

Strong cash flow and reinstated dividend

October–December 2022

- Revenue from Property Management amounted to MSEK 848 (648). For comparable units, the increase was 25 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 698 (542). For comparable units, the increase was 22 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 184 (26)
- EBITDA amounted to MSEK 829 (521), an increase of 59 percent
- Cash earnings amounted to MSEK 515 (196), equivalent to SEK 2.80 (1.07) per share
- Unrealised changes in the value of investment properties and derivatives amounted to MSEK -67 (97) and MSEK -59 (187) respectively. Unrealised changes in the value of operating properties amounted to MSEK -1 (-13) (only reported for disclosure purposes)
- Profit for the period amounted to MSEK 101 (258), equivalent to SEK 0.66 (1.41) per share

January–December 2022

- Revenue from Property Management amounted to MSEK 3,307 (2,422), including government grants of MSEK 117 (26). For comparable units, the increase was 30 percent, adjusted for currency effects
- Net operating income from Property Management amounted to MSEK 2,868 (2,027). For comparable units, the increase was 30 percent, adjusted for currency effects
- Net operating income from Operator Activities amounted to MSEK 566 (-22), including government grants of MSEK 143 (185)
- EBITDA amounted to MSEK 3,304 (1,868), an increase of 77 percent
- Cash earnings amounted to MSEK 2,056 (713), equivalent to SEK 11.18 (3.88) per share
- Unrealised changes in the value of investment properties and derivatives amounted to MSEK 1,185 (-368) and MSEK 2,318 (740) respectively. Unrealised changes in the value of operating properties amounted to MSEK 331 (47) (only reported for disclosure purposes)
- Profit for the period amounted to MSEK 4,204 (609), equivalent to SEK 22.94 (3.32) per share
- The Board of Directors is proposing a dividend of SEK 2.50 (-) per share, totalling approximately MSEK 460 (-)

Financial summary

MSEK	Oct-Dec			Jan-Dec		
	2022	2021	Δ%	2022	2021	Δ%
Total net sales	1,623	974	67	5,654	3,273	73
<i>Of which Property Management</i>	848	648	31	3,307	2,422	37
<i>Of which Operator Activities</i>	775	326	138	2,347	851	176
Total net operating income	882	568	55	3,434	2,005	71
<i>Of which Property Management</i>	698	542	29	2,868	2,027	41
<i>Of which Operator Activities</i>	184	26	608	566	-22	n.a
EBITDA	829	521	59	3,304	1,868	77
Profit for the period	101	258	-61	4,204	609	590
Earnings per share, SEK	0.66	1.41	-53	22.94	3.32	591
Cash earnings	515	196	163	2,056	713	188
Cash earnings per share, SEK	2.80	1.07	163	11.18	3.88	188
Market value properties	—	—	—	69,231	62,596	11
Net interest-bearing debt	—	—	—	32,334	31,159	4
Loan to value net, %	—	—	—	46.7	49.8	n.a
Interest cover ratio, times	3.1	2.5	n.a	3.7	2.1	n.a
EPRA NRV per share, SEK	—	—	—	205.03	173.54	—
WAULT (Investment Properties), years	—	—	—	15.0	14.0	n.a
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	969	455	113	811	295	175

CEO comments

Cautious optimism

Fast and strong market recovery

The hotel market's recovery in 2022 was both faster and stronger than we had dared to hope for when the year began. After a weak start due to pandemic restrictions, demand picked up significantly once they were lifted. Now, three quarters later, RevPAR in Pandox's portfolio is largely back to levels before the pandemic (nominally), the difference being that average prices are higher, and occupancy is slightly lower. We can once again see proof of the hotel market's ability to overcome difficult crises.

For Pandox, the hotel market's strong recovery resulted in a significant improvement in earnings – for both the full year and the fourth quarter. For comparable units, net sales and total net operating income increased by 66 and 58 percent respectively in 2022 compared with 2021. For the fourth quarter the increase was 54 and 44 percent respectively. Adjusted for government grants, our total net operating income in 2022 was only slightly lower than in 2019.

Higher property valuation despite increasing yield requirement

Uncertainty regarding interest rates has resulted in higher financing costs, and this has also created a degree of upward pressure on the yield requirement in the hotel property market. But the combination of the higher starting level for the yield requirement and increased cash flows has up to now limited any negative effect on value for Pandox.

Normalisation of the hotel market was reflected during the year in higher valuations for our properties. This was due to a higher expected cash flow with sustained higher average prices, which outweighed increased yield requirements. For the whole property portfolio, the average yield requirement increased by 0.14 percentage points to 5.74 percent at the end of 2022 compared with the same date in 2021. Measured from the end of 2019, before the pandemic, the average yield requirement increased by 0.18 percentage points.

It is worth emphasising that Pandox's only financing is through banks and that we have a good dialogue with our lenders on future refinancing. Higher market interest rates will, however, cause a further increase in Pandox's interest costs in 2023.

Leveraging acquisition and divestment opportunities

Turbulence in the property market has created business opportunities for Pandox. We have chosen to take advantage of these through the acquisition of NH Brussels Louise in Belgium and DoubleTree by Hilton Bath in the UK, for a total equivalent to around MSEK 900. For the hotel in Brussels we signed a new lease with Citybox which will take effect in 2024 after renovations are completed. The hotel in the UK is already well-invested and has good potential to take additional market share. We have also freed up capital through the divestment of InterContinental Montreal in Canada (as of 1 Februari 2023), Mora Hotel & Spa in Sweden and Scandic Kajanus in Finland, for a total equivalent to around MSEK 790. We expect to be able to invest these funds in new projects with a higher return.

Further potential in some segments

In 2022 demand was strong throughout the domestic leisure segment and demand in the domestic business segment improved significantly as the year progressed. Some international demand is still absent, however, and there is therefore potential for improvement. This is also the case for larger conferences and trade fairs, which take longer to plan and fill up. The lifting of Covid-19 restrictions in China should also lead to increased travel from China to Europe, particularly in the second half of 2023. This will benefit larger, classic tourist destinations and big cities in particular, but airport hotels by larger airports will also benefit from it.

Cautious optimism about 2023

Due to Pandox's size, the data, insights and our dedicated employees who are driven by the desire to create value for both Pandox and its partners, we hold a strong position in the hotel property market. Having predominantly variable revenue, which normally provides protection against increased operating expenses and higher interest rates, means that we have an attractive business model. In addition, our sound financial position and strong cash flow afford us the freedom to seize opportunities in investments and acquisitions. We also are open to selling hotel properties if the price is right and, in doing so, free up additional capital which we can reinvest in new projects with higher value-creation potential.

We are cautiously optimistic about the hotel market in 2023 based on external expectations of a recession that is less severe than was feared and of potential economic growth again as soon as 2024. There is still recovery potential in business and international travel. The main risk is the continuing direct and indirect effects of the war in Ukraine.

Based on the recovery in the hotel market and Pandox's strong cash flows and stable financial position, the Board of Directors is proposing a dividend of SEK 2.50 per share, equivalent to approximately MSEK 460.



Liia Nöu, CEO

A leading hotel property company

Pandox is a leading hotel property owner in northern Europe with a focus on large hotels in important leisure and corporate destinations. Pandox's hotel property portfolio consists of 157 hotels with around 35,500 rooms in 15 countries.



Vision and business concept

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

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

Strategy and business model

Pandox's strategy and business model is based on:

1. Focus on hotel properties
2. Large hotel properties in strategic locations
3. Long-term revenue-based lease agreements with the best hotel operators and shared investments
4. Sustainability with a business focus
5. Geographical diversification to limit fluctuations
6. Operating our own hotels reduces risk

Financial targets and dividend policy

Loan-to-value ratio

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

Dividend policy

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

Presentation of the year-end report 2022

Pandox will present this year-end report to investors, analysts and the media in a conference call/webcast on 9 February at 08:30 CET. As a service to Pandox's stakeholders there will also be an external update on the hotel market.

To follow the webcast, go to <https://ir.financialhearings.com/pandox-q4-2022>

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Financial calendar

This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted, through the agency of the contact persons set out above, for publication on 9 February 2023 at 07:00 CET.

Publication Annual Report 2022 (Swedish version)	10 March 2023
Annual General Meeting 2023	12 April 2023
Interim report January-March 2023	26 April 2023
Interim report January-June 2023	14 July 2023
Interim report January-September 2023	26 October 2023

Hotel market development October–December 2022

Sustained strong growth in travel

The second half of 2022 was the first period with no significant pandemic restrictions in Europe since 2019. In addition to increased domestic and regional travel, international travel also improved significantly. For the full year 2022, international travel in Europe reached around 80 percent of the 2019 level (UNWTO). For the hotel market, the fourth quarter followed the same trend as the third quarter, with slightly lower occupancy than the 2019 level and with the average price settling at a significantly higher level than before the pandemic. The hotel market has now returned to a close to normal seasonal pattern and business mix, and from a nominal RevPAR perspective it has recovered fully after the pandemic.

Strong trend in both occupancy and average price

In Europe** occupancy was 66 percent in the fourth quarter, compared with 70 percent in the corresponding period in 2019. RevPAR growth has been moving into double-figure territory since summer 2022, with increased demand in all segments driven by strong leisure travel at higher levels than in 2019. Demand in the business segment improved but did not reach pre-pandemic levels. There is a tendency towards lower demand in individual business travel than before. However, at the other end of the scale there are indications of increased demand for business conferences and corporate events. Although international travel increased, long-term travel from Asia, in particular China, is still low. The recent lifting of restrictions for travel from China has still not materialised in hotel demand.

Average price development in Europe was still strong, initially driven by pent-up demand from the leisure segment but gradually also supported by other subsegments in the market as well. In the fourth quarter the average price in Europe was around EUR 134 (EUR 110 in 2019) and RevPAR was around EUR 89 (EUR 77 in 2019).

Solid RevPAR development in Pandex's markets

Pandex's markets developed well in the fourth quarter, albeit with some differences, which are explained by a different demand composition. In the Nordics*, occupancy was 57 percent, compared with 59 percent in the corresponding period in 2019. As before, regional markets

performed better than capital cities in relative terms. The occupancy trends were the same as in the third quarter, with Sweden, Norway and Denmark at slightly below 2019 levels. Finland was held back by Helsinki due to a relatively high dependence on long-haul flights from Asia and on Russian demand. The average price increase was the strongest in Norway, with an increase of 24 percent compared with the corresponding period in 2019, followed by Sweden with 10 percent. Average prices for the Nordics as a whole exceeded 2019 levels by 13 percent in the fourth quarter, which contributed to RevPAR growth of 8 percent.

In the UK** strong growth continued, in terms of both occupancy and average prices. The regional hotel market recovered faster in 2022 compared with London which, similar to other big cities in Europe, had a slower recovery. In the fourth quarter, however, the hotel market in London was very strong, supported by good international demand driven by a weak GBP. Occupancy in the fourth quarter for the UK as a whole was 74 percent, which was on a par with the corresponding period in 2019, while average prices rose by a full 21 percent. Altogether RevPAR for UK Regional, Pandex's main market, amounted to GBP 62 in the fourth quarter (GBP 51 in 2019).

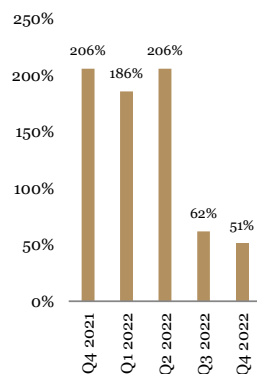
Due to a more cautious strategy regarding the easing of restrictions, Germany's** recovery did not pick up until halfway through the second quarter. The long-term trend remained positive in the fourth quarter with a recovery to a more normal demand composition. Occupancy for Germany as a whole amounted to 62 percent in the fourth quarter, compared with around 72 percent in the corresponding period in 2019, while average prices increased by 8 percent. Compared with the UK for example, Germany is more dependent on conference and congress demand with large seasonal variations.

Brussels**, which is dominated by international demand, developed in a positive direction and occupancy amounted to 70 percent in the fourth quarter. RevPAR was EUR 104, equivalent to 5 percent higher than the comparison period 2019, demonstrating that even markets with higher dependence on international congresses, delegations and conferences are now back at good levels.

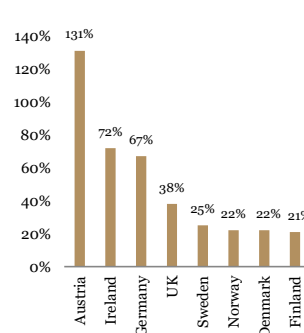
* Benchmarking Alliance based on open hotels ** STR based on open hotels

October–December 2022

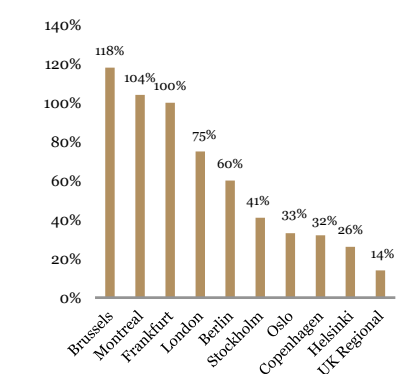
Europe
RevPAR growth y/y



Countries
RevPAR growth y/y



Key markets
RevPAR growth y/y



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

Financial development October–December 2022

Net sales

The Group's net sales amounted to MSEK 1,623 (974), an increase of 67 percent. For comparable units, net sales increased by 54 percent, adjusted for currency effects.

Revenue from Property Management amounted to MSEK 848 (648), an increase of 31 percent. The increase in revenue is mainly explained by higher revenue-based rents in most countries. The comparison quarter includes government grants received of MSEK 8. Revenue-based rents amounted to a total of around MSEK 286 (144). For comparable units, revenue increased by 25 percent, adjusted for currency effects.

Revenue from Operator Activities amounted to MSEK 775 (326), an increase of 138 percent. For comparable units, revenue increased by 109 percent and RevPAR by 113 percent, adjusted for currency effects. One hotel remained closed for renovation throughout the quarter.

Net operating income

Total net operating income amounted to MSEK 882 (568), an increase of 55 percent. For comparable units, net operating income increased by 44 percent, adjusted for currency effects.

Net operating income from Property Management amounted to MSEK 698 (542), an increase of 29 percent. For comparable units, net operating income increased by 22 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 184 (26). The comparison quarter includes government grants received of MSEK 28.

Administration costs

Central administration costs amounted to MSEK -59 (-52).

Depreciation

Depreciation in Operator Activities amounted to MSEK -141 (-73), of which MSEK -66 is for disposals of furnitures, fixtures and equipment in connection with remodelling. Depreciation of MSEK -6 (-5) is included in administration costs.

Financial income and expense

Financial expense amounted to MSEK -297 (-229), of which MSEK -21 (-20) consists of depreciation of capitalised loan arrangement fees. The increase is mainly explained by higher base interest rates and negative currency effects, and only to a limited extent by increased credit margins.

Financial income amounted to MSEK 8 (2). Financial expense associated with right-of-use assets amounted to MSEK -26 (-21).

Changes in value

Unrealised changes in the value of investment properties amounted to MSEK -67 (97), where increased yield requirements were offset by higher expected cash flows. Realised changes in value for investment properties amounted to MSEK 1 (-16).

Unrealised changes in the value of operating properties amounted to MSEK -1 (-13) (reported for information purposes only).

Unrealised changes in the value of derivatives amounted to MSEK -59 (187).

Current and deferred tax

Current tax amounted to MSEK -24 (-78). Current tax was affected by outcomes of diverse tax processes in different jurisdictions where Pandox is active. Deferred tax was positively affected by utilisation of a tax loss carryforward in Canada, with a total effect on the Group's tax cost of around MSEK -5.

Deferred tax amounted to MSEK -117 (-127). See also Note 3 on page 21.

Profit for the period

Profit for the period amounted to MSEK 101 (258) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 121 (259), which is equivalent to SEK 0.66 (1.41) per share.

Cash earnings

Cash earnings amounted to MSEK 515 (196).

Financing

On 31 December 2022 cash and cash equivalents and unutilised credit facilities amounted to MSEK 4,489, compared with MSEK 4,511 as of 30 September 2022. Pandox's refinancing transactions during the fourth quarter amounted to the equivalent of MSEK 2,515.

Deferred rent receivables

As of 31 December 2022, accounts receivable relating to deferred rent under temporary payment terms amounted to the equivalent of MSEK 304, compared with MSEK 352 as of 30 September 2022.

Financial development January–December 2022

Net sales

The Group's net sales amounted to MSEK 5,654 (3,273), an increase of 73 percent. For comparable units, net sales increased by 66 percent, adjusted for currency effects.

Revenue from Property Management amounted to MSEK 3,307 (2,422), an increase of 37 percent. Revenue-based rents amounted to a total of around MSEK 1,020 (373). Government grants received amounted to MSEK 117 (26). For comparable units, revenue increased by 30 percent, adjusted for currency effects.

Revenue from Operator Activities amounted to MSEK 2,347 (851), an increase of 176 percent. For comparable units, revenue increased by 162 percent and RevPAR by 175 percent, adjusted for currency effects.

Net operating income

Total net operating income amounted to MSEK 3,434 (2,005), an increase of 71 percent. For comparable units, net operating income increased by 58 percent, adjusted for currency effects.

Net operating income from Property Management amounted to MSEK 2,868 (2,027), an increase of 41 percent. For comparable units, net operating income increased by 30 percent, adjusted for currency effects.

Net operating income from Operator Activities amounted to MSEK 566 (-22). Government grants received amounted to MSEK 143 (185).

Administration costs

Central administration costs amounted to MSEK -153 (-157).

Depreciation

Depreciation in Operator Activities amounted to MSEK -330 (-278), of which MSEK -66 is for disposals of furnitures, fixtures and equipment in connection with remodelling. Depreciation of MSEK -23 (-20) is included in administration costs.

Financial income and expense

Financial expense amounted to MSEK -1,022 (-944), of which MSEK -76 (-77) consists of depreciation of capitalised loan arrangement fees. Financial income amounted to MSEK 19 (4). Financial expense associated with right-of-use assets amounted to MSEK -95 (-88).

Changes in value

Unrealised changes in the value of investment properties amounted to MSEK 1,185 (-368). This was due to higher expected cash flows with sustained higher average prices, which outweighed increased valuation yields. Realised changes in value for investment properties amounted to MSEK -5 (-28).

Unrealised changes in the value of operating properties amounted to MSEK 331 (47) (reported for disclosure purposes only).

Unrealised changes in the value of derivatives amounted to MSEK 2,318 (740), mainly explained by higher long-term market interest rates.

Current and deferred tax

Current tax amounted to MSEK -164 (-128). Deferred tax amounted to MSEK -983 (-149).

Profit for the period

Profit for the period amounted to MSEK 4,204 (609) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 4,217 (610) which is equivalent to SEK 22.94 (3.32) per share.

Cash earnings

Cash earnings amounted to MSEK 2,056 (713).

Segment reporting October–December 2022

Property Management

MSEK	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Rental income	803	606	3,052	2,279
Other property income	45	42	255	143
Costs, excl. property admin	-63	-56	-245	-218
Net operating income, before property admin	785	592	3,062	2,204
Property administration	-87	-50	-194	-177
Gross profit	698	542	2,868	2,027
Net operating income, after property admin	698	542	2,868	2,027

October–December 2022

Rental income and other property revenue amounted to MSEK 848 (648), an increase of 31 percent. For comparable units, revenue increased by 25 percent, adjusted for currency effects.

An improved business climate resulted in revenue-based leases of MSEK 286 (144). Variable revenue was generated within 78 (of 96) minimum-level leases.

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

Occupancy at comparable hotels amounted to around 62 (51) percent during the quarter, explained by increased travel and higher demand across all segments.

In principle all segments and markets, with the exception of Helsinki, developed strongly. Occupancy was particularly good in Ireland and the UK.

Net operating income amounted to MSEK 698 (542), an increase of 29 percent. Property administration includes non-recurring costs of approximately MSEK -20.

For comparable units, net operating income increased by 22 percent, adjusted for currency effects.

In the Property Management segment the tenants carry the cost of energy, and higher energy prices therefore have no direct impact on Pandox.

Operator Activities

MSEK	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Revenue	775	326	2,347	851
Costs	-732	-373	-2,111	-1,151
Gross profit	43	-47	236	-300
Plus: Depreciation included in costs	141	73	330	278
Net operating income	184	26	566	-22

October–December 2022

Revenue from Operator Activities amounted to MSEK 775 (326), an increase of 138 percent. The increase in revenue is explained by strong underlying demand in all subsegments. RevPAR development was particularly strong in international cities such as Brussels, Montreal and Berlin.

Occupancy at comparable hotels amounted to around 65 (39) percent. Crowne Plaza Antwerp, Hotel Mayfair in Copenhagen and DoubleTree by Hilton Brussels City were negatively affected by ongoing renovations.

Hotels that saw particularly good development were Hotel Hubert (Brussels, Belgium), Hilton Garden Inn London Heathrow Airport (UK) and Hilton Brussels Grand Place (Belgium).

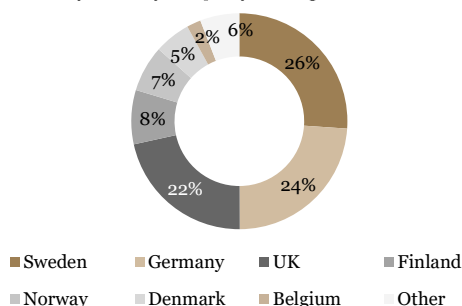
For comparable units, revenue and RevPAR increased by 109 percent and 113 percent respectively, adjusted for currency effects.

Net operating income amounted to MSEK 184 (26), equivalent to an net operating income margin of 24 percent. Costs include non-recurring items of approximately MSEK -20 and depreciation includes FF&E disposals of MSEK -66 in connection with remodelling.

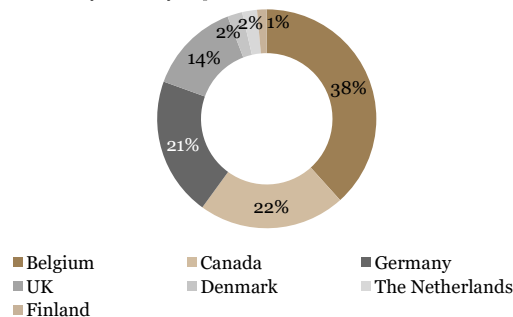
In Operator Activities the effects of higher energy prices have so far been limited. Costs are, however, expected to rise from the first quarter of 2023.

October–December 2022

Revenue by country, Property Management



Revenue by country, Operator Activities



Property portfolio

Property valuation

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

The value of operating properties is reported for information purposes only and is included in EPRA NRV calculations. The operating properties' carrying amounts recognised in the condensed consolidated statement of financial position are equivalent to cost minus depreciation and any impairment losses and amounted to MSEK 8,450 (8,015) at the end of the period. InterContinental Montreal, which is a property held for sale per 31 December 2022, is included in the carrying amount.

Market value of properties

At the end of the period, Pandox's property portfolio had a market value of MSEK 69,231 (62,596), of which investment properties accounted for MSEK 57,563 (52,215) and operating properties for MSEK 11,669 (10,380).

Over the past 12 months, external valuations were performed for around 96 percent of the hotel properties, measured in value, and are in line with the internal valuations. External valuations were performed in the fourth quarter for around 50 percent of Pandox's hotel property portfolio, measured in value.

Unrealised changes in the value of investment properties amounted to MSEK -67, with the effect of an increase in the average yield requirement of 0.13 percentage points largely being offset by increased cash flows as a consequence of strong recovery in the hotel market. Unrealised changes in the value of operating properties amounted to MSEK -1 (13) (reported for disclosure purposes only). Here the average yield requirement increased by 0.07 percentage points, all of which was offset by increased cash flows.

External valuations of close to 20 percent of Pandox's hotel property portfolio are planned to take place in the first quarter of 2023.

Changes in value Investment Properties

	MSEK
Investment Properties, opening balance (1 Jan, 2022)	52,215
+ Acquisitions	365
+ Investments in current portfolio	432
- Divestments	-126
+/- Reclassifications	878
+/- Unrealised changes in value	1,185
+/- Realised changes in value	-5
+/- Change in currency exchange rates	2,619
Investment Properties, closing balance (31 Dec, 2022)	57,563

Changes in value Operating Properties, reported for information purposes only

	MSEK
Operating Properties, market value (1 Jan, 2022)	10,380
+ Acquisitions	537
+ Investments in current portfolio	430
+/- Reclassifications	-878
+/- Unrealised changes in value	331
+/- Change in currency exchange rates	869
Operating Properties, market value (31 Dec, 2022)	11,669

Acquisitions, reclassifications and divestments

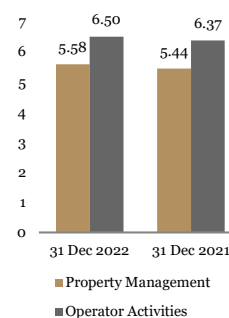
Date	Hotel property	Event
1 February 2023	InterContinental Montreal	Divestment Operator Activities
31 December 2022	Hotel Pomander	Reclassification to Property Management
31 December 2022	NH Brussels Louise	Reclassification to Property Management
30 September 2022	NH Brussels Louise	Acquisition Operator Activities
23 September 2022	DoubleTree by Hilton Bath	Acquisition Operator Activities
29 July 2022	Scandic Kajanus	Divestment Property Management
2 May 2022	Mora Hotell & Spa	Divestment Property Management
21 December 2021	Aparthotel Adagio Edinburgh Royal Mile	Acquisition Property Management
1 October 2021	h27 (to Motel One Copenhagen)	Reclassification to Property Management

Investment Properties sensitivity analysis, effect on value per 31 December 2022

Effect on fair value	Change	MSEK
Yield	+/- 0,5%	-4,731/ +5,662
Change in currency exchange rates	+/- 1%	+/- 421
Net operating income ¹⁾	+/- 1%	+/- 532

¹⁾ Per 31 December 2019, before the Covid-19 pandemic, the effect on value was +/- MSEK 535.

Average valuation yield, % (31 December 2022)



Portfolio overview

At the end of the period Pandox's property portfolio consisted of 157 (157) hotel properties with 35,490 (35,372) hotel rooms in fifteen countries, including the sub-markets England, Scotland, Wales, and Northern Ireland.

Pandox's main geographical focus is Northern Europe. Germany (25 percent) is Pandox's single largest geographical market, measured as a percentage of the property portfolio's total market value, followed by Sweden (22 percent), UK (17 percent), Belgium (9 percent) and Finland (7 percent).

More than 80 percent of the total portfolio market value is covered by external leases. Pandox's tenant base consists of highly reputable hotel operators with strong hotel brands.

On 31 December 2022 Investment Properties had a weighted average unexpired lease term (WAULT) of 15.0 years (14.0).

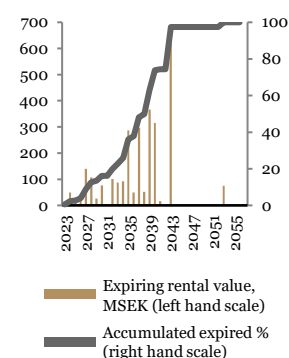
Portfolio overview by segment and geography

Property Management	Number		Market value (MSEK)		
	Hotels	Rooms	Per country	In % of total	Per room
Sweden	41	8,824	15,436	22	1.7
Germany	33	6,871	13,124	19	1.9
UK	20	4,821	10,682	15	2.2
Finland	12	2,742	4,511	7	1.6
Norway	14	2,573	3,575	5	1.4
Denmark	7	1,642	3,548	5	2.2
Austria	2	639	1,572	2	2.5
Belgium	3	765	1,380	2	1.8
Ireland	3	445	1,601	2	3.6
Switzerland	1	206	896	1	4.4
The Netherlands	1	189	1,239	2	6.6
Sum Property Management	137	29,717	57,563	83	1.9
Operator Activities					
Belgium	7	1,967	4,156	6	2.1
Germany	5	1,490	3,840	6	2.6
Canada	2	952	1,446	2	1.5
UK	3	787	1,358	2	1.7
The Netherlands	1	216	404	1	1.9
Denmark	1	201	438	1	2.2
Finland	1	160	26	0	0.2
Sum Operator Activities	20	5,773	11,669	17	2.0
Sum total	157*	35,490	69,231	100	2.0

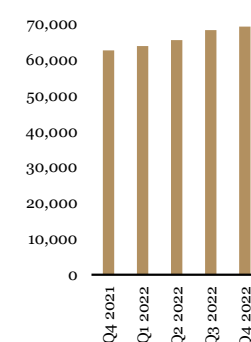
Portfolio overview by brand

Brand	Number		
	Hotels	Rooms	In % of total
Scandic	49	10,853	31
Leonardo**	34	7,242	20
Hilton	9	2,840	8
Radisson Blu	8	2,033	6
NH Hotels	7	1,681	5
Nordic Choice Hotels	11	1,887	5
Dorint	5	1,085	3
Mercure	4	760	2
Jurys Inn**	4	715	2
Elite Hotels	2	493	1
Holiday Inn	2	469	1
Novotel	2	421	1
InterContinental	1	357	1
Indigo	1	284	1
Crowne Plaza	1	262	1
Pullman	1	252	1
Citybox	1	246	1
Meininger	1	228	1
Motel One	1	200	1
Adagio	1	146	0
Best Western	1	103	0
Independent brands	11	2,933	8
Total	157	35,490	100

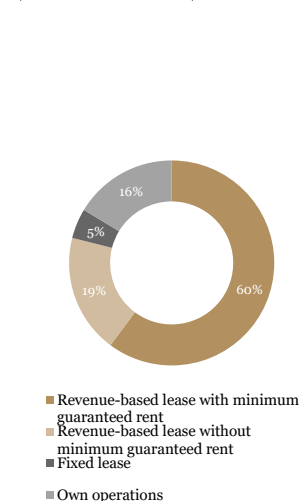
Lease maturity profile (31 December 2022)



Market value properties per quarter, MSEK



Distribution of lease and operating models, number of rooms % (31 December 2022)



* Hotel Pomander in Nuremberg, Germany, and NH Brussels Louise in Belgium have been reclassified to Property Management during the fourth quarter.

** 16 Jurys Inn hotels in the UK have been rebranded to Leonardo Hotels during the quarter.

Investments and sustainability

Investments

In the period January–December 2022, investments in property, plant and equipment, excluding acquisitions, amounted to MSEK 862 (990), of which MSEK 432 (563) was for Investment Properties, MSEK 430 (419) for operating properties. The cost of maintenance in the fourth quarter of 2022 was MSEK 47.

At the end of 2022, approved investments for ongoing and future projects amounted to around MSEK 2,000, of which around MSEK 1,200 is for projects that are expected to be completed in 2023.

Examples of larger current and completed projects



DoubleTree by Hilton Brussels City
Operator Activities
Extension of 151 rooms
Completion expected in 2025
Investment: around MEUR 35



Leonardo Royal Hotel Birmingham
Property Management
Extensive renovation
Completed: Q1 2023
Investment: around MSEK 40

Sustainability strategy

Science-based targets

Pandox submitted a commitment letter to the Science Based Targets initiative (SBTi) on 30 November 2022. On 1 December 2022 Pandox also shared its targets with SBTi. These were produced in consultation with the Swedish Environmental Research Institute (IVL) in order to meet the requirements under the Paris Agreement. Pandox “slot time” to have the targets validated by the SBTi is 12 June 2023.

Focus areas

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

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

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

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

Green investments

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

Pandox’s green investment programme of MEUR 8, with an expected return of around 20 percent, is expected to be completed in 2023. The purpose is to lower climate impact through energy and water reducing projects and technology installations. The target is a reduction in energy, gas and water use of 35 percent, 25 percent and 20 percent respectively, and a 20 percent reduction in CO₂ emissions.

Financing

Financial position and net asset value

At the end of the period the loan-to-value net was 46.7 (49.8) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 30,731 (25,213). EPRA NRV amounted to MSEK 37,694 (31,905), equivalent to SEK 205.03 (173.54) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 4,489 (3,576). In addition, there are additional unutilised credit facilities that, at any given time, fully cover the issued volume under the Pandox commercial paper programme. Commercial papers are used to optimize Pandox's financial costs via interest rate arbitrage.

Interest-bearing liabilities

All Pandox debt financing is with banks, with the exception of AMF Tjänstepension AB, and commercial papers. At the end of the period the loan portfolio amounted to MSEK 33,964 (32,752), excluding loan arrangement fees. Unutilised credit facilities amounted to MSEK 2,859 (1,983) and the volume issued under the commercial paper programme amounted to MSEK 699 (2,191), which corresponds to approximately 2 percent of the total loan portfolio.

Short-term credit facilities maturing in less than 12 months amount to MSEK 16,213. Around half of this amount will mature during the first half of 2023, and in the first quarter MSEK 5,100 is expected to be refinanced as positive discussions with banks are in the final phase. Pandox's refinancing transactions during the fourth quarter amounted to a total of around MSEK 2,515.

The average fixed rate period was 2.7 (3.3) years and the average interest rate, corresponding to the interest rate level at the end of the period, was 3.2 (2.5) percent, including effects from interest-rate derivatives, but excluding accrued arrangement fees. The average repayment period was 1.7 (2.2) years. The loans are secured by a combination of mortgage collateral and pledged shares.

Maturity structure credit facilities 31 December 2022

Year due (MSEK)	Credit facilities ¹⁾
< 1 year	16,213
1-2 year	5,026
2-3 year	12,788
3-4 year	2,796
4-5 year	-
> 5 year	-
Sum	36,823

¹⁾Excluding contractual amortisation.

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

Loans by currency 31 December 2022

	SEK	DKK	EUR ³⁾	CHF	CAD	NOK	GBP	Total
Sum credit facilities, MSEK ¹⁾	9,936	2,090	16,884	527	316	1,218	5,853	36,823
Sum interest bearing debt, MSEK ¹⁾	6,628	2,090	17,356	527	293	1,218	5,853	33,964
Share of debt in currency, %	19.5	6.2	51.1	1.6	0.9	3.6	17.2	100
Average interest rate, % ²⁾	3.6	3.0	2.5	3.6	7.1	5.8	4.3	3.2
Average interest rate period, years	3.0	1.7	3.2	0.2	0.0	2.4	1.9	2.7
Market value Properties, MSEK ¹⁾	15,436	3,987	31,852	896	1,446	3,575	12,040	69,231

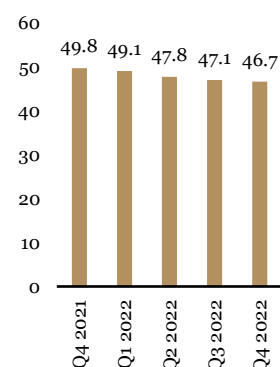
¹⁾Converted to MSEK.

²⁾Average interest rate including bank margin and derivatives.

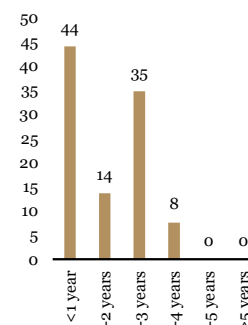
³⁾Part of the interest bearing debt is part of credit facilities in SEK, which can be drawn in multiple currencies, including EUR.

In order to manage interest rate risk and increase the predictability of Pandox's earnings, interest rate derivatives are used, mainly in the form of interest rate swaps. At the end of the period interest rate derivatives amounted to MSEK 25,994 gross and MSEK 20,936 net, which is also the portion of Pandox's loan portfolio for which interest rates are hedged. Approximately 60 percent net of Pandox's loan portfolio was thereby hedged against interest rate movements for periods longer than one year.

Loan to value per quarter, %



Maturity of credit facilities per year, %



Financial covenants

On group level, Pandox's financial covenants are:

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

Interest maturity profile 31 December 2022

Tenor (MSEK)	Total interest maturity		Interest maturity derivatives		
	Amount ¹⁾	Share, %	Volume	Share, %	Average interest rate derivatives, %
< 1 year	14,687	43	1,659	8	2.7
1–2 year	1,400	4	1,400	7	0.1
2–3 year	2,060	6	2,060	10	-0.3
3–4 year	3,577	11	3,577	17	0.2
4–5 year	3,212	9	3,212	15	0.6
> 5 year	9,029	27	9,029	43	0.5
Sum	33,964	100	20,936	100	0.5

¹⁾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 2,261 (-58).

Financial sensitivity analysis

Effect on earnings before value changes	Change	MSEK
Current fixed interest hedging, change in interest rates, with derivatives ¹⁾	+/- 1%	-120/+120
Current fixed interest hedging, change in interest rates, without derivatives ¹⁾	+/- 1%	-330/+330
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	+/- 698

Other information

Important events during and after the period

1 February 2023	Pandox completed previously announced divestment of InterContinental Montreal
15 November 2022	Pandox Hotel Market Day 2022
15 November 2022	Pandox signs a new lease agreement with Citybox for a hotel property in central Brussels
27 October 2022	Interim Report January–September 2022

To read the full press releases, see www.pandox.se.

Ongoing disputes and insurance cases

In January 2023, Pandox received compensation for Dorint Parkhotel Bad Neuenahr, the property that was affected by flooding in 2021. The compensation covers Pandox's costs and the damage caused by the flood.

No other significant change has taken place in any disputes and insurance cases commented on previously.

Employees

At the end of the period, Pandox had the equivalent of 1,226 (676) full-time employees, based on number of worked hours translated to full-time employees. Of the total number of employees, 1,179 (626) are employed in the Operator Activities segment and 47 (49) in the Property Management segment and in central administration.

Parent company

Administration for activities within Pandox's property owning companies is provided by staff employed by the Parent Company, Pandox AB (publ). Pandox's subsidiaries are invoiced for these services.

Transactions with related parties

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

Eiendomsspar AS owns 5.1 percent of 22 hotel properties in Germany and 9.9 percent of another hotel property in Germany. The acquisitions were made by Pandox in 2015, 2016 and 2019. Pandox has a management agreement regarding Pelican Bay Lucaya Resort in the Bahamas owned by affiliates of Helene Sundt AS and CGS Holding AS. During January–December 2022, revenue from Pelican Bay Lucaya amounted to MSEK 0.8 (0.6).

Risk and uncertainty factors

Pandox's general approach to business risk has not changed from the detailed account provided in the 2021 Annual Report. Market interest rates have risen sharply. There is a risk that higher financing costs will lead to higher yield requirements. The effect from households' lower disposable income on hotel demand is uncertain.

Seasonal variations

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

Alternative performance measures

Pandox applies the European Securities and Market Authority's (ESMA) guidelines for Alternative Performance Measurements. The guidelines aim at making alternative Performance Measurements in financial reports more understandable, trustworthy and comparable and thereby enhance their usability. According to these guidelines, an Alternative Performance Measurement is a financial key ratio of past or future earnings development, financial position, financial result or cash flows which are not defined or mentioned in current legislation for financial reporting; IFRS and the Swedish Annual Accounts Act. Reconciliations of Alternative Performance Measurements are available on pages 22–24.

Number of shares

At the end of the period, the total number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares. For the fourth quarter 2022 the weighted number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares.

Comparison figures and periods

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

Annual General Meeting 2023

The 2023 Annual General Meeting for Pandox AB (publ) will be held on 12 April 2023. Information on the AGM and its procedures will be provided in a notice to attend the meeting.

Stockholm, 9 February 2023

Liia Nõu, CEO

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

Summary of financial reports

Condensed consolidated statement of comprehensive income

MSEK	Note	Oct-Dec		Jan-Dec	
		2022	2021	2022	2021
Revenues Property Management					
Rental income	2	803	606	3,052	2,279
Other property income		45	42	255	143
Revenue Operator Activities	2	775	326	2,347	851
Total revenues		1,623	974	5,654	3,273
Costs Property Management					
Costs Operator Activities	2	-150	-106	-439	-395
Costs Operator Activities	2	-732	-373	-2,111	-1,151
Gross profit		741	495	3,104	1,727
- whereof gross profit Property Management	2	698	542	2,868	2,027
- whereof gross profit Operator Activities	2	43	-47	236	-300
Central administration		-59	-52	-153	-157
Financial income		8	2	19	4
Financial expenses		-297	-229	-1,022	-944
Financial cost right of use assets		-26	-21	-95	-88
Profit before changes in value		367	195	1,853	542
Changes in value					
Properties, unrealised	2	-67	97	1,185	-368
Properties, realised	2	1	-16	-5	-28
Derivatives, unrealised		-59	187	2,318	740
Profit before tax		242	463	5,351	886
Current tax		-24	-78	-164	-128
Deferred tax		-117	-127	-983	-149
Profit for the period		101	258	4,204	609
<i>Items that may not be classified to profit or loss, net after tax</i>					
This year's revaluation of tangible non-current assets		-	18	-	18
<i>Items that may be classified to profit or loss, net after tax</i>					
Net investment hedge of foreign operations		-99	-	-439	-43
Translation differences of foreign operations		407	220	1,762	765
Other comprehensive income for the period		308	238	1,323	740
Total comprehensive income for the period		409	496	5,527	1,349
Profit for the period attributable to the shareholders of the parent company		121	259	4,217	610
Profit for the period attributable to non-controlling interests		-20	-1	-13	-1
Total comprehensive income for the period attributable to the shareholders of the parent company		425	497	5,522	1,337
Total comprehensive income for the period attributable to non-controlling interests		-16	-1	5	12
Earnings per share, before and after dilution, SEK		0.66	1.41	22.94	3.32

Condensed consolidated statement of financial position

MSEK	31 Dec	
	2022	2021
ASSETS		
Operating Properties	7,306	7,450
Equipment and interiors	683	581
Investment Properties	57,563	52,215
Deferred non-current rent attributable to new temporary payment terms	59	233
Right-of-use assets	3,218	3,039
Deferred tax assets	305	249
Derivatives ¹⁾	2,374	203
Other non-current receivables	88	86
Total non-current assets	71,596	64,056
Current assets		
Inventories	17	12
Current tax assets	147	64
Trade account receivables	296	269
Deferred current rent attributable to new temporary payment terms	245	357
Prepaid expenses and accrued income	587	296
Other current receivables	225	154
Cash and cash equivalents	1,630	1,593
Assets held for sale	4	-
Total current assets	3,621	2,745
Total assets	75,217	66,801
EQUITY AND LIABILITIES		
Equity		
Share capital	460	460
Other paid-in capital	7,525	7,525
Reserves	1,318	13
Retained earnings, including profit for the period	21,428	17,215
Equity attributable to the owners of the Parent Company	30,731	25,213
Non-controlling interests	202	209
Sum equity	30,933	25,422
LIABILITIES		
Non-current liabilities		
Non-current interest-bearing liabilities ²⁾	17,888	27,205
Other non-current liabilities	3	4
Long-term lease liability	3,192	3,020
Derivatives ¹⁾	114	261
Provisions	37	36
Deferred tax liability	5,538	4,281
Total non-current liabilities	26,772	34,807
Current liabilities		
Provisions	40	60
Current interest-bearing liabilities ²⁾	15,983	5,418
Short-term lease liability	31	22
Tax liabilities	328	156
Trade accounts payable	314	214
Other current liabilities	173	150
Accrued expenses and prepaid income	643	552
Total current liabilities	17,512	6,572
Total liabilities	44,284	41,379
Total equity and liabilities	75,217	66,801

¹⁾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.

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

Condensed consolidated statement of changes in equity

Attributable to the owners of the parent company								
MSEK	Share capital	Other paid in capital	Translation reserves	Revaluation reserve ¹⁾	Retained earnings, incl profit for the period	Total	Non-controlling interests	Total equity
Opening balance equity 1 Jan, 2021	460	7,525	-883	169	16,609	23,880	208	24,088
Profit for the period	—	—	—	—	610	610	-1	609
Other comprehensive income	—	—	709	18	—	727	13	740
Guaranteed dividend, minority interests	—	—	—	—	—	—	-15	-15
Transfer of non-controlling interest	—	—	—	—	-4	-4	4	—
Closing balance equity 31 Dec, 2021	460	7,525	-174	187	17,215	25,213	209	25,422
Opening balance equity 1 Jan, 2022	460	7,525	-174	187	17,215	25,213	209	25,422
Profit for the period	—	—	—	—	4,217	4,217	-13	4,204
Other comprehensive income	—	—	1,305	—	—	1,305	18	1,323
Guaranteed dividend	—	—	—	—	—	—	-16	-16
Transfer of non-controlling interest	—	—	—	—	-4	-4	4	—
Closing balance equity 31 Dec, 2022	460	7,525	1,131	187	21,428	30,731	202	30,933

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

Condensed consolidated statement of cash flow

MSEK	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
OPERATING ACTIVITIES				
Profit before tax	242	463	5,351	886
Reversal of depreciation	142	73	334	280
Changes in value, realised	0	7	5	19
Changes in value, unrealised	67	-97	-1,185	368
Changes in value, derivatives, unrealised	58	-187	-2,319	-740
Other items not included in the cash flow	50	27	145	63
Taxes paid	-33	-29	-86	-60
Cash flow from operating activities before changes in working capital	526	257	2,245	816
Increase/decrease in operating assets	-17	-11	-14	-378
Increase/decrease in operating liabilities	-19	1	146	-8
Change in working capital	-36	-10	132	-386
Cash flow from operating activities	490	247	2,377	430
INVESTING ACTIVITIES				
Investments in properties and fixed assets	-238	-213	-863	-990
Divestment of hotel properties, net effect on liquidity	0	-	124	-
Acquisitions of hotel properties, net effect on liquidity	-23	-482	-901	-482
Acquisitions of financial assets	9	-8	3	-49
Cash flow from investing activities	-252	-703	-1,637	-1,521
FINANCING ACTIVITIES				
New loans	1,845	2,800	12,811	8,196
Amortisation of debt	-2,919	-2,221	-13,601	-8,088
Guaranteed minority dividend	-16	-15	-16	-15
Cash flow from financing	-1,090	564	-806	93
Cash flow for the period	-852	108	-66	-998
Cash and cash equivalents at beginning of period	2,463	1,494	1,593	2,622
Exchange differences in cash and cash equivalents	19	-9	104	-31
Liquid funds end of period	1,630	1,593	1,630	1,593
Information regarding interest payments				
Interest received amounted to	12	2	19	4
Interest paid amounted to	-263	-209	-893	-841
Financial cost right of use assets	-26	-21	-95	-88
Information regarding cash and cash equivalents end of period	1,630	1,593	1,630	1,593
Cash and cash equivalents consists of bank deposits.				

Condensed income statement for the parent company

MSEK	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Total revenues	-26	37	79	148
Administration cost	-19	-65	-130	-209
Operating profit	-45	-28	-51	-61
Profit from participations in Group companies	-8	-	1,840	-
Other interest income and similar profit/loss items	163	203	338	523
Derivatives, unrealised	8	90	184	481
Profit after financial items	118	265	2,311	943
Year-end appropriations	24	172	24	172
Profit before tax	142	437	2,335	1,115
Current tax	-17	-1	-17	-1
Deferred tax	5	-61	-49	-226
Profit for the period	130	375	2,269	888
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	130	375	2,269	888

Condensed balance sheet for the parent company

Figures in MSEK	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets	19,037	20,085
Current assets	3,794	1,579
Total assets	22,831	21,664
EQUITY AND LIABILITIES		
Equity	11,760	9,490
Provisions	73	91
Non-current liabilities	7,463	5,344
Current liabilities	3,535	6,739
Total equity and liabilities	22,831	21,664

Notes

Note 1. Accounting principles

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

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

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

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

The interim financial statements are included on pages 1–27 and page 1–13 is thus an integrated part of this financial report.

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

Note 2. Operating segments

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

For the fourth quarter 2022 and first nine months of 2022, revenue-based rent in Property Management amounted to MSEK 286 (144) and MSEK 1 020 (373) respectively.

MSEK	Q4 2022 (Oct-Dec 2022)				Q4 2021 (Oct-Dec 2021)			
	Property Management	Operator Activities	Group and non-allocated items	Total	Property Management	Operator Activities	Group and non-allocated items	Total
Revenues Property Management								
Rental and other property income	848	—	—	848	648	—	—	648
Revenue Operator Activities	—	775	—	775	—	326	—	326
Total revenues	848	775	—	1,623	648	326	—	974
Costs Property Management	-150	—	—	-150	-106	—	—	-106
Costs Operator Activities	—	-732	—	-732	—	-373	—	-373
Gross profit	698	43	—	741	542	-47	—	495
Central administration	—	—	-59	-59	—	—	-52	-52
Financial income	—	—	8	8	—	—	2	2
Financial expenses	—	—	-297	-297	—	—	-229	-229
Financial cost right of use assets	—	—	-26	-26	—	—	-21	-21
Profit before value changes	698	43	-374	367	542	-47	-300	195
Changes in value								
Properties, unrealised	-67	—	—	-67	97	—	—	97
Properties, realised	1	—	—	1	-13	-3	—	-16
Derivatives, unrealised	—	—	-59	-59	—	—	187	187
Profit before tax	632	43	-433	242	626	-50	-113	463
Current tax	—	—	-24	-24	—	—	-78	-78
Deferred tax	—	—	-117	-117	—	—	-127	-127
Profit for the period	632	43	-574	101	626	-50	-318	258

Q4 2022 (Oct-Dec 2022)									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
- Property Management	222	46	59	69	199	18	184	51	848
- Operator Activities	—	17	—	11	159	297	106	185	775
Market value properties	15,436	3,987	3,575	4,536	16,964	5,536	13,641	5,556	69,231
Investments in properties	59	21	6	3	61	47	30	11	238
Realised value change properties	—	—	—	0	—	—	—	—	0
Book value Operating Properties	—	388	—	29	2,045	2,980	1,529	1,479	8,450
Total non-current assets at book value, less deferred tax assets	17,920	3,950	3,578	5,268	15,974	4,624	14,680	5,298	71,292

Q4 2021 (Oct-Dec 2021)									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
- Property Management	182	36	49	54	148	11	125	44	648
- Operator Activities	—	14	—	8	84	116	61	43	326
Market value properties	14,796	3,502	3,309	3,978	15,334	4,499	12,170	5,008	62,596
Investments in properties	44	6	5	4	72	38	28	15	212
Realised value change properties	—	-16	—	—	—	—	—	—	-16
Book value Operating Properties	—	340	—	29	2,616	2,679	970	1,380	8,015
Total non-current assets at book value, less deferred tax assets	15,599	3,505	3,311	4,671	14,794	3,760	13,185	4,982	63,807

MSEK	Q1-Q4 2022 (Jan-Dec 2022, accumulated)				Q1-Q4 2021 (Jan-Dec 2021, accumulated)			
	Property Management	Operator Activities	Group and non-allocated items	Total	Property Management	Operator Activities	Group and non-allocated items	Total
Revenues Property Management								
Rental and other property income	3,307	—	—	3,307	2,422	—	—	2,422
Revenue Operator Activities	—	2,347	—	2,347	—	851	—	851
Total revenues	3,307	2,347	—	5,654	2,422	851	—	3,273
Costs Property Management	-439	—	—	-439	-395	—	—	-395
Costs Operator Activities	—	-2,111	—	-2,111	—	-1,151	—	-1,151
Gross profit	2,868	236	—	3,104	2,027	-300	—	1,727
Central administration	—	—	-153	-153	—	—	-157	-157
Financial income	—	—	19	19	—	—	4	4
Financial expenses	—	—	-1,022	-1,022	—	—	-944	-944
Financial cost right of use assets	—	—	-95	-95	—	—	-88	-88
Profit before value changes	2,868	236	-1,251	1,853	2,027	-300	-1,185	542
Changes in value								
Properties, unrealised	1,185	—	—	1,185	-368	—	—	-368
Properties, realised	-5	—	—	-5	-18	-10	—	-28
Derivatives, unrealised	—	—	2,318	2,318	—	—	740	740
Profit before tax	4,048	236	1,067	5,351	1,641	-310	-445	886
Current tax	—	—	-164	-164	—	—	-128	-128
Deferred tax	—	—	-983	-983	—	—	-149	-149
Profit for the period	4,048	236	-80	4,204	1,641	-310	-722	609

Q1-Q4 2022 (Jan-Dec)									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
- Property Management	860	190	249	264	802	54	697	191	3,307
- Operator Activities	1	73	—	39	516	843	306	569	2,347
Market value properties	15,436	3,987	3,575	4,536	16,964	5,536	13,641	5,556	69,231
Investments in properties	248	48	34	14	243	179	65	32	863
Realised value change properties	7	—	—	-12	—	—	—	—	-5
Book value Operating Properties	—	388	—	29	2,045	2,980	1,529	1,479	8,450
Total non-current assets at book value, less deferred tax assets	17,920	3,950	3,578	5,268	15,974	4,624	14,680	5,298	71,292

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

Note 3. Tax

Deferred tax

At the end of the period, deferred tax assets amounted to MSEK 305 (249). This consists mainly of the carrying amount of tax loss carryforwards which the Company expects to be able to utilise in future financial years.

Deferred tax liabilities amounted to MSEK 5,538 (4,281) and relate mainly to temporary differences between fair value and the taxable value of investment properties, as well as temporary differences between the carrying amount and the taxable value of operating properties, and temporary measurement differences for interest rate derivatives.

Note 4. Assets and liabilities held for sale

On 23 September 2022 Padox entered into an agreement on the divestment of InterContinental Montreal in Canada. The sale includes both the hotel property and hotel operation, and the total transaction value is around MCAD 80. The divestment was completed in the first quarter of 2023. The figure presented in the table below is the property's book value.

Amount in MSEK	31 Dec 2022	31 Dec 2021
Assets		
Operating property InterContinental Montreal	474	—
Assets classified as held for sale	474	—

Note 5. Currency exchange rates

Currency exchange rates January-December

	Average rate			Rate at end-of-period		
	2022	2021	Change %	2022	2021	Change %
Euro (EUR)	10.632	10.145	5%	11.128	10.227	8%
British pound (GBP)	12.467	11.802	5%	12.581	12.179	3%
Danish krone (DKK)	1.429	1.364	5%	1.496	1.375	8%
Norwegian krone (NOK)	1.052	0.998	5%	1.057	1.025	3%
Canadian dollar (CAD)	7.771	6.845	12%	7.706	7.064	9%
Swiss franc (CHF)	10.595	9.384	11%	11.291	9.854	14%

Reconciliation alternative performance measurements

Per share, SEK ¹⁾	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Total comprehensive income per share, SEK				
shareholders of the parent company, MSEK	425	497	5,522	1,337
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
Total comprehensive income per share, SEK	2.31	2.70	30.04	7.27
Cash earnings per share, SEK				
Cash earnings attr. to the shareholders of the parent company, MSEK	515	196	2,056	713
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
Cash earnings per share, SEK	2.80	1.07	11.18	3.88
Net asset value (EPRA NRV) per share, SEK				
EPRA NRV (net asset value), MSEK	-	-	37,694	31,905
Number of shares at the end of the period	-	-	183,849,999	183,849,999
Net asset value (EPRA NRV) per share, SEK	-	-	205.03	173.54
Dividend per share, SEK				
Dividend, MSEK	-	-	460	-
Number of shares at dividend	-	-	183,849,999	183,849,999
Dividend per share, SEK³⁾	-	-	2.50	-
Weighted average number of share, before and after dilution	183,849,999	183,849,999	183,849,999	183,849,999
Number of shares at the end of the period	183,849,999	183,849,999	183,849,999	183,849,999
PROPERTY RELATED KEY FIGURES				
Number of hotels, end of period ²⁾	-	-	157	157
Number of rooms, end of period ²⁾	-	-	35,490	35,372
WAULT, years	-	-	15.0	14.0
Market value properties, MSEK	-	-	69,231	62,596
Market value Investment Properties, MSEK	-	-	57,563	52,215
Market value Operating Properties, MSEK	-	-	11,669	10,380
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	969	455	811	295

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

²⁾Pandox's owned hotel properties.

³⁾For 2022 proposed dividend is indicated.

Reconciliation alternative performance measurements

MSEK	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net interest-bearing debt				
Non-current interest-bearing liabilities	-	-	17,888	27,205
Current interest-bearing liabilities	-	-	15,983	5,418
Arrangement fee for loans	-	-	93	129
Cash and cash equivalents	-	-	-1,630	-1,593
Net interest-bearing debt	-	-	32,334	31,159
Loan to value net, %				
Net interest-bearing debt	-	-	32,334	31,159
Market value properties	-	-	69,231	62,596
Loan to value, %	-	-	46.7	49.8
Interest cover ratio, times				
EBITDA	829	521	3,304	1,868
Less: Financial costs for right-of-use-assets	-26	-21	-95	-88
Net interest costs	258	200	873	831
Interest cover ratio, times	3.1	2.5	3.7	2.1
Average interest on debt end of period, %				
Average interest expenses	-	-	1,087	812
Non-current interest-bearing liabilities	-	-	17,888	27,205
Arrangement fee for loans	-	-	93	129
Current interest-bearing liabilities	-	-	15,983	5,418
Average interest on debt end of period, %	-	-	3.2	2.5
Investments, incl. parent company excl. acquisitions	238	213	863	990
Net operating income, Property Management				
Rental income	803	606	3,052	2,279
Other property income	45	42	255	143
Costs, excl. property administration	-63	-56	-245	-218
Net operating income, before property administration	785	592	3,062	2,204
Property administration	-87	-50	-194	-177
Net operating income, Property Management	698	542	2,868	2,027
Net operating income, Operator Activities				
Revenue	775	326	2,347	851
Costs	-732	-373	-2,111	-1,151
Gross profit	43	-47	236	-300
Plus: Depreciation included in costs	141	73	330	278
Net operating income, Operator Activities	184	26	566	-22
EBITDA				
Gross profit from respective operating segment	741	495	3,104	1,727
Plus: Depreciation included in costs Operator Activities	141	73	330	278
Plus: Depreciation included in Central administration	6	5	23	20
Less: Central administration	-59	-52	-153	-157
EBITDA	829	521	3,304	1,868
Cash earnings				
EBITDA	829	521	3,304	1,868
Plus: Financial income	8	2	19	4
Less: Financial expense	-297	-229	-1,022	-944
Less: Financial costs for right-of-use-assets	-26	-21	-95	-88
Plus/Less: Translation effect on bank deposits	5	0	1	0
Less: Current tax	-24	-78	-164	-128
Profit for the period attributable to non-controlling interests	-20	-1	-13	-1
Cash earnings	515	196	2,056	713
EPRA NRV				
Equity attr. to the shareholders of the parent company	-	-	30,731	25,213
Plus: Revaluation of Operating Properties	-	-	3,220	2,365
Plus: Fair value of financial derivatives	-	-	-2,260	58
Less: Deferred tax assets related to derivatives	-	-	466	-12
Plus: Deferred tax liabilities	-	-	5,538	4,281
EPRA NRV	-	-	37,694	31,905
Growth in EPRA NRV, annual rate, %				
EPRA NRV attr. to the shareholders of the parent company, OB	-	-	31,905	30,813
EPRA NRV attr. to the shareholders of the parent company, CB	-	-	37,694	31,905
Growth in EPRA NRV, annual rate, %	-	-	18.1	3.5

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 22–24 presents measures, along with their reconciliation, which are not defined according to the IFRS. The definitions of these measures appear on page 26.

Financial risk

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

Growth and profitability

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

EPRA NRV (net asset value) and equity

Net asset value (EPRA NRV) is the collective capital Pandox manages on behalf of its shareholders. Pandox measures long-term net asset value based on the balance sheet adjusted for items that will not yield any payments in the near future, such as derivatives and deferred tax liabilities. The market value of Operating Properties is included in the calculation. See also page 26.

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

EPRA NRV is the long-term net asset value and is based on the balance sheet adjusted for items where there will be no payments made in the near future, such as goodwill, financial derivatives, deferred tax liability and surplus value of Operating Properties (see page 8 for more information). EPRA NTA is the same as long-term net asset value with the difference that goodwill not attributable to deferred tax is to be added back and that deferred tax can be assigned a market value taking into account how the entity has carried out real estate transactions in recent years. As Pandox has no goodwill, has a long-term investment horizon, and does not report estimated actual deferred tax, the value of NRV and NTA in Pandox's case is the same. EPRA NDV is net asset value according to equity in the balance sheet adjusted for goodwill (Pandox has no goodwill) and surplus value of Operating Properties.

Net asset value

MSEK	31 Dec 2022		31 dec 2021	
	MSEK	SEK/share ¹⁾	MSEK	SEK/share ¹⁾
Equity attr. to the shareholders of the parent company	30,731	167.15	25,213	137.14
Plus: Revaluation of Operating Properties	3,220	17.51	2,365	12.87
Plus: Fair value of financial derivatives	-2,260	-12.29	58	0.32
Less: Deferred tax assets related to derivatives	466	2.53	-12	-0.06
Plus: Deferred tax liabilities	5,538	30.12	4,281	23.29
Net asset value, EPRA NRV	37,694	205.03	31,905	173.54
Less:	—	—	—	—
Net asset value, EPRA NTA	37,694	205.03	31,905	173.54
Less: derivatives and deferred tax	-3,744	-20.36	-4,327	-23.54
Net asset value, EPRA NDV	33,951	184.67	27,578	150.00

¹⁾Number of shares at end of period.

EPRA LTV

EPRA LTV is a key ratio that shows interest-bearing net debt in relation to the total market value of the property portfolio and other available assets and is used to create comparability between property companies. EPRA LTV is essentially the same as Pandox's previous definition of loan-to-value ratio, with the only difference that net operating receivables and operating liabilities are included in the EPRA measurement. As Pandox has no associated companies or joint ventures, and as there are no minority interests that are material for the Company, no further adjustments are made. Adjustment compared with loan-to-value ratio reported thus far is net of the following short-term operating items: Tax assets, accounts receivable, deferred rent receivables, other receivables, provisions, tax liabilities, accounts payable and other short-term liabilities.

MSEK	31 Dec 2022			31 Dec 2021		
	Previously reported Loan to value, %	Adjustments	Loan to value, %, EPRA	Previously reported Loan to value, %	Adjustments	Loan to value, %, EPRA
Non-current interest-bearing liabilities	17,888	—	17,888	27,205	—	27,205
Current interest-bearing liabilities	15,983	—	15,983	5,418	—	5,418
Arrangement fee for loans	93	—	93	129	—	129
Net operating assets and operating liabilities	—	—	—	—	—	—
Exclude: Cash and cash equivalents	-1,630	—	-1,630	-1,593	—	-1,593
Net debt	32,334	—	32,334	31,159	—	31,159
Market value properties	69,231	—	69,231	62,596	—	62,596
Net operating assets and operating liabilities	—	58	58	—	264	264
Total properties and other applicable assets	69,231	58	69,289	62,596	264	62,860
Loan to value, %	46.7%		46.7%	49.8%		49.6%

Quarterly data

Condensed consolidated statement of comprehensive income

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MSEK	2022	2022	2022	2022	2021	2021	2021	2021
Revenues Property Management								
Rental income	803	886	761	602	606	617	541	515
Other property income	45	81	97	32	42	35	27	39
Revenue Operator Activities	775	706	624	242	326	287	146	92
Total revenues	1,623	1,673	1,482	876	974	939	714	646
Costs Property Management								
Costs Property Management	-150	-101	-97	-91	-106	-99	-98	-92
Costs Operator Activities	-732	-578	-449	-352	-373	-334	-203	-241
Gross profit	741	994	936	433	495	506	413	313
Central administration	-59	-28	-34	-32	-52	-31	-37	-37
Financial net	-289	-248	-236	-230	-227	-242	-239	-232
Financial cost right of use assets	-26	-24	-22	-23	-21	-23	-23	-21
Profit before value changes	367	694	644	148	195	210	114	23
Changes in value								
Properties, unrealised	-67	585	388	279	97	-9	-105	-351
Properties, realised	1	-13	7	—	-16	-6	—	-6
Derivatives, unrealised	-59	815	632	930	187	202	24	327
Profit before tax	242	2,081	1,671	1,357	463	397	33	-7
Current tax	-24	-48	-59	-33	-78	-15	-23	-12
Deferred tax	-117	-346	-240	-280	-127	-61	-16	55
Profit for the period	101	1,687	1,372	1,044	258	321	-6	36
Other comprehensive income	308	341	455	219	238	128	-258	632
Total comprehensive income for the period	409	2,028	1,827	1,263	496	449	-264	668

Condensed consolidated statement of financial position

MSEK	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
ASSETS								
Properties incl equipment and interiors	65,552	64,712	62,832	61,120	60,246	58,975	58,553	59,057
Right-of-use assets	3,218	3,383	3,222	3,155	3,039	3,009	2,975	3,016
Other non-current receivables	2,521	2,649	1,878	1,226	522	514	500	423
Deferred tax assets	305	239	262	55	249	488	529	502
Current assets	1,991	1,859	1,267	1,189	1,152	1,086	939	893
Cash and cash equivalents	1,630	2,463	1,873	1,477	1,593	1,494	2,712	2,610
Total assets	75,217	75,305	71,334	68,222	66,801	65,566	66,208	66,501
EQUITY AND LIABILITIES								
Equity	30,933	30,540	28,512	26,685	25,422	24,941	24,492	24,756
Deferred tax liability	5,538	5,287	4,918	4,415	4,281	4,319	4,275	4,293
Interest-bearing liabilities	33,871	34,478	33,242	32,710	32,623	31,747	32,724	32,735
Leasing liabilities	3,223	3,387	3,226	3,158	3,042	3,011	2,977	3,018
Non interest-bearing liabilities	1,652	1,613	1,436	1,254	1,433	1,548	1,740	1,699
Total equity and liabilities	75,217	75,305	71,334	68,222	66,801	65,566	66,208	66,501

Key ratios

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MSEK	2022	2022	2022	2022	2021	2021	2021	2021
NOI, Property Management	698	866	761	543	542	553	470	462
NOI, Operator Activities	184	193	238	-49	26	22	10	-80
EBITDA	829	1,037	970	467	521	550	447	350
Interest coverage ratio, times	3.1	4.8	4.7	2.2	2.5	2.5	2.0	1.6
Earnings per share before and after dilution, SEK	0.66	9.16	7.45	5.67	1.41	1.73	-0.04	0.22
Cash earnings	515	717	645	178	196	266	161	90
Cash earnings per share before and after dilution, SEK	2.80	3.90	3.51	0.97	1.07	1.45	0.88	0.49
RevPAR growth (Operator Activities) for comparable units and constant currency, %	113	140	370	232	319	92	103	-81
	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Net interest-bearing debt	32,334	32,119	31,472	31,345	31,159	30,387	30,159	30,288
Loan to value, %	46.7	47.1	47.8	49.1	49.8	49.6	49.7	49.5
Market value properties	69,231	68,257	65,804	63,808	62,596	61,255	60,696	61,161
EPRA NRV per share, SEK	205.03	202.96	190.37	178.31	173.54	171.49	168.97	170.38
WAULT (Property Management), yrs	15.0	15.2	15.4	13.8	14.0	14.2	14.1	14.4

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 for any unrealised translation effect on bank balances and non-controlling interest.

EBITDA, MSEK

Total gross profit less central administration (excluding depreciation).

EPRA NRV, MSEK

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

EPRA NTA, MSEK

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

EPRA NDV, MSEK

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

EPRA LTV, %

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

Growth for comparable units adjusted for currency effects

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

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

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

Gross profit, Operator Activities, MSEK

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

Gross profit, Property Management, MSEK

Revenue less directly related costs for Property Management.

Interest-bearing net debt, MSEK

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

Interest cover ratio, multiple

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

Investments, excl. acquisitions, MSEK

Investments in non-current assets excluding acquisitions.

Loan-to-value ratio net, %

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

Net operating income Operator Activities, MSEK

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

Net operating income, Property Management, MSEK

Net operating income corresponds to gross profit for Property Management.

Net operating margin, Operator Activities, %

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

Rounding off

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

Per share

Cash earnings per share, SEK

Cash earnings divided by the weighted average number of shares outstanding after dilution at the end of the period.

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.

EPRA NRV, NTA, NDV per share, SEK

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

Weighted average number of shares after dilution, thousands

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

Weighted average number of shares before dilution, thousands

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

Property information

Market value properties, MSEK

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

Number of hotels and rooms

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

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

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

WAULT (Investment Properties)

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

Hotelism by Pandox

DOUBLETREE BY HILTON BRUSSELS CITY



NHOW BRUSSELS BLOOM



MOTEL ONE COPENHAGEN



SCANDIC PARK HELSINKI



PARK CENTRAAL AMSTERDAM



SCANDIC LILLEHAMMER



SCANDIC LULEÅ



RADISSON BLU ARLANDIA



NH COLLECTION SALZBURG CITY



LEONARDO ROYAL HOTEL FRANKFURT



HOTEL BERLIN BERLIN



APARTHOTEL ADAGIO EDINBURGH ROYAL MILE

