

Press release

Stockholm, 18/10/2019

Pandox acquires two hotels for MEUR 83

Pandox AB (publ) has entered into an agreement to acquire two hotel properties including operations in the Hague (the Netherlands) and Hannover (Germany) with a total of 421 rooms. The total transaction value amounts to approximately MEUR 83, excluding minority. The acquisition is financed by existing credit facilities. The hotels will be managed by Grape Hospitality through a management agreement with Pandox and under the existing Novotel brand. Full year 2020 the hotels are expected to contribute approximately MEUR 16 in sales and approximately MEUR 5.4 in net operating income. The acquisition is expected to close during the fourth quarter 2019 and the hotel properties will be reported under the business segment Operator Activities.

“The acquisition contributes to a further geographical and brand diversification of Pandox’s portfolio. Novotel Den Haag World Forum has a strong location in a city with well-diversified demand from the business, meeting and leisure segments, including tangible and growing international demand. Novotel Hannover is mainly driven by domestic German demand from business and meetings. Both the Hague and Hannover are strong congress and event destinations. Furthermore, the hotels are well-invested with positive guest reviews and offers good growth potential”, says Anders Nissen, CEO of Pandox.

“We are glad to have improved the performance of these two hotels over the last three years and very proud to sell them to Pandox today, one of the key hotel investors in Europe. Grape Hospitality will continue to operate these two hotels with Pandox under a management agreement. With this new contract, Grape Hospitality strengthens its position as a value provider in hotel’s management in Europe”, says Frédéric Josenhans, CEO of Grape Hospitality.

Hotel	City	Population in city area (*)	Location	No. of rooms
Novotel Den Haag World Forum	The Hague	520 000	City/congress	216
Novotel Hannover	Hannover	520 000	City/congress	205

(*) CBS Statistics Netherlands, Statistisches Bundesamt

The transaction is made by acquisition of shares in companies. The underlying property value is MEUR 83 on a debt free basis. The acquired hotel portfolio has a yield of approximately 6.5 percent, before transaction costs. The seller is Grape Hospitality, pan-European hotel owner and operator. As part of the transaction Pandox will enter into an agreement with Eiendomsspar AS through ES Hotellus AS regarding minority ownership of 5.1 percent for Novotel Hannover.

The acquisition is expected to close in the fourth quarter 2019, provided that all conditions in the share transfer agreement have been fulfilled.



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, at 07:30 CEST on 18 October 2019.

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 146 hotels with approximately 32,700 hotel rooms in 15 countries. Pandox's business is organised into Property management, which comprises hotel properties leased on a long-term basis to market leading 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 Grape Hospitality

Grape Hospitality, is the owner-operator and manager of 87 hotels and 70 restaurants in 8 European countries, representing over 9,000 bedrooms operated under a franchise agreement. Grape Hospitality relies on a stable and recognised shareholders' agreement, mainly with Eurazeo, to accelerate the transformation of the most promising high-growth potential companies, and with Accor for the strength of its brands.

www.grape-hospitality.com