

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Apr/21



*When crocuses bloom
we hope the numbers will too!*

SWEDISH MACRO INDICATORS 2
SWEDISH HOTEL MARKET SUMMARY 3
TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES 4
NORDIC HOTEL MARKET - COUNTRIES AND CAPITAL CITIES 7

Valuation and The Good Hotel Investment

Annordia carries out valuations of hotel properties, portfolios of hotels and hotel development projects. Our unique expertise and market knowledge differentiates us from other valuation providers. As hotel specialists rather than generalists that may value a mere handful of hotels annually, we have a deep understanding of the underlying value drivers and have a host of data to draw upon. We provide property valuations for a variety of purposes, including acquisitions, year-end accounting and secured lending.

Give us a call and we'll tell you more.

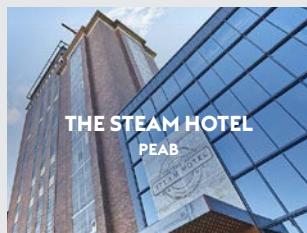
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RICS REGISTERED VALUER AND MEMBER OF SAMHÄLLSBYGGARNA.

15 YEARS' PROFESSIONAL EXPERIENCE OF VALUING HOTELS ACROSS THE EMEA REGION AND PREVIOUS EXPERIENCE FROM CBRE, COLLIERS AND DTZ.



Market analysis

Establish the feasibility of a potential hotel investment.



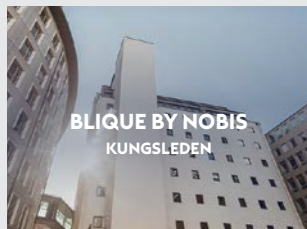
Concept development

Hotel planning and optimisation based on market characteristics.



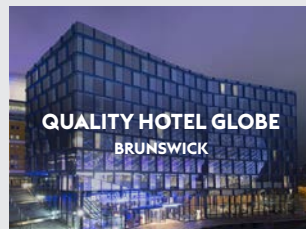
Lease advisory

Adding value in rent review, lease renewals and valuations.



Operator search

Recruitment of suitable hotel operators on favourable terms.



Valuation

For acquisitions, year-end accounting and secured lending.



Transaction advisory

For owners and operators in the hospitality industry.

HOTEL MARKET UPDATE

Welcome to Annordia's monthly market snapshot Hotel Market Update. In this report you'll find important statistical information in respect of the Swedish and Nordic hotel markets.

Annordia has undertaken significant research and analysis of every aspect of the hospitality industry. Over time, we have built comprehensive databases with the latest market information in order to support our consultancy services. We therefore have a unique insight into current market dynamics that we gladly share and which we hope helps to grow your interest in the hotel sector.

ONE YEAR OF THE PANDEMIC

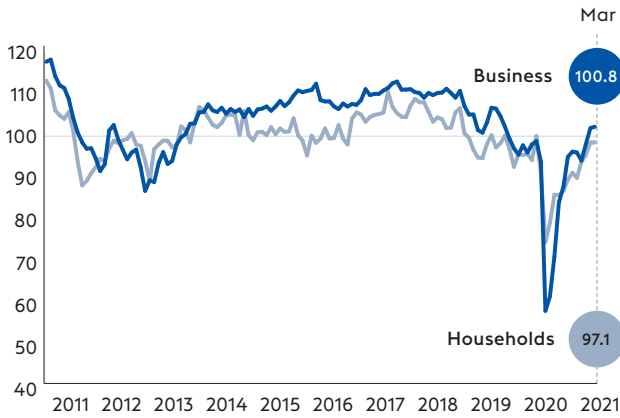
One year of the Covid-19 pandemic has passed and digital meetings and hand sanitizers have become a part of our everyday life. Last year was, by far, the most challenging year on record for the global travel industry and hotels worldwide were faced with massive loss of demand for their services.

As summer 2020 arrived, the spread of the virus decreased and growth in rooms demand began to return. Optimism was however short-lived, as not long after, a second wave hit and the industry received yet another gut punch. Severe restrictions regarding social contacts, including working from home where possible, once again cast a dark shadow over business travel. Nevertheless, the segment still accounted for over five million rooms sold in Sweden between March 2020 and February 2021, which demonstrates that the corporate sector remains resilient even under the sternest of tests.

The development of vaccines came as a fresh start to the new year in 2021, giving a much needed injection of hope to hoteliers worldwide. Swedish hotel companies' expectations over the forthcoming three months shows improved optimism and a belief in a way out of the pandemic, as early as this summer. What the future holds remains uncertain, although not even a worldwide pandemic can stop the need for travel and human interaction in real life.

MACRO INDICATORS IN SWEDEN

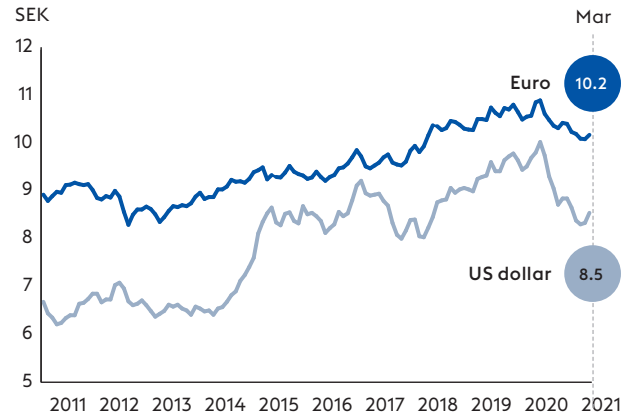
Unsurprisingly, the year of the pandemic impacted both business and household confidence indicators extremely negatively. The levels reached rock-bottom in April 2020 and thereafter began to gradually recover back to the historical average.



Confidence indicators for business and households in Sweden, up to and including March.

Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

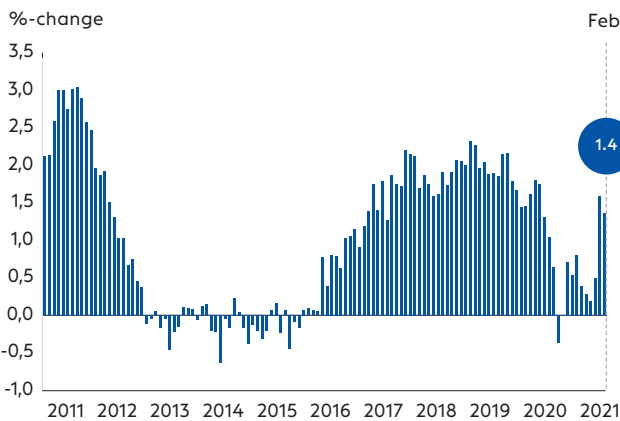
During the past year most economic indicators have been negatively impacted by the pandemic. However, the value of the Swedish krona against both the Euro and US dollar has strengthened.



The development of the Swedish krona against the Euro and the US dollar, up to and including March.

Source: The Central Bank of Sweden

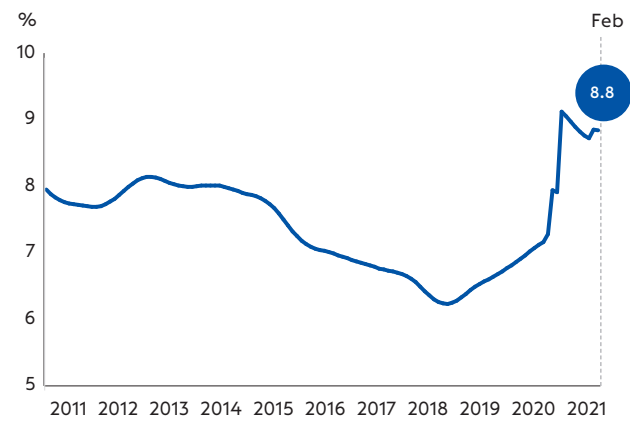
Due to a significantly changed consumer pattern over the past year, prices for goods and services we consume less of have increased marginally or fallen whilst prices of, for example, food and home DIY products have increased relatively quickly.



The inflation rate (CPI) in the Swedish economy, up to and including February.

Source: Statistics Sweden

As many businesses have suffered an extremely turbulent year, including significant loss in revenues, this has unfortunately led to a spike in job losses resulting in the highest unemployment rate in Sweden for over ten years.



Unemployment (trend) as a percentage of the Swedish market up to and including February.

Source: The laborforce survey (Statistics Sweden)

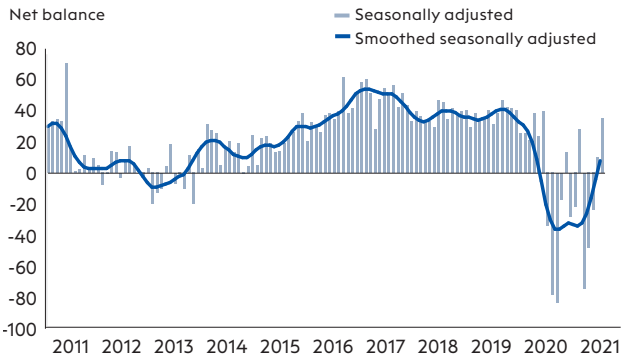
1.4%

FEBRUARY INFLATION LEVEL

SWEDISH HOTEL MARKET SUMMARY

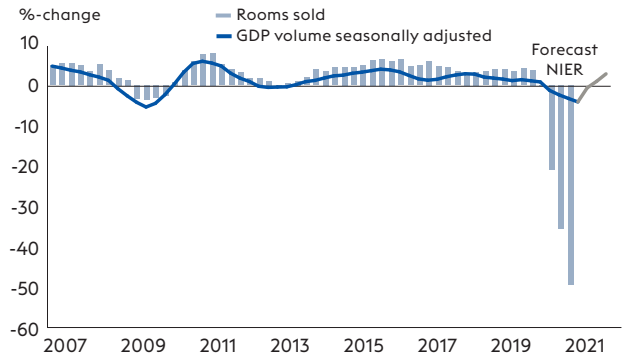
With hundreds of thousands of vaccine doses arriving to Sweden every week, the hotel companies' expectations of demand has become more positive. Many companies are starting to see light at the end of the tunnel, and some as soon as this summer.

Growth in the Swedish economy is expected to be strong in 2021 and 2022. The availability of effective vaccines gives optimism of an end to the pandemic and hope that a recovery in the Swedish hotel market can begin in earnest this summer.



Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including March.

Source: The National Institute of Economic Research
Net balance: See definitions on page 8

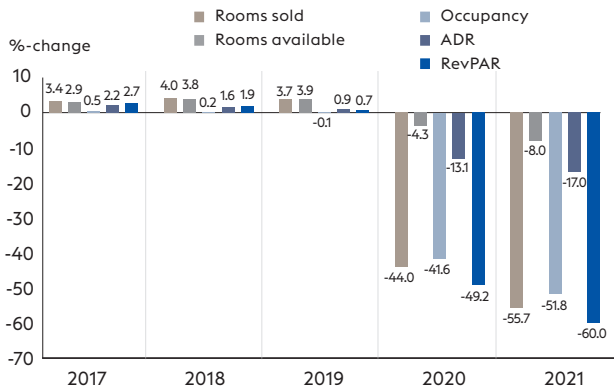


Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.

Source: The Swedish Growth Agency/Statistics Sweden & the National Institute of Economic Research

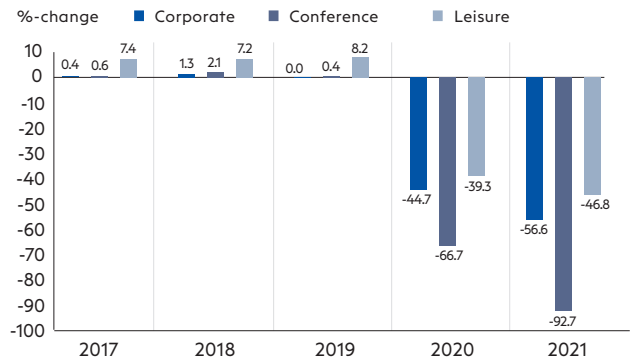
When the pandemic hit Sweden in March 2020, demand for hotel services decreased dramatically. Over the past year, demand has decreased by a total of 52 percent.

There is no doubt that corporate travel has suffered greatly during the pandemic. However, the segment has not been completely paralysed, since over five million rooms were occupied by the segment from March 2020 to February 2021.



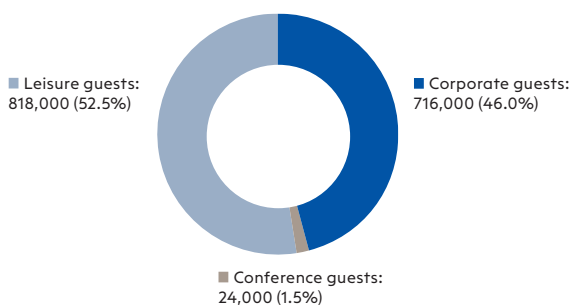
Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including February.

Source: The Swedish Growth Agency/Statistics Sweden



Percentage change of occupied hotel rooms by demand segmentation in the Swedish hotel market compared with the previous year, up to and including February.

Source: The Swedish Growth Agency/Statistics Sweden



The beginning of 2021 has not delivered any major surprises. Distribution of occupied rooms between the segments is almost the same as it was pre-corona in respect of corporate guests, though, with some changes noted in the leisure and conference guest segments.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Feb 2021.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	133	410	-67.6	23.2	61.1	-62.0	719	1,136	-36.7	167	694	-75.9
GOTHENBURG	54	162	-66.6	22.7	61.5	-63.0	815	984	-17.3	185	606	-69.4
MALMÖ	32	94	-65.5	23.6	62.6	-62.3	701	820	-14.5	165	513	-67.8
SIGTUNA	15	54	-72.0	17.4	56.8	-69.4	754	997	-24.4	131	567	-76.9
SOLNA	16	35	-53.6	24.4	57.6	-57.6	588	970	-39.4	144	558	-74.3
JÖNKÖPING	12	25	-51.2	26.0	48.4	-46.3	763	830	-8.0	198	401	-50.6
HELSINGBORG	12	28	-57.0	28.3	56.7	-50.2	686	827	-17.1	194	469	-58.7
UMEÅ	19	37	-49.6	36.4	67.2	-45.9	713	842	-15.4	259	566	-54.2
UPPSALA	13	26	-48.4	28.0	53.6	-47.7	650	890	-27.0	182	477	-61.8
LINKÖPING	13	28	-53.8	25.1	52.6	-52.3	699	848	-17.6	175	446	-60.7
LUND	10	23	-55.2	25.5	51.3	-50.3	784	944	-16.9	200	485	-58.7
KARLSTAD	11	24	-55.7	29.5	62.3	-52.7	714	896	-20.3	210	558	-62.3
ÖREBRO	12	27	-55.1	30.2	62.5	-51.7	772	908	-15.0	233	567	-58.9
VÄSTERÅS	16	29	-46.0	38.9	67.2	-42.1	829	937	-11.5	322	629	-48.8
SUNDSVALL	16	25	-35.2	36.8	53.9	-31.7	742	891	-16.8	273	481	-43.2
NORRKÖPING	11	20	-42.8	28.2	46.1	-38.9	810	869	-6.8	228	401	-43.0
LULEÅ	9	29	-67.4	30.9	76.8	-59.7	727	1,008	-27.9	225	774	-71.0
GOTLAND	6	8	-27.4	19.6	30.8	-36.3	601	683	-12.1	118	211	-43.9
NACKA	8	16	-48.4	26.3	46.6	-43.6	1,228	1,229	-0.1	323	573	-43.7
HALMSTAD	8	16	-50.8	27.0	46.8	-42.4	1,168	1,120	4.3	315	524	-39.9
GÄVLE	11	19	-39.8	39.9	62.4	-36.2	806	912	-11.6	321	569	-43.6
ÖSTERSUND	9	20	-56.1	34.1	73.2	-53.4	698	1,000	-30.2	238	732	-67.5
VÄXJÖ	7	15	-56.2	28.2	55.3	-49.1	821	912	-9.9	231	504	-54.1
KALMAR	9	12	-27.8	38.4	49.8	-22.9	682	841	-18.9	262	419	-37.4
SÖDERTÄLJE	7	12	-45.8	30.0	50.0	-40.0	643	903	-28.8	193	452	-57.3
SWEDEN	856	1,822	-53.0	26.6	52.0	-48.8	848	1,005	-15.6	226	522	-56.7

The most positive rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

YEAR-TO-DATE JANUARY – FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	251	792	-68.3	21.4	57.4	-62.7	703	1,105	-36.4	150	634	-76.3
GOTHENBURG	99	339	-70.9	20.3	62.1	-67.3	797	1,001	-20.3	162	622	-74.0
MALMÖ	58	185	-68.7	20.5	59.5	-65.6	676	849	-20.3	138	505	-72.6
SIGTUNA	31	107	-70.6	17.9	58.9	-69.6	720	990	-27.3	129	583	-77.9
SOLNA	31	70	-56.2	22.6	56.0	-59.6	584	965	-39.5	132	540	-75.6
JÖNKÖPING	22	53	-58.9	21.6	48.8	-55.8	752	855	-12.0	162	417	-61.1
HELSINGBORG	22	51	-57.0	24.5	49.9	-50.8	687	835	-17.8	169	417	-59.6
UMEÅ	34	67	-49.1	32.6	58.3	-44.1	692	805	-14.1	226	470	-52.0
UPPSALA	25	57	-56.4	25.3	56.7	-55.4	644	901	-28.6	163	510	-68.1
LINKÖPING	26	55	-52.1	24.3	49.9	-51.2	677	878	-22.9	165	438	-62.4
LUND	21	46	-55.8	25.1	50.5	-50.3	712	925	-23.0	179	467	-61.7
KARLSTAD	19	46	-59.5	25.1	57.2	-56.1	702	836	-16.1	176	479	-63.2
ÖREBRO	22	51	-56.8	26.6	57.5	-53.8	761	912	-16.6	202	525	-61.5
VÄSTERÅS	28	56	-49.4	33.9	63.5	-46.5	840	953	-11.9	285	605	-52.9
SUNDSVALL	30	47	-36.6	32.0	49.4	-35.2	726	871	-16.7	233	431	-46.0
NORRKÖPING	20	36	-45.1	24.0	42.9	-43.9	821	867	-5.4	197	372	-47.0
LULEÅ	18	49	-64.0	27.6	63.8	-56.8	704	950	-25.9	194	606	-68.0
GOTLAND	10	14	-28.1	18.1	29.1	-37.7	592	686	-13.7	107	199	-46.2
NACKA	14	32	-55.7	23.8	46.2	-48.5	1,265	1,252	1.1	301	578	-48.0
HALMSTAD	14	30	-53.8	23.0	43.3	-46.8	1,143	1,111	2.8	263	481	-45.3
GÄVLE	21	37	-42.0	36.5	58.8	-37.9	806	898	-10.3	294	528	-44.3
ÖSTERSUND	15	34	-54.4	30.0	61.0	-50.8	704	948	-25.8	211	578	-63.5
VÄXJÖ	12	30	-59.4	25.0	54.9	-54.4	784	919	-14.7	196	504	-61.1
KALMAR	16	23	-31.5	33.1	44.5	-25.6	669	829	-19.3	221	369	-40.0
SÖDERTÄLJE	12	23	-45.9	29.0	46.0	-36.9	654	893	-26.8	190	411	-53.8
SWEDEN	1,559	3,516	-55.7	23.7	49.2	-51.8	821	989	-17.0	194	486	-60.0

The most positive rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

12-MONTH ROLLING AVERAGE MARCH - FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,782	6,078	-70.7	24.2	71.5	-66.2	829	1,235	-32.9	200	883	-77.3
GOTHENBURG	865	2,458	-64.8	28.7	73.0	-60.7	845	1,122	-24.7	243	819	-70.4
MALMÖ	505	1,307	-61.3	29.0	69.9	-58.5	745	856	-12.9	216	599	-63.9
SIGTUNA	207	677	-69.3	19.5	67.1	-70.9	788	1,031	-23.5	154	692	-77.8
SOLNA	203	514	-60.5	25.6	67.4	-62.1	661	984	-32.8	169	664	-74.5
JÖNKÖPING	218	422	-48.5	33.6	61.3	-45.2	818	916	-10.7	275	561	-51.0
HELSINGBORG	217	401	-45.8	36.5	64.6	-43.5	829	896	-7.5	303	579	-47.7
UMEÅ	236	422	-44.1	37.2	60.7	-38.7	719	816	-11.9	268	496	-46.0
UPPSALA	176	373	-52.7	30.7	60.6	-49.4	752	949	-20.7	231	575	-59.9
LINKÖPING	217	392	-44.7	32.7	58.5	-44.1	723	877	-17.6	236	513	-54.0
LUND	165	347	-52.5	33.5	61.8	-45.8	769	974	-21.1	258	602	-57.2
KARLSTAD	162	343	-52.7	34.3	70.0	-50.9	759	843	-9.9	261	589	-55.8
ÖREBRO	189	359	-47.4	37.4	66.3	-43.5	814	916	-11.1	304	607	-49.8
VÄSTERÅS	209	349	-40.1	41.5	66.3	-37.4	898	973	-7.8	373	646	-42.3
SUNDSVALL	218	307	-28.9	38.2	55.3	-31.0	773	882	-12.3	295	488	-39.5
NORRKÖPING	188	311	-39.7	36.0	56.2	-35.9	974	1,015	-4.1	351	571	-38.5
LULEÅ	150	265	-43.6	33.3	64.0	-48.0	748	886	-15.5	249	567	-56.1
GOTLAND	181	258	-30.1	37.8	51.9	-27.2	1,056	1,122	-5.9	399	582	-31.5
NACKA	98	235	-58.5	29.5	58.0	-49.2	1,219	1,252	-2.7	359	726	-50.5
HALMSTAD	152	227	-32.9	38.5	56.5	-32.0	1,230	1,201	2.5	473	679	-30.3
GÄVLE	164	235	-30.1	44.0	62.6	-29.7	851	917	-7.3	374	574	-34.8
ÖSTERSUND	111	220	-49.4	33.6	65.6	-48.7	757	952	-20.4	255	625	-59.2
VÄXJÖ	109	201	-45.7	35.8	58.8	-39.0	828	904	-8.4	297	531	-44.1
KALMAR	132	201	-34.5	45.3	63.2	-28.4	873	949	-8.0	395	600	-34.1
SÖDERTÄLJE	81	175	-53.9	29.3	58.1	-49.5	723	936	-22.7	212	544	-61.0
SWEDEN	12,293	25,612	-52.0	29.8	58.2	-48.8	868	1,039	-16.5	259	605	-57.2

The most positive rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	856	1,822	-53.0	26.6	52.0	-48.8	848	1,005	-15.6	226	522	-56.7
DENMARK	169	668	-74.7	12.0	47.0	-74.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	392	884	-55.6	28.7	56.2	-48.9	902	1,107	-14.6	259	622	-56.4
NORWAY	470	1,219	-61.5	25.0	52.0	-51.9	890	1,031	-8.3	222	536	-55.9
STOCKHOLM	133	410	-67.6	23.2	61.1	-62.0	719	1,136	-36.7	167	694	-75.9
COPENHAGEN	67	308	-78.2	12.0	55.0	-78.2	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	46	184	-74.8	19.0	64.8	-70.7	870	1,116	-18.3	165	723	-76.0
OSLO	52	255	-79.8	15.0	57.0	-73.7	741	968	-18.6	111	552	-78.6

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

YEAR-TO-DATE JANUARY - FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,559	3,516	-55.7	23.7	49.2	-51.8	821	989	-17.0	194	486	-60.0
DENMARK	326	1,351	-75.8	10.9	46.5	-76.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	730	1,748	-58.3	25.8	53.8	-52.0	871	1,103	-17.1	225	593	-60.2
NORWAY	927	2,377	-61.0	22.9	49.4	-53.8	869	1,016	-9.1	199	503	-58.0
STOCKHOLM	251	792	-68.3	21.4	57.4	-62.7	703	1,105	-36.4	150	634	-76.3
COPENHAGEN	130	629	-79.3	10.9	55.0	-80.1	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	91	384	-76.3	18.3	65.4	-72.0	863	1,111	-18.6	158	726	-77.2
OSLO	52	255	-79.8	15.0	57.0	-73.7	741	968	-18.6	111	552	-78.6

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

12-MONTH ROLLING AVERAGE MARCH – FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	12,293	25,612	-52.0	29.8	58.2	-48.8	868	1,039	-16.5	259	605	-57.2
DENMARK	4,549	11,022	-58.7	24.0	61.3	-60.8	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	5,219	11,203	-53.4	31.5	56.2	-43.9	875	1,058	-13.3	276	595	-51.3
NORWAY	8,197	16,822	-51.3	32.9	55.9	-41.2	951	1,029	-1.7	313	575	-42.2
STOCKHOLM	1,782	6,078	-70.7	24.2	71.5	-66.2	829	1,235	-32.9	200	883	-77.3
COPENHAGEN	1,293	5,104	-74.7	17.7	74.8	-76.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	664	2,774	-76.1	24.2	74.3	-67.3	897	1,224	-23.2	217	909	-74.9
OSLO	1,258	3,593	-65.0	31.3	69.7	-55.0	858	1,092	-16.4	269	761	-62.4

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

DEFINITIONS

Net balance: Net balance is the difference between the number of positive versus negative responses received from hotels regarding their demand expectations for their services.

Occupancy: Rooms sold/Available rooms.

ADR: Accommodation revenue/Rooms sold.

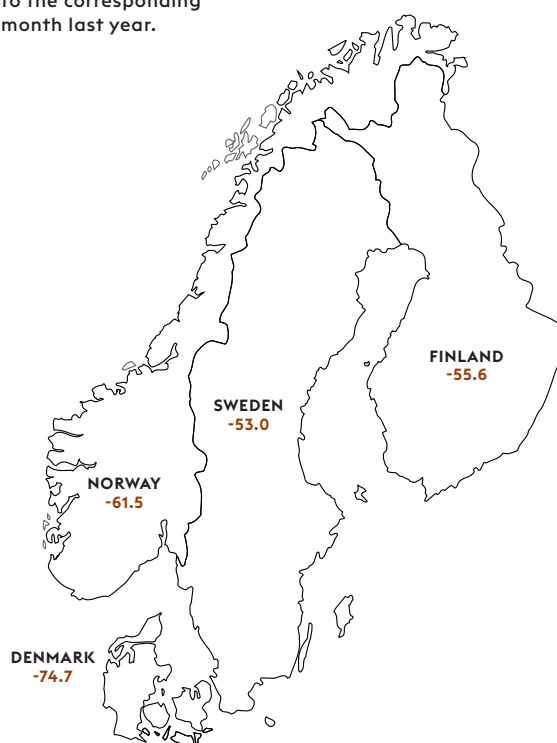
RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN FEBRUARY

%-change compared to the corresponding month last year.

-79.8%
DECREASE IN ROOMS SOLD
IN OSLO, FEBRUARY 2021



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