STRONG FINANCIAL RESULTS
Q4 2015

Frank Fiskers, President & CEO
Gunilla Rudebjer, CFO
Stockholm, February 23, 2016
THE LARGEST HOTEL COMPANY IN THE NORDICS

› The no. 1 hotel brand in the Nordics

› Strong mid-market offering & repeatable business model key drivers for value creation

› Significant embedded growth & further network expansion opportunities in the Nordics/Germany

- 221 hotels in operation (7 in signed pipeline)
- 1.6 million loyalty members
- ~70% distribution in own channels
- 12.2 billion SEK net sales

Percent of total revenue FY 2015
A STRONG AND EVENTFUL YEAR FOR SCANDIC

› Gained market share in all key markets
› Signed 7 hotels
› Continued successful integration and improvement of former Rica hotels
› Rapid design and implementation of mitigation plan for Norway
› Developed new e-commerce platform for launch in Q2 2016
› Guest satisfaction at all-time high
› Scandic listed on Nasdaq Stockholm
Q4 - STRONG LFL GROWTH DRIVEN BY HIGHER OCCUPANCY AND ROOM RATES

- Good RevPAR development from successful implementation of commercial and revenue management strategies
- Strong trading in all markets lifted LFL net sales significantly
- Continued focus on operational excellence and cost efficiency secured a strong adjusted EBITDA margin
FY 2015 – DELIVERING HIGH GROWTH AND SOLID PROFITABILITY

4.9%
(7.5% LFL)
Increase in RevPAR

12.6%
(7.3% LFL)
Increase in net sales

10.2%
(9.4% LY)
Adj.EBITDA margin

2.7x
Net debt/
Adjusted EBITDA

41,000
rooms in operation
(3,000 under
development)

1.43 SEK
Earnings per share(1)

Note:
(1) 1.13 SEK earnings per share based on number of shares end of period
WE EXPECT FAVORABLE MARKET CONDITIONS ALSO IN 2016

Market development Q4

› RevPAR growth in Sweden and Denmark driven by higher occupancy and room rates
› Polarization of the Norwegian market
› In Norway, the number of rooms sold grew by 1.9%, but increased room capacity led to 2.0% decrease in RevPAR
› RevPAR growth in Finland driven by higher occupancy

GDP growth

real, annual growth

Key drivers for market growth

› Attractive Nordic market with strong economies
› Growing consumer spending expected and current currency exchange rates further supporting travel to the region
› Strong growth in demand for conferences

Source: Nordea Economic Outlook (December 2015), Benchmarking Alliance & STR Global
STRONG FINANCIAL RESULTS
Q4 – MARGIN IMPROVEMENT FROM REVPAR GROWTH AND EFFICIENCY GAINS

**Q4 2015**

- Strong RevPAR growth LFL driven by both occupancy and room rates
- Reported net sales growth negatively affected by currency effects and exits, but strong underlying growth
- Margin improvements from Rica synergies
  - Head office and purchasing savings with run-rate of 80 MSEK, full effect in 2015
  - Efficiency gains and revenue synergies run-rate of 100-140 MSEK, of which c. 1/3 impact in 2015
- Improved adj. EBITDA and margins in all segments
- Pre-opening costs of 16 MSEK for openings in 2015 and 2016
- Non-recurring items of 46 MSEK related to Rica integration costs and IPO costs. Additional 55 MSEK IPO costs were accounted for in equity

<table>
<thead>
<tr>
<th>RevPAR (SEK)</th>
<th>Growth: 3.5% (7.5% LFL)</th>
<th>4.9% (7.5% LFL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014</td>
<td>557</td>
<td>574</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>576</td>
<td>601</td>
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<tr>
<td>FY 2014</td>
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<tr>
<td>FY 2015</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Net sales (MSEK)</th>
<th>Growth: 1.1% (6.3% LFL)</th>
<th>12.6% (7.3% LFL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014</td>
<td>3 051</td>
<td>10 826</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>3 085</td>
<td>12 193</td>
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<tr>
<td>FY 2014</td>
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<td>FY 2015</td>
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<table>
<thead>
<tr>
<th>Adjusted EBITDA (MSEK)</th>
<th>Adjusted EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014</td>
<td>290 9.5%</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>332 10.7%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>1 019 9.4%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>1 246 10.2%</td>
</tr>
</tbody>
</table>
Reported net sales growth of 1.1% (3.5% at constant currencies)

Strong LFL growth of 6.3% Q4 and 7.3% FY

LFL includes all hotels that have been part of the portfolio for the entire year 2015 and 2014, at constant currencies

New hotels include:

- New hotels in 2015 (3 Bergen hotels and 2nd HTL in Stockholm)
- New hotels in 2014 (Rica and 6 new openings)

Exits of non-strategic hotels.
- Largest impact from Grand Hotel, Oslo (exit February 2015)
### Q4 2015

- Strong market RevPAR growth driven by both occupancy and room rates
- Strong F&B revenue from Christmas lunches and dinners
- Scandic Kungsgatan closed in November 2015 for complete renovation and extension
  - Will re-open as ‘Haymarket by Scandic’ in May 2016
- The abolishment of the discount of social charges for young employees has lead to increased costs of c. 8 MSEK
  - Estimated full-year impact 2016 of c. 29 MSEK

### FY 2015

- Strong growth during summer and autumn both within leisure and corporate segments
  - Large events in July and September
- Improved adjusted EBITDA and margins driven by revenue growth

#### RevPAR (SEK)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q4 2015</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>8.7% (8.3% LFL)</td>
<td>9.3% (9.3% LFL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales (MSEK)</td>
<td>595</td>
<td>647</td>
<td>588</td>
<td>643</td>
</tr>
<tr>
<td>Growth</td>
<td>7.3% (8.1% LFL)</td>
<td>11.0% (9.7% LFL)</td>
<td></td>
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</tr>
<tr>
<td>Adjusted EBITDA (MSEK)</td>
<td>1 219</td>
<td>1 308</td>
<td>4 475</td>
<td>4 969</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>16.9%</td>
<td>17.7%</td>
<td>15.3%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

**FY 2015 Adjusted EBITDA:**

- **Q4 2014:** 207 MSEK (16.9% margin)
- **Q4 2015:** 232 MSEK (17.7% margin)
- **FY 2014:** 683 MSEK (15.3% margin)
- **FY 2015:** 817 MSEK (16.4% margin)
NORWAY – OUTPERFORMING MARKET AND IMPROVING MARGINS

Q4 2015
› Strong market growth in Oslo, Trondheim and Tromsø, but continued decline at oil destinations
› RevPAR flat at constant currencies and +1.5% LFL
› Net sales +4.8% from new Bergen hotels
› Net sales -10.9% from currency effects
› Net sales -7.0% from exit of Grand Hotel, but positive impact on adjusted EBITDA
› Improved adjusted EBITDA and margins from increased efficiency and Rica synergies

FY 2015
› Strong leisure sales and growth in Oslo and Northern Norway compensated the decline in demand from the oil sector
› Synergies from the Rica acquisition are materialising according to plan and contributed to improved adjusted EBITDA and margins

RevPAR (SEK)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth:</td>
<td>-9.6% (1.5% LFL)</td>
<td>-5.6% (3.0% LFL)</td>
</tr>
<tr>
<td></td>
<td>535</td>
<td>484</td>
</tr>
<tr>
<td></td>
<td>586</td>
<td>553</td>
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Net sales (MSEK)

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<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth:</td>
<td>-13.3% (-2.0% LFL)</td>
<td>15.7% (1.3% LFL)</td>
</tr>
<tr>
<td></td>
<td>996</td>
<td>864</td>
</tr>
<tr>
<td></td>
<td>3 181</td>
<td>3 680</td>
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Adjusted EBITDA (MSEK)

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<tr>
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<th>Q4 2014</th>
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<tbody>
<tr>
<td>Growth:</td>
<td>-7.0% (9.8%)</td>
<td>8.6% (8.9%)</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>85</td>
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<td>274</td>
<td>328</td>
</tr>
</tbody>
</table>
OTHER SEGMENTS – STRONG GROWTH DRIVEN BY BOTH OCCUPANCY AND ROOM RATES

Q4 2015
› Strong market in Denmark with RevPAR growth driven by both occupancy and room rates
› Junior Hockey Championship in Helsinki in December boosted both rooms revenue and F&B in Finland
› Strong net sales growth in the 3 hotels in Germany
› Exit Scandic Antwerp, Belgium, in Nov 2015

FY 2015
› Strong market development in Denmark
› Growth in Finland driven by strong summer, and large events
› The market penetration of Scandic’s German hotels was on par with competition. Scale effects from adding the third hotel in September 2014 improved margins

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<td></td>
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<td></td>
<td>526</td>
<td>574</td>
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<td></td>
<td>837</td>
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<td></td>
<td>FY 2014</td>
<td>FY 2015</td>
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<td></td>
<td>3 170</td>
<td>3 544</td>
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<tr>
<td></td>
<td>79</td>
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<td>9.4%</td>
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<td></td>
<td>FY 2014</td>
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<tr>
<td></td>
<td>311</td>
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<tr>
<td></td>
<td>9.8%</td>
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<tr>
<td></td>
<td>Q4 2015</td>
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<tr>
<td></td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>12.2%</td>
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<td></td>
<td>FY 2015</td>
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<tr>
<td></td>
<td>405</td>
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<tr>
<td></td>
<td>11.4%</td>
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</tbody>
</table>

Note: Other Nordics and other segments include Finland, Denmark, Germany, Poland, Belgium and HTL
GOOD CASH FLOW GENERATION

Cash flow & Net debt FY 2015

› Operating cash flow before acquisitions increased to 563 MSEK (107)
  › Improved trading, reduced working capital and lower capex
  › Negative working capital of 5–9% of net sales due to high share of prepayments and settlements at check-out
  › Reduced debt and improved terms on refinanced senior debt reduce interest expenses from December 2015
  › Net debt of 3,356 MSEK (6,073) corresponding to 2.7x adjusted EBITDA
  › Loss carry forwards reduced paid tax
  › Q4 strongest cash flow quarter and Q1 weakest due to seasonality

Working capital / Net sales, rolling 12 months (%)
Capex FY 2015

› Renovation capex of 457 MSEK (512) corresponding to 3.7% of net sales, back to normalized levels after extensive renovations 2013 – 2014

› Scandic / Pandox renovation program comprising c. 40 hotels 2012 – 2015 finalized in Dec 2015

› Capex of 139 MSEK (125) for new hotels and expansions. High capex amount in Q4 related to the openings of Scandic Continental and Haymarket by Scandic in H1 2016

› Investment of 43 MSEK (33) in IT mainly refers to development of the new digital platform for e-commerce and improved customer dialogue
REVENUES AND EARNINGS FLUCTUATE WITH THE TRADING SEASONALITY

Seasonal variations

› c. 70% of revenues derive from business travel and conferences and c. 30% from leisure travel

› Q1 and other periods with low levels of business travel (summer months, Easter / Christmas / New Year) are generally the weakest periods

› Easter holidays will entirely fall in Q1 this year (last year both in Q1 and Q2)

Net sales, per quarter (MSEK)

Adjusted EBITDA per quarter (MSEK)

NB: Q1 2014 does not include Rica Hotels
FINANCIAL TARGETS

Net sales growth

12.6%
10.4% excl. M&A(1)
Annual net sales growth

Profitability

10.2%
Adjusted EBITDA margin

Capital structure

2.7x
Net debt / Adjusted EBITDA

Target

Annual net sales growth of at least 5% on average over a business cycle (excl. potential M&A)

Target

Adjusted EBITDA margin of at least 11% on average over a business cycle

Target

Net debt in relation to adjusted EBITDA of 2 – 3x

Note:
(1) Net sales growth excluding acquisition of Rica Hotels (2014) and Bergen hotels (2015)
OUR FIVE PILLARS OF PROFITABLE GROWTH

Market growth
Scandic initiatives
Rica synergies & improvements
Ramp up of recently opened hotels & signed pipeline
Network expansion
A STRONG SIGNED PIPELINE WITH HIGH MATERIALISATION

No rooms

- 2013
  - Openings
  - Exits
- 2014
  - Openings
  - Exits
- 2015
  - Openings
  - Exits
- 2016
  - Pipeline
- 2017
  - Pipeline
- 2018
  - Pipeline

No rooms: teal
Openings: grey
Exits: purple
Signed pipeline (incl extensions): blue
Signed pipeline as % of total No rooms: orange

+2.0%
+2.8%
+1.4%
### IN 2016-2018 SEVEN SIGNIFICANT HOTELS WILL BE ADDED TO THE PORTFOLIO

<table>
<thead>
<tr>
<th>Hotel Name</th>
<th>New/Built Status</th>
<th>Location</th>
<th># of Rooms</th>
<th>Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scandic Continental</strong></td>
<td>(new built)</td>
<td>Stockholm, Sweden</td>
<td>394</td>
<td>H1 2016</td>
</tr>
<tr>
<td><strong>Scandic Lillestrøm</strong></td>
<td>(new built)</td>
<td>Lillestrøm, Norway</td>
<td>220</td>
<td>H1 2018</td>
</tr>
<tr>
<td><strong>Scandic Hotel Norge</strong></td>
<td>(conversion)</td>
<td>Bergen, Norway</td>
<td>390</td>
<td>H1 2017</td>
</tr>
<tr>
<td><strong>Scandic Kødbyen</strong></td>
<td>(new built)</td>
<td>Copenhagen, Denmark</td>
<td>370</td>
<td>H2 2018</td>
</tr>
<tr>
<td><strong>Scandic Bergen Flesland</strong></td>
<td>(new built)</td>
<td>Bergen, Norway</td>
<td>304</td>
<td>H1 2017</td>
</tr>
<tr>
<td><strong>Scandic Sergel Plaza</strong></td>
<td>(conversion)</td>
<td>Stockholm, Sweden</td>
<td>420 (incl. 17 new)</td>
<td>H1 2017</td>
</tr>
<tr>
<td><strong>Haymarket by Scandic</strong></td>
<td>(extension)</td>
<td>Stockholm, Sweden</td>
<td>411 (incl. 147 new)</td>
<td>H1 2016</td>
</tr>
</tbody>
</table>

All hotels above have CRFM lease contracts.
KEY PRIORITIES TO SECURE ANOTHER SUCCESSFUL YEAR

› Openings of Haymarket by Scandic and Scandic Continental in Stockholm
› Launch of new e-commerce platform
› Further realisation of Rica synergies and improvements
› Signing of new hotels in ‘unsigned’ pipeline
› Launch of new cultural platform ‘Inspiring Nordic’
› Positive start of the year with good business on the books