

Press release

Stockholm, 17/03/2020

Pandox AB (publ) estimates impact due to COVID-19 and withdraws previous proposed dividend for 2019

Due to the coronavirus (COVID-19) and the extraordinary government actions taken to limit the spread of the virus, business activity in Pandox's key markets has decreased substantially during the past two weeks. Based on current information, Pandox estimates EBITDA to be approximately 15-20 percent lower than in the corresponding period last year. Based on current information, Pandox estimates the negative earnings effect to be considerably larger in the second quarter. Pandox would like to stress that these estimates are highly uncertain.

Pandox's financial and liquidity position is very strong. Per 16 March 2020, liquid funds and unutilised credit facilities amounted to approximately MSEK 4,500. Pandox's financial covenants are mainly based on loan to value and interest coverage ratios at comfortable levels and can be cured. Pandox can therefore withstand a considerable decrease in business activity in the Company's markets.

Pandox follows and evaluates the business situation continuously and has a close dialogue with business partners in the business segment Property Management regarding earnings development and liquidity for respective party. Contractual minimum guaranteed rent and fixed rent amount to approximately 2,000 MSEK on an annual basis. Minimum guaranteed rent is accumulated and normally settled half-year and full year.

Pandox has taken powerful actions in the business segment Operator Activities in form of staff reduction and increased coordination of operations between the hotels. Furthermore, temporary closures of certain hotels are planned in Belgium and Germany. The business situation on each individual market is continuously evaluated with due consideration for Pandox's guests and coworkers, as well as government demands.

Planned investments in the existing hotel property portfolio has been reduced. The focus is on finalising already ongoing projects. In total, planned investments for the current year amount to approximately MSEK 550, of which approximately MSEK 50 is maintenance.

As a consequence of deteriorating business conditions and the large uncertainty regarding the market development, Pandox's board of directors has decided to withdraw the previous dividend proposal for 2019 to the AGM in the amount of SEK 3.60 per share, in order to further strengthen the Company's financial position.

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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 10:05 CET on 17 March 2020.

About Pandox

Pandex 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 156 hotels with approximately 35,000 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.pandex.se