

## Press release

Stockholm, 2016/11/25

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### Pandox AB (publ) signs lease agreement for Urban House Copenhagen

**Pandox has signed a 20 year revenue-based lease agreement with a minimum guaranteed rent for Urban House Copenhagen. The tenant is MEININGER Hotel Group of Germany. The lease agreement will come into force 1 January 2017, and the hotel property will then be reclassified from Operator Activities to Property Management.**

“We are pleased about this cooperation with MEININGER. The lease agreement is competitive and shows that Pandox’s active ownership throughout the hotel value chain creates value, as well as reduces the risk for both the company and its shareholders. The agreement is in line with Pandox’s strategy of taking over underperforming hotel properties, reposition them and enter into new lease agreements with strong hotel operators at favourable terms”, says Anders Nissen, CEO of Pandox.

The hotel property was acquired during the autumn of 2010 as a low standard business hotel. Pandox took over operations of the hotel in 2014 and created a new hotel/hostel hybrid under the name of Urban House Copenhagen with more than 1,000 beds. Since being repositioned, Urban House Copenhagen has had a strong development and it is a good example of Pandox’s ability to create value by being active throughout the hotel value chain.

MEININGER will change the brand of the hotel throughout the first 12 months of operation, for which the company also carries all costs. Pandox retains the rights to the brand Urban House. Pandox’s responsibility for future investments under the lease agreement is limited to major technical installations and building structure.

#### FOR MORE INFORMATION, PLEASE CONTACT:

Anders Nissen, CEO, +46 (0) 708 46 02 02

Helge Krogsbøl, Vice President Pandox Operations Scandinavia, +47 (0) 484 04 476

Anders Berg, Head of Communications and IR, +46 (0) 760 95 19 40

#### **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 currently 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](http://www.pandox.se)*

#### **About MEININGER Hotels**

*MEININGER currently operates 16 low budget hotels in Europe, with a total of 7,025 beds in 10 European cities. MEININGER is a unique hotel product that combines the service and comfort of an international budget hotel with extra facilities, such as a guest kitchen and a games zone. The central location, high quality furnishings and fair prices appeal to people of all ages and backgrounds. With the right dose of MEININGER humour and an enthusiastic team, MEININGER hotels with their guests from all over the world become a real home away from home.*