



The largest Nordic hotel company

## PRESS RELEASE

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# Decision regarding additional assessment in Finland for the 2008 tax year

The Finnish Tax Administration has decided to make an additional assessment for the 2008 tax year, amounting to 9.6 MEUR. Scandic and its advisors are of the opinion that the company has acted correctly and in full compliance with the applicable legislation and will appeal the decision.

The Finnish Tax Administration has decided to make an additional assessment of the Finnish branch of Scandic Hotels Holding AB for the 2008 financial year. The Finnish Tax Administration is of the opinion that Scandic's Swedish operations shall be subject to additional taxes, fees and interest totaling 9.6 MEUR for the 2008 financial year of which 7.1 MEUR refers to tax, 1.8 MEUR to fees and 0.7 MEUR to interest that are imposed as the deduction of interest on intra-group loans has been denied.

Scandic and its tax advisors are of the opinion that the company has acted correctly and in full compliance with the applicable legislation and, accordingly, believe that the Finnish Tax Administration's decision is incorrect. The company will appeal the decision and request that the tax decision be rejected in its entirety. The company will therefore not report any tax expense for the taxes imposed.

A few years back, Scandic's Finnish branch received a challenge regarding the deductibility of interest expenses on intra-group loans. In its 2016 Annual Report, Scandic recognized a contingent liability of 142 MSEK. According to a preliminary assessment, the total exposure in the years 2008–2016 is approximately 390 MSEK excluding interest.

*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 09.20 CET on October 19, 2017.*

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### About Scandic

Scandic is the largest hotel company in the Nordic region 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](http://www.scandichotelsgroup.com)