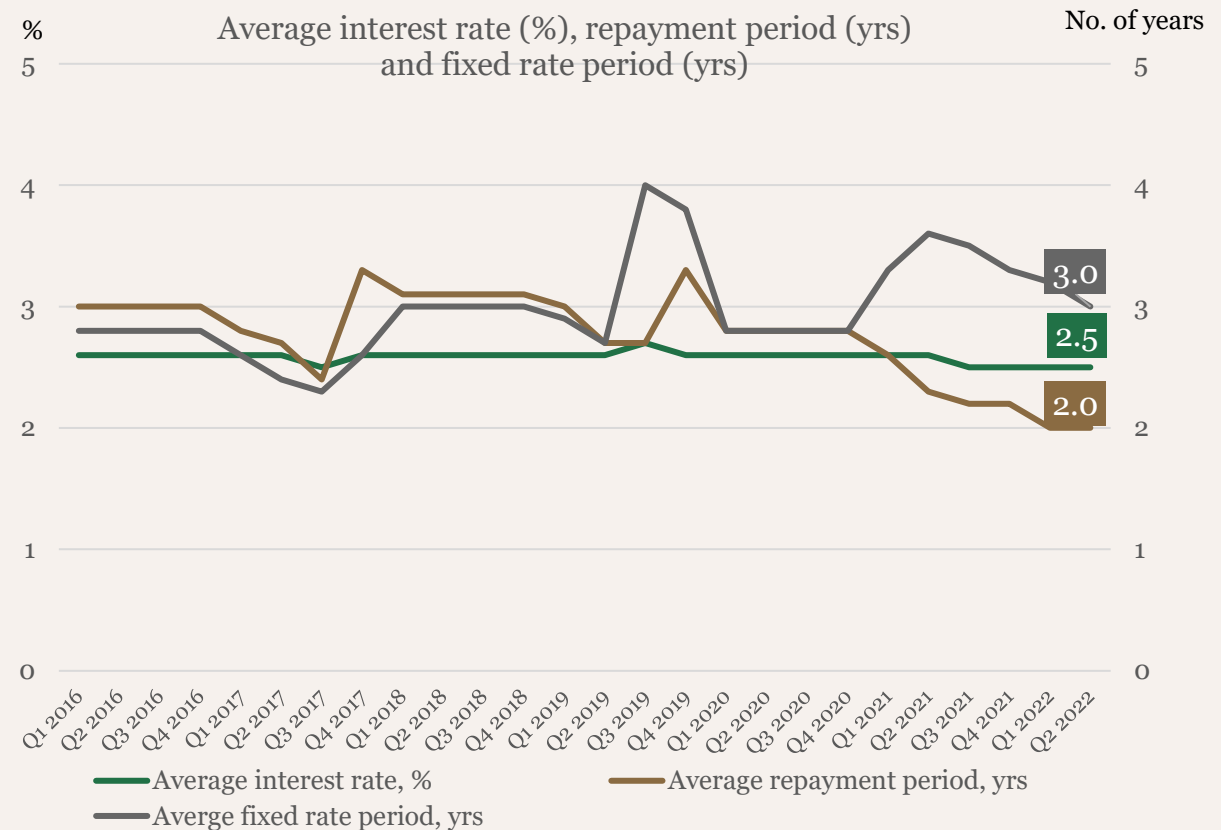
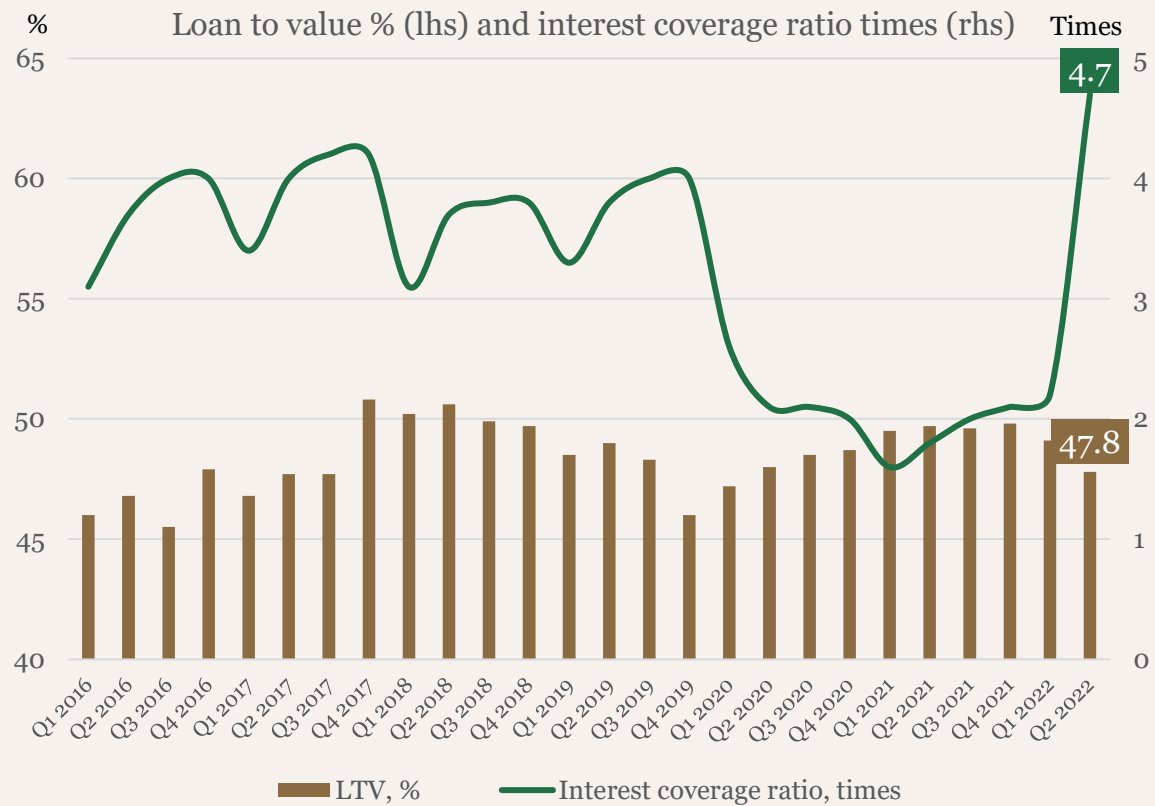


Refinancing at attractive terms

- Refinancing of MSEK 4,570 in the quarter with a majority at a tenor of 3-4 years and credit terms in line with group average
- Lenders increased from 11 to 13 with Swedbank and AMF Tjänstepension AB as new banking partners
- MSEK 12,148 of debt maturing within one year, of which MSEK 9,157 during H1'23
- Proactive and positive dialogue with banks on refinancings

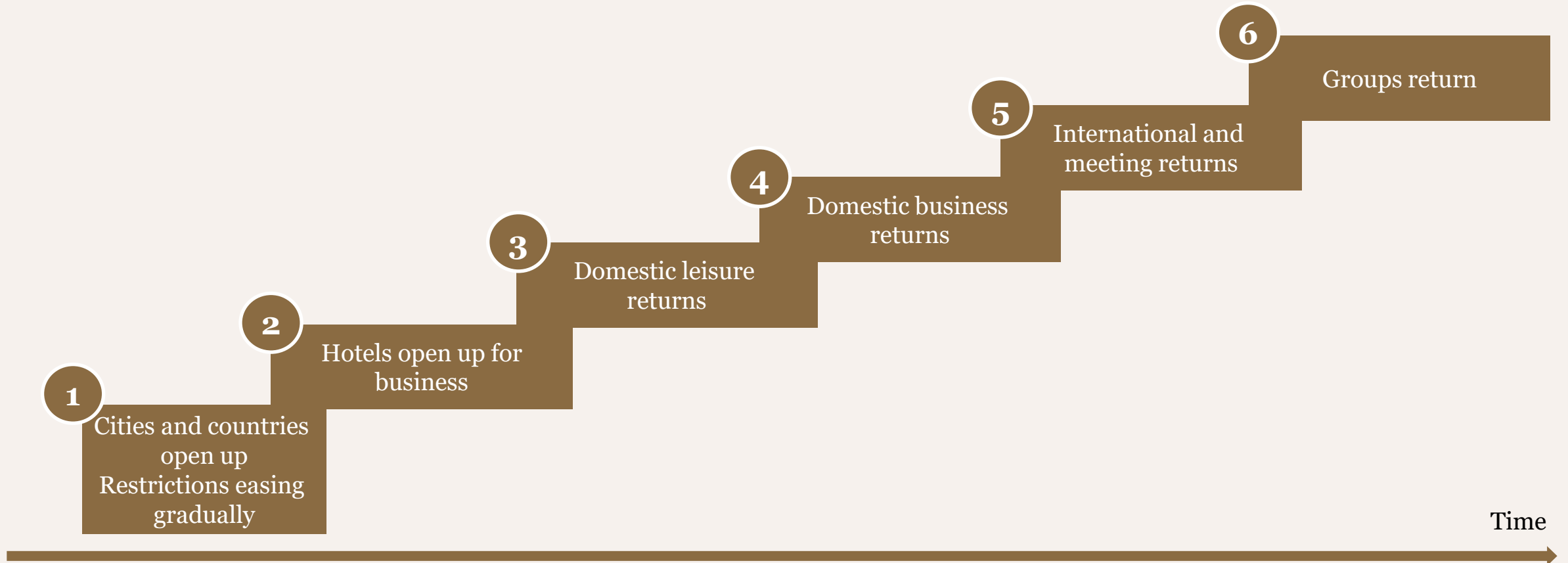
Key metrics (at end of period)	22Q2	21Q2	YoY	FY 2021
Net interest-bearing debt, MSEK	31,472	30,159	+4%	31,159
EPRA NRV, MSEK	34,999	31,065	13%	31,905
Loan to value, %	47.8	49.7	NA	49.8
Interest cover ratio, times	4.7	2.0	NA	2.1
Average interest on debt, %	2.5	2.6	NA	2.5
Average fixed rate period, years	3.0	3.3	NA	3.3
Average repayment period, years	2.0	2.2	NA	2.2
Cash and unutilised credit facilities, MSEK	4,091	4,377	-7%	3,576

Key debt metrics



Six development levels...

...to get back to full performance

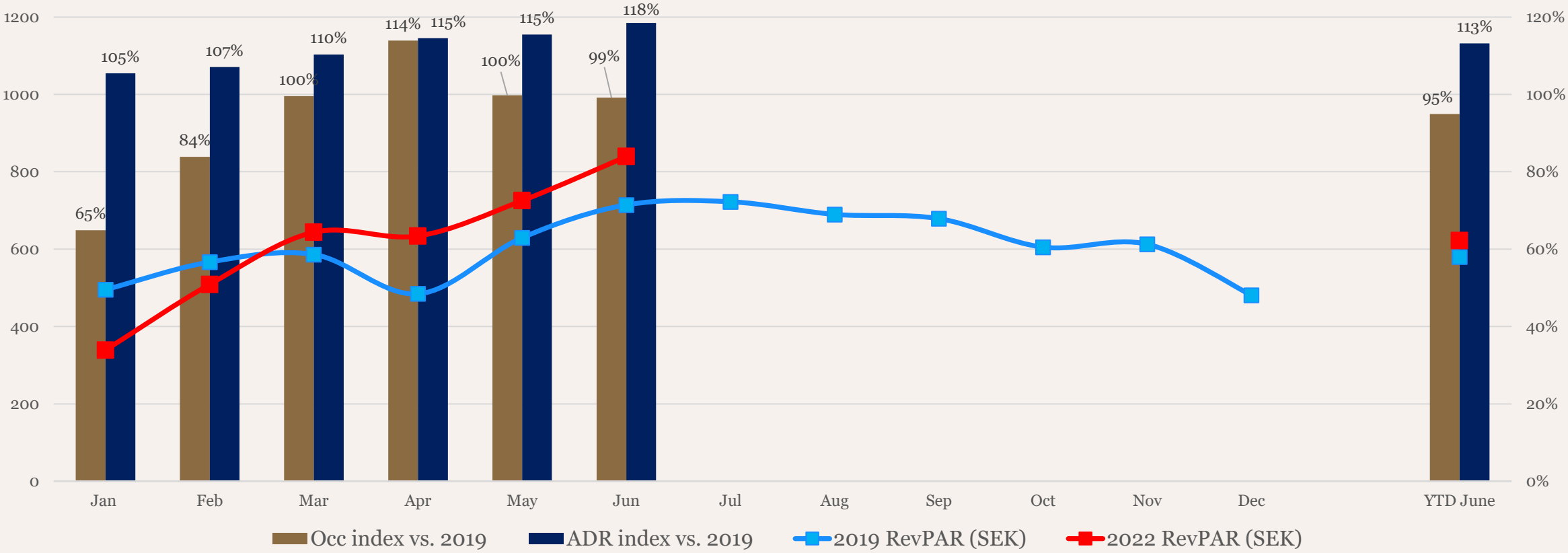


The strongest quarter since Q4'2019

- A strong and broad-based recovery
 - UK, Denmark, Norway and Sweden entered the quarter free of restrictions
 - Germany and Finland still had some lingering restriction effects
- Domestic demand continued to drive the market
- Strong ADR trend
- RevPAR 2022 YTD for UK and Nordic regional higher than 2019
- Biggest relative recovery in larger cities

Hotel market development

Nordic regional

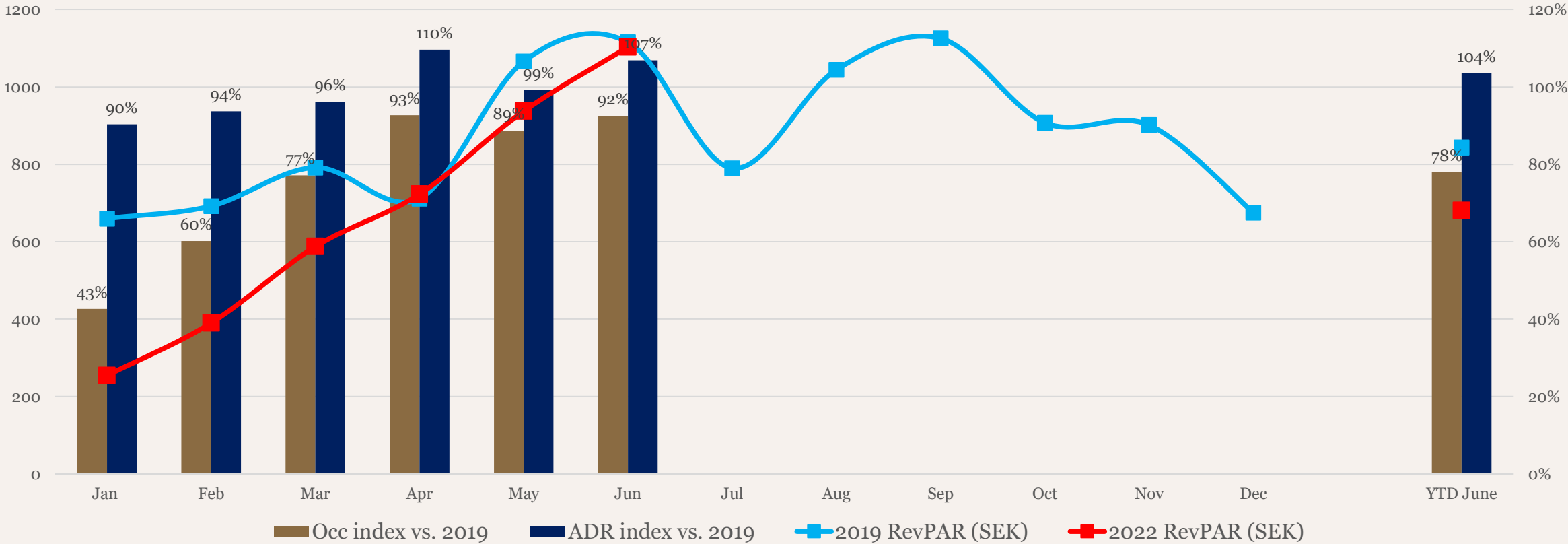


Source: Benchmarking Alliance (open hotels only)



Hotel market development

Nordic capitals

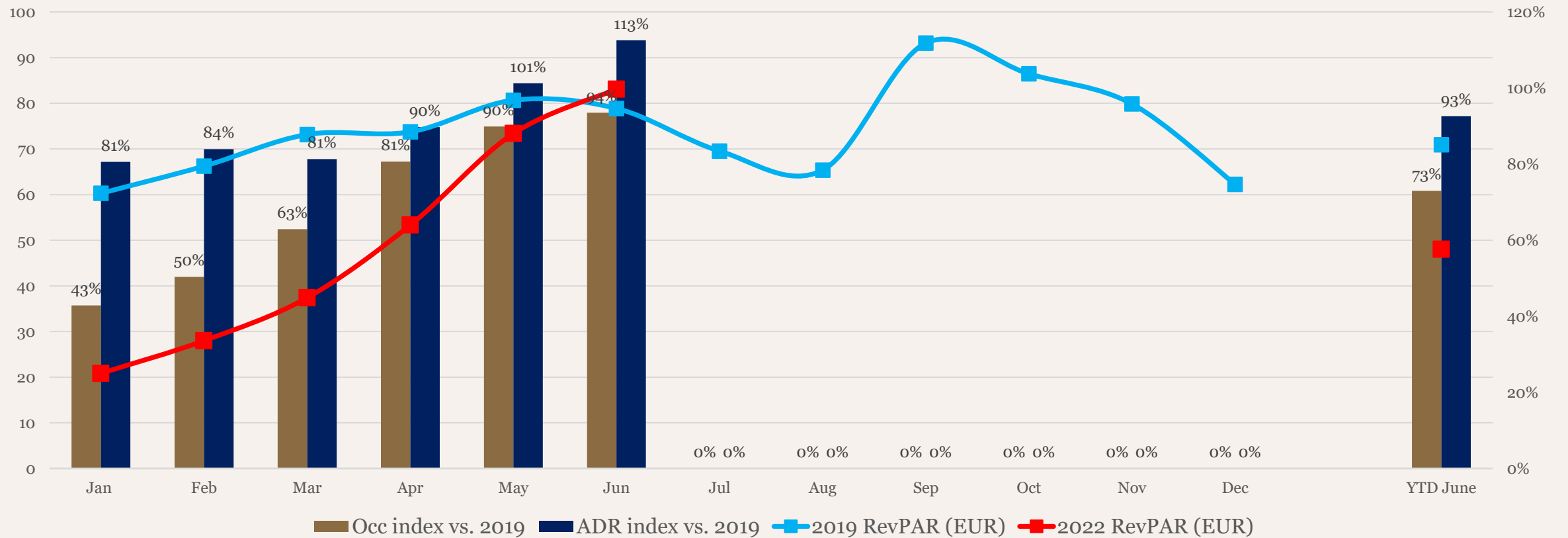


Source: Benchmarking Alliance (open hotels only)



Hotel market development

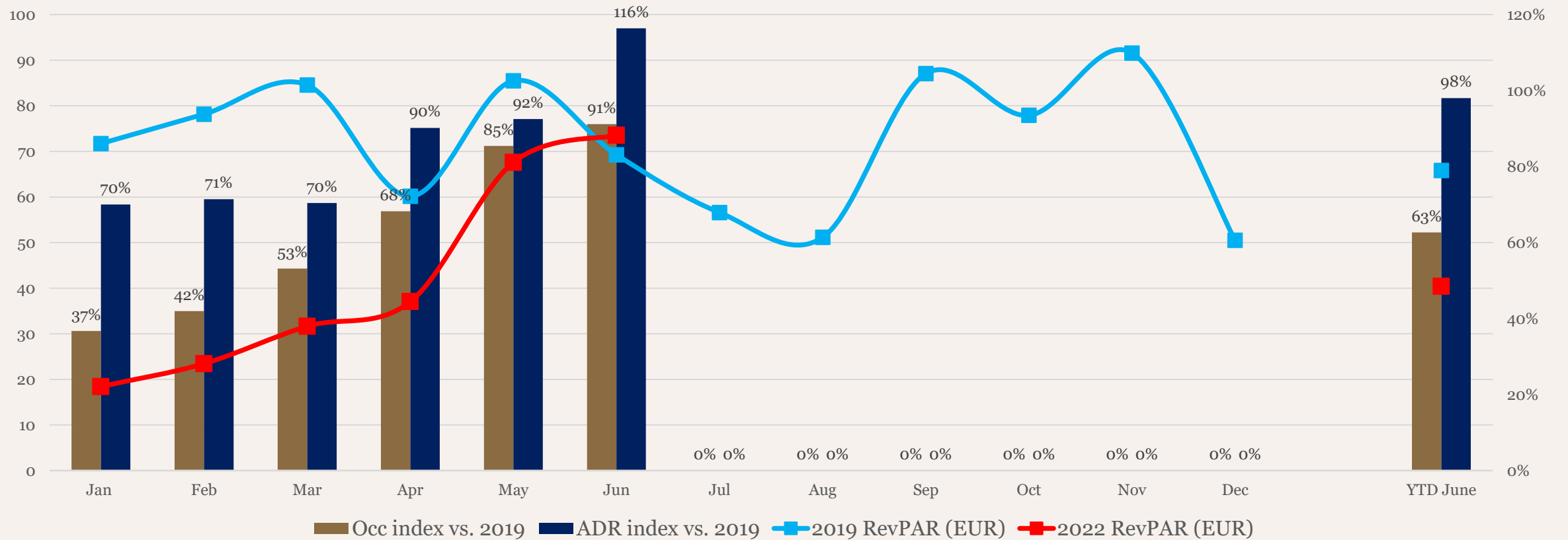
Germany



Source: STR Global. For June and YTD estimated Fairmas (open hotels only)

Hotel market development

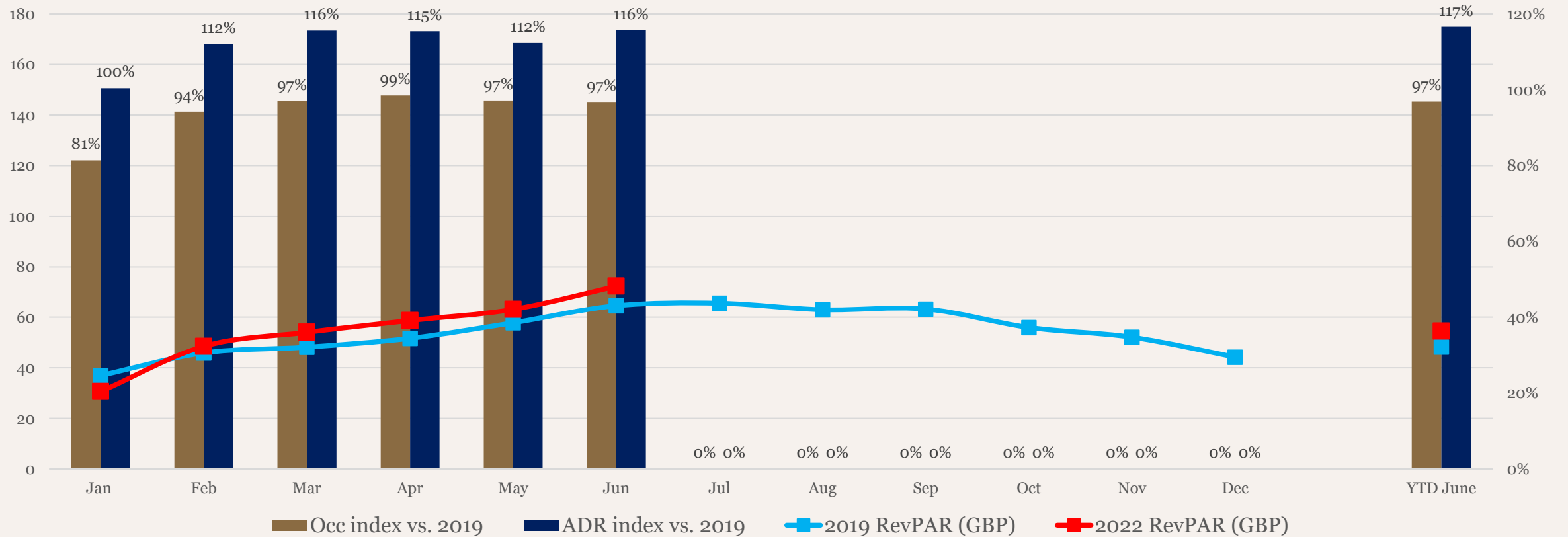
Frankfurt



Source: STR Global. For June and YTD estimated Fairmas (open hotels only)

Hotel market development

UK regional



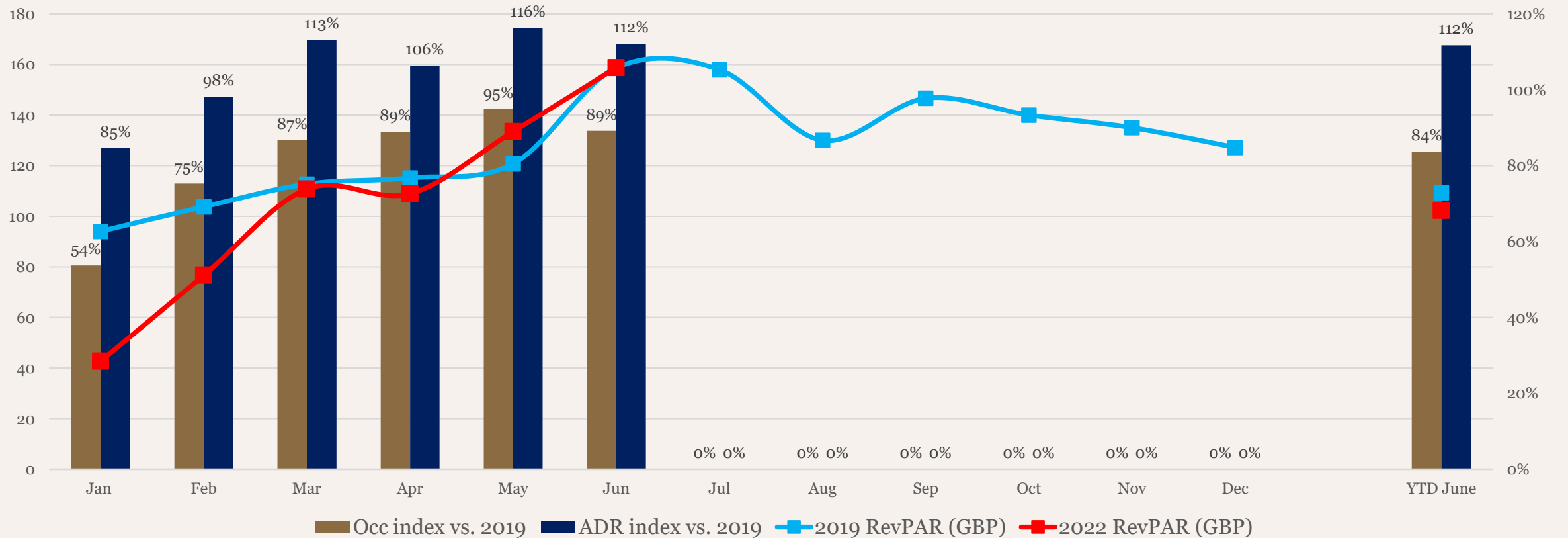
Source: STR Global. For June and YTD estimated based on weekly data (open hotels only)



Interim report Q2 2022

Hotel market development

London



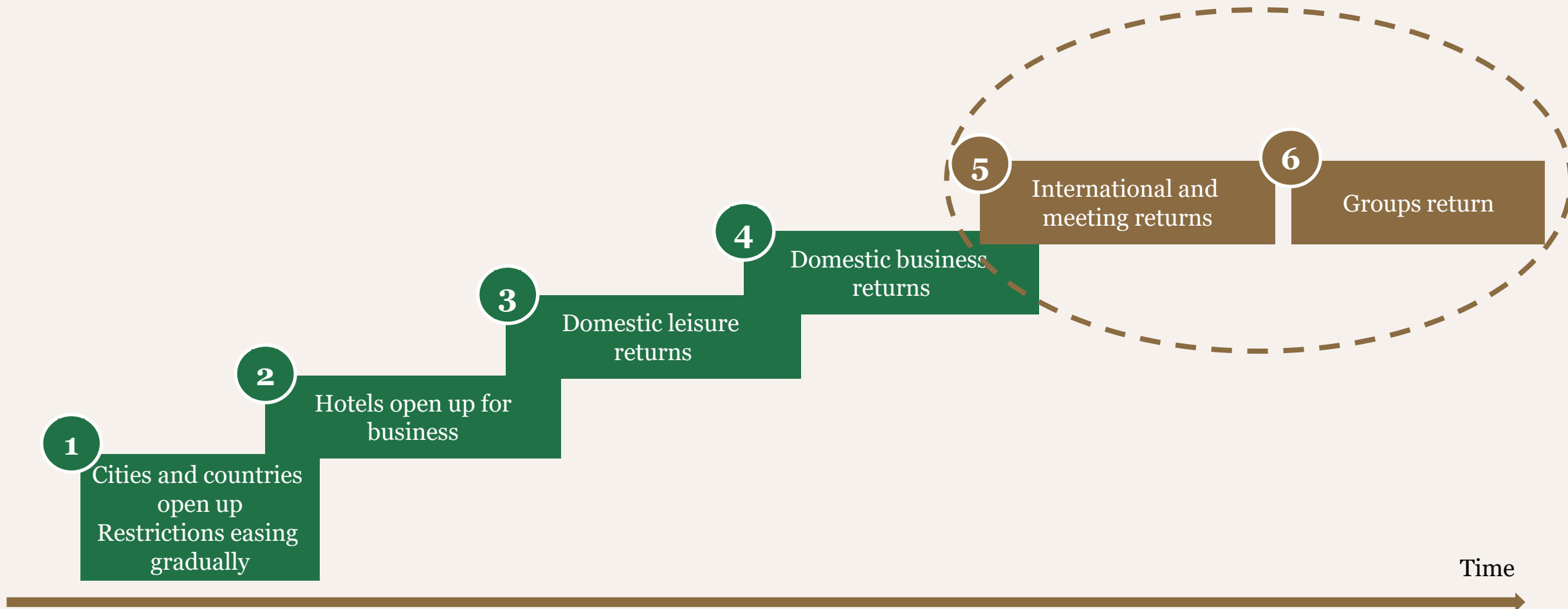
Source: STR Global. For June and YTD estimated based on weekly data (open hotels only)



Interim report Q2 2022

Six development levels

Increased focus on the last two segments



Confident in continued growth

- › UK and Nordic regional RevPAR 2022 YTD higher than 2019
- › Strong ADR development in all markets
- › Strong earnings development and strong financial position
- › Variable revenues offer protection against both inflation and higher interest rates
- › Good organic growth in revenues and earnings expected for 2022

Q&A





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