

Press release

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Pandox AB (publ) divests 18 hotels in Sweden for MSEK 850

Pandox has signed an agreement with Midstar AB to divest eight hotel properties with a total of 965 rooms in Sweden. The acquisition price amounts to MSEK 850, after deduction of deferred tax, where the buyer acquires the shares in each respective property owning company. The transaction is expected to close 31 March 2016. The hotel properties are included in the reporting segment Property Management.

“We are pleased to have reached an agreement with Midstar AB to divest these eight hotel properties. The transaction is in line with Pandox’s strategy to continuously develop and optimise the hotel portfolio with focus on larger full-service hotels in strategic locations”, says Anders Nissen, CEO at Pandox.

The acquisition price amounts to MSEK 850, after deferred tax where the buyer acquires the shares in each respective property owning company. The purchase agreement includes a rental guarantee from Pandox in favour of the buyer for three years. The purchase price substantially exceeds the book value of the properties per 31 December 2015. The realised value change, after provision for expected payment of guaranteed rent and including reversal of deferred tax of MSEK 59, is estimated to MSEK 160 in the first quarter 2016.

The hotels’ total net operating income for 2015 amounted to approximately MSEK 50. The transaction is expected to close and the buyer accessing the hotels 31 March 2016, which means net operating profit from the eight hotels are expected to be included in Pandox results for three months 2016. The hotels are included in the reporting segment Property Management.

The divested hotels, which are located in regional and smaller central cities in Sweden, have an average room size of 121 rooms. The hotels are smaller than Pandox’s average hotel, which means the hotel portfolio’s average room size increases from 208 to 214 after the divestment.

Hotel	City	Number of rooms
Scandic Bollnäs	Bollnäs	114
First Hotel Mårtenson	Halmstad	103
Scandic Klarälven	Karlstad	143
Stadshotellet Princess Sandviken	Sandviken	84
Scandic Hotell Billingen	Skövde	124
Quality Hotel Prisma	Skövde	107
Scandic Umeå Syd	Umeå	161
Scandic Östersund Syd	Östersund	129
Total		965

Pangea Property Partners have assisted Pandox in the transaction.



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Pandox AB (publ) is required to publish this information under the Swedish Securities Market Act and/or Financial Instruments Trading Act. The information was submitted for publication on 16 February 2016 at 08:00 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 currently comprises 121 hotels with more than 25,000 hotel rooms in eight 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, as of 18 June 2015, listed on Nasdaq Stockholm. www.pandox.se