

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Aug/21



*Welcome back from summer vacation,
and to the trends and figures captured in this market update.*

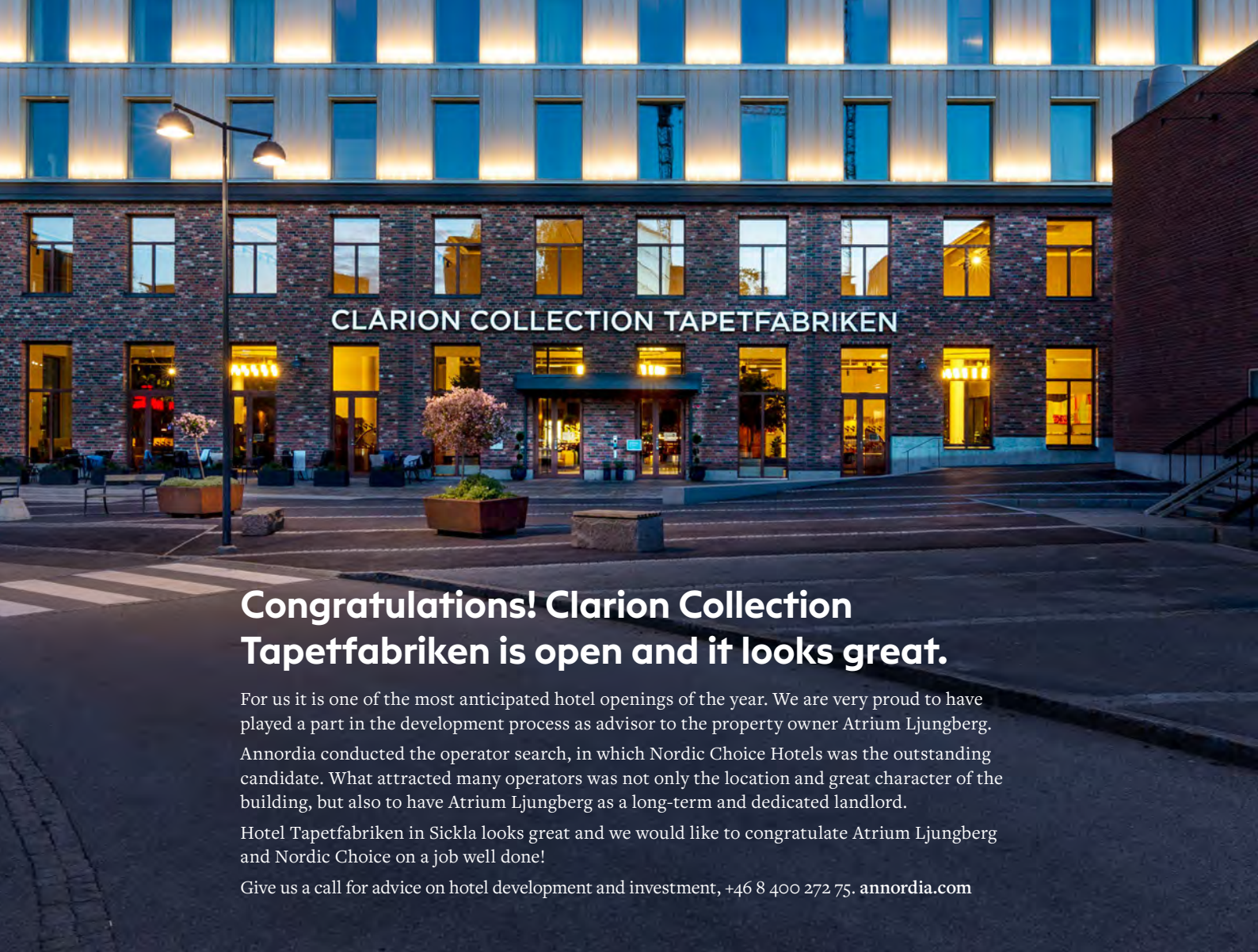
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Annordia
HOSPITALITY CONSULTING



CLARION COLLECTION TAPETFABRIKEN

Congratulations! Clarion Collection Tapetfabriken is open and it looks great.

For us it is one of the most anticipated hotel openings of the year. We are very proud to have played a part in the development process as advisor to the property owner Atrium Ljungberg. Annordia conducted the operator search, in which Nordic Choice Hotels was the outstanding candidate. What attracted many operators was not only the location and great character of the building, but also to have Atrium Ljungberg as a long-term and dedicated landlord.

Hotel Tapetfabriken in Sickla looks great and we would like to congratulate Atrium Ljungberg and Nordic Choice on a job well done!

Give us a call for advice on hotel development and investment, +46 8 400 272 75. annordia.com



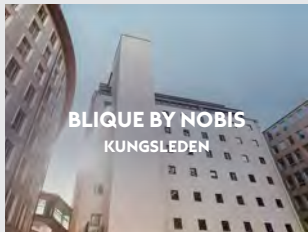
Market analysis
Establish the feasibility of a potential hotel investment.



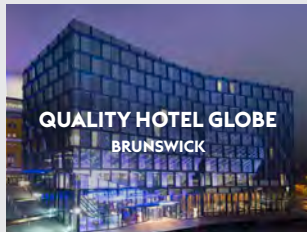
Concept development
Hotel planning and optimisation based on market characteristics.



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.

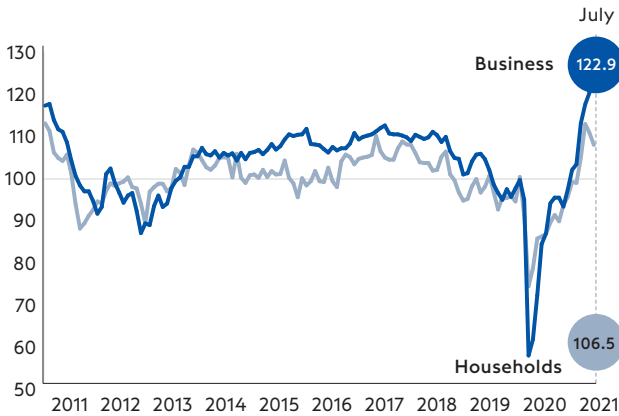
TALKING POINTS OF THE MONTH

The beginning of the summer holiday season spread some sunshine over the hotel market, with rooms sold increasing considerably compared with last year, following the path from previous months. Many of us have stayed at home and explored what Sweden has to offer, resulting in a much needed boost of demand for hotel rooms in June. However, the first half of 2021 still showed red figures due to the pre-pandemic months January and February 2020.

- Optimism among businesses in Sweden continues to be very high. The confidence indicator for households fell slightly in July, however from a very high level – see confidence indicators on page 2.
- Hotel companies' expectations of demand for hotel services over the forthcoming three months is positive and 9 out of 10 believes in an increased demand – see hotel companies' expectations on page 3.
- Demand continued to increase in June compared with the low levels from previous year. However, number of rooms sold in June 2021 compared with June 2019 was -54 percent showing that there is still a way to go until full recovery. The most positive change in June was seen in Nacka (+123 percent) - see page 4.
- There was a strong increase in demand for hotel rooms in all Nordic Capitals, except for Oslo, in June compared to the corresponding month last year. Growth was over 100 percent in Helsinki and Copenhagen and almost 85 percent in Stockholm. Growth in Oslo, however, was just over 5 percent - see page 7.

MACRO INDICATORS IN SWEDEN

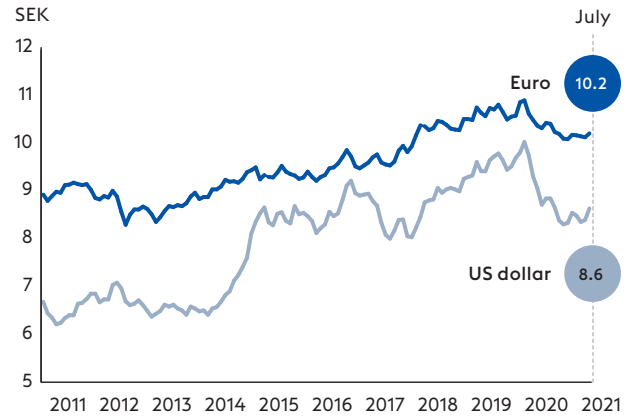
The optimism among businesses in Sweden is high. The level of the business confidence indicator is by far the highest throughout the 2000s. The household confidence indicator fell slightly in July, however from a high level.



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

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

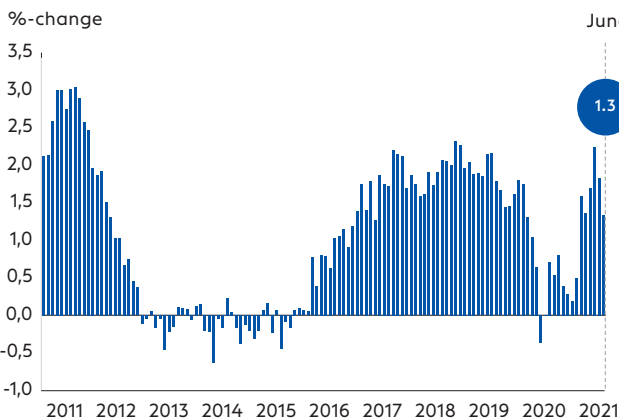
The value of the Swedish krona fell against the US dollar in July. Since the beginning of the year, the value of the krona against the dollar has weakened by four percent. The value against the Euro is roughly unchanged.



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

Source: The Central Bank of Sweden

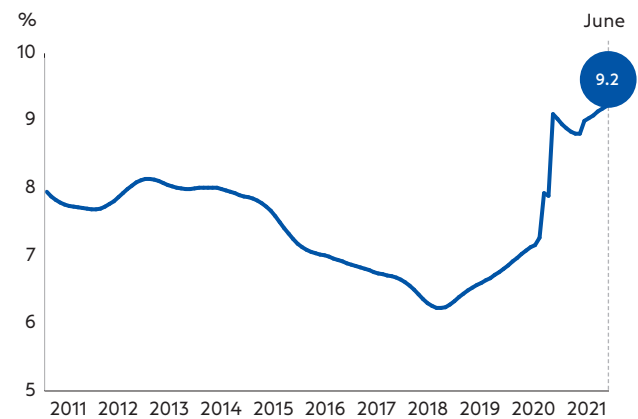
The inflation rate in the Swedish economy was 1.3 percent in June compared with the corresponding month 2020. The inflation rate on an annual basis has fallen relatively sharply compared with April and May.



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

Source: Statistics Sweden

Unemployment remained at over 9 percent in June. The rate was the same as the corresponding month in 2020. Expected strong economic growth during the autumn will in all probability lead to the rate clearly starting to decrease.



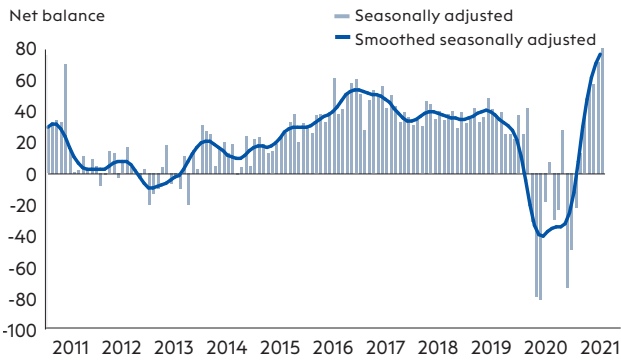
Unemployment (trend) as a percentage of the Swedish market up to and including June.

Source: The laborforce survey (Statistics Sweden)

1.3%
JUNE INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

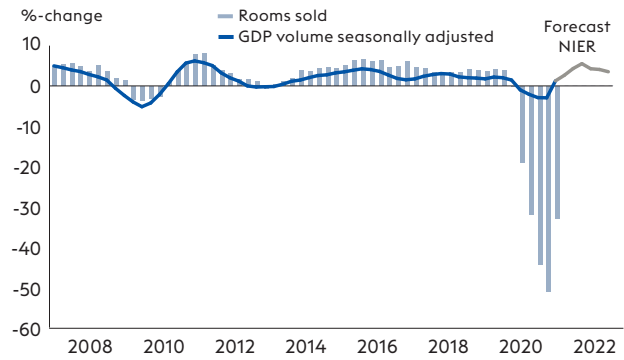
The positive figures seen in the hotel market in recent months has left its mark on hotel companies' expectations of future demand. In July, 9 out of 10 hotel companies believed in increased demand in 3 months' time.



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

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

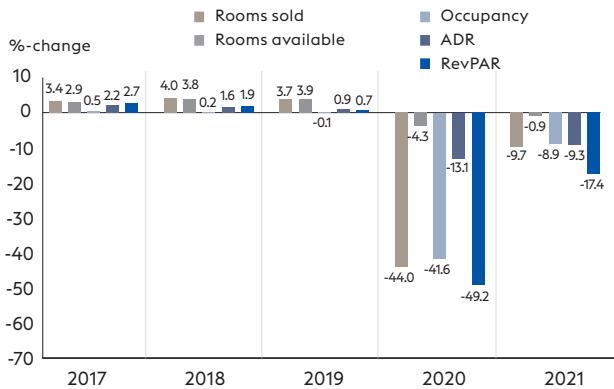
Expected good economic growth over the next 18 months will provide support for the continued recovery in the Swedish hotel market. Historically, the connection between growth in the economy and growth in the hotel industry is strong.



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

During the second quarter of 2021, the hotel market witnessed a strong growth in KPIs compared to last year. RevPAR rose by over 70 percent compared with the second quarter of 2020¹.

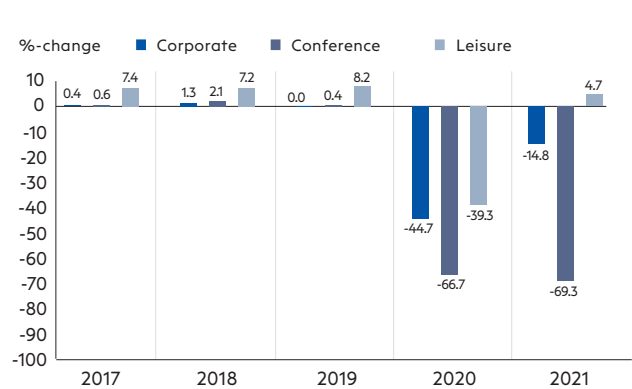


Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including June.

Source: The Swedish Growth Agency/Statistics Sweden

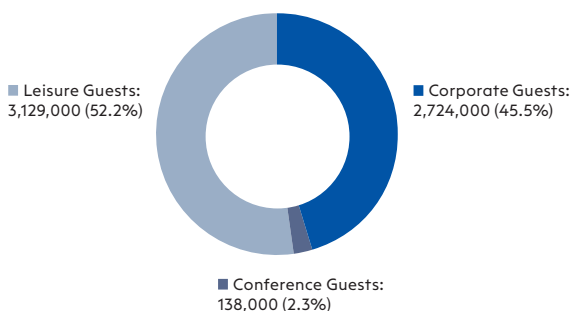
¹Please note that the first quarter of 2020 was before the pandemic, resulting in a negative growth the first six months of 2021.

During the second quarter, demand from all customer segments increased compared with the corresponding period in 2020. Even growth from the conference segment picked up in the second quarter, but demand is still at a very low level.



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

Source: The Swedish Growth Agency/Statistics Sweden



The private segment occupied more than 3 million hotel rooms during the first half of 2021. That was just over half of all sold rooms.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	206	112	84.6	32.4	19.1	69.9	866	779	11.2	281	149	88.9
GOTHENBURG	104	58	80.1	38.7	23.6	63.7	910	798	14.0	352	189	86.7
MALMÖ	48	31	52.3	31.7	22.1	43.3	739	715	3.3	234	158	48.0
SIGTUNA	20	12	72.8	20.4	14.1	44.7	823	708	16.3	168	100	68.3
SOLNA	19	15	26.2	23.6	22.8	3.7	617	582	6.0	146	132	10.0
JÖNKÖPING	22	16	38.2	42.8	30.2	41.8	874	806	8.5	374	243	53.8
HELSINGBORG	25	17	47.8	42.1	33.4	26.1	890	742	19.9	375	248	51.3
UMEÅ	25	16	57.3	43.8	30.7	42.9	719	715	0.5	315	219	43.6
UPPSALA	20	12	59.5	37.0	27.7	33.7	685	758	-9.6	254	210	20.9
LINKÖPING	23	16	44.6	40.3	30.1	33.7	670	693	-3.4	270	209	29.2
LUND	15	11	37.9	35.6	30.6	16.6	808	725	11.3	288	222	29.8
KARLSTAD	14	11	29.8	35.7	28.8	24.1	743	700	6.2	265	201	31.8
ÖREBRO	17	13	34.6	40.7	32.8	23.8	792	751	5.5	322	247	30.7
VÄSTERÅS	21	16	33.3	48.4	38.1	27.1	859	802	7.1	416	306	36.1
SUNDSVALL	21	14	44.6	42.9	30.8	39.5	712	723	-1.5	306	222	37.4
NORRKÖPING	21	15	42.5	47.6	32.9	44.7	924	960	-3.7	440	316	39.3
LULEÅ	22	10	110.6	65.1	26.8	142.8	819	735	11.4	533	197	170.3
GOTLAND	33	16	102.3	55.8	32.0	74.2	1,203	1,020	17.9	671	327	105.3
NACKA	14	6	122.8	34.5	28.9	19.4	1,170	1,142	2.5	404	330	22.4
HALMSTAD	19	13	44.1	53.6	39.6	35.4	1,281	1,162	10.3	686	460	49.3
GÄVLE	17	12	43.2	53.0	36.6	44.6	869	807	7.7	460	296	55.7
ÖSTERSUND	13	8	49.5	46.2	30.1	53.6	700	731	-4.2	324	220	47.2
VÄXJÖ	10	8	28.1	38.6	34.9	10.6	847	771	9.9	327	269	21.5
KALMAR	15	11	46.8	60.1	44.7	34.5	905	814	11.3	544	364	49.6
SÖDERTÄLJE	9	6	44.7	38.7	25.3	53.1	730	665	9.8	283	168	68.0
SWEDEN	1,385	897	54.4	37.8	26.7	41.6	897	819	9.5	339	219	55.1

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 – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	945	1,270	-25.6	25.9	32.7	-20.8	770	1,031	-25.4	199	337	-40.9
GOTHENBURG	414	551	-24.8	26.7	35.2	-24.2	827	961	-14.0	221	339	-34.8
MALMÖ	219	311	-29.5	25.0	34.1	-26.7	716	829	-13.6	179	283	-36.7
SIGTUNA	102	167	-39.0	17.9	30.8	-41.8	762	943	-19.2	136	290	-52.9
SOLNA	101	123	-17.8	22.6	31.6	-28.5	606	876	-30.8	137	276	-50.5
JÖNKÖPING	92	107	-14.2	29.0	32.5	-10.7	824	838	-1.7	239	273	-12.3
HELSINGBORG	101	103	-1.9	30.3	34.2	-11.2	794	810	-2.0	241	277	-13.0
UMEÅ	118	125	-5.8	35.9	38.3	-6.3	693	777	-10.8	249	298	-16.4
UPPSALA	89	102	-12.6	28.6	35.6	-19.6	665	877	-24.2	191	313	-39.0
LINKÖPING	106	110	-3.2	32.0	33.2	-3.6	669	806	-17.0	214	267	-20.0
LUND	76	89	-14.3	29.8	34.8	-14.4	755	871	-13.3	225	303	-25.8
KARLSTAD	72	84	-14.9	30.4	35.2	-13.7	723	807	-10.3	220	284	-22.6
ÖREBRO	84	98	-14.0	33.1	38.8	-14.8	781	893	-12.5	258	347	-25.5
VÄSTERÅS	103	113	-9.5	40.6	43.8	-7.4	865	924	-6.4	351	405	-13.3
SUNDSVALL	99	95	5.1	34.3	33.6	2.1	717	821	-12.7	246	276	-10.9
NORRKÖPING	84	83	1.1	32.5	33.0	-1.5	869	878	-1.0	282	290	-2.5
LULEÅ	79	87	-8.7	40.2	37.3	7.6	777	890	-12.6	312	332	-6.0
GOTLAND	79	47	68.5	34.5	23.4	47.8	940	824	14.1	325	192	68.6
NACKA	51	56	-9.8	29.1	31.8	-8.6	1,288	1,203	7.1	374	382	-2.1
HALMSTAD	71	68	3.5	35.4	32.8	7.9	1,210	1,117	8.3	428	366	16.9
GÄVLE	77	76	1.4	41.4	39.8	4.0	826	873	-5.3	342	347	-1.5
ÖSTERSUND	56	62	-10.0	34.6	36.8	-6.0	704	891	-21.0	244	328	-25.7
VÄXJÖ	47	59	-20.0	31.2	38.7	-19.4	849	910	-6.7	265	352	-24.8
KALMAR	62	55	14.5	42.7	37.7	13.2	783	815	-3.9	334	307	8.8
SÖDERTÄLJE	42	44	-5.9	31.2	29.6	5.3	695	838	-17.1	217	248	-12.6
SWEDEN	5,991	6,635	-9.7	28.8	31.6	-8.9	844	931	-9.3	243	294	-17.4

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 JULY – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,998	4,476	-55.4	27.2	54.8	-50.4	798	1,181	-32.4	217	647	-66.5
GOTHENBURG	969	1,849	-47.6	31.7	56.7	-44.2	831	1,094	-24.0	263	620	-57.6
MALMÖ	541	1,006	-46.3	31.1	54.4	-42.7	728	844	-13.7	227	459	-50.6
SIGTUNA	218	506	-57.0	19.9	48.7	-59.1	766	1,001	-23.5	153	487	-68.7
SOLNA	220	392	-43.8	26.2	50.7	-48.4	623	939	-33.7	163	476	-65.8
JÖNKÖPING	234	333	-29.9	36.4	49.4	-26.4	825	908	-9.0	300	448	-33.0
HELSINGBORG	245	319	-23.3	38.2	52.0	-26.4	836	889	-5.9	320	462	-30.7
UMEÅ	261	340	-23.1	40.5	50.4	-19.6	705	798	-11.6	285	402	-29.0
UPPSALA	196	291	-32.7	32.5	49.1	-33.9	705	910	-22.6	229	447	-48.8
LINKÖPING	242	315	-23.2	36.3	47.0	-22.7	701	856	-18.0	255	402	-36.7
LUND	178	272	-34.4	35.4	50.6	-30.0	759	941	-19.3	269	476	-43.5
KARLSTAD	177	266	-33.3	37.3	54.7	-31.9	748	839	-10.9	279	459	-39.3
ÖREBRO	204	287	-28.8	39.8	54.5	-26.9	793	896	-11.5	316	488	-35.3
VÄSTERÅS	226	291	-22.2	45.0	55.6	-19.1	891	944	-5.6	401	525	-23.7
SUNDSVALL	240	256	-6.2	41.2	45.7	-9.8	756	858	-11.9	312	392	-20.5
NORRKÖPING	205	253	-19.2	38.7	47.1	-17.8	966	1,008	-4.2	374	475	-21.2
LULEÅ	173	216	-19.9	40.5	49.7	-18.4	752	862	-12.7	305	428	-28.8
GOTLAND	217	202	7.6	43.5	42.3	2.7	1,061	1,141	-7.0	461	483	-4.5
NACKA	110	181	-39.5	32.4	48.0	-32.4	1,263	1,231	2.6	409	590	-30.7
HALMSTAD	171	190	-10.4	43.1	46.8	-7.8	1,253	1,193	5.0	540	558	-3.2
GÄVLE	181	201	-10.0	48.5	52.8	-8.2	846	904	-6.4	410	478	-14.1
ÖSTERSUND	124	181	-31.9	37.6	53.4	-29.5	724	919	-21.2	273	490	-44.4
VÄXJÖ	115	162	-28.9	37.3	50.1	-25.6	824	893	-7.7	307	448	-31.4
KALMAR	147	165	-10.9	49.5	54.3	-8.9	871	945	-7.8	431	513	-16.0
SÖDERTÄLJE	89	137	-35.3	33.3	45.6	-27.0	706	904	-21.9	235	412	-42.9
SWEDEN	13,608	20,202	-32.6	32.7	46.8	-30.2	863	1,007	-14.3	282	471	-40.1

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 JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,385	897	54.4	37.8	26.7	41.6	897	819	9.5	339	219	55.1
DENMARK	646	362	78.7	39.0	23.0	69.6	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	637	376	69.4	39.7	29.4	35.0	892	846	9.2	354	249	47.5
NORWAY	948	779	21.7	42.0	37.0	13.5	1,058	970	6.7	444	359	21.2
STOCKHOLM	206	112	84.6	32.4	19.1	69.9	866	779	11.2	281	149	88.9
COPENHAGEN	172	77	121.8	27.0	13.0	107.7	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	82	34	138.9	25.9	21.4	21.0	875	940	-3.5	227	201	16.8
OSLO	100	95	5.4	35.0	32.0	9.4	888	868	0.2	311	278	9.6

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 - JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	5,991	6,635	-9.7	28.8	31.6	-8.9	844	931	-9.3	243	294	-17.4
DENMARK	2,003	2,258	-11.3	21.2	24.3	-12.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	2,545	2,870	-11.3	28.7	36.9	-22.3	869	1,032	-12.8	249	381	-32.2
NORWAY	3,362	4,295	-21.7	27.6	36.7	-24.7	951	948	-1.8	263	348	-26.1
STOCKHOLM	945	1,270	-25.6	25.9	32.7	-20.8	770	1,031	-25.4	199	337	-40.9
COPENHAGEN	623	904	-31.1	16.7	25.3	-33.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	316	535	-40.9	19.3	43.0	-55.1	873	1,080	-16.3	169	464	-62.4
OSLO	328	789	-58.4	19.5	42.3	-53.9	810	912	-13.0	158	386	-59.9

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 JULY – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	13,608	20,202	-32.6	32.7	46.8	-30.2	863	1,007	-14.3	282	471	-40.1
DENMARK	5,313	8,182	-35.1	28.0	44.4	-37.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	5,912	8,699	-32.0	32.7	48.8	-32.9	869	1,043	-13.7	284	509	-42.1
NORWAY	8,713	13,142	-33.7	33.3	48.7	-31.6	970	954	-0.4	323	465	-31.9
STOCKHOLM	1,998	4,476	-55.4	27.2	54.8	-50.4	798	1,181	-32.4	217	647	-66.5
COPENHAGEN	1,509	3,650	-58.7	20.4	51.7	-60.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	738	2,022	-63.5	22.9	64.1	-64.2	874	1,196	-24.3	200	767	-73.0
OSLO	1,002	2,685	-62.7	25.4	59.6	-57.4	826	979	-17.5	210	584	-64.8

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.

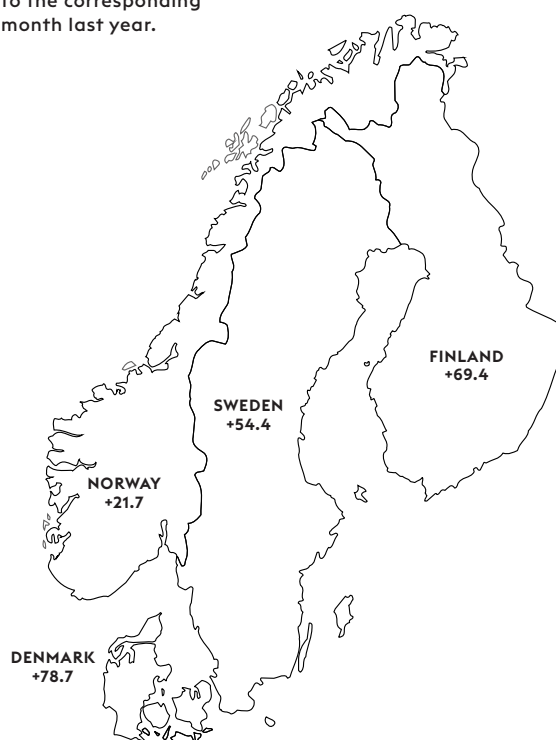
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN JUNE

%-change compared to the corresponding month last year.



138.9%

INCREASE IN ROOMS SOLD
IN HELSINKI, JUNE 2021

Annordia was born from a passion for hotels. Thirty years on, we're proud to be the Nordic region's leading hotel investment and development consultancy. We are a full-service advisor that assists clients across the Nordics through every phase of the investment cycle – from market analysis, concept development and operator search to valuations as well as lease and transaction advisory.

Please contact us if you want to know more.

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