



PRESS RELEASE

January 15, 2021

Scandic comments on market situation and ongoing rent negotiations

In December, Scandic's average occupancy rate was approximately 15 percent with continued weak demand in all markets. Ongoing rent negotiations have thus far led to agreements for rent reductions and offers from landlords totaling approximately 850 MSEK.

In December, Scandic's average occupancy rate totaled 15 percent, which means that occupancy for the fourth quarter was approximately 23 percent, in line with the company's forecast from December 8. Demand has continued to be weak in all markets and has been impacted by stricter restrictions from authorities. About half of Scandic's hotels were closed during the Christmas and New Year's holiday, which had a certain negative effect on occupancy in December and at the beginning of January.

According to Benchmarking Alliance, market RevPAR dropped between 59 and 72 percent during the fourth quarter in the Nordic countries compared with the corresponding period during the previous year.

Scandic's available liquidity at year-end amounted to approximately 1.9 billion SEK.

Based on current booking trends, average occupancy is expected to be about 15 percent in January. Although Scandic anticipates a gradual increase during the coming months, occupancy is expected to continue to remain at a low level during the first quarter.

For some time, Scandic has been negotiating rents with property owners, which has thus far led to agreements for rent reductions and offers for reduced rents totaling approximately 850 MSEK. The agreed and proposed rent reductions apply mainly for the period 2020-2022, of which more than half apply for 2021. Scandic considers further rent reductions to be necessary to manage the current market situation and negotiations are ongoing with a number of property owners.

After the COVID-19 pandemic began, Scandic was able to quickly reduce its cost base by more than half, excluding rents. With its low costs, market-leading position and efficient operational model, Scandic has what it takes to be the most competitive and attractive partner for hotel property owners in the Nordic region.

Scandic's Year-end Report for 2020 will be published on February 17 at 7:30 CET.

This information is such that Scandic Hotels Group 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 08.25 CET on January 15, 2021.

About Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with more than 280 hotels, in operation and under development, in more than 130 destinations. The company is the leader when it comes to integrating sustainability in all operations and its award-winning Design for All concept ensures that Scandic hotels are accessible to everyone. Well loved by guests and employees, the Scandic Friends loyalty program is the largest in the Nordic hotel industry and the company is one of the most attractive employers in the region. Scandic Hotels is listed on Nasdaq Stockholm.

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