

Press release

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Pandox AB (publ) and Scandic Hotels renew leases for 19 hotels in the Nordic region

The hotel property company Pandox and the hotel operator Scandic Hotels have renewed and extended lease agreements for 19 hotels in the Nordic region. The lease agreements have a duration of up to 15 years and include a joint renovation programme of MSEK 470 over three years, of which Pandox's share amounts to approximately half.

“Scandic Hotels have successfully operated the hotels over a long period of time and we are pleased to be able to present an extension of the lease agreements. With renewed leases and joint investments we are strengthening both our strategic partnership and joint product offering in the Nordics”, says Erik Hvesser, Vice President and Area Manager Sweden & Finland at Pandox.

The lease extension includes 19 hotel properties in the Nordic region with Scandic Hotels as hotel operator, of which eight in Sweden, six in Finland, three in Denmark and two in Norway with lease expirations particularly during 2017-2020. The total number of rooms amount to 3,437.

As part of the lease extension the parties have agreed to invest a total of MSEK 470, of which Pandox's share amounts to approximately half, in renovation of some 1,600 hotel rooms and bathrooms, upgrades of the hotels' Food & Beverage offering, conference facilities and public areas, as well as some technical upgrades. Included in the investment, which is expected to be made 2017-2020, is the creation of 73 new hotel rooms. The implementation follows the cooperation model established by Pandox and Scandic Hotels in the earlier completed Project Shark, which comprised renovation, upgrade and development of 40 hotels in the Nordic region.

The lease extension and investment combined will contribute to an increase of the revenue potential for both Pandox and Scandic Hotels through more competitive hotel products.

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About Pandox

Pandox is a leading owner of hotel properties in Northern Europe with a focus on sizeable hotels in key leisure and corporate destinations. Pandox's hotel property portfolio comprises 113 hotels with more than 24,000 hotel rooms in eight countries. Pandox's business is organised into Property management, which comprises hotel properties leased on a long-term basis to market leading regional hotel operators and leading international hotel operators, and Operator activities, which comprises hotel operations executed by Pandox in its owner-occupied hotel properties. Pandox was founded in 1995 and the company's B shares are, as of 18 June 2015, listed on Nasdaq Stockholm. www.pandox.se