



HOST PROPERTY AB

4Q 2019 Presentation

Bond investor update

February 28, 2020





Host Property – Highlights 4Q 2019

Highlights 4Q 2019

- SEK 500 million bond issue in November
- Host Billingeus part of Host Property as of December 9
- Skövde Municipality showing strong support of the Billingeus development in December
- Start of SEK 180 million investment program. Billingeus, Sundsvall and Karlskrona main investment targets
- 6% growth in REVPAR for Host Property for 2019 (vs. 2018)
- Bond listed on the First North Bond Market - Nasdaq (Stockholm) in January 2020

Sundsvall



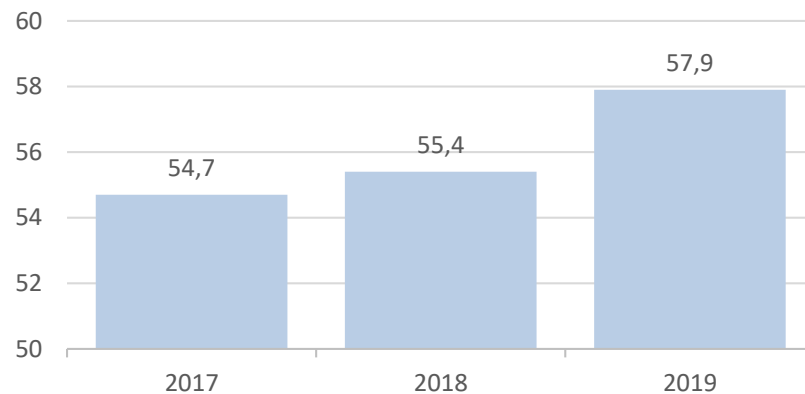


Host Property – Key Financial Figures

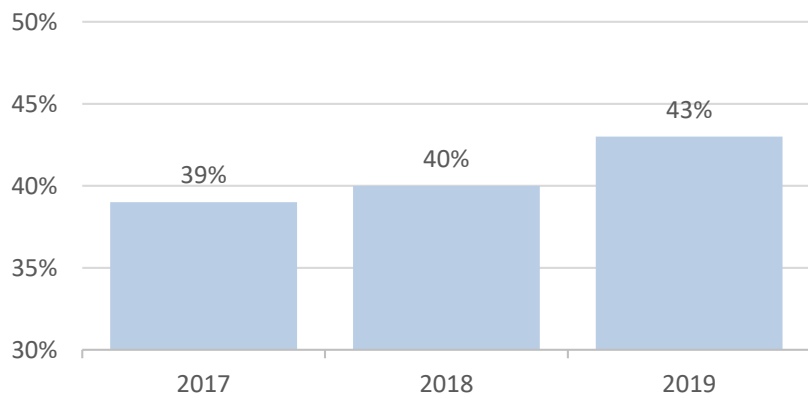
Key figures 2019 (2018)

- Revenues of SEK 57.8M (SEK 55.4M)
- EBITDA of SEK 45.3M (SEK 45.1M)
- Net profit of SEK 18.4M (SEK 15.7M)
- Loan to value (LTV) 43%
- Book equity: SEK 325M
- Market adjusted equity: SEK 611M (SEK 470M)
- Interest bearing debt: SEK 500M (bond issue)

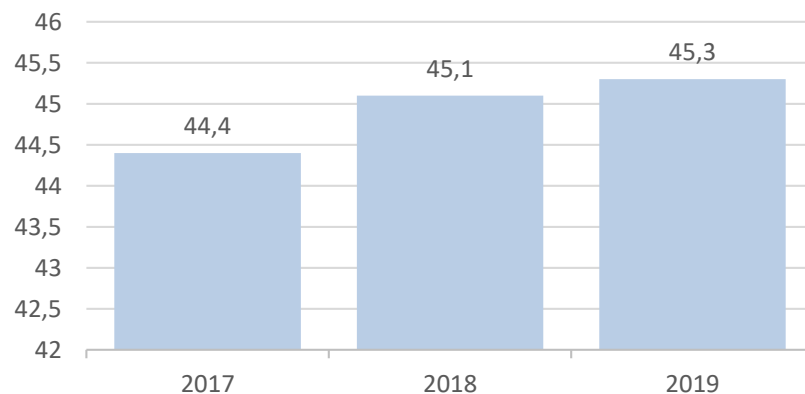
Revenues - SEKm



Loan to value (LTV)



EBITDA - SEKm

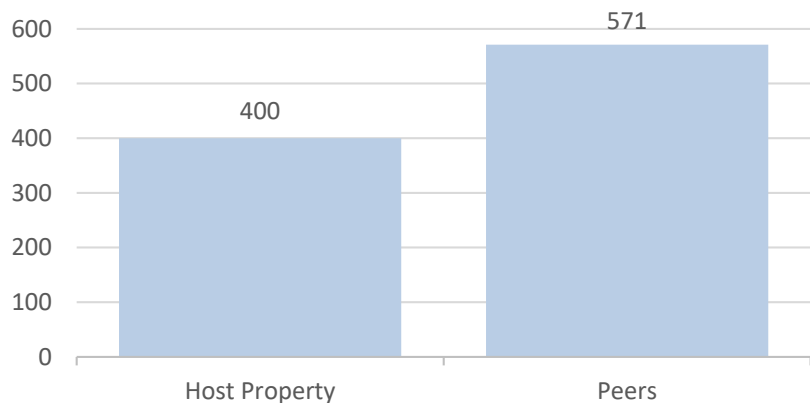


* Billingham included in the figures from December 9, 2019. LTV including SEK 180M for capex in calculation

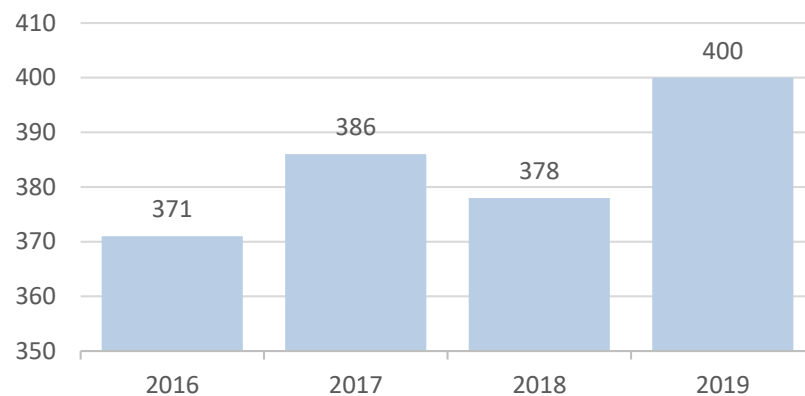


Host Property - Key hotel trading figures

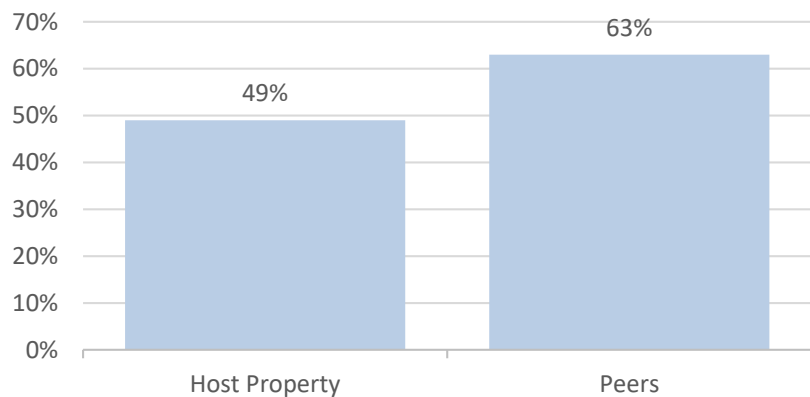
REVPAR 2019 - SEK



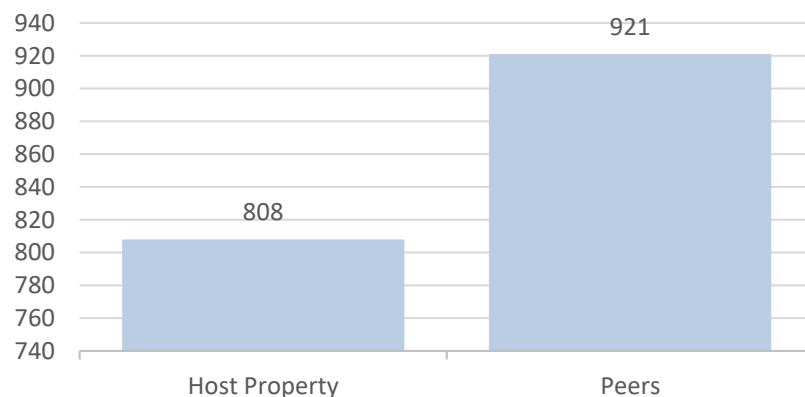
REVPAR SEK – Host Property portfolio + 8% growth from 2016 - 2019



Occupancy



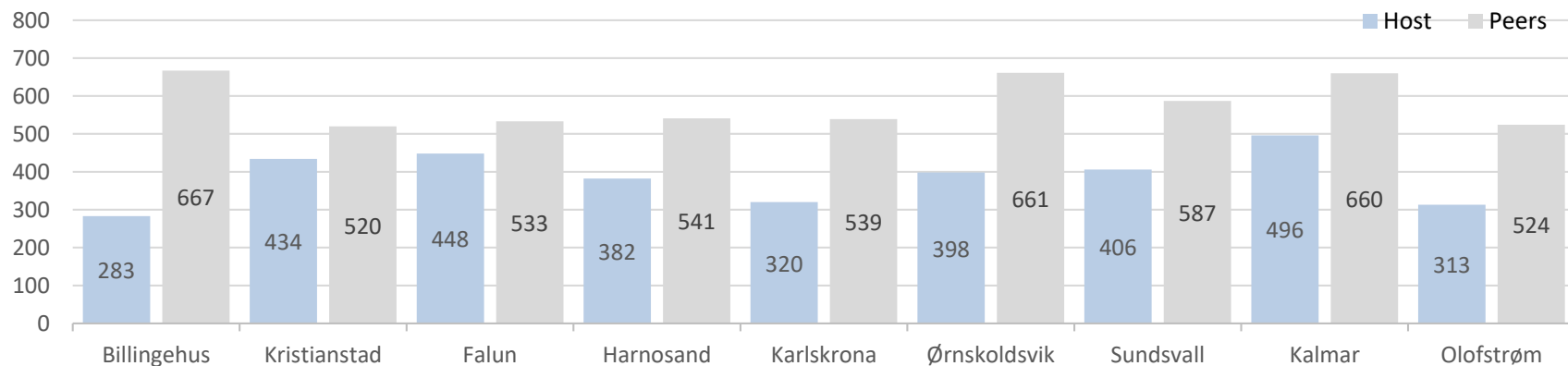
Average daily rate (ADR) - SEK



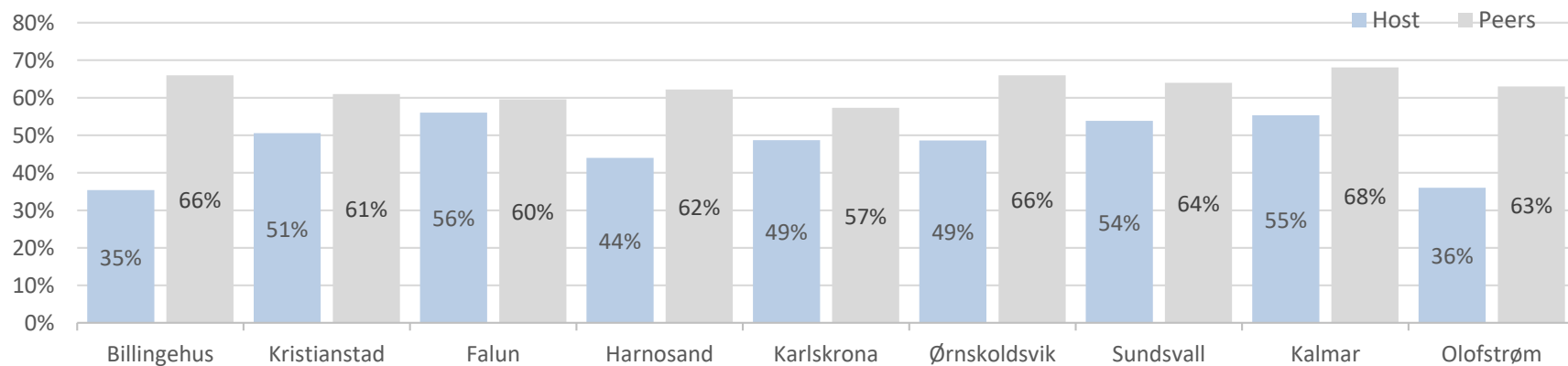


Host Property - Key hotel trading figures

REVPAR 2019 - SEK



Occupancy 2019

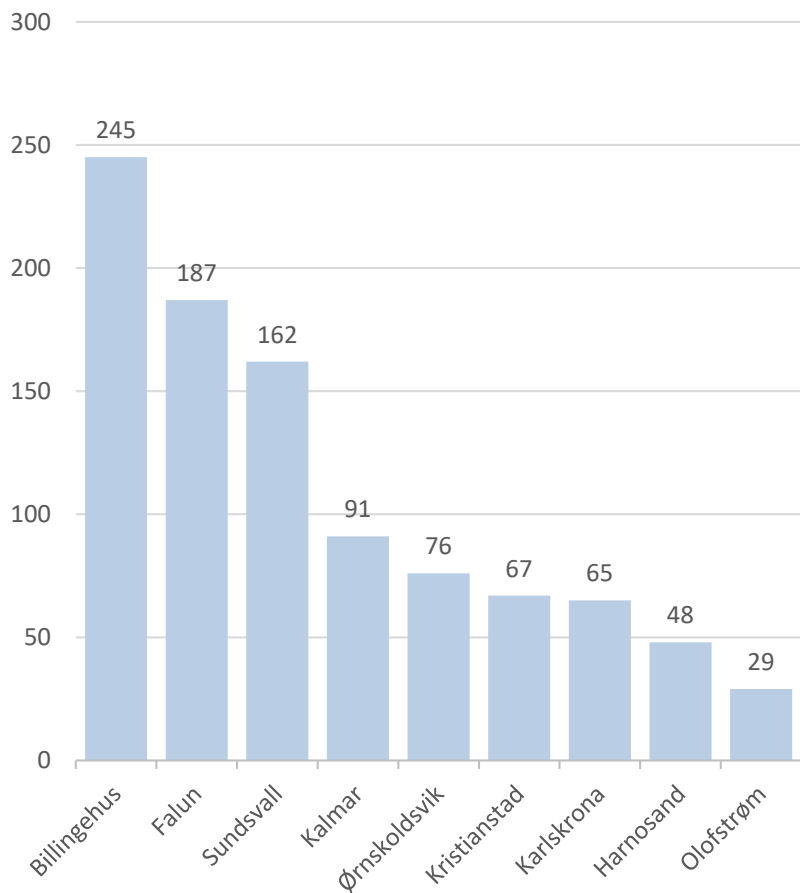


Source: Benchmark Alliance. Peer figures for Olofstrøm average of the other peer locations.

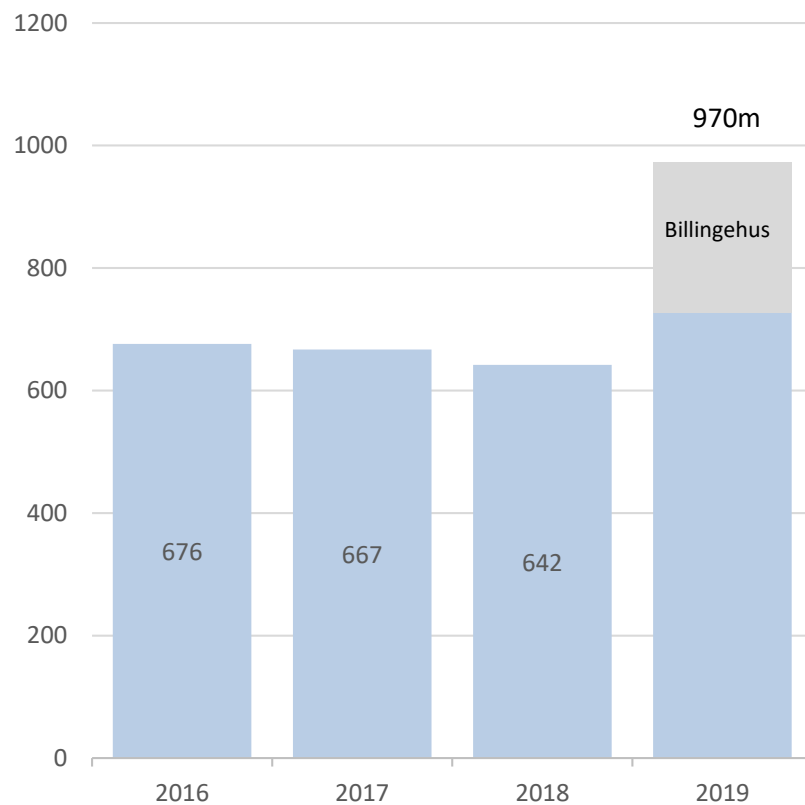


Host Property - Valuation

Valuation per property - SEKm



Value development Host Property - SEKm





Billingeus – Project development

Billingeus project moving forward according to plan

- Host and Skovde Municipality confirming long term agreement and ambitions in December 2019
- Project moving forward according to plan – Completion expected at end of the second quarter 2021
- Ongoing project planning regarding final regulation - Turning of conference facility 90% to increase usability and efficiency of the conference in connection with the rest of the hotel facility
- Details in regulation and lease contract in process to reflect the latest positive changes and adjustments
- Host agreement with two entrepreneurs (Brixly and Multimontage) to build new congress hall and renovation of the hotel property
- Skovde Municipality to continue investing in the area as a leading recreational area for the region
- Capital expenditures since November 2019: SEK 1.1 million
- Investment case moving forward according to plan as communicated at the bond issue in November 2019





Billingeus – Press conference 18. December 2019

SVT Nyheter

Press conference – December 18, 2019

svt NYHETER

Efter lång process – nu ska det byggas på Billingen

UPPDATERAD 1 JANUARI 2020 PUBLICERAD 18 DECEMBER 2019

Nya besked om hotell Billingeus i Skövde kom under onsdagen. Efter en höst med en total låsning och hot med stämning på hundratals miljoner kronor så har nu den norske ägaren och kommunen kommit överens.

Skövde kommun och Host Hoteleendom är eniga om planerna för vidareutveckling av Billingen och bygglovsansökan ska skickas in före jul.

– Vi har varit igenom en lång och till och från krävande process, men nu ska vi realisera Billingens fantastiska potential, säger Anders Moe, administrerande direktör på Flying Elephant, koncernen som äger Host Hoteleendom.

Grundlig värdering

Planen är att hotellrenoveringen och byggandet av den nya kongresshallen ska färdigställas under 2021.

– Nu är vi nöjda nu tycker vi att de är på banan och de kommer att hålla tidsplanen i avtalet och vara klara halvårsskiftet 2021, säger Katarina Jonsson (M), kommunstyrelsens ordförande.





Sundsvall and Karlskrona – Renovation update

Sundsvall room renovations

- Renovation of reception completed
- Process of renovating 110 rooms and 70 windows started in November 2019 and is ongoing
- Completion expected by end of May 2020
- Capital expenditures 2019-2020 YTD: SEK 15 million
- Investment case moving forward according to plan as communicated at the bond issue in November 2019



Karlskrona

- Renovation of façade and roof newly completed . Total cost SEK 12,6 million
- Phase 2: Renovation of public areas, kitchen/restaurants, facade, entrance and elevators
- Entrepreneur offers to complete the projected plan
- Project period: 2020 – 2021
- Investment case moving forward according to plan as communicated at the bond issue in November 2019



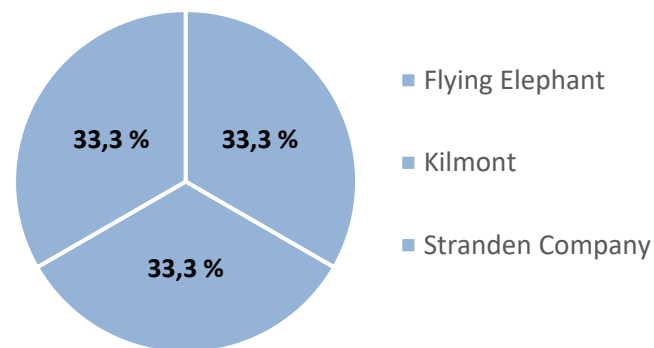


Maribel – New shareholder – Changes in board and restructuring

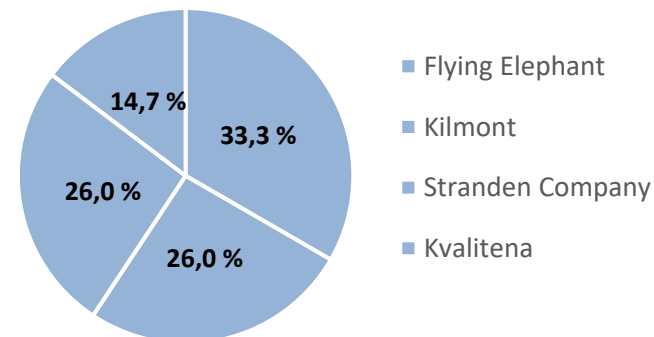
Restructuring of company

- Change in the board of directors. Anders Moe new chairman of the board replacing Rune Firing (February 2020)
- Pål Eirik Mørch new interim CEO replacing Mads Jacobsen (ongoing process)
- Kvalitena has acquired 14,7% of the shares in Maribel AS from Kilmont and Standen Company (Mads Jacobsen and Rune Firing)
- Strategic process ongoing to strengthening the balance sheet and profitability, and to enable the execution of the growth plan with strategic partners:
 - Historic negative figures over the last years
 - Winter period historically seasonally weaker (historically cash negative)
 - Current general market conditions increasing uncertainty
 - Ongoing processes with key strategic partners, Vastint, Marriott and Host
 - Ongoing process with current and potential new investors to strengthen the balance sheet

Ownership structure 2019

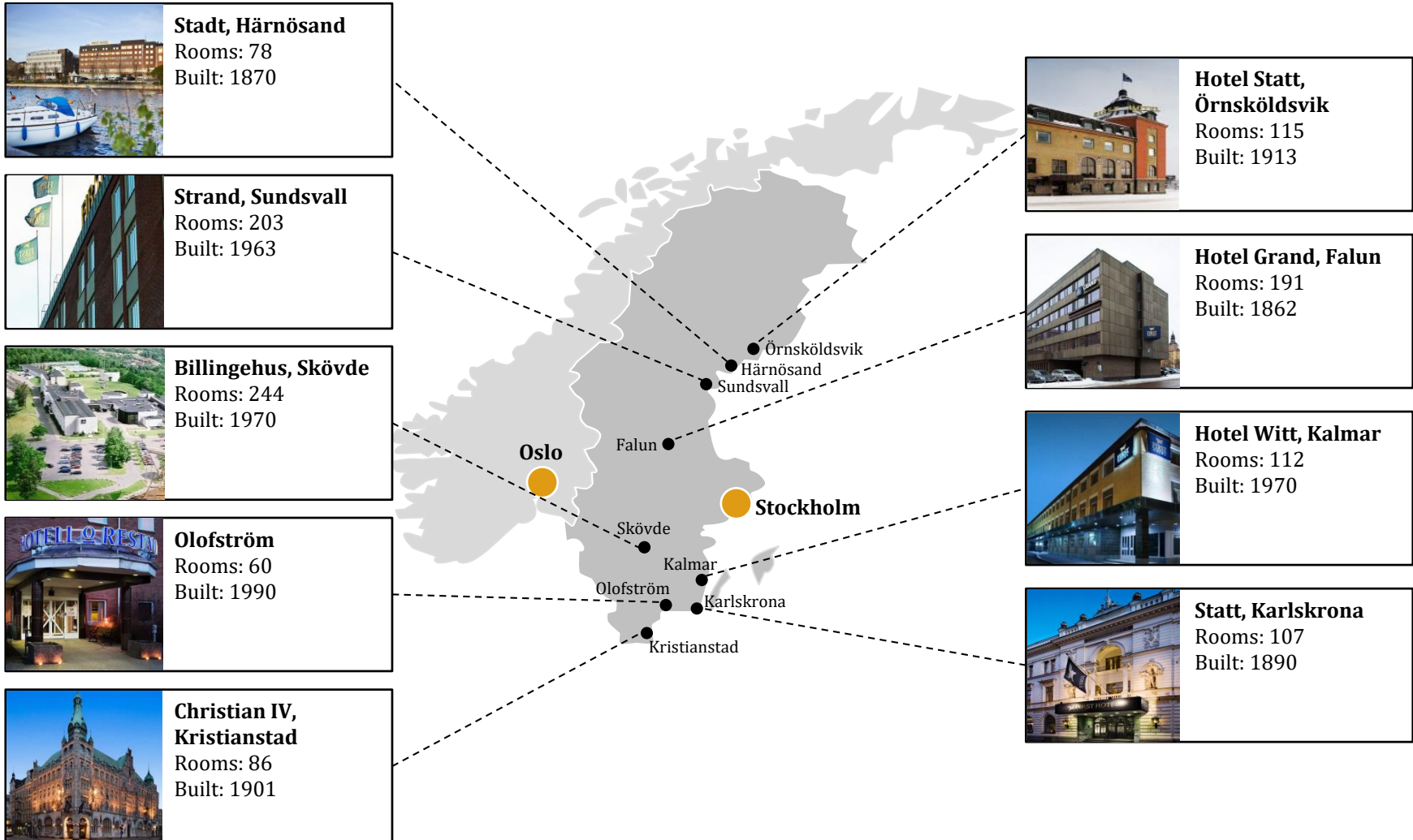


Current ownership structure





REGIONAL HOTELS WITH PRIME LOCATIONS IN THEIR LOCAL MARKETS





Profit & Loss Statement – 4Q 2019

Profit & Loss Host Property AB consolidated

(SEK 1.000)

	Host	Host
	2019	2018
	Year	Year
OPERATING INCOME	(1000 SEK)	(1000 SEK)
Rent income	57 408	55 394
Other operating income	381	47
Profit from property sale	0	0
Total operating income	57 789	55 442
OPERATING COSTS		
Depreciations	-5 304	-6 726
Other operating costs	-12 491	-10 340
Total operating costs	-17 795	-17 066
EBIT	39 994	38 376
Ebitda	45 298	45 102
FINANCIAL INCOME AND COSTS		
Other interest income	755	17
Other financial income	0	0
Net interest costs	-19 369	-18 621
Other financial costs	-2 997	-2 643
Net financial items	-21 611	-21 247
EBT	18 383	17 129
Tax payable	0	-340
Taxes	0	-1 065
NET PROFIT	18 383	15 724



Balance sheet – 4Q 2019

Balance Sheet Host Property AB consolidated

Assets	(1000 SEK)	(1000 SEK)
	Host	Host
	2019	2018
	Year	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	596 518	522 460
Machines, inventory and equipment	9 211	5 786
Projects	43 725	8 394
Total fixed assets	649 454	536 641
FINANCIAL LONG TERM ASSETS		
Investment in subsidiaries	0	0
Investments in shares	0	0
Other long term receivables	13 774	2 643
Total financial long term assets	13 774	2 643
Total Long Term Assets	663 228	539 284
CURRENT ASSETS		
RECEIVABLES		
Accounts receivables	13 208	1 482
Intercompany receivables	0	0
Other receivables	34 477	0
Prepaid costs	17 399	16 052
Total receivables	65 084	17 534
CASH AND BANK DEPOSITS		
Cash, bank deposits etc.	196 602	111 390
Total cash and bank deposits	196 602	111 390
Total Current Assets	261 686	128 924
TOTAL ASSETS	924 914	668 208

Balance Sheet Host Property AB consolidated

Equity and debt	(1000 SEK)	(1000 SEK)
	Host	Host
	2019	2018
	Year	Year
EQUITY		
PAID-IN EQUITY		
Share capital	500	500
Total paid-in equity	500	500
EARNED EQUITY		
Profit for period	18 383	15 724
Other equity	306 813	274 595
Total earned equity	325 196	290 319
Total equity	325 696	290 819
DEBT		
PROVISIONS FOR COMMITMENTS		
Deferred taxes	66 467	60 026
Total provisions for commitments	66 467	60 026
OTHER LONG TERM DEBT		
Debt to financial institutions	0	0
Other long term debt	144	144
Total other long term debt	144	144
SHORT TERM DEBT		
Debt to financial institutions	500 000	300 000
Accounts payables	8 569	3 156
Taxes payable	-1 810	-1 082
Intercompany debt	22 438	11 970
Other short term debt	3 411	3 175
Total short term debt	532 608	317 219
Total debt	599 219	377 389
TOTAL DEBT AND EQUITY	924 915	668 208