
Interim report

January-June 2016



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Strong progress for Property Management

Quarter April-June 2016

- Revenue from Property Management amounted to MSEK 464 (388). Adjusted for currency effects and comparable units, the increase was 10 percent.
- Net operating income from Property Management amounted to MSEK 398 (312). Adjusted for currency effects and comparable units, the increase was 13 percent.
- Net operating income from Operator Activities amounted to MSEK 125 (146). Adjusted for currency effects and comparable units, the decrease was 15 percent.
- The negative effect on net operating profit from Operator Activities attributable to the terrorist attacks in Brussels is estimated at around MSEK 28.
- EBITDA amounted to MSEK 491 (439).
- Profit for the period amounted to MSEK 474 (651).
- Cash earnings amounted to MSEK 354 (319).

Interim period January-June 2016

- Revenue from Property Management amounted to MSEK 850 (720). Adjusted for currency effects and comparable units, the increase was 6 percent.
- Net operating income from Property Management amounted to MSEK 718 (572). Adjusted for currency effects and comparable units, the increase was 7 percent.
- Net operating income from Operator Activities amounted to MSEK 179 (197). Adjusted for currency effects and comparable units, the decrease was 11 percent.
- The negative effect on net operating profit from Operator Activities relating to the terrorist attacks in Brussels is estimated at around MSEK 35. Our earlier communicated estimate of a negative impact of around MSEK 40 for the full year 2016 still stands.
- EBITDA amounted to MSEK 841 (729).
- Profit for the period amounted to MSEK 850 (1,025).
- Cash earnings amounted to MSEK 589 (490).

Significant events after the end of the period

- There were no significant events after the end of the period.

Key figures (MSEK)*	Q2 2016	Q2 2015	Chg in %	6m 2016	6m 2015	Chg in %	FY 2015
Revenue Property management (Note 1,2)	464	388	20	850	720	18	1,543
Net operating income Property Management (Note 1,2)	398	312	28	718	572	26	1,280
Net operating income Operator Activities (Note 2)	125	146	-14	179	197	-9	416
EBITDA (Note 1)	491	439	12	841	729	15	1,603
Profit for the period (Note 1,3)	474	651	-27	850	1,025	-17	2,131
Earnings per share, SEK (Note 1,3,4,5)	3.14	4.34	-28	5.63	6.83	-18	14.21
Cash earnings, MSEK (Note 1,3)	354	319	11	589	490	20	1,130
Cash earnings per share, SEK (Note 1,3,4,5)	2.34	2.13	10	3.89	3.27	19	7.53
Key data							
Net interest bearing debt, MSEK	—	—	—	15,023	12,559	20	15,376
Equity asset ratio, %	—	—	—	39.4	40.0	n.m.	38.6
Loan to value, %	—	—	—	47.9	46.9	n.m.	49.5
Interest cover ratio, times	4.3	3.8	n.m.	3.7	3.2	n.m.	3.6
Property market value, MSEK	—	—	—	32,124	27,327	18	31,437
EPRA NAV per share, SEK (Note 4)	—	—	—	114.03	99.23	15	107.71
WAULT (Investment Properties), years	—	—	—	13.3	8.9	n.m.	11.2
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	683	780	-12	615	661	-7	669

(Note 1) FY 2015 includes one-time revenue of MSEK 60 in Q3. (Note 2) Reclassification of Mr Chip Hotel Kista in June 2015, Lillehammer Hotel in June 2015, BEST WESTERN PLUS Hotel Prince Philip in October 2015, Thon Hotel Fagernes in January 2016 and Thon Hotel Sørlandet in May 2016 to Operator Activities. (Note 3) FY 2015 includes extra tax cost of MSEK -29 in Q4 and compensation for tax cost of MSEK 19 in Q3. (Note 4) The total number of shares outstanding before and after dilution is 150,000,000. (Note 5) After non-controlling interest.

*For a complete set of definitions please see page 27.

CEO comment

Strong progress for Property Management

Pandox is reporting robust growth and a strong earnings trend for the second quarter. Rental income and net operating income from Property Management increased by 10 percent and 13 percent respectively when adjusted for currency effects and comparable units. The improvement was driven by a hotel market that remained in good shape with strong development in Sweden, Finland, Denmark and Germany where demand was high in both larger cities and regional hubs. The 18 hotel properties acquired in Germany showed good growth and profitability and performed slightly better than the market as a whole. The Operator Activities business segment was negatively impacted by the terrorist attacks in Brussels at the end of March. The negative effect on net operating profit in the second quarter amounted to around MSEK 28, and MSEK 35 for the first half of the year, which is in line with our earlier communication.

Good hotel market

Although there were relatively large regional differences, the hotel market in Europe remained stable with a RevPAR increase of 3 percent in the second quarter. Growth in the Nordic region was strong in general with double-digit growth numbers in Stockholm (+20 percent), Copenhagen (+15 percent) and Helsinki (+12 percent), supported by a positive calendar effect from Easter which fell in March this year compared with April last year. Stockholm benefitted from a strong economy and a large number of events, including the Eurovision Song Contest. Copenhagen's growth was mainly driven by higher average prices, while Helsinki saw an increase in demand from Asia which resulted in a clear increase in occupancy. Development was weaker in Oslo with zero growth for the quarter, which is explained by the hotel strike in May/June, no major events taking place and generally weaker economic growth. RevPAR in Brussels decreased by 29 percent in the second quarter, in the wake of the terrorist attacks at the end of March. The hotel market in Brussels improved towards the end of the second quarter and our assessment is that the profitability low point has now been passed. Our estimate of a negative effect on net operating income of around MSEK 40 for the full year 2016 still stands.

Lease extensions confirm the business model

At the end of June Pandox entered into an agreement with Scandic Hotels on lease extensions for 19 hotel properties in the Nordics, including a joint investment programme of a total of MSEK 470 of which Pandox's share is around half. The programme involves renovation of around 1,600 hotel rooms and bathrooms, upgrading of food & beverage offerings, conference rooms and public spaces, and creation of 73 new hotel rooms. The investment programme, which will be implemented in 2017–2020, follows the collaboration model that Pandox and Scandic have used in the earlier Shark project, in which we jointly renovated, upgraded and developed 40 hotels in the Nordics. This latest lease extension agreement is an important milestone and confirms Pandox's strategy and business model with long-term revenue-based leases with strong operators where investments are split between the parties over time. Altogether the agreement improves the revenue potential for both Pandox and Scandic through more competitive hotel products.

One year on the stock exchange, full speed ahead

We are now celebrating just over one year on the stock exchange and since our listing we have worked on re-establishing ourselves as a listed company and on delivering on the intentions we laid out in our prospectus: (1) We have refined our business model to include two distinct segments, strengthened our organisation and launched a comprehensive sustainability programme. (2) We have raised the quality of our hotel property portfolio and created a better geographical revenue balance by acquiring larger hotels in strategic markets and by divesting smaller hotels in smaller markets. (3) We have reported a stable increase in cash earnings. As we now launch into the autumn we would again like to stress that entering long-term, revenue-based leases with strong hotel operators is Pandox's core business and that we are working systematically to develop this business stream. One of the ways we are doing this is by further developing relationships with existing partners, another way is by finding new partners. This involves evaluating opportunities for acquisitions and leases and thereby further improving the potential for good long-term growth in cash earnings.

10%

**Growth in
rental income**
Property Management

13%

Growth in NOI
Property Management

*Growth adjusted for currency effects
and comparable units.*

"The improvement was driven by a hotel market that remained in good shape with strong development in Sweden, Finland, Denmark and Germany where demand was high in both larger cities and regional hubs."



Anders Nissen, CEO

A property company specialised in hotels

An active hotel property owner

Pandox is one of Europe's leading hotel property companies, with a geographical focus on Northern Europe. Pandox's strategy is to own sizeable full-service hotels in the upper-mid to high-end segment with strategic locations in key leisure and corporate destinations. Pandox is an active owner with a business model based on long term lease agreements with the best operators in the market. But if these conditions are missing, Pandox has long experience of running hotel operations on its own, which creates business opportunities across the hotel value chain.

Long leases with well-known tenants

At the end of the second quarter 2016, Pandox's hotel property portfolio, after combination of Excelsior and Mayfair in Copenhagen, comprised 112 hotels with a total of 24,222 hotel rooms in eight countries, with a market value of MSEK 32,124. 92 of the hotels were leased on a long-term basis to well-known tenants with established brands providing income stability, lower capital expenditure and risk for Pandox. For Investment Properties the weighted average unexpired lease term (WAULT) of 13.3 years. The remaining 20 hotels were owned and operated by Pandox.

In addition, Pandox has asset management agreements for nine hotels and operates one additional hotel under a long-term lease agreement.

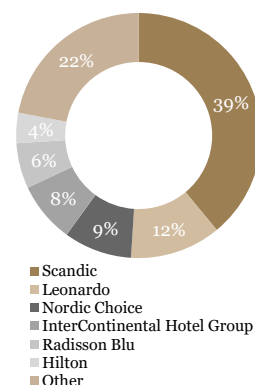
Pandox's value drivers

- High quality portfolio of premier hotel properties in strategic cities.
- Geographical diversification which provides opportunity for diversification over the business cycle.
- Income stability from renowned tenant base with long leases.
- Focus on solid economies and ability to capture market growth.
- Organic growth from refurbishment and repositioning of hotels.
- Attractive yield and resilient cash flow generation.
- Active ownership, which creates value and optionality.

Pandox's financial targets

- Dividend policy – Pandox will target a dividend pay-out ratio of between 40 and 60 percent of cash earnings¹, with an average pay-out ratio over time of approximately 50 percent. Future dividends and the size of any such dividends are dependent on Pandox's future performance, financial position, cash flows, working capital requirements, investment plans and other factors. *For 2015 the dividend was SEK 3.80 per share representing slightly more than 50 percent of cash earnings.*
- Capital structure – Pandox will target a debt ratio (loan-to-value²) between 45 and 60 percent, depending on the market environment and prevailing opportunities. *By the end of the second quarter the loan-to-value ratio was 47.9 percent.*

Rooms per brand
30 June, 2016



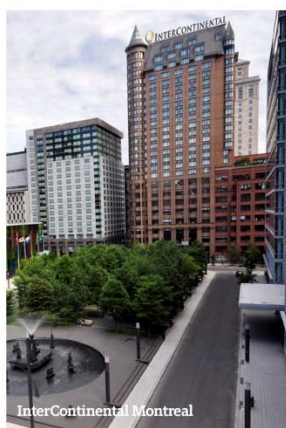
¹ Defined as EBITDA plus financial income less financial cost less current tax.

² Defined as interest bearing liabilities as a percentage of the properties' market value at the end of the period.

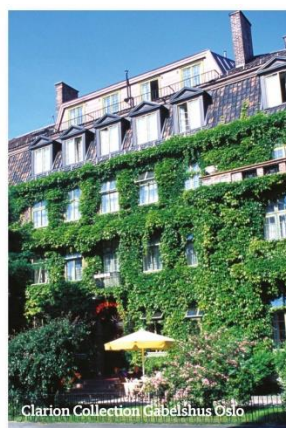
Value-adding business model



We own and lease
hotel properties



We own and
operate hotels



We manage hotel proper-
ties owned by others



Hotel market development April–June 2016

Strong growth in general

The hotel markets in both North America and Europe developed well in general in the second quarter. Exceptions are France and Belgium where the hotel markets are still suffering from low demand as a result of the security situation in each of these countries. The effects of the events during the summer in the form of Brexit, new terrorist attacks in France and Germany, and an attempted coup in Turkey are yet to affect the numbers, but Pandox's assessment is that the hotel markets in countries that are considered safer will benefit at the expense of countries with a less favourable security profile.

Good growth in important hotel markets

RevPAR development quarterly change (in local currency)

	FY 2013	FY 2014	FY 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
USA	5%	8%	6%	7%	6%	5%	3%	3%
New York ¹	4%	3%	-2%	-2%	1%	-2%	-1%	-3%
Montreal	6%	10%	7%	9%	5%	6%	5%	1%
Europe	2%	6%	7%	6%	10%	6%	3%	3%
London ¹	1%	3%	2%	-2%	5%	1%	-4%	-3%
Brussels	2%	3%	2%	8%	13%	-10%	-8%	-29%
Berlin	0%	5%	8%	15%	7%	7%	6%	0%
Frankfurt	5%	-2%	9%	18%	16%	1%	4%	3%
Stockholm	0%	2%	9%	-3%	23%	11%	4%	20%
Oslo	4%	1%	8%	14%	10%	7%	2%	0%
Helsinki	-5%	2%	2%	-3%	6%	6%	6%	12%
Copenhagen	6%	4%	11%	10%	12%	14%	3%	15%

Source: STR (USA, Canada, Europe, Finland), Benchmarking Alliance (Sweden, Norway, Denmark).

¹ Pandox does not have any direct business exposure to these markets but they are important for the overall assessment of the global hotel market.

Continued growth in North America

In the US and Canada RevPAR (revenue per available room) increased in the quarter by 3 percent each. In both of these markets growth was driven by average prices, while occupancy remained unchanged. Overall the US market continued to grow from an already high level, albeit at a slower pace as a result of increased supply and lower demand. New York was affected by a strong dollar and considerable new capacity holding back RevPAR growth. The market in Montreal showed growth despite fewer events compared to the same period the previous year.

Stable growth in important hotel markets

The hotel markets in Europe as a whole developed in a positive direction in the quarter and RevPAR increased by 3 percent. Growth was, however, negatively affected by events in France and Belgium where the security situation mainly impacted occupancy (demand) negatively. Despite the fact that France hosted UEFA EURO 2016 during most of June, RevPAR fell during the quarter. In Paris and Brussels RevPAR fell by 16 percent and 20 percent respectively in the first half of the year. RevPAR in Germany as a whole increased by 9 percent in the quarter (positive effect of Easter) and 6 percent for the first half. RevPAR increased in Frankfurt by 3 percent in the second quarter, while it remained unchanged in Berlin compared to the same period the previous year, a year when the city benefitted from a strong event calendar. In London, RevPAR fell by 3 percent, primarily due to significant new supply. Brexit has not yet had any noticeable effects on the hotel industry.

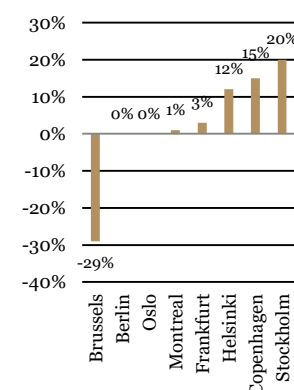
Strong quarter in the Nordics

All Nordic capitals, with the exception of Oslo, reported a strong quarter with double-digit growth figures, supported by a positive calendar effect from Easter which fell in March this year compared with April last year. Oslo reported zero growth in the hotel market due to the strike affecting the hotel industry in April/May, and the fact that the Nor-Shipping exhibition was not arranged in June this year. In Stockholm RevPAR increased by 20 percent in a climate of high economic activity and a strong event calendar including the Nordbygg exhibition in April and the Eurovision Song Contest in May. Growth in Copenhagen amounted to 15 percent, mainly driven by improved average prices. The positive trend continued in Helsinki, with a strong second quarter and an increase in RevPAR of 12 percent. Demand from the Asian markets resulting in increased occupancy is the main factor behind the higher RevPAR. Altogether occupancy in Helsinki increased by around 4 percentage points for the first half of the year.

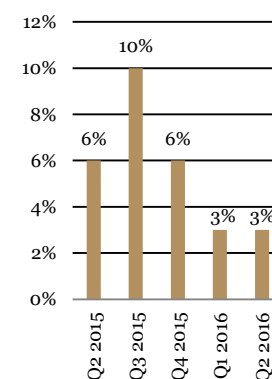
3%

RevPAR growth in Europe Q2

Robust growth in the Nordics
RevPAR growth Q2 2016



Good growth in Europe
RevPAR growth by quarter



Financial development April–June 2016

Comparable figures in brackets refer to the corresponding period the previous year for profit/loss items and year-end 2015 for balance sheet items, unless otherwise stated.

Net sales

Revenue from Property Management amounted to MSEK 464 (388), an increase of 20 percent, driven by both acquired and organic growth in the lease portfolio. Adjusted for currency effects and comparable units, revenue increased by 10 percent, supported by a strong market.

Revenue from Operator Activities amounted to MSEK 536 (609), a decrease of 12 percent, mainly due to the terrorist attacks in Brussels. Adjusted for currency effects and comparable units, revenue decreased by 10 percent and RevPAR by 12 percent.

The Group's net sales amounted to MSEK 1,000 (997). Adjusted for currency effects and comparable units, net sales decreased by 2 percent.

Net operating income

Net operating income from Property Management amounted to MSEK 398 (312), an increase of 28 percent. Adjusted for currency effects and comparable units, net operating income increased by 13 percent, which is explained by strong development in Sweden, Finland, Denmark and Germany where demand was high in both larger cities and regional hubs, and by lower costs and a positive calendar effect. The 18 hotel properties in Germany, consolidated as of 1 January 2016, showed good growth and profitability.

Net operating income from Operator Activities amounted to MSEK 125 (146), a decrease of 14 percent. Adjusted for currency effects and comparable units, net operating income decreased by 15 percent. The terrorist attacks in Brussels at the end of March had a negative impact on net operating income equivalent to around MSEK 28 for the quarter.

The total net operating income amounted to MSEK 523 (458), an increase of 14 percent.

Administration costs

Central administration costs amounted to MSEK -32 (-19). The increase is mainly explained by provisions for incentive schemes for senior executives, and costs associated with being a listed company, including costs for IR, sustainability and finance functions. There were also some non-recurring costs for external consulting services during the quarter.

EBITDA

EBITDA amounted to MSEK 491 (439), an increase of 12 percent, supported by higher net operating income from Property Management, which more than compensated for a weaker outcome for Operator Activities resulting from the decline in Brussels.

Financial income and expenses

Financial expenses amounted to MSEK -113 (-115) and financial income to MSEK 1 (0).

Profit before changes in value

Profit before changes in value amounted to MSEK 342 (293), an increase of 17 percent.

Changes in value

Unrealised changes in the value for Investment Properties amounted to MSEK 319 (307). This is explained by yield compression and thereby lower discount rates in the valuation of Investment Properties, and improved underlying cash flows in Pandox's property portfolio.

Changes in value of derivatives amounted to MSEK -55 (216).

Current and deferred tax

Current tax amounted to MSEK -25 (-5). The increase is explained by higher profits in Germany after the acquisition of 18 hotel properties and allocation effects between the first and second quarter. Deferred tax expense amounted to MSEK -107 (-168).

Profit for the period

Profit for the period amounted to MSEK 474 (651) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 471 (651), which represents SEK 3.14 (4.34) per share after full dilution.

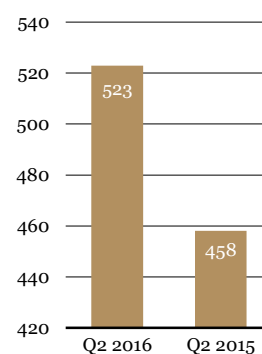
Cash earnings

Cash earnings amounted to MSEK 354 (319), an increase of 11 percent.

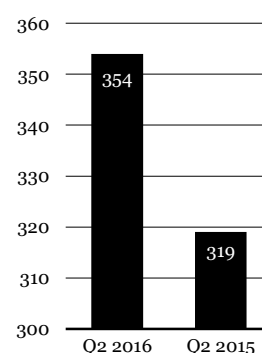
28%

**NOI increase
Property
Management Q2**

Total net operating
income, MSEK
(April-June, 2016)¹



Cash earnings, MSEK
(April-June, 2016)¹



¹18 hotel properties in Germany are included from 1 January 2016.

Financial development January–June 2016

Comparable figures in brackets refer to the corresponding period the previous year for profit/loss items and year-end 2015 for balance sheet items, unless otherwise stated.

Net sales

Revenue from Property Management amounted to MSEK 850 (720), an increase of 18 percent. Adjusted for currency effects and comparable units, revenue increased by 6 percent.

Revenue from Operator Activities amounted to MSEK 978 (976). Adjusted for currency effects and comparable units, revenue decreased by 4 percent and RevPAR by 7 percent.

The Group's net sales amounted to MSEK 1,828 (1,696), an increase of 8 percent. Adjusted for currency effects and comparable units, net sales were unchanged.

Net operating income

Net operating income from Property Management amounted to MSEK 718 (572), an increase of 26 percent. Adjusted for currency effects and comparable units, net operating income increased by 7 percent. The increase is explained by strong development in most of Pandox's lease portfolio with good demand in both larger cities and regional hubs, as well as lower costs.

Net operating income from Operator Activities amounted to MSEK 179 (197), a decrease of 9 percent. Adjusted for currency effects and comparable units, net operating income decreased by 11 percent. The terrorist attack in Brussels at the end of March had a negative impact on net operating income equivalent to around MSEK 35 for the first half of the year.

The total net operating income amounted to MSEK 897 (769), an increase of 17 percent.

Administration costs

Central administration costs amounted to MSEK -56 (-40). The increase is mainly explained by higher employee costs relating to the new functions required for listed companies, including IR and sustainability, as well as provisions created for incentive schemes for senior executives. The second quarter was also affected by some non-recurring costs for external consulting services.

EBITDA

EBITDA amounted to MSEK 841 (729), an increase of 15 percent, as a result of higher net operating income from Property Management, which more than compensated for a weaker outcome for Operator Activities resulting from the decline in Brussels in the second quarter.

Financial income and expenses

Financial expenses amounted to MSEK -227 (-230). Financial income amounted to MSEK 1 (1).

Profit before changes in value

Profit before changes in value amounted to MSEK 542 (437), an increase of 24 percent.

Changes in value

Unrealised changes in value for Investment Properties amounted to MSEK 519 (670). This is explained by lower yield compression and thereby lower discount rates in the valuation of Investment Properties, and by improved underlying cash flows in Pandox's property portfolio. Realised changes in value for Investment Properties amounted to MSEK 159 (8), explained by the divestment of eight hotel properties in Sweden completed on 31 March 2016.

Changes in value of derivatives amounted to MSEK -179 (183).

Current and deferred tax

Current tax amounted to MSEK -26 (-10). The increase is explained by higher profits in Germany after the acquisition of 18 hotel properties. The deferred tax expense amounted to MSEK -165 (-263).

Profit for the period

Profit for the period amounted to MSEK 850 (1,025) and profit for the period attributable to the Parent Company's shareholders amounted to MSEK 845 (1,025), which represents SEK 5.63 (6.83) per share after full dilution.

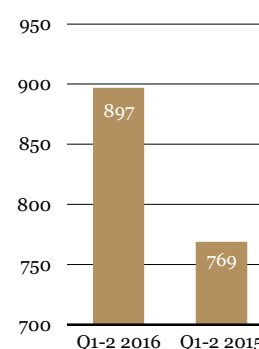
Cash earnings

Cash earnings amounted to MSEK 589 (490), an increase of 20 percent.

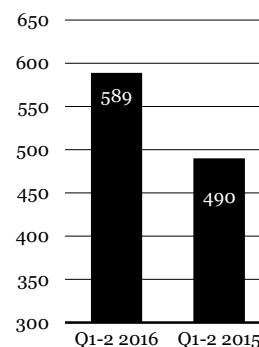
26%

**NOI increase
Property
Management Q1-2**

Total net operating income, MSEK (January-June, 2016)¹



Cash earnings, MSEK (January-June, 2016)¹



¹18 hotel properties in Germany are included from 1 January 2016.

Segment reporting

The analysis below refers to the period April-June 2016 compared with the period April-June 2015.

Summary of segments

MSEK	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Total gross profit	486	427	824	706	1,559
– whereof gross profit Property Management	398	312	718	572	1,280
– whereof gross profit Operator Activities	88	115	106	134	279
Net operating income Property Management					
– Net operating income equals gross profit	398	312	718	572	1,280
Net operating income Operator Activities					
– Gross profit	88	115	106	134	279
– Add: Depreciation included in costs, Operator Activities ¹	37	31	73	63	137
– Net operating income Operator Activities	125	146	179	197	416
Total net operating income	523	458	897	769	1,696
Central administration, excluding depreciation ¹	-32	-19	-56	-40	-93
EBITDA	491	439	841	729	1,603

¹ Total depreciation for Operator Activities and central administration amounts to: MSEK 37 (Q2 2016), MSEK 31 (Q2 2015), MSEK 138 (FY 2015).

Property Management

Investment Properties: MSEK 25,159 representing 78 percent of total property market value

Net operating income Property Management

MSEK	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Rental income	451	372	825	691	1,431
Other property income	13	16	25	29	112
Costs, excluding property administration	-46	-60	-94	-116	-197
Net operating income, before property administration	418	328	756	604	1,346
Property administration	-20	-16	-38	-32	-66
Gross profit	398	312	718	572	1,280
Net operating income, after property administration	398	312	718	572	1,280

Rental income and other property income amounted to MSEK 464 (388) and net operating income to MSEK 398 (312). Net operating income before property administration amounted to MSEK 418 (328).

The lease portfolio developed well in the quarter supported by good growth in hotel markets. Development in Sweden, Finland, Denmark and Germany was strong, with high demand in both larger cities and regional hubs. The 18 hotel properties in Germany, consolidated as of the beginning of the year, increased RevPAR by around 6.2 percent during the first six months of the year, compared to around 5.9 percent for Germany as a whole.

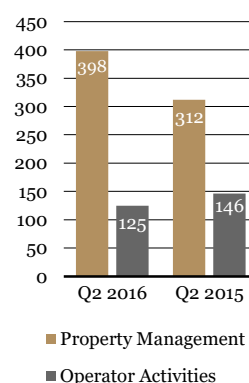
Adjusted for currency effects and comparable units, the total rental income increased by 10 percent.

Adjusted for currency effects and for comparable units, net operating income increased by 13 percent as a result of higher rental income and lower costs.

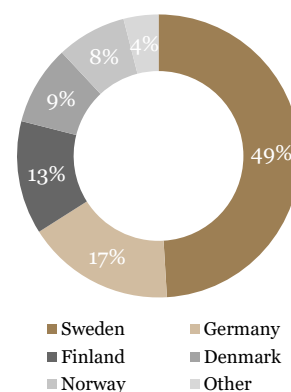
On 30 June 2016 the weighted average unexpired lease term (WAULT) for Investment Properties was of 13.3 years (31 December 2015: 11.2). The increase is explained by lease extensions agreed upon with Scandic Hotels at the end of June. Overall the lease maturity profile is well-diversified.

Revenue for the quarter from the eight external asset management agreements in Oslo amounted to MSEK 1 (1).

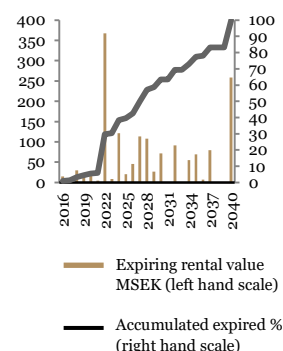
Net operating income by segment, MSEK (April-June 2016)



Income by country Property Management, % (January-June 2016)



Lease maturity profile (30 June 2016)



Operator Activities

Operating Properties: MSEK 6,965, representing 22 percent of total property market value

Net operating income Operator Activities

MSEK	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Revenues	536	609	978	976	2,046
Costs	-448	-494	-872	-842	-1,767
Gross profit	88	115	106	134	279
Add: Depreciation included in costs	37	31	73	63	137
Net operating income	125	146	179	197	416

Revenue from Operator Activities amounted to MSEK 536 (609) and net operating income to MSEK 125 (146), a decrease of 12 and 14 percent respectively. Thon Hotel Sørlandet (formerly Kristiansand) was included for about one month. The net operating margin was 23.3 (24.0) percent.

The terrorist attack in Brussels at the end of March had a negative impact on net operating income equivalent to around MSEK 28 for the quarter. The market in Brussels has seen a gradual recovery to more normal booking patterns and Pandox expects a continued recovery in revenue and profitability during the remaining months of the year, in line with previous communication.

Denmark, Canada and Germany developed well during the quarter, while Norway and Sweden saw weaker development due to the taking over of operations and some efficiency improvement costs.

Adjusted for currency effects and comparable units, RevPAR decreased by 12 percent. This is mainly explained by Brussels where demand was weak as a result of the terrorist attacks in March. The decrease in RevPAR for Pandox hotels in Brussels during the second quarter was in line with the Brussels market as a whole.

Revenue from Grand Hotel Oslo, which is a pure operator business without property ownership at a lower operating margin, amounted to MSEK 39 (69) and net operating income to MSEK -4 (0). The hotel has now reopened after renovation.

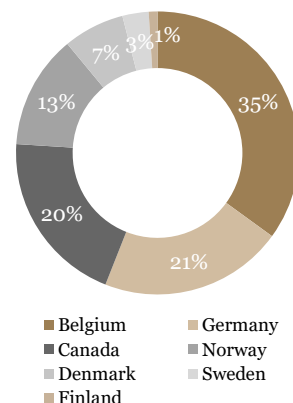
Adjusted for Grand Hotel Oslo, the net operating margin for Operator Activities was 26.0 (27.0) percent.

Asset management revenue from Pelican Bay Lucaya in the quarter amounted to MSEK 0.2 (0.2).



Hyatt Regency, Montreal

Revenue by country
Operator Activities, %
(January-June 2016)



Pandox's own brands
(30 June 2016)



The Hotel.
BRUSSELS



hotelbloom!
Brussels

HOTELLI Korpilampi



Property portfolio

Change in property values

At the end of the periods Pandox's property portfolio had a total market value of MSEK 32,124 (31,437), of which Investment Properties accounted for MSEK 25,159 (25,062) and Operating Properties for MSEK 6,965 (6,375). The market value of Operating Properties is reported for information purposes only.

The takeover of operations and reclassification of Thon Hotel Fagernes and Thon Hotel Sørlandet was implemented on 1 January 2016 and 28 May 2016 respectively. Operating Properties are recognised at cost less depreciation and any impairment. At the end of the period the carrying amount of the Operating Properties portfolio was MSEK 5,551 (5,128). The increase is mainly a result of the reclassification of Thon Hotel Fagernes, Thon Hotel Sørlandet and currency fluctuations.

Change in value Investment properties	MSEK
Investment properties, beginning of the period (January 1, 2016)	25,062
+ Acquisitions	—
+ Investments	76
- Divestments ¹	-887
+/- Reclassifications	-186
+/- Unrealised changes in value	519
+/- Realised changes in value ¹	159
+/- Change in currency exchange rates	416
Investment properties, end of period (June 30, 2016)	25,159

Change in value Operating properties (reported for information purposes only)	MSEK
Operating properties, market value beginning of the period (January 1, 2016)	6,375
+ Acquisitions	—
+ Investments	81
- Divestments	—
+/- Reclassifications	186
+/- Unrealised changes in value	76
+/- Realised changes in value	—
+/- Change in currency exchange rates	247
Operating properties, market value end of period (June 30, 2016)	6,965

¹ Refers to divestment of eight investment properties 31 March 2016.

Investments

During the period January-June 2016, investments in the existing portfolio during the interim period, excluding acquisitions, amounted to MSEK 157 (166), of which MSEK 76 (97) in Investment Properties and MSEK 81 (69) in Operating Properties.

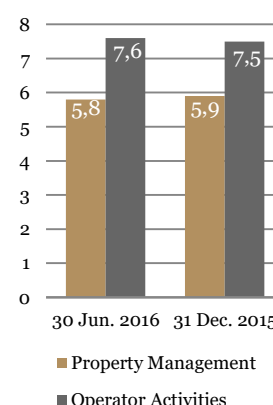
At the end of the period, investments for future projects equivalent to around MSEK 880 were approved. Major projects include Leonardo Wolfsburg City, Hotel Berlin, Berlin, Mr Chip Hotel Kista, Elite Park Avenue Gothenburg, Elite Stora Hotellet Jönköping, Quality Ekoxen Linköping, Lillehammer Hotel and InterContinental Montreal, as well as the new investment programme with Scandic Hotels for 19 hotels in the Nordic region.

Sensitivity analysis (MSEK)

Financial effects of changes in certain key valuation parameters as of June 30, 2016:

Investment properties, effect on fair value	Change	Effect on value
Yield	+/- 0.5pp	-2,013 / +2,396
Change in currency exchange rates	+/- 1%	+/- 124
Net operating income	+/- 1%	+/- 238
Investment properties, effect on revenues	Change	Effect on revenues
RevPAR (assuming 50/50 split between occupancy and rate)	+/- 1%	+/- 14
Operating properties, effect on revenues	Change	Effect on revenue
RevPAR (assuming 50/50 split between occupancy and rate)	+/- 1%	+/- 18
Financial sensitivity analysis, effect on earnings	Change	Profit before changes in value
Interest expenses with current fixed interest hedging of our portfolio, change in interest rates	+/- 1%	-/+ 66
Interest expenses with a change in the average interest rate level	+/- 1%	-/+ 154
Remeasurement of interest-rate derivatives following shift in yield-curves	+/- 1%	-/+ 365

Average valuation yield, %
(30 June 2016)



Property valuation

Pandox performs internal valuations of its hotel property portfolio. Investment properties are recognised at fair value in accordance with accounting standard IAS 40. Operating properties are recognised at cost less accumulated depreciation and any accumulated impairment losses. The market value of Operating properties is reported for information purposes only.

The valuation model consists of an accepted and proven cash flow model, where the future cash flows the hotel properties are expected to generate are discounted. The valuation is based on the business plan for the hotel concerned, which is updated at least twice a year and takes into consideration, among other things, developments in the underlying operator activities, market developments, the contract situation, operating and maintenance issues and investments aimed at maximizing the hotel property's cash flow and return in the long term.

All properties are valued by external professional property appraisers independent of Pandox, and their assumptions and values form an important element in the assessment of the internal valuations.

External valuations of all properties are carried out annually by independent property appraisers. The external appraisers complete a more in-depth inspection at least every three years or in conjunction with major changes to the properties. The external valuations provide an important reference point for Pandox's internal valuations.

In the second quarter Pandox had external valuations performed on a quarter of the properties in its portfolio. The external valuation results are in line with and confirm Pandox's internal valuations.

For an overview of the property portfolio by segment, geography and brand, please see page 24.

Financing

Comparable figures in brackets refer to the corresponding period the previous year for profit/loss items and year-end 2015 for balance sheet items, unless otherwise stated.

Financial position and net asset value

At the end of the period the loan-to-value ratio was 47.9 percent (49.5). Equity attributable to the Parent Company's shareholders amounted to MSEK 12,597 (12,092) and EPRA NAV (net asset value) was MSEK 17,104 (16,156). EPRA NAV per share was SEK 114.03 (107.71). Cash and cash equivalents plus unutilised long-term credit facilities, amounted to MSEK 2,581 (1,561).

Interest-bearing liabilities

At the end of the period the loan portfolio amounted to MSEK 15,388 (15,546). The average fixed rate period was 2.3 (2.6) years and the average interest rate, corresponding to the interest rate level at the end of the period, was 2.8 (2.8) percent including effects of interest-rate swaps. The average repayment period was 3.1 (3.4) years. The loans are secured by a combination of mortgage collateral and pledged shares.

Unutilised long-term credit facilities amounted to MSEK 2,216 (1,391).

In order to manage interest rate risk and increase the predictability of Pandox's revenue streams, interest rate derivatives, mainly interest rate swaps, are used. At the end of the period Pandox had interest rate swaps amounting to MSEK 8,619, of which approximately 50 percent of Pandox's loan portfolio was hedged against interest rate movements for periods longer than one year.

Interest maturity profile

(MSEK)	Interest maturity				Interest rate swaps		
	Loans	Interest swaps	Amount	Share	Volume	Share	Average interest swaps ¹
< 1 year	15,388	-7,703	7,685	50%	916	11%	3.4%
1-2 year	—	961	961	6%	961	11%	4.0%
2-3 year	—	728	728	5%	728	8%	3.0%
3-4 year	—	1,101	1,101	7%	1,101	13%	3.1%
4-5 year	—	793	793	5%	793	9%	2.1%
> 5 year	—	4,120	4,120	27%	4,120	48%	2.3%
Total/net/average	15,388	0	15,388	100%	8,619	100%	2.7%

¹ Excluding bank margins.

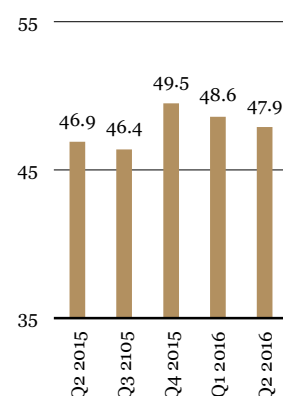
In order to reduce the currency exposure in foreign investment Pandox's main objective is to finance the applicable portion of the investment in local currency. Equity is normally not hedged as Pandox strategy is to have a long investment perspective. Currency effects are largely in form of translation effects.

Interest maturity profile by currency

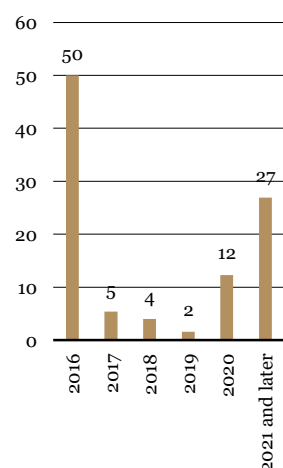
Year due (MSEK) ¹	SEK	DKK	EUR	CHF	CAD	NOK	Total	Share %	Interest % ²
2016	821	540	4,838	218	229	963	7,609	50	3.0
2017	200	—	254	—	204	176	834	5	3.6
2018	250	—	235	—	—	202	687	4	3.1
2019	125	—	118	—	—	—	243	2	2.5
2020	900	152	843	—	—	—	1,895	12	2.7
2021 and later	2,700	506	914	—	—	—	4,120	27	2.3
Total	4,996	1,198	7,202	218	433	1,341	15,388	100	2.8
Share, %	32.5	7.8	46.8	1.4	2.8	8.7	100	—	—
Average interest rate, %	3.4	2.2	2.4	0.8	3.6	3.6	2.8	—	—
Average interest rate period, years	4.2	3.2	1.5	0.1	0.6	0.5	2.3	—	—
Property market value	13,056	2,808	11,773	723	903	2,861	32,124	—	—

¹ Converted to MSEK. ² Average interest rate including bank margin.

Loan-to-value per quarter, %



Interest maturity per year, %



Pandox uses interest rate derivatives to achieve a desired interest maturity profile. 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.

On 30 June 2016 the market value of Pandox's financial derivatives amounted to MSEK -875 (-703). The change is mainly explained by a decrease in the market interest rate relative to the fixed interest rate in the interest swap contract.

Maturity structure interest-bearing debt

Year due (MSEK)	Loan maturity ²	Interest, loans ¹	Net interest, interest ¹ swaps, negative value	Total
2016	822	7	30	37
2017	254	3	28	31
2018	4,701	39	21	60
2019	6,001	75	7	82
2020	2,321	35	59	94
2021 and later	1,289	18	110	128
Total	15,388	177	255	432

¹ Calculation based on ending balance as of June 30, 2016 and actual interest rates as of the same date and implied yearly interest expense for the different maturity periods.

² Excluding current amortisation.

During the second quarter loans amounting to MSEK 140 were refinanced for four years with an extended loan amount of MSEK 230. For the remaining loans of MSEK 796 maturing in December 2016, a refinancing process has been initiated with current lenders and agreements are expected to be in place during the autumn.

Deferred tax

At the end of the period deferred tax assets amounted to MSEK 802 (800). These represent tax loss carryforwards which the Company expects to be able to use in upcoming fiscal years, and temporary measurement differences on interest rate derivatives.

Deferred tax liabilities amounted to MSEK 2,421 (2,281).

Other information

Press releases during the period

1 April 2016	Pandox brings forward the publication of its interim report.
8 April 2016	Pandox publishes annual report 2015.
3 May 2016	Interim report January–March 2016.
3 May 2016	Press release from annual shareholders' meeting in Pandox 2016.
24 May 2016	Capital Market Day 2016: Pandox strategy remains intact.
2 June 2016	Pandox has appointed Anders Berg as Head of Communications and Investor Relations, and Camilla Weiner as Head of Sustainability.
30 June 2016	Pandox and Scandic renew leases for 19 hotels in the Nordic region.

Press releases after the end of the period

25 July 2016	Pandox AB: Invitation to presentation of interim report Jan-Jun 2016
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For complete press releases please see www.pandox.se.

Important events after the period

No important events have occurred after the end of the period.

Employees

As of 30 June 2016, Pandox had the equivalent of 1,420 (1,359) full-time employees. Of the total number of employees, 1,387 (1,332) are employed in the Operator Activities segment and 33 (27) in the Property Management segment and in central administration.

Parent Company

Activities in the Pandox's property owning companies are administered by staff employed by the Parent Company, Pandox AB (publ). The costs of these services are invoiced to Pandox's subsidiaries. Invoicing during the period January–June amounted to MSEK 37 (33), and the profit for the period amounted to MSEK 256 (525).

At the end of the period the Parent Company's shareholders' equity amounted to MSEK 2,528 (2,841) and interest bearing debt of MSEK 5,110 (5,810), of which MSEK 4,234 (4,087) in the form of long-term debt.

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.

Pandox has entered into nine asset management agreements, regarding eight hotels located in Oslo and the Pelican Bay Lucaya resort in the Grand Bahama Island, which are owned by Eiendomsspar AS, subsidiaries of Eiendomsspar AS and affiliates of Helene Sundt AS and CGS Holding AS respectively. During the second quarter revenue from the asset management agreements amounted to MSEK 1 (1). As of March 1, 2015, Pandox operates Grand Hotel Oslo under a long-term lease agreement with the property owner Eiendomsspar AS. During the second quarter rental payments for Grand Hotel Oslo amounted to MSEK 11 (21).

Alternative performance measurements

Pandox applies for the first time 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. The guidelines are mandatory for financial reports published after 3 July, 2016. Reconciliations of Alternative Performance Measurements are available on pages 20-21.

Number of shares

At the end of the period, the total number of undiluted and diluted shares outstanding amounted to 75,000,000 A shares and 75,000,000 B shares. For a fair comparison this number of shares is used for the calculation of also historical key ratios.

Financial risk management

Pandox seeks to achieve the lowest possible financing costs while simultaneously limiting risks related to interest rates, foreign currencies and borrowings.

Pandox seeks to manage the risk that changes in interest rate levels could negatively affect Pandox's results. Pandox's objective is that interest rate exposure is managed so that increased costs as a result of reasonable changes in interest rates are compensated through higher revenues. Pandox seeks to achieve this objective through maintaining a loan portfolio with varying maturity dates and fixed interest periods.

Further, Pandox has developed and implemented systems and procedures designed to support continuous monitoring and reporting of interest rate exposures. Pandox enters into interest-rate swaps to obtain fixed interest rates on a certain part of its debt portfolio.

Pandox's balance sheet and income statement are exposed to changes in the value of the Swedish Krona, as certain of Pandox's assets are denominated in foreign currencies. Pandox seeks to hedge a part of this exposure through entering into loans in the local currency where Pandox's assets are located.

Pandox seeks to manage the risk that external financing may become more difficult to access. Pandox aims to centralise, where possible, all Group borrowing in the Parent Company in order to gain flexibility and administrative benefits. Pandox's objective is to enter into long-term framework agreements.

Risk factors

Pandox's business and market are subject to certain risks which are completely or partly outside the control of the Company and which could affect Pandox's business, financial condition and results of operations. These direct and indirect risks are the same for the Group and the Parent Company, with the exception that the Parent Company does not engage directly in hotel operations. Risks are the same both on a short and long term basis.

Risk factors include, among others, the main following sector risks and risks related to the operations: (1) The value of Pandox's assets is exposed to macroeconomic fluctuations and the liquidity in the property market could decline. (2) Pandox is subject to risks in its business of repositioning and transforming hotel properties. (3) Pandox's costs of maintaining, replacing and improving its existing properties could be higher than estimated. (4) Pandox might be unable to identify and acquire suitable hotel properties. (5) Pandox may from time to time carry out acquisitions of new hotel properties, all of which are subject to risks. (6) Pandox may be unable to retain, and recruit, key personnel in the future. (7) Pandox depends on third party operators' reputation, brand, ability to run their businesses successfully and financial condition. (8) Pandox is exposed to environmental risks. (9) Pandox is exposed to interest rate fluctuations. (10) Pandox is exposed to the risk of being unable to refinance its facility agreements when they fall due. (11) Pandox is subject to certain risks common to the hotel industry, which are beyond the Company's control. (12) The hotel industry is characterised by intense competition and Pandox may be unable to compete effectively in the future. (13) New business models may enter the hotel industry. (14) The growth of Online Travel Agencies (OTAs) could materially and adversely affect Pandox's business and profitability.

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 location and the customer base served. Since the majority of the customers that stay at Pandox owned or operated hotels are business travellers, the Company's total revenues have historically been greater particularly in the second quarter. The timing of holidays and major events can also impact the Company's quarterly results.

Company information

Pandox AB (publ) is a Swedish limited liability company (corporate ID 556030-7885) with its registered office in Stockholm, Sweden. Pandox was formed in 1995 and the company's B shares are listed on Nasdaq Stockholm since 18 June 2015.

Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Pandox AB's (publ), may cause actual developments and results to differ materially from the expectations expressed in this report.

Governing text

The report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy.

Financial calendar

Interim Report, Q3, July–September 2016	10 November 2016
Hotel Market Day	22 November 2016
Year-End Report 2016	16 February 2017

More information about Pandox and our financial calendar is available at www.pandox.se.

Presentation of interim report

Pandox will present the interim report for institutional investors, analysts and media via a webcasted telephone conference, 18 August 09:00 CEST.

To follow the presentation online go to <http://media.fronto.com/cloud/pandox/160818>. To participate in the conference call and ask questions, please call one of the telephone numbers indicated below about 10 minutes before the start of the presentation. The presentation material will be available at www.pandox.se at approximately 08:00 CEST.

SE: +46 (0)8 503 36 434
UK LocalCall: 08444933800
US LocalCall: 16315107498
Conference ID: 50664159

A recorded version of the presentation will be available at www.pandox.se.

Contact persons

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Board of Directors' assurance

The Board of Directors and the CEO confirm that this report provides a fair overview of the Company's and the Group's business, position and results and describes the significant risks and uncertainties facing the Company and its subsidiaries. This interim report has not been reviewed by the company's auditors.

Stockholm, 17 August, 2016

Christian Ringnes
Chairman

Leiv Askvig
Board member

Olaf Gauslå
Board member

Bengt Kjell
Board member

Ann-Sofi Danielsson
Board member

Helene Sundt
Board member

Mats Wäppling
Board member

Anders Nissen
CEO

This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 CEST on 18 August 2016.

Summary of financial reports

Condensed consolidated statement of comprehensive income

MSEK	Note	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Revenues Property Management						
Rental income	2	451	372	825	691	1,431
Other property income		13	16	25	29	112
Revenue Operator Activities	2	536	609	978	976	2,046
Total revenues		1,000	997	1,828	1,696	3,589
Costs Property Management	2	-66	-76	-132	-148	-263
Costs Operator Activities	2	-448	-494	-872	-842	-1,767
Gross profit		486	427	824	706	1,559
- whereof gross profit Property Management	2	398	312	718	572	1,280
- whereof gross profit Operator Activities	2	88	115	106	134	279
Central administration		-32	-19	-56	-40	-94
Financial income		1	0	1	1	3
Financial expenses		-113	-115	-227	-230	-441
Profit before changes in value		342	293	542	437	1,027
Changes in value						
Properties, unrealised	2	319	307	519	670	1,387
Properties, realised	2	—	8	159	8	12
Derivatives, unrealised		-55	216	-179	183	203
Profit before tax		606	824	1,041	1,298	2,629
Current tax		-25	-5	-26	-10	-35
Deferred tax		-107	-168	-165	-263	-463
Profit for the period		474	651	850	1,025	2,131
Other comprehensive income						
Items that have been or may be classified to profit or loss						
Translation differences foreign operations		103	-62	233	-193	-287
Translation differences realisation of foreign operations		—	—	—	—	-4
Other comprehensive income for the period		103	-62	233	-193	-291
Total comprehensive income for the period		577	589	1,083	832	1,840
Profit for the period attributable to the shareholders of the parent company		471	651	845	1,025	2,131
Profit for the period attributable to non-controlling interests		3	—	5	—	—
Total comprehensive income for the period attributable to the shareholders of the parent company		571	589	1,075	832	1,840
Total comprehensive income for the period attributable to non-controlling interests		6	—	8	—	—
Earnings per share, before and after dilution, SEK		3.14	4.34	5.63	6.83	14.21
Total earnings per share, before and after dilution, SEK		3.81	3.93	7.17	5.55	12.27

Condensed statement of financial position

MSEK	30 Jun 2016	30 Jun 2015	31 Dec 2015
ASSETS			
Non-current assets			
Operating properties	5,212	4,652	4,747
Equipment and interiors	339	418	381
Investment properties	25,159	21,100	24,335
Deferred tax assets	802	805	800
Other non-current receivables	20	27	25
Total non-current assets	31,532	27,002	30,288
Current assets			
Inventories	16	15	14
Current tax assets	25	45	64
Trade account receivables	199	193	173
Prepaid expenses and accrued income	184	144	109
Other current receivables	4	18	70
Cash and cash equivalents	365	263	170
Assets held for sale	—	—	732
Total current assets	793	678	1,332
Total assets	32,325	27,680	31,620
EQUITY AND LIABILITIES			
Equity			
Share capital	375	375	375
Other paid-in capital	2,138	2,138	2,138
Reserves	-178	-310	-408
Retained earnings, including profit for the period	10,262	8,881	9,987
Equity attributable to the owners of the Parent Company	12,597	11,084	12,092
Non-controlling interests	131	—	123
Sum equity	12,728	11,084	12,215
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities ¹	14,312	11,450	13,720
Derivatives ²	875	717	703
Provisions	72	35	56
Deferred tax liability	2,421	2,147	2,281
Total non-current liabilities	17,680	14,349	16,760
Current liabilities			
Provisions	8	18	12
Interest-bearing liabilities ¹	1,076	1,372	1,826
Tax liabilities	0	3	2
Current liabilities	150	193	212
Other current liabilities	171	136	99
Accrued expenses and prepaid income	512	525	482
Debt related to assets held for sale	—	—	12
Total current liabilities	1,917	2,247	2,645
Total liabilities	19,597	16,596	19,405
Total equity and liabilities	32,325	27,680	31,620

¹ The carrying amounts of interest-bearing liabilities and other financial instruments constitute a reasonable approximation of their fair values. ² 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.

Condensed statement of changes in equity

Attributable to the owners of the parent company							
MSEK	Share capital	Other paid in capital	Translation reserves	Retained earnings, incl profit for the period	Total	Non-controlling interests	Total equity
Opening balance equity January 1, 2015	375	2,138	-117	8,006	10,402	—	10,402
Profit for the period, Q1-2 2015	—	—	—	1,025	1,025	—	1,025
Other comprehensive income, Q1-2 2015	—	—	-193	—	-193	—	-193
Dividend, May 2015	—	—	—	-150	-150	—	-150
Closing balance equity June 30, 2015	375	2,138	-310	8,881	11,084	—	11,084
Profit for the period, Q3-4 2015	—	—	—	1,106	1,106	—	1,106
Other comprehensive income, Q3-4 2015	—	—	-98	—	-98	—	-98
Change in non-controlling interests	—	—	—	—	—	123	123
Closing balance equity December 31, 2015	375	2,138	-408	9,987	12,092	123	12,215
Opening balance equity January 1, 2016	375	2,138	-408	9,987	12,092	123	12,215
Profit for the period, Q1-2 2016	—	—	—	845	845	5	850
Other comprehensive income, Q1-2 2016	—	—	230	—	230	3	233
Dividend, May 2016	—	—	—	-570	-570	—	-570
Closing balance equity June 30, 2016	375	2,138	-178	10,262	12,597	131	12,728

Condensed statement of cash flow

MSEK	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
OPERATING ACTIVITIES					
Profit before tax	606	824	1,041	1,298	2,629
Reversal of depreciation	37	31	73	63	137
Changes in value, Investment properties, realised	0	-8	-159	-8	-12
Changes in value, Investment properties, unrealised	-319	-307	-519	-671	-1,387
Changes in value, derivatives, unrealised	55	-216	179	-183	-203
Other items not included in the cash flow	12	—	12	—	12
Taxes paid	-8	-5	-9	-10	-6
Cash flow from operating activities before changes in working capital	383	319	618	489	1,170
Increase/decrease in operating assets	-85	-112	-47	-100	-119
Increase/decrease in operating liabilities	-70	-159	-1	-192	-187
Change in working capital	-155	-271	-48	-292	-306
Cash flow from operating activities	228	48	570	197	864
INVESTING ACTIVITIES					
Investments in properties and fixed assets	-73	-79	-157	-166	-392
Divestment of subsidiaries, net effect on liquidity	0	—	843	—	124
Acquisitions of subsidiaries, net effect on liquidity	—	-8	—	-7	-3,720
Acquisitions of financial assets	-1	0	-7	-1	-1
Divestment of financial assets	0	1	12	3	3
Cash flow from investing activities	-74	-86	691	-171	-3,986
FINANCING ACTIVITIES					
New loans	284	150	1,469	150	3,899
Amortization of debt	-330	-72	-1,975	-80	-887
Acquisition of non-controlling interest	—	—	—	—	123
Paid dividends	-570	-150	-570	-150	-150
Cash flow from financing activities	-616	-72	-1,076	-80	2,985
Cash flow for the period	-462	-110	185	-54	-137
Cash and cash equivalents at beginning of period	820	378	170	321	321
Exchange differences in cash and cash equivalents	7	-5	10	-4	-14
Cash and cash equivalents at end of period	365	263	365	263	170
Information regarding interest payments					
Interest received	1	0	1	1	3
Interest paid	-108	-111	-220	-225	-430
Information regarding cash and cash equivalents end of period	365	263	365	263	170
Cash and cash equivalents consist of bank deposits.					

Key ratios

RECONCILIATION ALTERNATIVE PERFORMANCE MEASUREMENTS (MSEK)	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Return on shareholders' equity, %					
Shareholders' equity attributable to the shareholders of the parent company, opening balance	—	—	11,084	10,243	10,402
Shareholders' equity attributable to the shareholders of the parent company, closing balance	—	—	12,597	11,084	12,092
Average shareholders' equity attributable to the shareholders of the parent company, closing balance	—	—	11,841	10,664	11,247
Profit for the period	—	—	1,951	1,389	2,131
Return on shareholders' equity, %	—	—	16.5%	13.0%	18.9%
Equity to assets ratio, %					
Total shareholders' equity	—	—	12,728	11,084	12,215
Total assets	—	—	32,325	27,680	31,620
Equity to assets ratio, %	—	—	39.4%	40.0%	38.6%
Loan to value ratio, %					
Non-current interest bearing liabilities	—	—	14,312	11,450	13,720
Current interest bearing liabilities	—	—	1,076	1,372	1,826
Market value properties	—	—	32,124	27,327	31,437
Loan to value, %	—	—	47.9%	46.9%	49.5%
Interest cover ratio, times					
Profit before changes in value	342	293	542	437	1,027
Financial expenses	113	115	227	230	441
Depreciation	37	31	73	63	137
Interest cover ratio, times	4.3	3.8	3.7	3.2	3.6
Average cost of debt end of period, %					
Average interest paid on debt	—	—	432	460	428
Non-current interest bearing liabilities	—	—	14,312	11,450	13,720
Current interest bearing liabilities	—	—	1,076	1,372	1,826
Average cost of debt end of period, %	—	—	-2.8%	-3.3%	-2.8%
<i>See page 11-12 for a complete reconciliation</i>					
Net interest-bearing debt					
Non-current interest bearing liabilities	—	—	14,312	11,450	13,720
Current interest bearing liabilities	—	—	1,076	1,372	1,826
Cash and cash equivalents	—	—	-365	-263	-170
Net interest-bearing debt	—	—	15,023	12,559	15,376
Investments, excl. acquisitions	73	79	157	166	392
Net operating income, Property Management					
Rental income	451	372	825	691	1,431
Other property income	13	16	25	29	112
Costs, excl. property administration	-46	-60	-94	-116	-197
Net operating income, before property administration	418	328	756	604	1,346
Property administration	-20	-16	-38	-32	-66
Net operating income, Property Management	398	312	718	572	1,280
Net operating income, Operator Activities					
Revenues Operator Activities	536	609	978	976	2,046
Costs Operator Activities	-448	-494	-872	-842	-1,767
Gross profit	88	115	106	134	279
Add: Depreciation included in costs	37	31	73	63	137
Net operating income, Operator Activities	125	146	179	197	416
EBITDA					
Gross profit from respective operating segment	486	427	824	706	1,559
Add: Depreciation included in costs Operator Activities	37	31	73	63	137
Less: Central administration, excluding depreciation	-32	-19	-56	-40	-93
EBITDA	491	439	841	729	1,603
Cash earnings					
EBITDA	491	439	841	729	1,603
Add: Financial income	1	0	1	1	3
Less: Financial cost	-113	-115	-227	-230	-441
Less: Current tax	-25	-5	-26	-10	-35
Cash earnings	354	319	589	490	1,130
EPRA NAV					
Shareholders' equity attr. to the shareholders of the parent company	—	—	12,597	11,084	12,092
Add: Revaluation of Operating Properties	—	—	1,414	1,157	1,248
Add: Fair value of financial derivatives	—	—	875	717	703
Less: Deferred tax assets related to derivatives	—	—	-203	-158	-168
Add: Deferred tax liabilities related to properties	—	—	2,421	2,084	2,281
EPRA NAV	—	—	17,104	14,884	16,156

Key figures not defined according to IFRS

A number of the financial descriptions and measures in this interim report provide information about development and status of financial and per share measurements that are not defined in accordance with the IFRS (International Financial Reporting Standards). 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. Unless otherwise stated, the table to the left presents measures, along with their reconciliation, which are not defined according to the IFRS. The definitions of these measures appear on page 27.

Key ratios continued

CONTINUED RECONCILIATION ALTERNATIVE PERFORMANCE MEASUREMENTS PER SHARE ¹	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Earnings per share, SEK					
Profit for the period attributable to the shareholders of the parent company, MSEK	471	651	845	1,025	2,131
Earnings per share, SEK	3.14	4.34	5.63	6.83	14.20
Cash earnings per share, SEK					
Cash earnings attributable to the shareholders of the parent company, MSEK	351	319	584	490	1,130
Cash earnings per share, SEK	2.34	2.13	3.89	3.27	7.53
Shareholders' equity per share, SEK					
Shareholders' equity attributable to the shareholders of the parent company, MSEK	—	—	12,597	11,084	12,092
Shareholders' equity per share, SEK	—	—	83.98	73.89	80.61
Net asset value (EPRA NAV) per share, SEK					
EPRA NAV, MSEK	—	—	17,104	14,884	16,156
Net asset value (EPRA NAV) per share, SEK	—	—	114.03	99.23	107.71
Dividend per share, SEK					
Dividend, MSEK	—	—	—	—	570
Dividend per share, SEK	—	—	—	—	3.80
Weighted average number of shares outstanding, after dilution, thousands	150,000	150,000	150,000	150,000	150,000
PROPERTY RELATED KEY FIGURES					
Number of hotels, end of period ²	—	—	112	104	121
Number of rooms, end of period ²	—	—	24,222	21,969	25,190
WAULT, years	—	—	13.3	8.9	11.2
Total market value properties, MSEK	—	—	32,124	27,327	31,437
Market value Investment properties	—	—	25,159	21,100	25,062
Market value Operating properties	—	—	6,965	6,227	6,375
RevPAR (Operator Activities) for comparable units at comparable exchange rates, SEK	683	780	615	661	669

¹ Retrospectively adjusted for share split in May 2015. Total number of outstanding shares after split amount to 150,000,000, of which 75,000,000 A shares and 75,000,000 B shares. For a fair comparison this number of shares is used for the calculation of key ratios. ² Pandox's owned hotel properties.

Quarterly data

CONDENCED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MSEK)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Revenue Property Management								
Rental income	451	374	351	389	372	319	343	364
Other property income	13	12	14	69	16	13	16	16
Revenue Operator Activities	536	442	536	534	609	367	445	401
Total revenues	1,000	828	901	992	997	699	804	781
Costs Property Management	-66	-66	-59	-55	-76	-72	-70	-70
Costs Operator Activities	-448	-424	-471	-454	-494	-348	-400	-334
Gross profit	486	338	371	483	427	279	334	377
Central administration	-32	-24	-30	-23	-19	-21	-29	-21
Financial net	-112	-114	-105	-105	-115	-114	-132	-119
Profit before value changes	342	200	236	355	293	144	173	237
Changes in value								
Properties, unrealised	319	200	484	232	307	363	151	177
Properties, realised	—	159	4	—	8	—	—	—
Derivatives, unrealised	-55	-124	93	-73	216	-33	-168	-110
Profit before tax	606	435	817	514	824	474	156	304
Current tax	-25	-1	-42	17	-5	-5	-16	1
Deferred tax	-107	-58	-94	-106	-168	-95	-16	-65
Profit for the period	474	376	681	425	651	374	124	240
Other comprehensive income	103	131	-135	37	-62	-130	-21	-10
Total comprehensive income for the period	577	507	546	462	589	244	103	230

CONDENSED STATEMENT OF FINANCIAL POSITION (MSEK)

	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
ASSETS								
Properties incl equipment and interiors	30,710	29,998	29,463	26,287	26,170	25,941	25,701	25,237
Other non-current receivables	20	20	25	25	27	28	26	25
Deferred tax assets	802	829	800	865	805	898	924	921
Current assets	428	345	1,162	587	415	254	315	369
Cash and cash equivalents	365	820	170	636	263	378	321	402
Total assets	32,325	32,012	31,620	28,400	27,680	27,499	27,287	26,954
EQUITY AND LIABILITIES								
Equity	12,728	12,722	12,215	11,546	11,084	10,646	10,402	10,473
Deferred tax liability	2,421	2,274	2,281	2,310	2,147	2,074	1,993	1,854
Interest-bearing liabilities	15,388	15,219	15,546	12,861	12,822	12,821	12,907	12,994
Non interest-bearing liabilities	1,788	1,797	1,578	1,683	1,627	1,958	1,985	1,633
Total equity and liabilities	32,325	32,012	31,620	28,400	27,680	27,499	27,287	26,954

KEY RATIOS

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
NOI, Property Management, MSEK	398	320	306	403	312	260	289	310
NOI, Operator Activities, MSEK	125	54	104	115	146	51	81	88
EBITDA, MSEK	491	350	381	495	439	290	341	377
Earnings per share, SEK	3.14	2.49	4.54	2.83	4.34	2.49	0.83	1.60
Cash earnings, MSEK	354	235	234	407	319	171	193	259
Cash earnings per share, SEK	2.34	1.55	1.56	2.71	2.13	1.14	1.29	1.73
RevPAR (Operator Activities) for comparable units at comparable exchange rates, %	-12	1	0	7	10	11	—	—
	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
Net interest-bearing debt, MSEK	15,023	14,399	15,376	12,225	12,559	12,444	12,587	12,592
Equity to assets ratio, %	39.4	39.7	38.6	40.7	40.0	38.7	38.1	38.9
Loan to value, %	47.9	48.6	49.5	46.4	46.9	47.5	48.7	50.2
Interest coverage ratio, times	3.7	3.1	3.6	3.7	3.2	2.5	2.6	2.7
Total market value properties, MSEK	32,124	31,322	31,437	27,712	27,327	26,996	26,504	25,861
EPRA NAV per share, SEK	114.03	112.16	107.71	104.45	99.23	96.25	92.11	89.66
WAULT (Property Management), years	13.3	11.3	11.2	8.7	8.9	8.7	9.0	8.9

Condensed income statement for the Parent Company

MSEK	Q2 2016	Q2 2015	6m 2016	6m 2015	FY 2015
Net sales	22	19	37	33	56
Administration cost	-42	-38	-75	-65	-123
Other income	—	9	—	9	9
Operating profit	-20	-10	-38	-23	-58
Profit from participations in Group companies	361	639	361	639	669
Other interest income and similar profit/loss items	20	5	31	9	65
Other interest expense and similar profit/loss items	-51	-39	-98	-100	-211
Profit after financial cost	310	595	256	525	465
Year-end appropriations	—	—	—	—	106
Profit before tax	310	595	256	525	571
Current tax	—	—	—	—	—
Profit for the period	310	595	256	525	571

Condensed balance sheet for the Parent Company

MSEK	30 Jun 2016	30 Jun 2015	31 Dec 2015
ASSETS			
Non-current assets	0	0	0
Financial assets	11,459	10,234	11,775
Current assets	119	91	112
Total assets	11,578	10,325	11,887
EQUITY AND LIABILITIES			
Equity	2,528	2,795	2,841
Provisions	39	7	30
Non-current liabilities	4,234	3,702	4,087
Current liabilities	4,777	3,821	4,929
Total equity and liabilities	11,578	10,325	11,887

Property portfolio overview

At the end of the period, Pandox's property portfolio – after combination of Excelsior and Mayfair in Copenhagen – comprised 112 (31 December, 2015: 121) hotel properties with 24,222 (31 December, 2015: 25,190) hotel rooms in eight countries. The Company's main geographical focus, which represents approximately 68 percent of the portfolio by market value, is the Nordics. Of the owned hotel properties, 92 are leased to third parties, which means that approximately 78 percent of the portfolio market value is covered by external leases. These are reported in the Property Management segment. The remaining 20 hotels are owned and operated by Pandox and are reported in the Operator Activities segment.

Portfolio overview by segment and geography

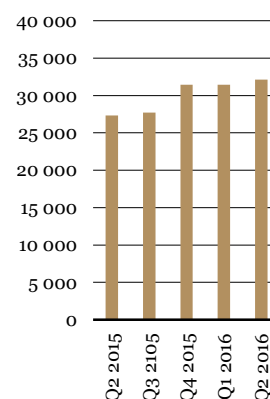
Property Management <i>Investment properties</i>	No. of hotels	No. of rooms	Market value (MSEK)	Market value in % of total	Value per room (MSEK)
Sweden	42	8,554	12,754	40%	1.5
Norway	11	1,851	2,404	7%	1.3
Finland	13	2,911	3,117	10%	1.1
Denmark	6	1,402	2,187	7%	1.6
Belgium	1	100	109	0%	1.1
Germany	18	3,415	3,865	12%	1.1
Switzerland	1	206	723	2%	3.5
Total Investment properties	92	18,439	25,159	78%	1.4
Operator Activities					
<i>Operating properties</i>					
Sweden	2	358	302	1%	0.8
Norway	3	651	458	1%	0.7
Finland	1	151	43	0%	0.3
Denmark	2	440	621	2%	1.4
Belgium	6	1,934	2,737	9%	1.4
Germany	4	1,285	1,901	6%	1.5
Canada	2	964	903	3%	0.9
Total Operating properties	20	5,783	6,965	22%	1.2
Total owned properties	112	24,222	32,124	100%	1.3

The majority of Pandox's tenant base consists of well-known hotel operators with strong hotel brands in their respective markets. The tenants are both Nordic-oriented hotel operators, such as Scandic (the largest hotel operator in the Nordics with more than 200 hotels), Nordic Choice, and operators focused on other regions and global markets such as Fattal (Leonardo), Rezidor (Radisson Blu) and Hilton.

Pandox's portfolio by brand

Brand	No. of hotels	No. of rooms	Countries
Scandic	44	9,449	SE, NO, FI, DK, BE
Leonardo	16	2,921	DE
Nordic Choice Hotels	13	2,124	SE, NO
Radisson Blu	6	1,390	SE, NO, CH, DE
Hilton	4	1,001	SE, FI, BE
Holiday Inn	4	963	BE, DE
First Hotels	3	618	SE, DK
Crowne Plaza	2	616	BE
Hyatt	1	607	CAN
Best Western	4	563	SE, FI
Elite	2	452	SE
InterContinental	1	357	CAN
Thon Hotels	2	348	NO
Rantasipi	1	135	FI
Independent brands	9	2,678	SE, NO, FI, DK, BE, DE
Total	112	24,222	8

Market value properties
per quarter, MSEK



Notes

Note 1 Accounting principles

Pandox follows the International Financial Reporting Standards (IFRS) - and interpretations (IFRIC) - as they have been 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". RFR2 implies that the Parent Company of the 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. Disclosures according to IAS 34.16A are, apart from in the financial reports and their corresponding notes, available also in other parts of the interim report. The accounting principles applied correspond to those described in Pandox's annual report for 2015.

Note 2 Operating segments

Operating segments	Property Management		Operator Activities		Group and non-allocated items		Total	
	Q1-2 2016	Q1-2 2015	Q1-2 2016	Q1-2 2015	Q1-2 2016	Q1-2 2015	Q1-2 2016	Q1-2 2015
Revenue Property Management								
Rental and other property income	850	720	—	—	—	—	850	720
Revenue Operator Activities	—	—	978	976	—	—	978	976
Total revenues	850	720	978	976	—	—	1,828	1,696
Costs Property Management	-132	-148	—	—	—	—	-132	-148
Costs Operator Activities	—	—	-872	-842	—	—	-872	-842
Gross profit	718	572	106	134	—	—	824	706
Central administration	—	—	—	—	-56	-40	-56	-40
Financial income	—	—	—	—	1	1	1	1
Financial expenses	—	—	—	—	-227	-230	-227	-230
Profit before changes in value	718	572	106	134	-282	-269	542	437
<i>Changes in value</i>								
Properties, unrealised	519	670	—	—	—	—	519	670
Properties, realised	159	8	—	—	—	—	159	8
Derivatives, unrealised	—	—	—	—	-179	183	-179	183
Profit before tax	1,396	1,250	106	134	-461	-86	1,041	1,298
Current tax	—	—	—	—	-26	-10	-26	-10
Deferred tax	—	—	—	—	-165	-263	-165	-263
Profit for the period	1,396	1,250	106	134	-652	-359	850	1,025

Q1-Q2 2016

Geographical area	Swe	Den	Nor	Fin	Ger	Bel	Other	Tot
Total revenues								
- Property Management	420	78	71	110	146	3	22	850
- Operator Activities	27	69	128	13	202	341	198	978
Market value properties	13,056	2,808	2,862	3,160	5,766	2,846	1,626	32,124
Investments in properties	63	23	17	1	20	11	22	157
Acquisitions of properties	—	—	—	—	—	—	—	—
Realised value change properties	159	—	—	—	—	—	—	159

Q1-Q2 2015

Geographical area	Swe	Den	Nor	Fin	Ger	Bel	Other	Tot
Total revenues								
- Property Management	419	66	99	107	—	8	21	720
- Operator Activities	2	56	96	11	187	412	212	976
Market value properties	12,853	2,570	2,656	3,054	1,802	2,877	1,515	27,327
Investments in properties	57	26	12	29	1	24	17	166
Acquisitions of properties	—	—	—	—	—	—	—	—
Realised value change properties	—	—	—	—	—	—	—	—

Explanation to note 2

Pandox's operating segments consist of the Property Management and Operator Activities business streams. The Property Management 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 Property Management segment also includes eight asset management contracts for externally owned hotel properties. The Operator Activities segment owns hotel properties and operates hotels in such owned properties. The Operator Activities segment also includes one hotel operated under a long-term lease agreement and 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. 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 and Leonardo Hotels are tenants who account for more than 10 percent of revenues each.

Note 2 Operating segments continued

Operating segments	Property Management		Operator Activities		Group and non-allocated items		Total	
	Q2 2016	Q2 2015	Q2 2016	Q2 2015	Q2 2016	Q2 2015	Q2 2016	Q2 2015
Revenue Property Management								
Rental and other property income	464	388	—	—	—	—	464	388
Revenue Operator Activities	—	—	536	609	—	—	536	609
Total revenues	464	388	536	609	—	—	1,000	997
Costs Property Management	-66	-76	—	—	—	—	-66	-76
Costs Operator Activities	—	—	-448	-494	—	—	-448	-494
Gross profit	398	312	88	115	—	—	486	427
Central administration	—	—	—	—	-32	-19	-32	-19
Financial income	—	—	—	—	1	0	1	0
Financial expenses	—	—	—	—	-113	-115	-113	-115
Profit before changes in value	398	312	88	115	-144	-134	342	293
Properties, unrealised	319	307	—	—	—	—	319	307
Properties, realised	—	8	—	—	—	—	—	8
Derivatives, unrealised	—	—	—	—	-55	216	-55	216
Profit before tax	717	627	88	115	-199	82	606	824
Current tax	—	—	—	—	-25	-5	-25	-5
Deferred tax	—	—	—	—	-107	-168	-107	-168
Profit for the period	717	627	88	115	-331	-91	474	651

Q2 2016

Geographical area	Swe	Den	Nor	Fin	Ger	Bel	Other	Tot
Total revenues								
- Property Management	230	47	36	60	78	2	11	464
- Operator Activities	18	44	68	7	109	161	129	536
Market value properties	13,056	2,808	2,862	3,160	5,766	2,846	1,626	32,124
Investments in properties	33	2	11	1	6	6	14	73
Acquisitions of properties	—	—	—	—	—	—	—	—
Realised value change properties	—	—	—	—	—	—	—	—

Q2 2015

Geographical area	Swe	Den	Nor	Fin	Ger	Bel	Other	Tot
Total revenues								
- Property Management	225	37	53	58	—	5	10	388
- Operator Activities	2	37	96	6	104	224	140	609
Market value properties	12,853	2,570	2,656	3,054	1,802	2,877	1,515	27,327
Investments in properties	30	7	10	16	—	14	2	79
Acquisitions of properties	—	—	—	—	—	—	—	—
Realised value change properties	—	—	—	—	—	—	—	—

Definitions

FINANCIAL INFORMATION

Average interest on debt, %
Average interest expenses based on interest rate maturity in respective currency as a percentage of interest-bearing debt.

Cash earnings, MSEK
EBITDA plus financial income less financial cost less current tax.

EBITDA, MSEK
Total net operating income less central administration (excluding depreciation).

Equity/assets ratio, %
Recognised equity as a percentage of total assets.

Gross profit, Property Management, MSEK
Revenue less directly related costs for Property Management.

Gross profit, Operator Activities, MSEK
Revenue less directly related costs for Operator Activities including depreciation of Operator Activities.

Interest coverage ratio, %
Profit before changes in value plus financial expense and depreciation, divided by financial expense.

Investments, excl. acquisitions, MSEK
Investments in non-current assets excluding acquisitions.

Loan-to-value ratio, %
Interest-bearing liabilities as a percentage of the properties' market value at the end of the period.

Net interest-bearing debt, MSEK
Interest-bearing liabilities less cash and cash equivalents and short-term investments that are equivalent to cash and cash equivalents.

Net operating income, Property Management, MSEK
Net operating income corresponds to gross profit for Property Management.

Net operating income, Operator Activities, MSEK
Gross profit for Operator Activities plus depreciation included in costs for Operator Activities.

Return on equity, %
Profit or loss rolling twelve months as a percentage of average equity attributable to the shareholders of the Parent Company. At interim reports, the return is also calculated on a rolling twelve month basis. Average shareholders' equity is calculated as the sum of opening and closing balance divided by two.

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

PER SHARE

Cash earnings per share, SEK
EBITDA plus financial income less financial expense less current tax, after non-controlling interest, divided by the weighted average number of shares outstanding.

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.

Equity per share, SEK
Equity attributable to the Parent Company's shareholders, divided by the number of shares outstanding at the end of the period.

Net asset value (EPRA NAV) per share, SEK
Recognised equity, attributable to the Parent Company's shareholders, including reversal of derivatives, deferred tax derivatives, deferred tax related to the properties and revaluation of Operating Properties, divided by the total number of shares outstanding after dilution at the end of 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.

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.

PROPERTY INFORMATION

Market value properties, MSEK
Market value of Investment Properties plus market value of Operating Properties.

Number of hotels
Number of owned hotel properties at the end of the period.

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

RevPAR for Operating Properties (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 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 (Investment Properties)
Average lease term remaining to expiry, across the property portfolio, weighted by contracted rental income.



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