

First Hotels AB (publ) updates its strategy to become a pure hotel property company and receives an offer to sell all shares in its subsidiary First Hotels International AS

After careful consideration, the Board of Directors of First Hotels AB (publ) ("First Hotels" or the "Company") believes that it will benefit all shareholders if the Company's strategy is updated to focus on developing the Company into a pure hotel property company, with the consequence that other businesses in the Company are divested. A sale of shares in First Hotels International AS (the franchise business) is the start of this strategy. The Board of Directors also intends to consider divestment of its operating company that operates the hotel First Hotel Planetstaden in Lund, Sweden. These divestments will enable the Company to reduce overhead and management costs to a minimum. The current balance sheet has a very expensive debt that the board of directors does not consider sustainable under the current conditions. A sale of the franchise business will make the Company better suited for development and debt refinancing, which will ultimately benefit the Company and its shareholders. The hotel acquired by the Company in 2023 has doubled its sales and has an indicated property value of SEK 394 million. In order to maximize the value of the hotel, the Board of Directors believes that the Company needs a comfortable financial structure.

The Board of Directors of the Company has received an offer from a group of investors to sell all shares in the Company's subsidiary First Hotels International AS to the bidders (the "Offer"). The Board of Directors of the Company has further received a proposal from shareholders that the Extraordinary General Meeting of the Company shall approve the Offer.

The offer entails that all shares in the Company's subsidiary First Hotels International AS, and indirectly its subsidiaries, will be transferred to the bid consortium at a value of NOK 30 million, subject to customary purchase price adjustments. The bid consortium consists of Seljeli Invest AS, Gate Group AB and Daimyo AS. The Company's Board member Johan Gate is the owner of Gate Group AB and the Company's Board member Torje Gabrielsen is a partner in Seljeli Invest AS. Due to the fact that Johan Gate and Torje Gabrielsen are indirectly included in the bid consortium, the Offer is treated as a related party transaction pursuant to Chapter 16. and Chapter 16 a. ABL in order to provide the shareholders with a satisfactory basis for decision-making. The offer will therefore be subject to approval by the Extraordinary General Meeting, whereby a statement in accordance with Chapter 16 a. 7 of the Swedish Companies Act and a fairness opinion from an external third party will be provided to the shareholders prior to the meeting. Johan Gate and Torje Gabrielsen have not and will not participate in the Board's handling of the Offer.

Notice of the Extraordinary General Meeting will be published through a separate press release.

The other members of the Board of Directors of the Company are positive to the proposal to divest the franchise business in accordance with the Offer.

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About First Hotels

First Hotels AB (publ) is an independent company listed on Nasdaq First North in Sweden (Ticker: HOTEL), providing franchise rights and marketing services to hotels affiliated with the 'First Hotels' chain. There are 57 First Hotels in total, with 32 located in Sweden, 5 in Norway, and 20 in Denmark. The company's headquarters is situated in Stockholm. Mangold Fondkommission, phone +46 8 503 01 550, serves as the Company's Certified Adviser. For more information, please visit www.firsthotelsab.com.

This information is information that First Hotels 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 2024-11-07 14:11 CET.

Attachments

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