

Press release

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Pandox acquires a hotel in Edinburgh for MGBP 49

Pandox AB (publ) has entered into an agreement to acquire DoubleTree by Hilton Edinburgh City Centre in central Edinburgh, UK. The hotel will be operated under a management agreement with Axiom Hospitality. The total transaction value amounts to approximately MGBP 49 and is expected to be financed by available cash funds and a new bank loan.

“DoubleTree by Hilton Edinburgh City Centre is a nice addition to our hotel property portfolio. The hotel is performing well with potential to further develop the hotel product and increase the return over time. The cooperation with Axiom Hospitality, which will comprise nine hotels in the UK, ensures effective operations and lower operational risk. The transaction is a good example of our ability to identify and make acquisitions which contribute to our earnings short term, while also laying the foundation for additional value creation long term”, says Liia Nõu, CEO Pandox.

DoubleTree by Hilton Edinburgh City Centre has a strong position compared with its competitors and has good occupancy rates and good average prices. The existing franchise agreement expires in 2027 and Pandox will during this time evaluate both the hotel’s brand strategy and operational model. Edinburgh is a strong and attractive hotel market and there are good possibilities to further develop the hotel product and strengthen its competitiveness also in higher demand segments. Initially, the hotel is expected to generate a yield of more than 7.5 percent with the potential to increase it to approximately 9 percent over time, through active operational improvements and targeted investments. Sellers are controlled affiliates of Starwood Capital. Closing is expected to take place in the fourth quarter 2024, at the latest.

DoubleTree by Hilton Edinburgh City Centre is centrally located in Edinburgh close to some of the city’s most famous attractions, for example the Royal Mile and Edinburgh Castle. The hotel underwent an extensive renovation in 2014 when it was repositioned into a DoubleTree by Hilton. It has 138 spacious guest rooms, generous conference facilities, restaurant, bar and an event venue with views of Edinburgh Castle, among others.

The hotel property will be reported in the business segment Own Operations. In Edinburgh, Pandox already owns Aparthotel Adagio Edinburgh Royal Mile with 146 rooms in the business segment Leases.

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About Pandox

Pandox owns, develops, and leases hotel properties to skilled hotel operators under long-term, turnover-based leases with minimum guaranteed levels. Since our inception in 1995, we have grown into one of the largest hotel property owners in Europe. Our portfolio consists of 160 hotel properties with approximately 35,500 rooms across 11 countries in Northern Europe. The portfolio's market value is more than SEK 70bn. The head quarter is in Stockholm, and we are listed on Nasdaq Stockholm. www.pandox.se.