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INNOVATION

Host Property AB

Market update 1Q2021

12. May 2021



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, Søderhamn 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



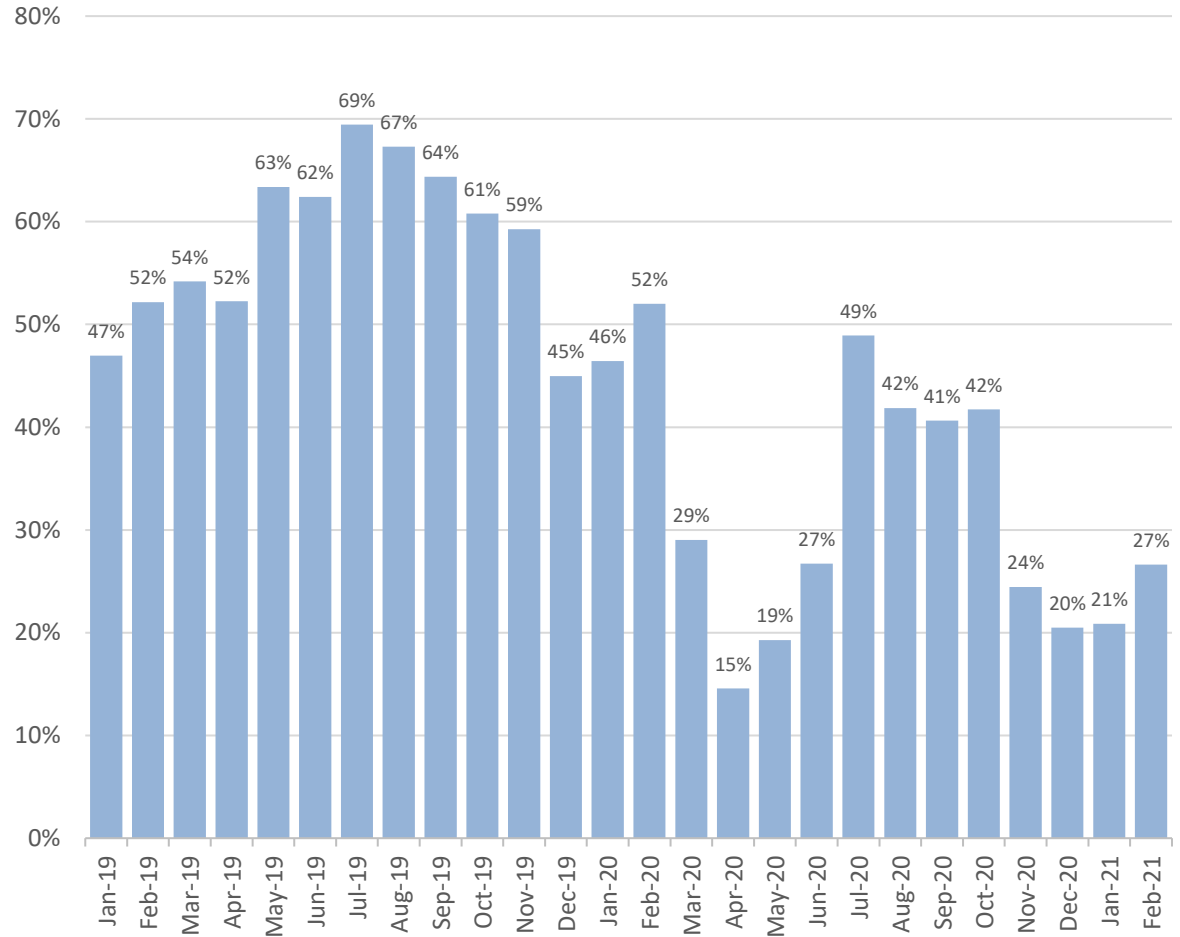


HOTEL MARKET STATISTICS

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

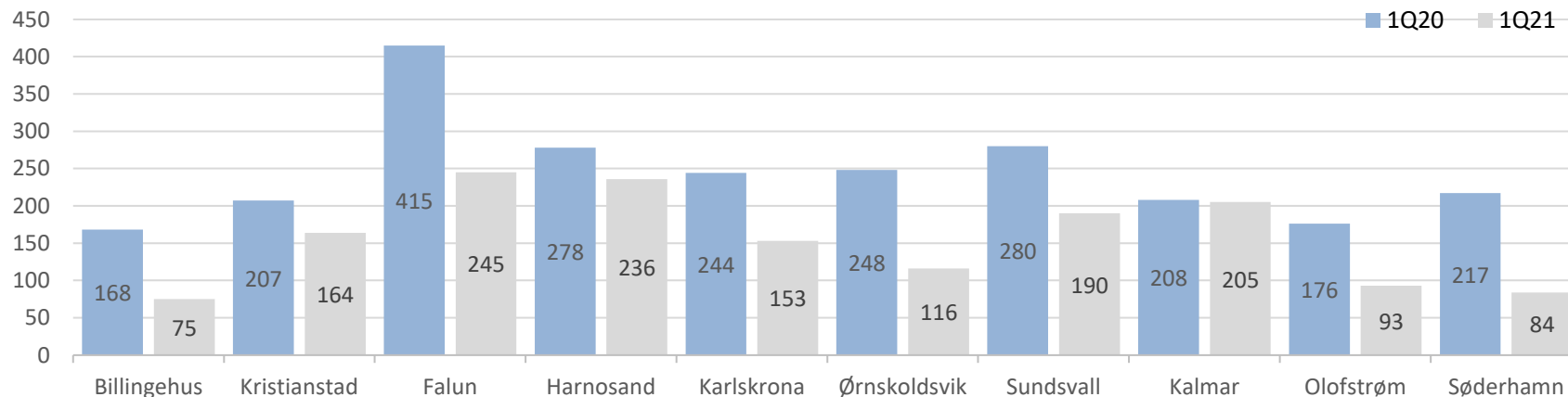


Source: SCB



HOST PROPERTY - KEY HOTEL TRADING AND PROFITABILITY FIGURES

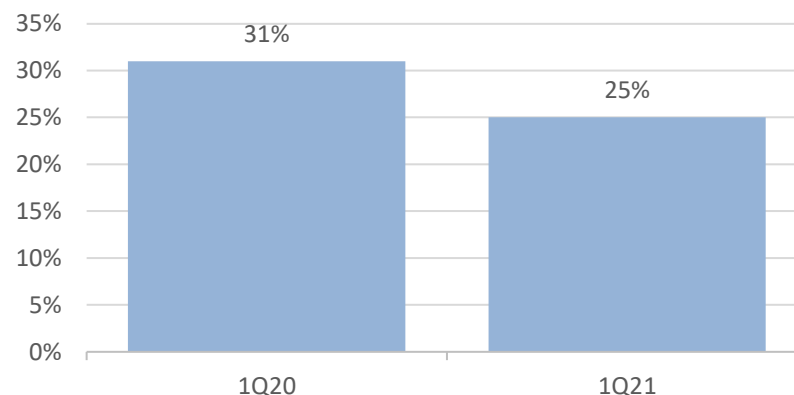
REVPAR 1Q2021 vs 1Q2020 - SEK



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



HOTEL MARKET STATISTICS – INTERNATIONAL DEVELOPMENT

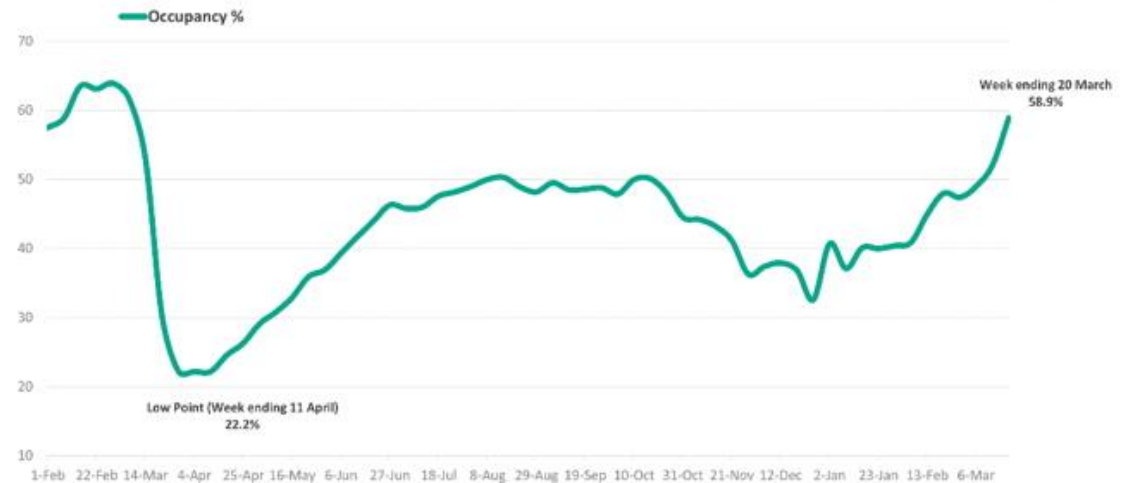
Comments

- Still uncertain market development for the Swedish hotel market in the short term
- Still uncertain restrictions going into the important summer season
- Still, positive signs in other international markets in Asia, US and the UK in terms of increased travel and hotel activity
- US occupancy reached best occupancy and activity in late March 2021 since the outbreak of the pandemic
- Especially US weekend travelling improving strongly hitting 72% occupancy in mid March 2021
- STR US weekly REVPAR index increased to nearly 70% mid-March 2021 compared to 2019 levels

US Hotel occupancy

U.S. Hotel Occupancy

Weeks ending with specified dates



Source: STR, 2021 © CoStar Realty Information, Inc.

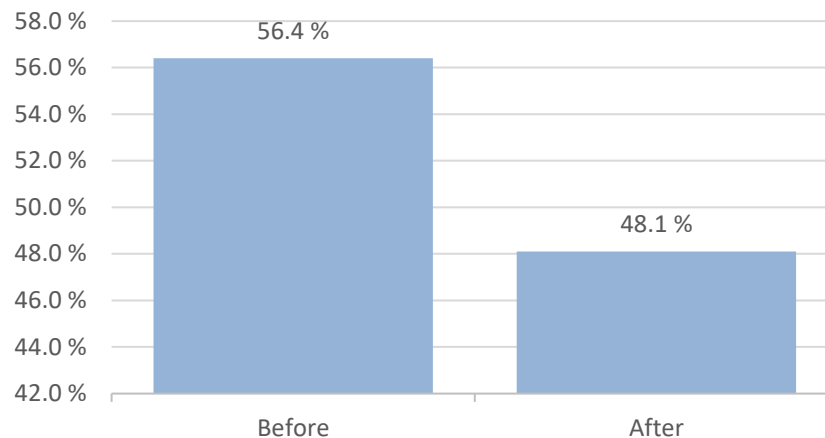


HOST PROPERTY - KEY DEBT FIGURES

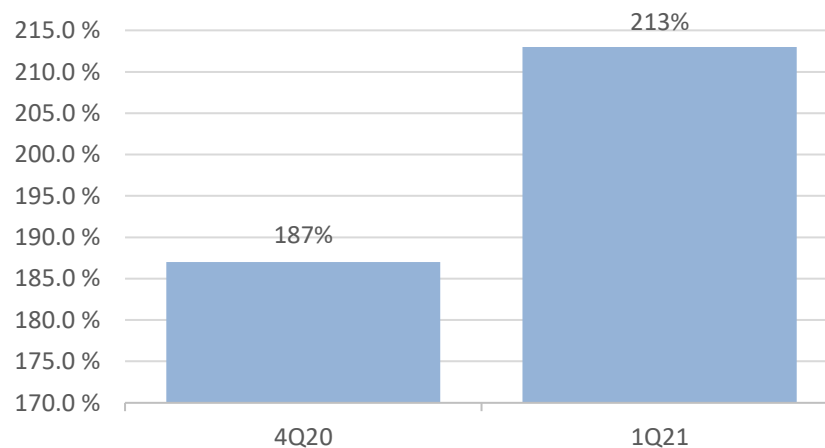
Comments

- 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
- The following operating companies have filed for bankruptcy during May 2021:
 - Tribe Hotel Christian IV AB (May 4, 2021)
 - Tribe Hotel Grand Hotel Falun AB (May 4, 2021)
 - Tribe Hotel Statt i Örnsköldsvik AB (May 4, 2021)
 - Tribe Hotel Söderhamn AB (May 4, 2021)
 - Tribe Hotel Billingeus AB (May 11, 2021)
 - Tribe Hotel Olofström AB (May 11, 2021)
 - Tribe Hotel Stadt i Härnösand AB (May 11, 2021)
 - Tribe Hotel Strand i Sundsvall AB (May 11, 2021)

First Hotel Karlskona





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 <i>(SEK 1,000)</i>	Host 2021 YTD Q1	Host 2020 YTD Q1
OPERATING INCOME	<i>(1000 SEK)</i>	<i>(1000 SEK)</i>
Rent income	999	16 056
Other operating income	0	0
Profit from property sale	0	0
Total operating income	999	16 056
OPERATING COSTS		
Depreciations	-2 074	-2 026
Other operating costs	-3 920	-3 805
Total operating costs	-5 994	-5 831
EBIT	-4 995	10 225
Ebitda	-2 921	12 251
FINANCIAL INCOME AND COSTS		
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
Net financial items	-8 950	-8 353
EBT	-13 945	1 872
Tax payable	0	0
Taxes	71	74
NET PROFIT	-13 874	1 946



BALANCE SHEET 1Q2021

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

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