

Keahotels

Teaser



November
2023

Investment highlights

Keahotels incorporates 10 hotels located in Reykjavík, south and north Iceland



Opportunity to invest in Keahotels, the fourth largest hotel operator group in Iceland with facilities in key locations in Reykjavík, Akureyri, Grímsnes, Vík and Siglufjörður, boasting a total of 940 rooms. All hotels are leased through long-term lease agreements.



The Icelandic tourism sector is displaying promising signs. The country has rebounded swiftly post-Covid and a projected record-breaking influx of tourists is expected to visit Iceland in 2024.



Signs indicate a rise in domestic occupancy rates, with a notable increase in winter visits, longer overnight stays by international tourists, fostering additional growth opportunities in the Icelandic hospitality market.



The Company aims to achieve record revenues in 2023, with a target of ISK 8,252 million in total revenue and an EBITDA of ISK 749 million (EBITDAR: ISK 3,419 million). Expectations include strong free cash flow generation with historically low reinvestment rates.





KEAHOTELS

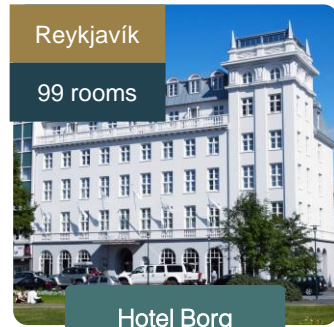


Whether it's summer, winter, spring or fall,
we invite you to share with us all the best of
what our country has to offer



Ten hotels in key locations

Keahotel's ten hotels, strategically placed in prime locations in Iceland, have gained a glowing reputation among guests who consistently provide amazing reviews



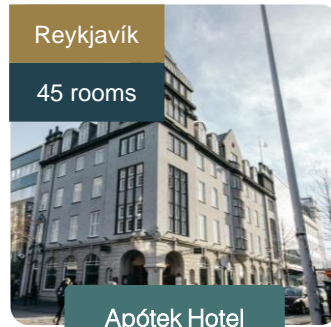
Reykjavík

99 rooms

Hotel Borg



B. 8.6/10 out of 654 reviews



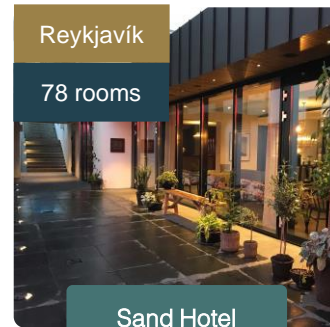
Reykjavík

45 rooms

Apótek Hotel



B. 8.8/10 out of 328 reviews



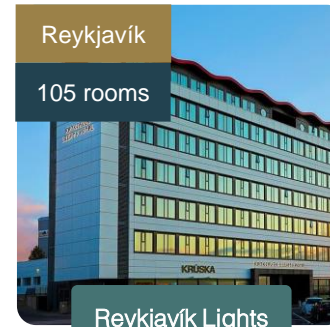
Reykjavík

78 rooms

Sand Hotel



B. 8.8/10 out of 683 reviews



Reykjavík

105 rooms

Reykjavík Lights



B. 8.6/10 out of 533 reviews



Reykjavík

100 rooms

Skuggi Hotel



B. 8.7/10 out of 1,233 reviews



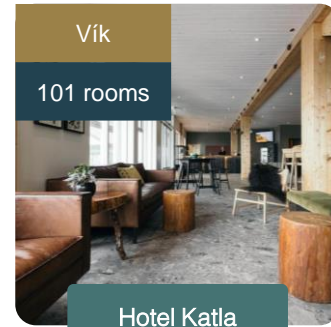
Reykjavík

93 rooms

Storm Hotel



B. 8.6/10 out of 959 reviews



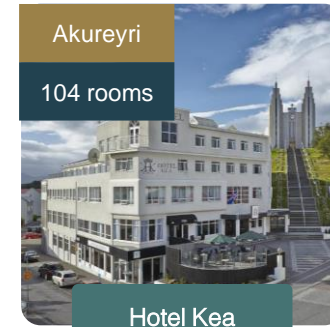
Vík

101 rooms

Hotel Katla



B. 8.4/10 out of 2,010 reviews



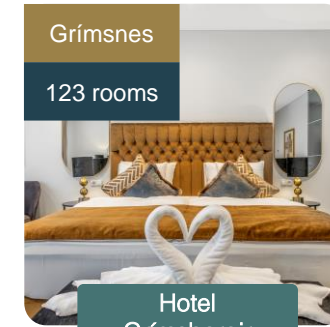
Akureyri

104 rooms

Hotel Kea



B. 7.9/10 out of 654 reviews



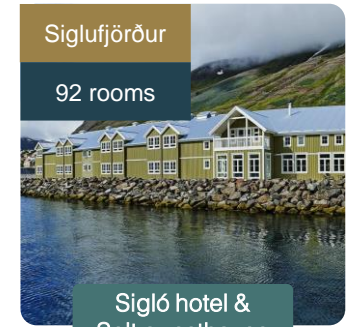
Grímsnes

123 rooms

Hotel Grímsborgir



B. 8.1/10 out of 390 reviews



Siglufjörður

92 rooms

Sigló hotel & Salt guesthouse



B. 9.5/10 out of 1,332 reviews



Overview of the sales process

Landsbankinn Corporate Finance has been engaged to manage the sale process of a 35% stake in Keahótel ehf., owned by Hömlur fyrirtæki ehf. Hömlur fyrirtæki ehf. is a subsidiary of Landsbankinn hf.

Before investors are granted access to the sales process, they must sign a non-disclosure agreement and fill out an investor information form. Investors that are granted access to the sales process will receive access to a digital data room containing an Investment Memorandum with information about the investment opportunity and other information regarding Keahotels' operations and financials.

The companies' shareholders have entered into a Shareholders Agreement. The Agreement contains provisions on tag-along rights (co-sale rights), whereby a selling shareholder must grant other shareholders the right to co-sell all (not part) of their shares in the event of a share sale to a third party.

Indicative offers to be submitted before 4:00 PM on December 20, 2023. Further information about the process following the indicative offer will be made available at a later time.

All inquiries and requests for information should be directed to the following email address: Keahotels@Landsbankinn.is

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Keahótel ehf. ownership

Hömlur fyrirtæki ehf.  35%

Prime Hotels ehf.  65%



Disclaimer / conflict of interest

Disclaimer

This teaser has been prepared for the purpose of providing preliminary information about the potential sale of up to 35% of the shareholding of Hömlur fyrirtæki ehf. (hereafter also the “Seller”), a subsidiary of Landsbankinn hf., in Keahótel ehf. (hereafter also the “Company” and “KEA”).

This teaser is based on disclosures from KEA to its shareholders (hereafter “the financial information”). The Seller has been a shareholder in KEA since 2020. The Seller did not have access to other information in its analysis and assessment of the Company. The Seller has not undertaken due diligence of KEA in relation to the sale of the shareholding in the Company and does not intend to do so during the sale process.

No representation or warranty, express or implied, is made by the Seller as to the accuracy, reliability, completeness or fairness of the information or opinions contained in this teaser. The Seller will not accept any liability whatsoever for any loss howsoever arising, directly or indirectly, incurred by the bidder/recipient from use of the information presented herein, or based thereon, in connection with assessment of the value of the shares, preparation and signing of an offer or in any other fashion. The Seller makes no warranty, declaration or guarantee as regards the merits, attributes or quality of shares in KEA.

The Seller makes no representation, warranty or other assurance that any of the projections or plans in the teaser will be realised. Any statement contained in this teaser that refers to estimated or anticipated future results or future activities are forward-looking statements which are subject to a number of risks and uncertainties that could cause actual results to differ materially. As a result, bidders/recipients are cautioned not to place undue reliance on such forward-looking statements in the teaser and they shall in no way be regarded as a promise of successful operation, e.g. future profit. Bidders/recipients should conduct their own investigation and analysis of the information in this teaser and on their own responsibility.

The Seller reserves the right to accept all or any bids which it receives and is also authorised to reject any or all bids. This applies to offers in whole or in part and without regard to their price. Any bids under 100.000 EUR will be automatically rejected. Decisions on bids need not be based on specific grounds and the Seller is not obligated to divulge any information to that effect. The Seller reserves the right to alter, cancel or postpone the sale process at any time without giving specific grounds. The Seller shall not be obliged to compensate an investor for any loss or cost which the investor may incur in connection with participation in the sale process, due to alterations which may be made to the sale process, its cancellation, extension or postponement. The Seller, at its sole discretion and without giving specific reason, has the right at any time during the sales process to limit potential investors access to information.

Conflict of interest

Landsbankinn has in accordance with its Conflict of Interest Policy analysed potential conflict of interest in this sale and has taken measures to limit this as far as possible.

Landsbankinn is an indirect owner of the portion of KEA's shares which are offered for sale and the sale process is managed by Landsbankinn Corporate Finance. Investors are advised to seek independent council.

Landsbankinn Corporate Banking is a creditor of KEA. Landsbankinn Corporate Banking may possess more detailed information on the operations of the Company than have been disclosed to the Company's shareholders.



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