

PRESS RELEASE

Stockholm, 2025-11-10

**PANDOX AB (PUBL) SUMMARISES REASONS FOR
AND FINANCIAL EFFECTS FROM ACQUISITION OF
DALATA HOTEL GROUP PLC**

Pandox AB (publ) (Pandox) has in a press release 7 November 2025 announced that the acquisition of Dalata Hotel Group plc (Dalata) has been completed. Below, the reasons and financial effects from the acquisition are summarised, as per previous communication and documentation in the acquisition process, and Pandox's interim report January-September 2025 with accompanying presentation.

“Through the acquisition of Dalata, we reinforce our position as the leading hotel property owner in Europe. The transaction reflects our ability to make complex and value-creating transactions in international markets together with strong partners. The acquired hotel properties are of high quality, are part of the profitable upper price segment and give an immediate and significant contribution to earnings. With the acquisition, we deepen our market presence in the UK and Ireland which are large and dynamic hotel markets, and we also lay the foundation for further value creation in the portfolio over time”, says Liia Nõu, CEO of Pandox.

Summary

Total transaction value amounts to approximately MEUR 1,700, of which the purchase price amounts to approximately MEUR 1,400 and net debt Dalata to approximately MEUR 300. Total transaction value after the expected divestment to Scandic, which is expected to take place during the second half of 2025, amounts to MEUR 1,200, equivalent of approximately MSEK 13,300.

Rental income is expected to increase by approximately MSEK 1,200 – with an estimated profitability in line with Pandox's already existing lease agreements in the UK and Ireland – and cash earnings is expected to increase by the equivalent of approximately MSEK 450, on an annual basis. This corresponds to approximately SEK 2.30 per share, an increase of more than 20 percent measured on a rolling twelve-month basis (per 30 September 2025).

31 Investment properties with a value of approximately MSEK 16,700 and an estimated average weighted property yield of 6.95 percent will be added to business segment Leases. This corresponds to a value creation of approximately MSEK 3,000 million, or approximately SEK 15 per share, as the properties are acquired at an implied value of approximately MSEK 13,700 with an estimated initial yield of approximately 8.40 percent, including expected transaction costs.

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Dalata owns and operates 56 hotels, of which 31 in self-owned properties (Investment Properties), 22 under lease agreements with external property owners and 3 under management agreements.

The acquisition is made with Scandic Hotel Group (Scandic) as operating partner, where Pandox, following a separation of Dalata's operations into a property ownership and a hotel-operating part, retains 31 Investment Properties in Ireland and the UK.

Following the separation, the intention is that Scandic acquires the complete operating platform, which comprises a total of 56 hotel operations, for MEUR 500.

The 31 Investment Properties retained by Pandox will be operated by Scandic under new long-term revenue-based leases with guaranteed minimum levels.

During the separation process, Scandic will also operate all 56 hotel operations under management agreements with Pandox.

Reasons for the acquisition

1. The hotel properties fit well into Pandox's acquisition strategy and contribute immediately and positively to Pandox's earnings and net asset value.
2. The hotel property portfolio is of consistently high quality and consists of 31 full-service hotels in the upper price segment with a total of 6,626 rooms (on average, 214 rooms per hotel) and very strong guest reviews.
3. The hotels contribute positively to the technical and sustainability-related quality of Pandox's existing portfolio.
4. Pandox deepens its market presence particularly in Ireland but also in the UK, markets which on a combined basis represent one of the largest hotel markets in Europe.
5. The hotels' locations and market positions are consistently strong and closely connected to important transportation hubs, businesses and leisure activities.
6. In addition to the above-mentioned hotel properties, a conversion is ongoing of an office building into a hotel property with 172 rooms in Edinburgh (St Andrew Square), and an extension of Clayton Cardiff Lane in Dublin with 115 rooms. The projects are expected to be completed 2026-2027.
7. The hotel property portfolio has a weighted average yield of approximately 6.95 percent.
8. Demand derives mainly from international leisure and business travellers (for example Dublin, London, and Edinburgh) and is complemented in many markets by substantial domestic demand (for example Limerick, Manchester, and Leeds). The hotel properties complement Pandox's existing portfolio well from a demand and segment perspective.
9. The 31 Investment Properties will be operated by Scandic under long revenue-based lease agreements with guaranteed minimum levels and shared investments, which is the core of Pandox's business model. The minimum rent as a share of the total rent is good.
10. Pandox, Scandic and Dalata have very good opportunities to together develop the hotels' market positions and take additional market shares.

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Transaction structure, purchase price and financing (*)

The acquisition is undertaken by a consortium of Pandox AB (Pandox) and Eiendomsspar AS (Eiendomsspar), with Pandox's subsidiary Pandox Ireland Tuck Limited (Bidco) as the acquiring company. Pandox's and Eiendomsspar's ownership interests in the company amounts to 91.2 and 8.8 percent respectively.

The acquisition includes Dalata Hotel Group plc's all businesses, where Pandox, after a separation of Dalata's business into one property-owning part and one hotel-operating part, will retain Investment Properties in Ireland and the UK (see summary in the portfolio overview below) with the intention that Scandic acquires the operational platform with 56 hotel operator businesses, mainly under the Clayton and Maldron brands.

During the separation phase, Scandic will be responsible for the operations of all 56 Dalata hotels through a management agreement, of which 31 Investment Properties will be under agreements which correspond to revenue-based lease agreements, including guaranteed minimum rents and property responsibilities. These are intended to be replaced by revenue-base lease agreements at the latest when the separation is completed, which is expected to take place during the second half of 2026.

Total transaction value amounts to approximately MEUR 1,700, equivalent to approximately MSEK 18,800, of which the purchase price amounts to approximately MEUR 1,400 and net debt Dalata to approximately MEUR 300. Total transaction value after the expected divestment to Scandic amounts to MEUR 1,200, equivalent to approximately MSEK 13,300.

The total non-recurring acquisition and separation related costs is estimated to approximately MEUR 70, equivalent to approximately MSEK 770, of which MSEK 145 was reported in shareholders' equity in the third quarter 2025. A considerable part of the remaining costs is expected to negatively affect the result in the fourth quarter of 2025 and be reported as an item affecting comparability.

The acquisition is fully financed through a combination of an acquisition facility from DNB Carnegie of MEUR 1,165, other existing credit facilities, and cash and cash equivalents. The acquisition facility has an initial credit margin of 225 basis points, which increases by 25 basis points every nine months until the credit matures on 15 July 2027. The acquisition facility has three tranches, of which the first amounts to MEUR 500 and refers to the part of Dalata expected to be divested to Scandic, for which the cost will be borne by Scandic, and be settled at divestment.

Financial effects for Pandox at full consolidation, completed divestment to Scandic at current exchange rate (*)

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1. For business segment Leases rental income is expected to increase by approximately MSEK 1,200 with an estimated profitability in line with Pandox's already existing leases in the UK and Ireland, on an annual basis.
2. Cash earnings are expected to increase by approximately MSEK 450, on an annual basis, based on an expected current tax rate of 18 percent. This corresponds to approximately SEK 2.30 per share, an increase of more than 20 percent measured on a rolling twelve-month basis (per 30 September 2025).
3. A total of 31 Investment Properties with a value of approximately MSEK 16,700 and an estimated average weighted property yield of 6.95 percent will be added to business segment Leases. This corresponds to a value creation of approximately MSEK 3,000, or approximately SEK 15 per share, as the properties are acquired at an implied value of approximately MSEK 13,700 with an estimated initial yield of approximately 8.40 percent, including expected transaction costs.
4. The value of the properties has been assessed based on Pandox's cash flow model, described in Pandox's Annual Report 2024, based on lease agreements in each individual hotel property. During the fourth quarter 2025, external valuations will be carried out to validate the assumptions made, whereby the values may be adjusted.
5. Pandox's responsibility for future investments is limited to larger technical installations and building structures.
6. Pandox sees opportunities to, in close cooperation with Scandic, make future cash flow increasing and value enhancing investments in the portfolio.
7. Based on the market value of the property portfolio per 30 september 2025:
 1. The number of hotel properties increases to 193, of which 39 in the UK and 24 in Ireland.
 2. The portfolio value increases from approximately 76 billion SEK to approximately 93 billion SEK.
 3. The share of Investment Properties' of the total portfolio, increases from approximately 80 percent to approximately 84 percent.
 4. Pandox's loan to value ratio increases from approximately 50 percent to approximately 55 percent before the divestment to Scandic. After divestment, the loan to value ratio is expected to amount to approximately 52 percent, which can be compared with Pandox's financial policy of a loan to value ratio between 45-60 percent.
8. During the fourth quarter of 2025 a smaller contribution to revenues and net operating income is expected in business segment Leases. However, the earnings effect for Pandox is expected to be negatively affected by non-recurring costs attributable to the acquisition and separation.

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Until the divestment to Scandic can be completed, the hotel operator business is reported as "Profit from discontinued operations" and does not affect Pandox's Own Operations segment. The balance sheet items excluding the properties and related items are reported as "Assets and liabilities held for sale". No significant effect on earnings for Pandox is expected to be reported under "Profit from discontinued operations".

Transaction costs and advisory services shall be recognised as an expense in the Pandox Group in accordance with IFRS 3 and will be treated as an item affecting comparability until the separation of hotel properties and hotel operations has been completed.

Eiendomsspar will initially remain as a minority owner in Pandox Bidco with approximately 8,8 percent in a similar way as Pandox has other minority owners in the Group.

Portfolio overview

The hotel property portfolio is consistently of high quality and consists of 31 full-service hotels in the upper price segment with a total of 6,626 rooms, an average size of approximately 214 rooms and very strong guest ratings. 21 of the hotel properties are located in Ireland and 10 in the UK. The hotels are operated under the Clayton and Maldron brands and demand comes mainly from international leisure and business travellers (e.g. Dublin, London and Edinburgh) and is complemented in many markets by significant domestic demand (e.g. Limerick, Manchester and Leeds). The hotel properties are of high quality and complement Pandox's current portfolio well in terms of demand and segmentation. Through the acquisition, Pandox deepens its market coverage in the fifth largest hotel market in Europe, measured in number of guest nights, and in a geographical area with a total of approximately 70 million inhabitants. The hotels have predominantly strong city locations in major cities or cities that are part of larger metropolitan areas (**).

Hotel	Country	City	Tenure	Rooms	Location
Maldron Hotel Merrion Road	Ireland	Dublin	Freehold	140	City
Maldron Hotel Pearse Street	Ireland	Dublin	Freehold	126	City

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Clayton Hotel Ballsbridge	Ireland	Dublin	Freehold	334	City
Clayton Hotel Cardiff Lane	Ireland	Dublin	Leasehold	304	City
Maldron Hotel Parnell Square	Ireland	Dublin	Freehold	182	City
Maldron Hotel Kevin Street	Ireland	Dublin	Freehold	137	City
Clayton Hotel Leopardstown	Ireland	Dublin	Freehold	357	Ring road
Maldron Hotel Newlands Cross	Ireland	Dublin	Freehold	297	Ring road
Clayton Hotel Liffey Valley	Ireland	Dublin	Freehold	351	Ring road
Clayton Hotel Dublin Airport	Ireland	Dublin	Freehold	608	Airport
Radisson Blu Dublin Airport***	Ireland	Dublin	Leasehold	229	Ariport
DUBLIN SUBTOTAL				3,065	
Maldron Hotel Sandy Road Galway	Ireland	Galway	Freehold	165	Ring road
Clayton Hotel Galway	Ireland	Galway	Freehold	195	Ring road
Clayton Hotel Sligo	Ireland	Sligo	Freehold	162	City
Maldron Hotel Portlaoise	Ireland	Portlaoise	Freehold	90	Ring road
Maldron Hotel South Mall Cork	Ireland	Cork	Freehold	163	City
Maldron Hotel Shandon Cork	Ireland	Cork	Freehold	101	City
Clayton Hotel Cork City	Ireland	Cork	Freehold	201	City
Clayton Hotel Silver Springs	Ireland	Cork	Freehold	109	City
Maldron Hotel Limerick	Ireland	Limerick	Freehold	142	City
Clayton Hotel Limerick	Ireland	Limerick	Freehold	158	City
REGIONAL IRELAND SUBTOTAL				1,486	

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IRELAND SUBTOTAL				4,551	
Maldron Hotel Belfast City	United Kingdom	Belfast	Freehold	237	City
Clayton Hotel Belfast	United Kingdom	Belfast	Freehold	170	City
Maldron Hotel Derry	United Kingdom	Derry/Londonderry	Freehold	93	City
Clayton Hotel Chiswick	United Kingdom	London	Freehold	227	City
Clayton Hotel London Wall	United Kingdom	London	Leasehold	89	City
Clayton Hotel City of London	United Kingdom	London	Leasehold	212	City
Maldron Finsbury Park	United Kingdom	London	Freehold	191	City
Maldron Hotel Shoreditch, London	United Kingdom	London	Freehold	157	City
Clayton Hotel Manchester Airport	United Kingdom	Manchester	Leasehold	365	Airport
Clayton Hotel Leeds	United Kingdom	Leeds	Freehold	334	City
UNITED KINGDOM SUBTOTAL				2,075	
TOTAL PORTFOLIO				6,626	

(*) EUR/SEK 11.05

(**) Source: Centre For Cities, NRS Scotland, Central Statistics Office Ireland, Eurostat

(***) Clayton per January 2026

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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 193 hotel properties with approximately 43,000 rooms across 11 countries in Northern Europe. The portfolio market value is approximately SEK 90bn. The head quarter is in Stockholm, and we are listed on Nasdaq Stockholm.
www.pandox.se