

Press release

Stockholm, 17/07/2017

Pandox AB (publ) acquires Hilton London Heathrow Airport for MGBP 80

Pandox has entered into an agreement to acquire Hilton London Heathrow Airport. The hotel is a full-service premium hotel with 398 rooms and a strong location at London-Heathrow Terminal 4. The hotel is operated by Hilton under a revenue-based lease agreement. The purchase price amounts to MGBP 80, corresponding to approximately MSEK 865, and is financed by existing credit facilities. The acquisition is expected to be completed during the third quarter 2017 and the hotel will then be reported under the business segment Property Management. For 2017 the hotel is expected to contribute the equivalent of approximately MSEK 50 in rental income and MSEK 48 in net operating income, on an annualised basis.

“Great Britain is a prioritised market and we are delighted over the acquisition of Hilton London Heathrow Airport at Europe’s largest and the third largest airport in the world. The hotel is large, profitable and has a strong location at London-Heathrow Terminal 4, which the guests reach by a covered walkway. At the terminal swift access to London via underground is available, which makes the hotel attractive to all types of guests. The hotel is operated by Hilton under a long-term revenue-based lease agreement in a sub-market with high occupancy and good average rates and contributes to a further diversification of our portfolio.”, says Anders Nissen, CEO of Pandox.

The acquisition of the hotel property is made by acquisition of shares in a company owned by an institutional investor with an underlying property value of MGBP 80, corresponding to approximately MSEK 865 at current exchange rate, on a debt free basis. The acquired hotel property has a yield of 5.5 percent.

The hotel is operated by Adda Hotels – a subsidiary of Hilton Worldwide Holdings – under a revenue-based lease agreement with a remaining average maturity (WAULT) of 26 years where the tenant has a far-reaching responsibility for maintenance, repair and investments in the property. The hotel property is consistently in good condition and all rooms and conference areas have been renovated the past five years. Renovation of restaurant, bar, lobby and gym is planned 2018-2019.

Hilton London Heathrow Airport has 398 rooms, large meeting facilities and a strategic airport location in close proximity to London-Heathrow Terminal 4 where nearly 50 airlines are operating. Within a radius of 20 km from the airport many of Britain's largest companies are also represented. Hilton London Heathrow Airport has via a covered walkway (10-minute walk) direct access to Terminal 4. Terminal 4 offers good communications to London, giving the hotel city near features.



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This information is information that Pandox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CEST on 17 July 2017.

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 121 hotels with more than 26,000 hotel rooms in ten 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 listed on Nasdaq Stockholm. www.pandox.se