

Q3 2023 presentation

Record strong NOI but higher interest costs

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Strategic position

Investment highlights

A global & growing market

1 Active in Travel & Tourism, a global and highly dynamic industry with strong structural growth drivers

Hotel properties only

2 Largest listed pure hotel property owner in Europe with a unique portfolio of high-quality assets

Deep hotel expertise & flexible approach

3 Active owner with deep hotel expertise focused on creating value across the value chain

Inflation protection

4 Inflation protected revenue streams and minimum guaranteed rent provide both upside and stability

Investing for growth

5 High quality project pipeline will accelerate organic earnings and value growth 2024-2026

Ambitious ESG targets

6 Substantial climate transition programme with high ROI

Higher yields & long leases

7 Portfolio* with an average valuation yield of 6.09 percent mainly with long leases, and a WAULT of 14.4 years

Low refinancing risk

8 Only bank financing with strong and positive lender relationships, low refinancing risk and a high hedge ratio

* Per 30 September

Strategic position

A strong and well-diversified business portfolio

Pandox Group

159
Hotel properties

35,851
Rooms

SEK 71.2bn
Property market value

6.09%
Yield

MSEK 1,142
Net operating income

Property Management

139
Leased properties

30,201
Rooms

SEK 58.9bn
Property market value

5.92%
Yield

MSEK 920
Net operating income

Operator Activities

20
Operated properties

5,650
Rooms

SEK 12.2bn
Property market value

6.95%
Yield

MSEK 222
Net operating income

HOTEL
INDIGO
Scandic

IHG
InterContinental Hotels Group

adagio
APARTHOTEL
Mercure
HOTELS

Hilton
Garden Inn

Hotel Hubert
Grand Place

NH
HOTELS

Axiom
Hospitality

SIRCLE
COLLECTION

Radisson
BLU

Hilton
HOTELS & RESORTS

CROWNE PLAZA
HOTELS & RESORTS

LOANICHO
HOTELS

RHG RADISSON
HOTEL GROUP

H
Holiday Inn

The Hotel.
BRUSSELS

HOTEL
mayfair

MOTEL ONE

Strawberry

REGO
HOTELS

ELITE HOTELS
OF SWEDEN

M
MEININGER
HOTELS

DOUBLE TREE
BY HILTON

NOVOTEL
HOTELS & RESORTS

Scandic GO

Hotel Pomander

Grape
HOSPITALITY

PULLMAN
HOTELS AND RESORTS

Dorint
HOTELS & RESORTS

skylne
AIRPORT HOTEL

Park
Centraal
AMSTERDAM

VIENNA HOUSE
Easy
BY WYNDHAM

Hotel Berlin, Berlin

THE QUEENS HOTEL

Citybox

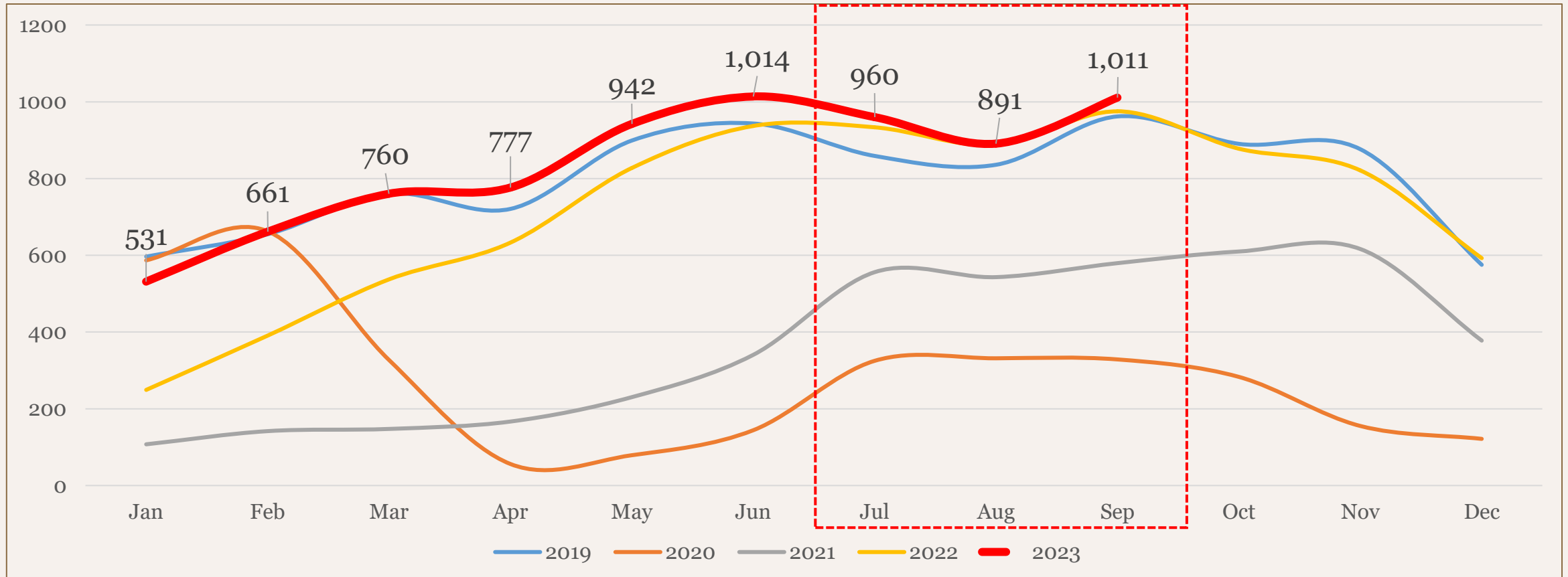
Quarter in brief

Record high NOI but higher interest costs

- Good demand in the hotel market
 - New stabilised demand level based on current demand mix and seasonality
- Record strong NOI but higher interest cost
 - Good operational performance in both business segments
 - Total NOI increased by 10 percent LFL while cash earnings decreased by 12 percent*
- Continued financial flexibility
 - Loan-to-value of 46.8 percent and ICR of 2.8x (R4Q)
 - 100% bank financing with positive dialogue on refinancings
- High quality investment pipeline improves our future growth outlook

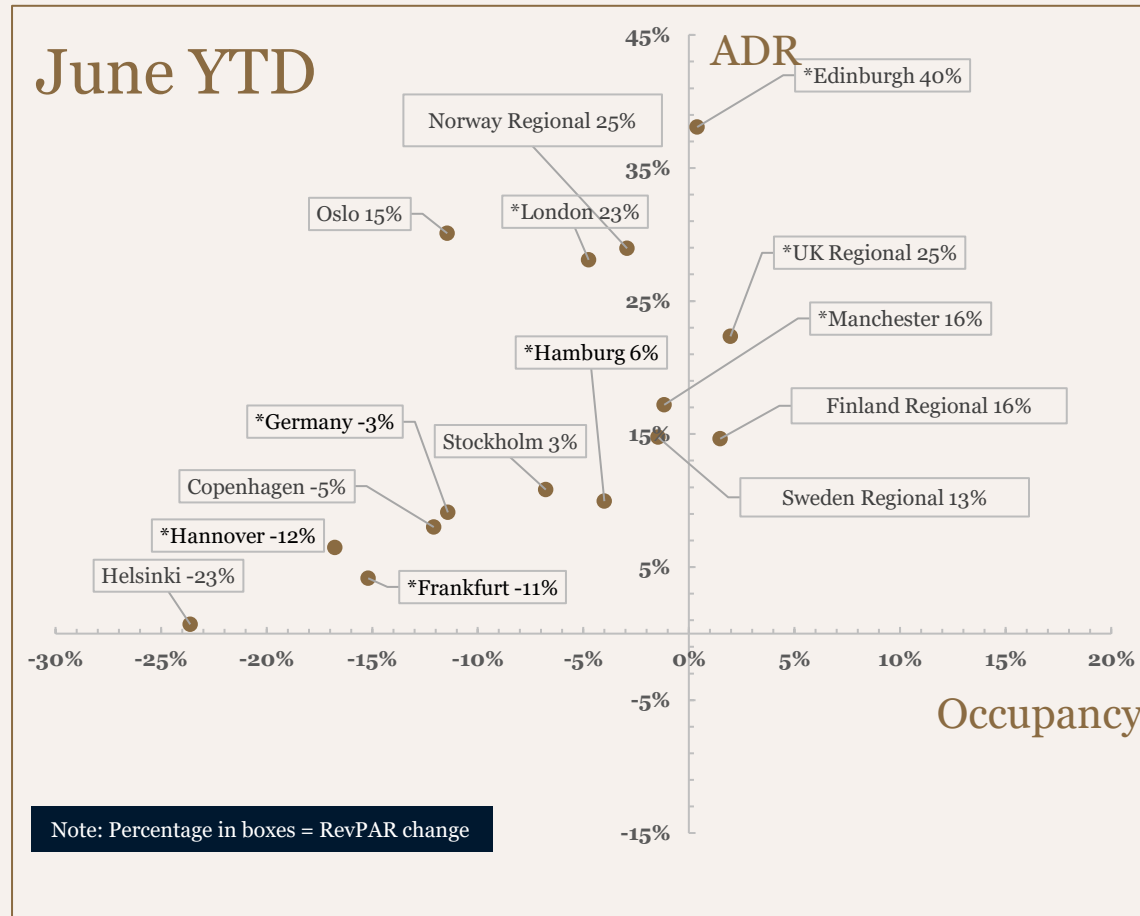
*Adjusted for government support of MSEK 85 in the comparison quarter 2022

RevPAR above 2019

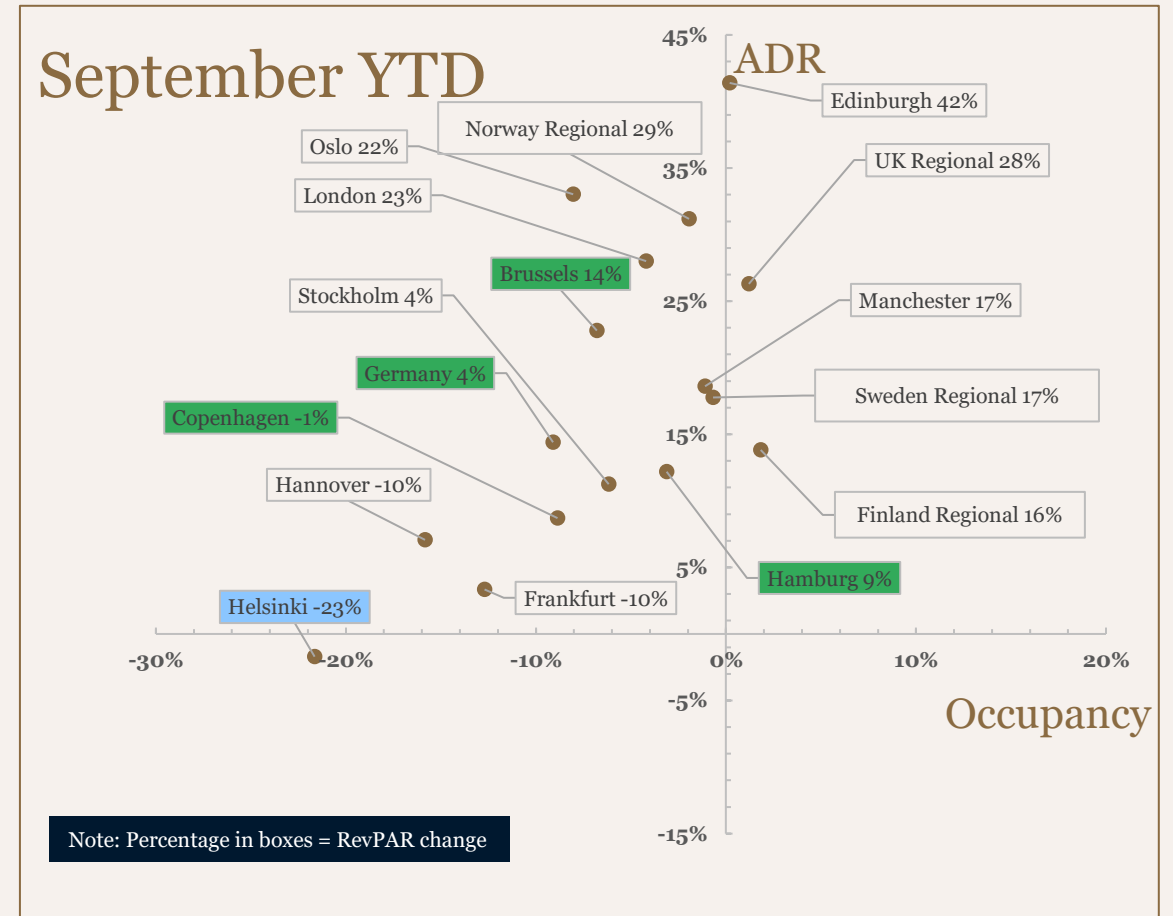


Hotel market development (vs 2019)

ADR continues to drive RevPAR recovery



Source: Benchmarking Alliance, STR Global * Based on June estimate



Source: Benchmarking Alliance, STR Global

High quality project pipeline

Investing for growth

Property	Location	Business segment	Operator	Type of investment	Completed
Hotel Pomander	Nuremberg, Germany	Operator Activities	Pandox	Total renovation	Q3 2023
Radisson Blu Glasgow	Glasgow, UK	Operator Activities	Pandox	Renovation of rooms, public spaces, spa & gym	H2 2024
Hotel Mayfair	Copenhagen, Denmark	Operator Activities	Pandox (Strawberry with Hobo brand from H2 2024)	Renovation rooms and public spaces, conversion of public areas	H2 2024
Scandic Go Fridhemsplan	Stockholm, Sweden	Property Management	Scandic (from H2 2024)	Renovation bathrooms, technical systems	H2 2024
Citybox Brussels	Brussels, Belgium	Property Management	Citybox (from H2 2024)	Full renovation of rooms and public areas	H2 2024
DoubleTree by Hilton Brussels City	Brussels, Belgium	Operator Activities	Pandox	Extension of 151 rooms	Late 2025

MSEK +300 per year in NOI by 2026

Eight hotels, three years, double-digit return on investment

MSEK 320 for climate transition in Operator Activities

Enables fulfillment of SBTi emission reduction targets for Operator Activities when completed



Phasing out oil & gas



Upgrade of technical systems for energy optimization



Renewable energy

Strong operational performance

- Continued good LFL growth
- Total revenue-based rents of MSEK 421 (378)
- Record high revenues and NOI...
- ... but cash earnings negatively affected by higher interest rate costs
- Higher current tax due to Sweden and Norway in tax position
- Government grants of MSEK 85 for 2020-2021 received in the comparison quarter

Revenue and result (MSEK)	23Q3	22Q3	YoY	LFL ¹⁾
Pandox Group revenue ²⁾	1,884	1,673	13%	8%
Pandox Group NOI ^{2,3)}	1,142	1,059	8%	10%
Property Management revenue ²⁾	1,040	967	8%	7%
Property Management NOI ²⁾	920	866	6%	7%
Operator Activities revenue	844	706	20%	24%
Operator Activities NOI ³⁾	222	193	6%	28%
EBITDA ^{2,3)}	1,102	1,037	6%	-
Profit before changes in value ^{2,3)}	576	694	-17%	-
Cash earnings ^{2,3)}	558	717	-22%	-

1) For comparable units adjusted for currency effects

2) 22'Q3 includes government grants of MSEK 48 in Other property income

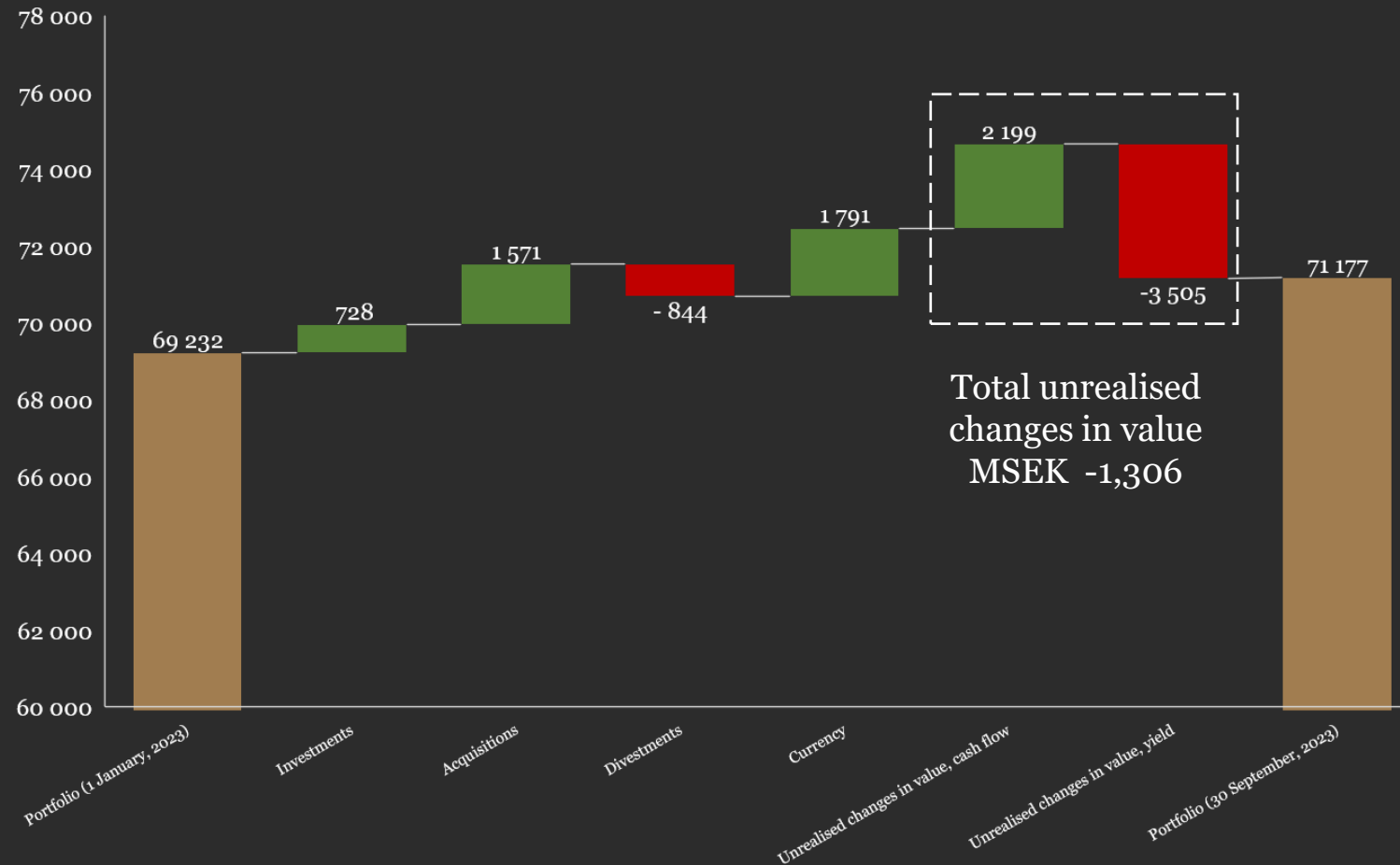
3) 22'Q3 includes government grants of MSEK 37 as cost reduction

Property portfolio

Higher yields offset by higher cash flows

MSEK

Value change total portfolio, YTD



Comment:

Higher cash flows explained mainly by a strong average price development in large parts of the portfolio

Approximately 96 percent of the properties externally valued in the past 12 months, based on value

Reclassifications:

Hotel Mayfair Copenhagen (30 June)

Acquisitions:

The Queens Hotel Leeds (16 Feb)

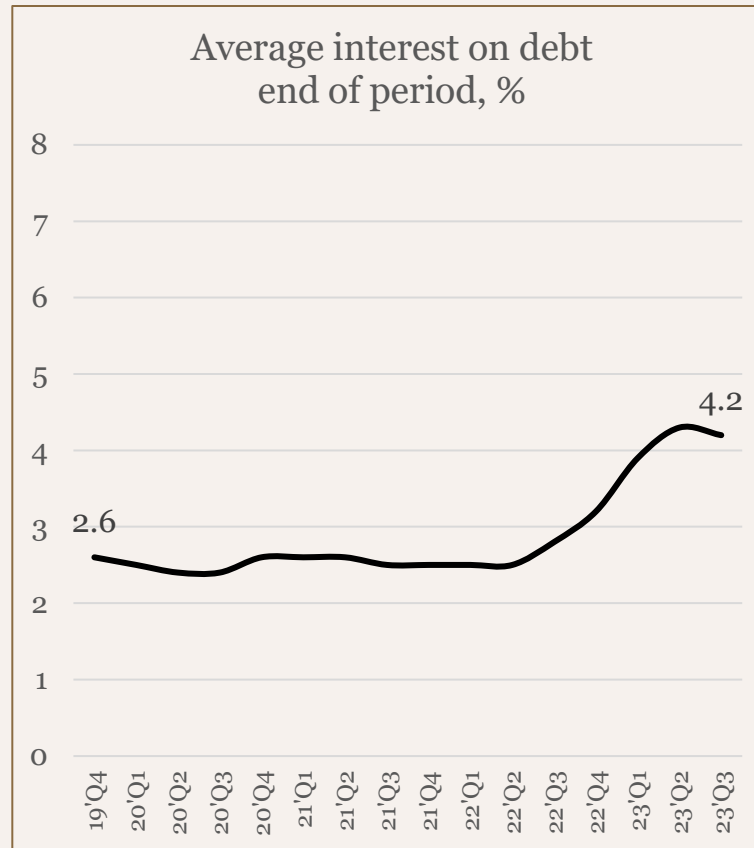
Best Western Fridhemsplan (28 Feb)

Hilton Belfast (20 Jul)

Divestments:

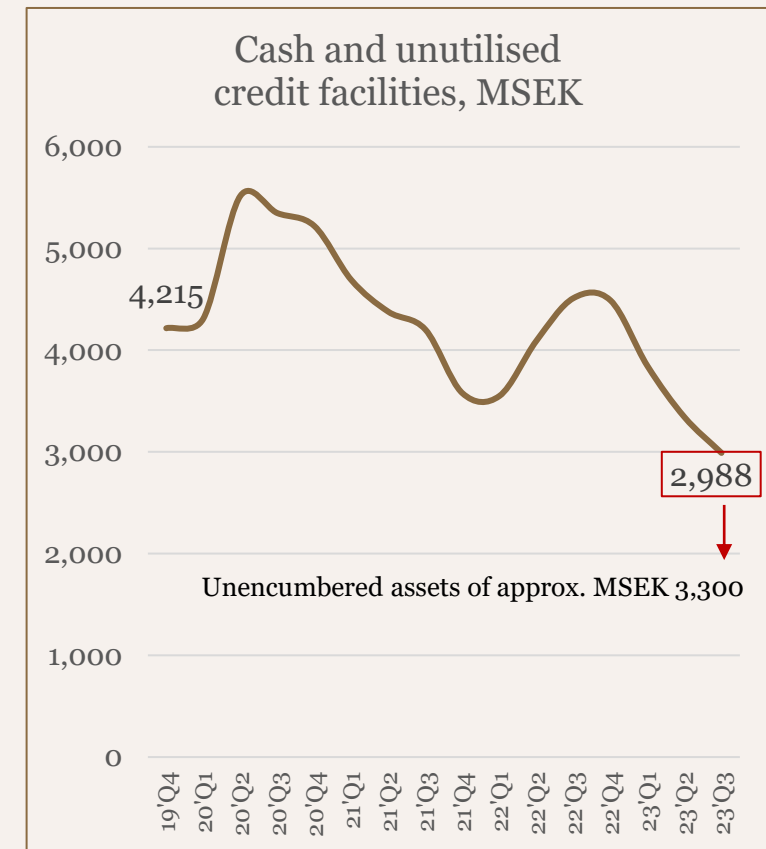
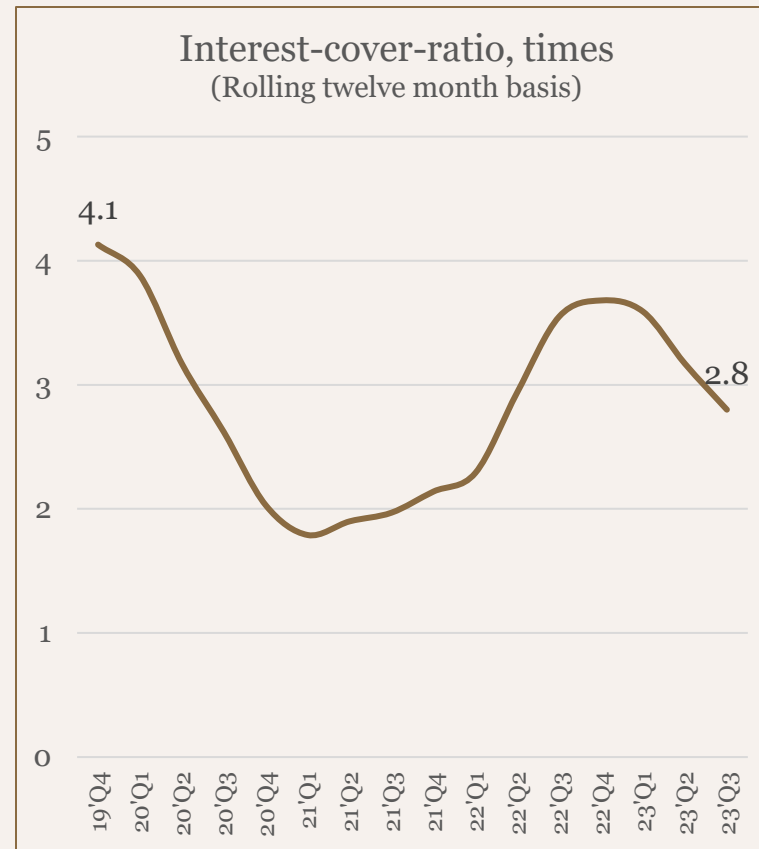
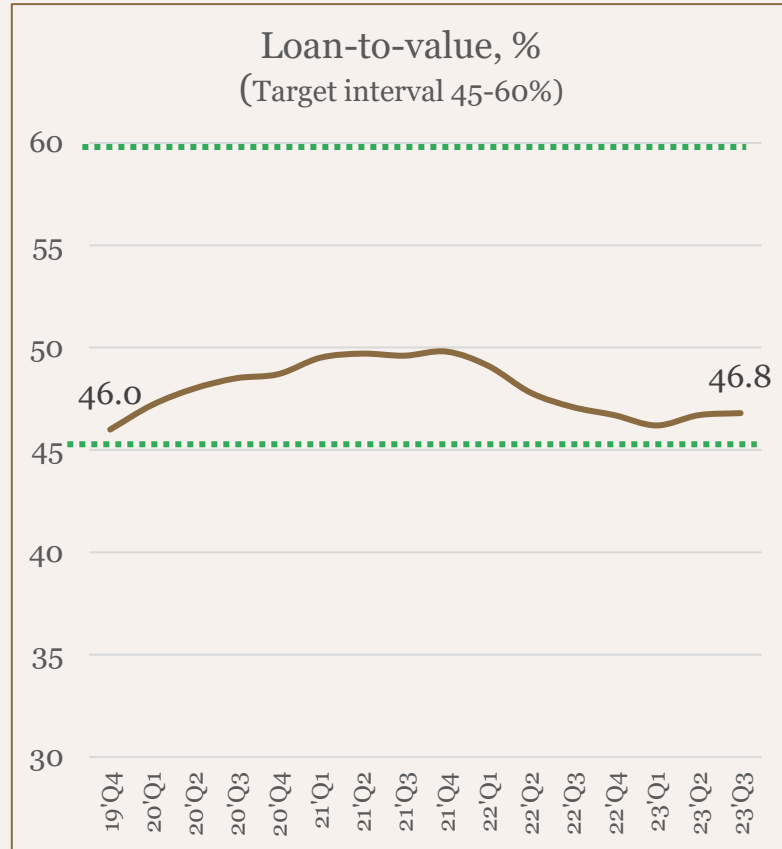
InterContinental Montreal (Feb 1)

Growth in EPRA NRV despite higher yields



Key financial metrics

Stable LTV, resilient ICR and solid cash position



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 source of financing

Capital structure, per 30 September 2023



Continued financial flexibility

- Refinancings in the corresponding amount of approx. MSEK 13,778 completed YTD, nothing in Q3
- MSEK 8,028 of debt maturing within one year, of which the majority in the second and third quarter 2024
- High trust and positive discussions with relationship banks
- Stable credit margins and low refinancing risk
- Approximately 76 percent of net interest-bearing-debt is hedged

Key metrics (at end of period)	23Q3	22Q3	YoY	FY 2022
Net interest-bearing debt, MSEK	33,333	32,119	+4%	32,334
EPRA NRV, MSEK	38,154	37,314	+5%	37,694
Loan to value, %	46.8	47.1	-0.3pp	46.7
Interest cover ratio, times	2.8	4.8 ¹⁾	-2.0	3.7
Interest cover ratio (R12M), times	2.8	3.6 ¹⁾	-0.8	3.7
Average interest on debt, %	4.2	2.8	+1.4pp	3.2
Average fixed rate period, years	4.1	2.8	+1.3	2.7
Cash and unutilised credit facilities, MSEK	2,988	4,511	-34%	4,489

1) Including government grants of MSEK 85

Market outlook

Positive outlook

- › We expect continued stable demand in the hotel market in Q4 2023
- › Seasonally weaker demand from mid-December to mid-January
- › Some growth expected in the hotel market 2024
- › Hotel demand is dependent on economic activity
- › Main risks are geopolitical instability and its effects on economic activity and travel
- › Well prepared for value creation in any market scenario

Q&A





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