

Press release

Stockholm, 28/02/2022

Ruling has been announced in previously communicated dispute with the Swedish Tax Agency regarding Pandox's internal pricing

The Supreme Administrative Court in Stockholm has today announced its ruling and have supported Pandox AB (publ) claim in the company's dispute with the Swedish Tax Agency. The ruling eliminates the tax increase decided by Swedish Tax Authority's in 2019.

During the process Pandox has been granted a tax payment extension due to the uncertainty of the outcome of the case. The tax dispute has been centered on the Group's transfer pricing. See the press release from 19 December 2019.

The Supreme Administrative Court shares Pandox's opinion that the Group has managed its transfer pricing correctly. The Swedish Tax Authority announced, during the oral hearing in the Supreme Administrative Court, that they supported Pandox claim regarding elimination of tax surcharges of approximately MSEK 53, an amount which was eliminated in full. Pandox has not made any tax provisions related to the case.

Should the Swedish Tax Authority decide to appeal, Pandox is of the opinion that the Administrative Court of Appeal will confirm the Supreme Administrative Court's ruling. Even if the ruling would be in favour of the Swedish Tax Authority, the effect for Pandox is expected to be 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.

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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 157 hotels with approximately 35,500 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 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