



The largest hotel operator in the Nordic region

PRESS RELEASE
December 5, 2017

The Finnish Competition and Consumer Authority approves Scandic Hotels' acquisition of Restel, subject to conditions

The Finnish Competition and Consumer Authority has approved Scandic's acquisition of Restel's hotel operations, subject to the divestment of three hotels. It is expected that the acquisition will close before the end of the year.

The Finnish Competition and Consumer Authority has made its decision on Scandic Hotels' acquisition of Restel's Finnish hotel operations, which was announced on June 21, 2017. The authority approves the acquisition on the condition that Scandic divests one hotel in Lahti, one hotel in Pori and one hotel in Kuopio. The transaction is also subject to a commitment by Scandic not to participate in certain announced hotel projects in Lappeenranta and Vantaa. The Restel acquisition is expected to close before the end of the year.

"We appreciate the final decision from the Competition and Consumer Authority and are pleased that this acquisition has finally been approved. This strategic transaction will continue to strengthen Scandic's geographical offering and puts us in a leading position also in the Finnish market," says Even Frydenberg, President & CEO of Scandic.

On a pro-forma basis, if the acquisition had taken place on January 1, 2016, the acquired operations would have contributed net sales of 203.4 MEUR and an adjusted EBITDA of 13.7 MEUR in 2016. The hotels that will be divested contributed a total of approximately 8 MEUR to net sales and 1.7 MEUR to the adjusted EBITDA in 2016. Scandic's assessment of other financial effects of the acquisition is provided in the press release announcing the transaction on June 21, 2017.

As previously announced, Scandic sees good opportunities for sales growth and margin improvement in the acquired hotel portfolio in the coming years. There is potential for increasing revenue by rebranding the hotels under the Scandic name and expanding Scandic's offering in the Finnish market. Additionally, costs are expected to decrease through coordinated administration and procurement.

Overall, Scandic estimates that over time, the acquired operations, excluding the three hotels that will be divested, have the potential to generate an adjusted EBITDA margin that exceeds the Group's long-term financial target of 11 percent.

About Scandic Hotels Group

Scandic is the largest Nordic hotel operator with 15,000 team members and a network of close to 230 hotels with about 45,000 hotel rooms in operation and under development. Scandic Friends is the biggest loyalty program in the Nordic hotel sector with 2 million members. Corporate responsibility has always been a part of Scandic's DNA and Scandic has been named Best Hotel Brand in the Nordic countries (BDRC). Since December 2, 2015, Scandic

has been listed on Nasdaq Stockholm. www.scandichotelsgroup.com



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For more information, please contact:

Jan Johansson, Chief Financial Officer
Email: jan.johansson@scandichotels.com
Phone: +46 70 575 89 72

Henrik Vikström, Director Investor Relations
Email: henrik.vikstrom@scandichotels.com
Phone: +46 709 52 80 06

This information is information that Scandic Hotels Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 13.40 CET on December 5.

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