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Host Property AB

Market update 4Q2020

29. January 2020



HOST PROPERTY – HIGHLIGHTS 4Q2020

Summary

- Revenues of SEK 46,5 for 2020 and EBITDA of 12,0 MSEK.
- REVPAR for the Host Property hotels was down about 51% in 2020 compared to 2019. Occupancy in 2020 was 29%, down from 51% in 2019. Some of the hotels have been closed in periods during the year
- After improved activity (occupancy and REVPAR) during the summer and the third quarter of 2020, again increased governmental restrictions brought down the activity during November and December
- Going into 2021, the January and February 2021 period is expected to be a continuation of the year end activity
- Later during the year, when the vaccine rollout process has covered a critical percentage of the population, the hotel activity is expected to improve

First Hotel Witt - Kalmar



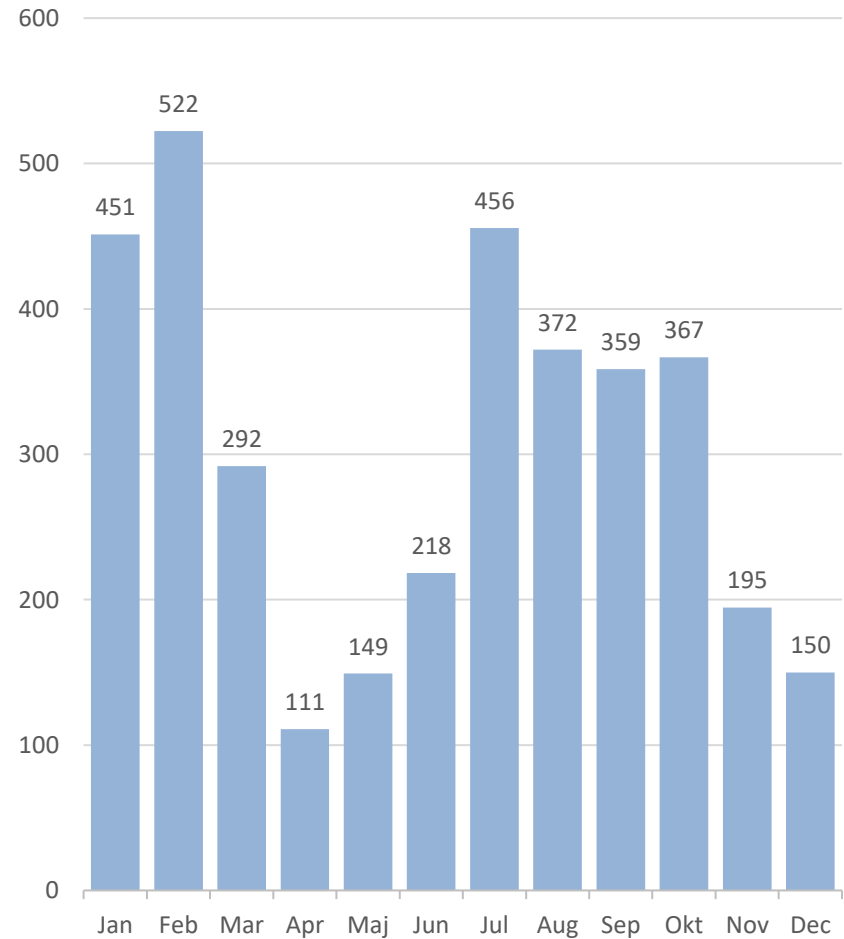


HOTEL MARKET STATISTICS

Comments

- Hotel market activity has been historic negatively impacted after the outbreak of COVID-19. According to SCB, REVPAR for Swedish hotels was down about 50% in 2020 compared to 2019 *
- The summer months were less down than feared during the spring due to increased local and regional travel activity, especially at summer related locations
- During the August to October period, the activity was better than during the “lock-down period” during the spring, but still substantially below historic averages
- During the November and December period, increased governmental restrictions again brought the travel activity and hotel back “lock down” levels
- Going into 2021, the January and February 2021 period is expected to be a continuation of the year end activity
- Later during the year, when the vaccine rollout process has covered a critical percentage of the population, the hotel activity is expected to improve

REVPAR SWEDEN 2020

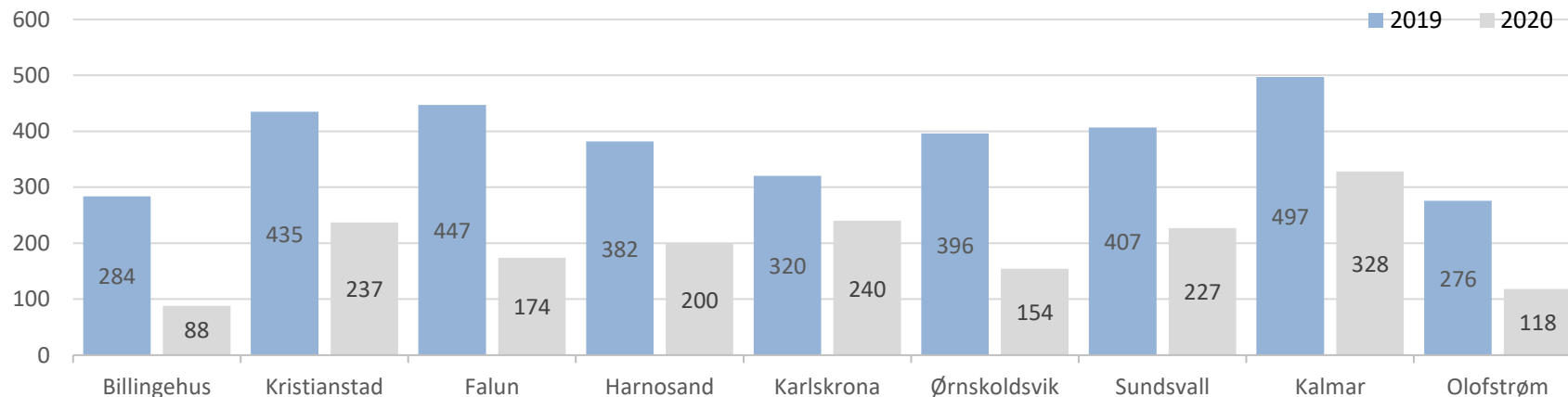


* Source: SCB. Company estimates for December 2020



HOST PROPERTY - KEY HOTEL TRADING AND PROFITABILITY FIGURES

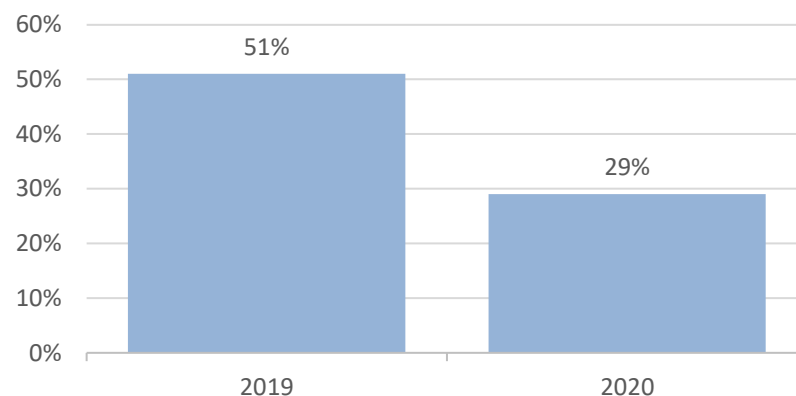
REVPAR 2020 vs 2019 - SEK



Key hotel trading figures

- REVPAR for the portfolio was down 51% for 2020 compared to 2019
- Occupancy was 29% for 2020 compared to 51% in 2019
- Some of the hotels have been closed in periods during 2020 due to the negative market effects of governmental restrictions in connection with the COVID-19
- After improvement in occupancy and REVPAR during the summer months and third quarter, the development during the 4Q2020 was again weaker due to the enforcement increased governmental restrictions again

Occupancy



Source: Benchmark Alliances and company figures



HOST PROPERTY - KEY HOTEL TRADING AND PROFITABILITY FIGURES

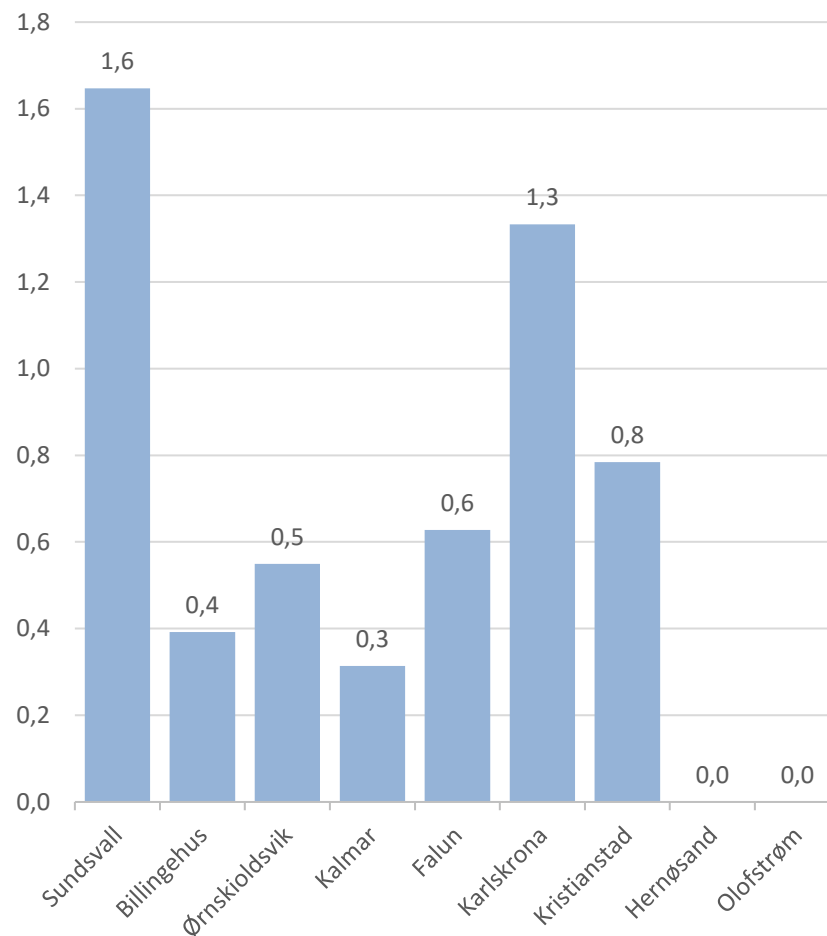
Cash revenues and profitability

- The regular revenues and profitability of the operating companies did not generate enough cash to pay rents according to the lease agreements during the 4Q2020
- Host Property received SEK 5.6 million in cash rental payments from Tribe Hotels during the 4Q2020. Main indirect source of cash from the operating companies were governmental grants received by Tribe Hotels during the quarter
- In addition, Host Property received SEK 9.3 million in cash payments from outside the Group Companies (Host Property and Host AB) during the 4Q2020
- Total cash received during the 4Q2020 was SEK 14.9 million

Governmental grants

- Host Property has worked closely together with the Tribe Hotels operating companies, the reconstructor and the auditor regarding the governmental grants since the outbreak of COVID-19
- The application period for governmental grants for the August-December 2020 period has not yet started but the main principles are described by the government. Estimated application period is from mid-February 2021

Cash rent paid during the 4Q2020 – Total SEK 5.6m



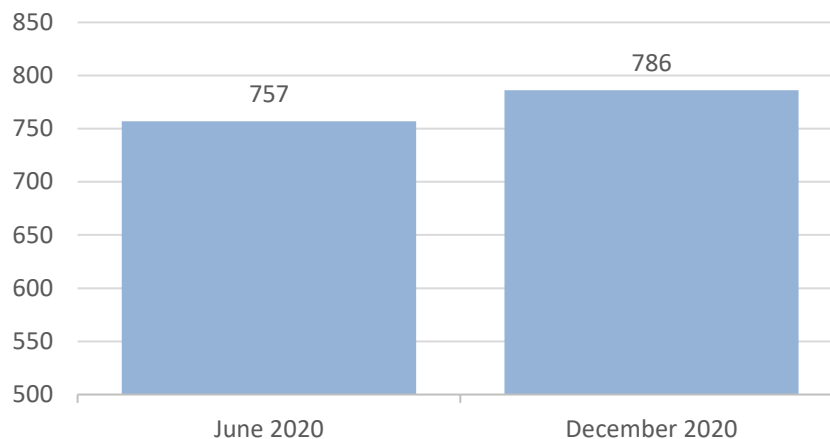


VALUATION AND DEVELOPMENT UPDATE

Valuation overview – December 2020

- Nordic Hotel Consulting valued the properties with a total value of SEK 786 million as of end of December, compared to SEK 757 at the end of June 2020
- Except for the Billingham property and plot *, the valuations are based on “as is” valuations. There is potential upside in the valuations if to evaluate development at
- The NHC valuations are down about 20% compared to the pre-COVID-19 levels **
- Host Property has a LTV at 56% at year end 2020 based on the latest external valuation

Valuations summarized – SEKm



Development in general

- In connection with the amended term sheet and process of the amended Terms & Conditions, the majority of the refurbishment cash is to be paid back to the bondholders
- Remaining capital only to be used for maintenance capital expenditures on properties to preserve asset values
- Limited expected reporting of ongoing or larger development projects (T&C) going forward during the remainder of the time until maturity of the bond issue

New rooms at Sundsvall – Completed in the 2Q2020



* The June 2020 valuation was based on a SEK 100 million investment at Billingham in the development case. Host has an agreement of a SEK 45 million payment if development of the property in accordance with certain criterias, as presented the investor presentation in connection with the SEK 500 million bond issue **Adjusted for renovation at Sundsvall



INCOME STATEMENT 4Q2020 YTD

	Host 2020 Preliminary	Host 2019 Year
	(1000 SEK)	(1000 SEK)
OPERATING INCOME		
Rent income	46 521	56 720
Other operating income	0	18 524
Profit from property sale	0	
Total operating income	46 521	75 244
OPERATING COSTS		
Depreciations	-8 100	-6 581
Other operating costs	-34 519	-12 540
Total operating costs	-42 619	-19 121
EBIT	3 902	56 123
Ebitda	12 002	62 704
FINANCIAL INCOME AND COSTS		
Other interest income	5 715	1 874
Other financial income	0	0
Net interest costs	-33 533	-20 739
Other financial costs	-17 646	-2 997
Net financial items	-45 464	-21 862
EBT	-41 562	34 261
Tax payable	0	-2 029
Taxes	296	-347
NET PROFIT	-41 266	31 885



BALANCE SHEET YEAR END 2020

	2020 Preliminary	2019 Year		2020 Preliminary	2019 Year
LONG TERM ASSETS			EQUITY		
INTANGIBLE ASSETS			PAID-IN EQUITY		
Deferred taxes	0	0	Share capital	500	500
Licenses/rights/goodwill	0	0	Total paid-in equity	500	500
Total intangible assets	0	0	EARNED EQUITY		
FIXED ASSETS			Profit for period	-41 266	31 885
Land and buildings	588 142	595 136	Other equity	385 227	353 343
Machines, inventory and equipment	8 105	9 211	Total earned equity	343 961	385 228
Projects	84 776	43 725	Total equity		
Total fixed assets	681 023	648 072		344 461	385 728
FINANCIAL LONG TERM ASSETS			DEBT		
Investment in subsidiaries	0	0	PROVISIONS FOR COMMITMENTS		
Investments in shares	0	0	Deferred taxes	66 838	67 134
Other long term receivables	54 429	13 774	Total provisions for commitments	66 838	67 134
Total financial long term assets	54 429	13 774	OTHER LONG TERM DEBT		
Total Long Term Assets	735 452	661 846	Debt to financial institutions	500 000	500 000
CURRENT ASSETS			Other long term debt	116	144
RECEIVABLES			Total other long term debt	500 116	500 144
Accounts receivables	22 600	13 208	SHORT TERM DEBT		
Intercompany receivables	51 627	42 573	Debt to financial institutions	0	0
Other receivables	0	45 495	Accounts payables	6 541	8 569
Prepaid costs	3 099	17 557	Taxes payable	1 286	1 004
Total receivables	77 326	118 833	Intercompany debt	0	10 268
CASH AND BANK DEPOSITS			Other short term debt	3 394	4 434
Cash, bank deposits etc.	109 858	196 602	Total short term debt	11 221	24 275
Total cash and bank deposits	109 858	196 602	Total debt	578 175	591 553
Total Current Assets	187 184	315 435	TOTAL DEBT AND EQUITY		
TOTAL ASSETS	922 636	977 281		922 636	977 281