

Interim report
January – March 2024

Promising start to the year

Q1

The quarter in brief

January-March 2024

- Revenues for Leases amounted to MSEK 845 (780). For comparable units in fixed currency, the increase was 2 percent
- Revenues for Own Operations amounted to MSEK 656 (573) MSEK. For comparable units in fixed currency, the increase was 6 percent
- Net operating income for Leases amounted to MSEK 694 (662). For comparable units in fixed currency, the increase was 2 percent
- Net operating income for Own Operations amounted to MSEK 91 (52). For comparable units in fixed currency, the increase was 22 percent
- EBITDA amounted to MSEK 740 (675), an increase of 10 percent
- Cash earnings amounted to MSEK 272 (259), equivalent to SEK 1.48 (1.41) per share
- Changes in property values amounted to MSEK 34 (-212) MSEK. Unrealised changes in value of derivatives amounted to MSEK 298 (-344)
- Profit for the period amounted to MSEK 454 (-203), equivalent to SEK 2.43 (-1.17) per share
- The timing of Easter in March had a negative effect on total revenues of approximately 2 percentage points in the quarter
- 26 February an agreement to divest DoubleTree by Hilton Montreal in Canada was made. The divestment includes both the hotel property and the hotel operations with a transaction price of approximately MCAD 80, equivalent to approximately MSEK 630. The deal was closed in the second quarter and the property was transferred 15 April

Financial summary

| MSEK | Jan-Mar | | | apr '23 - mar '24 | Full-year |
|---|---------|--------|-----|-------------------|-----------|
| | 2024 | 2023 | Δ% | R12m | 2023 |
| Total revenue | 1,501 | 1,353 | 11 | 6,997 | 6,849 |
| - Of which Leases | 845 | 780 | 8 | 3,755 | 3,690 |
| - Of which Own Operations | 656 | 573 | 14 | 3,242 | 3,159 |
| Total net operating income | 785 | 714 | 10 | 3,941 | 3,870 |
| - Of which Leases | 694 | 662 | 5 | 3,189 | 3,157 |
| - Of which Own Operations | 91 | 52 | 75 | 752 | 713 |
| EBITDA | 740 | 675 | 10 | 3,761 | 3,696 |
| Profit for the period | 454 | -203 | n.a | 77 | -580 |
| Earnings per share, SEK | 2.43 | -1.17 | n.a | 0.42 | -3.18 |
| Cash earnings | 272 | 259 | 5 | 1,755 | 1,742 |
| Cash earnings per share, SEK | 1.48 | 1.41 | 5 | 9.55 | 9.48 |
| Market value properties | 71,317 | 69,695 | 2 | 71,317 | 69,039 |
| Investments | 241 | 236 | 2 | 927 | 922 |
| Net interest-bearing debt | 33,256 | 32,188 | 3 | 33,256 | 32,190 |
| Loan to value net, % | 46.6 | 46.2 | n.a | 46.6 | 46.6 |
| Net interest-bearing debt/EBITDA, times | 8.8 | 9.2 | n.a | 8.8 | 8.7 |
| Average interest rate, end of period, % | 4.2 | 3.9 | n.a | 4.2 | 4.2 |
| Interest cover ratio, times | 2.0 | 2.3 | n.a | 2.6 | 2.7 |
| EPRA NRV per share, SEK | 208.55 | 204.93 | 2 | 208.55 | 201.12 |

Key figures, Q1 2024

TOTAL NET OPERATING INCOME

+10%

CASH EARNINGS

+5%

LOAN TO VALUE, NET

46.6%

INTEREST COVER RATIO, R12

2.6x

CEO comment

Growth in cash earnings and improved financing climate

Good start to the year

The hotel market developed in a positive direction in the first quarter, which is the seasonally slowest of the year, despite a negative effect from the timing of the Easter holiday in March. Total revenue and net operating income increased by 3 and 4 percent respectively for comparable units in fixed currency. Supported by past acquisitions, our Own Operations business segment contributed more in relative terms to the earnings improvement during the quarter. The timing of the Easter holiday in March had a negative effect on total revenue of around 2 percentage points during the quarter. This is expected to be neutralised in the second quarter. Cash earnings increased by 5 percent and EPRA NRV growth, with dividend added back, was 3 percent measured on an annualised basis.

Stable property values

Net unrealised changes in value for the whole property portfolio remained unchanged. This is explained by stable cash flows and continuing improvement in the credit market. The average valuation yield for the hotel property portfolio increased by one point to 6.25 percent, compared with 6.24 percent at the end of 2023. This was more than 200 basis points higher than our average interest rate, end of period.

Improved financing climate

The financing climate improved further during the quarter. We refinanced loans equivalent to around MSEK 3,000 – the majority of which in the Nordics – with a three-year maturity and with a lower margin of credit than previously. The equivalent of around MSEK 2,100 of these loans have been sustainability-linked, which means that around 12 percent of the total loan portfolio is now sustainability-linked.

Around 18 percent of our credit facilities have a maturity of less than one year and around MSEK

3,000 of this matures in the fourth quarter of 2024. Based on discussions currently under way, we are expecting a lower margin of credit in future refinancing. The risk appetite of the banks has increased and the prospects of new financing on reasonable terms are better than they have been for a long time. Combined with the fact that the markets are expecting interest rates to be lowered, this is creating the right conditions for increased activity in the transaction market, while also supporting the valuation prospects of the properties.

Adjusted for dividends paid in April, our loan-to-value ratio amounted to 47.7 percent, which is still at the lower end of the range in our financial policy. Our interest coverage ratio, measured on a rolling 12-month basis, was 2.6x and our interest-bearing net debt/EBITDA ratio was a modest 8.8x.

Increased activity in the transaction market

Activity in the hotel transaction market has been very low in recent years and our acquisition pace has been lower than we would have liked. We have nevertheless acquired six hotel properties since 2020 for a total value equivalent to around MSEK 3,000. These acquisitions are in line with our strategy regarding active ownership. We have leveraged the uncertainty in the market – above all for the hotel properties with own operations – where the valuations have been particularly attractive. During the same period we divested four hotel properties for a total value equivalent to around MSEK 1,400, where we determined that we could reallocate the capital to acquisitions and projects with higher yield potential. The sale of DoubleTree by Hilton Montreal, which was concluded in April, is one such example.

Acquisitions are an important growth driver for us – both due to the immediate addition of revenue and net operating income from the acquisitions and because they provide a foundation for value creation over time.

As and when the financing market normalises, activity in the transaction market will pick up and this should create interesting opportunities for us. Although our Leases segment is our core business, our Own Operations segment provides an important tool for both acquisitions and transformation of products and lease types over time.

Scandic Nürnberg Central is a good example of a hotel property where, by acquiring, renovating and leasing out the property, we have created significant value and also laid the foundation for future value-creation in partnership with Scandic. On the same theme, we are looking forward to the reopening of Citybox Brussels and of Scandic Go Fridhemsplan in Stockholm later this year.

Some growth potential

Seasonally, the first quarter is slow and this year was also negatively impacted by the Easter dates, although this will be neutralised in the second quarter. As previously stated, for the full year we anticipate some RevPAR growth in the hotel market. Drivers of this include a strong event calendar in Germany, with the UEFA European Championship in June–July, and stable market conditions in other markets. We also have several substantial ongoing projects that will contribute positively to our earnings and value growth, through annual net operating income equivalent to around MSEK 300 with full effect in 2026, around MSEK 130 of which is expected in 2024.

Hotel demand is dependent on economic activity and the most significant risk is still the consequences of geopolitical tensions on economies and travel. Here, our exposure to mainly domestic and regional demand is an advantage. With that said, it appears that the market interest peak has passed and the prospects for an improved business climate are relatively good, which is positive for the hotel market.



We have several substantial ongoing projects that will contribute positively to our earnings and value growth.

Liia Nõu
vd

Group results analysis

Revenues

The Group's total revenues amounted to MSEK 1,501 (1,353), an increase of 11 percent supported by an increased occupancy rate and a stable average price development in both business segments. The timing of Easter in March had a negative effect on total revenues of approximately 2 percentage points in the quarter.

Net operating income

Total net operating income amounted to MSEK 785 (714), an increase of 10 percent. The net operating income increased in both business segments.

Administration costs

Central administration costs amounted to MSEK -51 (-45).

Depreciation

Depreciation within Own Operations amounted to MSEK -70 (-67). Depreciation of MSEK -6 (-6) are included in administration costs.

Net financial items

Net financial items amounted to MSEK -414 (-336). The increase is mainly explained by higher interest costs due to a higher average interest rate.

Tax

Current tax amounted to MSEK -45 (-65). Deferred tax amounted to MSEK -83 (152). See also Note 6 on page 22.

Cash earnings

Cash earnings amounted to MSEK 272 (259), an increase of 5 percent. Cash earnings per share amounted to SEK 1.48 (1.41).

Changes in value

Changes in property values amounted to MSEK 34 (-212), of which MSEK 105 refers to unrealised changes in value Investment Properties and MSEK -71 refers to Assets held for sale.

Realised changes in property values amounted to MSEK 0 (198).

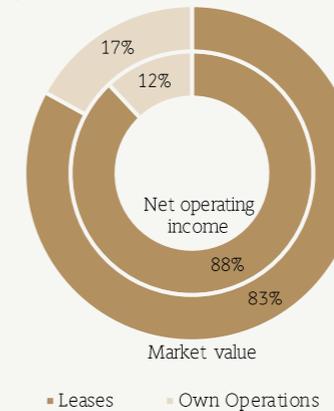
Unrealised changes in value of derivatives amounted to MSEK 298 (-344).

Profit for the period

Profit for the period amounted to MSEK 454 (-203). Profit for the period attributable to the shareholders of the parent company amounted to MSEK 447 (-216), equivalent to SEK 2.43 (-1.17) per share.

| MSEK | Jan-Mar | | | LFL%* | apr '23 - | Full-year |
|--|--------------|--------------|-----------|----------|--------------|--------------|
| | 2024 | 2023 | Δ% | | mar '24 | |
| Revenue Leases | 845 | 780 | 8 | 2 | 3,755 | 3,690 |
| Revenue Own Operations | 656 | 573 | 14 | 6 | 3,242 | 3,159 |
| Total revenue | 1,501 | 1,353 | 11 | 3 | 6,997 | 6,849 |
| Net operating income Leases | 694 | 662 | 5 | 2 | 3,189 | 3,157 |
| Net operating income Own Operations | 91 | 52 | 75 | 22 | 752 | 713 |
| Total net operating income | 785 | 714 | 10 | 4 | 3,941 | 3,870 |
| Central administration costs | -51 | -45 | 13 | | -203 | -197 |
| Depreciation | -71 | -68 | 4 | | -289 | -286 |
| Net financial items | -414 | -336 | 23 | | -1,653 | -1,575 |
| Unrealised changes in value properties | 34 | -410 | n.a | | -863 | -1,307 |
| Current tax | -45 | -65 | -31 | | -355 | -375 |
| Cash earnings | 272 | 259 | 5 | | 1,755 | 1,742 |
| Cash earnings per share | 1.48 | 1.41 | 5 | | 9.55 | 9.48 |

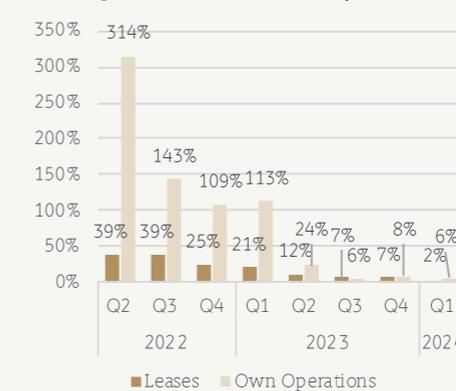
MARKET VALUE AND NET OPERATING INCOME
Per segment, %



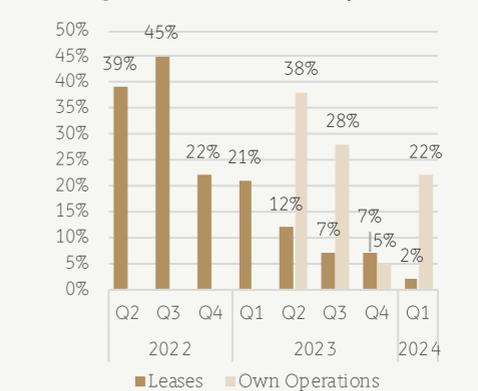
CASH EARNINGS, MSEK



REVENUE GROWTH, %
For comparable units in fixed currency



NET OPERATING INCOME GROWTH, %
For comparable units in fixed currency



Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2023 for balance sheet items, unless otherwise stated.

*For comparable units in fixed currency. For Leases, based on net operating income before property administration

Segment Leases

- A seasonally slow quarter
- Positive underlying market
- Scandic Nürnberg Central leased per 1 March

Revenues

Rental income and Other property income amounted to MSEK 845 (780), an increase of 8 percent. In the quarter, approximately MSEK 40 is included rental income for previous years regarding a hotel property at Köln Bonn Airport. For comparable units in fixed currency, revenues increased by 2 percent. The timing of Easter in March had a negative effect on revenues of approximately 2 percentage points.

The occupancy rate for comparable hotels amounted to approximately 57 (56) percent. The UK and Belgium were particularly strong markets in the quarter.

Individual destinations with a particularly good growth were Oslo and several regional cities in the UK and Germany.

Costs

Costs, including property administration, amounted to MSEK -151 (-118), which includes one-time costs of MSEK -38 related to commercial development.

Net operating income

Net operating income amounted to MSEK 694 (662), an increase of 5 percent. For comparable units in fixed currency, net operating income increased by 2 percent.

The net operating margin was approximately 82 percent.

Adjusted for rental income of MSEK 40 and costs of MSEK -38 the net operating margin was approximately 86 percent.

Important events

A new turnover-based lease came into force 1 March with Scandic Hotels for Scandic Nürnberg Central (previously Hotel Pomander).

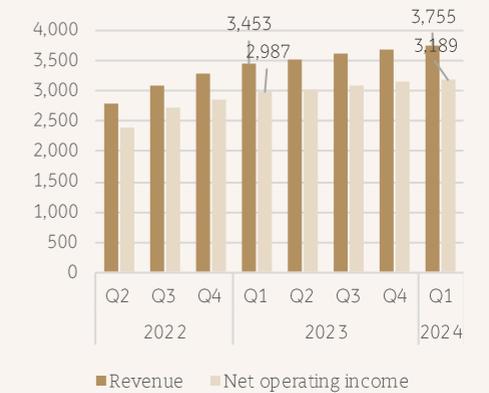
During the quarter, Pandox has regained registration of its Hereditary Building Right ("HBR") for a hotel property at Köln Bonn Airport.

| MSEK | Jan-Mar | | Δ% | Full-year |
|--|------------|------------|-----------|--------------|
| | 2024 | 2023 | | 2023 |
| Rental income | 812 | 743 | 9 | 3,548 |
| Other property income | 33 | 37 | -11 | 142 |
| Costs, excl. property admin | -68 | -80 | -15 | -290 |
| Net operating income, before property admin | 777 | 700 | 11 | 3,400 |
| Property administration | -83 | -38 | 118 | -243 |
| Gross profit | 694 | 662 | 5 | 3,157 |
| Net operating income, after property admin | 694 | 662 | 5 | 3,157 |
| <i>Net operating income margin, %</i> | 82% | 85% | -3 | 86% |
| Revenues comparable units | 795 | 780 | 2 | |
| <i>Of which currency effect</i> | | 7 | | |
| Net operating income comparable units, before property admin | 728 | 710 | 2 | |
| <i>Of which currency effect</i> | | 7 | | |

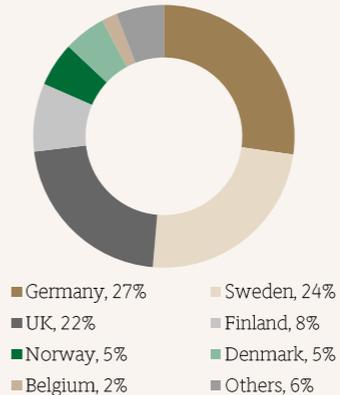
REVENUE AND NOI, MSEK
Per quarter



REVENUE AND NOI, MSEK
R12m



REVENUE PER COUNTRY, Q1



REVPAR, SEK



Leases are the core of our business. The agreements are turnover-based with long terms, a good guaranteed minimum level, shared risk and stable earnings. Guaranteed rents, i.e. contracted minimum rents plus fixed rents, amount to approximately MSEK 2,100 measured at an annual rate.

Segment Own Operations

- A strong quarter
- Increased RevPAR
- Agreement to divest DoubleTree by Hilton Montreal

Revenues

Revenues from Own Operations amounted to MSEK 656 (573), an increase of 14 percent. For comparable units at fixed currency, revenues and RevPAR increased by 6 and 12 percent respectively. The timing of Easter in March had a negative effect on revenues of approximately 2 percentage points.

Hotel demand was good and average prices rose. The occupancy ratio for comparable hotels amounted to approximately 55 (52) percent.

The best performing hotels in the quarter was Hilton Belfast (UK), Hilton Garden Inn London Heathrow Airport (Heathrow, UK), DoubleTree by Hilton Bath (UK) and Hotel Hubert (Brussels, Belgium).

Costs

Costs amounted to MSEK -635 (-588). The increase is mainly explained by an increased activity in the hotels.

Net operating income (EBITDA)

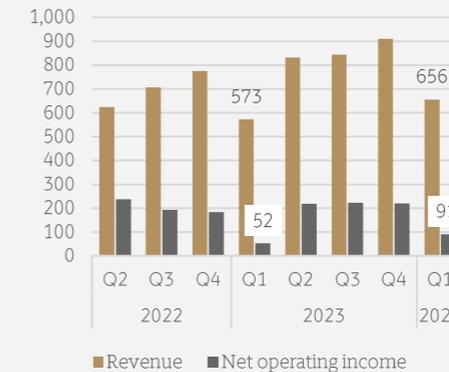
Net operating income (EBITDA) amounted to MSEK 91 (52), equivalent to a margin of 14 (9) percent. The margin increase is explained by higher business volumes and improved productivity. For comparable units at fixed currency, net operating income increased by 22 percent.

Important events

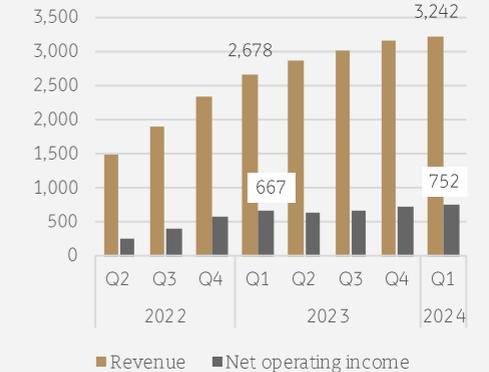
26 February an agreement to divest DoubleTree by Hilton Montreal in Canada was made. The divestment includes both the hotel property and the hotel operations with a transaction price of approximately MCAD 80, equivalent to approximately MSEK 630. The deal was closed in the second quarter and the property transferred 15 April.

| MSEK | Jan-Mar | | | Full-year |
|--|------------|------------|------------|--------------|
| | 2024 | 2023 | Δ% | 2023 |
| Revenues | 656 | 573 | 14 | 3,159 |
| Costs | -635 | -588 | 8 | -2,729 |
| Gross profit | 21 | -15 | n.a | 430 |
| Plus depreciation included in costs | 70 | 67 | 4 | 283 |
| Net operating income/EBITDA | 91 | 52 | 75 | 713 |
| <i>Net operating income/EBITDA margin</i> | <i>14%</i> | <i>9%</i> | <i>53</i> | <i>23%</i> |
| Revenues comparable units | 567 | 536 | 6 | |
| <i>Of which currency effect</i> | | 7 | | |
| Net operating income comparable units, before property admin | 69 | 56 | 22 | |
| <i>Of which currency effect</i> | | 1 | | |

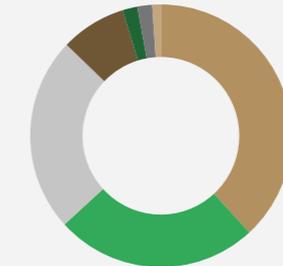
REVENUE AND NOI, MSEK
Per quarter



REVENUE AND NOI, MSEK
R12m



REVENUE PER COUNTRY, Q1



- Belgium, 38%
- UK, 25%
- Germany, 24%
- Canada, 8%
- Denmark, 2%
- Netherlands, 2%
- Finland, 1%

REVPAR, SEK



Own Operations are hotel operations we run in properties we own ourselves. It is an important part of our active ownership model. It gives us valuable opportunities to acquire and reposition hotel properties with the aim of creating value through new leases or realising value through divestment.

Hotel market development

January-March 2024

Positive start to the year

Despite geopolitical instability and lower economic activity, 2024 started positively for the European travel and hotel industry. Intra-European travel is back at pre-pandemic levels while inbound travel from North America was record high in 2023. Asian inbound travel, which in large parts has yet to recover, is now clearly starting to return to Europe. Asian inbound travel to Heathrow and Frankfurt increased by more than 20 percent in the first quarter.

The first quarter followed a normal demand pattern and is the seasonally weakest quarter of the year. The timing of Easter in March had a negative effect in the quarter in comparison to last year when Easter fell in April, an effect which will be neutralised in the second quarter.

- Both occupancy and average price developed well in Europe in the quarter. Average prices increased by some 4 percent to EUR 125.
- The occupancy ratio increased to 61 percent from 60 percent, an increase of some 2 percent.
- In total, RevPAR in Europe amounted to EUR 76 in the quarter, an increase of more than 6 percent.

RevPAR development in Pandox's markets

The occupancy ratio in the Nordics amounted to 53 percent, which was marginally lower than in the corresponding period last year. Average prices exceeded the level from 2023 by almost 3 percent. In total, RevPAR increased by more than 1 percent.

- In the Nordics, RevPAR continued to be the strongest in Norway (+5 percent), while decreasing by 1 percent in Sweden, mainly due to a negative Easter effect and challenging market conditions in Gothenburg with many new hotel openings.
- In Germany, RevPAR increased by more than 7 percent, primarily due to increased occupancy from increased inbound travel and stronger demand in the important segments for trade fairs and congresses.
- UK Regional developed well with a RevPAR increase of some 3 percent, explained in full by increased average prices.
- RevPAR in Ireland decreased by 3 percent. The decrease, from high levels, is explained by several new hotel openings in Dublin and increased VAT for hotel nights.
- In Brussels, RevPAR increased by 4 percent supported by increased international demand.

Countries

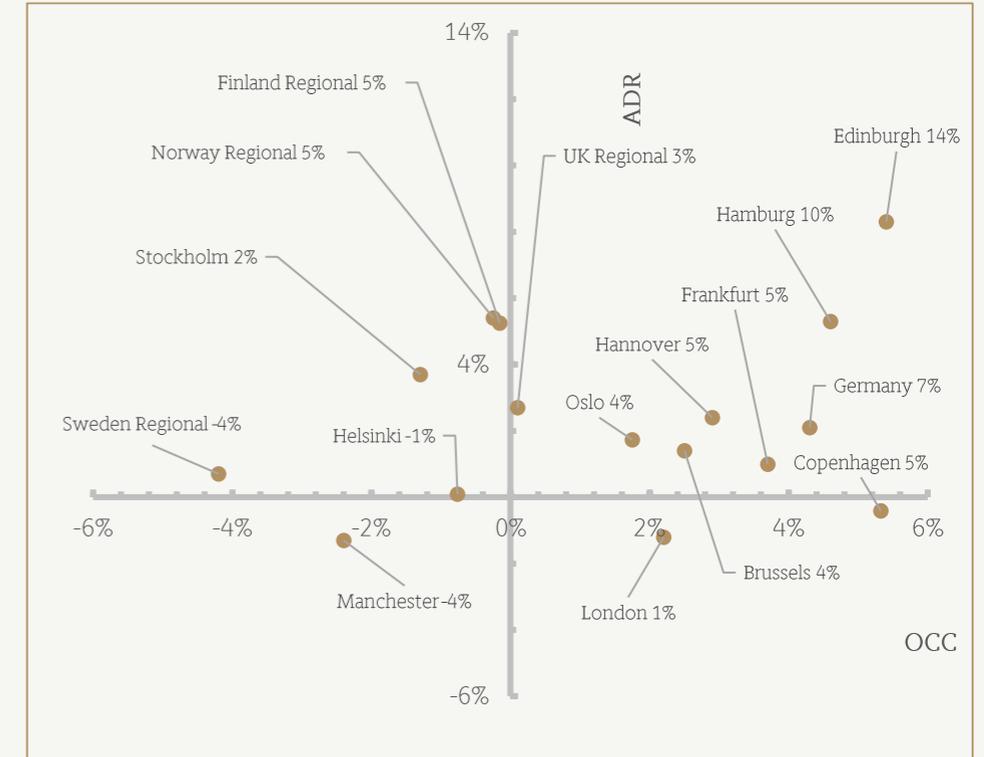
| |
|-----------------------------|
| Germany |
| Europe (EUR fixed currency) |
| Norway |
| Finland |
| UK |
| Denmark |
| Sweden |
| Ireland |

Destinations

| |
|-------------|
| Berlin |
| Frankfurt |
| Copenhagen |
| Brussels |
| Oslo |
| UK Regional |
| Stockholm |
| London |
| Helsinki |

| | Jan-Mar 2024 | |
|-----------------------------|-----------------------|-------------------|
| | RevPAR local currency | RevPAR Growth y/y |
| Germany | 62 | 7% |
| Europe (EUR fixed currency) | 76 | 6% |
| Norway | 671 | 5% |
| Finland | 57 | 3% |
| UK | 72 | 3% |
| Denmark | 451 | 1% |
| Sweden | 582 | -1% |
| Ireland | 95 | -3% |
| Berlin | 68 | 6% |
| Frankfurt | 69 | 5% |
| Copenhagen | 487 | 5% |
| Brussels | 87 | 4% |
| Oslo | 700 | 4% |
| UK Regional | 55 | 3% |
| Stockholm | 646 | 2% |
| London | 117 | 1% |
| Helsinki | 50 | -1% |

REVPARANALYS Y/Y (Q1 2024)



The chart shows RevPAR development for a selection of countries, regions and cities compared to the same period last year, based on market data from STR and the Benchmarking Alliance. ADR/average price is shown on the vertical axis and OCC/occupancy on the horizontal axis. The centre of the chart (origo) corresponds to the ADR/average price and OCC/occupancy rate for the corresponding period of the previous year. The percentage figure indicates the RevPAR change compared to the corresponding previous year.

Important events during and after the period

- **8 February 2024**
 Pandox AB (publ) year-end report January-December 2023.
- **26 February 2024**
 Pandox AB (publ) has entered into an agreement to divest DoubleTree by Hilton Montreal in Canada. The sale includes both hotel property and hotel operations with a transaction price of approximately MCAD 80, equivalent to approximately MSEK 630. Closing took place in the beginning of the second quarter 2024.
- **8 March 2024**
 Pandox AB (publ) publishes its annual report for 2023. In the annual report we describe, among other things, the drivers of growth in the hotel market, Pandox's business model and success factors, and our progress in sustainability.
- **10 April 2024**
 Bulletin from the annual general meeting in Pandox Aktiebolag (publ) on 10 April 2024.



Leonardo Hotel Galway, Ireland, 130 rooms.

Property valuation

Market value properties

At the end of the period, Pandox's property portfolio had a total market value of MSEK 71,317 (69,039), of which Investment Properties accounted for MSEK 59,044 (57,226) and Operating Properties for MSEK 12,273 (11,813).

Over the past twelve months, external valuations were performed for around 98 percent of the hotel properties and are in total in line with the internal valuations, measured in value. External valuations

were performed in the first quarter for around 34 percent of Pandox's hotel property portfolio, measured in value.

For the first quarter 2024, unrealised changes in value of Investment Properties amounted to MSEK 105. The increased valuation yield of 0.01 percentage points had a negative impact of MSEK -26, while increased cash flows had a positive impact of MSEK 131 through Pandox's turnover-based leases. Divestments of MSEK -69

corresponds to Assets held for sale of MSEK -71 less depreciation during the quarter (see Note 7).

Net unrealised changes in the value of Operating Properties amounted to MSEK -105 (reported for disclosure purposes only). The decreased valuation yield of 0.04 percentage points had a positive impact of MSEK 32 while decreased cash flows had a negative impact of MSEK -137.

Value changes properties (period)

| MSEK | Investment properties | Operating properties | Total market value |
|---|-----------------------|----------------------|--------------------|
| Market value beginning of the period 1 January | 57,226 | 11,813 | 69,039 |
| Acquisitions | 0 | 0 | 0 |
| Divestments | -69 | - | -69 |
| Investments | 177 | 64 | 241 |
| Disposals | - | - | - |
| Unrealised changes in value | 105 | -105 | - |
| Change in currency exchange rates | 1,605 | 501 | 2,106 |
| Market value end of period 31 Mar | 59,044 | 12,273 | 71,317 |
| Influencing factors | | | |
| Yield | -26 | 32 | 6 |
| Cash flow | 131 | -137 | -6 |
| Sum unrealised changes in value | 105 | -105 | - |
| Average valuation yield % Q1 2024 | 6.10 | 6.98 | - |
| Average valuation yield % Q4 2023 | 6.09 | 7.02 | - |
| Average valuation yield % Q3 2023 | 5.92 | 6.95 | - |

Acquisitions, divestments, and reclassifications

| Action | Hotel property | Date |
|----------------------------|---------------------------------|---------|
| Divestment Own Operations | DoubleTree by Hilton Montreal | Q2 2024 |
| Acquisition Own Operations | Hilton Belfast | Q3 2023 |
| Reclassification to Leases | Hotel Mayfair, Copenhagen | Q1 2023 |
| Acquisition Leases | Best Western Hotel Fridhemsplan | Q1 2023 |
| Acquisition Own Operations | The Queens Hotel Leeds | Q1 2023 |
| Divestment Own Operations | InterContinental Montreal | Q1 2023 |

YIELD AND AVERAGE INTEREST RATE, %



MARKET VALUE PROPERTIES, MSEK



ACQUISITIONS, INVESTMENTS, AND DIVESTMENTS



INVESTMENT PROPERTIES SENSITIVITY ANALYSIS EFFECT ON VALUE Per 31 March, 2024

| Effect on fair value | Δ% | ΔMSEK |
|-----------------------------------|---------|----------------|
| Yield | +/- 0,5 | -4,476/ +5,276 |
| Change in currency exchange rates | +/- 1 | +/- 435 |
| Net operating income | +/- 1 | +/- 560 |

The value of Operating Properties is reported for disclosure purposes and is included in EPRA NRV, EPRA NDV and EPRA NTA calculations. The Operating Properties' carrying amounts recognised in the condensed consolidated statement of financial position are equivalent to cost minus depreciation and any impairment losses and amounted to MSEK 9,226 (8,842) at the end of the period.

For more information on property valuation, see Annual Report 2023 Note E.

Portfolio overview

At the end of the period Pandox's property portfolio consisted of 158 (157) hotel properties with 35,613 (35,490) hotel rooms in eleven countries.

As of 31 March, Dorint Parkhotel Bad Neuenahr is included at land value only. The hotel has been closed due to flooding since July 2021. Insurance compensation was received in 2023.

Pandox's main geographical focus is Northern Europe. Germany (23 percent) is Pandox's single largest geographical market, measured as a percentage of the property portfolio's total market value, followed by Sweden (22 percent), UK (20 percent), Belgium (8 percent) and Finland (6 percent).

More than 80 percent of the total portfolio market value is covered by external leases. Pandox's tenant base consists of highly reputable hotel operators with strong hotel brands.

On 31 March 2024 Investment Properties had a weighted average unexpired lease term (WAULT) of 14.9 years (15.0).

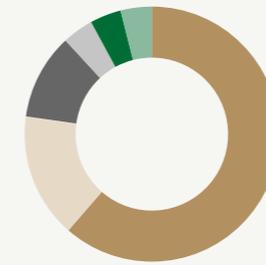
| Leases | Number | | Market value (MSEK) | | |
|---------------------------|------------|---------------|---------------------|---------------|------------|
| | Hotels | Rooms | Per country | In % of total | Per room |
| Sweden | 42 | 9,107 | 15,500 | 22 | 1.7 |
| Germany | 32 | 6,633 | 13,146 | 18 | 2.0 |
| UK | 20 | 4,821 | 11,185 | 16 | 2.3 |
| Finland | 12 | 2,742 | 4,601 | 6 | 1.7 |
| Norway | 14 | 2,573 | 3,321 | 5 | 1.3 |
| Denmark | 8 | 1,843 | 4,228 | 6 | 2.3 |
| Austria | 2 | 639 | 1,635 | 2 | 2.6 |
| Belgium | 3 | 765 | 1,474 | 2 | 1.9 |
| Ireland | 3 | 445 | 1,711 | 2 | 3.8 |
| Switzerland | 1 | 206 | 943 | 1 | 4.6 |
| The Netherlands | 1 | 189 | 1,301 | 2 | 6.9 |
| Sum Leases | 138 | 29,963 | 59,044 | 83 | 2.0 |
| Own Operations | | | | | |
| Belgium | 7 | 1,968 | 4,461 | 6 | 2.3 |
| Germany | 5 | 1,490 | 3,920 | 5 | 2.6 |
| UK | 5 | 1,221 | 2,804 | 4 | 2.3 |
| Canada* | 1 | 595 | 629 | 1 | 1.1 |
| The Netherlands | 1 | 216 | 430 | 1 | 2.0 |
| Finland | 1 | 160 | 29 | 0 | 0.2 |
| Sum Own Operations | 20 | 5,650 | 12,273 | 17 | 2.2 |
| Sum total | 158 | 35,613 | 71,317 | 100 | 2.0 |

| Brand | Number | | |
|--------------|------------|---------------|---------------|
| | Hotels | Rooms | In % of total |
| Scandic | 50 | 11,209 | 31 |
| Leonardo | 38 | 7,957 | 22 |
| Hilton | 10 | 3,042 | 9 |
| Independent | 11 | 2,855 | 8 |
| Radisson Blu | 8 | 2,033 | 6 |
| Strawberry | 11 | 1,949 | 5 |
| NH | 7 | 1,681 | 5 |
| Dorint | 4 | 847 | 2 |
| Mercure | 3 | 610 | 2 |
| Elite Hotels | 2 | 493 | 1 |
| Holiday Inn | 2 | 469 | 1 |
| Novotel | 2 | 421 | 1 |
| Others | 10 | 2,047 | 6 |
| Total | 158 | 35,613 | 100 |

*DoubleTree by Hilton Montreal was divested and transferred on 15 April 2024.

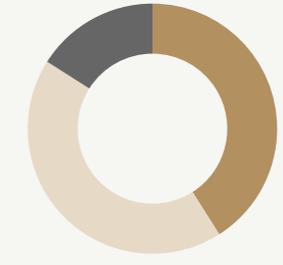
For more information about Pandox's portfolio, visit www.pandox.se

NUMBER OF ROOMS
Per location category



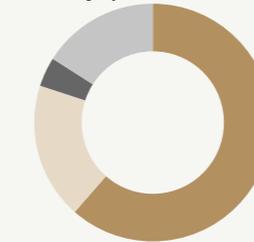
- City center, 62%
- Airport, 11%
- Resort, 4%
- Ringroad, 16%
- Exhibition center, 4%
- Business park, 4%

NUMBER OF ROOMS
Per demand category



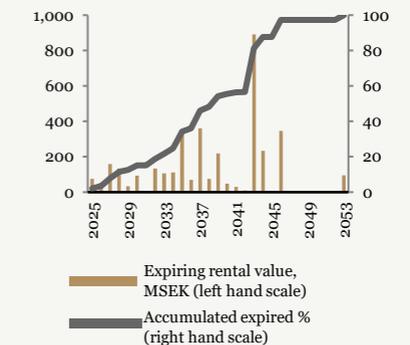
- Domestic, 41%
- International, 16%
- Regional, 43%

NUMBER OF ROOMS
Per agreement category



- Revenue-based with minimum guarantee, 62%
- Revenue-based without minimum guarantee, 19%
- Fixed, 4%
- Own Operations, 16%

LEASE MATURITY PROFILE
Per 31 March 2024



Property investments

A central part of the value creation

A large and well-diversified portfolio offers good opportunities for value-creating and growth-driving investments. Pandox maintains an ongoing dialogue with each tenant on joint investment projects to further increase the hotel's revenue and profitability. For example, new beds in existing rooms, new rooms in existing hotel properties or new rooms through extensions to existing hotel properties.

Investments in the period

In the period January–March 2024, investments in property, plant and equipment, excluding acquisitions, amounted to MSEK 241 (235), of which MSEK 177 (121) was for Investment Properties and MSEK 64 (114) for Operating Properties.

At the end of the period, approved investments for ongoing and future projects amounted to around

MSEK 1,360, of which around MSEK 710 is for projects that are expected to be completed in 2024.

The cost of maintenance in the first quarter of 2024 was MSEK 15 (14).

Larger ongoing investment projects

| Property | Number of rooms | City, country | Segment | Type of investment | Investment size | Status | Remaining | Completed |
|-------------------------------|-----------------|----------------------|---------|--------------------|-----------------|--------|-----------|-----------|
| DoubleTree by Hilton Brussels | 354 | Brussels, Belgium | O | O, E, P, T, H | XL | Open | 50% | Late 2025 |
| Radisson Blu Glasgow | 247 | Glasgow, UK | O | P, T, H | Medium | Open | 40% | Q4 2024 |
| Hotel Mayfair | 203 | Copenhagen, Denmark | O (L) | O, E, P, T, H | Medium | Open | 50% | H2 2024 |
| Scandic Go Fridhemsplan | 234 | Stockholm, Sweden | L | E, P, T, H | Medium | Closed | 50% | H2 2024 |
| Citybox Brussels | 246 | Brussels, Belgium | L | O, P, T, H | Medium | Closed | 50% | H2 2024 |
| Leonardo Royal Frankfurt | 449 | Frankfurt, Germany | L | P, T, H | Smaller | Open | 60% | Q3 2024 |
| Leonardo Royal Baden-Baden | 121 | Baden-Baden, Germany | L | P, T, H | Smaller | Open | 90% | Q2 2024 |
| Leonardo Hotel Glasgow | 321 | Glasgow, UK | L | P, T, H | Smaller | Open | 30% | Q4 2023 |

| Business segment | Categories | Size range (MSEK): |
|------------------|------------|------------------------------|
| Leases | L | Repositioning O Running 0-30 |
| Own Operations | O | Expansion E Smaller 30-90 |
| | | Product P Medium 90-150 |
| | | Technical T Large 150-250 |
| | | Sustainability H XL 250- |



Hotel Mayfair Copenhagen

During the ongoing renovation and repositioning of Hotel Mayfair in central Copenhagen we signed a long-term, attractive, revenue-based lease with hotel operator Strawberry and the Hobo brand. We took over operation of the hotel in 2020, and through active measures we have generated significant value growth for this hotel property.



Radisson Blu Glasgow

One of Glasgow's foremost lifestyle hotels, Radisson Blu Glasgow has upgraded all 247 rooms as part of a major renovation project. The hotel has also added several apartment-like rooms with two or three beds, complete with a living room and dining area, and has introduced new family rooms. Investments in the spa and conference offering are under way, with completion expected in 2024.

Financing

Financial position and net asset value

At the end of the period the loan-to-value net was 46.6 (46.6) percent. Equity attributable to the Parent Company's shareholders amounted to MSEK 30,883 (29,573). EPRA NRV amounted to MSEK 38,342 (36,7976), equivalent to SEK 208.55 (201.12) per share. Cash and cash equivalents plus unutilised credit facilities amounted to MSEK 2,945 (3,147) and there are several unpledged properties with a value of approximately MSEK 3,800 in total. In addition, there are additional unutilised credit facilities that, at any given time, fully cover the issued volume under the Pandox commercial paper programme.

Interest-bearing liabilities

At the end of the period the loan portfolio amounted to MSEK 33,958 (32,960), excluding loan arrangement fees. Unutilised credit facilities, after deduction of commercial paper, amounted to MSEK 2,243 (2,378) and the volume issued under the commercial paper programme amounted to MSEK 1,160 (816). Commercial paper is only used

to optimise Pandox's financial cost via interest rate arbitrage.

Commercial paper aside, all Pandox's debt financing is bank financing only with loans secured by a combination of mortgage collateral and pledged shares. Pandox has a geographically diversified lender base consisting of 14 Nordic and international banks, and AMF Tjänstepension AB.

Per 31 March 2024, the average repayment period was 2.2 (2.3) years, the average fixed interest rate period was 3.3 (3.9) years, and the average interest rate level, including effects from interest-rate derivatives, but excluding accrued arrangement fees, was 4.2 (4.2) percent, which also is a reasonable approximation for the expected level at the end of the second quarter 2024, given unchanged market rates.

At the end of the period the interest cover ratio (measured on rolling twelve months) was 2.6 times.

Short-term credit facilities maturing in less than twelve months amount to MSEK 6,673, of which MSEK 3,095 matures in the fourth quarter 2024.

During the first quarter of 2024, Pandox has carried out refinancing of previous short-term debt corresponding to a total of approximately MSEK 3,000, in the UK and Denmark, with a three-year tenor.

Sustainability-linked financing

During the first quarter, Pandox has sustainability-linked an additional bank loan with SEB totalling approximately MSEK 2,100. As of 31 March 2024, the total sustainability-linked loan volume amounts to MSEK 4,381. The credit margin of the bank loans is linked to the annual outcome of three well-defined environmental, social and governance (ESG) sustainability targets, which will also be reported in the annual sustainability report.

Key ratios, financing

| MSEK | Jan-Mar | | Full-year |
|--|---------|--------|-----------|
| | 2024 | 2023 | 2023 |
| Net interest-bearing debt | 33,256 | 32,188 | 32,190 |
| Cash and cash equivalents and unutilised credit facilities | 2,945 | 3,843 | 3,147 |
| Average fixed interest period, years | 3.3 | 2.7 | 3.9 |
| Average repayment period, years | 2.2 | 2.1 | 2.3 |
| Average interest rate end of period, % | 4.2 | 3.9 | 4.2 |
| Interest cover ratio, times | 2.0 | 2.3 | 2.7 |
| Loan to value net, % | 46.6 | 46.2 | 46.6 |
| Net interest-bearing debt/EBITDA, times | 8.8 | 9.2 | 8.7 |

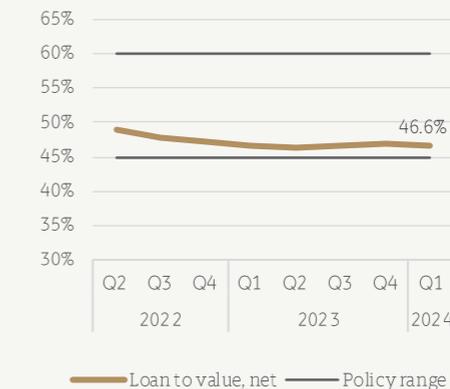
MATURITY STRUCTURE CREDIT FACILITIES, MSEK

| Year due (MSEK) | Credit facilities ¹⁾ |
|-----------------|---------------------------------|
| < 1 year | 6,673 |
| 1–2 year | 13,006 |
| 2–3 year | 7,293 |
| 3–4 year | 4,381 |
| 4–5 year | 4,849 |
| > 5 year | - |
| Total | 36,201 |

¹⁾ Excluding contractual amortisation.

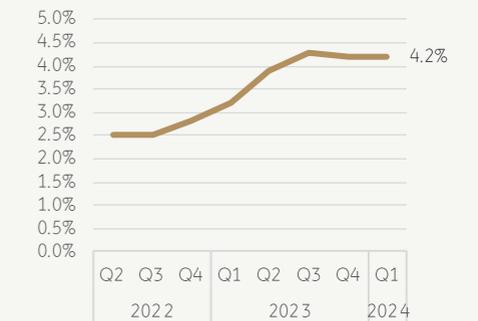
LOAN TO VALUE, NET, %

Policy range 45–60%



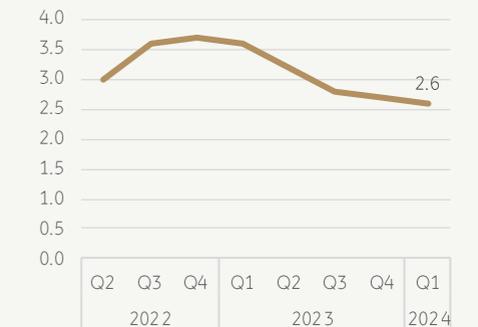
AVERAGE INTEREST RATE

End of period, %



INTEREST COVER RATIO

R12m, times



On group level, Pandox's financial covenants are loan-to-value and interest cover ratio.

Net financial items

| MSEK | Jan-Mar | | Full-year |
|---|-------------|-------------|---------------|
| | 2024 | 2023 | 2023 |
| Financial income | 5 | 8 | 31 |
| Interest costs | -365 | -290 | -1,366 |
| Average interest rate, end of period, % | 4.2 | 3.9 | 4.2 |
| Other financial costs | -26 | -28 | -131 |
| Total debt costs, % | 4.5 | 4.2 | 4.6 |
| Financial costs right of use assets | -28 | -26 | -108 |
| Sum net financial items | -414 | -336 | -1,574 |

The increase in costs compared to the corresponding quarter last year is mainly explained by increased interest costs on bank loans due to higher average interest rates.

Loans by currency 31 March, 2024

| | SEK | DKK | EUR ³⁾ | CHF | CAD | NOK | GBP | Total |
|---|--------------|--------------|-------------------|------------|----------|--------------|--------------|---------------|
| Sum credit facilities, MSEK¹⁾ | 9,729 | 2,431 | 15,859 | 536 | - | 1,107 | 6,538 | 36,201 |
| Sum interest bearing debt, MSEK¹⁾ | 7,083 | 2,431 | 16,263 | 536 | - | 1,107 | 6,538 | 33,958 |
| Share of debt in currency, % | 20.9 | 7.2 | 47.9 | 1.6 | - | 3.3 | 19.3 | 100 |
| Average interest rate, % ²⁾ | 3.3 | 4.0 | 3.6 | 4.3 | - | 5.7 | 6.2 | 4.2 |
| Average interest rate period, years | 3.6 | 1.1 | 3.4 | 0.2 | - | 3.5 | 3.9 | 3.3 |
| Market value Properties, MSEK ¹⁾ | 15,500 | 4,228 | 32,708 | 943 | 629 | 3,321 | 13,988 | 71,317 |

¹⁾ Converted to MSEK

²⁾ Average interest rate including margin and derivatives, excluding arrangement fee for loans.

³⁾ Part of the interest-bearing debt is part of credit facilities in SEK, which can be drawn in multiple currencies, including EUR.

Currency and interest rate risk

To reduce the currency exposure in foreign investment Pandox's aim is to finance the investment in local currency. Equity is normally not hedged as Pandox's strategy is to have a long investment perspective. Currency exposures are largely in form of currency translation effects.

Pandox's bank financing is with variable interest rate. In order to manage interest rate risk and increase the predictability of Pandox's earnings, interest rate derivatives are used.

Per 31 March 2024, the gross nominal volume of interest rate derivatives amounted to MSEK 32,912, including forward starting swaps. At the same time, the net nominal volume of interest rate derivatives amounted to MSEK 25,287. The net volume is the portion of Pandox's loan portfolio for which interest rates are hedged.

Approximately 76 percent of Pandox's net debt was thereby hedged against interest rate movements for periods longer than one year and the average fixed rate period was 3.3 (3.9) years.

Interest maturity profile 31 March 2024

| Tenor (MSEK) | Total interest maturity | | Interest maturity derivatives | | |
|--------------|-------------------------|------------|-------------------------------|------------|--------------------------------------|
| | Amount ¹⁾ | Share, % | Volume | Share, % | Average interest rate derivatives, % |
| < 1 year | 8,671 | 26 | - | - | - |
| 1-2 year | 3,085 | 9 | 3,085 | 12 | 0.7 |
| 2-3 year | 4,431 | 13 | 4,431 | 18 | 0.9 |
| 3-4 year | 4,763 | 14 | 4,763 | 19 | 1.4 |
| 4-5 year | 5,683 | 17 | 5,683 | 22 | 0.8 |
| > 5 year | 7,325 | 22 | 7,325 | 29 | 1.9 |
| Sum | 33,958 | 100 | 25,287 | 100 | 1.2 |

¹⁾ Share of loans with an interest rate reset during the period.

The market value of the derivatives portfolio is measured on each closing date, with the change in value recognised in profit or loss. Upon maturing, the market value of a derivative contract is dissolved entirely and the change in value over time thus does not affect equity.

At the end of the period, the net market value of Pandox's financial derivatives amounted to MSEK 1,354 (1,055).

Currency exchange rates

| | Average rate | | | Rate at end-of-period | | |
|-----------------------|--------------|--------|----------|-----------------------|--------|----------|
| | 2024 | 2023 | Change % | 2024 | 2023 | Change % |
| Euro (EUR) | 11.279 | 11.197 | 1% | 11.525 | 11.276 | 2% |
| British pound (GBP) | 13.173 | 12.676 | 4% | 13.478 | 12.814 | 5% |
| Danish krone (DKK) | 1.513 | 1.504 | 1% | 1.545 | 1.514 | 2% |
| Norwegian krone (NOK) | 0.988 | 1.020 | -3% | 0.985 | 0.995 | -1% |
| Canadian dollar (CAD) | 7.705 | 7.713 | 0% | 7.855 | 7.640 | 3% |
| Swiss franc (CHF) | 11.886 | 11.279 | 5% | 11.801 | 11.323 | 4% |

Financial sensitivity analysis 31 March 2024

| Effect on earnings before changes in value | Change | MSEK |
|---|--------|---------|
| Current fixed interest hedging, change in interest rates, with derivatives | +/- 1% | -/+ 74 |
| Current fixed interest hedging, change in interest rates, without derivatives | +/- 1% | -/+ 327 |
| Remeasurements of interest-rate derivatives following shift of yield-curves | +/- 1% | +/- 923 |

Sustainability

Development in the first quarter 2024

- During the first quarter, Pandox has sustainability-linked an additional bank loan with SEB totalling approximately MSEK 2,100.
- Hotel Mayfair, Copenhagen, was certified in accordance with BREEAM In Use Very Good
- Pandox Science Based Targets:
 - Design and planning for a new climate change project in Own Operations (Scope 1 and 2). See more information below
 - Start-up and planning of a green investment programme for Scope 3

Focus areas

Pandox's sustainability work will contribute to sustainable properties, sustainable operations and create new business opportunities.

The Company's overall sustainability goal is to offer its tenants resource-efficient hotel properties that contribute to the UN Sustainable Development Goals, reduce climate impact and enable good management of climate risks.

Pandox has defined the most important sustainability areas and divided them into five focus areas:

1. Environment and climate
2. Responsible and fair business
3. Guest satisfaction and safety
4. Attractive and equal workplace
5. Inclusive local communities

Science Based Targets initiative (SBTi)

Pandox's science-based climate targets have been approved by the Science Based Targets initiative (SBTi). They mean that by 2030 Pandox will reduce greenhouse gas emissions in Own Operations (Scope 1 and 2) by 42 percent, while emissions in Leases (Scope 3) will be reduced by 25 percent.

Larger investments

Pandox has decided to invest MEUR 29 in a climate transition project for eight hotel properties in Own Operations. When the project is completed in 2027, we are expected to reach the SBTi-validated emission targets for Own Operations. The project will gradually generate cost savings, which by the end of 2027 are estimated to amount to MEUR 3 annually. The climate transition project consists of phasing out oil and gas, upgrading or replacing obsolete technical systems for energy optimisation, as well as renewable energy and behavioural change.

An earlier investment programme in Own Operations has been completed according to plan. In total, approximately MEUR 7 has been invested to reduce climate impact through energy and water reduction projects and technology installations. The goal was to reduce energy, gas and water consumption by 35 percent, 25 percent and 20 percent respectively, and to reduce CO2 emissions by 20 percent. The investment programme's expected financial return of 20 percent has so far been fulfilled.

| Sustainability overview Own Operations | 2023 | 2022 | Δ% | 2021 |
|---|---------------------|------------------|-----------|------------------|
| <i>Resource efficiency</i> | | | | |
| Total energy consumption, kWh/sqm | 204 | 230 | -11% | 214 |
| Total energy consumption, kWh/gn | 36 | 44 | -18% | 99 |
| Total water consumption, l/gn | 174 | 219 | -21% | 304 |
| Waste per hotel guest, kg | 1,2 | n.a | n.a | n.a |
| <i>Renewable energy</i> | | | | |
| Total of renewable energy, % | 42% | 49% | n.a | 48% |
| <i>Emission reduction</i> | | | | |
| Total emissions, CO2e/sqm | 27 | 23 | 17% | 23 |
| <i>Sustainability certification</i> | | | | |
| Total number of BREEAM In Use-certified properties on level Very Good | 13 | 12 | 8% | 5 |
| Green key certification of operations, number | 14 | 16 | -13% | 14 |
| Total, Pandox group | 2023 | 2022 | Δ% | 2021 |
| <i>Key social indicators</i> | | | | |
| Employee satisfaction, % | 77 | 77 | 0% | 78 |
| <i>Supplier key figures</i> | | | | |
| Number of suppliers audited | 37 | 48 | -23% | 82 |
| Sustainability overview Leases | 2023 | 2022 | Δ% | 2021 |
| <i>Resource efficiency</i> | | | | |
| Total energy consumption, kWh/sqm | 218 | 210 | 4% | 189 |
| Total energy consumption, kWh/gn | 37 | 42 | -12% | 62 |
| Total water consumption, l/gn | 183 | 184 | -1% | 311 |
| <i>Renewable energy</i> | | | | |
| Total of renewable energy, % | 40% | 39% | n.a | 39% |
| <i>Emission reduction</i> | | | | |
| Total emissions, CO2e/sqm | 31 | 35 | -11% | 35 |
| Larger ongoing investment projects | Total amount | Remaining | | Completed |
| Climate transition project | 29 MEUR | 90% | | 2027 |



Acknowledgements



Summary of financial reports

Condensed consolidated statement of comprehensive income

| MSEK | Jan-Mar | | Full-year |
|---------------------------------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2023 |
| MSEK | | | |
| Revenues Leases | | | |
| Rental income | 812 | 743 | 3,548 |
| Other property income | 33 | 37 | 142 |
| Revenue Own Operations | 656 | 573 | 3,159 |
| Total revenues | 1,501 | 1,353 | 6,849 |
| Costs Leases | -151 | -118 | -533 |
| Costs Own Operations | -635 | -588 | -2,729 |
| Gross profit | 715 | 647 | 3,587 |
| - whereof gross profit Leases | 694 | 662 | 3,157 |
| - whereof gross profit Own Operations | 21 | -15 | 430 |
| Central administration | -51 | -45 | -197 |
| Financial income | 7 | 10 | 31 |
| Financial expenses | -393 | -320 | -1,498 |
| Financial cost right of use assets | -28 | -26 | -108 |
| Profit before changes in value | 250 | 266 | 1,815 |
| Changes in value | | | |
| Changes in value properties | 34 | -212 | -1,107 |
| Changes in value derivatives | 298 | -344 | -1,205 |
| Profit before tax | 582 | -290 | -497 |
| Current tax | -45 | -65 | -375 |
| Deferred tax | -83 | 152 | 292 |
| Profit for the period | 454 | -203 | -580 |

| MSEK | Jan-Mar | | Full-year |
|--|--------------|------------|-------------|
| | 2024 | 2023 | 2023 |
| MSEK | | | |
| <i>Items that may not be classified to profit or loss, net after tax</i> | | | |
| This year's revaluation of tangible non-current assets | - | - | 39 |
| <i>Items that may be classified to profit or loss, net after tax</i> | | | |
| Net investment hedge of foreign operations | -177 | -58 | 26 |
| Translation differences of foreign operations | 1,046 | 228 | -177 |
| Other comprehensive income for the period | 869 | 170 | -112 |
| Total comprehensive income for the period | 1,323 | -33 | -692 |
| Profit for the period attributable to the shareholders of the parent company | 447 | -216 | -585 |
| Profit for the period attributable to non-controlling interests | 7 | 13 | 5 |
| Total comprehensive income for the period attributable to the shareholders of the parent company | 1,310 | -50 | -698 |
| Total comprehensive income for the period attributable to non-controlling interests | 13 | 17 | 6 |
| Earnings per share, before and after dilution, SEK | 2.43 | -1.17 | -3.18 |

In Other comprehensive income for the period of MSEK 1,323 is includes tax of MSEK -273, of which MSEK 37 is current tax.

Condensed consolidated statement of financial position

| MSEK | 31 Mar | | 31 Dec |
|-------------------------------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2023 |
| ASSETS | | | |
| Operating Properties | 8,018 | 8,202 | 8,273 |
| Equipment and interiors | 589 | 629 | 580 |
| Investment Properties | 59,044 | 57,719 | 57,226 |
| Right-of-use assets | 2,971 | 3,250 | 2,848 |
| Deferred tax assets | 394 | 268 | 340 |
| Derivatives ¹⁾ | 1,633 | 2,176 | 1,535 |
| Other non-current receivables | 90 | 98 | 77 |
| Total non-current assets | 72,739 | 72,342 | 70,879 |
| Current assets | | | |
| Inventories | 17 | 14 | 16 |
| Current tax assets | 198 | 161 | 173 |
| Trade account receivables | 447 | 618 | 445 |
| Prepaid expenses and accrued income | 627 | 338 | 648 |
| Other current receivables | 432 | 156 | 207 |
| Cash and cash equivalents | 703 | 2,004 | 769 |
| Assets held for sale | 629 | - | 71 |
| Total current assets | 3,053 | 3,291 | 2,329 |
| Total assets | 75,792 | 75,633 | 73,208 |

| MSEK | 31 Mar | | 31 Dec |
|--|---------------|---------------|---------------|
| | 2024 | 2023 | 2023 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 460 | 460 | 460 |
| Other paid-in capital | 7,525 | 7,525 | 7,525 |
| Reserves | 2,068 | 1,484 | 1,205 |
| Retained earnings, including profit for the period | 20,830 | 21,212 | 20,383 |
| Equity attributable to the owners of the Parent Company | 30,883 | 30,681 | 29,573 |
| Non-controlling interests | 165 | 219 | 152 |
| Sum equity | 31,048 | 30,900 | 29,725 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Non-current interest-bearing liabilities ²⁾ | 27,247 | 23,417 | 24,190 |
| Other non-current liabilities | 30 | 3 | 29 |
| Long-term lease liability | 2,949 | 3,225 | 2,826 |
| Derivatives ¹⁾ | 279 | 259 | 479 |
| Provisions | 41 | 37 | 40 |
| Deferred tax liability | 5,487 | 5,359 | 5,270 |
| Total non-current liabilities | 36,033 | 32,300 | 32,834 |
| Current liabilities | | | |
| Provisions | 33 | 19 | 35 |
| Current interest-bearing liabilities ²⁾ | 6,514 | 10,637 | 8,580 |
| Short-term lease liability | 31 | 31 | 30 |
| Tax liabilities | 592 | 342 | 551 |
| Trade accounts payable | 390 | 399 | 333 |
| Other current liabilities | 243 | 254 | 170 |
| Accrued expenses and prepaid income | 908 | 751 | 950 |
| Total current liabilities | 8,711 | 12,433 | 10,649 |
| Total liabilities | 44,744 | 44,733 | 43,483 |
| Total equity and liabilities | 75,792 | 75,633 | 73,208 |

¹⁾ The fair value measurement belongs to level 2 in the fair value hierarchy in IFRS, i.e. it is based on inputs that are observable, either directly or indirectly.

²⁾ The carrying amounts of interest-bearing liabilities and other financial instruments constitute a reasonable approximation of their fair value.

Condensed consolidated statement of cashflow

| MSEK | Jan-Mar | | Full-year |
|--|-------------|--------------|---------------|
| | 2024 | 2023 | 2023 |
| OPERATING ACTIVITIES | | | |
| Profit before tax | 582 | -290 | -497 |
| Reversal of depreciation | 70 | 68 | 286 |
| Changes in value, properties | -34 | 212 | 1,107 |
| Changes in value, derivatives | -298 | 343 | 1,205 |
| Other items not included in the cash flow | -91 | -102 | 40 |
| Taxes paid | -32 | -66 | -178 |
| Cash flow from operating activities before changes in working capital | 197 | 165 | 1,963 |
| Increase/decrease in operating assets | -164 | 330 | 137 |
| Increase/decrease in operating liabilities | 63 | 151 | 93 |
| Change in working capital | -101 | 481 | 230 |
| Cash flow from operating activities | 96 | 646 | 2,193 |
| INVESTING ACTIVITIES | | | |
| Investments in properties and fixed assets | -241 | -236 | -922 |
| Divestment of hotel properties, net effect on liquidity | 67 | 897 | 894 |
| Acquisitions of hotel properties, net effect on liquidity | - | -939 | -1,465 |
| Acquisitions of financial assets | -12 | 0 | 12 |
| Cash flow from investing activities | -186 | -278 | -1,481 |
| FINANCING ACTIVITIES | | | |
| New loans | 3,160 | 6,782 | 12,944 |
| Amortisation of debt | -3,216 | -6,911 | -14,168 |
| Dividend non-controlling interest | - | - | -17 |
| Paid dividends | - | - | -460 |
| Cash flow from financing activities | -56 | -129 | -1,701 |
| Cash flow for the period | -146 | 239 | -989 |
| Cash and cash equivalents at beginning of period | 769 | 1,630 | 1,630 |
| Exchange differences in cash and cash equivalents | 80 | 125 | 129 |
| Liquid funds end of period | 703 | 2,004 | 769 |
| Information regarding interest payments | | | |
| Interest received amounted to | 5 | 8 | 31 |
| Interest paid amounted to | -375 | -272 | -1,243 |
| Financial cost right of use assets | -28 | -26 | -108 |
| Information regarding cash and cash equivalents end of period | 703 | 2,004 | 769 |

Cash and cash equivalents consists of bank deposits.

Condensed consolidated statement of changes in equity

| MSEK | Attributable to the owners of the parent company | | | | | | | |
|--|--|-----------------------|----------------------|-----------------------------------|---|---------------|---------------------------|---------------|
| | Share capital | Other paid in capital | Translation reserves | Revaluation reserve ¹⁾ | Retained earnings, incl profit for the period | Total | Non-controlling interests | Total equity |
| Opening balance equity 1 Jan, 2023 | 460 | 7,525 | 1,131 | 187 | 21,428 | 30,731 | 202 | 30,933 |
| Profit for the period | — | — | — | — | -585 | -585 | 5 | -580 |
| Other comprehensive income | — | — | -152 | 39 | — | -113 | 1 | -112 |
| Dividend non-controlling interest | — | — | — | — | — | — | -56 | -56 |
| Dividend | — | — | — | — | -460 | -460 | — | -460 |
| Closing balance equity 31 Dec, 2023 | 460 | 7,525 | 979 | 226 | 20,383 | 29,573 | 152 | 29,725 |
| Opening balance equity 1 Jan, 2024 | 460 | 7,525 | 979 | 226 | 20,383 | 29,573 | 152 | 29,725 |
| Profit for the period | — | — | — | — | 447 | 447 | 7 | 454 |
| Other comprehensive income | — | — | 863 | — | — | 863 | 6 | 869 |
| Closing balance equity 31 Mar, 2024 | 460 | 7,525 | 1,842 | 226 | 20,830 | 30,883 | 165 | 31,048 |

¹⁾ Refers to the fair value change of hotel properties that have been reclassified from Own Operations to Leases.

Comparison figures and period

Figures in brackets are from the corresponding period the previous year for profit/loss items and year-end 2023 for balance sheet items, unless otherwise stated.

Not 1. Accounting principles

Pandox AB follows the International Financial Reporting Standards (IFRS) and interpretations (IFRIC), as adopted by the EU. This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR2 Accounting principles for legal entities. Under RFR2 the parent company of a legal entity applies all EU approved IFRS principles and interpretations within the framework defined by the Swedish Annual Accounts Act and taking into consideration the connection between accounting and taxation. Derivatives are measured at fair value according to Level 2 in the fair value hierarchy under IFRS, based on inputs that are observable, either directly or indirectly. The carrying amounts of interest-bearing liabilities and other financial instruments constitute a reasonable approximation of their fair values. The interim financial statements are included on pages 1–26 and page 1–14 is thus an integrated part of this financial report. The accounting principles applied are consistent with those described in Pandox's Annual Report for 2023.

Not 2. Ongoing disputes and insurance cases

During the quarter, Pandox has regained registration of its Hereditary Building Right ("HBR") for a hotel property at Köln Bonn Airport. No significant change has taken place in any disputes and insurance cases commented on previously.

Condensed income statement for the parent company

| MSEK | Jan-Mar | | Full-year |
|---|------------|------------|--------------|
| | 2024 | 2023 | 2023 |
| Total revenues | 29 | 25 | 112 |
| Administration cost | -61 | -55 | -245 |
| Operating profit | -32 | -30 | -133 |
| Profit from participations in Group companies | - | 122 | 964 |
| Other interest income and similar profit/loss items | 460 | 288 | 1,235 |
| Derivatives, unrealised | 144 | 12 | -231 |
| Profit after financial items | 572 | 392 | 1,835 |
| Year-end appropriations | - | - | 352 |
| Profit before tax | 572 | 392 | 2,187 |
| Current tax | -66 | -15 | -217 |
| Deferred tax | -37 | -8 | 46 |
| Profit for the period | 469 | 369 | 2,016 |
| Other comprehensive income for the period | - | - | - |
| Total comprehensive income for the period | 469 | 369 | 2,016 |

Condensed balance sheet for the parent company

| MSEK | 31 Mar | | 31 Dec |
|-------------------------------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2023 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 13 | 11 |
| Financial non-current assets | 22,225 | 21,401 | 22,830 |
| Current assets | 2,441 | 1,987 | 2,054 |
| Total assets | 24,676 | 23,401 | 24,895 |
| EQUITY AND LIABILITIES | | | |
| Equity | 13,784 | 12,127 | 13,314 |
| Untaxed reserves | 4 | 2 | 4 |
| Provisions | 74 | 58 | 69 |
| Non-current liabilities | 8,190 | 7,486 | 7,893 |
| Current liabilities | 2,624 | 3,728 | 3,615 |
| Total equity and liabilities | 24,676 | 23,401 | 24,895 |

Not 3. Parent company

Administration for activities within Pandox's property owning companies is provided by staff employed by the Parent Company, Pandox AB (publ). Pandox's subsidiaries are invoiced for these services.

Not 4. Transactions with related parties

The Parent Company carries out transactions with subsidiaries in the Group. Such transactions mainly entail allocation of centrally incurred administration cost and interest relating to receivables and liabilities. All related party transactions are entered into on market terms. Eiendomsspar AS owns 5.1 percent of 22 hotel properties in Germany and 9.9 percent of another hotel property in Germany. The acquisitions were made by Pandox in 2015, 2016 and 2019. Pandox has a management agreement regarding Pelican Bay Lucaya Resort in the Bahamas owned by affiliates of Helene Sundt AS and CGS Holding AS. During January–March 2024, revenue from Pelican Bay Lucaya amounted to MSEK 0.3 (0.0).

Segment information

| MSEK | Q1 2024 (Jan-Mar 2024) | | | | Q1 2023 (Jan-Mar 2023) | | | |
|----------------------------------|------------------------|---------------|-------------------------------|--------------|------------------------|---------------|-------------------------------|--------------|
| | Leases | Own operation | Group and non-allocated items | Total | Leases | Own operation | Group and non-allocated items | Total |
| Revenues | | | | | | | | |
| Rental and other property income | | | | | | | | |
| Leases | 845 | — | — | 845 | 780 | — | — | 780 |
| Revenue Own Operations | — | 656 | — | 656 | — | 573 | — | 573 |
| Total revenues | 845 | 656 | — | 1,501 | 780 | 573 | — | 1,353 |
| Costs Leases | -151 | — | — | -151 | -118 | — | — | -118 |
| Costs Own Operations | — | -635 | — | -635 | — | -588 | — | -588 |
| Gross profit | 694 | 21 | — | 715 | 662 | -15 | — | 647 |

Q1 2024 (Jan-Mar 2024)

| | Sweden | Denmark | Norway | Finland | Germany | Belgium | UK+IE | Others | Total |
|---|--------|---------|--------|---------|---------|---------|--------|--------|--------|
| Total revenues | | | | | | | | | |
| Leases | 204 | 44 | 46 | 71 | 230 | 16 | 184 | 50 | 845 |
| Own Operations | — | 12 | — | 7 | 157 | 250 | 164 | 65 | 656 |
| Market value properties | 15,500 | 4,228 | 3,321 | 4,630 | 17,066 | 5,935 | 15,700 | 4,937 | 71,317 |
| Investments in properties | 70 | 13 | 31 | 7 | 29 | 59 | 25 | 7 | 241 |
| Acquisitions of properties | 0 | — | — | — | — | — | 0 | — | 0 |
| Changes in value properties | -40 | -2 | -6 | -7 | 99 | -45 | 8 | -7 | 0 |
| Book value Operating Properties | — | — | — | 31 | 2,090 | 3,179 | 2,907 | 1,019 | 9,226 |
| Total noncurrent assets at book value, less deferred tax assets | 17,082 | 4,241 | 3,324 | 5,403 | 15,930 | 4,915 | 16,491 | 4,961 | 72,346 |

Q1 2023 (Jan-Mar 2023)

| | Sweden | Denmark | Norway | Finland | Germany | Belgium | UK+IE | Others | Total |
|---|--------|---------|--------|---------|---------|---------|--------|--------|--------|
| Total revenues | | | | | | | | | |
| Leases | 202 | 45 | 51 | 71 | 187 | 15 | 160 | 50 | 780 |
| Own Operations | 0 | 12 | — | 9 | 124 | 249 | 95 | 85 | 573 |
| Market value properties | 15,496 | 4,062 | 3,295 | 4,609 | 16,982 | 5,671 | 14,598 | 4,982 | 69,695 |
| Investments in properties | 39 | 20 | 7 | 5 | 48 | 66 | 45 | 5 | 235 |
| Acquisitions of properties | 325 | — | — | — | — | — | 683 | — | 1,009 |
| Changes in value properties | -324 | 28 | -78 | 8 | 39 | 6 | -23 | 132 | -212 |
| Book value Operating Properties | — | 405 | — | 31 | 2,064 | 3,062 | 2,256 | 999 | 8,817 |
| Total noncurrent assets at book value, less deferred tax assets | 18,255 | 4,022 | 3,297 | 5,349 | 15,914 | 4,731 | 15,654 | 4,850 | 72,074 |

Not 5. Operating segments

Pandox's operating segments consist of the Leases and Own Operations business streams. The Leases segment owns, improves and manages hotel properties and provides external customers with premises for hotel operations, as well as other types of premises adjacent to hotel properties. The Own Operations segment owns hotel properties and operates hotels in such owned properties. The Own Operations segment also includes one hotel property under an asset management agreement. Non-allocated items are any items that are not attributable to a specific segment or are common to both segments, and financial cost for right-of-use assets according to IFRS 16. The segments have been established based on the reporting that takes place internally to executive management on financial outcomes and position. Segment reporting applies the same accounting principles as those used in the annual report in general, and the amounts reported for the segments are the same as those for the Group. Scandic Hotels Group and Fattal Hotels Group are tenants who account for more than 10 percent of revenues each.

Alternative performance measurements

About alternative performance measurements

Pandox applies the European Securities and Market Authority's (ESMA) guidelines for Alternative Performance Measurements. The guidelines aim at making alternative Performance Measurements in financial reports more understandable, trustworthy and comparable and thereby enhance their usability. According to these guidelines, an Alternative Performance Measurement is a financial key ratio of past or future earnings development, financial position, financial result or cash flows which are not defined or mentioned in current legislation for financial reporting; IFRS and the Swedish Annual Accounts Act. Adjoining alternative financial measurements provides useful supplementary information to investors and management, as they facilitate evaluation of company performance. Since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Hence, these financial measures should not be seen as a substitute for measures defined according to the IFRS. Reconciliation of alternative performance measures is available on Pandox's website.

Properties

| | Jan-Mar | | Full-year |
|----------------------------------|---------|--------|-----------|
| | 2024 | 2023 | 2023 |
| Number of properties | 158 | 158 | 159 |
| - of which Leases | 138 | 138 | 139 |
| - of which Own Operations | 20 | 20 | 20 |
| Number of rooms | 35,613 | 35,586 | 35,851 |
| - of which Leases | 29,963 | 29,938 | 30,201 |
| - of which Own Operations | 5,650 | 5,648 | 5,650 |
| Total square meters | - | - | 2,102,973 |
| Market value properties, MSEK | 71,317 | 69,695 | 69,039 |
| - of which Investment properties | 59,044 | 57,719 | 57,226 |
| - of which Operating properties | 12,273 | 11,976 | 11,813 |
| Total average yield, % | 6.25 | 5.79 | 6.24 |
| - Investment properties | 6.10 | 5.62 | 6.09 |
| - Operating properties | 6.98 | 6.59 | 7.02 |
| Total changes in value, MSEK | 2,278 | 463 | -481 |
| - Investment properties | 1,818 | 156 | -337 |
| - Operating properties | 460 | 307 | -144 |
| WAULT, years | 14.9 | 14.7 | 15.0 |

Properties

| | Jan-Mar | | Full-year |
|---|---------|------|-----------|
| | 2024 | 2023 | 2023 |
| Loan to value, net, % | 46.6 | 46.2 | 46.6 |
| Interest cover ratio, times | 2.0 | 2.3 | 2.7 |
| Interest cover ratio R12m, times | 2.6 | 3.6 | 2.7 |
| Interest-bearing net debt/EBITDA, times | 8.8 | 9.2 | 8.7 |

Per share

| | Jan-Mar | | Full-year |
|---|-------------|-------------|-------------|
| | 2024 | 2023 | 2023 |
| Earnings per share | 2.43 | -1.17 | -3.18 |
| Equity per share | 168.88 | 168.07 | 161.68 |
| Cash earnings per share | 1.48 | 1.41 | 9.48 |
| Dividend per share | - | - | 4.00 |
| Average number of shares | 183,849,999 | 183,849,999 | 183,849,999 |
| Total number of shares outstanding, end of period | 183,849,999 | 183,849,999 | 183,849,999 |

EPRA

| | Jan-Mar | | Full-year |
|---|---------|--------|-----------|
| | 2024 | 2023 | 2023 |
| EPRA earnings, MSEK | 272 | 259 | 1,742 |
| EPRA NRV, MSEK | 38,342 | 37,676 | 36,976 |
| Growth EPRA NRV, % | 3.0 | 14.9 | -0.7 |
| EPRA NTA, MSEK | 38,342 | 37,676 | 36,976 |
| EPRA NDV, MSEK | 33,930 | 33,839 | 32,544 |
| EPRA NIY, Investment properties, R12, % | 5.89 | 5.52 | 5.94 |
| EPRA LTV, % | 46.9 | 46.3 | 47.0 |
| EPRA Capital Expenditure, MSEK | 241 | 1,545 | 2,498 |
| EPRA earnings per share (EPS) | 1.48 | 1.41 | 9.48 |
| EPRA NRV per share | 208.55 | 204.93 | 201.12 |
| EPRA NTA per share | 208.55 | 204.93 | 201.12 |
| EPRA NDV per share | 184.55 | 184.06 | 177.01 |

About EPRA

EPRA's (European Public Real Estate Association) mission is to promote, develop and represent the European public real estate sector. EPRA has more than 290 members, covering the full spectrum of the listed property industry (companies, investors and their stakeholders) and representing over €840 billion in property assets and 95% of the market value of the FTSE EPRA Nareit Europe Index. For more information, see www.epra.com.

Quarterly data

Condensed consolidated statement of comprehensive income

| MSEK | Jan-Mar 2024 | Oct-Dec 2023 | Jul-Sep 2023 | Apr-Jun 2023 | Jan-Mar 2023 | Oct-Dec 2022 | Jul-Sep 2022 | Apr-Jun 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues Leases | | | | | | | | |
| Rental income | 812 | 895 | 1,002 | 908 | 743 | 803 | 886 | 761 |
| Other property income | 33 | 33 | 38 | 34 | 37 | 45 | 81 | 97 |
| Revenue Own Operations | 656 | 910 | 844 | 832 | 573 | 775 | 706 | 624 |
| Total revenues | 1,501 | 1,838 | 1,884 | 1,774 | 1,353 | 1,623 | 1,673 | 1,482 |
| Costs Leases | -151 | -159 | -120 | -136 | -118 | -150 | -101 | -97 |
| Costs Own Operations | -635 | -762 | -694 | -685 | -588 | -732 | -578 | -449 |
| Gross profit | 715 | 917 | 1,070 | 953 | 647 | 741 | 994 | 936 |
| Central administration | -51 | -53 | -46 | -53 | -45 | -59 | -28 | -34 |
| Financial net | -386 | -376 | -420 | -361 | -310 | -289 | -248 | -236 |
| Financial cost right of use assets | -28 | -28 | -28 | -26 | -26 | -26 | -24 | -22 |
| Profit before value changes | 250 | 460 | 576 | 513 | 266 | 367 | 694 | 644 |
| Changes in value | | | | | | | | |
| Changes in value properties | 34 | -339 | -90 | -466 | -212 | -66 | 572 | 395 |
| Changes in value derivatives | 298 | -1,236 | 43 | 332 | -344 | -59 | 815 | 632 |
| Profit before tax | 582 | -1,115 | 529 | 379 | -290 | 242 | 2,081 | 1,671 |
| Current tax | -45 | -137 | -95 | -78 | -65 | -24 | -48 | -59 |
| Deferred tax | -83 | 127 | 26 | -13 | 152 | -117 | -346 | -240 |
| Profit for the period | 454 | -1,125 | 460 | 288 | -203 | 101 | 1,687 | 1,372 |
| Other comprehensive income | 830 | -845 | -583 | 1,146 | 170 | 308 | 341 | 455 |
| Total comprehensive income for the period | 1,284 | -1,970 | -123 | 1,434 | -33 | 409 | 2,028 | 1,827 |
| Key ratios | | | | | | | | |
| Total net operating income | 785 | 989 | 1,142 | 1,025 | 714 | 882 | 1,059 | 999 |
| - of which Leases | 694 | 769 | 920 | 806 | 662 | 698 | 866 | 761 |
| - of which Own Operations | 91 | 220 | 222 | 219 | 52 | 184 | 193 | 238 |
| EBITDA | 740 | 942 | 1,102 | 977 | 675 | 829 | 1,037 | 970 |
| Total cash earnings | 272 | 415 | 558 | 510 | 259 | 515 | 717 | 645 |
| Revenue growth Leases (LFL), % | 2 | 7 | 7 | 12 | 21 | 25 | 39 | 39 |
| Revenue growth Own Operations (LFL), % | 6 | 8 | 6 | 24 | 113 | 109 | 143 | 314 |
| NOI growth Leases (LFL), % | 2 | 7 | 7 | 12 | 21 | 22 | 45 | 39 |
| NOI growth Own Operations (LFL), % | 22 | 5 | 28 | 38 | n.a | n.a | n.a | n.a |
| RevPAR Leases, SEK | 656 | 807 | 952 | 907 | 646 | 757 | 926 | 792 |
| RevPAR Own Operations, SEK | 818 | 1,085 | 1,145 | 1,157 | 754 | 1,019 | 1,076 | 936 |
| RevPAR growth Leases (LFL), % | 1 | 6 | 2 | 14 | 66 | 43 | 66 | 225 |
| RevPAR growth Own Operations (LFL), % | 6 | 7 | 8 | 26 | 112 | 113 | 140 | 370 |

Condensed consolidated statement of financial position

| MSEK | 31 Mar 2024 | 31 Dec 2023 | 30 Sep 2023 | 30 Jun 2023 | 31 Mar 2023 | 31 Dec 2022 | 30 Sep 2022 | 30 Jun 2022 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | | | |
| Properties incl equipment and interiors | 67,651 | 66,079 | 68,210 | 68,927 | 66,550 | 65,552 | 64,712 | 62,832 |
| Right-of-use assets | 2,971 | 2,848 | 2,975 | 3,345 | 3,250 | 3,218 | 3,383 | 3,222 |
| Other non-current receivables | 1,723 | 1,612 | 2,600 | 2,708 | 2,274 | 2,462 | 2,544 | 1,711 |
| Deferred tax assets | 394 | 340 | 335 | 269 | 268 | 305 | 239 | 262 |
| Current assets | 2,350 | 1,560 | 1,454 | 1,333 | 1,287 | 2,050 | 1,964 | 1,434 |
| Cash and cash equivalents | 703 | 769 | 749 | 1,008 | 2,004 | 1,630 | 2,463 | 1,873 |
| Total assets | 75,792 | 73,208 | 76,323 | 77,590 | 75,633 | 75,217 | 75,305 | 71,334 |
| EQUITY AND LIABILITIES | | | | | | | | |
| Equity | 31,048 | 29,725 | 31,751 | 31,874 | 30,900 | 30,933 | 30,540 | 28,512 |
| Deferred tax liability | 5,487 | 5,270 | 5,470 | 5,476 | 5,359 | 5,538 | 5,287 | 4,918 |
| Interest-bearing liabilities | 33,761 | 32,770 | 33,891 | 34,526 | 34,054 | 33,871 | 34,478 | 33,242 |
| Leasing liabilities | 2,980 | 2,856 | 2,983 | 3,352 | 3,256 | 3,223 | 3,387 | 3,226 |
| Non interest-bearing liabilities | 2,516 | 2,587 | 2,228 | 2,362 | 2,064 | 1,652 | 1,613 | 1,436 |
| Total equity and liabilities | 75,792 | 73,208 | 76,323 | 77,590 | 75,633 | 75,217 | 75,305 | 71,334 |
| Key ratios | | | | | | | | |
| Market value properties | 71,317 | 69,039 | 71,178 | 72,164 | 69,695 | 69,232 | 68,257 | 65,803 |
| - of which Investment properties | 59,044 | 57,226 | 58,936 | 59,992 | 57,719 | 57,563 | 55,582 | 54,266 |
| - of which Operating properties | 12,273 | 11,813 | 12,242 | 12,172 | 11,976 | 11,669 | 12,675 | 11,537 |
| Average yield, Leases, % | 6.10 | 6.09 | 5.92 | 5.88 | 5.62 | 5.58 | 5.45 | 5.41 |
| Average yield, Own Operations, % | 6.98 | 7.02 | 6.95 | 6.80 | 6.59 | 6.50 | 6.43 | 6.38 |
| Interest-bearing net debt | 33,256 | 32,190 | 33,333 | 33,718 | 32,188 | 32,224 | 32,119 | 31,472 |
| Average interest level end of period, % | 4.2 | 4.2 | 4.2 | 4.3 | 3.9 | 3.2 | 2.8 | 2.5 |
| Interest cover ratio, times | 2.0 | 2.6 | 2.8 | 2.9 | 2.3 | 3.1 | 4.8 | 4.7 |
| Interest cover ratio, R12m, times | 2.6 | 2.7 | 2.8 | 3.2 | 3.6 | 3.7 | 3.6 | 2.9 |
| Loan to value, net, % | 46.6 | 46.6 | 46.8 | 46.7 | 46.2 | 46.7 | 47.1 | 47.8 |
| Interest-bearing net debt/EBITDA, times | 8.8 | 8.7 | 9.3 | 9.6 | 9.2 | 9.8 | 10.7 | 12.5 |
| Average repayment period, years | 2.2 | 2.3 | 2.4 | 2.6 | 2.1 | 1.7 | 1.8 | 2.0 |
| Average fixed interest period, years | 3.3 | 3.9 | 4.1 | 4.3 | 2.7 | 2.7 | 2.8 | 3.0 |

Properties

| | 31 Mar 2024 | 31 Dec 2023 | 30 Sep 2023 | 30 Jun 2023 | 31 Mar 2023 | 31 Dec 2022 | 30 Sep 2022 | 30 Jun 2022 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Number of properties | 158 | 159 | 159 | 158 | 158 | 157 | 157 | 156 |
| - of which Leases | 138 | 139 | 139 | 139 | 138 | 137 | 135 | 136 |
| - of which Own Operations | 20 | 20 | 20 | 19 | 20 | 20 | 22 | 20 |
| Number of rooms | 35,613 | 35,851 | 35,851 | 35,648 | 35,586 | 35,490 | 35,490 | 35,243 |
| - of which Leases | 29,963 | 30,201 | 30,201 | 30,201 | 29,938 | 29,717 | 29,160 | 29,340 |
| - of which Own Operations | 5,650 | 5,650 | 5,650 | 5,447 | 5,648 | 5,773 | 6,330 | 5,903 |
| Market value properties, MSEK | 71,317 | 69,039 | 71,178 | 72,164 | 69,695 | 69,232 | 68,257 | 65,803 |
| - of which Investment properties | 59,044 | 57,226 | 58,936 | 59,992 | 57,719 | 57,563 | 55,582 | 54,266 |
| - of which Operating properties | 12,273 | 11,813 | 12,242 | 12,172 | 11,976 | 11,669 | 12,675 | 11,537 |

Per share

| SEK | Jan-Mar 2024 | Oct-Dec 2023 | Jul-Sep 2023 | Apr-Jun 2023 | Jan-Mar 2023 | Oct-Dec 2022 | Jul-Sep 2022 | Apr-Jun 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Closing price of B shares, end of period | 179.7 | 150.4 | 116.3 | 125.6 | 129.4 | 116.4 | 118.4 | 114.7 |
| EPRA NRV | 208.55 | 201.12 | 207.53 | 209.86 | 204.93 | 205.03 | 202.96 | 190.37 |
| EPRA NTA | 208.55 | 201.12 | 207.53 | 209.86 | 204.93 | 205.03 | 202.96 | 190.37 |
| EPRA NDV | 184.55 | 177.01 | 187.67 | 189.78 | 184.06 | 184.67 | 184.22 | 170.11 |
| EPRA earnings (EPS) | 1.48 | 2.26 | 3.04 | 2.77 | 1.41 | 2.80 | 3.90 | 3.51 |
| Equity | 169 | 162 | 173 | 173 | 168 | 168 | 166 | 155 |
| Profit for the period | 2.47 | -6.12 | 2.50 | 1.57 | -1.10 | 0.55 | 9.18 | 7.46 |
| Net operating income | 4.27 | 5.38 | 6.21 | 5.58 | 3.88 | 4.80 | 5.76 | 5.43 |
| Cash earnings | 1.48 | 2.26 | 3.04 | 2.77 | 1.41 | 2.80 | 3.90 | 3.51 |
| Average number of shares, thousands | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 |
| Average number of shares after dilution, thousands | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 |
| Number of shares outstanding after dilution, end of period, thousands | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 | 183,850 |

Not 6. Tax

Current tax is calculated on the taxable profit for the period based on the tax rules applicable in the countries where the group operates. Since taxable profit excludes expenses that are not tax-deductible and income that is not taxable, this differs from the profit before tax in the income statement. Current tax also includes adjustments to current tax recognised in previous periods.

At the end of the period, deferred tax assets amounted to MSEK 394 (340). This consists mainly of the carrying amount of tax loss carryforwards which the Company expects to be able to utilise in future financial years.

Deferred tax liabilities amounted to MSEK 5,487 (5,270) and relate mainly to temporary differences between fair value and the taxable value of investment properties, as well as temporary differences between the carrying amount and the taxable value of operating properties, and temporary measurement differences for interest rate derivatives.

Not 7. Assets held for sale

| Group | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|---|----------------|----------------|----------------|
| Assets | | | |
| Assets in Hotel Pomander (Own Operations) | - | - | 71 |
| Operating property Double Tree by Hilton Montreal | 629 | - | - |
| Assets classified as held for sale | 629 | - | 71 |

Not 8. Risk and uncertainty factors

Pandox's general approach to business risk has not changed from the detailed account provided in the 2023 Annual Report. There is a risk that market interest rates, financing costs and higher yield requirements does not decrease in the pace that the market is expecting. There is uncertainty about how geopolitical unrest will affect the economic cycle and thus hotel demand from companies and households.

Definitions

Financial information

Average interest on debt, %

Average weighted interest rate, including interest rate derivatives, for interest-bearing liabilities at the end of period.

Cash earnings, MSEK

EBITDA plus financial income less financial expense less financial cost for right-of-use assets according to IFRS 16 less current tax reported in the income statement, adjusted for any unrealised translation effect on bank balances and non-controlling interest.

EBITDA, MSEK

Total gross profit less central administration (excluding depreciation).

EBITDA margin, MSEK

EBITDA in relation to total revenues.

EPRA Earnings, MSEK

Earnings Leases and Own operations before tax. Reversal of change in value of properties, change in value of derivatives and non-controlling interests. Company-specific reversal of depreciation of own operations, depreciation of central administration costs, unrealised translation effect of bank balances, less current tax.

EPRA NRV, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including reversal of derivatives, deferred tax asset derivatives, deferred tax liabilities related to properties, and revaluation of Operating Properties.

EPRA NTA, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including reversal of derivatives and deductions for intangible assets,

deferred tax asset derivatives, deferred tax liabilities related to properties, and revaluation of Operating Properties.

EPRA NDV, MSEK

Recognised equity, attributable to the Parent Company's shareholders, including revaluation of Operating Properties.

EPRA LTV, %

Loan-to-value ratio net adjusted for net operating assets and operating liabilities.

EPRA NYI (%)

Net operating income Leases, before property administration, rolling 12 months, divided by market value Investment properties.

Growth for comparable units in constant currency

Growth measure that excludes effects of acquisitions, divestments and reclassifications, as well as exchange rate changes.

Growth in EPRA NRV (net asset value growth), annual rate, %

Accumulated percentage change in EPRA NRV, with dividends added back and issue proceeds deducted, for the immediately preceding 12-month period.

Gross profit, Own Operations, MSEK

Revenue less directly related costs for Own Operations including depreciation of Own Operations.

Gross profit, Leases, MSEK

Revenue less directly related costs for Leases.

Interest-bearing net debt, MSEK

Current and non-current interest-bearing liabilities plus arrangement fee for loans less cash and cash

equivalents and short-term investments that are equivalent to cash and cash equivalents. Long-term and short-term lease liabilities according to IFRS 16 are not included.

Interest-bearing net debt/EBITDA

Interest-bearing net debt at the end of the period in relation to accumulated EBITDA R12.

Interest cover ratio, multiple

EBITDA less financial expense for right-of-use assets divided by net interest expense, which consists of interest expense less interest income.

Investments, MSEK

Investments in non-current assets excluding acquisitions.

Loan-to-value ratio net, %

Interest-bearing liabilities, including arrangement fee for loans, less cash and cash equivalents as a percentage of the properties' market value at the end of the period.

Net operating income, Own Operations, MSEK

Gross profit for Own Operations plus depreciation included in costs for Own Operations.

Net operating income, Leases, MSEK

Net operating income corresponds to gross profit for Leases.

Net operating margin, Own Operations, %

Net operating income for Own Operations as a percentage of total revenue from Own Operations.

Net operating margin, Leases, %

Net operating income for Leases as a percentage of total revenue from Leases.

Result before changes in value, MSEK

Profit before tax plus change in value of properties plus change in value of derivatives.

Rounding off

Since amounts have been rounded off in MSEK, the tables do not always add up.

Per share

Cash earnings per share, SEK

Cash earnings divided by the weighted average number of shares outstanding after dilution during the period.

Comprehensive income per share SEK

Comprehensive income attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding after dilution during the period.

Dividend per share, SEK

Proposed/approved dividend for the year divided by the weighted average number of outstanding shares after dilution at the end of the period.

Earnings per share, SEK

Profit for the period attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding.

EPRA Earnings (EPS) per share, SEK

EPRA Earnings divided by the weighted average number of shares outstanding during the period.

EPRA NRV, NTA, NDV per share, SEK

EPRA NRV, NTA, and NDV divided by the total number of shares outstanding after dilution at the end of the period.

Weighted average number of shares after dilution, thousands

The weighted average number of outstanding shares taking into account changes in the number of shares outstanding after dilution during the period.

Weighted average number of shares before dilution, thousands

The weighted average number of outstanding shares taking into account changes in the number of shares outstanding, before dilution, during the period.

Property information

Market value properties, MSEK

Market value of Investment Properties plus market value of Operating Properties.

Number of hotels and rooms

Number of owned hotel properties and rooms at the end of the period.

RevPAR for Leases and Own Operations (comparable units at constant exchange rates), SEK

Revenue per available room, i.e. total revenue from sold rooms divided by the number of available rooms. Comparable units are defined as hotel properties that have been owned and operated during the entire current period and the comparative period. Constant exchange rate is defined as the exchange rate for the current period, and the comparative period is recalculated based on that rate.

WAULT (Leases)

Weighted average unexpired lease term for Investment Properties.

A property company focused solely on hotels

Pandox is a hotel property company that owns, develops and leases out hotel properties to skilled hotel operators. We are an active and engaged owner that since inception in 1995 has created one of the largest hotel property portfolios in Europe.



Property management

Property management is at the heart of our business. Our business model is built on revenue-based, long-term leases with guaranteed minimum levels and joint incentives. We also operate hotels ourselves as an important part of our active ownership strategy



Property development

Our portfolio offers good opportunities for making value-adding investments together with our tenants. We also make transformative investments in the hotels we operate with the objective of signing new leases.



Portfolio optimisation

The portfolio is evaluated on an ongoing basis to ensure that each hotel property has attractive return potential. Acquisitions form the foundation for growth, and divestment is important to free up capital for investments with higher return potential



Sustainability

We want to contribute to sustainable development by creating resource efficient properties, operating our own hotels sustainably and providing safe and secure environments for our employees and guests



Financial policy

Loan to value

Pandox's loan-to-value ratio shall be in the interval 45–60 percent, depending on the market environment and the opportunities that exist. The Company defines loan-to value ratio as interest-bearing liabilities less cash and cash equivalents as a percentage of the market value of the properties at the end of the period.

Dividend policy

Pandox's target is a dividend pay-out ratio of 30–50 percent of cash earnings, with an average pay-out ratio over time of around 40 percent. Future dividends and the size of any such dividends depend on Pandox's future performance, financial position, cash flows and working capital requirements.

Seasonal variations

The hotel industry is seasonal in nature. The periods during which the Company's properties experience higher revenues vary from property to property, depending principally upon the composition of demand and the hotel property's location. The second quarter is normally the strongest supported by high demand and willingness to pay from all sub-segments in the hotel market. Since most of the customers that stay at Pandox owned or operated hotels are business travellers, hotel demand is normally the weakest in the first quarter.

The share and owners

Listed on Nasdaq Stockholm

Pandox's B shares have been listed on Nasdaq Stockholm's list for large companies since 2015. The B shares are also traded on several alternative marketplaces.

As of 31 March 2024, the last price paid for the B shares was SEK 179.70 and the visible market capitalisation was MSEK 19,528. Including the unlisted A shares at the same price as the B shares, the market capitalisation was MSEK 32,983. During the period, the Pandox share traded at a high of SEK 180.00 and a low of SEK 136.90. During the period January-March 2024, the value of the Pandox share increased by 20 percent, compared to the OMX Stockholm Benchmark PI index of 6 percent and the OMX Stockholm Real Estate PI index of 5 percent.

As of 31 March 2024, Pandox has 7,600 registered shareholders and the number of shares in Pandox amounts to 183,849,999.

Dividend policy

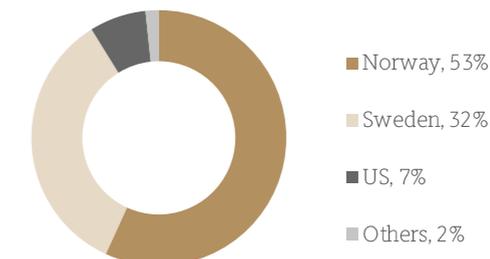
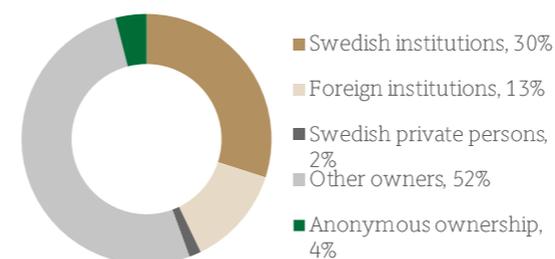
Pandox's policy is a dividend payout ratio of 30-50 percent of cash earnings per share with an average dividend payout ratio over time of approximately 40 percent. For 2023, the annual general meeting in 2024 approved a dividend of SEK 4.00 (2.50) per share, totalling approximately MSEK 735 (460), corresponding to a dividend payout ratio of approximately 42 (22) percent. The dividend yield, measured on the share price as of 31 March 2024, was approximately 2.2 percent.

Number of shares

At the end of the period, the total number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares. For the first quarter of 2024, the weighted number of shares before and after dilution amounted to 75,000,000 A shares and 108,849,999 B shares.

Top 10 owners per 31 March 2024

| Owners | Number of A shares | Number of B shares | Share of share capital, % | Share of votes, % |
|------------------------------------|--------------------|--------------------|---------------------------|-------------------|
| Eiendomsspar | 37,314,375 | 10,144,375 | 25.8 | 36.6 |
| Helene Sundt AB | 18,657,188 | 3,912,187 | 12.3 | 17.9 |
| Christian Sundt AB | 18,657,187 | 3,312,188 | 12.0 | 17.8 |
| AMF Pension & Fonder | | 27,551,259 | 15.0 | 8.3 |
| Alecta Tjänstepension | | 7,287,577 | 4.0 | 2.2 |
| Länsförsäkringar Fonder | | 7,287,577 | 2.9 | 1.6 |
| Vanguard | | 5,319,233 | 2.0 | 1.1 |
| BlackRock | | 3,705,902 | 1.6 | 0.9 |
| Fjärde AP-fonden | | 3,021,193 | 1.6 | 0.9 |
| Carnegie Fonder | | 2,883,424 | 1.2 | 0.7 |
| Sum 10 largest shareholders | 74,628,750 | 74,424,915 | 78.3 | 87.9 |
| Other shareholders | 371,250 | 34,425,084 | 21.7 | 11.7 |
| Total | 75,000,000 | 108,849,999 | 100 | 100 |





Stockholm, 25 April 2024

Liia Nõu, CEO

This report has not been examined by the Company's auditor.

This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted, through the agency of the contact persons set out above, for publication on 25 April 2024 at 07:00 CEST.

A webcast and telephone conference will be held on 25 April 2024 at 08:30 CEST. More information is available on pandox.se.

Contact persons

Liia Nõu, CEO
+46 (8) 506 205 50

Anneli Lindblom, CFO
+46 (0) 765 93 84 00

Anders Berg, Head of Communications and IR
+46 (0) 760 95 19 40

Financial calendar

| | |
|-----------------|-------------------------|
| 12 July 2024 | Interim report, Q2 2024 |
| 24 October 2024 | Interim report, Q3 2024 |
| 6 February 2025 | Year-end report 2024 |

This interim report is a translation from the Swedish original report. In the event of discrepancies between the language versions the Swedish wording will prevail.