

Forward-looking statements
This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Pandox AB (publ), may cause actual developments and results to differ materially from the expectations expressed in this presentation.

Pandox CMD 2016

Creating value for Pandox by Operator Activities

Brussels, 24 May 2016



PANDOX - EXCELLENCE IN HOTEL OWNERSHIP & OPERATIONS

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Pandox capital market day 2016

Agenda

- 10:00** Holiday Inn Brussels Airport
 10:00-10:05 Welcome address (Anders Nissen, CEO)
 10:05-10:20 The drivers for Operator Activities (Anders Nissen, CEO)
 10:20-10:30 Introduction to Pandox's operated hotels in Brussels (Aldert Schaaphok, SVP Pandox Operations)
 10:30-11:15 Hotel walk-around
- 11:50** Hotel BLOOM!
 12:00-12:20 Hotel market update (Jonas Törner, VP Business Intelligence)
 12:20-12:40 The market in Brussels and opportunities in RMC (Vassilis Syropoulos, VP RMC)
 12:40-13:30 Hotel walk-around
- 13:45** Crowne Plaza – Le Palace and Hilton Brussels City
 13:45-14:30 Managing hotel performance (Aldert Schaaphok, SVP Pandox Operations)
 14:30-15:15 Hotel walk-around
- 15:30** The Hotel, Brussels
 15:30-17:00 Hotel walk-around and check-in
- 17:00** The Hotel, Brussels
 17:00-17:25 The business case - The Hotel, Brussels (Aldert Schaaphok, SVP Pandox Operations)
 17:25-17:50 Financial update (Liia Nõu, CFO)
 17:50-18:20 Q&A
 18:20-18:30 Summary of CMD 2016 (Anders Nissen, CEO)



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Pandox capital market day 2016

Our objectives for today

- › Increase your knowledge about Operator Activities.
- › Describe the opportunities created for Pandox following the change in market conditions.
- › Describe the necessary competences to operate hotels successfully.
- › Give an update on market conditions in general, and Brussels in particular.
- › Provide an opportunity to meet with Pandox's management and learn more about our working methods.
- › Visit our hotels in Brussels.



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The drivers for Operator Activities

Anders Nissen, CEO

Holiday Inn Brussels Airport, 24 May 2016



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The drivers for Operator Activities

A proactive strategy to create additional value for Pandox

- › Consolidation in the hotel market has led to fewer and larger cooperation partners.
- › Business models in the hotel industry have changed.
- › This has led to a change in the risk profile between hotel owners and hotel operators.
- › The conclusion is that Pandox needs a proactive strategy to control its own destiny.
- › This strategy minimises risk and creates opportunities.



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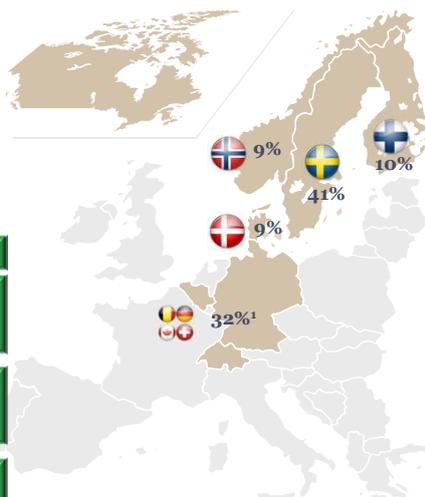
This is Pandox

A leading northern European hotel property company

- › Focused strategy on large hotel properties in the upper-medium to high-end segments in strategic locations
- › Active ownership model combining a large, attractive portfolio with excellent operational skills



Pandox Group	Property Management	Operator Activities
113 Hotel Properties	94 Leased Out	19 Operated
SEK 31.3bn Portfolio Market Value	79% Portfolio Market Value	21% Portfolio Market Value
	5.8% Valuation Yield	7.5% Valuation Yield



Based on portfolio market value as of 31 March 2016 (rounded percentages)



¹ International which includes Belgium, Germany, Switzerland and Canada

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Operator Activities

Minimises risk and creates opportunities

- Formed as a response to the change in risk profile between hotel owners and hotel operators.
- A proactive strategy in which Pandox takes the position in the value chain that benefits the company the most in each individual case.



Op. Activities	International	Nordic
19 Hotel Properties	12 Hotel properties	7 Hotel properties
SEK 6.6bn Portfolio Market Value	17% Portfolio Market Value	4% Portfolio Market Value
5,573 Rooms	4,183 Rooms	1,390 Rooms

Based on portfolio market value as of 31 March 2016 (rounded percentages)



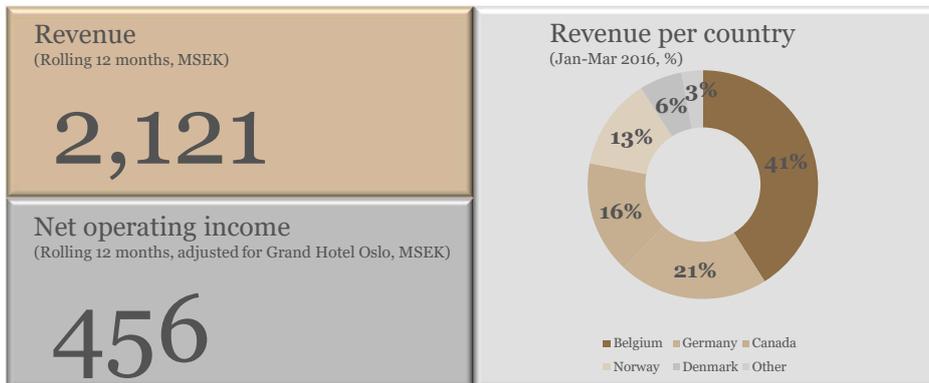
¹ International which includes Belgium, Germany and Canada

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Operator Activities

Key financial highlights



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Hotels in Operator Activities

Belgium – 1,936 rooms – 31 percent of total



The Hotel, Brussels
421 rooms



Crowne Plaza Brussels – Le Palace
354 rooms



Holiday Inn Brussels Airport
310 rooms



Hotel BLOOM!
305 rooms



Hilton Brussel City
284 rooms



Crowne Plaza Antwerp
262 rooms



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Hotels in Operator Activities

Germany - 1,285 rooms – 20 percent of total



Hotel Berlin, Berlin
701 rooms



Radisson Blu Bremen
235 rooms



Radisson Blu Dortmund
190 rooms



Holiday Inn Lütbeck
159 rooms



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The hotels in Operator Activities

Norway – 1,164 rooms – 19 percent of total



Hotel Lillehammer
303 rooms



Thon Hotel Kristiansand
210 rooms

From 28 May 2016



Hotel Haffell
210 rooms

From 1 Sep 2016



Thon Hotel Fagernes
149 rooms

Operator activity without property ownership



Grand Hotel Oslo
292 rooms

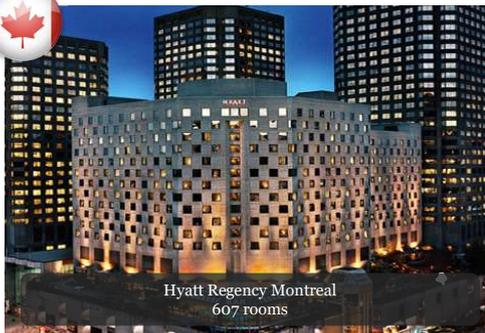


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The hotels in Operator Activities

Canada – 964 rooms – 15 percent of total



Hyatt Regency Montreal
607 rooms



InterContinental Montreal
357 rooms



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The hotels in Operator Activities

Sweden, Denmark and Finland – 949 rooms – 15 percent of total



Best Western PLUS Hotel Prince Philip
208 rooms



Mr Chip Hotel
150 rooms



Hotel Korpilampi
151 rooms



First Hotel Copenhagen
215 rooms



Urban House
225 rooms / 1,025 beds

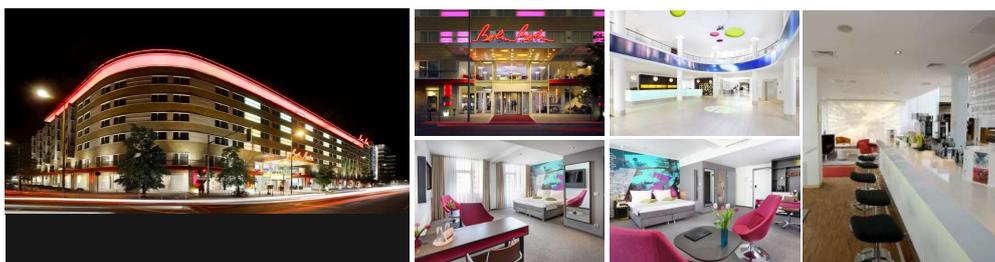


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Hotel Berlin, Berlin

“The third largest hotel in Berlin within walking distance to the Kurfürstendamm”



701
rooms

City
centre

Leisure and meeting

Acquired 2006

Repositioning to
independent profile

New management

Product development
and productivity



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Radisson Blu Bremen

“Full-service city centre hotel for business, meeting and leisure”



235 rooms	City centre	Business, leisure and meeting	Operations taken over in 2013
Change of brand from Hilton to Radisson Blu	New management		Product development and productivity



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Radisson Blu Dortmund

“A modern hotel located close to the Westfalenhallen area”



190 rooms	Congress centre	Business and meeting	Operations taken over in 2013
Change of brand from Hilton to Radisson Blu	Modernisation		New management and productivity

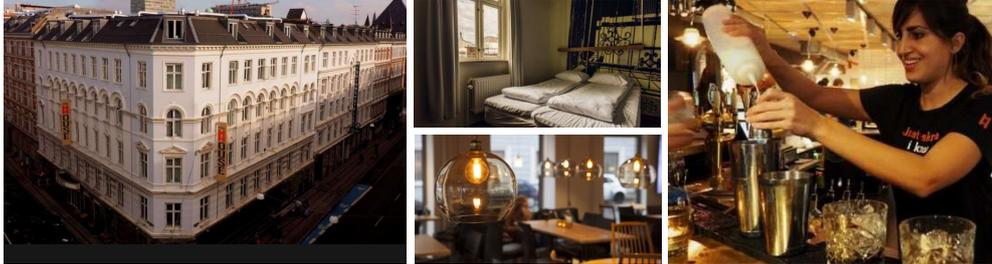


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Urban House

“A hotel/hostel hybrid located in the hippest part of Copenhagen, Vesterbro”



1,025 beds	City centre	Leisure	Operations taken over in 2014
Change of concept from poor economy hotel to hostel		New independent brand	
			Creative world for next generation



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Film



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Key competences in Operator Activities

Pandox needs to understand...



Key competences in Operator Activities

Functions within Pandox...



Key competences Operator Activities

Main drivers of cash flow and property value



Film

Introduction to Pandox's operated hotels in Brussels

Aldert Schaaphok, SVP Pandox Operations
Holiday Inn Brussels Airport, 24 May 2016



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Pandox's hotels in Brussels

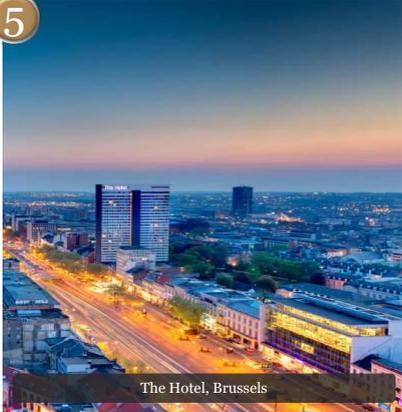
Well positioned in their respective market segment – 1,674 rooms in total

- 

Holiday Inn Brussels Airport
- 

Hotel BLOOM!
- 

Crowne Plaza - Le Palace
- 

Hilton Brussels City
- 

The Hotel, Brussels

Holiday Inn Brussels Airport

“Located close to the airport in a growing area with large corporates”

1



310 rooms	Airport	Business and meeting	Acquired 2007
Modernisation	Product development	Productivity	



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Hotel BLOOM!

“A full service hotel for business, leisure and meeting”

2



304 rooms	City centre	Business, leisure and meeting	Acquired 2007
Change of brand to independent lifestyle hotel	Creation of new concept and brand	Productivity	



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Crowne Plaza Brussels – Le Palace

“One of the leading meeting hotels in Brussels”



354 rooms	City centre	Business, leisure and meeting	Acquired 2004
Strengthened position towards meeting segment		Product development	Productivity



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Hilton Brussels City

“Strong location and attractive business product”



284 rooms	City centre	Business and leisure	Acquired 2000
Change of brand from independent to Hilton		Product upgrade and development	Productivity



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The Hotel, Brussels

“The leading business and meeting hotel in Brussels”

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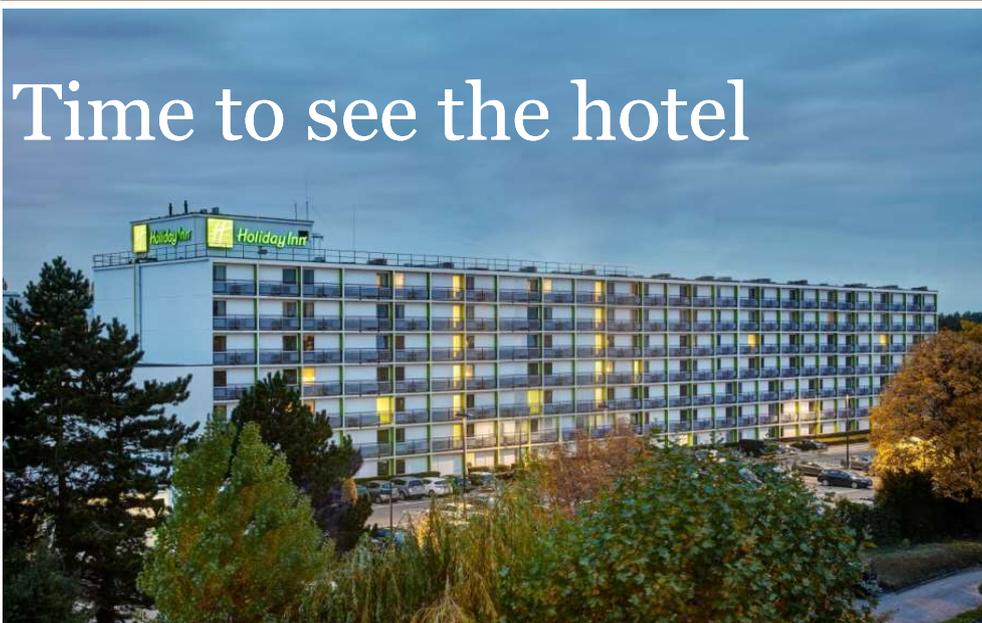


420 rooms	City centre	Business, leisure and meeting	Acquired 2011
Repositioning to independent brand	New concept and brand based on fashion	Productivity	



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Time to see the hotel



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Hotel market update

Jonas Törner, VP Business Intelligence
Hotel BLOOM!, 24 May 2016

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Market update North America

April 2016

- › 74 consecutive months of growth.
- › 2016 estimated to reach record level occupancy...
- › ... which is flattening out in many cities mainly due to increased supply
- › ADR main driver of growth 2016 and 2017



- › US tourism is back, a depreciated Canadian dollar part of the reason
- › Oil related cities under RevPAR pressure
- › Supply growth relatively low
- › Growth will likely come more from ADR than occupancy



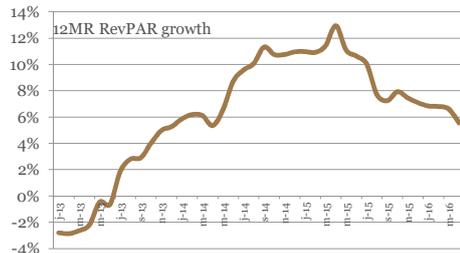
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Market update North America

April 2016 - Montréal

- › International and US arrivals increased by 7 percent and 10 percent respectively in 2015.
- › Strong meeting and event market.
- › Limited supply coming into the market. The largest hotel in the city will be closed one year for renovation (977 rooms).
- › 375-year city anniversary in 2017.
- › Promising growth prospects mainly in ADR.



Data source(s): STR

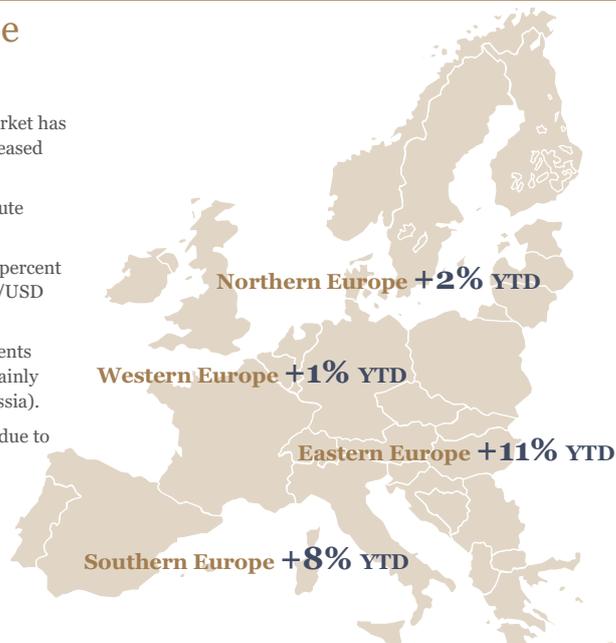
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Market update Europe

April 2016

- › After the financial crisis the hotel market has been growing primarily through increased occupancy.
- › In 2014-2015 ADR started to contribute positively as well.
- › International arrivals increased by 5 percent in 2015, supported by a weaker EUR/USD and other main currencies.
- › Current construction pipeline represents about 1.4 percent supply increase (mainly due to UK, Germany, Turkey and Russia).
- › RevPAR is up 3 percent YTD mainly due to increased ADR.



Data source(s): STR

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Market update Europe

April 2016



London, like the UK as a whole, is trading high up in the business cycle. RevPAR is under pressure from extensive new supply.



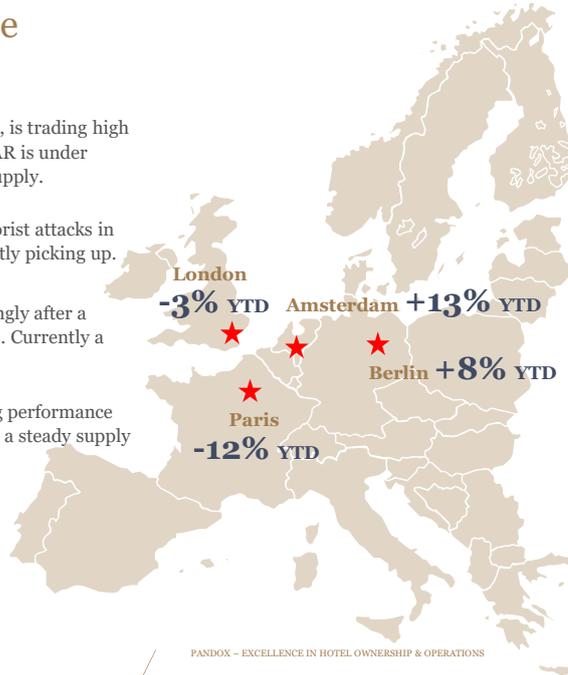
Paris still suffers from the terrorist attacks in November 2015, pace is currently picking up.



Amsterdam is performing strongly after a patchy development 2011-2014. Currently a rate driven market.



Berlin has experienced a strong performance over the last 18 months despite a steady supply increase.



Data source(s): STR

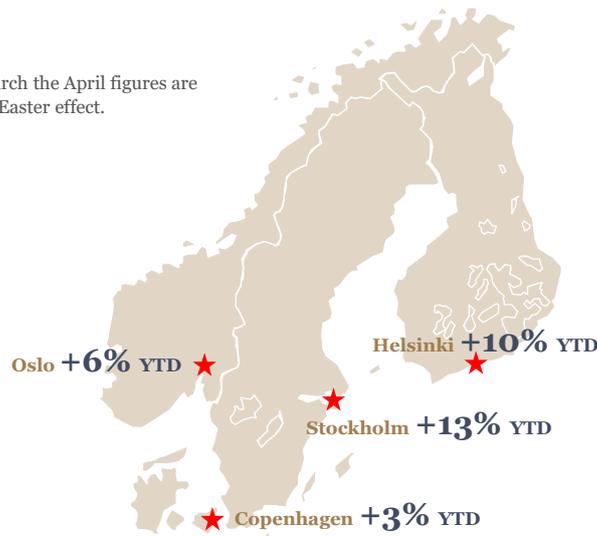
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Market update Nordics

April 2016

- Compared to March the April figures are unbiased by the Easter effect.



Data source(s): Benchmarking Alliance, STR

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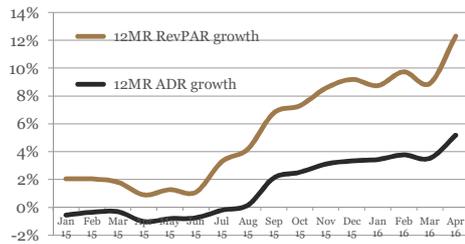
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Market update Nordics

April 2016 - Stockholm

- › Positive momentum in the market since summer 2015 equally driven by ADR and demand.
- › Strong meeting & event calendar in T1 2016.
- › Limited supply growth, however, new capacity coming to the market (2016-2017):

Scandic Continental, Haymarket, Generator Hostel, The Winery, Hobo & At Six.



Data source(s): Benchmarking Alliance

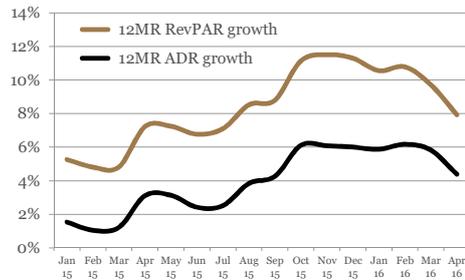
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Market update Nordics

April 2016 - Copenhagen

- › Strong RevPAR development since late 2011 deriving from both demand and rate growth.
- › Limited supply growth during 2014 and 2015.
- › Influx of new supply the last months of 2.6 percent affecting RevPAR development T1 and in the short term future.
- › Underlying growth prospect still promising.



Data source(s): Benchmarking Alliance

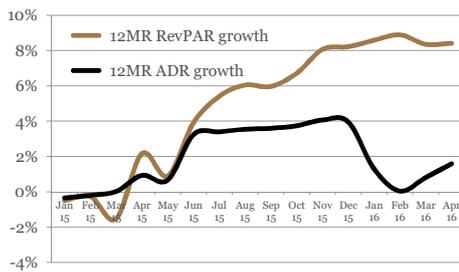
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Market update Nordics

April 2016 - Oslo

- › The Oslo market is performing well despite the slowdown in the oil sector. Oslo less affected compared to Bergen and Stavanger. Increased consumption and a weak NOK supported the market.
- › Demand main driver of RevPAR growth currently.
- › Limited increase in supply.



Data source(s): Benchmarking Alliance

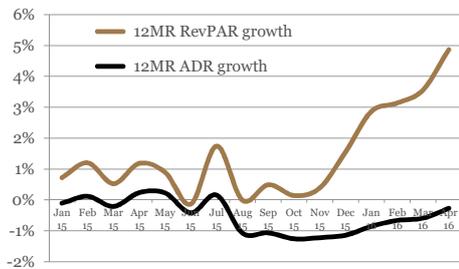
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Market update Nordics

April 2016 - Helsinki

- › The general economic climate remains gloomy.
- › However, the Helsinki market is currently performing better than the last year, mainly due to a strong passenger development at the Helsinki airport (+5% YTD) and a stabilisation of Russian demand.
- › The supply increase has been very limited in recent years. Two large hotel openings are expected in October.



Data source(s): STR

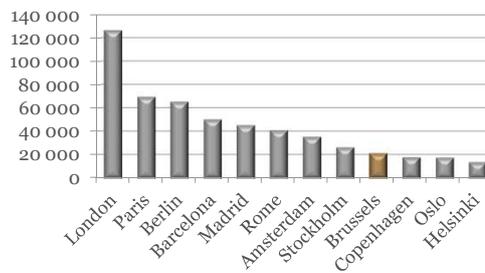
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The hotel market in Brussels

Size and supply

The hotel market in Brussels in a European context



Supply

- › The total hotel market in Belgium comprises about 60,000 hotel rooms of which one third, or approximately 21,000 rooms, are located in the Brussels area



Data source(s): STR, Benchmarking Alliance, Visitbrussels

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The hotel market in Brussels

Guest segments and arrivals

- › The hotel market in Brussels is primarily business driven.
- › Demand is largely dependent on international arrivals and meetings related to the EU and NATO.
- › Many international organisations and companies are also headquartered in Belgium.
- › Leisure demand is concentrated to Brussels and historical cities such as Ghent, Bruges and Antwerp.
- › Brussels has seen a growing reputation as a short break destination, but compared to its European peers there is still room for development.
- › Brussels airport has recorded strong passenger numbers in 2014 and 2015 with growth of +15 percent and +7 percent respectively.



Data source(s): Brussels Airport

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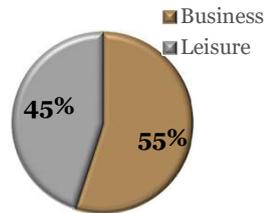
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The hotel market in Brussels

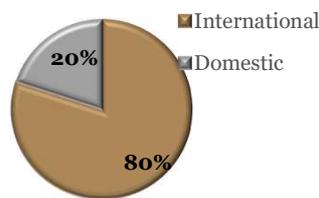
Demand structure

- › Business demand is concentrated to Monday – Thursday and leisure demand to weekends.
- › Brussels is one of Europe’s strongest and most highly ranked meeting markets due to its institutional and political surrounding.
- › Average length of stay 1.9 days.

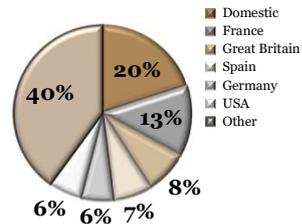
Business versus leisure



International versus domestic



Top 5 feeder markets



Data source(s): Visitbrussels

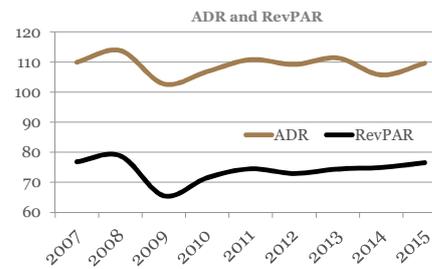
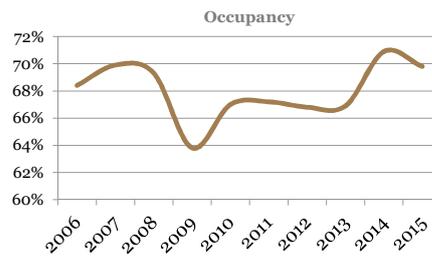
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The hotel market in Brussels

Long term trends in occupancy, ADR and RevPAR

- › In the period 2010-2013, after the financial crisis, the market traded steadily around 67 percent in occupancy with ADR stable at around EUR 110.
- › In nominal terms, in the end of 2015 RevPAR had returned to the previous peak level from 2008, i.e., before the financial crisis.



Data source(s): STR

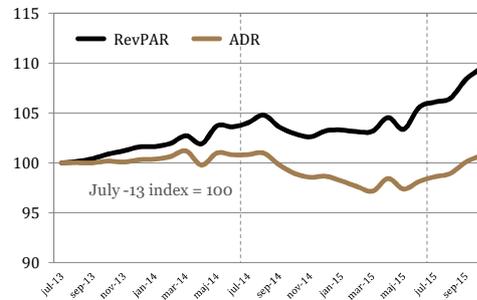
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The hotel market in Brussels

Development July 2013 – October 2015

- After a relatively flat development 2010-2013, market momentum started to pick up considerably from summer 2013.
- Growth was mainly leisure driven supported by higher activity at the Zaventem airport (new terminal and new routes from Ryan Air and other airlines).
- The strong outlook and positive momentum of Brussels turned negative following the Paris terrorist attacks in November 2015 and the subsequent lockdown of Brussels in November and December.



Data source(s): STR

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The market in Brussels and opportunities in RMC

Vassilis Syropoulos, VP RMC

Hotel BLOOM!, 24 May 2016



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The market in Brussels

Vassilis Syropoulos
Hotel BLOOM!, 24 May 2016

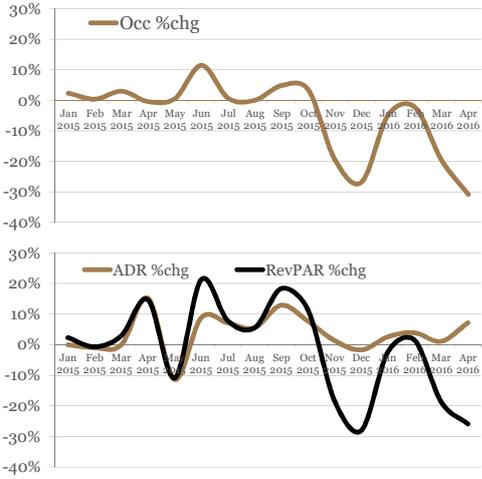


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The hotel market in Brussels

Development October 2015 – April 2016 (monthly)

- › March attacks followed by the airport closure accentuated the occupancy drop where recovery is seen first in corporate segments.
- › Strong segment shifts after Brussels Lockdown had an positive effect on ADR (less leisure).



Source: ForwardKeys

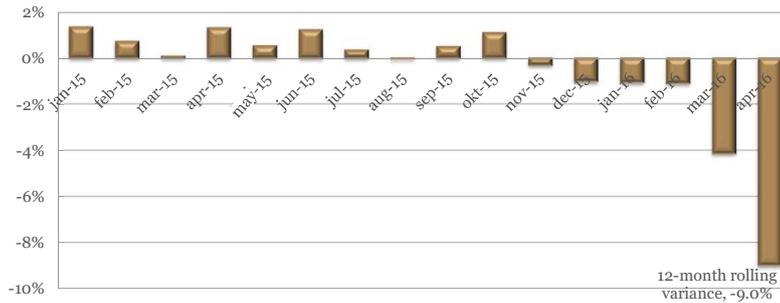


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The hotel market in Brussels

History flight arrivals at Brussels Airport

- › The arrival uptrend was interrupted with “Brussels Lockdown” in November 2015.
- › This negative arrival trend continued until March 2016 where terrorist attacks of 22nd March knocked out definitely the last 12-month arrival progression.



Source: ForwardKeys

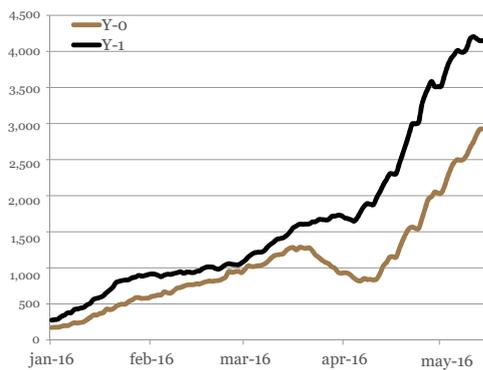
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The hotel market in Brussels

Booked flight arrivals at Brussels Airport

- › Booking activity for arrivals from May to December shows that bookings remained below last year levels since January.
- › March attacks were followed by a negative booking activity for 3 consecutive weeks.
- › Most recent booking activity follow LY trend but remains 1/3rd below last year level.



Source: ForwardKeys

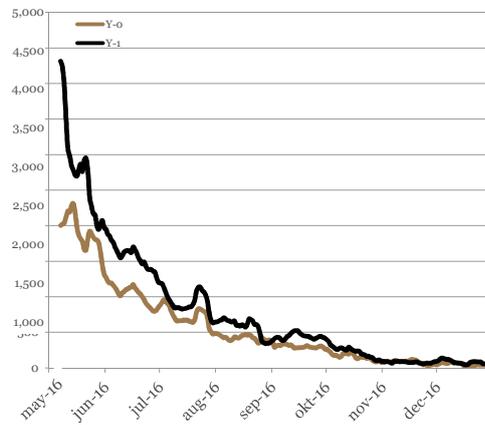
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The hotel market in Brussels

OTB flight arrivals at Brussels Airport

- › Low booking activity since January impact future OTB arrivals which now pace -32%
- › Deepest year-over-year variances show on shorter term over Summer



Source: ForwardKeys

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REVENUE MANAGEMENT

Vassilis Syropoulos

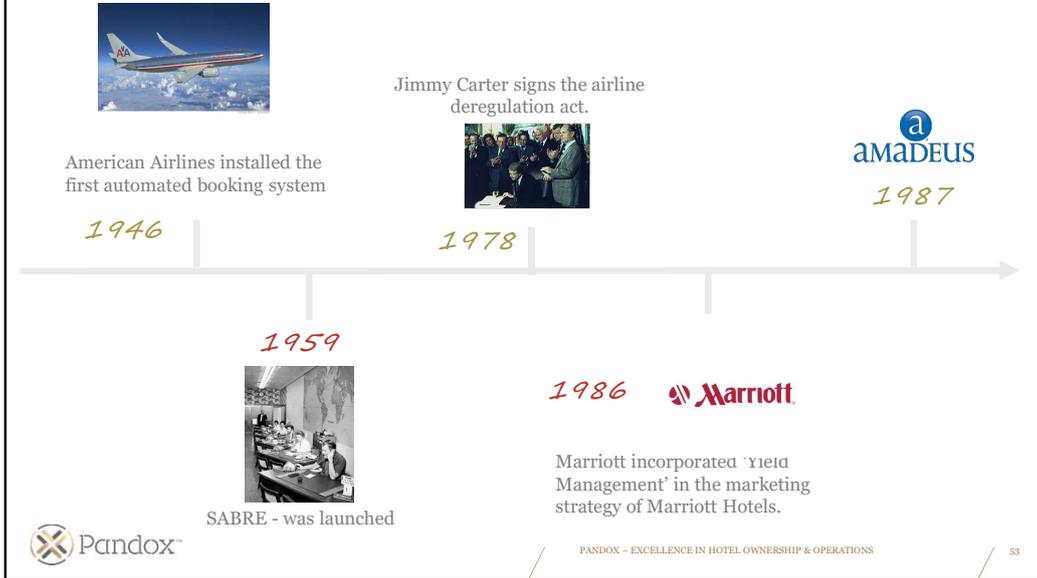
Crown Plaza – Le Palace, 24 May 2016



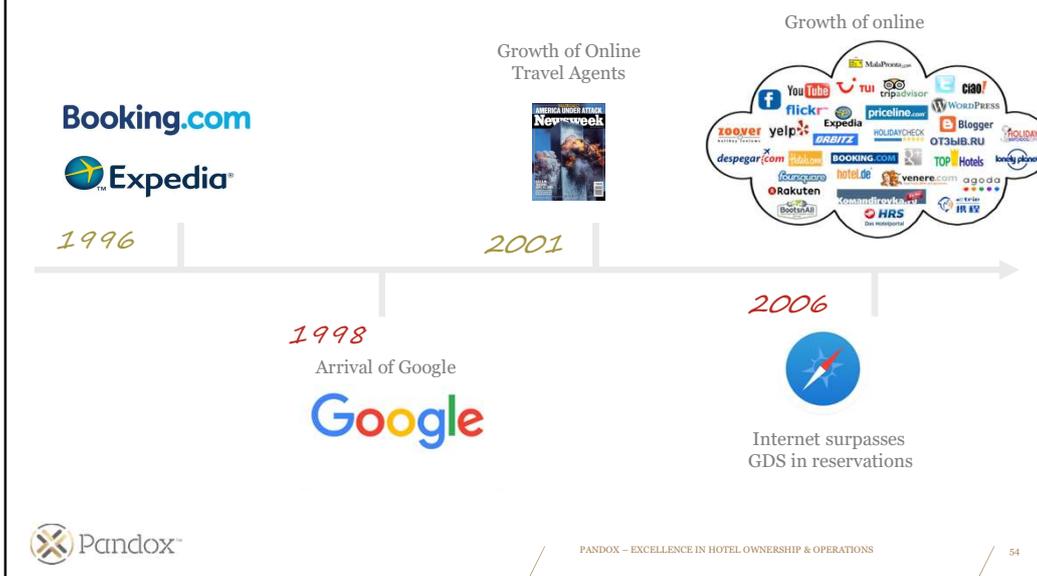
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A high level history of hotel distribution



A high level history of hotel Distribution



Hotel distribution 2016...



Traveler



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From an owner's perspective

1. before



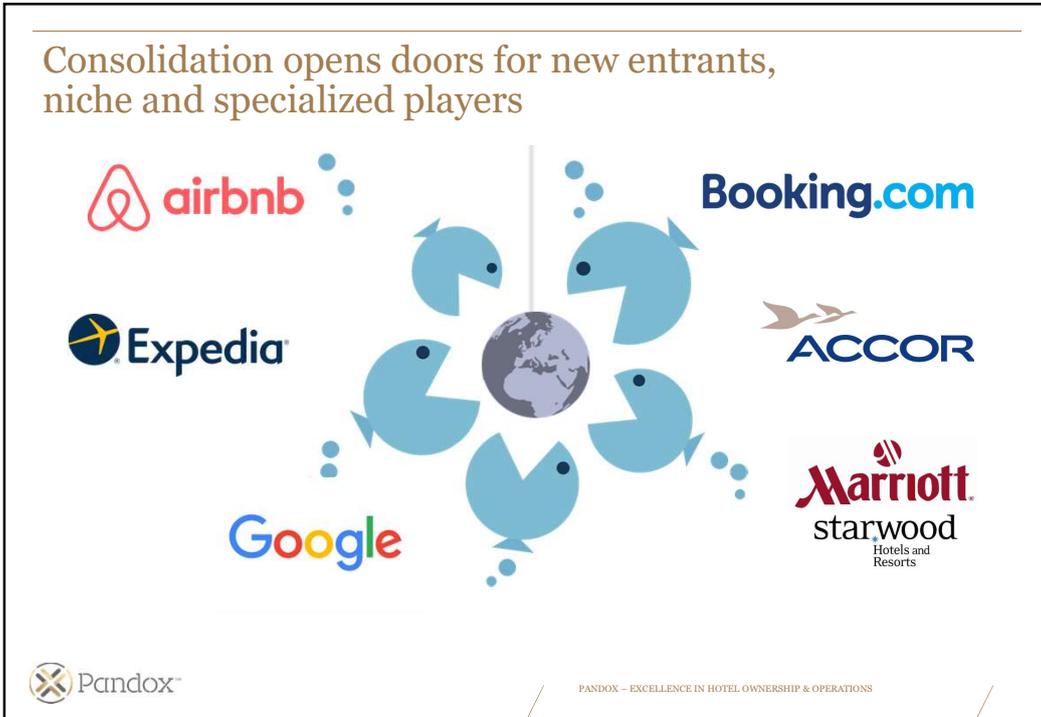
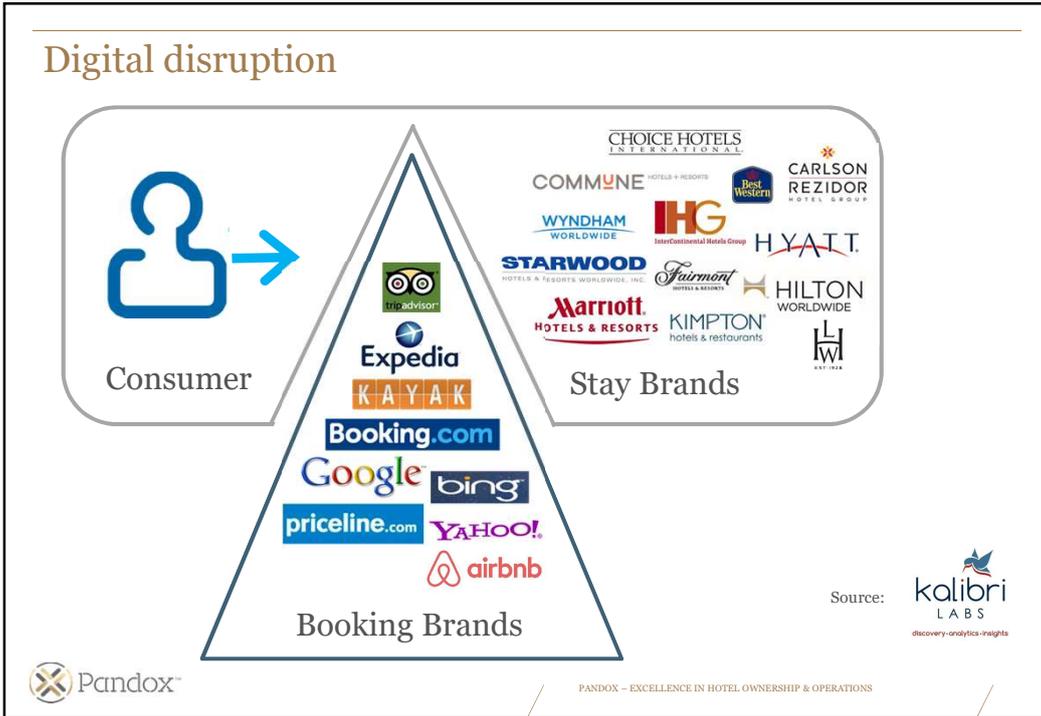
2. then

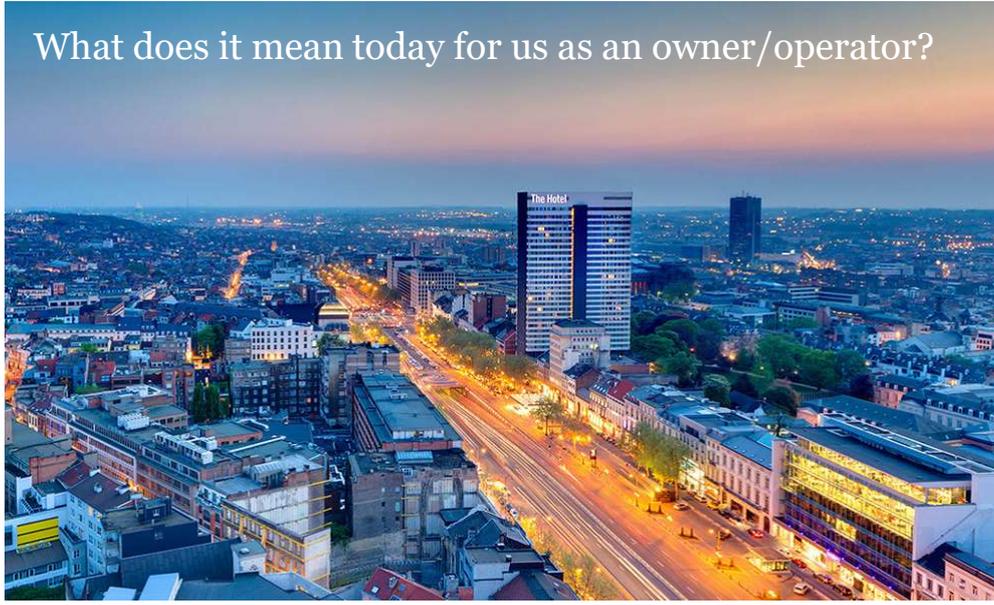


3. now introduction of booking brands



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What does it mean today for us as an owner/operator?

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OPPORTUNITY!

- In choosing distribution partners
- In product development

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3 Pillars



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A team of highly trained experts with international experience based in one location



THE LUXURY COLLECTION
Starwood Hotels & Resorts

SOFITEL
LUXURY HOTELS

Sheraton
HOTELS & RESORTS

CARLSON
REZIDOR
HOTEL GROUP

ACCOR

INTERCONTINENTAL
HOTELS & RESORTS

Hilton
HOTELS & RESORTS

Marriott



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Best in class partners



Revinat



TravelClick™

nsight
Humanizing Travel Intelligence



Google
Analytics

OTA
Insight



ForwardKeys
Traveller data intelligence

HotelIQ
BUSINESS INTELLIGENCE



Redbooth
work smarter

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#1

Better forecasting..
...using...



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- Past Data
- Weather
- Airlines
- Forward search and purchase data
- Competitor movements and availability
- ... Predictive Analytics



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#2

Better pricing



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A long time ago



#3

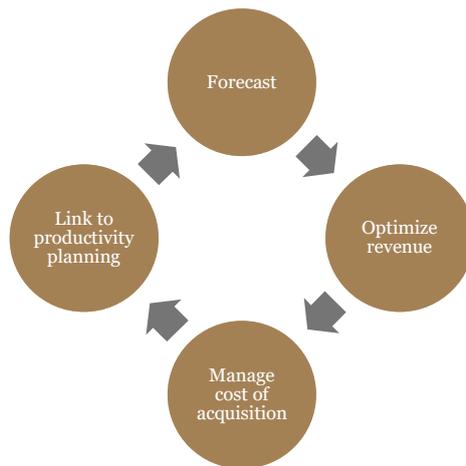
Optimizing revenue

#4

Economies of scale and cost of acquisition management



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Time to see the hotel

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Managing hotel performance

Aldert Schaaphok, SVP Pandox Operations
Crowne Plaza – Le Palace, 24 May 2016

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Without data
you are just another person
with an opinion

Managing hotel performance

Working with the best partners

- › We work with best in class partners in each management discipline:
 - Market intelligence
 - Revenue management
 - Productivity
 - Finance
 - Guest reviews
- › Integrate key business drivers & indicators in Pandox Operations proprietary dashboard



Nine perspectives

Actively monitored and benchmarked



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Nine perspectives

Key revenue figures



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Nine perspectives

Finance and profitability



Nine perspectives

Commercial scorecard



Nine perspectives

Distribution cost



Nine perspectives

Productivity



Productivity

Productivity Management Intelligence, a software solution

- › A dynamic performance management collaboration platform for all managers.
- › Measurement to management: Instant - Transparent - Real Time - On Line.
- › Manage the future instead of reporting the past.
- › Consolidates all revenue streams.
- › Machine learning algorithm to predict future staffing needs.
- › Makes accurate and credible resource planning.



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Nine perspectives

Market shares



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Nine perspectives

Guest satisfaction & loyalty and service quality

Key revenue figures <ul style="list-style-type: none"> • Occupancy in % • Average rate • Revenue per room • Total revenue • Forecast accuracy 	Finance and profitability <ul style="list-style-type: none"> • GOP +/- % • Flow-through • Total payroll +/- % • EBITDA 	Commercial scorecard <ul style="list-style-type: none"> • Sold out efficiency • Rate efficiency • Value index
Distribution cost <ul style="list-style-type: none"> • Cope • Net RevPAR • S&M efficiency 	Productivity <ul style="list-style-type: none"> • Productivity • PMI index 	Market shares <ul style="list-style-type: none"> • Market index • Average rate index • Revenue index
Guest satisfaction & loyalty, service quality <ul style="list-style-type: none"> • Online review scores • Trip advisor 	Employee	Other

Nine perspectives

Employee satisfaction & loyalty and training & development

Key revenue figures <ul style="list-style-type: none"> • Occupancy in % • Average rate • Revenue per room • Total revenue • Forecast accuracy 	Finance and profitability <ul style="list-style-type: none"> • GOP +/- % • Flow-through • Total payroll +/- % • EBITDA 	Commercial scorecard <ul style="list-style-type: none"> • Sold out efficiency • Rate efficiency • Value index
Distribution cost <ul style="list-style-type: none"> • Cope • Net RevPAR • S&M efficiency 	Productivity <ul style="list-style-type: none"> • Productivity • PMI index 	Market shares <ul style="list-style-type: none"> • Market index • Average rate index • Revenue index
Guest satisfaction & loyalty, service quality <ul style="list-style-type: none"> • Online review scores • Trip advisor 	Employee satisfaction & loyalty, training & development <ul style="list-style-type: none"> • Employee satisfaction 	Other

Nine perspectives

Other

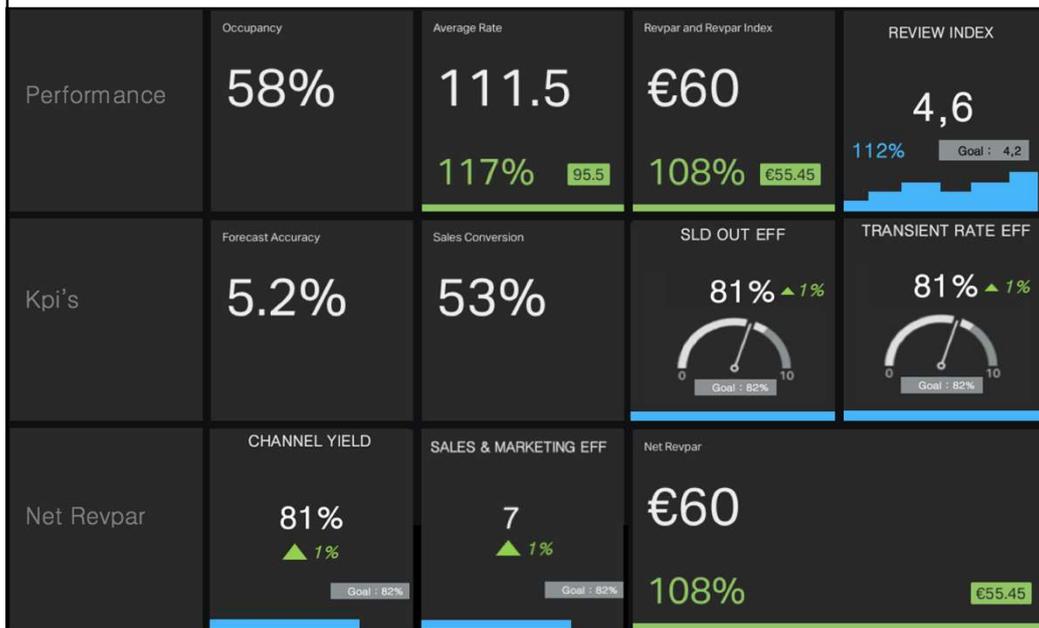
Key revenue figures <ul style="list-style-type: none"> Occupancy in % Average rate Revenue per room Total revenue Forecast accuracy 	Finance and profitability <ul style="list-style-type: none"> GOP +/- % Flow-through Total payroll +/- % EBITDA 	Commercial scorecard <ul style="list-style-type: none"> Sold out efficiency Rate efficiency Value index
Distribution cost <ul style="list-style-type: none"> Cope Net RevPAR S&M efficiency 	Productivity <ul style="list-style-type: none"> Productivity PMI index 	Market shares <ul style="list-style-type: none"> Market index Average rate index Revenue index
Guest satisfaction & loyalty, service quality <ul style="list-style-type: none"> Online review scores Trip advisor 	Employee satisfaction & loyalty, training & development <ul style="list-style-type: none"> Employee satisfaction 	Other <ul style="list-style-type: none"> Sustainability



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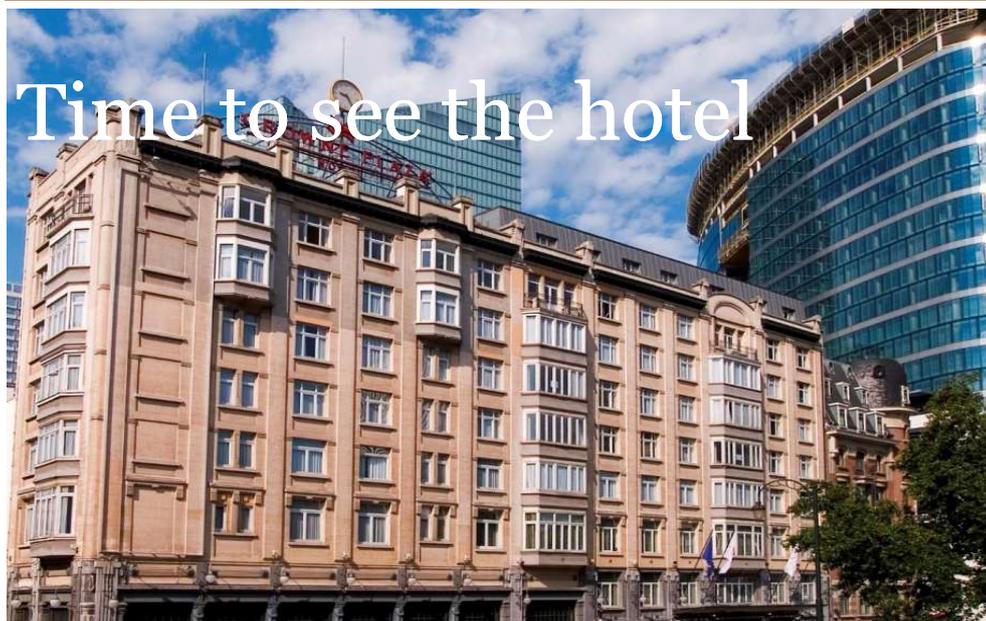
Dashboard



Managing hotel performance

Key takeaways

- › Accurate resource planning.
- › Improved productivity





Short introduction to the business case The Hotel, Brussels

Anders Nissen
The Hotel, Brussels, 24 May 2016

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Four cases to illustrate Pandox's investment strategy

<p>1</p> <p>"Large portfolio acquisition"</p> <p>Norgani "Project Shark"</p> <p>EUR 1.000+180m</p>	<p>2</p> <p>"Lease extension with investment"</p> <p>Radisson Blu Arlandia</p> <p>SEK 100m</p>	<p>3</p> <p>"Taking over of operations"</p> <p>Radisson Blu Dortmund Radisson Blu Bremen Holiday Inn Lübeck</p> <p>SEK 80m</p>	<p>4</p> <p>"Large single hotel acquisition"</p> <p>The Hotel Brussels</p> <p>EUR 29+35m</p>
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Business case The Hotel, Brussels

Aldert Schaaphok
The Hotel, Brussels, 24 May 2016



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Business case – The Hotel, Brussels

Possibility to create value with bold measures

- › Full service product with 432 rooms with great potential.
- › Excellent location on Boulevard de Waterloo.
- › Acquisition “free and clear” with full flexibility.
- › Possibility to increase productivity.
- › Increasing local competition required investments and product development
- › A positive market.



Business case – The Hotel, Brussels

Background – a worn-down and underperforming hotel

- › Hilton Brussels Tower.
- › Property built in 1967.
- › Managed by Hilton and positioned as a leading full service hotel in Brussels.
- › Underperforming in all dimensions.
- › Under-invested.
- › Low productivity.



Business case – The Hotel, Brussels

Question number one: brand story

- What hotel? **The Hotel.**
- *Location:* On the Boulevard of The Hotel: 34 boutiques of the world's leading high end luxury and fashion brands.
- *What:* Sophisticated elegance in an efficient, smart, yet luxurious business environment, with a feminine touch.
- *How:* Strategic and continuous co-operation with neighboring luxury fashion brands, without being a fashion hotel.
- *Metaphor:* "Fashion is not something that exists in dresses only. Fashion is in the sky, in the street, fashion has to do with an idea, the way we live, what is happening. In order to be irreplaceable one must always be different." Coco Chanel.



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Business case – The Hotel, Brussels

Question number two: productivity

- Increased productivity necessary.
- Substantial cost reduction target.
- Nine months' of negotiations to create a new organisational model.
- New management and new working methods.
- Reduction of 100 FTEs (collective dismissal and reduction).
- Substantial reduction of employee cost.
- Extensive training and staff development.



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Business case – The Hotel, Brussels

Question number three: investment and market analysis for value growth

- › Analysis showed clear potential to take a new position in the market.
- › An international hotel for international guests.
- › Acquisition cost MEUR 29m.
- › Additional investment of MEUR 35, of which MEUR 3.5 related to FTE reductions.
- › Total investment cost amounted to MEUR 64, corresponding to approximately MEUR 0.155 (MSEK 1.5) per room.
- › On track to double cash earnings.



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Business case – The Hotel, Brussels

Key takeaways

- › A large single hotel acquisition with higher risk and higher return.
- › Brand, productivity and investments.
- › A good illustration of the key competences needed to successfully reposition and operate hotels.



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Financial update

Liia Nõu
The Hotel, Brussels, 24 May 2016

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Financial update

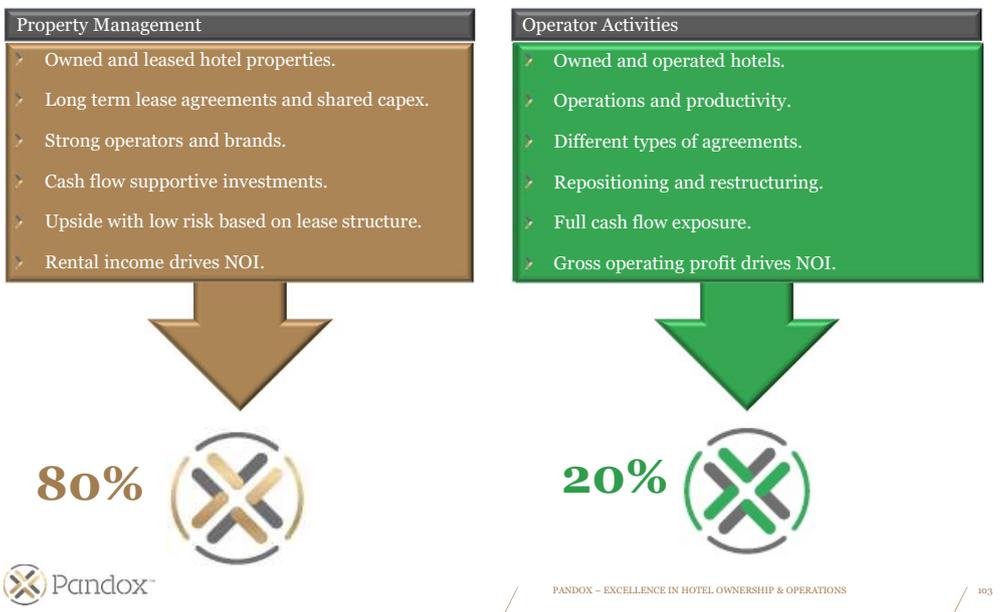
Contents

- › Segments and business logic.
- › Announced portfolio changes.
- › Operator Activities financials.
- › Recap of Q1 2016: Leonardo, capex and investments, taxes, financial structure...
- › Well diversified hotel portfolio.
- › Key drivers of cash earnings.

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Pandox's business segments and operating logic

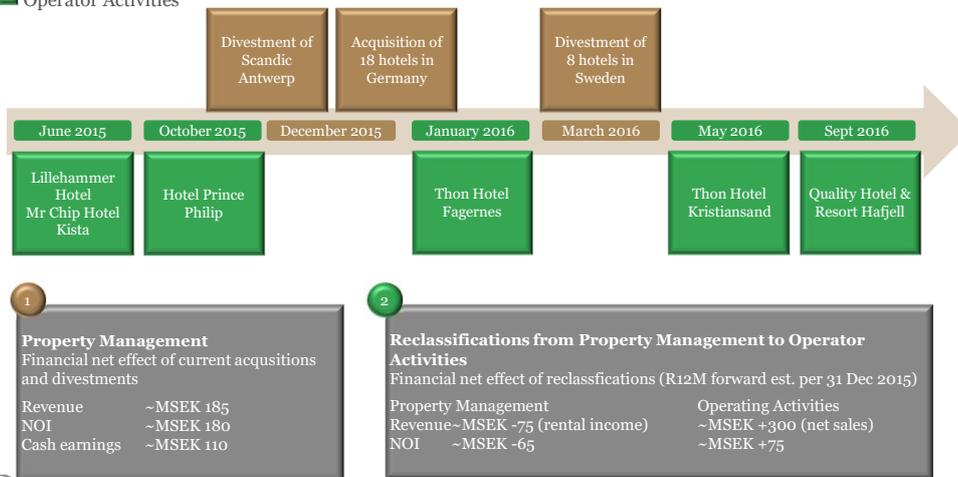


Summary of announced portfolio changes

Acquisitions, divestments and reclassifications

Property Management

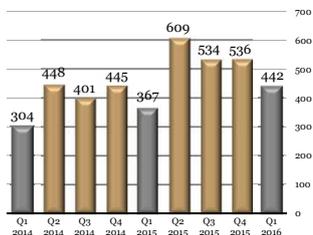
Operator Activities



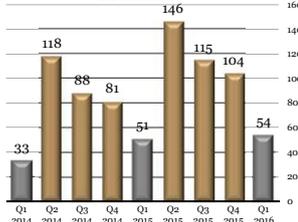
Operator Activities

Key financial highlights

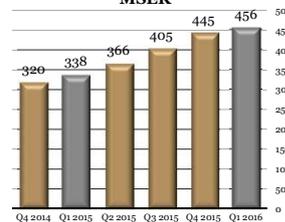
Revenue in MSEK



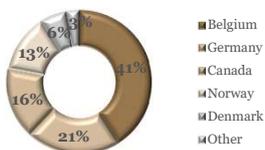
Net Operating Income (NOI) in MSEK



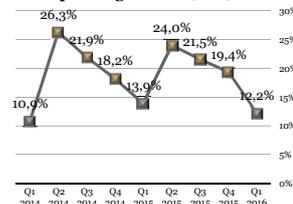
NOI R12M, ex GHO in MSEK



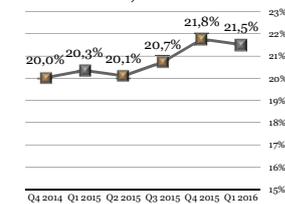
Revenue per country (Jan-Mar 2016)



Net Operating Income (NOI) in %



NOI in %, ex GHO R12M



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Pandox financial overview

Key financial highlights (31 March 2016)

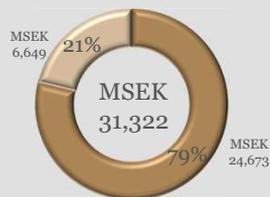
NOI Property Management
(Rolling 12 months, ex. mediation, MSEK)

1,341

NOI Operator Activities
(Rolling 12 months, ex. Grand Hotel Oslo, MSEK)

456

Portfolio market value
(31 March, 2016, %)



■ Property Management ■ Operator Activities

Total MSEK
1,797



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Business highlights January – March 2016

Good underlying growth

- Good growth in revenue and profitability, despite negative effects from the terrorist attacks in Brussels and Easter, driven by:
 - (1) a favorable hotel market
 - (2) organic growth from hotels coming back from renovation
 - (3) acquired growth from the 18 hotels in Germany, consolidated 1 January
- The negative effect on NOI in Operator Activities from the terrorist attacks in Brussels amounted to approximately MSEK 7 in the first quarter. Including this effect the total negative effect for FY 2016 is estimated to approximately MSEK 40, of which the main part will affect the second quarter. This view is unchanged since 3 May 2016.
- LFL¹ growth in NOI, adjusted for Easter, is estimated to 3-4 percent and 5-7 percent for Property Management and Operator Activities respectively.
- Cash earnings grew by 37 percent.
- EPRA NAV per share amounted to SEK 112.16, up 4.1 percent from year-end 2015.



¹) Adjusted for currency effects and comparable units.

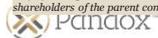
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Income statement

Improved revenues and profit

(MSEK)	Q1 2016	Q1 2015	FY 2015
Revenues Property Management			
Rental income	374	319	1,431
Other property income	12	13	112
Revenue Operator Activities	442	367	2,046
Total revenues	828	699	3,589
Costs Property Management	-66	-72	-263
Costs Operator Activities	-424	-348	-1,767
Gross profit	338	279	1,559
- whereof gross profit Property Management	320	260	1,280
- whereof gross profit Operator Activities	18	19	279
Central administration	-24	-21	-94
Financial income	0	1	3
Financial expenses	-114	-115	-441
Profit before changes in value	200	144	1,027
Changes in value			
Properties, unrealised	200	363	1,387
Properties, realised	159	—	12
Derivatives, unrealised	-124	-33	203
Profit before tax	435	474	2,629
Current tax	-1	-5	-35
Deferred tax	-58	-95	-463
Profit for the period	376	374	2,131
Profit for the period attributable to the shareholders of the parent company	374	374	2,131
Profit for the period attributable to non-controlling shareholders of the parent company	2	—	—



¹) Adjusted for currency effects and comparable units.

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Comments on the quarter

- Reported LFL¹ growth in revenue and net operating income from Property Management of 1 percent and 1 percent, respectively.
- Reported LFL¹ growth in revenue and net operating income from Operator Activities of 4 percent and -0.5 percent respectively.
- Consolidation of 18 hotel properties in Germany from 1 January 2016.
- Eight hotel properties in Sweden divested 31 March 2016.
- Reclassification of Thon Hotel Fagernes 1 January 2016.
- Grand Hotel Oslo under renovation.
- Current tax expected to be higher in 2016 vs 2015.
- Minority position.

Property portfolio

Slight yield compression and strong cash flows

Change in value Investment properties

	MSEK
Investment properties, beginning of the period (January 1, 2016)	25 062
+ Acquisitions	—
+ Investments	53
- Divestments ¹	-887
+/- Reclassifications	-72
+/- Unrealised changes in value	200
+/- Realised changes in value ²	159
+/- Change in currency exchange rates	158
Investment properties, end of period (March 31, 2016)	24 673

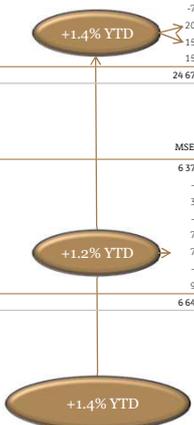
Change in value Operating properties (reported for information purposes only)

	MSEK
Operating properties, market value beginning of the period (January 1, 2016)	6 375
+ Acquisitions	—
+ Investments	31
- Divestments	—
+/- Reclassifications	72
+/- Unrealised changes in value	76
+/- Realised changes in value	—
+/- Change in currency exchange rates	95
Operating properties, market value end of period (March 31, 2016)	6 649

^{1,2} Refers to divestment of eight investment properties 31 March 2016.

Comments

- Total property portfolio market value per 31 March, 2016, amounted to MSEK 31,322.
- Excludes eight hotels in Sweden divested for MSEK 850.
- Per 31 March, 2016, average valuation yield Investment properties 5.8 (Year-end 2015: 5.9) percent.
- Per 31 March, 2016, average valuation yield operating properties 7.5 (Year-end 2015: 7.5) percent.
- External valuations performed on 25 percent of the property portfolio in the fourth quarter, in line and confirms Pandox's internal valuations.
- Reclassification of Thon Hotel Fagernes from Investment properties to Operating properties.



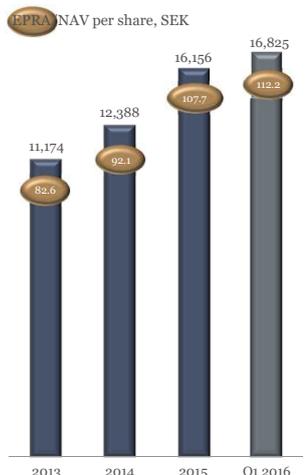
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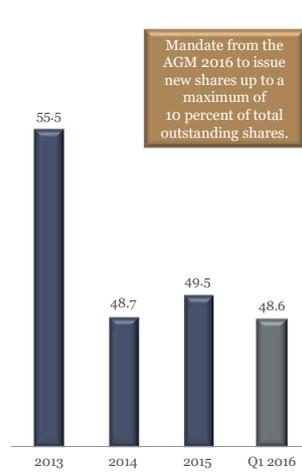
Financing and capital structure

Solid growth in EPRA NAV and maintained financial flexibility

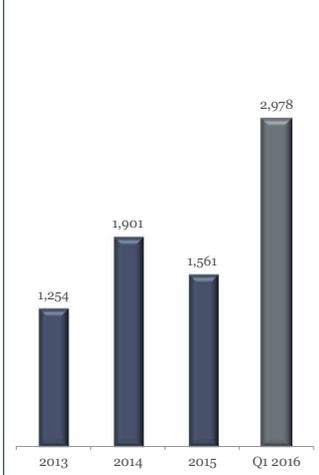
EPRA Net Asset Value (MSEK)



Loan to Value (gross) (%)



Liquid funds and long-term committed credit facilities (MSEK)

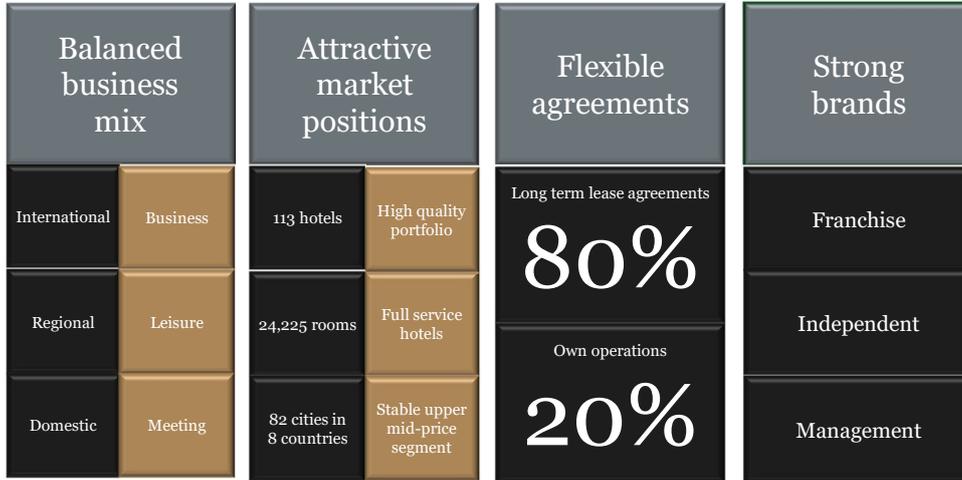


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Well diversified hotel portfolio

Offers stability over the hotel market cycle



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Key growth drivers for cash earnings



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Q&A

The Hotel, Brussels, 24 May 2016

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Summary of
Pandox CMD 2016

Anders Nissen

The Hotel, Brussels, 24 May 2016

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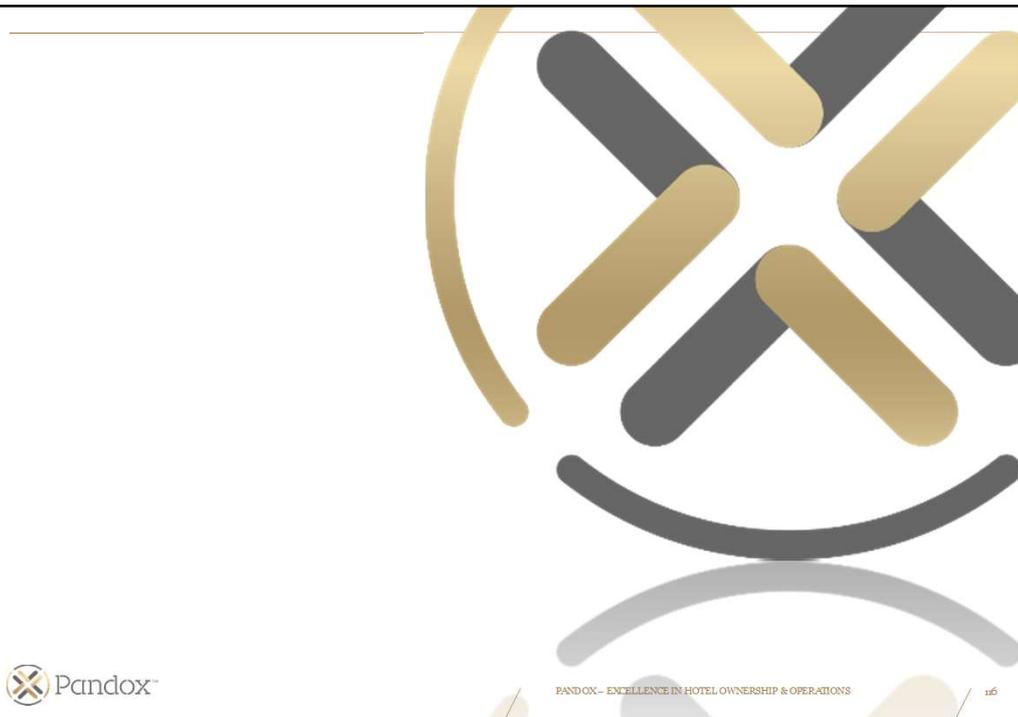
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Film



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