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## **Host Property AB**

Market update 1Q2021

*30. April 2020*



## HOST PROPERTY – HIGHLIGHTS 1Q2021

### Summary

- Revenues of SEK 1.0 million for in 1Q 2021 and EBITDA of minus SEK 2.9 million during the period
- Continued low activity in the hotel market during the period, occupancy down approximately 50% compared to normalized markets
- Later during the year, when the vaccine rollout process has covered a critical percentage of the population, the hotel activity is expected to improve
- Positive market and travel activity in other countries and regions where vaccine programs have covered a critical share of the population
- Increased security for bondholders after the amended bond agreement finalized during the quarter, Söderhamn hotel property and Jessheim plot added to the security package
- After the SEK 65 million partial prepayment from the CAPEX-account, as part of the amended T&C, the LTV was reduced to approximately 45% in April 2021
- Stig Bech has replaced Asmund Haare as Chairman of the board in Flying Elephant during the quarter and Christopher Utne has entered as board member
- Eiliv Bugge Fougner to be elected as board member in Host Property (representative for the Majority Bondholders)

### First Hotel Christian IV - Kristianstad



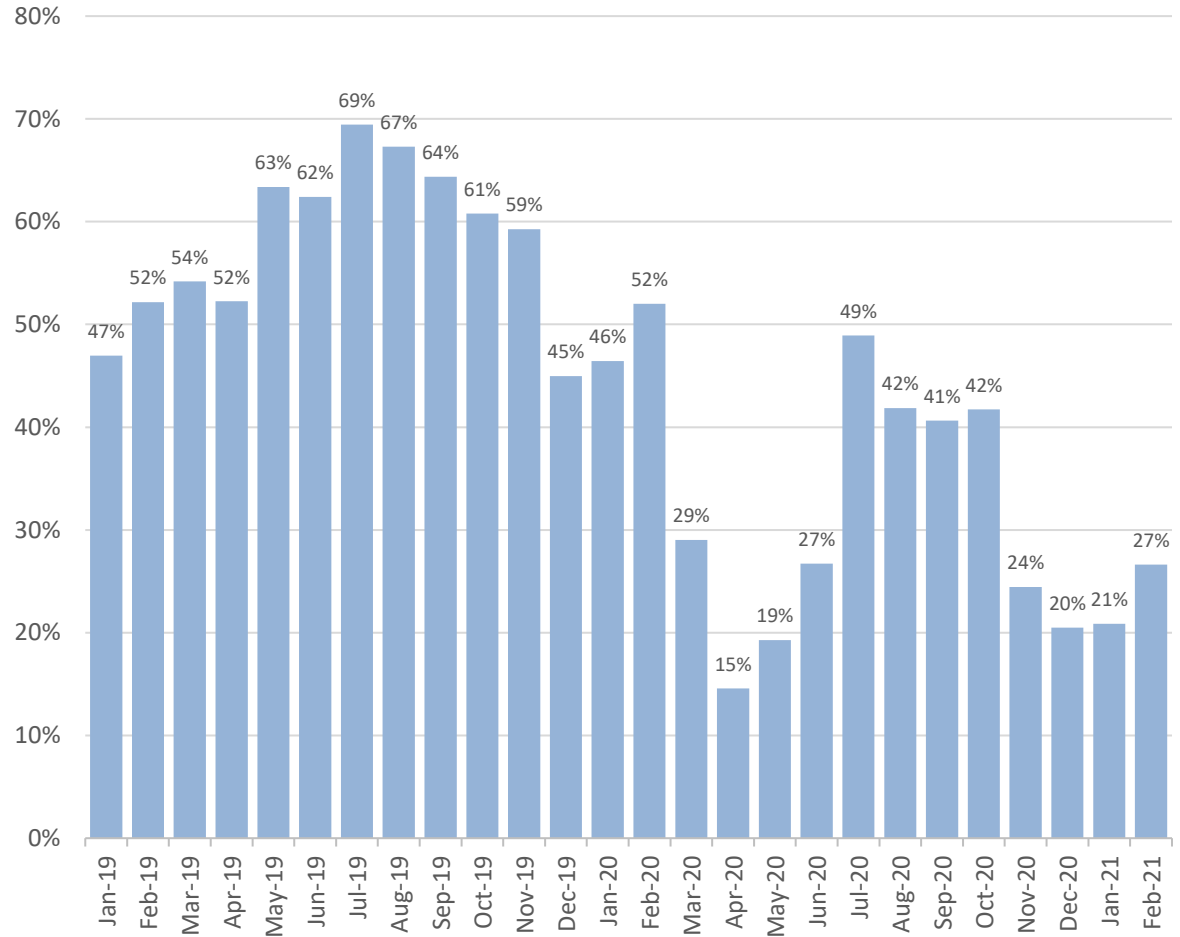


# HOTEL MARKET STATISTICS

## Comments

- The general hotel market activity has been historically negatively impacted by the outbreak and effects of COVID-19
- 1. quarter 2021 activity has been in line with the 2020 November and December low activity, with large governmental restrictions
- Activity / occupancy continues to be down more than 50% compared to pre-COVID-19 levels
- Later during the year, when the vaccine rollout process has covered a critical percentage of the population, the hotel activity is expected to improve
- Positive market and travel activity in other countries and regions where vaccine program has covered a critical share of the population

## Occupancy Sweden 2019 - February 2021

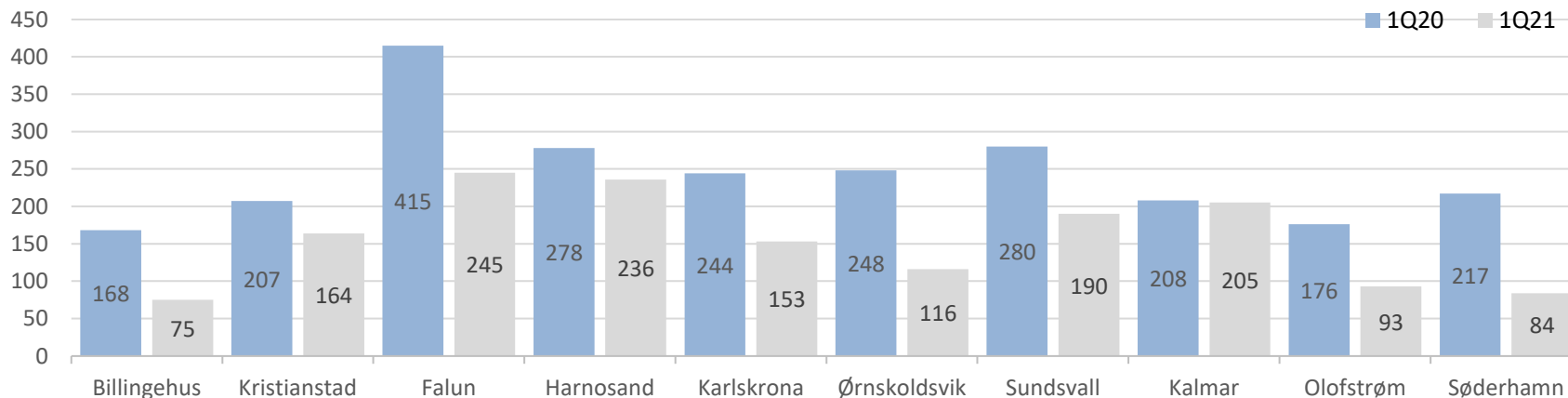


Source: SCB



# HOST PROPERTY - KEY HOTEL TRADING AND PROFITABILITY FIGURES

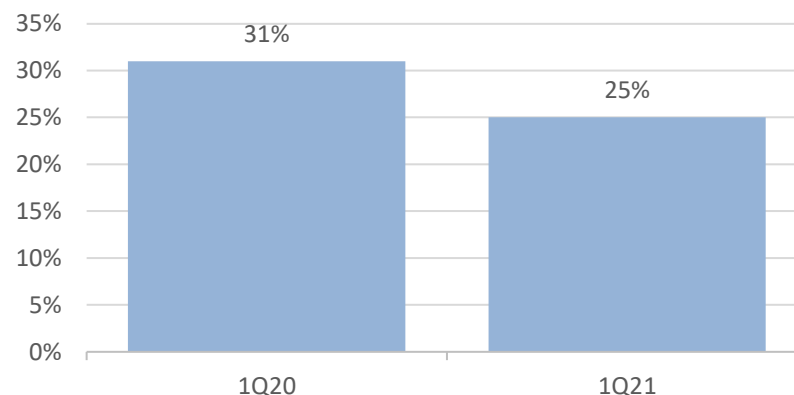
REVPAR 1Q2021 vs 1Q2020 - SEK



## Key hotel trading figures

- REVPAR for the portfolio was down 36% from 1Q2020 to 1Q 2021.
- Occupancy was 25% for 1Q2021 compared to 31% in 1Q2020
- Continued historic low levels during the 1Q2021 as in the 4Q due to strict governmental restrictions during the quarter
- During the 1Q2020, January and parts of February experienced normal market levels, while the last part of February and March were heavily negatively impacted by the COVID-19 effects

## Occupancy



Source: Benchmark Alliances and company figures

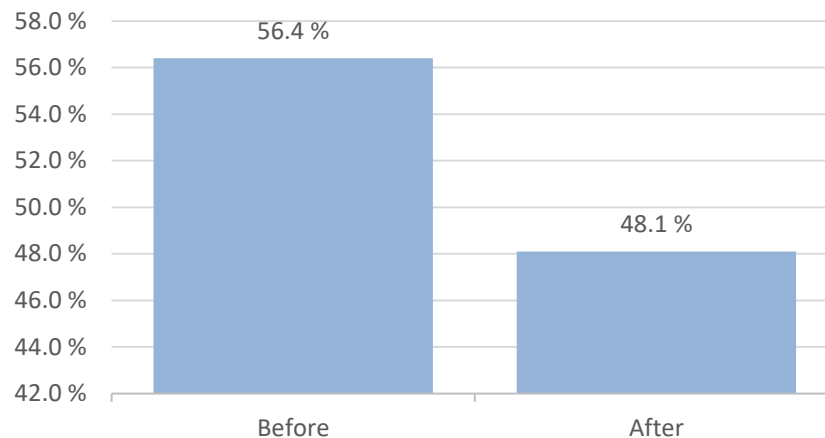


## HOST PROPERTY - KEY DEBT FIGURES

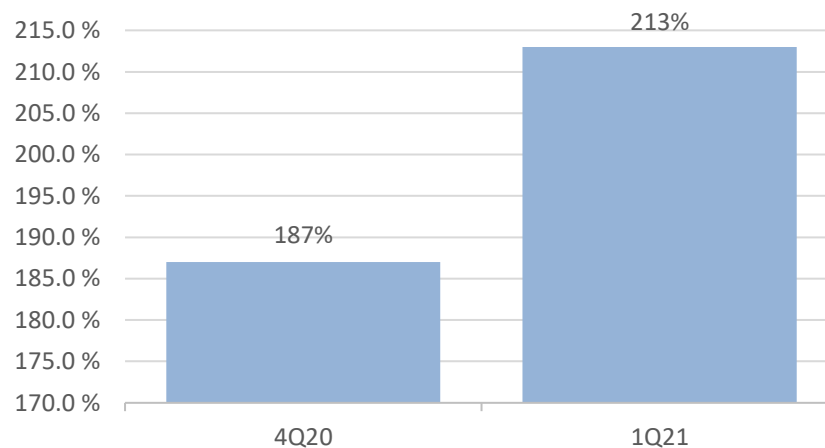
### Comments

- Host Property had a 56.4% loan to value (LTV) at 2020-year end. After adding the hotel property Söderhamn and the Jessheim plot, as part of the amended loan agreement, the LTV was reduced to 48.1%
- After the SEK 65 million partial prepayment of the CAPEX-account, as part of the amended T&C, the LTV was reduced to approximately 45% in April 2021
- SEK 22 million remaining on the CAPEX-account in April 2021 after SEK 65 million payment
- Host Property received SEK 17.65 million in cash (“Received Cash” according to amended T&C) during the 1Q2021 from Group Companies outside Host Property AB and Parent (Host AB)
- Cash interest coverage ratio was 213% for the quarter

### LTV before and after (1Q2021) amended loan agreement



### Cash Interest coverage ratio (according to amended T&C)







## HOTEL OPERATING COMPANIES UPDATE (TRIBE HOTELS)

### Comments

- On June 24, 2020, company reconstruction was initiated in the Host Property operating companies (Tribe Hotels)
- As of July 30, 2020, Host Hoteleendom took ownership of Tribe Hotels to secure long term value of the hotel properties
- The hotel operating companies have since been in reconstruction managed by reconstructor Plana AB
- The reconstruction has been an important tool and vehicle to restructure the operating companies during a historic challenging period for the hotel industry
- Tribe Hotels have reduced costs substantially over the period – cost base substantially lower than the historic average
- Still uncertain outcome of the reconstruction process for Tribe Hotels

### First Hotel Karlskrona





## STRENGTHENING THE BOARD OF DIRECTORS

### Strong property market competence added to the board

- Stig Bech has been elected as the new chairman of the board of Flying Elephant (replacing founder and owner Asmund Haare). Christopher Utne has been elected as new board member
- The Flying Elephant board of directors will after the changes have the following members: Bech, Utne, Simen Haare and Cathrine Haare Aldorino
- The addition of two new external and independent board members will bring strong knowledge and experience into the Host Hoteleendom and Host Property in the coming years

### Flying Elephant – Board of directors (Additions)



#### **Stig Bech, Chairman Flying Elephant and Host Hoteleendom**

One of Norway's leading Real Estate lawyers, being top ranked by international agencies such as Chambers and Legal 500. Experience from tier 1 firms such as Wikborg Rein, BHR and Wiersholm (currently). Served two years as CEO and Special Counsel in Solon Eiendom ASA.



#### **Christopher Utne, Board member Flying Elephant**

MBA ("siviløkonom") from NHH (Norwegian School of Economics). CFO in Aspelin Ramm since 2014. Ten years as CFO for Tjuvholmen KS during the development phase, and since 2014, CEO during operating phase. Project manager and auditor at Deloitte Consulting.

### Host Property – Board of Directors (Additions)

- As part of the Host Property bond amendment agreement, The Majority Bondholders have elected Eiliv Bugge Fougner to be included as board member in Host Property
- Bugge Fougner has extensive property and hotel property experience and will bring valuable insight to Host Property going forward
- The board of directors in Host Property will after the change have the following members: Anders Grimsø Moe (Chairman), Simen Haare and Eiliv Bugge Fougner

### Host Property – Board of directors (Additions)



#### **Eiliv Bugge Fougner, Board Member Host Property**

MBA Instituto de Empresa, Madrid Spain, Master in Management University of St. Andrews, Scotland. CEO Torvterrassen Holding, management of real estate and financial investments – Focus on leisure and hospitality properties. Former experience from Morgenstjernen, Medici Corporate and Telenor



# INCOME STATEMENT 1Q2021

## Profit & Loss Host Property AB consolidated

(SEK 1,000)

	Host	Host
	2021	2020
	YTD Q1	YTD Q1
<b>OPERATING INCOME</b>		
	(1000 SEK)	(1000 SEK)
Rent income	999	16 056
Other operating income	0	0
Profit from property sale	0	0
<b>Total operating income</b>	<b>999</b>	<b>16 056</b>
<b>OPERATING COSTS</b>		
Depreciations	-2 074	-2 026
Other operating costs	-3 920	-3 805
<b>Total operating costs</b>	<b>-5 994</b>	<b>-5 831</b>
<b>EBIT</b>	<b>-4 995</b>	<b>10 225</b>
<b>Ebitda</b>	<b>-2 921</b>	<b>12 251</b>
<b>FINANCIAL INCOME AND COSTS</b>		
Other interest income	1 463	1 141
Other financial income	0	0
Net interest costs	-8 134	-8 333
Other financial costs	-2 279	-1 161
<b>Net financial items</b>	<b>-8 950</b>	<b>-8 353</b>
<b>EBT</b>	<b>-13 945</b>	<b>1 872</b>
Tax payable	0	0
Taxes	71	74
<b>NET PROFIT</b>	<b>-13 874</b>	<b>1 946</b>





# BALANCE SHEET 1Q2021

Balance Sheet Host Property AB consolidated		
	(MSEK)	(MSEK)
Assets	Host	Host
	2021 YTD Q1	2020 Year
<b>LONG TERM ASSETS</b>		
<b>INTANGIBLE ASSETS</b>		
Deferred taxes	0	0
Licenses/rights/goodwill	0	0
<b>Total intangible assets</b>	<b>0</b>	<b>0</b>
<b>FIXED ASSETS</b>		
Land and buildings	592 307	563 142
Machines, inventory and equipment	9 396	8 105
Projects	72 962	78 852
<b>Total fixed assets</b>	<b>674 665</b>	<b>650 099</b>
<b>FINANCIAL LONG TERM ASSETS</b>		
Investment in subsidiaries	0	0
Investments in shares	0	0
Other long term receivables	58 782	54 429
<b>Total financial long term assets</b>	<b>58 782</b>	<b>54 429</b>
<b>Total Long Term Assets</b>	<b>733 447</b>	<b>704 528</b>
<b>CURRENT ASSETS</b>		
<b>RECEIVABLES</b>		
Accounts receivables	10 032	15 310
Intercompany receivables	41 712	51 626
Other receivables	1 534	0
Prepaid costs	0	0
<b>Total receivables</b>	<b>53 278</b>	<b>66 936</b>
<b>CASH AND BANK DEPOSITS</b>		
Cash, bank deposits etc.	110 583	109 858
<b>Total cash and bank deposits</b>	<b>110 583</b>	<b>109 858</b>
<b>Total Current Assets</b>	<b>163 861</b>	<b>176 794</b>
<b>TOTAL ASSETS</b>	<b>897 308</b>	<b>881 322</b>

Balance Sheet Host Property AB consolidated		
	(MSEK)	(MSEK)
Equity and debt	Host	Host
	2021 YTD Q1	2020 Year
<b>EQUITY</b>		
<b>PAID-IN EQUITY</b>		
Share capital	500	500
<b>Total paid-in equity</b>	<b>500</b>	<b>500</b>
<b>EARNED EQUITY</b>		
Profit for period	-13 874	-79 760
Other equity	332 908	385 227
<b>Total earned equity</b>	<b>319 034</b>	<b>305 467</b>
<b>Total equity</b>	<b>319 534</b>	<b>305 967</b>
<b>DEBT</b>		
<b>PROVISIONS FOR COMMITMENTS</b>		
Deferred taxes	64 098	60 724
<b>Total provisions for commitments</b>	<b>64 098</b>	<b>60 724</b>
<b>OTHER LONG TERM DEBT</b>		
Debt to financial institutions	500 000	500 000
Other long term debt	149	116
<b>Total other long term debt</b>	<b>500 149</b>	<b>500 116</b>
<b>SHORT TERM DEBT</b>		
Debt to financial institutions	0	0
Accounts payables	2 281	6 541
Taxes payable	2 400	2 905
Intercompany debt	1 500	0
Other short term debt	7 346	5 069
<b>Total short term debt</b>	<b>13 527</b>	<b>14 515</b>
<b>Total debt</b>	<b>577 774</b>	<b>575 355</b>
<b>TOTAL DEBT AND EQUITY</b>	<b>897 308</b>	<b>881 322</b>