

Strong end to the year and raised dividend

Pandox has renamed its business segments to Leases (formerly Property Management) and Own Operations (formerly Operator Activities). The name change will not affect the accounting principles.

October–December 2023

- Revenue for Leases amounted to MSEK 928 (848). For comparable units, the increase was 7 percent, adjusted for currency effects
- Net operating income for Leases amounted to MSEK 769 (698). For comparable units, the increase was 7 percent, adjusted for currency effects
- Net operating income for Own Operations amounted to MSEK 220 (184). The increase for comparable units was 5 percent, adjusted for currency effects
- EBITDA amounted to MSEK 942 (829), an increase of 14 percent
- Cash earnings amounted to MSEK 415 (515), equivalent to SEK 2.26 (2.80) per share
- Changes in property values amounted to MSEK -339 (-67). Unrealised changes in value of derivatives amounted to MSEK -1,236 (-59)
- Profit for the period amounted to MSEK -1,125 (101), equivalent to SEK -6.05 (0.66) per share
- During the quarter Pandox signed leases with Scandic for Hotel Pomander in Nuremberg and with Strawberry for Hotel Mayfair Copenhagen. In addition, in Germany 18 leases with Leonardo Hotels were extended for five years
- Pandox's science-based climate targets were validated by the Science Based Targets initiative (SBTi) and existing loans of MSEK 2,200 with two banks were sustainability-linked

January–December 2023

- Revenue for Leases amounted to MSEK 3,690 (3,307). For comparable units, the increase was 11 percent, adjusted for currency effects
- Net operating income for Leases amounted to MSEK 3,157 (2,868). For comparable units, the increase was 11 percent, adjusted for currency effects
- Net operating income for Own Operations amounted to MSEK 713 (566). For comparable units, the increase was 54 percent, adjusted for currency effects
- EBITDA amounted to MSEK 3,696 (3,304), an increase of 12 percent
- Cash earnings amounted to MSEK 1,742 (2,056), equivalent to SEK 9.48 (11.18) per share
- The comparison period includes government assistance within Leases and Own Operations in the amounts of MSEK 117 and MSEK 143 respectively. Adjusted for these amounts, EBITDA increased by 21 percent, while cash earnings decreased by 3 percent
- Changes in property values amounted to MSEK -1,107 (1,180), of which MSEK -1,306 is unrealised and MSEK 199 is realised. Unrealised changes in value of derivatives amounted to MSEK -1,205 (2,318)
- Profit for the period amounted to MSEK -580 (4,204), equivalent to SEK -3.18 (22.94) per share
- The loan-to-value ratio was 46.6 percent and the interest coverage ratio on a rolling 12-month basis was 2.7 times
- The Board of Directors is proposing a dividend of SEK 4.00 (2.50) per share, a total of MSEK 734 (460)

Financial summary

MSEK	Oct-Dec			Jan-Dec		
	2023	2022	Δ%	2023	2022	Δ%
Total net sales	1,838	1,623	13	6,849	5,654	21
Of which Leases	928	848	9	3,690	3,307	12
Of which Own Operations	910	775	17	3,159	2,347	35
Total net operating income	989	882	12	3,870	3,434	13
Of which Leases	769	698	10	3,157	2,868	10
Of which Own Operations	220	184	20	713	566	26
EBITDA	942	829	14	3,696	3,304	12
Profit for the period	-1,125	101	n.a	-580	4,204	n.a
Earnings per share, SEK	-6.05	0.66	n.a	-3.18	22.94	n.a
Cash earnings	415	515	-19	1,742	2,056	-15
Cash earnings per share, SEK	2.26	2.80	-19	9.48	11.18	-15
Market value properties	—	—	—	69,039	69,231	-0
Net interest-bearing debt	—	—	—	32,190	32,334	-0
Loan to value net, %	—	—	—	46.6	46.7	n.a
Interest cover ratio, times	2.6	3.1	n.a	2.7	3.7	n.a
EPRA NRV per share, SEK	—	—	—	201.12	205.03	—
WAULT (Investment Properties), years	—	—	—	15.0	15.0	n.a
RevPAR (Own Operations) for comparable units at comparable exchange rates, SEK	1,078	1,003	7	1,036	839	23

CEO comments

Positive tone heading into 2024

Good growth in earnings and revenue

2023 was a solid year for Pandox, with good development in both occupancy and average price. Total revenue and total net operating income increased by 21 and 13 percent respectively compared with 2022. This was driven by higher revenue-based rents in the Leases business segment and good growth in the Own Operations business segment. Adjusted for pandemic-related government assistance in the comparison period, total net operating income increased by 22 percent.

The year concluded with a stable and positive fourth quarter in which there was good demand in regional hotel markets in all countries and strong recovery in larger cities. Total revenue and net operating income increased by 13 and 12 percent respectively during the quarter.

Cash earnings decreased by 19 percent, which is explained by higher market interest rates and higher-than-normal current tax in the quarter, above all due to the fact that we are in a tax position in Sweden and Norway, and also due to negative effects of rules limiting deductible interest.

Product development and new leases increase earnings

In 2023 we invested just over MSEK 900 in projects that increase value and drive cash flow. The combination of a large property portfolio and the ability to create attractive and profitable hotel products make us a natural partner for new leases. Two examples in the fourth quarter are the lease with Strawberry for Hotel Mayfair Copenhagen, which will be renamed Hobo Copenhagen once renovation is completed in 2025, and with Scandic for the already renovated Hotel Pomander in Nuremberg, which will become Scandic Nürnberg Central on 1 March 2024.

Two additional, relatively new leases are Scandic Go Fridhemsplan and Citybox Brussels, which are currently being renovated and will open in late summer 2024. Combined with ongoing product development for Radisson Blu Glasgow and the expansion of DoubleTree by Hilton Brussels City, with completion expected in 2025, these projects will increase our potential for growth and profitability. They will also make positive contributions to our earnings and value growth, with full effect in 2026 equivalent to around MSEK 300 in annual net operating income, of which around MSEK 130 in 2024. Other projects will also contribute further to our growth.

During the fourth quarter we extended 18 leases with Leonardo Hotels in Germany for five years. This has increased the weighted average unexpired lease term (WAULT) of our total hotel portfolio to 15.0 years.

Strong cash flow and stable financial position

In 2023 unrealised changes in value for the whole property portfolio amounted to MSEK -1,685 net. The higher cash flow for hotel properties – supported by good development in the hotel market – offset more than two thirds of the negative effect of higher valuation yields. As of 31 December 2023 the hotel property portfolio's average valuation yield was 6.24 percent, compared with 5.74 percent on the same date in 2022.

Our banking partners have a high level of confidence in us and our refinancing risk is low. Around 25 percent of our credit facilities have a maturity of less than one year and just under two thirds of these will mature in the second quarter of 2024. We have ongoing and positive discussions with lenders regarding refinancing. At the end of the quarter our loan-to-value ratio was 46.6 percent, which is at the lower end of the range in our Financial Policy, and our interest coverage ratio measured on a rolling 12-month basis was 2.7.

Multiple important sustainability milestones

Pandox's science-based climate targets were validated in November by the Science Based Targets initiative (SBTi). This is an important milestone for sustainability and puts the focus on the areas that drive Pandox's most substantial CO₂ emissions. We have a clear plan for reaching our climate target for Scope 1 and 2. The plan is based on phasing out gas and oil, on installation of energy-efficient systems and on increasing the percentage of renewable energy within the Own Operations segment. With the help of the validated SBTi targets, in December we sustainability-linked existing bank loans equivalent to MSEK 2,200 with two banks. The loans are linked to ambitious and relevant environmental, social and governance targets and they are evidence of the quality of our sustainability work. We see good potential to sustainability-link the majority of our bank loans over time.

Conditions in place for some growth

For 2024 we anticipate some RevPAR growth in the hotel market, supported among other things by a strong event calendar in Germany, with the UEFA European Championship in June–July, and stable market conditions in other markets. Bookings in Pandox's markets are up to now slightly higher than at the same time the previous year. Lower inflation and hopefully also lower interest rates should have a positive effect on household consumption, and should also be able to lessen the effects of a potentially weakened labour market and lower employment.

Hotel demand is dependent on economic activity and the most significant risk is still the consequences of geopolitical issues impacting the economy and travel, which has not yet materialised. The date of Easter is expected to have a certain negative impact in some markets in the first quarter.

Based on a normalised hotel market and on Pandox's strong cash flows and stable financial position, the Board of Directors is proposing a dividend of SEK 4.00 (2.50) per share, equivalent to a total of around MSEK 734 (460).



Liia Nõu, 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 159 hotels with around 35,800 rooms in 12 countries.



<p>Vision and business concept</p> <p>Pandox's vision is to be a world-leading hotel property company.</p> <p>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.</p>	<p>Strategy and business model</p> <p>Pandox's strategy and business model is based on:</p> <ol style="list-style-type: none"> 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 	<p>Financial policy</p> <p>Loan-to-value ratio Pandox's loan-to-value ratio shall be in the interval 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.</p> <p>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.</p>
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Presentation of the year-end report

Pandox will present the year-end report January-December 2023 to investors, analysts and the media in a conference call/webcast on 8 February at 08:30 CET. As a service to Pandox's stakeholders there will also be an external update on the hotel market.

If you wish to participate via webcast, please use the following link:
<https://ir.financialhearings.com/pandox-q4-report-2023>

If you wish to participate via teleconference, please register via the following link:
<https://conference.financialhearings.com/teleconference/?id=5003692>.

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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 8 February 2024 at 07:00 CET.

Financial calendar

Annual General Meeting 2024	10 April 2024
Interim report January-March 2024	25 April 2024
Interim report January-June 2024	12 July 2024
Interim report January-September 2024	24 October 2024
Year-end report 2024	6 February 2025

Hotel market development October–December 2023

Increased international travel to Europe

2023 was another year of recovery for the hotel industry, with good demand in all segments, high willingness to pay the cost of hotel nights and above all increased international travel. According to preliminary figures from the United Nations World Tourism Organization (UNWTO), there were around 550 million incoming international tourists to Europe in 2023. This was around 94 percent of the 2019 level and a clear improvement on the 2022 level of 80 percent*. The recovery in international tourism was the strongest in the second half of the year, mainly driven by intraregional travel and good demand from North America, in part supported by a strong dollar exchange rate. International travel in 2024 is expected to have fully recovered to 2019 levels despite geopolitical instability and lower economic activity.

Strong end to the year**

The fourth quarter mainly followed normal demand patterns, with increased business travel compensating for a seasonally weaker leisure travel period. International demand from North America to Europe was strong in the fourth quarter too, while the recovery for Asian incoming travel was still slow.

- Average price development in Europe was good, increasing by 6 percent for the quarter compared with the previous year (2019: +30 percent).
- Occupancy was 68 percent for the quarter compared with 66 percent the previous year (2019: 70 percent).
- Altogether RevPAR in Europe amounted to EUR 94 for the quarter, an increase of just over 8 percent on the previous year (2019: +25 percent).

Positive RevPAR development in Pandox's markets**

Compared with the previous year, several of Pandox's hotel markets saw ever stronger year-on-year figures, especially in terms of occupancy rates.

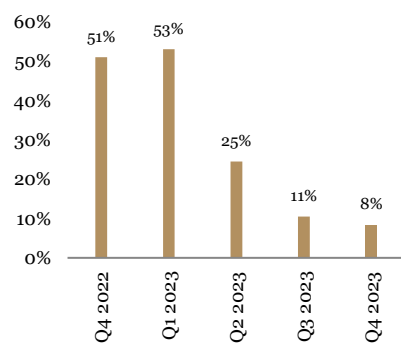
- Occupancy in the Nordics was 57 percent, which is on a par with the corresponding period the previous year (2019: 58 percent).
- The average price for the Nordics as a whole exceeded both the levels of 2022 and 2019 by 3 and 16 percent respectively.
- In the Nordics, Denmark and Norway saw the strongest average price increase, with 4 and 5 percent respectively compared with 2022 (2019: +15 and +29 percent respectively).

- Development was positive overall for the Nordic capitals, with RevPAR growth of 6 percent compared with the same quarter the previous year, driven by both improved average prices and occupancy. Helsinki remained the weakest market, partly explained by new hotel capacity and partly by lower demand compared with the other Nordic capitals.
- Copenhagen was the strongest among the Nordic capitals, with RevPAR growth of 11 percent, compared with the corresponding quarter in 2022, steadily driven by increased average prices and occupancy. Demand for hotel nights in Copenhagen increased by 21 percent compared with 2019, but due to the capacity increase in recent years of around 4,300 hotel rooms, RevPAR only reached 5 percent above the 2019 level.
- In Germany RevPAR increased by 5 percent in the quarter, mainly driven by increased occupancy in December. This is explained by increased leisure travel to destinations with large Christmas markets, and by the fact that trade fair and congress-related demand has increased in general. The number of visitors to trade fairs and congresses in Germany has not, however, fully returned to 2019 levels, although additional growth is expected in 2024.
- UK Regional (excluding London) developed well during the quarter, with a RevPAR increase of 6 percent compared with 2022, entirely driven by improved average prices. London and Edinburgh saw the strongest growth in occupancy in 2023, which is explained by international demand returning with full force.
- RevPAR for Ireland decreased by 1 percent during the quarter, with a 5 percent decrease in Dublin. This was driven in equal measure by average price and occupancy. Ireland and Dublin are typical examples of markets that saw a rapid improvement after the pandemic and now faced a strong comparison quarter. Compared with 2019, Dublin showed an increase in RevPAR by a strong 23 percent.
- Brussels also benefitted from increased international travel, especially from North America. RevPAR increased by 9 percent compared with 2022 during the quarter, mainly explained by improved average prices but also to some extent by increased occupancy.

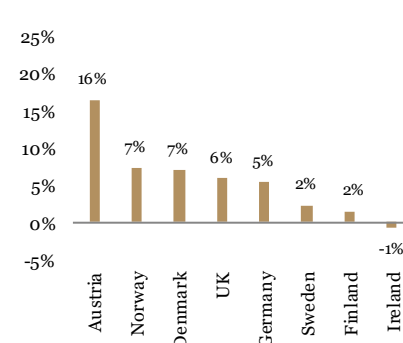
* United Nations World Tourism Organization (UNWTO) ** Benchmarking Alliance (Nordic markets), STR (other)

October–December 2023

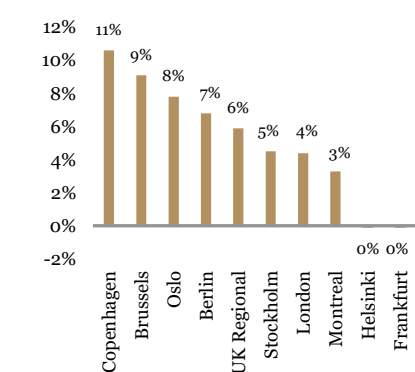
Europe
RevPAR growth y/y



Countries
RevPAR growth y/y



Key markets
RevPAR growth y/y



Source: STR, Benchmarking Alliance. Rounded numbers.

Financial development October–December 2023

Net sales

The Group's net sales amounted to MSEK 1,838 (1,623), an increase of 13 percent driven by good demand in the hotel market. For comparable units, net sales increased by 8 percent, adjusted for currency effects.

Revenue from Leases amounted to MSEK 928 (848), an increase of 9 percent, supported by increased revenue-based rent amounting to a total of MSEK 324 (286). For comparable units, revenue increased by 7 percent, adjusted for currency effects.

Revenue from Own Operations amounted to MSEK 910 (775), an increase of 17 percent. For comparable units, revenue increased by 8 percent and RevPAR by 7 percent, adjusted for currency effects.

Net operating income

Net operating income from Leases amounted to MSEK 769 (698), an increase of 10 percent. For comparable units, net operating income increased by 7 percent, adjusted for currency effects.

Net operating income from Own Operations amounted to MSEK 220 (184), an increase of 20 percent. For comparable units, net operating income from Own Operations increased by 5 percent, adjusted for currency effects.

Total net operating income amounted to MSEK 989 (882), an increase of 12 percent. For comparable units, total net operating income increased by 7 percent, adjusted for currency effects.

Administration costs

Central administration costs amounted to MSEK -53 (-59).

Depreciation

Depreciation within Own Operations amounted to MSEK -72 (-141). The comparison quarter includes MSEK -66 for disposal of equipment in connection with reconstruction. Depreciation of MSEK -6 (-6) is included in administration costs.

Financial income and expense

Financial expense amounted to MSEK -381 (-297), of which MSEK -22 (-21) consists of accrued depreciation of capitalised loan arrangement fees. The increase is mainly explained by higher market interest rates and to a lesser extent by increased credit margins.

Financial income amounted to MSEK 5 (8). Financial expense associated with right-of-use assets amounted to MSEK -28 (-26).

Changes in value

Unrealised changes in property values amounted to MSEK -339 (-67). The increased valuation yield had a negative impact of MSEK -1,565, while the hotel market's continued good average price development contributed to increased cash flow of MSEK 1,243 through Padox's revenue-based leases. Altogether this represented a value decrease of 0.5 percent during the period.

Realised changes in value amounted to MSEK -3 (1).

Unrealised changes in value of derivatives amounted to MSEK -1,236 (-59), which is explained by lower long-term market interest rates.

Current and deferred tax

Current tax amounted to MSEK -137 (-24). The increase in current tax compared with the previous year is explained by higher pre-tax profit in Sweden and Norway where Padox has no tax loss carryforwards from previous years left to utilise. The prevailing interest rate climate is resulting in even higher tax expense due to the rules in place limiting deductible interest, especially in the UK.

Deferred tax amounted to MSEK 127 (-117), explained by changes in value of Investment Properties and recognition of the tax loss carryforwards of previous years. See also Note 3 on page 21.

Profit for the period

Profit for the period amounted to -1,125 (101) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK -1,112 (121), which is equivalent to SEK -6.05 (0.66) per share.

Cash earnings

Cash earnings amounted to MSEK 415 (515), a decrease of 19 percent.

Financing

On 31 December 2023 cash and cash equivalents and unutilised credit facilities amounted to MSEK 3,147, compared with MSEK 2,988 as of 30 September 2023.

Financial development January–December 2023

Net sales

The Group's net sales amounted to MSEK 6,849 (5,654), an increase of 21 percent. For comparable units, net sales increased by 16 percent, adjusted for currency effects.

Revenue from Leases amounted to MSEK 3,690 (3,307), an increase of 12 percent, supported by increased revenue-based rent amounting to a total of MSEK 1,275 (1,020). Adjusted for government assistance of MSEK 117 included in "Other property revenue" in the comparison period for the years 2020–2021, the increase was 16 percent. For comparable units, revenue increased by 11 percent, adjusted for currency effects.

Revenue from Own Operations amounted to MSEK 3,159 (2,347), an increase of 35 percent. For comparable units, both revenue and RevPAR increased by 24 percent, adjusted for currency effects.

Net operating income

Net operating income from Leases amounted to MSEK 3,157 (2,868), an increase of 10 percent. For comparable units, net operating income increased by 11 percent, adjusted for currency effects.

Net operating income from Own Operations amounted to MSEK 713 (566), an increase of 26 percent. Adjusted for government assistance of MSEK 143 as a cost reduction in the comparison period for the years 2020–2021, the increase was 69 percent. For comparable units, net operating income increased by 54 percent, adjusted for currency effects.

Total net operating income amounted to MSEK 3,870 (3,434), an increase of 13 percent. Adjusted for government assistance in the comparison period, the increase was 22 percent. For comparable units, net operating income increased by 16 percent, adjusted for currency effects.

Administration costs

Central administration costs amounted to MSEK -197 (-153), where the comparison period was impacted by cost-reducing, non-recurring items and the current level is more normal given the present structure of the business.

Depreciation

Depreciation within Own Operations amounted to MSEK -283 (-330). The comparison quarter includes MSEK -66 for disposal of equipment in connection with reconstruction. Depreciation of MSEK -23 (-23) is included in administration costs.

Financial income and expense

Financial expense amounted to MSEK -1,498 (-1,022), of which MSEK -90 (-76) consists of accrued depreciation of capitalised loan arrangement fees. The increase is mainly explained by higher interest-bearing net debt, higher market interest rates and negative currency effects, and to a lesser extent by increased credit margins.

Financial income amounted to MSEK 31 (19). Financial expense associated with right-of-use assets amounted to MSEK -108 (-95).

Changes in value

Unrealised changes in property values amounted to MSEK -1,306 (1,185), of which MSEK -1,294 for Investment Properties, MSEK -84 for Operating Properties and MSEK 71 for assets held for sale. The increased valuation yield had a negative impact of MSEK -4,609, while the hotel market's continued good average price development contributed to increased cash flow of MSEK 3,316 through Pandox's revenue-based leases. Altogether this represented a value decrease of approximately 2.2 percent during the period.

Realised changes in property values amounted to MSEK 199 (-6), two thirds of which is a capital gain in connection with the sale of InterContinental Montreal and the remainder is the net amount of the disposal of and insurance compensation received for Dorint Parkhotel Bad Neuenahr.

Unrealised changes in value of derivatives amounted to MSEK -1,205 (2,318), mainly explained by lower long-term market interest rates.

Current and deferred tax

Current tax amounted to MSEK -375 (-164). The increase in current tax compared with the previous year is explained by higher pre-tax profit in Sweden and Norway where Pandox has no tax loss carryforwards from previous years left to utilise. The prevailing interest rate climate is resulting in even higher tax expense due to the rules in place limiting deductible interest, especially in the UK.

Deferred tax amounted to MSEK 292 (-983), explained by changes in value of Investment Properties. See also Note 3 on page 21.

Profit for the period

Profit for the period amounted to MSEK -580 (4,204) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK -585 (4,217) which is equivalent to SEK -3.18 (22.94) per share.

Cash earnings

Cash earnings amounted to MSEK 1,742 (2,056), a decrease of 15 percent. Adjusted for government assistance totalling MSEK 260 for the comparison period, cash earnings decreased by 3 percent.

Segment reporting October–December 2023

Leases

MSEK	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Rental income	895	803	3,548	3,052
Other property income	33	45	142	255
Costs, excl. property admin	-75	-63	-290	-245
Net operating income, before property admin	853	785	3,400	3,062
Property administration	-84	-87	-243	-194
Gross profit	769	698	3,157	2,868
Net operating income, after property admin	769	698	3,157	2,868

October–December 2023

Rental income and other property revenue amounted to MSEK 928 (848), an increase of 9 percent. For comparable units, revenue increased by 7 percent, adjusted for currency effects.

Revenue-based rent amounted to MSEK 324 (286). Occupancy at comparable hotels amounted to around 64 (62) percent during the quarter.

Contractual guaranteed minimum rents plus fixed rents amount to around MSEK 2,100 on an annual basis.

The UK and Ireland were particularly strong markets during the quarter.

Individual destinations with particularly good growth were Amsterdam and regional cities in the UK and Germany.

Net operating income amounted to MSEK 769 (698), an increase of 10 percent. For comparable units, net operating income increased by 7 percent, adjusted for currency effects. The net operating margin was around 83 percent.

Own Operations

MSEK	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Revenue	910	775	3,159	2,347
Costs	-762	-732	-2,729	-2,111
Gross profit	148	43	430	236
Plus: Depreciation included in costs	72	141	283	330
Net operating income	220	184	713	566

October–December 2023

Revenue from Own Operations amounted to MSEK 910 (775), an increase of 17 percent. For comparable units, revenue and RevPAR increased by 8 and 7 percent respectively, adjusted for currency effects.

Hotel demand was stable, while average price development remained strong.

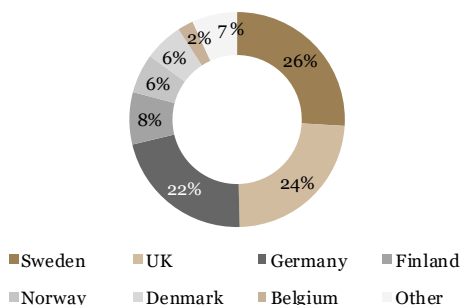
Occupancy at comparable hotels amounted to around 66 (65) percent.

Hotels that performed the best during the quarter were Hotel Belfast (Belfast, UK), Hilton Garden Inn London Heathrow Airport (Heathrow, UK), DoubleTree by Hilton Bath (Bath, UK) and Hotel Hubert (Brussels, Belgium).

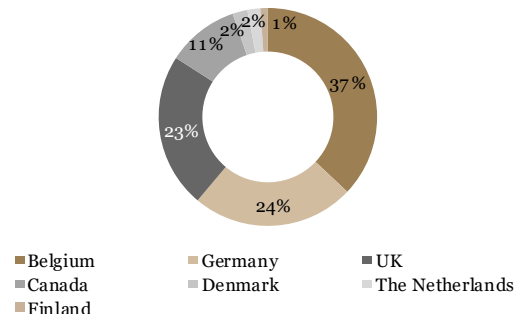
Net operating income amounted to MSEK 220 (184), equivalent to an operating margin of around 24 percent. For comparable units, net operating income increased by 5 percent, adjusted for currency effects.

October–December 2023

Revenue by country, Leases



Revenue by country, Own Operations



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 and quality purposes (see also Note E in Pandox's 2022 Annual Report).

Over the past twelve months, external valuations were performed for around 90 percent of the hotel properties and are in total in line with the internal valuations, measured in value. External valuations were performed in the fourth quarter for around 40 percent of Pandox's hotel property portfolio, measured in value.

The value of Operating Properties is reported for disclosure 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 8,842 (8,450) at the end of the period.

Market value of properties

At the end of the period, Pandox's property portfolio had a total market value of MSEK 69,039 (69,231), of which Investment Properties accounted for MSEK 57,226 (57,563) and Operating Properties for MSEK 11,813 (11,669).

For the full year 2023, unrealised changes in value of Investment Properties amounted to MSEK -1,294 net. The increased valuation yield of 0.51 percentage points had a negative impact of MSEK -4,609, while the hotel market's continued good average price development contributed to increased cash flow of MSEK 3,316 through Pandox's revenue-based leases.

Unrealised changes in the value of Operating Properties amounted to MSEK -391 net (reported for disclosure purposes only). The increased valuation yield of 0.52 percentage points had a negative impact of MSEK -604 and increased cash flows had a positive impact of MSEK 213.

Changes in value Investment Properties

	MSEK
Market value beginning of the year (1 Jan, 2023)	57,563
+ Acquisitions	330
+ Investments	493
+/- Reclassifications	467
+/- Changes in value	-1,294
+/- Disposals	-228
+/- Change in currency exchange rates	-105
Market value end of period (31 Dec, 2023)	57,226

Changes in value Operating Properties, reported for disclosure purposes only

	MSEK
Market value beginning of the year (1 Jan, 2023)	11,669
+ Acquisitions	1,246
+ Investments	429
- Divestments	-616
+/- Reclassifications	-467
+/- Changes in value	-386
+/- Change in currency exchange rates	-62
Market value end of period (31 Dec, 2023)	11,813

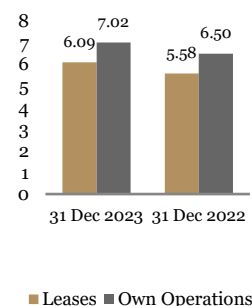
Investment Properties sensitivity analysis, effect on value per 31 December 2023

Effect on fair value	Change	MSEK
Yield	+/- 0.5%	-4,345/ +5,123
Change in currency exchange rates	+/- 1%	+/- 418
Net operating income	+/- 1%	+/- 547

Acquisitions, reclassifications and divestments

Date	Hotel property	Event
Q3 2023	Acquisition Hilton Belfast	Acquisition Own Operations
Q2 2023	Hotel Mayfair Copenhagen	Reclassification to Leases
Q1 2023	Best Western Hotel Fridhemsplan	Acquisition Leases
Q1 2023	The Queens Hotel Leeds	Acquisition Own Operations
Q1 2023	InterContinental Montreal	Divestment Own Operations
Q4 2022	Hotel Pomander Nuremberg	Reclassification to Leases
Q4 2022	NH Brussels Louise	Reclassification to Leases
Q3 2022	NH Brussels Louise	Acquisition Own Operations
Q3 2022	DoubleTree by Hilton Bath	Acquisition Own Operations
Q3 2022	Scandic Kajanus	Divestment Leases

Average valuation yield, %
(31 December 2023)



Portfolio overview

At the end of the period Pandox's property portfolio consisted of 159 (157) hotel properties with 35,851 (35,490) hotel rooms in twelve countries.

Pandox's main geographical focus is Northern Europe. Germany (23 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 (19 percent), Belgium (8 percent) and Finland (6 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 2023 Investment Properties had a weighted average unexpired lease term (WAULT) of 15.0 years (15.0).

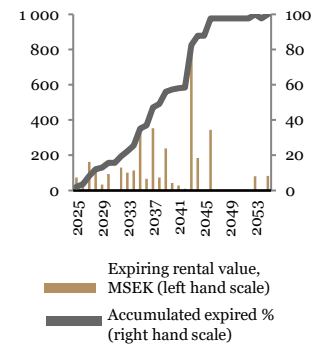
Portfolio overview by segment and geography

Leases	Number		Market value (MSEK)		
	Hotels	Rooms	Per country	In % of total	Per room
Sweden	42	9,107	15,470	22	1.7
Germany	33	6,871	12,600	18	1.8
UK	20	4,821	10,538	15	2.2
Finland	12	2,742	4,430	6	1.6
Norway	14	2,573	3,303	5	1.3
Denmark	8	1,843	4,063	6	2.2
Austria	2	639	1,574	2	2.5
Belgium	3	765	1,415	2	1.8
Ireland	3	445	1,647	2	3.7
Switzerland	1	206	957	1	4.6
The Netherlands	1	189	1,228	2	6.5
Sum Leases	139	30,201	57,226	83	1.9
Own Operations					
Belgium	7	1,968	4,286	6	2.2
Germany	5	1,490	3,774	5	2.5
UK	5	1,221	2,681	4	2.2
Canada	1	595	631	1	1.1
The Netherlands	1	216	414	1	1.9
Finland	1	160	28	0	0.2
Sum Own Operations	20	5,650	11,813	17	2.1
Sum total	159	35,851	69,039	100	1.9

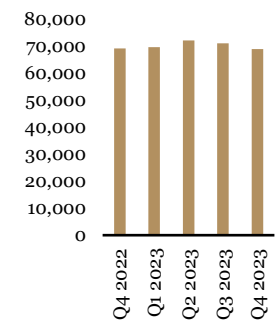
Portfolio overview by brand

Brand	Number		
	Hotels	Rooms	In % of total
Scandic	48	10,677	30
Leonardo	38	7,957	22
Hilton	10	3,042	8
Radisson Blu	8	2,033	6
Strawberry	11	1,949	5
NH	7	1,681	5
Dorint	5	1,085	3
Mercure	3	610	2
Elite Hotels	2	493	1
Holiday Inn	2	469	1
Novotel	2	421	1
Indigo	1	284	1
Crowne Plaza	1	262	1
Pullman	1	252	1
Citybox	1	246	1
Meininger	1	228	1
Scandic Go	1	221	1
Motel One	1	200	1
Vienna House Easy	1	150	0
Frich's	1	176	0
Adagio	1	146	0
Best Western	1	103	0
Independent brands	12	3,166	9
Total	159	35,851	100

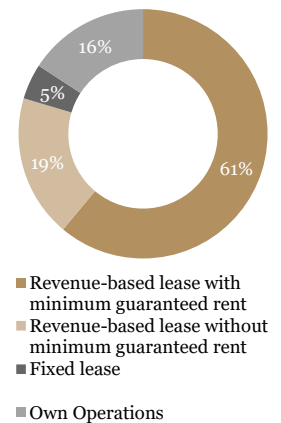
Lease maturity profile (31 December 2023)



Market value properties per quarter, MSEK



Distribution of lease and operating models, number of rooms % (31 December 2023)



Investments and sustainability

Investments

In the period January–December 2023, investments in property, plant and equipment, excluding acquisitions, amounted to MSEK 922 (863), of which MSEK 493 (432) was for Investment Properties and MSEK 429 (431) for Operating Properties.

At the end of the period, approved investments for ongoing and future projects amounted to around MSEK 1,600, of which around MSEK 950 is for projects that are expected to be completed in 2024.

The cost of maintenance in the fourth quarter of 2023 was MSEK 72 (55).

Examples of larger current and completed projects



Scandic Go Fridhemsplan

Leases

Renovation and new operator

Expected to be completed in Q3 2024

Investment: approx. MSEK 35



Citybox Brussels

Leases

Total renovation and new operator

Expected to be completed in Q3 2024

Investment: approx. MEUR 12

Sustainability work

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 has defined the most material sustainability topics and divided them 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

Science Based Targets initiative

Pandox Science Based Targets were validated by Science Based Targets initiative (SBTi) in November 2023. The targets state that Pandox AB (publ) shall, until year 2030, reduce greenhouse gas emissions by 42 percent in Own Operations (Scope 1 and 2) and by 25 percent in Leases (Scope 3).

Sustainability-linked loans

With the help of the validated SBTi targets, in December 2023 we were also, for the first time, able to sustainability-link existing bank loans equivalent to MSEK 2,200 with two banks. The loans are linked to ambitious and relevant environmental, social and governance targets and they are evidence of the quality of our sustainability work. We see good potential to sustainability-link the majority of our bank loans over time.

Green investments

Pandox's goal is to create resource-efficient properties and operations that reduce the Group's environmental and climate footprint, but that can also handle climate change impacts in the form of torrential rain and a warmer climate.

In the third quarter of 2023 Pandox took the decision to invest MEUR 29 in a climate transition project for eight hotel properties in the Own Operations segment. Upon completion of the project in 2027 Pandox expects to reach the SBTi-validated emissions targets within Own Operations. The project will over time generate cost savings, which by the end of 2027 are expected to amount to MEUR 3 annually. The climate transition project consists of phasing out oil and gas, upgrading or replacing obsolete technical systems for energy optimisation, using renewable energy and changing behaviour.

The green investment programme previously started within Own Operations has been concluded according to plan. A total of around MEUR 7 was invested 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. The expected financial return on the investment of 20 percent has so far been exceeded with a good margin.

Financing

Summary

- As of 31 December 2023 the average repayment period was 2.3 (1.7) years, the average interest rate was 4.2 (3.2) percent and the average fixed interest period was 3.9 (2.7) years.
- In the fourth quarter Pandox refinanced debt for a total of MSEK 1,527 with maturity of two to three years. For most of the debt there is an option to extend for an additional 2 years. In 2023 Pandox refinanced debt with a maturity of less than 12 months totalling around MSEK 15,337 changing to five-year maturity. Most of the loans are with international banks.
- As of 31 December 2023, 25 percent of credit facilities have a maturity of less than 12 months, compared with 44 percent on the same date the previous year.
- As of 31 December 2023 around 76 percent of Pandox's interest-bearing net debt was secured against interest rate movements for periods longer than one year and the average fixed interest on Pandox's interest-rate derivatives was 1.2 (0.5) percent

Financial position and net asset value

At the end of the period the loan-to-value net was 46.6 (46.7) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 29,573 (30,731). EPRA NRV amounted to MSEK 36,976 (37,694), equivalent to SEK 201.12 (205.03) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 3,147 (4,489) and there are several unpledged properties with a value of approximately MSEK 3,300 in total. In addition, there are additional unutilised credit facilities that, at any given time, fully cover the issued volume under the Pandox commercial paper programme.

Interest-bearing liabilities

At the end of the period the loan portfolio amounted to MSEK 32,960 (33,964), excluding loan arrangement fees. Unutilised credit facilities, after deduction of commercial paper, amounted to MSEK 2,378 (2,859) and the volume issued under the commercial paper programme amounted to MSEK 816 (699). Commercial paper is only used to optimise Pandox's financial cost via interest rate arbitrage.

Commercial paper aside, all Pandox's debt financing is bank financing only with loans secured by a combination of mortgage collateral and pledged shares. Pandox has a geographically diversified lender base consisting of 14 Nordic and international banks, and AMF Tjänstepension AB.

Per 31 December 2023, the average repayment period was 2.3 (1.7) years and the average interest rate level, including effects from interest-rate derivatives, but excluding accrued arrangement fees, was 4.2 (3.2) percent, which also is a reasonable approximation for the expected level at the end of the first quarter 2024, given unchanged market rates. The increase in the average interest rates is mainly explained by higher market rates. At the end of the period the interest cover ratio (measured on rolling twelve months) was 2.7 times.

Short-term credit facilities maturing in less than twelve months amount to MSEK 8,760, of which MSEK 5,490 matures in second half of 2024.

In 2023, Pandox's refinancing transactions have amounted to a total corresponding amount of around MSEK 15,337, of which the majority with international banks with a five-year tenor.

Maturity structure credit facilities 31 December 2023

Year due (MSEK)	Credit facilities ¹⁾
< 1 year	8,760
1-2 year	12,577
2-3 year	4,885
3-4 year	285
4-5 year	8,831
> 5 year	-
Total	35,337

¹⁾Excluding contractual amortisation.

Loans by currency 31 December 2023

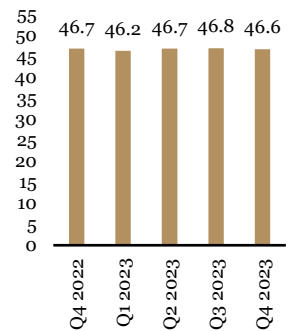
	SEK	DKK	EUR ³⁾	CHF	CAD	NOK	GBP	Total
Sum credit facilities, MSEK ¹⁾	9,558	2,049	15,312	547	-	1,109	6,762	35,337
Sum interest bearing debt, MSEK ¹⁾	6,781	2,049	15,712	547	-	1,109	6,762	32,960
Share of debt in currency, %	20.6	6.2	47.7	1.7	-	3.4	20.5	100
Average interest rate, % ²⁾	3.2	3.9	3.6	4.5	-	5.8	6.3	4.2
Average interest rate period, years	4.5	1.3	3.9	0.2	-	4.7	4.3	3.9
Market value Properties, MSEK ¹⁾	15,470	4,063	31,396	957	631	3,303	13,219	69,039

¹⁾Converted to MSEK.

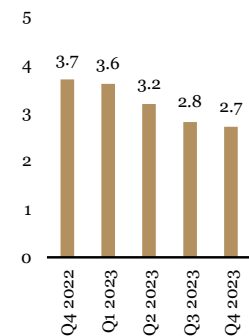
²⁾Average interest rate including margin and derivatives, excluding arrangement fee for loans.

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

Loan to value net, %



Interest rate cover ratio (R12M), times



Financial covenants

On group level, Pandox's financial covenants are loan-to-value and interest cover ratio.

Currency and interest rate risk

To reduce the currency exposure in foreign investment Pandox's aim is to finance 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.

Pandox's bank financing is with variable interest rate. In order to manage interest rate risk and increase the predictability of Pandox's earnings, interest rate derivatives are used.

Per 31 December 2023, the gross nominal volume of interest rate derivatives amounted to MSEK 31,842, including forward starting swaps. At the same time, the nominal volume of interest rate derivatives amounted to MSEK 24,504 net. The net volume is the portion of Pandox's loan portfolio for which interest rates are hedged.

Approximately 76 percent of Pandox's net debt was thereby hedged against interest rate movements for periods longer than one year and the average fixed rate period was 3.9 (2.7) years.

Interest maturity profile 31 December 2023

Tenor (MSEK)	Total interest maturity		Interest maturity derivatives		
	Amount ¹⁾	Share, %	Volume	Share, %	Average interest rate derivatives, %
< 1 year	8,456	26	-	-	-
1-2 year	1,526	5	1,526	6	-0.3
2-3 year	3,567	11	3,567	15	0.2
3-4 year	3,222	10	3,222	13	0.6
4-5 year	6,036	18	6,036	25	1.5
> 5 year	10,153	31	10,153	41	1.9
Total	32,960	100	24,504	100	1.2

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 1,055 (2,261).

Financial sensitivity analysis 31 December 2023

Effect on earnings before value changes	Change	MSEK
Current fixed interest hedging, change in interest rates, with derivatives	+/- 1%	-/+75
Current fixed interest hedging, change in interest rates, without derivatives	+/- 1%	-/+320
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	+/- 1,067

Other information

Important events during and after the period

29 December 2023	Pandox sustainability-links existing loans with two banks
14 December 2023	Pandox signs new lease agreement for Hotel Pomander in Nuremberg
21 November 2023	Pandox Hotel Market Day 2023
9 November 2023	Pandox science-based climate targets approved by Science Based Targets initiative
26 October 2023	Interim report January–September 2023
9 October 2023	Pandox signs lease agreement for Hotel Mayfair

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

Ongoing disputes and insurance cases

No 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 1,442 (1,226) full-time employees, based on number of worked hours translated to full-time employees. Of the total number of employees, 1,393 (1,179) are employed in the Own Operations segment and 49 (47) in the Leases' 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 2023, revenue from Pelican Bay Lucaya amounted to MSEK 0.2 (0.6).

Risk and uncertainty factors

Pandox's general approach to business risk has not changed from the detailed account provided in the 2022 Annual Report. There is a risk that higher financing costs will lead to continued higher yield requirements. There is uncertainty about how geopolitical unrest and a weakened economy will impact hotel demand from companies and households.

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 the composition of demand and the hotel property's location. The second quarter is normally the strongest supported by high demand and willingness to pay from all sub-segments in the hotel market. Since most of the customers that stay at Pandox owned or operated hotels are business travellers, hotel demand is normally the weakest in the first quarter.

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 2023 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 2022 for balance sheet items, unless otherwise stated.

Annual general meeting 2024

Pandox AB (publ)'s annual general meeting 2024 will be held on 10 April 2024. Information about the annual general meeting and its procedures will be provided in the notice of the annual general meeting.

Stockholm, 8 February 2024

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	
		2023	2022	2023	2022
Revenues Leases					
Rental income	2	895	803	3,548	3,052
Other property income		33	45	142	255
Revenue Own Operations	2	910	775	3,159	2,347
Total revenues		1,838	1,623	6,849	5,654
Costs Leases					
Costs Own Operations	2	-159	-150	-533	-439
Gross profit		917	741	3,587	3,104
whereof gross profit Leases	2	769	698	3,157	2,868
whereof gross profit Own Operations	2	148	43	430	236
Central administration		-53	-59	-197	-153
Financial income		5	8	31	19
Financial expenses		-381	-297	-1,498	-1,022
Financial cost right of use assets		-28	-26	-108	-95
Profit before changes in value		460	367	1,815	1,853
Changes in value					
Changes in value properties	2	-339	-66	-1,107	1,180
Changes in value derivatives		-1,236	-59	-1,205	2,318
Profit before tax		-1,115	242	-497	5,351
Current tax		-137	-24	-375	-164
Deferred tax		127	-117	292	-983
Profit for the period		-1,125	101	-580	4,204
<i>Items that may not be classified to profit or loss, net after tax</i>					
This year's revaluation of tangible non-current assets		-	-	39	-
<i>Items that may be classified to profit or loss, net after tax</i>					
Net investment hedge of foreign operations		174	-99	26	-439
Translation differences of foreign operations		-1,019	407	-177	1,762
Other comprehensive income for the period¹⁾		-845	308	-112	1,323
Total comprehensive income for the period		-1,970	409	-692	5,527
Profit for the period attributable to the shareholders of the parent company		-1,112	121	-585	4,217
Profit for the period attributable to non-controlling interests		-13	-20	5	-13
Total comprehensive income for the period attributable to the shareholders of the parent company		-1,950	425	-698	5,522
Total comprehensive income for the period attributable to non-controlling interests		-20	-16	6	5
Earnings per share, before and after dilution, SEK		-6.05	0.66	-3.18	22.94

¹⁾In Other comprehensive income for the period of MSEK -112 is included tax of MSEK -23, of which MSEK 44 is current tax.

Condensed consolidated statement of financial position

MSEK	31 Dec	
	2023	2022
ASSETS		
Operating Properties	8,273	7,306
Equipment and interiors	580	683
Investment Properties	57,226	57,563
Right-of-use assets	2,848	3,218
Deferred tax assets	340	305
Derivatives ¹⁾	1,535	2,374
Other non-current receivables	77	88
Total non-current assets	70,879	71,537
Current assets		
Inventories	16	17
Current tax assets	173	147
Trade account receivables	445	600
Prepaid expenses and accrued income	648	587
Other current receivables	207	225
Cash and cash equivalents	769	1,630
Assets held for sale	71	474
Total current assets	2,329	3,680
Total assets	73,208	75,217
EQUITY AND LIABILITIES		
Equity		
Share capital	460	460
Other paid-in capital	7,525	7,525
Reserves	1,205	1,318
Retained earnings, including profit for the period	20,383	21,428
Equity attributable to the owners of the Parent Company	29,573	30,731
Non-controlling interests	152	202
Sum equity	29,725	30,933
LIABILITIES		
Non-current liabilities		
Non-current interest-bearing liabilities ²⁾	23,374	17,189
Other non-current liabilities	29	3
Long-term lease liability	2,826	3,192
Derivatives ¹⁾	479	114
Provisions	40	37
Deferred tax liability	5,270	5,538
Total non-current liabilities	32,018	26,073
Current liabilities		
Provisions	35	40
Current interest-bearing liabilities ²⁾	9,396	16,682
Short-term lease liability	30	31
Tax liabilities	551	328
Trade accounts payable	333	314
Other current liabilities	170	173
Accrued expenses and prepaid income	950	643
Total current liabilities	11,465	18,211
Total liabilities	43,483	44,284
Total equity and liabilities	73,208	75,217

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

MSEK	Attributable to the owners of the parent company							Non-controlling interests	Total equity
	Share capital	Other paid in capital	Translation reserves	Revaluation reserve ¹⁾	Retained earnings, incl profit for the period	Total			
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	
Dividend non-controlling interest	—	—	—	—	—	—	-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	
Opening balance equity 1 Jan, 2023	460	7,525	1,131	187	21,428	30,731	202	30,933	
Profit for the period	—	—	—	—	-585	-585	5	-580	
Other comprehensive income	—	—	-152	39	—	-113	1	-112	
Dividend non-controlling interest	—	—	—	—	—	—	-56	-56	
Dividend	—	—	—	—	-460	-460	—	-460	
Closing balance equity 31 Dec, 2023	460	7,525	979	226	20,383	29,573	152	29,725	

¹⁾ Refers to the fair value change of hotel properties that have been reclassified from Own Operations to Leases.

Condensed consolidated statement of cash flow

MSEK	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
OPERATING ACTIVITIES				
Profit before tax	-1,115	242	-497	5,351
Reversal of depreciation	72	142	286	334
Changes in value, properties	339	67	1,107	-1,180
Changes in value, derivatives	1,236	58	1,205	-2,319
Other items not included in the cash flow	103	50	40	145
Taxes paid	-62	-33	-178	-86
Cash flow from operating activities before changes in working capital	573	526	1,963	2,245
Increase/decrease in operating assets	-86	-17	137	-14
Increase/decrease in operating liabilities	-26	-19	93	146
Change in working capital	-112	-36	230	132
Cash flow from operating activities	461	490	2,193	2,377
INVESTING ACTIVITIES				
Investments in properties and fixed assets	-194	-238	-922	-863
Divestment of hotel properties, net effect on liquidity	-3	-	894	124
Acquisitions of hotel properties, net effect on liquidity	-1	-23	-1,465	-901
Acquisitions/divestment of financial assets	0	9	12	3
Cash flow from investing activities	-198	-252	-1,481	-1,637
FINANCING ACTIVITIES				
New loans	1,604	1,845	12,944	12,811
Amortisation of debt	-1,816	-2,919	-14,168	-13,601
Dividend non-controlling interest	-17	-16	-17	-16
Paid dividends	-	-	-460	-
Cash flow from financing	-229	-1,090	-1,701	-806
Cash flow for the period	34	-852	-989	-66
Cash and cash equivalents at beginning of period	749	2,463	1,630	1,593
Exchange differences in cash and cash equivalents	-13	19	129	103
Liquid funds end of period	769	1,630	769	1,630
Information regarding interest payments				
Interest received amounted to	5	12	31	19
Interest paid amounted to	-277	-263	-1,243	-893
Financial cost right of use assets	-28	-26	-108	-95
Information regarding cash and cash equivalents end of period	769	1,630	769	1,630
Cash and cash equivalents consists of bank deposits.				

Condensed income statement for the parent company

MSEK	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Total revenues	24	-26	112	79
Administration cost	-67	-19	-245	-130
Operating profit	-43	-45	-133	-51
Profit from participations in Group companies	842	-8	964	1,840
Other interest income and similar profit/loss items	72	163	1,235	338
Derivatives, unrealised	-204	8	-231	184
Profit after financial items	667	118	1,835	2,311
Year-end appropriations	352	23	352	23
Profit before tax	1,019	141	2,187	2,334
Current tax	-1	-17	-217	-17
Deferred tax	52	5	46	-49
Profit for the period	1,070	129	2,016	2,268
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,070	129	2,016	2,268

Condensed balance sheet for the parent company

Figures in MSEK	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets	22,841	19,037
Current assets	2,054	3,794
Total assets	24,895	22,831
EQUITY AND LIABILITIES		
Equity	13,314	11,759
Untaxed reserves	4	1
Provisions	69	73
Non-current liabilities	7,077	6,764
Current liabilities	4,431	4,234
Total equity and liabilities	24,895	22,831

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 1–26 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 2022.

The name changes of the business segments, indicated on page 1, does not affect the accounting principles.

Note 2. Operating segments

Pandox's operating segments consist of the Leases and Own Operations business streams. The Leases 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 Own Operations segment owns hotel properties and operates hotels in such owned properties. The Own Operations 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 and full-year 2023 revenue-based rent in Leases amounted to MSEK 324 (286) and MSEK 1,275 (1,020) respectively.

MSEK	Q4 2023 (Oct-Dec 2023)				Q4 2022 (Oct-Dec 2022)			
	Leases	Own operation	Group and non-allocated items	Total	Leases	Own operation	Group and non-allocated items	Total
Revenues								
Rental and other property income								
Leases	928	—	—	928	848	—	—	848
Revenue Own Operations	—	910	—	910	—	775	—	775
Total revenues	928	910	—	1,838	848	775	—	1,623
Costs Leases	-159	—	—	-159	-150	—	—	-150
Costs Own Operations	—	-762	—	-762	—	-732	—	-732
Gross profit	769	148	—	917	698	43	—	741
Central administration	—	—	-53	-53	—	—	-59	-59
Financial income	—	—	5	5	—	—	8	8
Financial expenses	—	—	-381	-381	—	—	-297	-297
Financial cost right of use assets	—	—	-28	-28	—	—	-26	-26
Profit before value changes	769	148	-457	460	698	43	-374	367
Changes in value								
Changes in value properties	-251	-88	—	-339	-66	—	—	-66
Changes in value derivatives	—	—	-1,236	-1,236	—	—	-59	-59
Profit before tax	518	60	-1,693	-1,115	632	43	-433	242
Current tax	—	—	-137	-137	—	—	-24	-24
Deferred tax	—	—	127	127	—	—	-117	-117
Profit for the period	518	60	-1,703	-1,125	632	43	-574	101

Q4 2023 (Oct-Dec 2023)									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
Leases	241	54	55	73	201	22	220	63	929
Own Operations	—	20	—	10	219	337	209	115	910
Market value properties	15,470	4,063	3,303	4,458	16,374	5,701	14,866	4,804	69,039
Investments in properties	48	8	16	6	47	57	—	10	192
Acquisitions of properties	—	—	—	—	—	—	5	—	5
Changes in value properties	-168	188	23	-59	-205	-11	-133	26	-339
Book value Operating Properties	—	—	—	30	2,026	3,047	2,754	985	8,842
Total non-current assets at book value, less deferred tax assets	17,514	4,076	3,306	5,172	15,285	4,717	15,592	4,805	70,467

Q4 2022 (Oct-Dec 2022)									
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total
Total revenues									
Leases	222	46	59	69	200	18	184	50	848
Own Operations	—	17	—	11	159	297	106	186	776
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	12	239
Acquisitions of properties	—	—	—	—	—	-10	34	—	24
Changes in value properties	451	84	136	195	-5	-3	398	-10	1,246
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

MSEK	Q1-4 (Jan-Dec 2023, acc values)				Q1-4 (Jan-Dec 2022, acc values)			
	Leases	Own operation	Group and non-allocated items	Total	Leases	Own operation	Group and non-allocated items	Total
Revenues								
Rental and other property income								
Leases	3,690	—	—	3,690	3,307	—	—	3,307
Revenue Own Operations	—	3,159	—	3,159	—	2,347	—	2,347
Total revenues	3,690	3,159	—	6,849	3,307	2,347	—	5,654
Costs Leases	-533	—	—	-533	-439	—	—	-439
Costs Own Operations	—	-2,729	—	-2,729	—	-2,111	—	-2,111
Gross profit	3,157	430	—	3,587	2,868	236	—	3,104
Central administration	—	—	-197	-197	—	—	-153	-153
Financial income	—	—	31	31	—	—	19	19
Financial expenses	—	—	-1,498	-1,498	—	—	-1,022	-1,022
Financial cost right of use assets	—	—	-108	-108	—	—	-95	-95
Profit before value changes	3,157	430	-1,772	1,815	2,868	236	-1,251	1,853
Changes in value								
Changes in value properties	-1,155	48	—	-1,107	1,180	—	—	1,180
Changes in value derivatives	—	—	-1,205	-1,205	—	—	2,318	2,318
Profit before tax	2,002	478	-2,977	-497	4,048	236	1,067	5,351
Current tax	—	—	-375	-375	—	—	-164	-164
Deferred tax	—	—	292	292	—	—	-983	-983
Profit for the period	2,002	478	-3,060	-580	4,048	236	-80	4,204

Q1-Q4 2023 (Jan-Dec)										
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total	
Total revenues										
Leases		967	227	246	306	795	73	841	235	3,690
Own Operations		—	87	—	40	728	1,181	637	485	3,158
Market value properties		15,470	4,063	3,303	4,458	16,374	5,701	14,866	4,804	69,039
Investments in properties		156	47	38	20	189	217	222	32	921
Acquisitions of properties		326	—	—	—	—	4	1,247	—	1,577
Changes in value properties		-448	43	-73	-83	-267	-2	-415	138	-1,107
Book value Operating Properties		—	—	—	30	2,026	3,047	2,754	985	8,842
Total non-current assets at book value, less deferred tax assets		17,514	4,076	3,306	5,172	15,285	4,717	15,592	4,805	70,467

Q1-Q4 2022 (Jan-Dec)										
	Sweden	Denmark	Norway	Finland	Germany	Belgium	UK+IE	Others	Total	
Total revenues										
Leases		860	190	249	264	801	54	697	191	3,307
Own Operations		1	73	—	39	515	843	306	571	2,348
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
Acquisitions of properties		—	—	—	—	—	365	537	—	902
Changes in value properties		501	97	129	214	-156	-6	428	-27	1,180
Book value Operating Properties		—	388	—	29	2,045	2,980	1,529	1,480	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

Note 3. Tax

Current tax is calculated on the taxable profit for the period based on the tax rules applicable in the countries where the group operates. Since taxable profit excludes expenses that are not tax-deductible and income that is not taxable, this differs from the profit before tax in the income statement. Current tax also includes adjustments to current tax recognised in previous periods.

The Pandox group's average weighted average tax rate, calculated according to the statutory tax rate in each country, is approximately 24 percent. Pandox's largest markets are Germany, with an average tax rate of approximately 30 percent, and the UK, which per 1 April 2023 increased the tax rate to 25 percent from 19 percent, for financial years starting after 1 April 2023. The tax rate in Sweden is 20.6 percent.

At the end of the period, deferred tax assets amounted to MSEK 340 (305). 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 5,270 (5,538) 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.

Not 4. Assets and liabilities held for sale

Amount in MSEK	31 Dec 2023	31 Dec 2022
Assets		
Assets in Hotel Pomander (Own Operations)	71	-
InterContinental Montreal (Own Operations)	-	474
Assets classified as held for sale	71	474

Note 5. Currency exchange rates

Currency exchange rates January-December

	Average rate			Rate at end-of-period		
	2023	2022	Change %	2023	2022	Change %
Euro (EUR)	11.477	10.632	8%	11.096	11.128	0%
British pound (GBP)	13.198	12.467	6%	12.768	12.581	1%
Danish krone (DKK)	1.540	1.429	8%	1.489	1.496	-1%
Norwegian krone (NOK)	1.005	1.052	-4%	0.987	1.057	-7%
Canadian dollar (CAD)	7.864	7.771	1%	7.578	7.706	-2%
Swiss franc (CHF)	11.817	10.595	12%	11.983	11.291	6%

Reconciliation alternative performance measurements

Per share, SEK ¹⁾	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Total comprehensive income per share, SEK				
shareholders of the parent company, MSEK	-1,950	425	-698	5,522
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	-10.61	2.31	-3.80	30.04
Cash earnings per share, SEK				
Cash earnings attr.to the shareholders of the parent company, MSEK	415	515	1,742	2,056
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	2.26	2.80	9.48	11.18
Net asset value (EPRA NRV) per share, SEK				
EPRA NRV (net asset value), MSEK	-	-	36,976	37,694
Number of shares at the end of the period	-	-	183,849,999	183,849,999
Net asset value (EPRA NRV) per share, SEK	-	-	201.12	205.03
Dividend per share, SEK				
Dividend, MSEK	-	-	734	460
Number of shares at dividend	-	-	183,849,999	183,849,999
Dividend per share, SEK³⁾	-	-	4.00	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⁾	-	-	159	157
Number of rooms, end of period ²⁾	-	-	35,851	35,490
WAULT, years	-	-	15.0	15.0
Market value properties, MSEK	-	-	69,039	69,231
Market value Investment Properties, MSEK	-	-	57,226	57,563
Market value Operating Properties, MSEK	-	-	11,813	11,669
RevPAR (Own Operations) for comparable units at comparable exchange rates, SEK	1,078	1,003	1,036	839

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 2023 proposed dividend is indicated.

Reconciliation alternative performance measurements

MSEK	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net interest-bearing debt				
Non-current interest-bearing liabilities	-	-	23,374	17,189
Current interest-bearing liabilities	-	-	9,396	16,682
Arrangement fee for loans	-	-	189	93
Cash and cash equivalents	-	-	-769	-1,630
Net interest-bearing debt	-	-	32,190	32,334
Loan to value net, %	-	-	-	-
Net interest-bearing debt	-	-	32,190	32,334
Market value properties	-	-	69,039	69,231
Loan to value, %	-	-	46.6	46.7
Interest cover ratio, times	-	-	-	-
EBITDA	942	829	3,696	3,304
Less: Financial costs for right-of-use-assets	-28	-26	-108	-95
Net interest costs	347	258	1,335	873
Interest cover ratio, times	2.6	3.1	2.7	3.7
Average interest on debt end of period, %	-	-	4.2	3.2
Investments, incl. parent company excl. acquisitions	194	238	922	863
Net operating income, Leases				
Rental income	895	803	3,548	3,052
Other property income	33	45	142	255
Costs, excl. property administration	-75	-63	-290	-245
Net operating income, before property administration	853	785	3,400	3,062
Property administration	-84	-87	-243	-194
Net operating income, Leases	769	698	3,157	2,868
Net operating income, Own Operations				
Revenue	910	775	3,159	2,347
Costs	-762	-732	-2,729	-2,111
Gross profit	148	43	430	236
Plus: Depreciation included in costs	72	141	283	330
Net operating income, Own operations	220	184	713	566
EBITDA				
Gross profit from respective operating segment	917	741	3,587	3,104
Plus: Depreciation included in costs Own Operations	72	141	283	330
Plus: Depreciation included in Central administration	6	6	23	23
Less: Central administration	-53	-59	-197	-153
EBITDA	942	829	3,696	3,304
Cash earnings				
EBITDA	942	829	3,696	3,304
Plus: Financial income	5	8	31	19
Less: Financial expense	-381	-297	-1,498	-1,022
Less: Financial costs for right-of-use-assets	-28	-26	-108	-95
Plus/Less: Translation effect on bank deposits	1	5	1	1
Less: Current tax	-137	-24	-375	-164
Plus/Minus: Profit for the period attributable to non-controlling interests	13	20	-5	13
Cash earnings	415	515	1,742	2,056
EPRA NRV				
Equity attr. to the shareholders of the parent company	-	-	29,573	30,731
Plus: Revaluation of Operating Properties	-	-	2,971	3,220
Minus: Fair value of financial derivatives	-	-	-1,056	-2,260
Plus: Deferred tax assets related to derivatives	-	-	218	466
Plus: Deferred tax liabilities	-	-	5,270	5,538
EPRA NRV	-	-	36,976	37,694
Growth in EPRA NRV, annual rate, %				
EPRA NRV attr. to the shareholders of the parent company, OB	-	-	37,694	31,905
EPRA NRV attr. to the shareholders of the parent company, CB	-	-	36,976	37,694
Dividend added back, current year	-	-	460	-
Growth in EPRA NRV, annual rate, %	-	-	-0.7	18.1

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 2023		31 Dec 2022	
	MSEK	SEK/share ¹⁾	MSEK	SEK/share ¹⁾
Equity attr. to the shareholders of the parent company	29,573	160.85	30,731	167.15
Plus: Revaluation of Operating Properties	2,971	16.16	3,220	17.51
Less: Fair value of financial derivatives	-1,056	-5.74	-2,260	-12.29
Plus: Deferred tax assets related to derivatives	218	1.18	466	2.53
Plus: Deferred tax liabilities	5,270	28.66	5,538	30.12
Net asset value, EPRA NRV	36,976	201.12	37,694	205.04
Less:	—	—	—	—
Net asset value, EPRA NTA	36,976	201.12	37,694	205.03
Less: derivatives and deferred tax	-4,432	-24.10	-3,744	-20.36
Net asset value, EPRA NDV	32,544	177.01	33,951	184.67

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, other receivables, provisions, tax liabilities, accounts payable and other short-term liabilities.

MSEK	31 Dec 2023			31 Dec 2022		
	Previously reported Loan to value, %	Adjustm ents	Loan to value, %, EPRA	Previously reported Loan to value, %	Adjustm ents	Loan to value, %, EPRA
Non-current interest-bearing liabilities	23,374	—	23,374	17,189	—	17,189
Current interest-bearing liabilities	9,396	—	9,396	16,682	—	16,682
Arrangement fee for loans	189	—	189	93	—	93
Net operating assets and operating liabilities	—	264	264	—	—	—
Exclude: Cash and cash equivalents	-769	—	-769	-1,630	—	-1,630
Net debt	32,190	264	32,454	32,334	—	32,334
Market value properties	69,039	—	69,039	69,231	—	69,231
Net operating assets and operating liabilities	—	—	—	—	117	117
Total properties and other applicable assets	69,039	—	69,039	69,231	117	69,348
Loan to value, %	46.6%		47.0%	46.7%		46.6%

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	2023	2023	2023	2023	2022	2022	2022	2022
Revenues Leases								
Rental income	895	1,002	908	743	803	886	761	602
Other property income	33	38	34	37	45	81	97	32
Revenue Own Operations	910	844	832	573	775	706	624	242
Total revenues	1,838	1,884	1,774	1,353	1,623	1,673	1,482	876
Costs Leases	-159	-120	-136	-118	-150	-101	-97	-91
Costs Own Operations	-762	-694	-685	-588	-732	-578	-449	-352
Gross profit	917	1,070	953	647	741	994	936	433
Central administration	-53	-46	-53	-45	-59	-28	-34	-32
Financial net	-376	-420	-361	-310	-289	-248	-236	-230
Financial cost right of use assets	-28	-28	-26	-26	-26	-24	-22	-23
Profit before value changes	460	576	513	266	367	694	644	148
Changes in value								
Changes in value properties	-339	-90	-466	-212	-66	572	395	279
Changes in value derivatives	-1,236	43	332	-344	-59	815	632	930
Profit before tax	-1,115	529	379	-290	242	2,081	1,671	1,357
Current tax	-137	-95	-78	-65	-24	-48	-59	-33
Deferred tax	127	26	-13	152	-117	-346	-240	-280
Profit for the period	-1,125	460	288	-203	101	1,687	1,372	1,044
Other comprehensive income	-845	-583	1,146	170	308	341	455	219
Total comprehensive income for the period	-1,970	-123	1,434	-33	409	2,028	1,827	1,263

Condensed consolidated statement of financial position

MSEK	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
ASSETS								
Properties incl equipment and interiors	66,079	68,210	68,927	66,550	65,552	64,712	62,832	61,120
Right-of-use assets	2,848	2,975	3,345	3,250	3,218	3,383	3,222	3,155
Other non-current receivables	1,612	2,600	2,708	2,274	2,462	2,544	1,711	1,017
Deferred tax assets	340	335	269	268	305	239	262	55
Current assets	1,560	1,454	1,333	1,287	2,050	1,964	1,434	1,398
Cash and cash equivalents	769	749	1,008	2,004	1,630	2,463	1,873	1,477
Total assets	73,208	76,323	77,590	75,633	75,217	75,305	71,334	68,222
EQUITY AND LIABILITIES								
Equity	29,725	31,751	31,874	30,900	30,933	30,540	28,512	26,685
Deferred tax liability	5,270	5,470	5,476	5,359	5,538	5,287	4,918	4,415
Interest-bearing liabilities	32,770	33,891	34,526	34,054	33,871	34,478	33,242	32,710
Leasing liabilities	2,856	2,983	3,352	3,256	3,223	3,387	3,226	3,158
Non interest-bearing liabilities	2,587	2,228	2,362	2,064	1,652	1,613	1,436	1,254
Total equity and liabilities	73,208	76,323	77,590	75,633	75,217	75,305	71,334	68,222

Key ratios

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MSEK	2023	2023	2023	2023	2022	2022	2022	2022
NOI, Leases	769	920	806	662	698	866	761	543
NOI, Own Operations	220	222	219	52	184	193	238	-49
EBITDA	942	1,102	977	675	829	1,037	970	467
Interest coverage ratio, times	2.6	2.8	2.9	2.3	3.1	4.8	4.7	2.2
Earnings per share before and after dilution, SEK	-6.05	2.48	1.56	-1.17	0.66	9.16	7.45	5.67
Cash earnings	415	558	510	259	515	717	645	178
Cash earnings per share before and after dilution, SEK	2.26	3.04	2.77	1.41	2.80	3.90	3.51	0.97
RevPAR growth (Own operations) for comparable units and constant currency, %	7	8	26	112	113	140	370	232
	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Net interest-bearing debt	32,190	33,333	33,718	32,188	32,334	32,119	31,472	31,345
Loan to value, %	46.6	46.8	46.7	46.2	46.7	47.1	47.8	49.1
Market value properties	69,039	71,177	72,164	69,695	69,231	68,257	65,804	63,808
EPRA NRV per share, SEK	201.12	207.53	209.86	204.93	205.03	202.96	190.37	178.31
WAULT (Leases), yrs	15.0	14.4	14.6	14.7	15.0	15.2	15.4	13.8

Definitions

Financial information

Average interest on debt, %

Average weighted interest rate, including interest rate derivatives, for interest-bearing liabilities at the end of period.

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 reported in the income statement, 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, Own Operations, MSEK

Revenue less directly related costs for Own Operations including depreciation of Own Operations.

Gross profit, Leases, MSEK

Revenue less directly related costs for Leases.

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 Own Operations, MSEK

Gross profit for Own Operations plus depreciation included in costs for Own Operations.

Net operating income, Leases, MSEK

Net operating income corresponds to gross profit for Leases.

Net operating margin, Own Operations, %

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

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 Own Operations (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 (Leases)

Weighted average unexpired lease term for Investment Properties.

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

