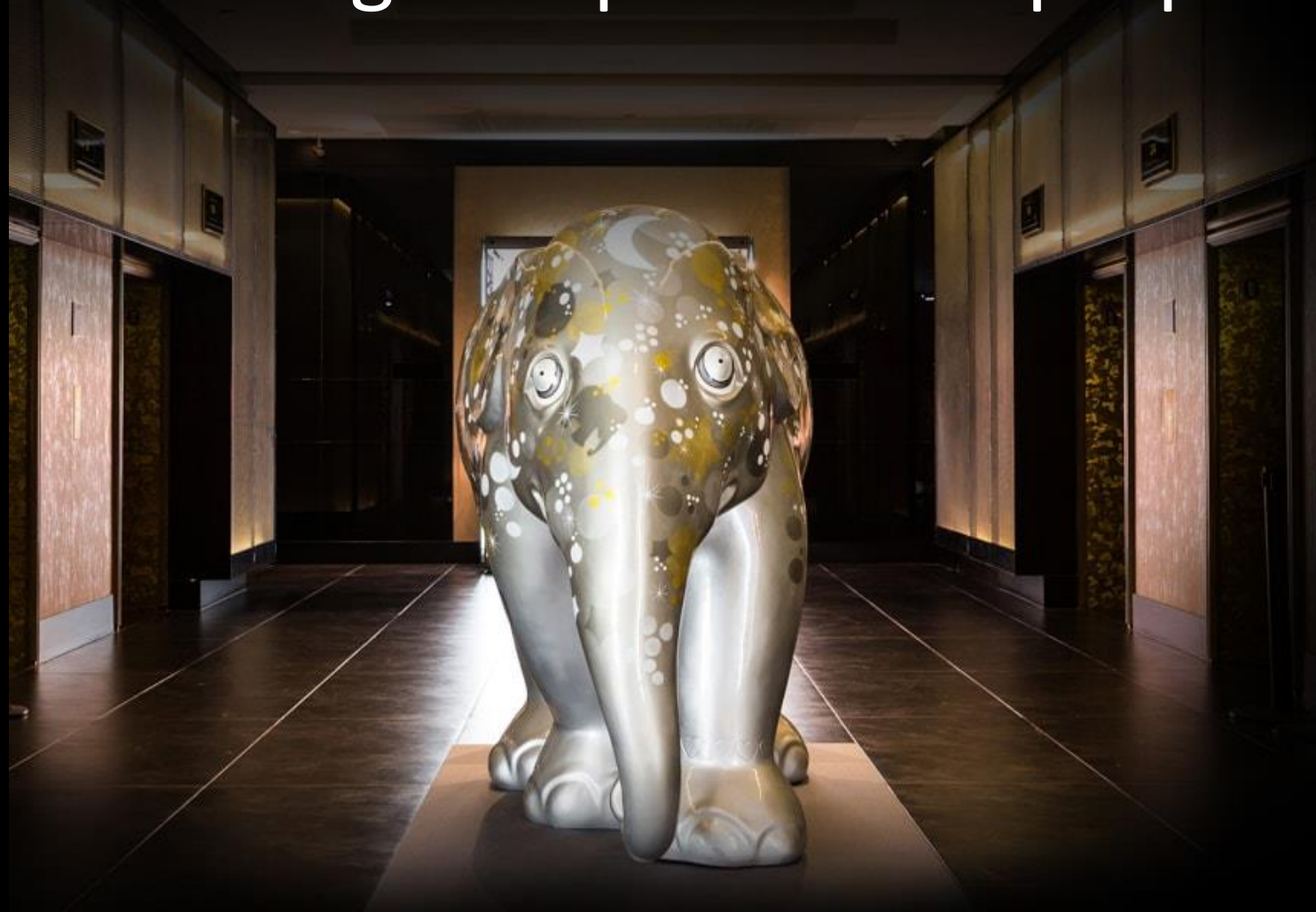


CORPORATE PRESENTATION

A leading European hotel property company



EPRA annual conference

6 September, 2018

Anders Nissen, CEO

Ticker: PNDXB SS

Market cap: MSEK 27,555

Listed: Nasdaq Stockholm

Unique business model

BUSINESS CONCEPT

1

Pandox's core business is to own hotel properties and lease them to strong hotel operators under long-term revenue-based lease agreements

2

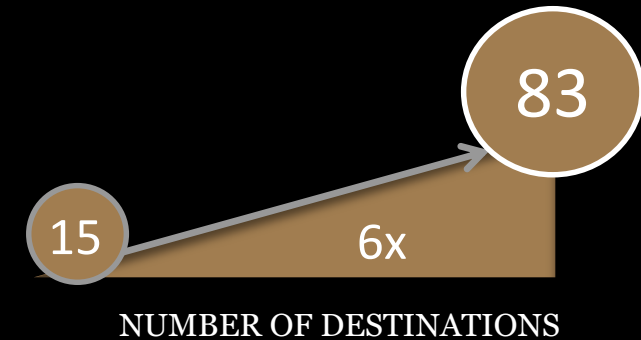
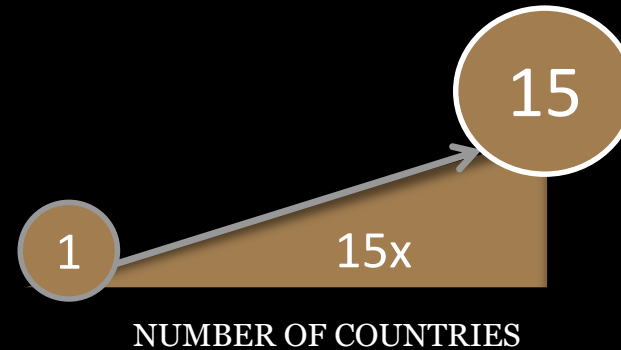
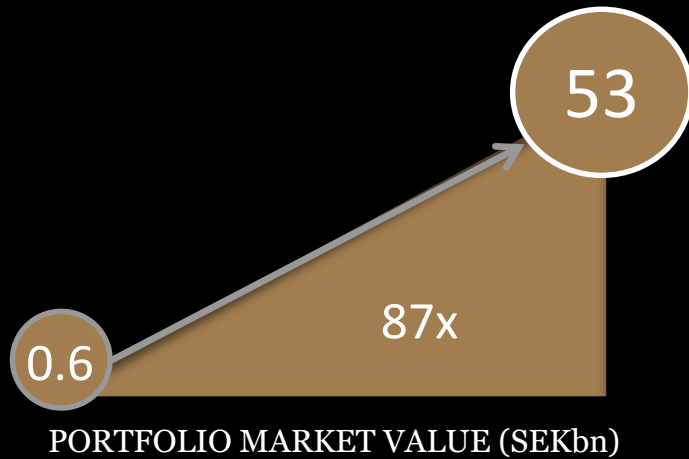
If the conditions are not in place for a profitable lease, Pandox can choose to operate the hotel itself

STRATEGY

- Hotel properties only
- Large hotel properties in strategic locations in major markets
- Long revenue-based lease agreements with the best operators
- High-quality property portfolio with a sustainable footprint
- Geographical diversification to reduce fluctuations
- Ability to be active across the value-chain reduces risks and creates opportunities

Strong track record

Pandox 22 years (*)



- Market position: Pan-European in size and recognition
- Business partners: Strong portfolio with well-known operators and brands
- Specialist expertise: Market, operations, business development and acquisitions
- Property portfolio: Large, high quality and well diversified

(*) From inception in 1995 until Q2 2018

A large and dynamic market

Good underlying growth in the global travel and tourism market

10%

OF GLOBAL GDP

4.0%

EXPECTED GLOBAL TRAVEL &
TOURISM CAGR 2017-2027

2X

GLOBAL MIDDLE CLASS
NEXT 20 YEARS

+1BN

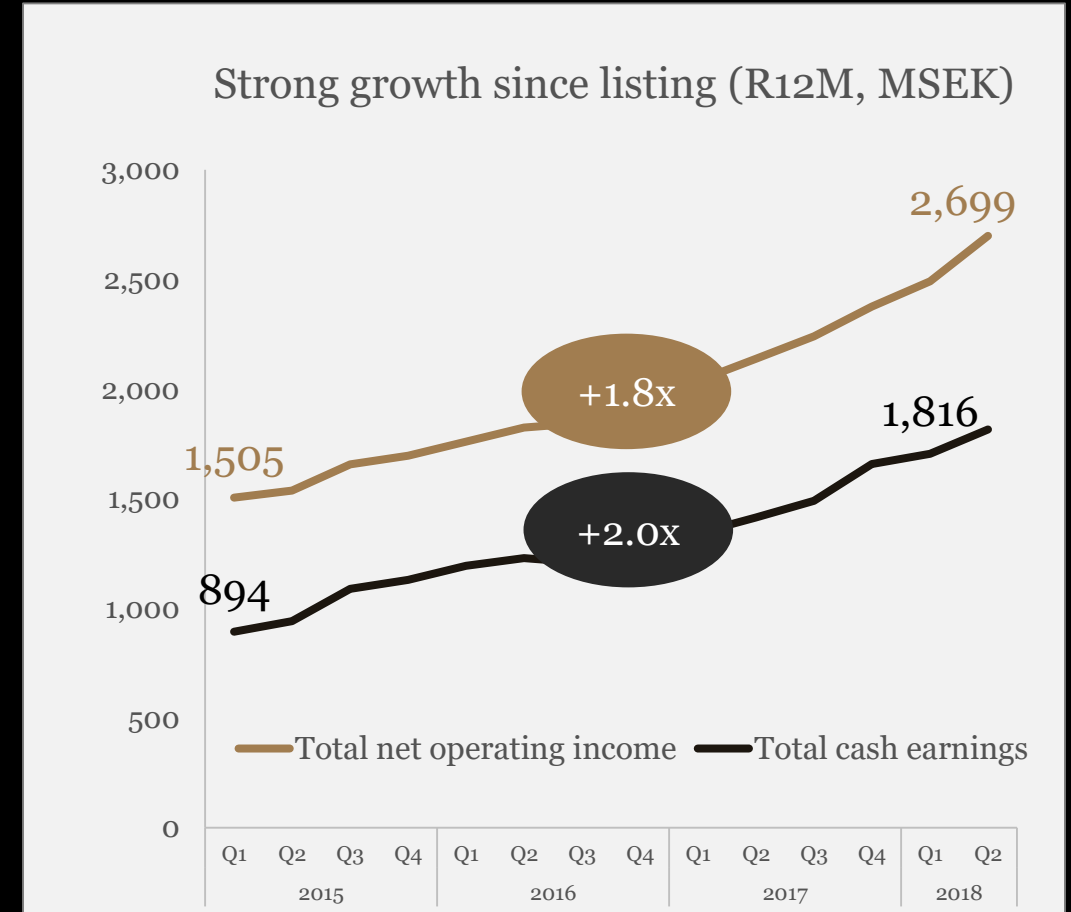
INCREMENTAL ANNUAL
TRIPS NEXT 20 YEARS

Economic growth

Property Management dominates

Operator Activities creates additional opportunities

Pandox Group	Property Management	Operator Activities
143 Hotel properties	128 Leased properties	15 Operated properties
31,656 Rooms	29,946 Rooms	4,710 Rooms
SEK 53.1bn Property market value	86% Property market value	14% Property market value
	5.57% Valuation yield	7.27% Valuation yield



The world of Pandox

Scandic



JURYS INN



Hilton Garden Inn

Radisson BLU

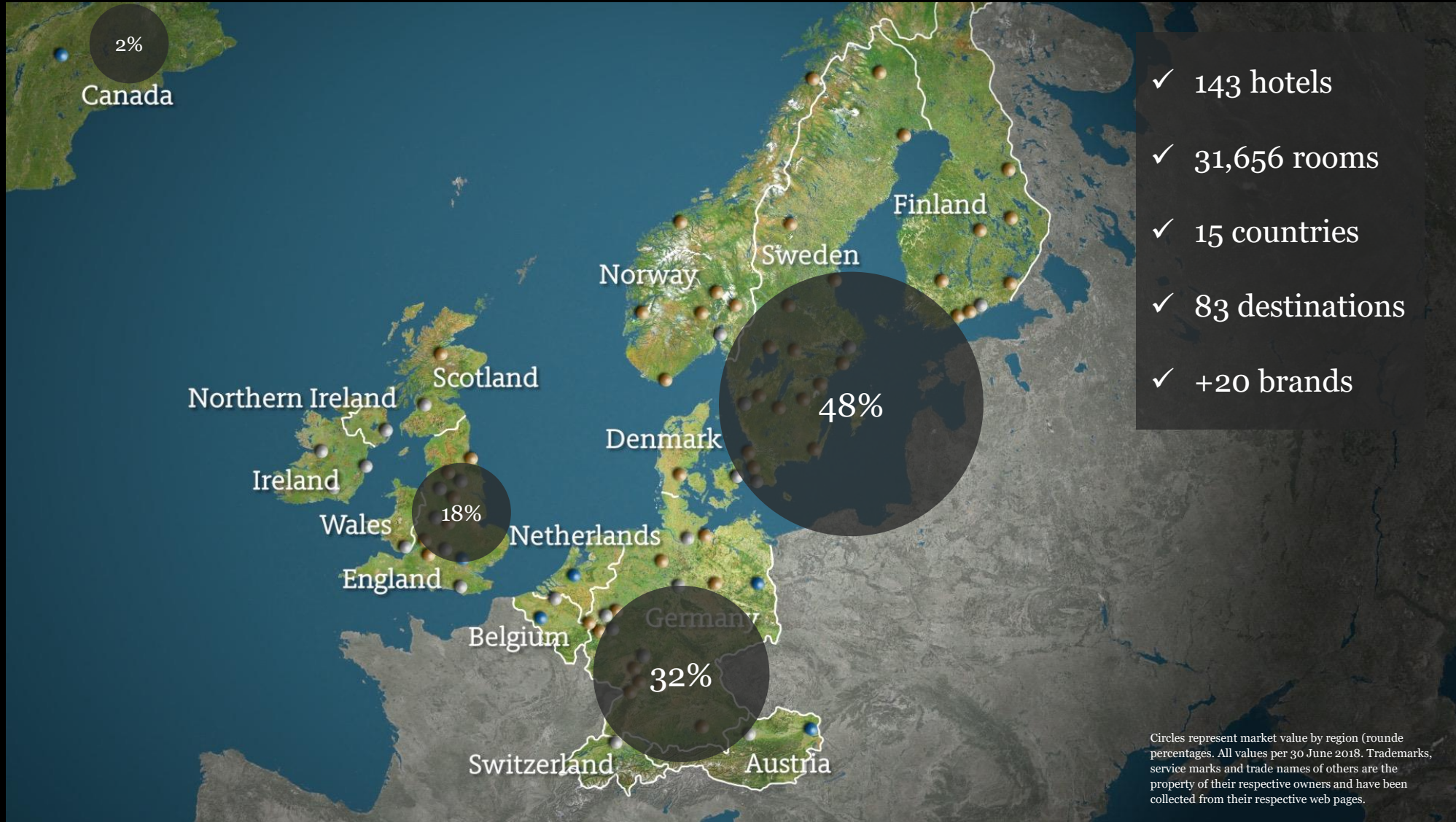
CROWNE PLAZA
HOTELS & RESORTS



The Hotel.
BRUSSELS

HYATT

INTERCONTINENTAL
HOTELS & RESORTS



- ✓ 143 hotels
- ✓ 31,656 rooms
- ✓ 15 countries
- ✓ 83 destinations
- ✓ +20 brands

Circles represent market value by region (rounded percentages). All values per 30 June 2018. Trademarks, service marks and trade names of others are the property of their respective owners and have been collected from their respective web pages.



NH
HOTELS



GCH HOTEL GROUP

Holiday Inn

ELITE HOTELS OF SWEDEN

FIRST

PARK HOTEL AMSTERDAM

Hotel Hubert
Grand Place



Hispania, not just another hotel



A Unique hotel REIT

*Focused in Spain, the largest
vacational market in Europe*

46 hotels with more than 13,100 keys



HISPANIA



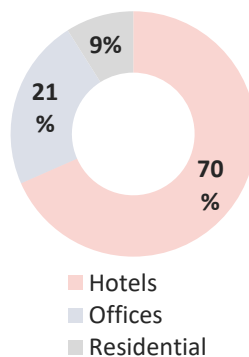
PORTFOLIO OVERVIEW

A LEADING SPANISH REIT UNIQUELY FOCUSED ON VACATIONAL HOTELS

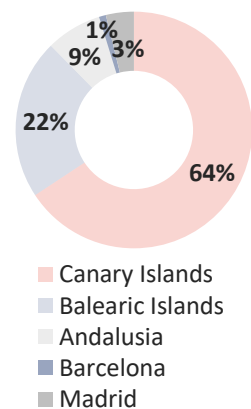
(as of Q1 2018)	Total	Hotels	Offices	Residential
GAV (as of May 2018)	€2,811M	€1,976M	€593M	€242M
Rooms/GLA	-	13,144 keys ⁽¹⁾	187k sqm ⁽³⁾	650 Dwellings
Occupancy	-	100% ⁽²⁾	89%	42%
Annualised NOI 2017	€150M	€128M ⁽²⁾	€22M	n.a.

Portfolio breakdown (as of May 2018)

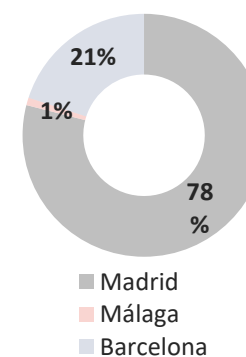
Total GAV by segment



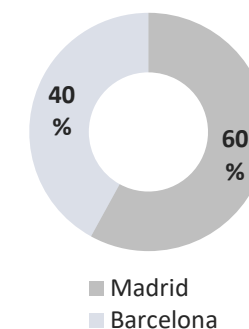
Hotels GAV by location



Office GAV by location



Resi. GAV by location

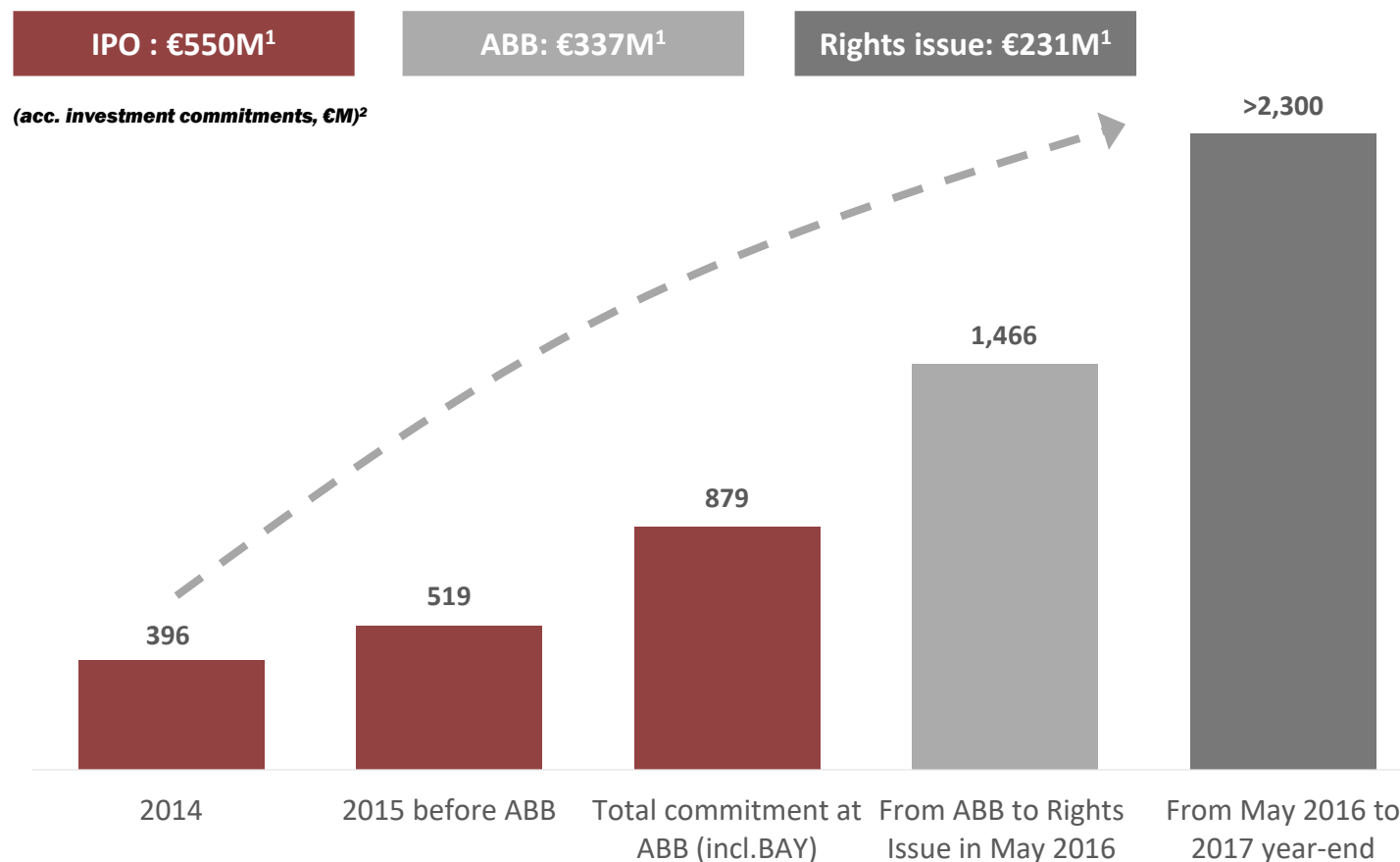


1. Including the extensions of NH Málaga and Las Agujas
2. Excluding hotels under management and under repositioning
3. Including the sqm of Helios

SUCCESSFULLY DELIVERING ON OUR STRATEGY

- 1 **Demanding investment** mandate, focused solely on Spain with target gross levered IRR of 15%
- 2 Identifying **fragmented markets** with limited institutional capital, becoming the **undisputed leader** through the creation of a coherent scalable vacation hotel **platform**: c. 12,600 keys⁴
- 3 Excellent capabilities in in-house operations and development: total estimated **capex plan of €176M** deployed as of 31 December 2017 and additional expected capex of €342M and large number of **asset management initiatives**
- 4 On 5th April 2018, **Blackstone announced a takeover bid** for Hispania's shares at 17.45 €/share
- 5 On 22 June 2018, Blackstone announced its intention **to improve the offer price by 5%** to 18.25 €/share (on 28 June 2018, CNMV approved the new offer price)

HEALTHY CAPITAL DEPLOYMENT DRIVEN BY A DISCIPLINED INVESTMENT APPROACH



GENERATING A TOTAL SHAREHOLDERS' NET IRR OF 19%³

Source: Hispania

Notes: (1) Based on gross proceeds raised and excluding the capital increase in kind carried out to acquire the 10% stake in Hispania Fides in 2016; (2) Including investments committed at the time of each of the indicated periods, including capex and investments agreed but pending closing; (3) Calculated based on the gross dividends distributed to Hispania shareholders since its initial public offering (including paid-in capital distributions), capital increases completed (including the capital increase in-kind in December 2016 to acquire the remaining 10% shareholding in Hispania Fides), the revised offer price of the Blackstone takeover bid and assuming the transaction is fully liquidated on July 27, 2018 (4) Accounts only for the vacation hotel keys

BUSINESS MODEL FOCUSED ON EXTRACTING REVERSION POTENTIAL FROM SMART ASSET MANAGEMENT ACTIONS

Disciplined growth

1

- Exceptional access to a unique deal flow
- Focus on low and attractive entry prices reducing risk and enhancing returns
- Disciplined acquisition strategy: based on fundamentals and on an overall enhancement of the value of the portfolio
- Constant evaluation of risk/return balance

High quality assets

2

- Attractive and consolidated locations
- Hidden embedded value
- Well maintained asset base
- Portfolio diversification
- First mover advantage
- Resilient hotel portfolio with proven performance during the crisis

Active asset management

3

- Smart repositioning as well as some major refurbishments
- Proactive letting management
- Tenant diversification
- Cost management
- Right hotel operators
- Revenues and cost synergies generation in the hotel platform

Sustainable returns

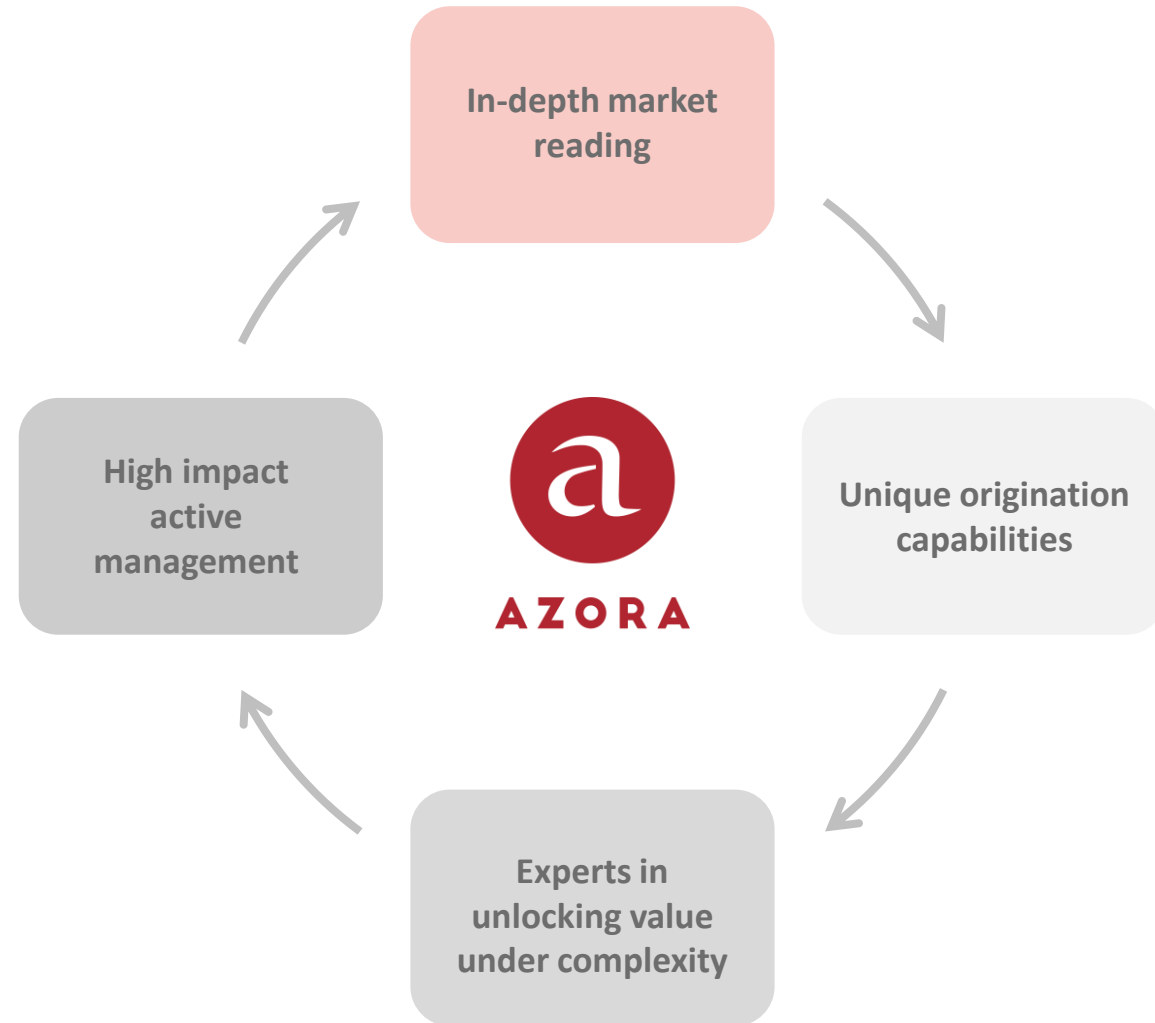
4

- Definition of favourable lease agreements
- Well-balanced and diversified income stream
- Prudent financing strategy
- High recurring cash yield generation
- High barriers to entry across the portfolio
- Strong ESG

LONG-TERM STABILITY & SUSTAINABLE GROWTH

AZORA, LEADING INDEPENDENT MANAGER IN THE SPANISH REAL ESTATE LANDSCAPE

- Founded in 2003, managing over **€4.4bn of AuM**, with hotels at the heart of the firm
- **Trusted partner** for institutional investors, managing a listed entity (**Hispania**), various non-listed companies (e.g. **Lazora, Carey**) and separate accounts (e.g. **Goldman Sachs** for their residential assets in Spain)
- **Value-driven approach and active management** as key drivers for sustainable growth
- **Strong vertically integrated platform** (more than 200 employees) with undisputable expertise and track-record
- Highly **reputable senior management** team
- **Strong track-record** in delivering returns
- **Best-in-class corporate governance**
- Regulated by the Spanish Stock Exchange regulator (CNMV)



HOSPITALITY CONTINUES TO OFFER ATTRACTIVE OPPORTUNITIES

SELECTED INVESTMENT THEMES

EUROPEAN COASTLINE HOTELS

VACATIONAL HOTELS AND RESORTS

CONSOLIDATED TOURIST DESTINATIONS WITHIN THE MEDITERRANEAN, AND THE ATLANTIC IBERIAN COASTLINE WITH LARGE SHARE OF EUROPEAN CLIENTELE



EUROPEAN URBAN HOTELS

CENTRALLY LOCATED URBAN HOTELS

EUROPEAN MAJOR AND SECONDARY BLEISURE CITIES



SMART LODGING

HOSTELS

EXISTING HOSTELS AND CONVERSIONS IN CITY CENTERS

SPANISH AND EUROPEAN KEY CITIES



CAMPSITES

EXISTING CAMPSITES AND NEW DEVELOPMENTS

SPANISH MEDITERRANEAN COAST AND PORTUGUESE COAST



ING Real Estate

[EPRA Conference – Lodging & Resorts panel session]

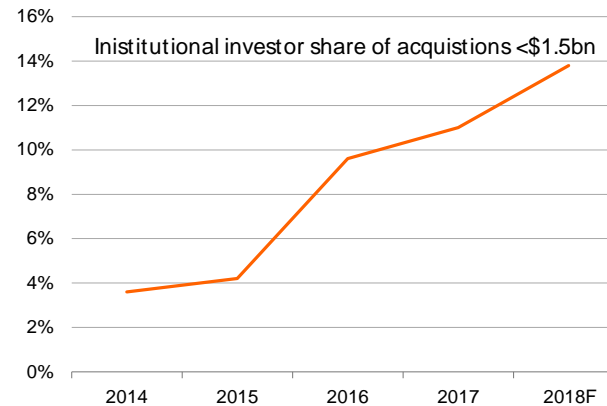
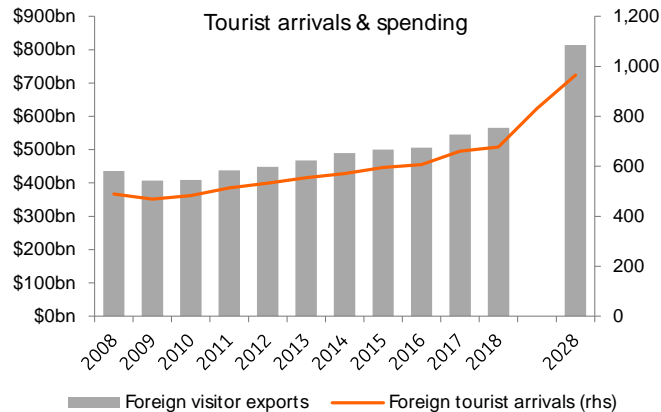
September 2018

Jaap Kuin
Real Estate Equity Research

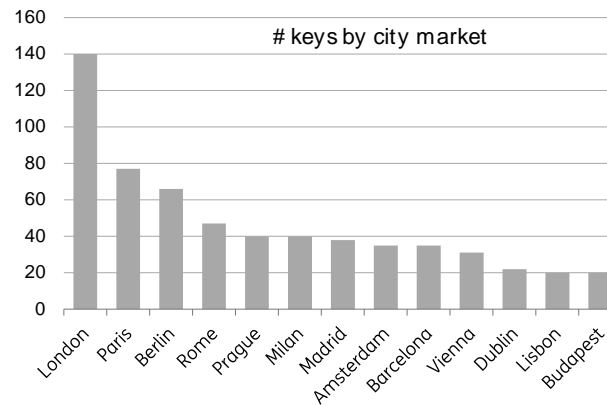
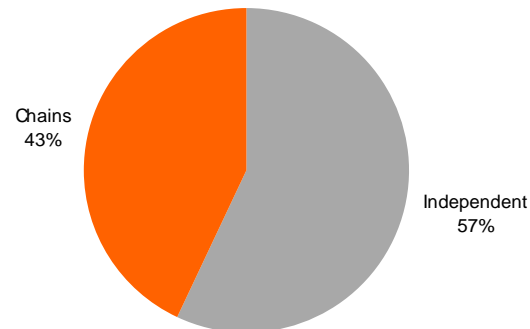
The EU hotel market

Positive fundamentals in an institutionalizing market

- WTCC forecasts a strong increase in tourist arrivals in the coming 10 years (+3.7% p.a)
- Europe 2017: **78% leisure, 22% business**, spending expected to grow by 2.3-2.4% in both categories
- More institutional buyers, and more generalists getting comfortable with the hotel asset class



Share of Hotel Chains by # keys – US @ 70% Chains and EU moving to that direction

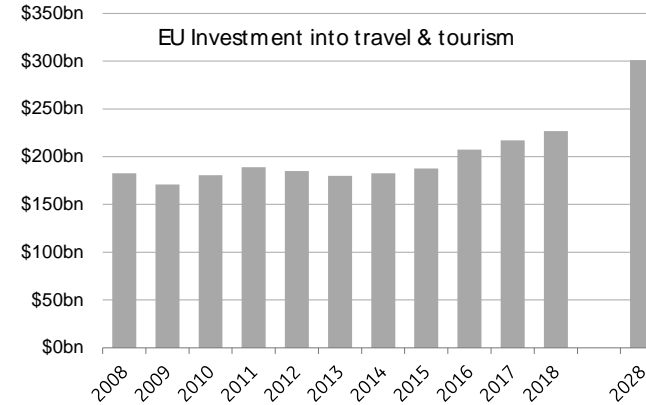
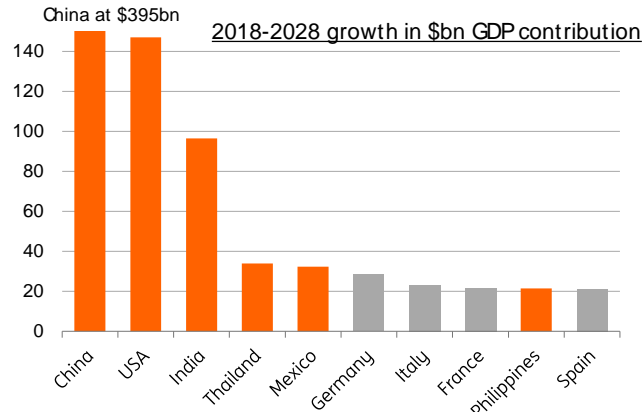


Source: WTCC

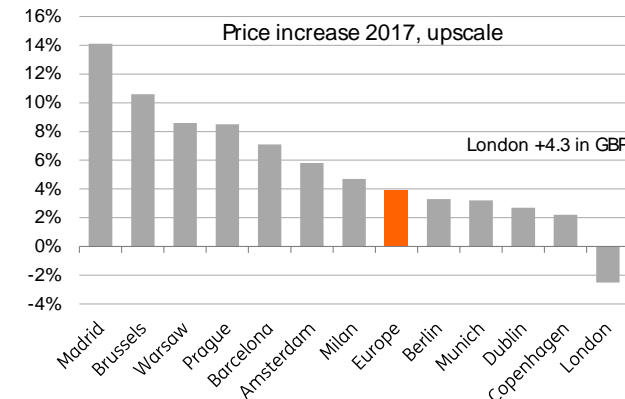
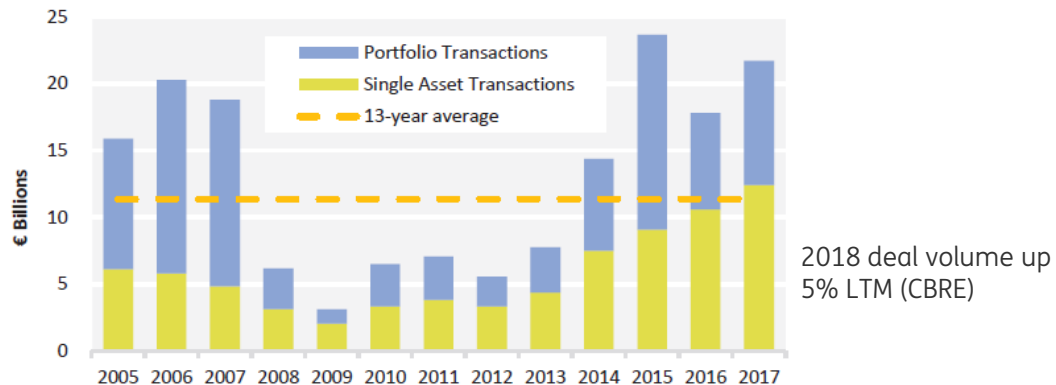
The EU hotel investment market

Volumes & pricing growing, yields compressed to ~4% at the low end, UK remains #1

- Investments into the sector growing by 3% pa, a place for REITs to deploy more capital? To reach 5.5% of total investments



- Europe hotel transaction volumes trend up, despite Brexit the UK is still #1 attractive country in CBRE Survey
 - 94% of hotel investors wants to keep the same or higher allocation to hotels, 91% focused on cities, 9% on resort location (mostly beach)
- Prices up in Madrid, Brussels, CEE. London down but up 4.3% in GBP. Yields for leased deals at ~4.0-5.5%. Yields more stable after strong 2016

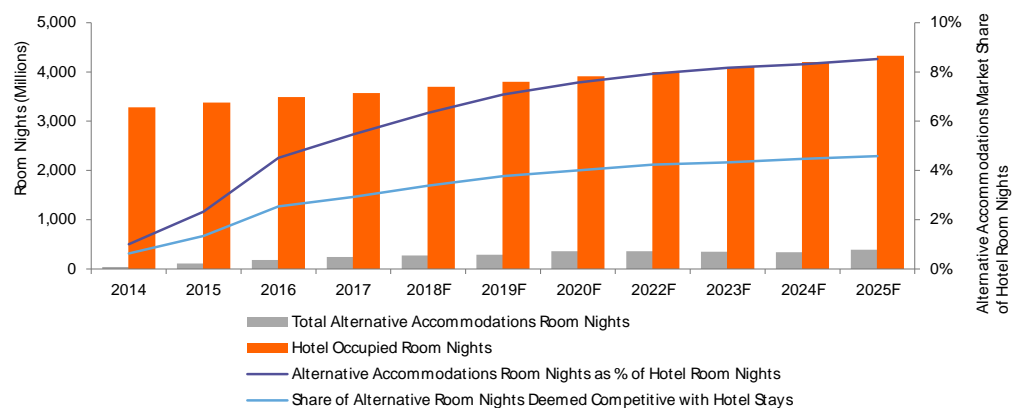


Source: WTCC, CBRE, HVS

The EU hotel market: Airbnb / Alternative Accommodation

Overnight stays will grow, but are 'alternative accommodations' a key threat?

- JLL estimates the competing offer of alternative stays will be just 5% by 2025? Overly optimistic? : “Gateway cities already see 10%, but cities with high alternative bookings usually have high hotel occupancy” (JLL)
- Alternatives creating additional demand? Data suggests part of Airbnb demand is cumulative rather than substitute (Colliers)
- Governments urged to act by residents and hotel owners, limits on # nights, tourist taxes paid, multi listers dominating some market,



But data from Colliers/HTH suggest Airbnb getting close to 15% in key cities already, and growing very strongly

2017 growth in overnight stays			
%	Airbnb	Hotel nights	Mkt share Airbnb
Dublin	44	1	13.5
London	45	5	6.9
Paris	25	11	15.2
Prague	60	4	14.7

- Colliers states that Airbnb has become 'complementary' as bookings concentrate in districts around key hotel districts

Source: Colliers, JLL

The EU listed hotel real estate space

Key topics to consider

REIT strategies

- Platform building
- Active asset management & quality upgrades: 3 to 4 star
- Geographical / operator diversification
- Rotation towards UK as Brexit offers better entry levels for long term investors
- Complex deals where owner / operator skills are both required (e.g. Starwood / Covivio, Pandox / Jurys, Hispania / Barcelo) to extract higher returns

Supply / demand

- No general overdevelopment yet in Northern Europe. Pipeline of 6% according to HVS
- Pipeline: oversupply: Stockholm, Heathrow, Copenhagen, 2nd tier cities. undersupply: Amsterdam, Dublin
- Growth focused on 1st and 2nd tier city destinations and allseason tourist destinations (e.g. Spanish Islands)
- Tourist supercycle to boost RevPar in many if not most EU top hotel destinations for the long term. 10% RevPar growth in 2017
- Blended lodging concepts short-to-longstay & branded resi, The Student Hotel, Zoku (“home-office hybrid”)

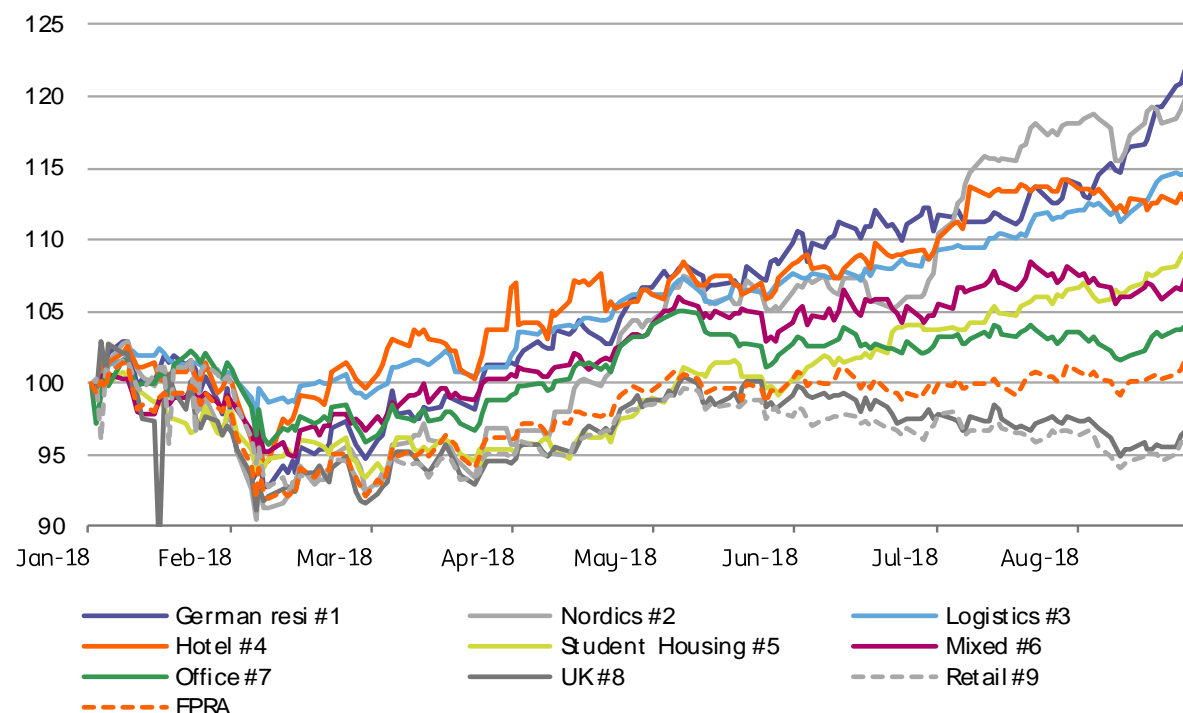
Operators / consolidation

- Increasing franchise level in EU: Chains are growing, consolidating family/sub-scale hotels in all markets
 - Growing franchise rate to continue (In NL 59% of hotels are now part of franchise, vs 35% in 2000)
 - Direct booking / Chains pay <10% commission vs ~25% for smaller outfit?
- Travel as experience: e.g. increased focus on F&B
- Technology investments: invest in AI? Maintaining focus on keeping operational costs down

“Hotel REIT” performance in 2018 and since 2015

The data

- Hotels still only a small part of the index, but alternatives to listed retail and office space are generally popular
- Hispania has had a perfectly timed entry (end exit?)
- Annual total return since June 2015 (Pandex IPO) of about 15% for Pandox and Hispania, 10% for Covivio



	Market cap weights	YtD TR
German res	22%	21%
Nordics	8%	19%
Logistics	5%	15%
Hotel	2%	13%
Student Ho	2%	10%
Mixed	6%	7%
Office	13%	4%
UK	12%	-4%
Retail	28%	-5%
EPRA		1%

Unweighted returns, UK Retail is qualified under retail

Source: Bloomberg, local currency



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Additional information is available on request



COVIVIO

**MAJOR PLAYER IN EUROPEAN HOTEL
REAL ESTATE**

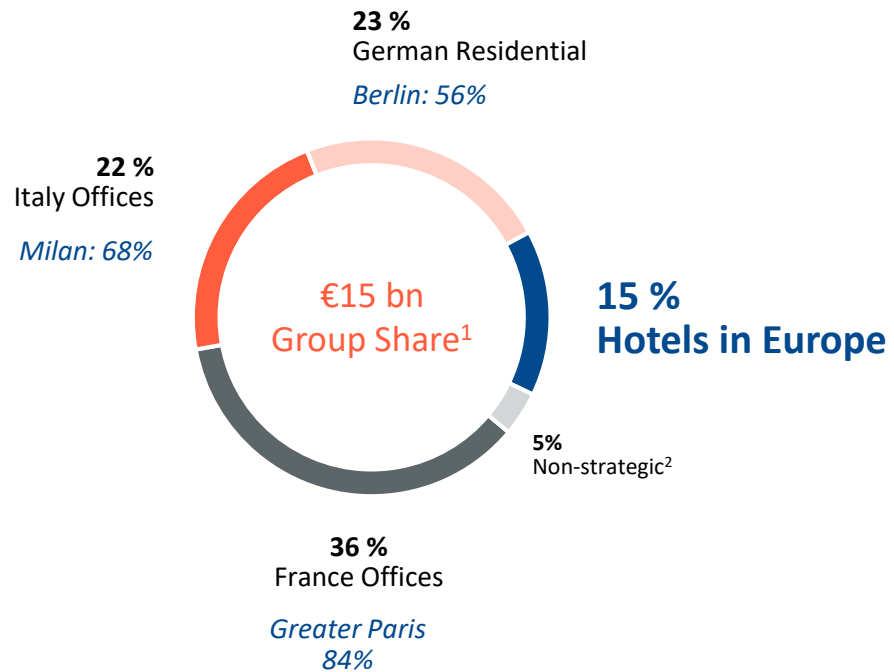
EPRA conference 2018

COVIVIO

COVIVIO: A UNIQUE EUROPEAN BUSINESS MODEL

A leading player in each of its markets

Major player in European hotel real estate



A €5.9 bn³ hotel portfolio diversified across 7 countries

Through Covivio Hotels, owned at 42% by Covivio

A strategy built on 3 essential pillars

1
Focus on major
European cities

2
Target the
most profitable hotels

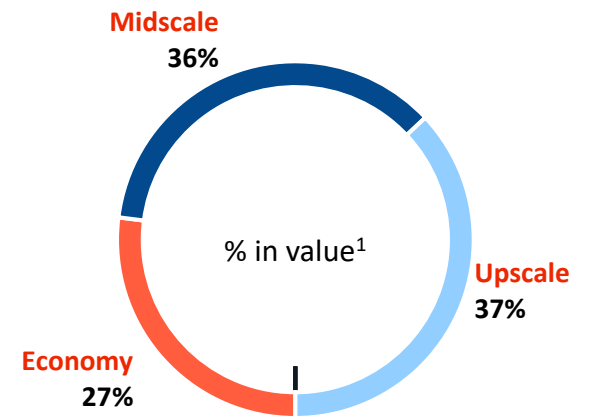
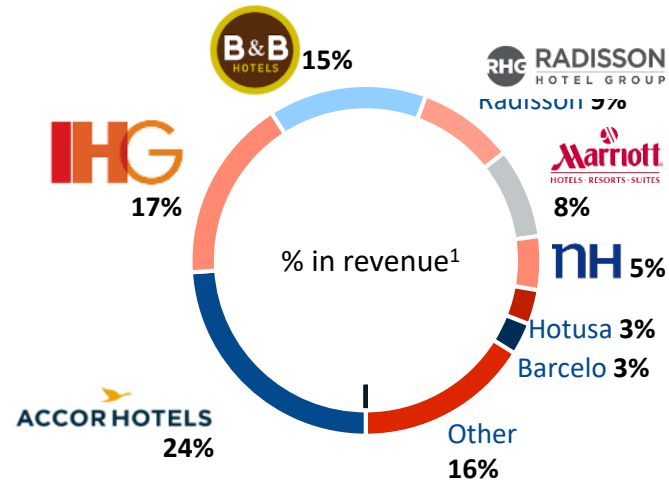
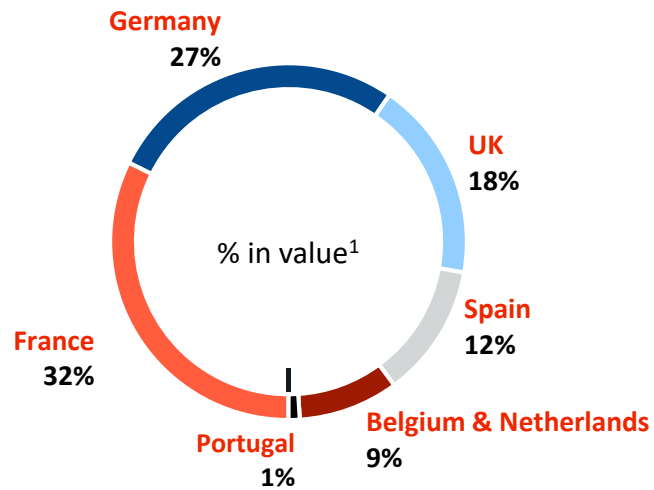
3
Client centric: be the
preferred partner of
main operators

A HIGH-QUALITY HOTEL PORTFOLIO

80% major European cities
(cities with more than 2 million nights stay annually)

**Long-term partnerships
 with the best operators**

High-quality of the assets
73% midscale & upscale hotels



A VERY STRONG REVENUE PROFILE

A balanced mix between type of revenues...

COVIVIO HOTELS : Real Estate owner

Revenue from operators¹

Fixed lease

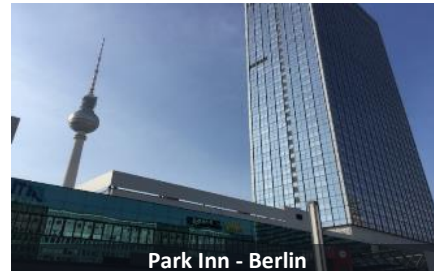
Variable lease

Management/Franchise contracts

53%

21%

26%



...offering resilient and sustainable growth

Like-for-like revenue growth in H1 2018

Lease properties

+3.3%

Operating properties

+4.2%

Occupancy rate

100%

since the beginning

Average firm lease term

14 years

at end-June 2018¹

2018 - MAJOR ACQUISITION IN THE UK

4* and 5* hotels - 2,638 rooms
Prime locations in the city-centers of major UK cities



14 hotels for €976 million¹

Upside potential through asset management

Hotels location by city



New partnership with **IHG**[®]
leader in the UK market
25-year triple net variable lease
with a minimum guarantee fully indexed



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