

# Summary



Hospitality Invest AS  
FRN Senior Unsecured NOK 700,000,000 Bonds 2022/2025

ISIN: NO 0012708165

Dated: 31 May 2023

Joint Lead Managers:



Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

## A – Introduction and warnings

Warning	This Summary should be read as introduction to the Registration Document and the Securities Note (together with this Summary, the " <b>Prospectus</b> "). Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities
The Bonds	ISIN: NO0012708165 - Hospitality Invest AS FRN Senior Unsecured NOK 700,000,000 Bonds 2022/2025.
The Issuer	Hospitality Invest AS, Rådhusgata 23, 0158 Oslo. The Company's telephone number is +47 22 98 97 40. Organisation number in the Norwegian Register of Business Enterprises is 985 096 546 and LEI (legal entity identifier) is 529900TOP647L65HYI85.
The Offeror	Not applicable. There is no offeror, the Prospectus has been produced in connection with listing of the bonds at Oslo Børs. The Issuer is going to ask for admission to trading on a regulated market.
Competent Authority Approving the Prospectus	The Financial Supervisory Authority of Norway (Norwegian: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and on 31 May 2023, approved the Prospectus.

## B – Key information on the Issuer

<b>Who is the issuer of the securities?</b>							
Corporate information	Hospitality Invest AS is a private limited company organized under the laws of Norway. Organisation number in the Norwegian Register of Business Enterprises is 985 096 546 and LEI (legal entity identifier) is 529900TOP647L65HYI85. Website: <a href="http://www.hospitalityinvest.no">www.hospitalityinvest.no</a>						
Principal activities	The Issuer is an investment company investing across a variety of sectors and geographies, with special focus on social services and social infrastructure in the Nordic region. The Company is divided into the segments Care, Staffing, Hotel Operations and Other.						
Major shareholders	Hospitality Invest AS is directly and indirectly controlled by Kristian A. Adolfsen, controlling approximately 47% of the shares, and Roger Adolfsen, controlling approximately 47% of the shares.						
Key managing directors	<table border="1"> <thead> <tr> <th>Name:</th> <th>Current position:</th> </tr> </thead> <tbody> <tr> <td>Roger Adolfsen</td> <td>CEO</td> </tr> <tr> <td>Kristoffer Lorck</td> <td>CFO</td> </tr> </tbody> </table>	Name:	Current position:	Roger Adolfsen	CEO	Kristoffer Lorck	CFO
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Roger Adolfsen	CEO						
Kristoffer Lorck	CFO						
Statutory auditor	The Company's independent auditor is KPMG AS with registration number 935 174 627 and business address at Sørkedalsveien 6, 0306 Oslo, Norway. The partners of KPMG are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening).						
<b>What is the key financial information regarding the issuer?</b>							

<i>Amounts in NOK million</i>	<b>Year ended 31 December 2022</b> <i>audited</i>	<b>Year ended 31 December 2021</b> <i>audited</i>	<b>Three months ended 31 March 2023</b> <i>unaudited</i>	<b>Three months ended 31 March 2022</b> <i>unaudited</i>
<b>Data from the consolidated statement of comprehensive income</b>				
Total/net operating revenue	12,952.9	9,847.3	3,664.2	2,822.4
Profit from operations	655.9	451.8	75.0	141.9
Profit for the period	334.5	257.1	-32.2	89.0
<b>Data from the consolidated statement of financial position</b>				
Total assets	14,592.0	12,302.4	17,735.1	12,772.4
Total equity	1,723.7	1,453.2	1,976.7	1,521.3
Total liabilities	12,868.3	10,849.2	15,758.4	11,251.1
Net financial debt (long term debt plus short term debt minus cash)	12,082.2	10,086.8	14,865.1	10,585.0
<b>Data from the consolidated statement of cash flows</b>				
Net cash flow from operating activities	1,650.6	967.5	381.4	201.1
Net cash flow from investing activities	-508.5	-94.4	29.5	-101.2
Net cash flow from financing activities	-1,111.0	-807.2	-313.6	-238.8

**What are the key risks that are specific to the issuer?**

Most material key risk factors	<ul style="list-style-type: none"> <li>The Company is a holding company and is dependent on cash flow from its subsidiaries and/or its investments to meet its obligations. An inability to transfer cash from the subsidiaries due to inter alia contractual obligations, law or otherwise, may result in, even though the Company may have sufficient resources on a consolidated basis to meet its obligations, that the Company may not be permitted to provide funds for the payment of its obligations.</li> <li>The Company is active in acquiring other entities. However, the Company may not be successful in implementing such acquisition strategy. Furthermore, when acquiring other existing businesses, the Company may not discover all potential liabilities within such business through its customary due diligence, in which case the Company may be responsible for liabilities related to actions/omissions which took place prior to the Company acquired such business.</li> <li>The Company's subsidiaries are dependent on renewing current contracts as they expire and/or obtaining new contracts at acceptable terms in order to maintain and/or increase its revenues. There can be no guarantee that the Company's subsidiaries are able to renew contracts as they expire or obtain new contracts to replace such expired contracts or to cover newly established operations.</li> <li>A substantial part of the Company's subsidiaries engages in labor-intensive operations. A high degree of sick leave could lead to significant costs for the Company and its subsidiaries.</li> <li>A substantial part of the business of the Company's subsidiaries, results of operations and financial conditions, both through direct operations and indirectly through tenants, depend principally upon conditions prevailing for childcare, preschools and care services in the Nordic region, in particular, public policies and the political climate. There can be no guarantee that the current level and form of support to private operators will continue.</li> <li>The Company and its subsidiaries' operating and maintenance costs will not necessarily fluctuate in proportion to its operating revenues. Recent high levels of inflation, as well as modifications to relevant legislation and other cost increases may adversely affect its operating costs. Such potential cost increases include salaries, the cost of electricity, rental costs and operating cost items. Prolonged inflationary pressure in such costs may erode its profit margins and adversely affect its financial condition.</li> </ul>
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**C – Key information on the securities****What are the main features of the securities?**

Description of the securities, including ISIN	ISIN: NO 0012708165. Senior unsecured callable bonds with floating rate. Issue Date: 3 October 2022. Maturity Date: 3 October 2025. Outstanding Bond is NOK 700,000,000, and Initial Nominal Amount of each Bond is NOK 500,000 each and among themselves pari passu
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	ranking. The Bonds are floating rate bonds; 3 months NIBOR + 7.00 per cent.
Rights attached to the securities	<p>The Bond Terms have been entered into between the Issuer and the Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>The Bond Terms include descriptions of rights and any limitations of those rights, such as:</p> <ul style="list-style-type: none"> <li>• Voluntary early redemption - Call Option</li> <li>• Mandatory repurchase due to a Put Option Event</li> <li>• Early redemption option due to a Tax Event</li> <li>• Change of Control Event</li> <li>• Events of default and acceleration of the Bonds.</li> </ul>
Status of the bonds and security	<p>The Bonds will constitute senior unsubordinated debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>
Any restrictions on the free transferability of the securities	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ol style="list-style-type: none"> <li>Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the relevant exchange, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available).</li> <li>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.</li> <li>Notwithstanding the above, a bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.</li> </ol>
<b>Where will the securities be traded?</b>	
Admission to trading	The Bonds will be applied for listing on Oslo Børs as soon as possible after the prospectus has been approved by the Norwegian FSA.
<b>What are the key risks that are specific to the securities?</b>	
Most material key risk factors	<ul style="list-style-type: none"> <li>• The market value of the Bonds may fluctuate.</li> <li>• The risk that the Issuer fails to make the required payments under the Bonds.</li> <li>• A trading market for the Bonds that provides adequate liquidity may not develop.</li> </ul>

## D - Key information on the admission to trading on a regulated market

<b>Under which conditions and timetable can I invest in this security?</b>	
Terms and conditions for the offer	Not applicable. The Bonds have not been subject to a public offer, the Bonds are already issued and settled.
<b>Why is the Prospectus being produced?</b>	
Admission to trading	The Prospectus is produced in order to facilitate for the listing and subsequent trading of the shares on the Oslo Børs.
Use of proceeds	The net proceeds – approx. NOK 693 million - from the issuance of the Bonds shall be applied to refinance the Existing Bonds and for other general corporate purposes.
Underwriting	Not applicable. There is no offering of securities and accordingly no underwriting.
Material conflicts of interest	The persons involved in the issue of the Bonds have no interest, nor conflicting interests, that are material to the issue.