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Host Property AB

Sale of Billingeus – Strengthening of the balance sheet

8. November 2021



SALE OF BILLINGEHUS

Transaction

- Host Property has over the last months had interest from potential buyers at a number of its hotel properties. The general interest underscores the quality and attractiveness of the property portfolio
- On November 6, 2021, Host Property signed a share purchase agreement to sell Billingeus and the relevant property company
- Property value for the transaction is SEK 125 million, in line with the latest external valuation from June 2021. Normal adjustments for DD-findings, deferred tax and other balance sheet items as part of the sale of the relevant property company
- While Host Property still has confidence in the long term development potential (as basis for the planned development project presented in 2019), Host Property and Host Hoteleiom expected CAPEX funds to be allocated more profitably among other Host Property hotels in the coming years
- In addition, after the SEK 65 million repayment of the outstanding bond issue in March 2021, Host Property does not have the funding to start the renovation of Billingeus in the foreseeable future

Billingeus



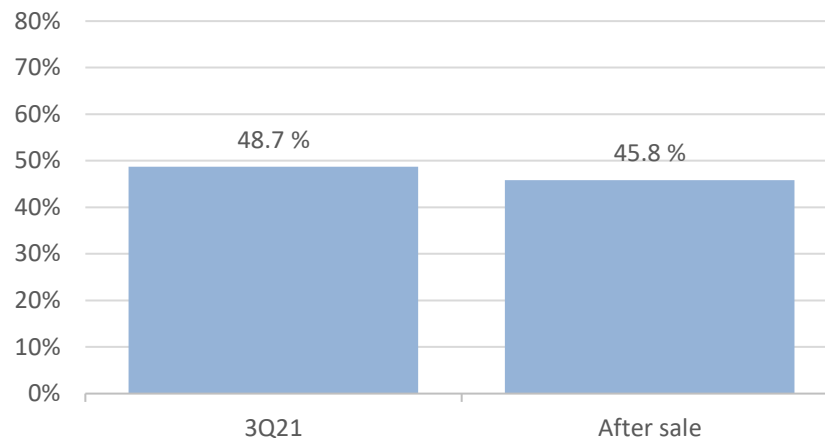


HOST PROPERTY - KEY DEBT FIGURES AFTER SALE OF BILLINGEHUS

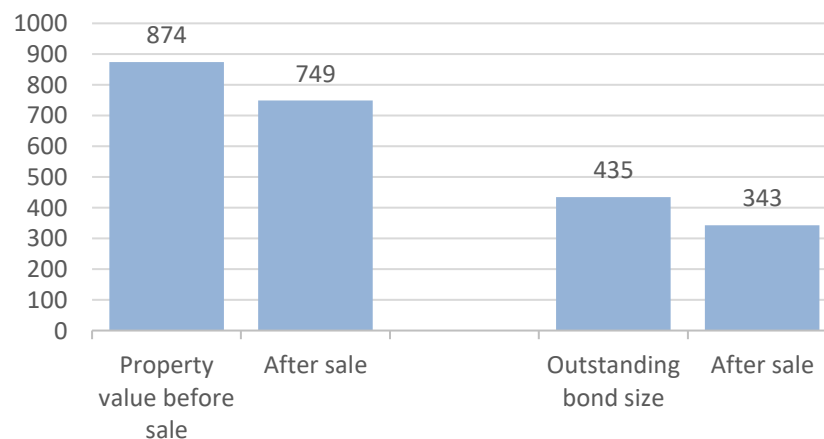
Strengthening of the balance sheet

- Selling Billingeus in line with the external valuation will strengthen the financial position of Host Property – giving increased room for value creation for the remaining portfolio
- Based on the 3Q 2021 figures and pro forma adjustments for the transaction, the key bond issue covenant metrics will improve after the transaction:
 - Loan to value to decrease from 48.7% to 45.8%
 - Extra payment of bond issue of SEK 93 750 000 according to the amended T&C. See separate press release with details on payment
 - Total outstanding bond amount after repayment: SEK 343 125 000
 - Remaining excess cash from transaction to improve Host Property cash position
- While Billingeus has a substantial value upside in terms of development potential, the historic and current cash flow have been on the low side compared to the rest of the Host Property portfolio – Debt service figures should therefore improve as a consequence of the transaction

Loan to value before and after transaction (3Q21 and pro forma)



Property value and outstanding debt (pro forma) - SEKm



* SEK 93 750 00 to be repaid according to T&C. Debt to be reduced by SEK 91 875 000



SECURING VALUES - TAKING ACTION – REESTABLISHING COMPANY FOR THE COMING YEARS

History, present and going forward

Host Property has since the outbreak of COVID-19 taken a number of actions to secure and regain values for the company, bond holders and other stakeholders:

- Regaining ownership of the former Tribe Hotels was important in order to execute strategic aligned plans for both the operations and hotel property values
- Reducing costs both for the hotel operation and the hotel property companies during the COVID-19 period and renegotiated agreements in connection with the reconstruction and reorganization
- During the last year, Host Hoteleiom sold two properties at transaction prices at or above 2019 levels to improve the cash position for the group and strengthen Host Property's financial position
- The sale of Billingshus is an important step towards reestablishing a lower debt level for the Host Property portfolio going forward
- The company works actively to improve the hotel operations and cash flow on both the hotel areas and other commercial spaces; detailed plans on how to allocate available cash for day-to-day capex and rent improving activities have been established
- The hotel market continues to improve, and the hotel portfolio sees continued underlying growth in activity and revenues

