



PRESS RELEASE

March 12, 2020

Business situation continues to worsen due to coronavirus – Scandic to give notice of termination

Intensified measures of authorities to stop the spread of the coronavirus (COVID-19) have led to continued worsening of the business situation for Scandic Hotels Group AB. Today, Scandic will give notice of termination of employment to approximately 2,000 team members in Sweden, which corresponds to about half of the company's permanent employees in the country. Significant cutbacks will also be necessary in Scandic's other markets.

Booking activity has continued to decrease in the past few days. In all of Scandic's markets, decisions by authorities and travel restrictions have contributed to a reduction in travel and an increase in the number of events that have been canceled. Scandic now estimates that net sales in March will be substantially lower than the previous sales forecast of -15% for comparable units. It is also clear that sales development will be significantly negative in the next months.

As announced earlier, Scandic is taking vigorous steps to adapt costs to the new business situation. This includes significant reductions in manning levels in both hotel operations and support functions and Scandic has also made substantial cutbacks in purchasing and investment operations.

- Scandic is in discussion with governments and authorities, both directly and through labor market partners, to obtain support to immediately and temporarily adapt its business and thereby limit the negative impact on our team members, says Jens Mathiesen, President & CEO of Scandic Hotels Group AB.

Scandic has also decided to reduce the salaries of all members of the Executive Management Team by 20 percent.

Staffing needs are being reviewed in the whole Group. Today, Scandic is giving notice of termination of employment to about 2,000 permanent employees in Sweden, which corresponds to about half of the permanent employees in the country. At the same time, the number of temporary employees will also be reduced in Sweden. At the moment, it is not possible to say how many employees will receive notice of termination or be laid off throughout the Group, but based on the current exceptional situation, Scandic expects that significant cutbacks will be required in all of its markets.

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. www.scandichotelsgroup.com



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