GOKSTAD ADVISORY

NORDIC HOTEL INVESTMENT OUTLOOK

MID-YEAR OUTLOOK | 2026 H1

The Nordic hotel market continues to demonstrate resilient underlying fundamentals, although performance is becoming increasingly differentiated by location, demand profile and asset quality rather than broad regional growth. Copenhagen has firmly established itself as the region's strongest-performing market, supported by expanding international connectivity, diversified demand and sustained pricing power, while Stockholm continues to benefit from resilient operating fundamentals and Oslo maintains steady growth. Meanwhile, the Arctic hospitality market has emerged as one of Europe's fastest-growing premium tourism destinations, driven by robust international demand, exceptional ADR growth and the increasing appeal of experience-led hospitality.

From an investment perspective, the Nordic hotel sector remains attractive. Transaction activity has recovered following several years of subdued investment, supported by improving hotel performance, greater pricing certainty and gradually improving debt availability. While traditional banks remain selective, alternative lenders and private credit funds are playing an increasingly important role by providing flexible acquisition, development and transitional financing. At the same time, refinancing requirements, portfolio optimisation and selective asset disposals are expected to improve market liquidity, creating attractive acquisition opportunities for well-capitalised investors able to execute with certainty.

The investment environment has nevertheless become considerably more sophisticated than during the previous cycle. Future returns are expected to depend less on yield compression and broad market appreciation, and more on the ability to identify assets capable of generating sustainable, long-term cash flow. Investors must therefore place greater emphasis on operational performance, lease structures, management agreements, capital expenditure requirements, ESG considerations and the resilience of underlying demand. At the same time, a closer assessment of the capital structure and the underlying real estate performance is increasingly important, including energy efficiency, insurance costs and other property-level operating expenses. Together, these factors are becoming critical to assessing both the true risk profile of an investment and its potential to deliver sustainable returns.

Markets characterised by diversified demand drivers, constrained future supply and strong international connectivity are expected to continue outperforming, while assets requiring significant repositioning or carrying elevated operational risk will require more selective pricing, increasingly structured financing solutions and active asset management.

Looking ahead, the long-term outlook for Nordic hotel investment remains positive. Structural tourism trends, including growing demand for cooler-climate destinations, expanding international air connectivity and increasing interest from both North American and Asian investors, provide a supportive backdrop for continued growth. Copenhagen is expected to remain the region's benchmark investment market, while Finnish Lapland, selected Nordic capitals and high-quality secondary destinations offer compelling opportunities for investors seeking higher growth through experience-led hospitality. Although elevated financing, construction and operating costs will continue to challenge underwriting, the combination of resilient demand, disciplined supply growth and improving capital market conditions should continue to support attractive risk-adjusted investment opportunities across the Nordic hotel sector.

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NORDIC HOTEL MARKET

Pricing Power Drives RevPAR as Demand Becomes More Selective

The Nordic hotel market is becoming increasingly polarised, with Copenhagen clearly leading the regional recovery, followed by Stockholm and Oslo, which continue to show positive trajectories. The Nordic capitals are benefiting from broad-based demand growth across both weekdays and weekends, reflecting a healthy balance between corporate, leisure and event-driven segments. Copenhagen continues to demonstrate particularly strong momentum across most hotel segments, while Stockholm has maintained resilient pricing power supported by a well-diversified demand base. This breadth of performance is expected to underpin further revenue growth and sustain investor appetite for well-located hotel assets in both markets.

Elsewhere, trading conditions remain more mixed. Oslo continues to benefit from relatively resilient weekend demand; however, weaker weekday performance and pressure within the budget segment indicate softer corporate demand and increased price sensitivity. Helsinki is showing encouraging signs of recovery, although performance remains uneven across segments, particularly among more price-sensitive properties. Even though Helsinki has seen record number of overnights, the new supply brought to the market in 2018-2022 still hinders the performance. Reykjavik remains the weakest-performing capital in the comparison based on year-on-year performance. This should, however, be viewed in the context of Iceland's exceptionally strong performance in recent years and its reliance on internationally sourced, airline-dependent demand. Tallinn and Riga continue to record more moderate, largely rate-driven growth, albeit from lower absolute RevPAR levels.

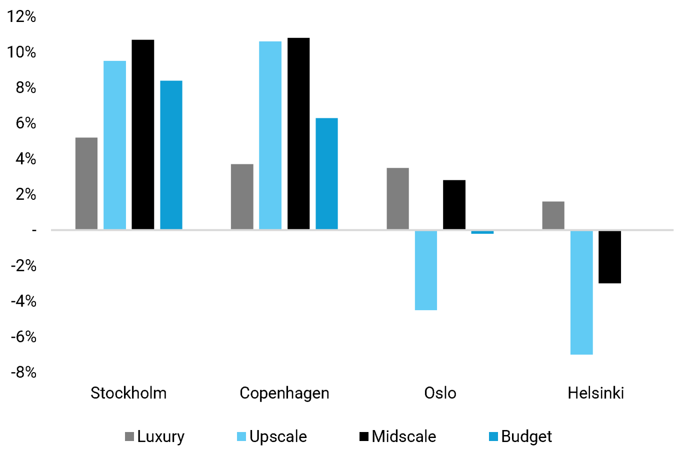
The Nordic hotel market is moving in the right direction, but performance is becoming increasingly selective, making asset quality, location and concept more important than ever.

Across the Nordic capitals, hotel performance is increasingly being driven by ADR growth rather than occupancy gains, although overall guest nights continue to expand strongly. While higher room rates support profitability for operators able to maintain pricing discipline, this also increases exposure in markets where demand softens or new supply enters the market. Investors should therefore place greater emphasis on location, concept differentiation, demand diversification and the sustainability of achieved room rates when underwriting acquisitions and new developments.

Looking ahead, ADR growth is expected to continue benefiting from rising international visitor demand. However, increasing labour and operating costs remain a significant challenge to profitability. This is particularly relevant for assets operating under high fixed-rent structures, especially where lease indexation is uncapped, as operators and investors may continue to face pressure on lease-cover ratios. Deteriorating lease-cover metrics can complicate refinancing, reduce valuation resilience, increase the burden of brand-mandated property improvement plans (PIPs), and ultimately impact achievable exit values.

As a result, successful hotel investments will increasingly depend on disciplined underwriting and the selection of assets capable of generating sustainable long-term cash flow, rather than relying solely on continued market-wide growth.

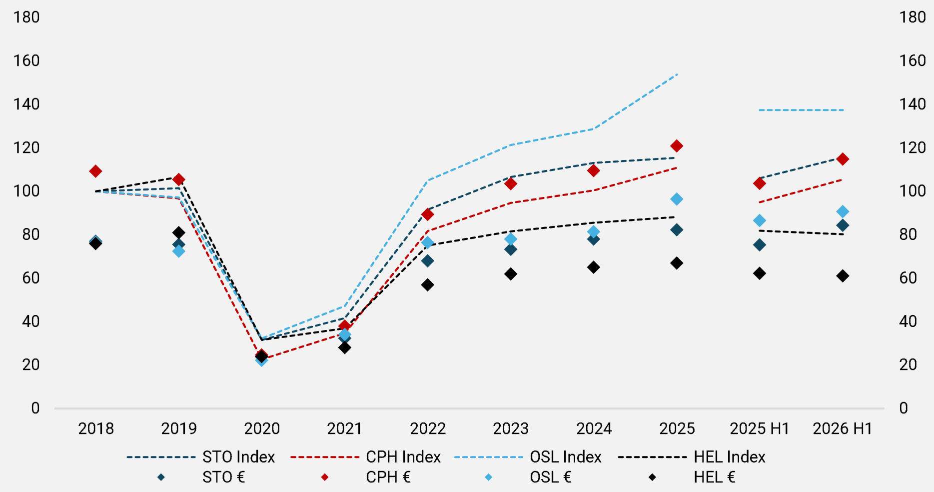
Capitals by Segment | RevPAR YoY Q2 2026 YTD



Source: Benchmark Alliance, Pandox

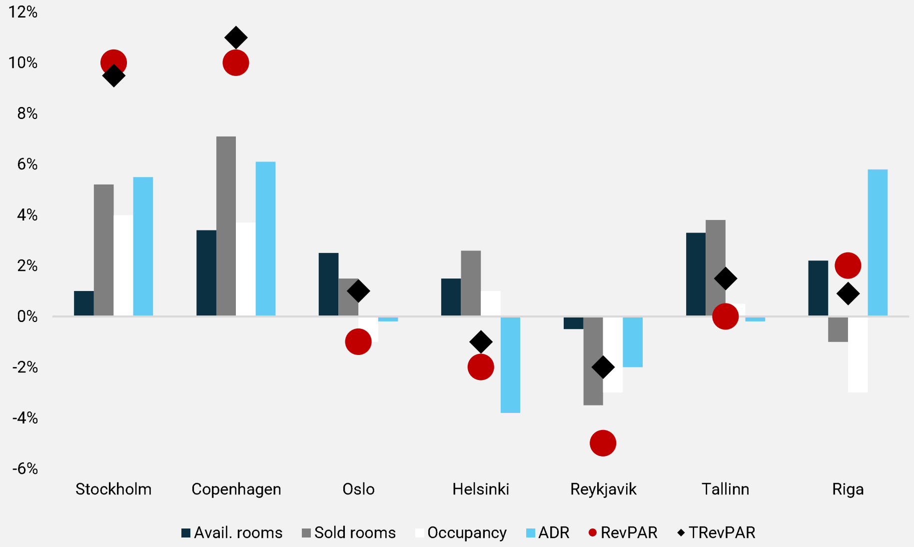
RevPAR Growth in Nordic Capitals

Index is based on full-year 2018 values in each region's local currency. RevPAR in euros is converted from the respective local currencies using each year's average annual exchange rate. H1 consist of January-May months.



Source: Benchmark Alliance, Colliers, CBRE, Statistical Center of Finland

Nordic Capitals Operating Performance – Q2 YTD 2026



Source: Benchmark Alliance, Pandox

HOW NORDIC COMPARES TO REST OF EUROPE

Nordic Hotels Remain Competitive as Performance Diverges Across Europe

Compared with the wider European hotel market, the Nordics continue to deliver a mixed but generally competitive performance. Copenhagen remains one of Europe's strongest-performing hotel markets, combining high absolute RevPAR with robust year-on-year growth. Stockholm also continues to perform well, supported by resilient demand and pricing power, while Oslo has maintained a relatively stable position despite softer corporate trading. Helsinki's recovery remains more gradual, although premium, well-located assets and the rapidly expanding Lapland market continue to outperform. Increasingly, performance is being determined by individual cities, demand drivers and asset quality rather than by the Nordic region as a whole. It should also be noted that changes in VAT rates and currency exchange rates can have a significant impact on the performance data presented.

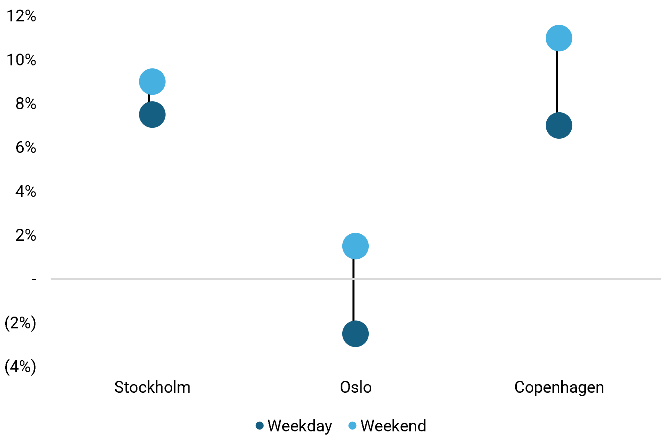
At country level, Denmark continues to lead the region, underpinned by Copenhagen's strong international positioning and balanced mix of corporate and leisure demand. Sweden is also recording healthy growth, while Norway and Finland are recovering at a more measured pace. Overall, the Nordics compare favourably with many major European hotel markets, although absolute RevPAR levels continue to vary significantly. This provides opportunities for investors seeking both mature, high-performing destinations and markets offering longer-term recovery, repositioning or value-add potential.

The region is also well positioned to benefit from long-term structural tourism trends. Demand for "coolcation" destinations, combined with the Nordics' reputation for political stability, safety, pristine nature and less crowded visitor experiences, continues to attract international travellers. Improved air connectivity, expanding route networks and stronger destination marketing should gradually diversify demand beyond Copenhagen and Stockholm, supporting growth in Arctic, coastal and secondary-city destinations where compelling concepts can be combined with year-round accessibility.

At the same time, the continued entry of international investors and global hotel brands is accelerating the adoption of management agreements across the region, reflecting the industry's broader shift towards asset-light operating models. Investors are increasingly favouring structures that allow for active asset management and stronger operational upside rather than relying solely on traditional lease-based income. This evolution places greater emphasis on asset management capabilities, commercial oversight and the continuous monitoring of operator performance. Even leasehold investments require detailed operational underwriting, as the financial strength of the operating company and the resilience of lease structures have become increasingly important. As demonstrated across Europe, even leases with leading international operators cannot be regarded as entirely risk-free.

Nevertheless, operators remain willing to offer fully fixed leases for the right combination of concept, location and market fundamentals, including in selected regional cities beyond the traditional gateway markets. The Nordic hotel market is therefore becoming increasingly flexible, offering a wider range of ownership and operating structures. However, successful investment performance will depend less on market-wide growth and increasingly on disciplined underwriting, operator alignment and the ability to identify assets with sustainable long-term demand drivers.

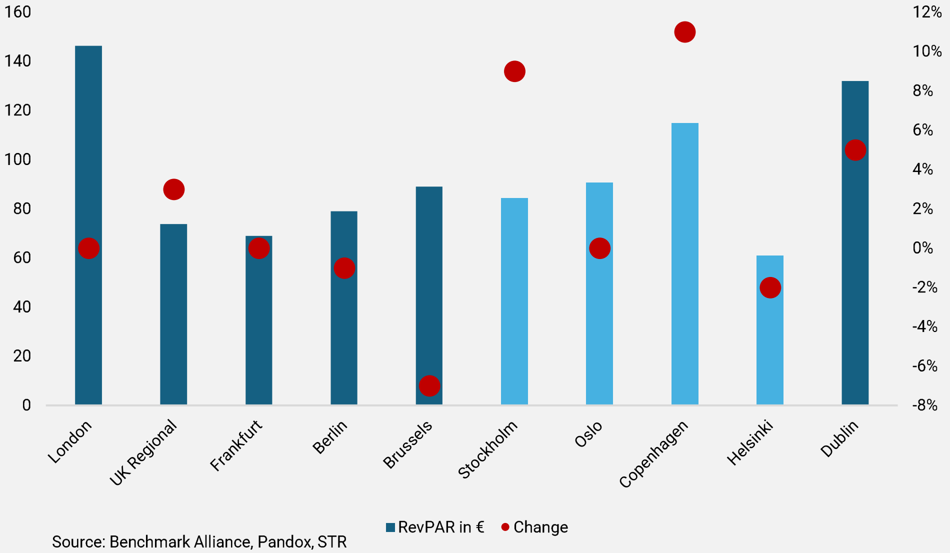
Weekday vs Weekend | RevPAR YoY Q2 2026 YTD



Source: Benchmark Alliance, Pandox

Nordic vs Europe | Cities | RevPAR H1 2026

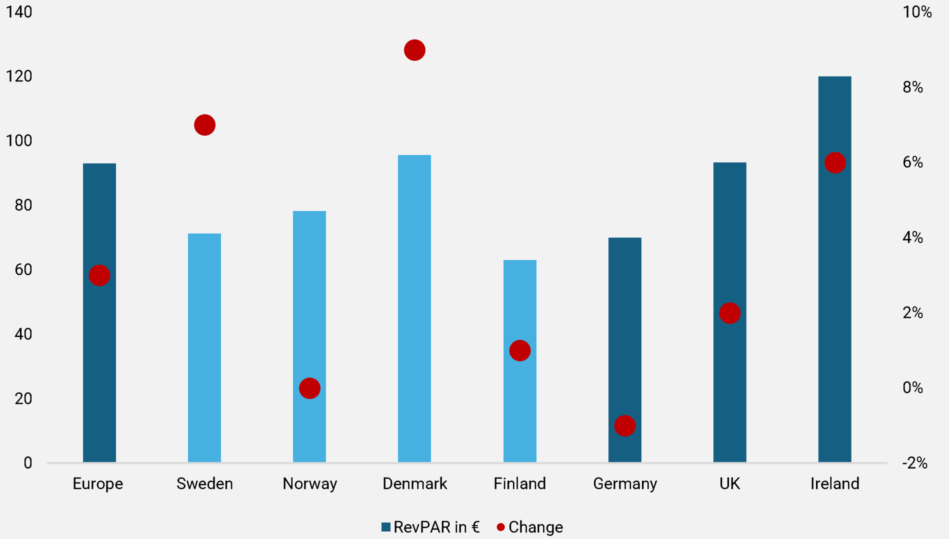
H1 data represents data from January - May



Source: Benchmark Alliance, Pandox, STR

Nordic vs Europe | Countries | RevPAR H1 2026

H1 data represents data from January - May



Source: Benchmark Alliance, Pandox, STR

INVESTMENT OUTLOOK AND YIELD COMPRESSION

Transaction Volumes Recover, but Underwriting Remains Highly Selective

Nordic hotel investment activity rebounded strongly in 2025, with hotels increasing their share of total commercial real estate investment volumes. The recovery reflects improving operating performance, growing confidence in long-term tourism demand and renewed interest from both domestic and international investors. At the same time, several hotel companies and property owners are expected to bring assets to market over the coming year as part of portfolio optimisation and balance sheet management, increasing transaction volumes and creating attractive opportunities for well-capitalised buyers.

The recovery follows several years of subdued activity driven by higher interest rates, valuation uncertainty and a persistent disconnect between buyer and seller pricing expectations. Financing conditions are gradually improving, although liquidity remains concentrated in assets offering resilient cash flows, prime locations and manageable capital expenditure requirements. Refinancing pressures and portfolio rationalisation are expected to generate further disposals and recapitalisations, while prime hotel yields are likely to remain broadly stable rather than compress materially in the near term.

The lending landscape is also evolving. According to ÆRA Capital's Nordic Real Estate Borrower Survey, 95% of respondents expressed interest in borrowing from alternative lenders, 90% viewed non-bank lenders as more flexible than traditional banks, and half had already used alternative financing. Borrowers anticipated a modest increase in loan-to-value ratios, while pricing, leverage and transaction structure remained the primary financing considerations. Most respondents approached fewer than four lenders during financing processes, suggesting there remains considerable scope to improve pricing and execution through broader lender engagement. Meanwhile, Nordic banks continue to operate under tighter Basel III and Basel IV capital requirements, creating further opportunities for private credit providers and debt funds, many of which have developed a stronger understanding of hotel operating risk than traditional lenders.

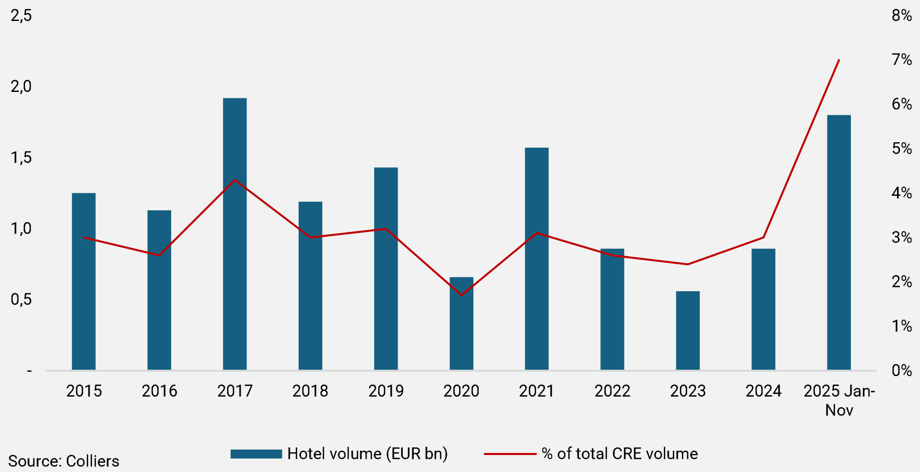
Alternative lenders are particularly well suited to the hotel sector, where seasonality, management agreements, renovation programmes and operational cash flow volatility often require greater flexibility than conventional bank financing can offer. Debt funds are increasingly providing acquisition, development, bridge, mezzanine and transitional financing through more bespoke structures, albeit at higher overall borrowing costs. At the same time, both investors and lenders are placing greater emphasis on a credible exit strategy that does not rely on future yield compression. This reflects a broader recognition that liquidity can deteriorate during periods of market stress and that even assets held within large institutional funds may prove less liquid than expected. Consequently, underwriting is becoming increasingly focused on sustainable cash flow generation rather than assumptions of capital value appreciation.

Prime yields of 4.75% to 5.25% are broadly in line with London and other prime Western European destinations.

Pricing continues to vary across the Nordic capitals. Copenhagen and Stockholm generally command the strongest valuations, supported by deeper institutional investor demand, greater market liquidity and consistently strong trading performance. Oslo continues to trade across a wider pricing spectrum depending on asset quality and operating structure, while Helsinki typically requires higher yields to reflect its more gradual recovery and lower transaction liquidity. Nevertheless, institutional-quality Nordic hotels supported by strong operating performance, established brands and robust lease or management structures can still achieve pricing levels closer to London than many Southern European markets.

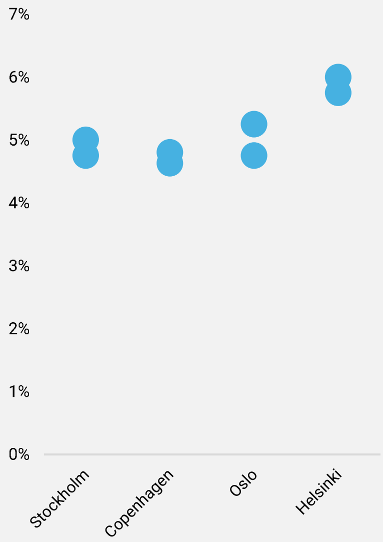
As a result, hotel valuation has become significantly more sophisticated than simply applying a market yield to current earnings. Investors must assess rent affordability, lease-cover ratios, indexation mechanisms, guarantees, break options, management fees, maintenance obligations and contractual performance tests, while distinguishing carefully between contractual rent, property income and operating EBITDA. Financing capacity and exit liquidity are also increasingly influenced by seasonality, downside debt-service coverage, FF&E reserves, future capital expenditure requirements and ESG credentials. Hotels capable of demonstrating sustainable cash flows, modern specifications and limited future capital requirements are expected to attract the strongest investor demand, while operationally complex or capital-intensive assets will continue to require wider pricing, more structured financing solutions and increasingly active asset management.

Hotel Investment Volumes in the Nordics



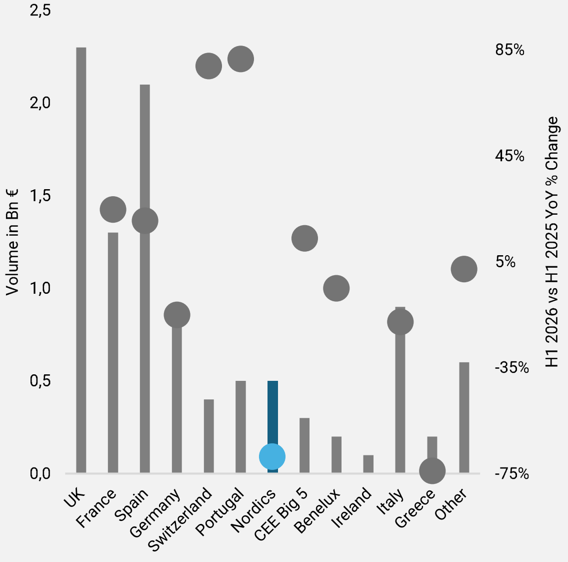
Source: Colliers

Prime Yields in Nordic Capitals



Source: Gokstad Advisory Research, CBRE, Cushman Wakefield

Hotel Investment Volumes in Europe H1 2026



Source: JLL

ARCTIC HOTEL MARKET

Finnish Lapland and Arctic Norway Offer Complementary Strengths and Significant Growth Potential

The Arctic hotel market has moved well beyond its pre-pandemic performance, with winter RevPAR now substantially exceeding historical levels throughout the season. Growth is being driven by rising international visitor numbers, stronger pricing power and increasing demand for premium, experience-led accommodation. Performance is particularly robust between December and February, when global demand for Northern Lights experiences, winter activities and luxury Arctic stays continues to outpace available supply.

Seasonality remains a defining characteristic of the market, with occupancy peaking during the darkest winter months before easing into spring. However, the demand window is steadily expanding as destinations diversify their tourism offering, improve international air connectivity and position the Arctic as a year-round destination rather than one centred solely on Christmas or the Northern Lights. This gradual extension of the operating season should improve hotel economics by reducing reliance on a relatively short period of peak trading.

Autumn is expected to become an increasingly important growth season, particularly in Finnish Lapland. The ruska season, wellness tourism, hiking, wildlife experiences and early Northern Lights viewing provide a compelling platform for September and October demand. A stronger shoulder season allows operators to extend employment periods, improve annual asset utilisation and generate more stable cash flows, although continued investment in destination marketing, air access and product development will remain essential.

Finnish Lapland continues to enjoy the region's strongest competitive position, supported by well-developed tourism infrastructure around Rovaniemi, Kittilä, Inari and other established destinations. Excellent international air connectivity, a mature ecosystem of experience providers and the globally recognised Santa Claus brand have created a highly investable market with strong visibility over future international demand. Norway, by comparison, possesses an exceptionally diverse natural tourism offering, encompassing fjords, coastal scenery, mountains, wildlife, Northern Lights and outdoor activities that have the potential to support demand across multiple seasons rather than a single winter peak. Nevertheless, parts of the Norwegian Arctic continue to lag behind Finnish Lapland in terms of infrastructure, accessibility and the scale of organised tourism services, while lacking an internationally recognised attraction comparable to the Santa Claus proposition.

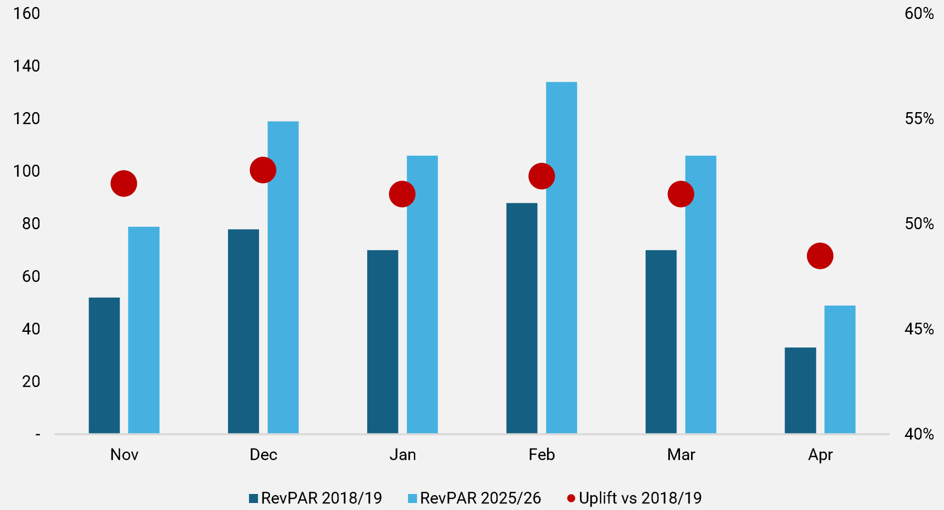
From an investment perspective, the Arctic continues to offer compelling long-term growth prospects, although success requires disciplined underwriting. Investors must carefully assess seasonality, labour availability, transport capacity, weather dependency and the resilience of the operating model. The most attractive assets will be those capable of combining exceptional winter pricing with meaningful demand during the autumn, spring and summer months, thereby smoothing cash flows, strengthening debt service capacity and supporting more resilient long-term valuations.

"Arctic is no longer a niche tourism market; it has become one of Europe's fastest-growing premium hospitality destinations, where unique experiences increasingly command pricing power beyond traditional luxury hotels."

One of the Arctic's defining characteristics is its exceptional pricing power. Premium resorts increasingly command room rates significantly above those achieved by conventional hotels within the same destination. Rather than competing solely on accommodation, the leading properties differentiate themselves through privacy, distinctive architecture, immersive design, personalised service and curated experiences. Increasingly, these resorts derive between 30% and 50% of total revenue from high-margin ancillary experiences such as private excursions, wellness and bespoke activities, substantially enhancing overall profitability.

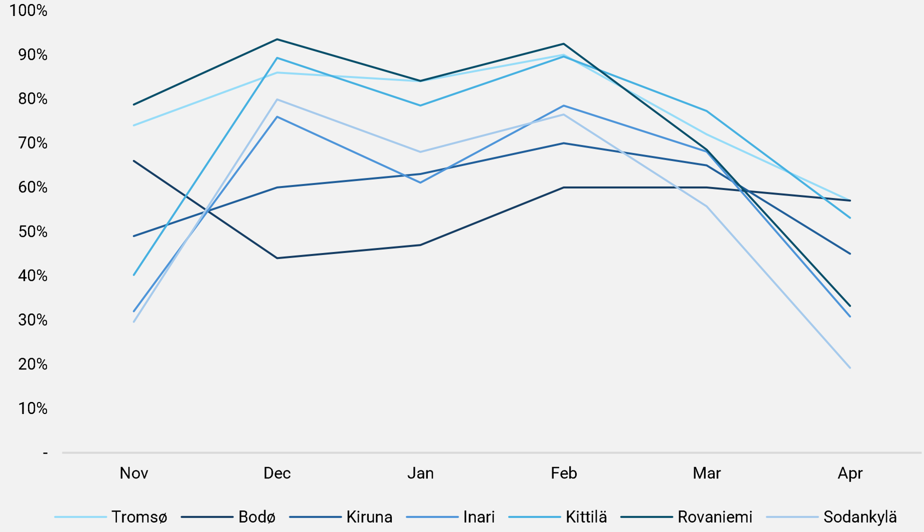
This pricing premium also underlines the importance of concept differentiation. Glass igloo accommodation, wilderness lodges and design-led luxury resorts can generate substantial ADR premiums where the guest experience feels authentic, exclusive and difficult to replicate. However, the wide variation in achieved room rates demonstrates that location alone is no longer sufficient. Long-term investment performance increasingly depends on product quality, compelling storytelling, exceptional service delivery, international distribution capabilities and the ability to create memorable experiences that justify premium pricing throughout an extended operating season.

Seasonal Hotel Performance in the Arctic Hotel Market



Source: Benchmark Alliance, CBRE

Seasonal Occupancy Levels Across Arctic Destinations



Source: Statistical Center of Finland, Benchmark Alliance, CBRE

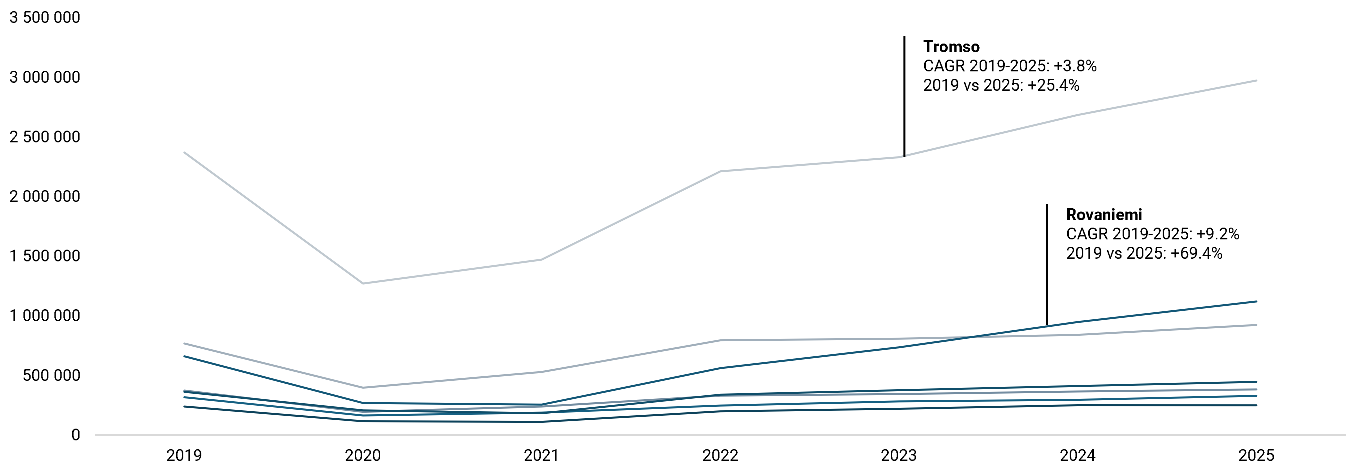
The Arctic hospitality market's post-pandemic recovery has been driven primarily by ADR growth, while occupancy has returned to healthy levels without materially exceeding historical peaks. This is encouraging from an investment perspective, as rate-led growth typically delivers stronger operating leverage and higher margins than occupancy-driven expansion. Sustaining current pricing, however, will depend on maintaining exceptional product quality, preserving the guest experience and avoiding excessive supply growth in individual destinations.

Experience-led travel sits at the heart of the Arctic business model. As travellers increasingly prioritise memorable, authentic and exclusive experiences over traditional luxury, Arctic resorts have been able to generate substantial additional revenue from activities such as Northern Lights excursions, husky safaris, snowmobiling, private dining, wellness programmes and guided wilderness experiences.

This diversified income stream also strengthens the investment case by reducing reliance on accommodation revenue alone. Experiences are commonly sold directly, incorporated into premium packages or delivered through resort-operated businesses and carefully selected local partners. When effectively managed, these services can generate attractive margins, encourage longer guest stays and reinforce pricing power by increasing the perceived value of the overall resort offering. Nevertheless, investors should distinguish carefully between gross activity revenues and the resort's retained earnings after commissions, outsourced operations, transport costs and revenue-sharing arrangements, as these can materially affect operating profitability.

Arctic resorts should increasingly be viewed as integrated experiential hospitality platforms rather than conventional hotels. The strongest assets combine premium accommodation with ownership or control of complementary revenue streams, including activities, food and beverage, wellness, transportation and other guest services. This creates multiple sources of income, improves revenue resilience and offers significant opportunities for value creation. At the same time, it requires considerably greater operational expertise, more sophisticated staffing models and active asset management than a traditional urban hotel, making execution quality an increasingly important determinant of long-term investment performance.

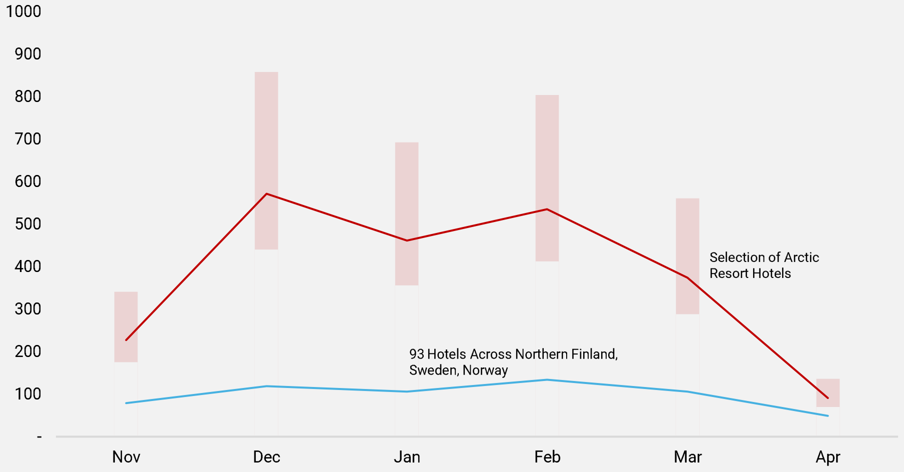
Arctic Airport Passenger Volumes 2019-2025



Source: Finavia, Avinor

Arctic Resorts are able to Charge Premium over the Hotel Market

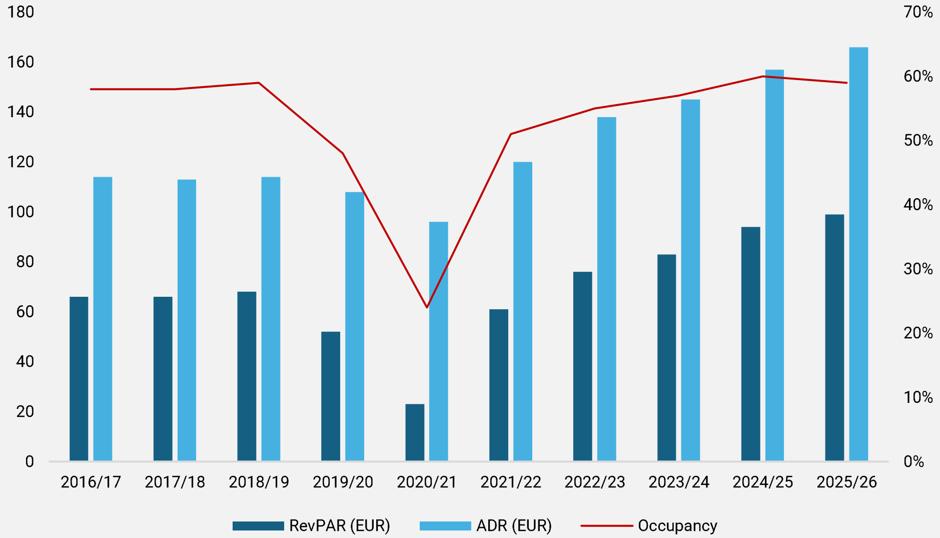
93 Hotels Across Northern Finland, Sweden, Norway & Arctic resort hotel RevPAR estimates are based on Gokstad Advisory's market intelligence, research, and analysis.



Source: Gokstad Advisory Research, Benchmark Alliance, CBRE

Strong Growth in ADR after the Pandemic

93 Hotels Across Northern Finland, Sweden, Norway

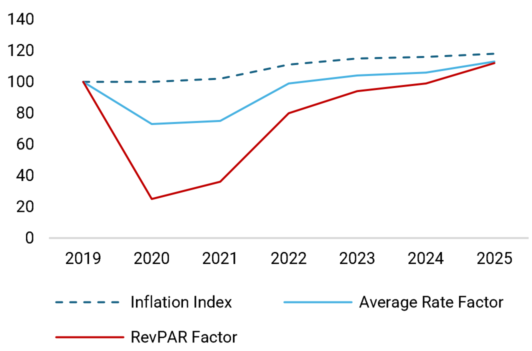


Source: Benchmark Alliance, CBRE

COPENHAGEN | IN FOCUS

Copenhagen entered 2026 as one of Northern Europe's strongest hotel markets, highlighted by robust tourism demand and expanding international connectivity. The city recorded a record 12.5 million overnight stays in 2025, while Copenhagen Airport welcomed an all-time high of 32.4 million passengers. Growth has continued into 2026, with passenger volumes increasing by 14% YoY in the first quarter and June becoming the busiest on record. This momentum is further supported by the DKK 5 billion expansion of Terminal 3, due for completion in 2027, which will increase the airport's annual capacity to more than 40 million passengers.

Strong Recovery is Closing on Inflation

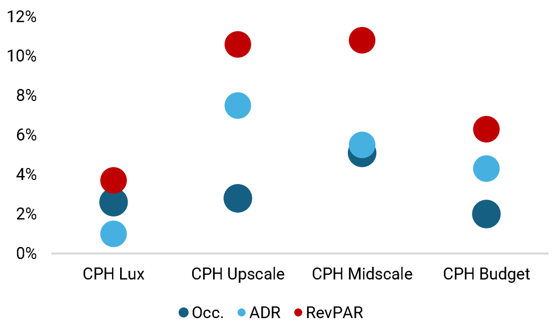


Source: HVS

This sustained demand growth is reflected in hotel operating performance. Following the unprecedented collapse during the pandemic, when RevPAR fell to approximately one-quarter of its 2019 level, the market has staged a steady recovery. RevPAR has now surpassed its pre-pandemic nominal level and is gradually converging with inflation, which had outpaced operating performance throughout much of the recovery period. In real terms, both ADR and RevPAR remain marginally below their 2019 levels due to the combined effects of pandemic-era pricing pressure and elevated inflation. However, this gap continues to narrow as pricing power strengthens. Performance has remained broad-based across market segments, with both the luxury and budget sectors continuing to record healthy, albeit more measured, growth. Importantly for owners and investors, this operating recovery is translating directly into asset values. According to HVS's 2026 European Hotel Valuation Index, Copenhagen recorded the strongest annual increase in hotel values across Europe, rising by 5.9%, supported by robust RevPAR growth and the stability of the Danish krone against the euro.

Investment activity has also re-emerged decisively following a subdued transaction period. Copenhagen continues to attract the largest share of hotel investment in Denmark, commanding the highest price per square metre of any Danish market. Nevertheless, investor interest is broadening beyond the capital, with Aarhus, Greater Copenhagen and the wider Jutland and Funen regions increasingly attracting capital as investors seek relative value opportunities. The composition of buyers has also evolved. Following the sharp slowdown in international investment after 2022, domestic investors became significantly more active, increasing their share of transaction volumes. Cross-border capital returned more prominently during 2025, particularly through portfolio acquisitions. The most notable transaction was CapMan's acquisition of Midstar AB's 28-property Scandinavian hotel portfolio.

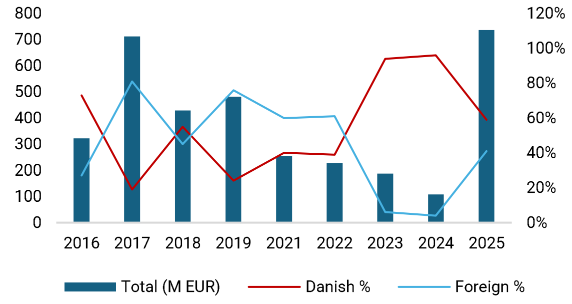
Desirable Performance Across Segments | 2026 Q2 YTD



Source: Benchmark Alliance, Pandox

Looking ahead, international capital is expected to remain an important driver of liquidity. Alongside European investors, institutions and private capital from Asia and the U.S. continue to actively target high-quality hotel assets across Europe and are generally more receptive to management agreement structures than many traditional Nordic and German investors, who have historically shown a stronger preference for lease-based operating models.

Domestic Investors Have Been More Active Since 2022



Source: Cushman Wakefield

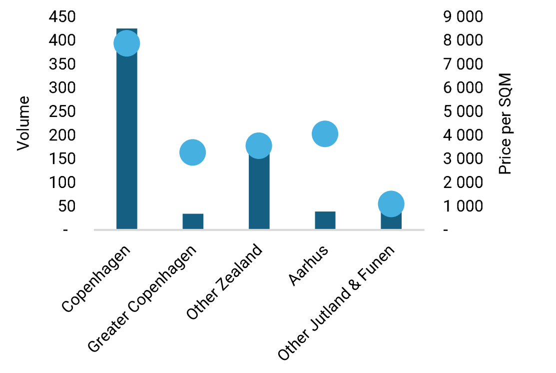
Against this backdrop, pricing has largely stabilised. Prime hotel yields in Copenhagen are currently holding within a relatively stable range of 4.50% to 5.00%, reflecting improving alignment between buyer and seller expectations. However, this stability is not universal across the market, with asset quality, location and operational characteristics continuing to drive pricing differentiation.

The principal counterbalance to these favourable market fundamentals remains cost inflation. Development and construction costs continue to exceed European averages, financing costs remain materially higher than during the previous investment cycle, and operating expenses, particularly labour, utilities and food and beverage costs, continue to place pressure on hotel margins. Consequently, robust revenue growth does not automatically translate into proportionate growth in net operating income. For investors, disciplined underwriting of operating costs, inflation assumptions and achievable rate growth has become increasingly critical in differentiating attractive investment opportunities from more marginal propositions.

Perhaps the strongest structural support for existing hotel owners is the constrained supply outlook. In 2026, Copenhagen introduced planning restrictions on new hotel developments across much of the city centre, limiting future supply within the historic core and shifting new development to outer districts. Despite these constraints, the pipeline remains diverse, with planned openings including Four Seasons, Ruby Hotels, and Bob W, highlighting continued investor and operator confidence across the luxury, lifestyle, and serviced apartment segments.

Overall, Copenhagen's hotel investment outlook remains highly constructive. The market combines resilient and expanding demand, stable prime yields, constrained future supply and improving operating fundamentals, all of which provide a supportive backdrop for long-term investment. While elevated development, financing and operating costs continue to present challenges, these are increasingly matters of disciplined underwriting rather than structural market weakness. For well-positioned assets, Copenhagen remains one of Europe's most attractive hotel investment destinations.

Copenhagen Commands the Lion's Share of Investment, Although Other Regions Are Also Gaining Attention



Source: Cushman Wakefield

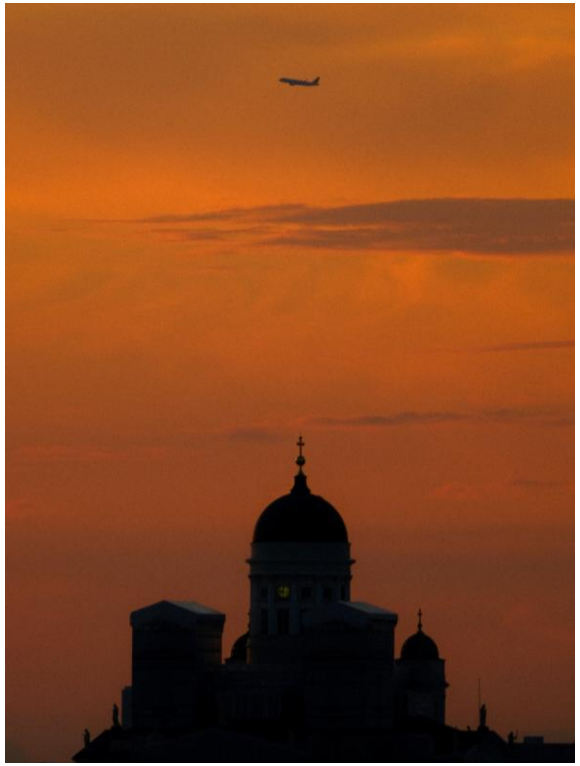
AIRLINES: GROWTH, M&A DEALS AND PURSUING STABILITY AS USUAL

SAS and Copenhagen currently represent one of the strongest hub-growth stories in the Nordic region. SAS has returned to passenger growth while materially strengthening its financial position, and is expanding its global network through fleet renewal and selective fleet expansion, additional long-haul routes and closer integration with Air France-KLM, which is progressing towards majority ownership rather than a purely commercial partnership. The strategy of strengthening Copenhagen as Scandinavia's primary global hub is expected to increase both point-to-point and connecting passenger volumes, while the expansion of Asian long-haul connectivity further broadens the airport's international reach. These developments are particularly supportive of Copenhagen's hotel market, including airport hotels, city-centre properties and internationally branded full-service hotels. Improved connectivity should strengthen corporate, conference and leisure demand, although investors should distinguish between transfer passengers and those who actually generate overnight stays within the city.

Norwegian and Widerøe provide a more regionally diversified growth story, supported by resilient leisure demand and strong regional connectivity. Continued network expansion benefits Norwegian leisure destinations, regional cities and northern markets such as Tromsø, where increased air capacity directly supports accommodation demand. Nevertheless, the long-term impact will remain dependent on airlines maintaining capacity discipline and sustaining commercially viable routes.

Icelandair and the wider Icelandic aviation market continue to benefit from the country's strong destination appeal, high load factors and unique position as a transatlantic connecting hub. At the same time, Iceland's relatively small domestic market, pronounced seasonality and reliance on transfer traffic leave it exposed to competitive capacity additions, weather disruption and volcanic activity. Connecting passenger volumes have softened recently even as locally originating demand has continued to grow. For the hotel market, the outlook remains strongest during the summer peak season, although the most significant long-term opportunity lies in expanding shoulder-season travel through additional European routes, stopover programmes and strengthened North American partnerships.

Overall, continued growth in Nordic aviation should remain supportive of hotel investment, particularly in Copenhagen, Stockholm, Arctic destinations and internationally accessible leisure markets. However, valuation and development assumptions should be based on sustainable inbound demand rather than total airport passenger throughput.



Norwegian's Acquisition of Nordic Leisure Travel Group

Norwegian's agreed acquisition of Nordic Leisure Travel Group (NLTG) represents a strategic shift from operating primarily as an airline towards controlling a greater share of the customer's total holiday expenditure. Subject to regulatory approval, Norwegian will be able to participate in accommodation, package holidays, experiences, retail and ancillary services throughout the travel journey, rather than generating revenue solely from air travel. NLTG contributes established Nordic brands including Ving, Spies, Tjäreborg and Globetrotter, together with Sunclass Airlines. The group also operates approximately 26 proprietary concept hotels and works with approximately 4,500 partner properties. The acquisition therefore provides Norwegian with a well-established leisure travel platform that would have been both costly and time-consuming to replicate organically, while diversifying earnings away from the highly competitive and cyclical airline ticket market.

Norwegian's acquisition of Nordic Leisure Travel Group signals a structural shift towards vertically integrated travel businesses, where airlines compete not only for passengers but for a larger share of the traveller's total holiday spend

The industrial rationale centres on combining Norwegian's extensive passenger network with NLTG's hotel operations, tour operator brands and digital distribution capabilities. The principal overlap lies not in Norwegian's total passenger base but in the sizeable proportion already travelling to Southern European leisure destinations. The combined group will be able to align flight schedules with hotel capacity, improve aircraft and crew utilisation, cross-sell holiday packages to Norwegian customers and leverage a shared loyalty platform to increase repeat business across both flights and accommodation. Greater visibility over package bookings should also improve demand forecasting, while joint procurement of fuel, aircraft services, technology and hotel inventory is expected to generate meaningful operating efficiencies.

For the hotel sector, the transaction creates a significantly stronger vertically integrated Nordic distribution and operating platform. NLTG's owned concept hotels represent around 25% of customer volume but contribute approximately 60% of the tour operator's gross profit, making the acquisition strategically closer to acquiring a hotel platform than a traditional tour operator. Norwegian will be able to direct passengers towards NLTG's existing hotels while supporting the development of additional concept hotels in destinations where it already operates substantial flight capacity, particularly across Southern Europe. This has the potential to improve occupancy, extend operating seasons and improve the financing of future resort developments by providing hotel owners and developers with access to a large and relatively predictable Nordic customer base. Consequently, the enlarged group could become an increasingly important hotel operator, manager, tenant and strategic distribution partner for resort owners. Conversely, its increased purchasing scale may place additional pressure on independent hotels and traditional tour operators when negotiating room allocations, pricing and commercial terms.

Overall, however, the acquisition is strategically compelling. It transforms Norwegian into a fully integrated Nordic travel group, creates a clear pathway to increasing revenue per customer and establishes a powerful link between airline capacity, hotel development and leisure travel distribution

Source: Norwegian, Skift, Finnair, Icelandair, SAS, Copenhagen Airport, Avinor, Swedavia Airports

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