

Press release

Stockholm, 29/12/2017

Pandox AB (publ) divests retail property in Brussels

Pandox has entered into an agreement to divest a retail property linked to The Hotel Brussels, for approximately MEUR 34, to a discretionary real estate fund managed by BMO Real Estate Partners. The divestment of the property is expected to have a positive effect on EPRA NAV of approximately MEUR 4, corresponding to the equivalent of MSEK 40, in the fourth quarter 2017.

The divestment is made at an underlying property value of approximately MEUR 34, which is approximately MEUR 4 higher than the most recent market valuation. Pandox receives net proceeds of approximately MEUR 34. The transaction will close, and the property will be transferred on 29 December 2017. The retail property, which is non-core for Pandox, is leased to Prada and included in the business segment Operator Activities.

The market value of Operating Properties is reported for disclosure purposes only and is included in EPRA NAV. The divestment is expected to have a positive effect on EPRA NAV corresponding to the equivalent of approximately MSEK 40 in the fourth quarter 2017.

Operating Properties are recognised at cost less depreciation and any impairment. The commercial property has a low book value and the divestment results in a capital gain in the fourth quarter 2017 which largely corresponds to the divested value. By use of deferred tax assets Pandox expects to be able to recognise most of the transaction value.

FOR MORE INFORMATION, PLEASE CONTACT:

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

Liia Nõu, CFO, +46 (0) 702 37 44 04

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

The information was submitted for publication, through the agency of the contact persons set out above, 29 December 2017, 16:00 CET.

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 143 hotels with approximately 31,500 hotel rooms in fifteen 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

About BMO Real Estate Partners

BMO Real Estate Partners is a specialist real estate investment manager firm with €6.4 billion of AUM (as at 30 September 2017) across core European markets, employing more than 140 staff, including more than 20 investment managers and over 25 asset managers overseen by a highly experienced and well regarded management team.