

Press release

Stockholm, 19/12/2019

Pandox has received a decision from the Swedish Tax Authority regarding the Group's transfer pricing

Pandox AB (publ) ("Pandox or the Company") has received a decision from the Swedish Tax Authority regarding the Group's transfer pricing.

Pandox's transfer pricing does not differ from industry practice. The Swedish Tax Authority is however of the opinion that allocation of profits shall not be made to the country where the operations are conducted but to the country of the parent company, i.e., Sweden. Pandox insists that the Group's companies are following and have followed applicable laws for taxation in the countries where the Group's companies are operating and will appeal the decision. Pandox would like to stress that the Group's companies are paying and have paid taxes in each jurisdiction at a tax rate which is comparable with the one in Sweden.

Pandox has been granted an extension of payment by the Swedish Tax Authority due to the uncertainty of the outcome of the case. Pandox believes that the possibilities for a court ruling in favour of the Company are good.

Should the Swedish Tax Authority be successful with its position in court, Pandox estimates that the effect on the Company is limited since Sweden has double taxation agreements in place with all countries for which the increase refers to, which should eliminate the double taxation for Pandox. Assuming that elimination of double taxation will be made, the maximum exposure is estimated to be tax surcharges of some SEK 53 million.

FOR MORE INFORMATION, PLEASE CONTACT:

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The information was submitted for publication at 13:15 CET on 19 December 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 155 hotels with approximately 34,700 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