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EXCELLENCE IN HOTEL OWNERSHIP & OPERATIONS

Press release

Stockholm, 2024-09-18

Pandox completes a directed share issue of approximately 10.75 million B-shares, raising proceeds of SEK 2 billion

Pandox Aktiebolag (publ) (“Pandox” or the “Company”) has, based on the authorisation granted by the annual general meeting on 10 April 2024 and in accordance with what the Company indicated in a press release earlier today, resolved to carry out a directed share issue of 10,753,001 B-shares at a subscription price of SEK 186 per share (the “Directed Share Issue”). Through the Directed Share Issue, Pandox will obtain approximately MSEK 2,000 before transaction costs.

The subscription price per share represents a discount of approximately 4.9 percent in relation to the closing price of Pandox’s shares on Nasdaq Stockholm on 17 September 2024. In relation to the volume weighted average share price the last 10 trading days, the subscription price represents a discount of 4.7 percent. The subscription price in the Directed Share Issue was determined through an accelerated book building procedure led by ABG Sundal Collier, DNB Markets, Handelsbanken and Skandinaviska Enskilda Banken and was, accordingly, in the assessment of the board of directors set on market terms and conditions.

A large number of Swedish and international institutional investors participated in the Directed Share Issue, including AMF Pension & Fonder, Eiendomsspar AS and Carnegie Fonder.

Use of proceeds

The Company intends to use the proceeds to maintain the Company’s strong financial position following the hotel acquisitions in London and Edinburgh, which are financed with available cash funds and bank loans, and to increase the Company’s financial flexibility for additional property acquisitions and investments in existing properties with the objective to increase cash earnings per share.

Liia Nõu, CEO of Pandox said:

“Pandox has long experience of successfully creating value by acquiring, developing and enhancing underperforming hotel properties in an international environment. One of the cornerstones of our strategy is to identify and implement hotel acquisitions that contribute to earnings in the short term and at the same time lay the foundation for further value creation in the longer term. During August and September, we announced agreements to acquire four hotel properties in London and Edinburgh for a total value of approximately GBP 279 million with an initial yield of just over 7 per

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cent, with the potential to further increase the yield through targeted investments. Underlying demand in the hotel market is positive and we see good opportunities to make more attractive acquisitions and profitable investments in the existing portfolio. The new share issue increases our financial flexibility and strengthens our ability to continue to create an attractive return for our shareholders.”

Deviation from the shareholders’ preferential rights

Prior to the Directed Share Issue, the Company’s board of directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue. The board of directors considers that the reasons for deviating from the shareholders’ preferential right are (i) that a rights issue, compared to a directed share issue, would take a significantly longer time to complete and entail a higher risk for a materially adverse effect on the share price, (ii) to strengthen the Company’s shareholder base with Swedish and international institutional investors and to strengthen the share’s liquidity, (iii) to carry out a directed share issue can be made at lower costs and with less complexity than a rights issue and in light of the market volatility, the board of directors has assessed that a rights issue also entails a risk of not becoming fully subscribed and would require a rather significant underwriting from a guarantor syndicate that would entail additional costs, and (iv) secure and maintain the Company’s strong financial position following the hotel acquisitions in London and Edinburgh, which are financed with available cash funds and bank loans, and to increase the Company’s financial flexibility for additional property acquisitions and investments in existing properties with the objective to increase cash earnings per share. Considering the above, the board of directors has made the assessment that a directed share issue with deviation from the shareholders’ preferential right is the most favourable alternative for the Company, creates value for the Company and is in the best interest of the Company’s shareholders. The board of directors of Pandox believes that there is a value to current shareholders participating in the Directed Share Issue since, the Directed Share Issue, among other things, is carried out at a higher subscription price, which is in the interest of both the Company and the shareholders.

Through the Directed Share Issue, Pandox will obtain approximately MSEK 2,000 before transaction costs. After the Directed Share Issue, the total number of shares in the Company will amount to 194,603,000 (distributed between 75,000,000 class A shares and 119,603,000 class B shares) and the share capital will increase from SEK 459,624,997.5 to SEK 486,507,500. The Directed Share Issue entails a dilution effect of approximately 5.5 percent based on the total number of shares in Pandox after the Directed Share Issue and approximately 3.1 percent based on the total number of votes in Pandox after the Directed Share Issue.

Advisers

In connection with the Directed Share Issue, the Company has engaged ABG Sundal Collier, DNB Markets, a division of DNB Bank ASA, Swedish Branch, Handelsbanken and Skandinaviska Enskilda Banken as Joint Bookrunners, as well as Advokatfirman Vinge and Milbank LLP as legal advisors.

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This information is information that Pandox Aktiebolag (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 00:45 CEST on 18 September 2024.

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This press release does not constitute a recommendation concerning any investor's decision regarding the Directed Issue. The information contained in press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. This press release does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares. Each investor or potential investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results.

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Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of

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Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Pandox have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Pandox may decline and investors could lose all or part of their investment; the shares in Pandox offer no guaranteed income and no capital protection; and an investment in the shares in Pandox is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Pandox.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Pandox and determining appropriate distribution channels.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual

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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.