



PRESS RELEASE

June 8, 2020

Scandic's occupancy and bookings continue to increase in line with Q2 forecast

Booking and occupancy levels at Scandic's hotels are continuing to improve gradually from a record low level in mid-April in line with the company's forecast in its interim report for the first quarter 2020 that was published on May 20. As announced earlier, Scandic is preparing additional cost-saving measures to enable profitability at lower occupancy levels than before.

Since mid-April, there has been a gradual increase in average occupancy at Scandic's hotels. In general, activity levels have improved somewhat in part as a result of governments and authorities easing some of the restrictions that were introduced to reduce the spread of the coronavirus. In May 2020, average occupancy at Scandic's hotels was 8 percent compared with a record low level of 6 percent in April. Occupancy also continued to rise during the first week of June.

Booking activity has also gradually improved since the middle of April. The number of hotel bookings per week is now more than twice as high as a month ago. After the Swedish government announced on June 4, 2020 that the restrictions on domestic travel will be lifted, a clear increase in the number of bookings for the Swedish hotels was immediately noted.

For June 2020, Scandic continues to expect occupancy to increase a few percentage points compared with May and further improvement is expected once the holiday season starts as a result of domestic tourism.

At the beginning of May, more than half of Scandic's hotels were temporarily closed. In Sweden and Poland, all hotels were open during the entire period and it is in these markets that activity levels have been highest. In Norway, Finland and Denmark, most hotels have been closed and until recently, all hotels in Germany were also closed. Scandic has now started to open hotels again and at the end of June, about 220 hotels, or about 80 percent of the total portfolio, are expected to be operating. Additional hotel openings are planned during the summer and in principle, all Scandic hotels are expected to be open by the end of August. The hotels' food and beverage and meeting operations, however, will be adapted to the current situation.

By the start of the second quarter 2020, Scandic had reduced cost levels excluding rent by approximately 70 percent as a result of COVID-19. This has been achieved by lowering variable costs, reducing staffing levels extensively and introducing measures to lower the general cost level. Additionally, the company received State aid including support for furlough and covering fixed costs. Scandic is preparing further cost-savings measures and among other things, the company is evaluating fixed and guaranteed rental levels to find solutions together with the property owners that make it profitable to conduct hotel operations at lower occupancy levels than before.

Scandic confirms its previous forecast in the company's interim report for the first quarter regarding an increase in occupancy of a few percentage points per month in May and June as well as continued

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



improvement during the holiday period. Scandic expects the hotel market to continue to improve gradually during the second half-year and that net sales for 2020 will be more than halved compared with 2019.

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