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Host Property AB – Market update – Historic challenging times for the company and hotel industry in general

Due to the extreme turbulent market situation in general and in particular for the hotel and travel industry, with the severe effects of the corona virus and the extraordinary actions taken by the governments both in the Nordic region and globally, the business activity in Host Property's markets (guests at the hotels) have decreased substantially during the last weeks.

The current market turbulence is by far the most severe and challenging for the hotel industry dating back a number of decades, far surpassing the financial crisis, a number of oil crises, 9-11, previous pandemics (SARS, Ebola etc), war outbreaks, dot.com-crash, BREXIT and other external shocks to the society and economy. This represents an apparent risk to the cash-flow and values of all parties in the hotel industry and beyond.

Host Property is working on available mitigation actions to secure current cash-flow and future values of the property portfolio according to the loan agreement. This includes cost-cutting and control, optimizing financing agreements, a review of all investments and securing sustainable tenant agreements for the future.

Host Property is together with our business partners and other companies in the hotel and travel industry in general following and evaluating potential governmental stimulation packages for the hotel sector. This is an ongoing process with uncertain outcome and magnitude.

Host Property and other Host Hoteleiendom group companies follow and evaluate the business situation continuously and has a close dialogue with Maribel and all other business partners. There are a number of costs cutting and cash preservation initiatives ongoing and under evaluation.

Priority number 1 for all parties is to fully implement and follow the recommendations from the governing bodies in each relevant country and jurisdiction. Host Property and Host Hoteleiendom are working closely with the hotel operator Maribel to implement recommended actions.

Maribel has closed down a large number of the hotels in the Nordic region for the time being. Maribel has also laid off a large number of employees at the hotels and in the administration for the time being.

Maribel has over a period worked with a restructuring process with its shareholders and other key business partners. Due to the current general challenging hotel markets these processes have not been concluded and the timing of this process is uncertain going forward.

Host Property will continue to monitor the situation, inform the market and implement all available measures to minimize the impact of the current crisis and secure the interests of the company and for the bondholders. For more information, please contact:

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