

A photograph of three women sitting together in a restaurant or cafe, laughing and talking. The woman on the left has dark hair and is wearing a white top and light-colored pants. The woman in the middle has blonde hair in a bun, is wearing a black leather jacket over a white shirt, and is holding a drink. The woman on the right has blonde hair and is wearing a bright green silk shirt and dark pants. The background features green pendant lights and a large mirror.

YEAR-END REPORT

JANUARY-DECEMBER 2023

GOOD FINISH TO A RECORD YEAR

OCTOBER 1 – DECEMBER 31, 2023

- Net sales rose by 3.5 percent to 5,410 million SEK (5,228).
- Average occupancy rate was 57.9 percent (57.0).
- Average revenue per available room (RevPAR) went up to 734 SEK (695).
- Operating profit totaled 502 million SEK (488).
- Adjusted EBITDA¹⁾ was 451 million SEK (476).
- Excluding IFRS 16, earnings per share equaled 0.78 SEK (0.49).
- Free cash flow was 549 million SEK (945).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.6x (0.2x excluding the convertible loan).

JANUARY 1 – DECEMBER 31, 2023

- Net sales rose by 14.1 percent to 21,935 million SEK (19,230).
- Average occupancy rate increased to 61.4 percent (57.7).
- Average revenue per available room (RevPAR) went up to 782 SEK (683).
- Operating profit totaled 2,785 million SEK (2,457).
- Adjusted EBITDA¹⁾ was 2,566 million SEK (2,536).
- Excluding IFRS 16, earnings per share equaled 5.09 SEK (4.10).
- Free cash flow was 1,754 million SEK (2,202).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.6x (0.2x excluding the convertible loan).

EVENTS DURING THE PERIOD

- On December 14, Scandic signed an agreement with Pandox to take over a 311-room hotel in Nuremberg. Scandic will start operating the hotel on March 1, 2024.
- Scandic also signed an agreement on November 24 to extend and rebrand the Holiday Inn City Centre hotel in downtown Helsinki. From 2025, the hotel will be operated under the Scandic brand.
- On November 15, Scandic repurchased convertible bonds for a nominal amount of 590.2 million SEK.
- On October 24, Scandic announced that it would implement Oracle Hospitality OPERA Cloud.

EVENTS AFTER THE REPORTING DATE

- On January 14, Pär Christiansen was appointed new Chief Financial Officer and member of the Executive Committee. Per will start on March 1, 2024.

KEY RATIOS

million SEK	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Financial key ratios, reported						
Net sales	5,410	5,228	3.5%	21,935	19,230	14.1%
Operating profit/loss	502	488		2,785	2,457	
Net profit/loss for the period	41	2		569	428	
Earnings per share, SEK	0.27	-0.05		2.86	2.21	
Alternative performance measures						
Adjusted EBITDA	451	476		2,566	2,536	
Adjusted EBITDA margin, %	8.3	9.1		11.7	13.2	
Net profit/loss for the period excl. IFRS 16	157	104		1,083	866	
Earnings per share, SEK, excl. IFRS 16	0.78	0.49		5.09	4.10	
Net debt	1,503	2,909		1,503	2,909	
Net debt/adjusted EBITDA, LTM	0.6	1.1		0.6	1.1	
Hotel-related key ratios						
RevPAR (revenue per available room), SEK	734	695	5.5%	782	683	14.4%
ARR (average room rate), SEK	1,268	1,219	4.1%	1,272	1,183	7.5%
OCC (occupancy), %	57.9	57.0		61.4	57.7	
Total number of rooms on reporting date	55,642	55,831	-0.3%	55,642	55,831	-0.3%

1) Earnings before pre-opening costs, items affecting comparability, interest, taxes, depreciation and amortization, adjusted for the effects of IFRS 16.

CEO'S COMMENTS

“BOOKINGS ARE IN LINE WITH LAST YEAR AND WE HAVE A POSITIVE OUTLOOK FOR 2024. WITH A STRONG FINANCIAL POSITION AND HIGH AMBITIONS FOR SCANDIC, WE’RE NOW STEPPING UP THE PACE TO GROW THE HOTEL PORTFOLIO AND CREATE EVEN BETTER GUEST EXPERIENCES.”

A good fourth quarter has concluded yet another record year where we maintained a high pace and achieved new milestones. Scandic has delivered good growth and profitability, and I am proud that guest satisfaction has increased across all markets while at the same time we improved efficiency.

The meeting season this past fall was good with high demand from corporate guests, and with the hotels we've opened in the past years, Scandic has a strong offering. Compared with the same period in 2022, we sold more room nights, and all markets saw increased occupancy rates at higher room rates. Scandic continues to perform slightly better than the overall market, and RevPAR remained at consistently high levels.

Net sales in the fourth quarter increased steadily, and we reported a good result in line with last year, excluding non-recurring items. For the full year, revenues increased to 22 billion SEK, and adjusted EBITDA rose slightly to 2.6 billion SEK, which resulted in an operating margin of 11.7 (13.2) percent. Adjusted for non-recurring items, the operating margin improved to 11.4 (11.1) percent.

During the quarter, we did a buyback of about one-third of the convertible bonds. This means a significantly lower dilution of shares in the event of a conversion in October 2024. Scandic generates robust cash flows, and we continued to reduce our debt, which, including the convertible loan, amounted to 0.66x adjusted EBITDA (1.1x) at year-end.

With a strong financial position, we've increased the pace of investment in the hotel portfolio and within digitalization to create even better guest experiences. Our ambition now is to return to a more normal level of investment for renovations and maintenance, about 3 to 4 percent of net sales per year. The implementation of our new cloud-based IT solution (Oracle Hospitality OPERA Cloud) is going according to plan, and we're still aiming to connect all hotels and central functions to the new platform during the first half of 2024. Once the new platform is in place, we expect to capitalize on higher efficiency and make significant improvements to the guest journey where among other things we're making our Scandic Friends loyalty program even more attractive.

During the quarter, we also signed a new lease agreement for a 311-room hotel in Nuremberg. Padox recently carried out a major renovation of the hotel, which reopened in fall 2023. Scandic will take over operations of the hotel on March 1, another milestone on our growth journey in Germany.

Our first Scandic Go has now been open for six months, and we're very pleased with how the hotel and brand have been received by guests. We're now gearing up to open another Scandic Go in Stockholm toward the end of the summer and looking forward to expanding in the fast-growing economy segment.

To strengthen our offering and optimize growth and profitability, we constantly evaluate which agreements should be extended or terminated. During the quarter, we signed an agreement to extend and rebrand Holiday Inn City Centre, a 174-room hotel in Helsinki, that we will operate as a Scandic hotel from 2025. We also terminated two lease agreements during the first quarter and during the year, we plan to exit two more hotels. At year-end, we had net 2,138 new rooms in the pipeline, corresponding to about 4 percent of the hotel portfolio.

Bookings are in line with last year and we have a positive outlook for 2024. Because the Easter holiday will fall earlier this year than last year, we expect somewhat lower occupancy for the first quarter compared with 2023 however at continued higher price levels. Scandic is commercially and financially stronger than ever, and we're stepping up the pace to grow our hotel portfolio and to create even better guest experiences. In conclusion, I would like to extend a thank you to all our team members who made this possible and to our guests who choose to stay at our hotels. I look forward to an eventful year.



JENS MATHIESEN
President & CEO

NORDIC HOTEL MARKET

Historically, demand in the Nordic hotel market has grown steadily. Between 2009 and 2019, the number of sold rooms increased on average by 4 percent per year driven by growth in leisure travel and a greater number of international visitors. From the second quarter 2022, the Nordic hotel market has recovered rapidly, and in 2023, approximately 8 percent more hotel rooms were sold compared with 2022.

HIGHER OCCUPANCY

Demand in the Nordic hotel market was good in the fourth quarter, and the market occupancy rate increased slightly to 57.4 (57.0) percent. Occupancy for the quarter was highest in Denmark at 63.6 percent and lowest in Norway at 53.8 percent. In both markets, occupancy increased slightly compared with last year.

Demand was highest in November and lowest in December, which is a seasonally weak month. In October, the average occupancy rate in the Nordic markets was between 56.2 and 68.5 percent. Occupancy in November was between 64 and 68.5 percent and in December between 64 and 53.7 percent.

The positive development during the quarter compared with the previous year was driven by continued strong demand from both leisure and business travelers.

POSITIVE PRICE DEVELOPMENT

Compared with the fourth quarter 2022, average room rates grew 3.8 percent in the Nordic markets. Room rates grew most in Norway and Denmark, where they increased by 4.5 percent, followed by Sweden where rates rose by 2.9 percent. In Finland, the increase was 0.8 percent.

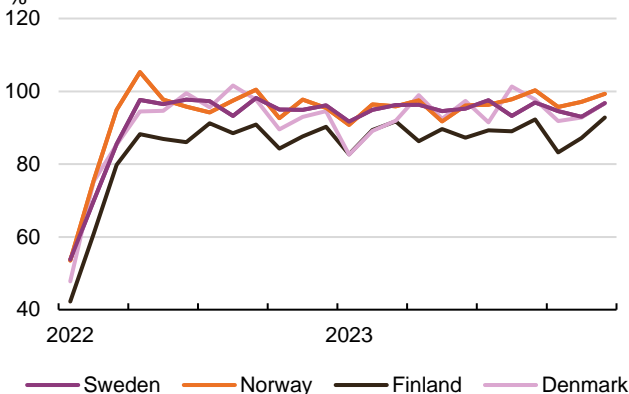
Compared with the fourth quarter 2019, average room rates rose by 19.1 percent. The greatest increase was in Norway, where room rates jumped 31.6 percent followed by Sweden, where the increase was 13.5 percent. In Denmark and Finland, room rates rose 13.4 and 4.8 percent respectively.

Average Revenue Per Available Room (RevPAR) went up by 4.7 percent in the Nordic markets compared with the corresponding period in 2022. Compared with the fourth quarter 2019, RevPAR increased by 12.3 percent.

MARKET OCCUPANCY

Index 2019 (monthly values)

%

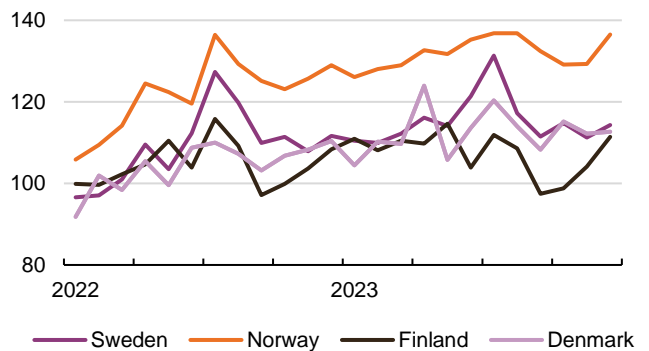


Source: Benchmark Alliance.

MARKET PRICE DEVELOPMENT

Index 2019 (monthly values)

%



Source: Benchmark Alliance.

OPERATING MODEL & HOTEL PORTFOLIO

SCANDIC'S OPERATING MODEL

Scandic operates according to a model with long-term lease agreements with full responsibility for the brand, hotel operations and distribution. This is the dominant model in the Nordic markets and in Germany. In many other countries, the franchise model where the hotel company controls only the brand while operations are run by a specialized management company or the property owner is more common. And some hotel companies have a fully integrated model where the property owner is also responsible for operations as well as the offering and brand.

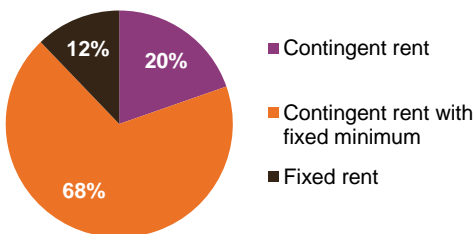
The leasing model helps Scandic ensure that its hotel offering is in line with what it markets while it can benefit from economies of scale in operations and distribution. Additionally, the team members who meet Scandic's guests are employed by Scandic.

HOTEL PORTFOLIO

Scandic operates hotels with long-term leases that are usually variable based on hotel revenues. This creates a shared interest for both parties since increasing sales means higher rents and greater property value for landlords. Variable rents ensure a relatively flexible cost structure, which helps stabilize margins. Over time, Scandic aims to increase the share of variable lease agreements and achieve more balanced conditions. Responsibility for investments is clearly regulated in Scandic's lease agreements. In general, Scandic is responsible for finishes, furniture, fixtures and equipment while the property owner is responsible for the building as well as technical installations and bathrooms.

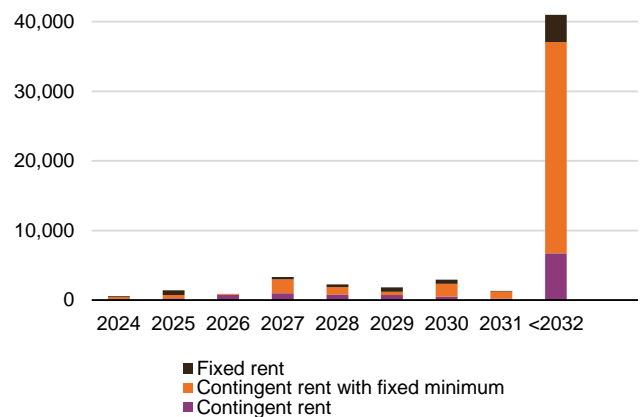
SHARE OF LEASE AGREEMENTS

NUMBER OF ROOMS



REMAINING LEASE TERMS

NUMBER OF ROOMS



At year-end, Scandic had a total of 55,642 rooms in operation at 267 hotels, 246 of which had lease agreements. The number of rooms decreased by 327 during the quarter. This is mainly due to Scandic exiting two hotels: Scandic Skogshöjd with 225 rooms and Scandic Foresta with 103 rooms.



	Oct-Dec 2023	Jan-Dec 2023
Portfolio changes		
Opening balance		
Lease agreements	53,133	52,992
Franchise, management & other	2,836	2,839
Total	55,969	55,831
Total change lease agreements	-327	-186
Change in other operating models	-	-3
Total change	-327	-189
Closing balance		
Lease agreements	52,806	52,806
Franchise, management & other	2,836	2,836
Total	55,642	55,642

NUMBER OF HOTELS & ROOMS IN OPERATION

	In operation as at 31 Dec, 2023			
	Hotels	of which lease agreements	Rooms	of which lease agreements
Sweden	85	79	18,069	17,277
Norway	83	69	16,245	14,411
Finland	61	61	12,835	12,835
Denmark	30	29	6,036	5,826
Other Europe	8	8	2,457	2,457
Total	267	246	55,642	52,806
<i>Change during the quarter</i>	<i>-2</i>	<i>-2</i>	<i>-327</i>	<i>-327</i>

SCANDIC'S PIPELINE

Scandic constantly evaluates investments in new and existing hotels to determine which hotels, if any, should be exited to optimize returns, capital efficiency and guest satisfaction. Developing and managing the hotel portfolio is central for Scandic to grow in and outside of the Nordic region. Scandic's pipeline includes only hotels with signed lease agreements.

At the end of the period, Scandic had nine new planned hotels with 2,563 rooms and three planned exits with a total of 425 rooms. This corresponds to a net increase of about 3.8 percent of the hotel portfolio. During the quarter, Scandic also announced an agreement for a new 311-room hotel in Nuremberg. Investments in the pipeline are expected to total approximately 708 million SEK. To date, investments of 30 million SEK have been made.

NUMBER OF HOTELS IN OPERATION & PIPELINE

	In pipeline as at 31 Dec, 2023					
	New hotels	Planned exits	Total	New rooms	Planned exits	Total
Sweden	3		3	866		866
Norway	2	-1	1	525	-176	349
Finland	2		2	459		459
Denmark	1	-2	-1	402	-249	153
Other Europe	1		1	311		311
Total	9	-3	6	2,563	-425	2,138
<i>Change during the quarter</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>311</i>	<i>328</i>	<i>639</i>

GROUP DEVELOPMENT

IFRS 16 Leases has a significant impact on Scandic's income statement and balance sheet, as Scandic has a business model with long-term lease agreements. To help investors gain a good understanding of the company's position, Scandic presents the company's financial results and financial key ratios both including and excluding the effects of IFRS 16.

Scandic's financial targets for profitability, capital structure and dividends exclude the effect of IFRS 16. The results for each segment (i.e. country or group of countries) are presented excluding the effects of IFRS 16 in accordance with the way Scandic's Executive Committee and Board of Directors follow up on the company's results. For more information on IFRS 16 and its effects on Scandic's financial reporting, see pages 30-34.

OCTOBER – DECEMBER 2023

Net sales rose by 3.5 percent to 5,410 million SEK (5,228). Exchange rate effects impacted net sales positively by 16 million SEK or 0.3 percent. The number of available rooms at the end of the quarter was marginally lower compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 3.2 percent, Sales for comparable units grew by 2.7 percent.

Average revenue per available room (RevPAR) rose by 5.5 percent to 734 SEK compared with 695 SEK during the previous year. RevPAR improved in all markets compared with during the corresponding period in 2022. The average room rate continued to rise and amounted to SEK 1,268, an increase of 4.1 percent compared with the fourth quarter 2022.

Revenue from restaurant and conference operations grew by 0.7 percent, and demand for meetings and conferences continued to be good. The share of net sales amounted to 32.5 percent (33.3).

REPORTED RESULTS

The operating profit was 502 million SEK (488). No pre-opening costs for new hotels were included in the operating profit for the quarter, which was -1 million SEK (-9). Items affecting comparability amounted to -12 million SEK (-16) related to hotels that will be exited. Depreciation and amortization totaled -962 million SEK (-878). This increase was impacted by additional depreciation and amortization of 82 million SEK due to IFRS 16.

The Group's net financial expense amounted to -528 million SEK (-438) and was impacted by -24 million SEK in connection with repurchasing convertible bonds.

The profit before tax was -26 million SEK (50) and reported tax amounted to 67 million SEK (-48), which was impacted positively by the valuation of tax losses totaling 128 million SEK from previous years in Denmark. Net profit was 41 million SEK (2).

Costs for central functions went up and amounted to -146 million SEK (-118), partly due to a high level of activity within digital development, increased marketing costs and measures to strengthen the organization within IT and marketing.

Earnings per share after dilution totaled 0.27 SEK per share (-0.05). The calculation of earnings per share includes the full dilutive effect, as the profit for the quarter attributable to the Parent Company's shareholders was positive.

EXCLUDING EFFECTS OF IFRS 16

Rental costs rose to 1,533 million SEK (1,448). Rental costs relative to net sales rose and amounted to 28.3 percent (27.7). During the quarter, negotiated rent concessions of approximately 4 million SEK (13) were received, reducing fixed and guaranteed rents. Depreciation and amortization totaled -219 million SEK (-217).

Adjusted EBITDA was 451 million SEK (476). All markets reported positive adjusted EBITDA during the quarter.

Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 8.7 percent (9.2). During the quarter, a final reconciliation of state aid received during the pandemic was carried out, leading to a repayment of state aid

in Germany and Norway amounting to -29 million SEK (2). Compensation of 11 million SEK was also received in Norway for operations related to housing for refugees that was not used, impacting adjusted EBITDA by -18 million SEK (0). Excluding direct state aid and non-recurring items, adjusted EBITDA was 468 million SEK (476) for the quarter.

The Group's net financial expense amounted to -100 million SEK (-55). Interest expenses totaled -84 million SEK (-53); these expenses were impacted negatively by higher interest rates that were partially offset by lower indebtedness. The profit before tax was 118 million SEK (178) and the net profit was 156 million SEK (104). Earnings per share after dilution totaled 0.78 SEK (0.49) per share.

JANUARY – DECEMBER 2023

Net sales rose by 14.1 percent to 21,935 million SEK (19,230). Exchange rate effects impacted net sales positively by 381 million SEK or 1.7 percent. The number of available rooms at the end of the period was marginally lower compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 12.1 percent, Sales for comparable units grew by 8.5 percent.

Average revenue per available room (RevPAR) rose by 14.5 percent to 782 SEK compared with 683 SEK during the previous year. RevPAR improved in all markets compared with during the corresponding period in 2022. The average room rate continued to rise and amounted to 1,272 SEK, an increase of 7.5 percent compared with the corresponding period last year.

Revenue from restaurant and conference operations grew by 14.4 percent due to the high demand for meetings and conferences in all markets. The share of net sales amounted to 28.8 percent (28.8).

REPORTED RESULTS

The operating profit was 2,785 million SEK (2,457) including pre-opening costs for new hotels of -17 million SEK (-131). Items affecting comparability amounted to -14 million SEK (-16) related to organizational changes and hotels that will be exited. Depreciation and amortization totaled -3,812 million SEK (-3,372). This increase was impacted by additional depreciation and amortization of 441 million SEK due to IFRS 16.

The Group's net financial expense amounted to -2,064 million SEK (-1,808) and was impacted by -24 million SEK in connection with repurchasing convertible bonds.

The profit before tax was 721 million SEK (649) and reported tax amounted to -152 million SEK (-221), which was impacted positively by the valuation of tax losses totaling 128 million SEK from previous years in Denmark. Net profit was 569 million SEK (428).

Costs for central functions went up and amounted to -474 million SEK (-335), partly due to a high level of activity within digital development, increased marketing costs and measures to strengthen the organization within IT and marketing. Earnings per share after dilution totaled 2.86 SEK per share (2.21). The calculation of earnings per share includes the full dilutive effect, as the profit for the year attributable to the Parent Company's shareholders was positive.

EXCLUDING EFFECTS OF IFRS 16

Rental costs rose to 6,272 million SEK (5,391). Rental costs relative to net sales rose as a result of higher room revenues and amounted to 28.6 percent (28.0). During the period, negotiated rent concessions of approximately 30 million SEK (89) were received, reducing fixed and guaranteed rents. Depreciation and amortization totaled -844 million SEK (-845).

Adjusted EBITDA amounted to 2,566 million SEK (2,536), driven by higher net sales and efficient cost control. The new hotels that opened in 2022 and 2023 and that are being ramped up continued to develop well, contributing positively to the Group's results.

Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 11.4 percent (11.1). During the year, a final reconciliation of state aid received during the pandemic was carried out, leading to a repayment of state aid in Germany and Norway amounting to -29 million SEK (190). Compensation of 60 million SEK (184) was also received in Norway for housing for refugees that was not used. An electricity subsidy totaling 20 million SEK was received for operations in Sweden as well as compensation of 23 million SEK (59) related to hotel openings. All together, this had an impact on adjusted EBITDA of 74 million SEK (433), bringing it to 2,492 million SEK (2,103).

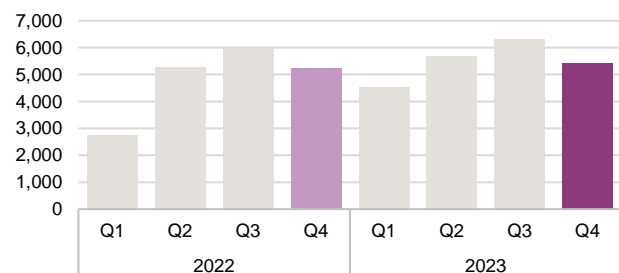
The Group's net financial expense amounted to -330 million SEK (-344). Interest expenses totaled -288 million SEK (-307); these expenses were impacted positively by lower indebtedness. The profit before tax was 1,361 million SEK (1,200) and the net profit was 1,083 million SEK (866). Earnings per share after dilution totaled 5.09 SEK (4.10) per share.

SEASONAL VARIATIONS

Scandic operates in a sector affected by seasonal variations. The first quarter and other periods with low levels of business travel such as the summer months, Easter and Christmas/New Year's are generally the weakest periods. Easter falls either during the first or second quarter, which should be taken into consideration when making comparisons between years. During 2022 and 2023, the Easter holiday fell during the second quarter. In 2024, Easter will fall mainly during the first quarter.

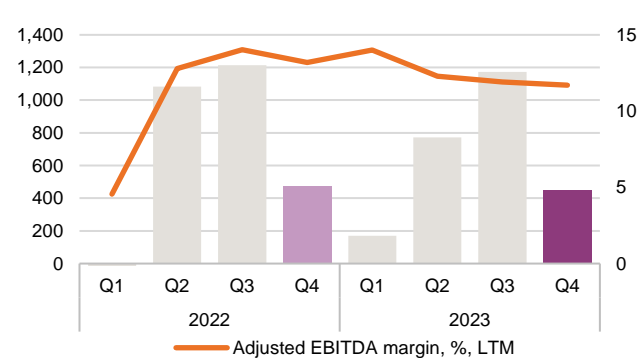
NET SALES

million SEK



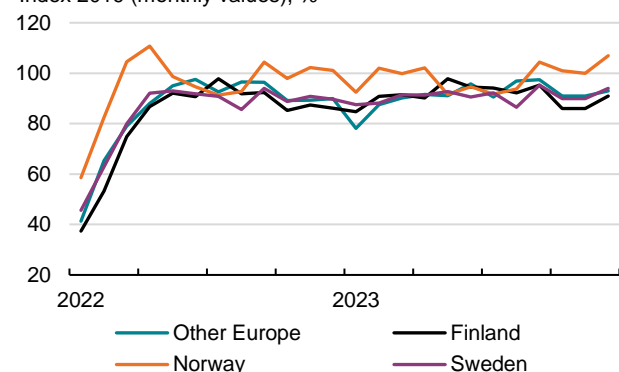
ADJUSTED EBITDA

million SEK



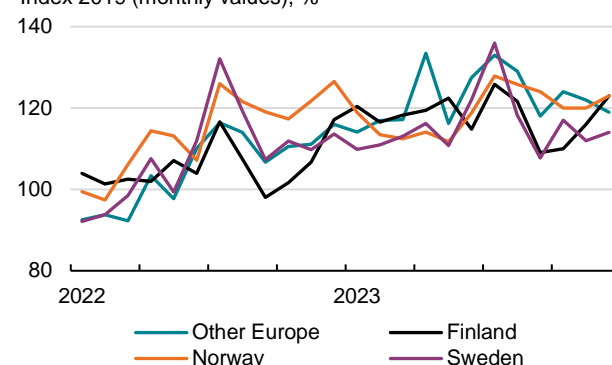
OCCUPANCY, SCANDIC

Index 2019 (monthly values), %



AVERAGE ROOM RATES, SCANDIC

Index 2019 (monthly values), %



NET SALES, OPERATING PROFIT & ADJUSTED EBITDA

	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales (million SEK)	5,410	5,228	3.5%	21,935	19,230	14.1%
Currency effects	16		0.3%	381		2.0%
Organic growth	166		3.2%	2,323		12.1%
<i>New hotels</i>	85		1.6%	818		4.3%
<i>Exits</i>	-61		-1.2%	-352		-1.8%
LFL	142		2.7%	1,857		9.7%
Operating profit/loss	502	488		2,785	2,457	
margin, %	9.3%	9.3%		12.7%	12.8%	
Adjusted EBITDA	451	476		2,566	2,536	
margin, %	8.3%	9.1%		11.7%	13.2%	
RevPAR (SEK)	734	695	5.6%	782	683	14.5%
Currency effects	3		0.4%	14		2.1%
New hotels/exits	7		1.0%	7		1.0%
LFL	29		4.2%	78		11.5%
ARR (SEK)	1,268	1,219	4.1%	1,272	1,183	7.5%
OCC %	57.9%	57.0%		61.4%	57.7%	

Quarter Oct-Dec million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	1,641	1,658	225	221	13.7%	13.3%
Norway	1,469	1,503	170	194	11.6%	12.9%
Finland	1,283	1,196	130	124	10.1%	10.4%
Other Europe	1,017	871	72	55	7.1%	6.3%
Central functions	-	-	-146	-118	-	-
Total Group	5,410	5,228	451	476	8.3%	9.1%

Period, Jan-Dec million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	6,644	6,053	995	876	15.0%	14.4%
Norway	6,180	6,039	1,011	1,171	16.4%	19.4%
Finland	4,998	4,089	540	383	10.8%	9.4%
Other Europe	4,113	3,049	494	442	12.0%	14.5%
Central functions	-	-	-474	-335	-	-
Total Group	21,935	19,230	2,566	2,536	11.7%	13.2%



CASH FLOW & FINANCIAL POSITION

CASH FLOW

The operating cash flow analysis below is based on adjusted EBITDA and excludes the effects of IFRS 16. The table below shows how interest-bearing net debt changed during the respective period. Excluding IFRS 16, operating cash flow for the full year amounted to 2,275 million SEK (2,837).

The cash flow contribution from the change in working capital amounted to -192 million SEK (614). Working capital was negatively impacted by the repayment of variable rent debts for 2022 of 715 million SEK. For 2023, a new rent debt of approximately 430 million SEK has been accrued, the majority of which will be settled during the first half of 2024.

Taxes paid amounted to -109 million SEK (-39) and referred to payment of taxes for previous years primarily in Sweden and Norway.

Net investments paid amounted to -521 million SEK (-635). Of these, -434 million SEK (-277) relates to ongoing hotel renovations at a number of hotels in Copenhagen, Stockholm, Trondheim and Oslo, among others, and -59 million SEK (-14) to IT. Investments in new hotels and increased room capacity amounted to -28 million SEK (-344) and mainly relate to the completion of Scandic Frankfurt Hafenspark in Germany.

In total, free cash flow was 1,754 million SEK (2,202).

OPERATING CASH FLOW

million SEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Adjusted EBITDA	451	476	2,566	2,536
Pre-opening costs	-1	-9	-17	-131
Items affecting comparability	-12	-16	-14	-16
Adjustments for non-cash items	54	39	98	28
Paid tax	-15	-3	-109	-39
Change in working capital	315	569	-192	614
Interest paid	-32	-30	-57	-155
Cash flow from operations	760	1,027	2,275	2,837
Paid investments in hotel renovations	-182	-46	-434	-277
Paid investments in IT	-26	-4	-59	-14
Free cash flow before investments in expansions	552	978	1,782	2,546
Paid investments in new capacity	-3	-33	-28	-344
Free cash flow	549	945	1,754	2,202
Accrued interest, convertible loan	-37	-40	-163	-153
Repurchase convertible bond	-630	-	-630	-
Change in other interest bearing liability	-	15	-	-493
Other items in financing activities	-	-	-86	3
Financing costs	-3	1	-1	-12
Exchange difference in net debt	27	-5	-5	-73
Change in net debt	-94	916	869	1,474

FINANCIAL POSITION

The balance sheet total on December 31, 2023 was 53,956 million SEK compared with 50,948 million SEK on December 31, 2022. The greatest change relates to an increase in lease debts and right of use assets according to IFRS 16, mainly attributable to index calculations in lease agreements and new contracts. Excluding IFRS 16, the balance sheet total amounted to 14,606 million SEK.

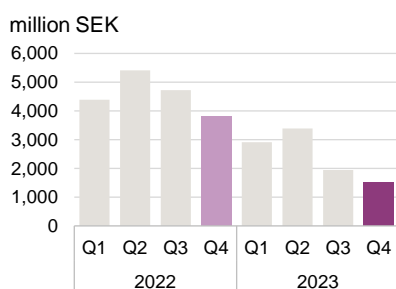
On December 31, 2023, interest-bearing net liabilities totaled 1,503 million SEK, a decrease of 1,406 million SEK compared with December 31, 2022. Debts to credit institutions totaled 980 million SEK, other interest-bearing liabilities amounted to 758 million SEK and cash and cash equivalents totaled 1,344 million SEK. The convertible loan was 1,109 million SEK at the end of the period. Interest-bearing net debt in relation to adjusted EBITDA for the most recent 12 months amounted to 0.6x (0.2x excluding the convertible loan), which is lower than indebtedness at the end of 2022 (1.1) and less than at year-end 2019 (1.7).

Total available credit facilities amounted to 3,250 million SEK at the end of the year. On February 15, 2023, Scandic signed

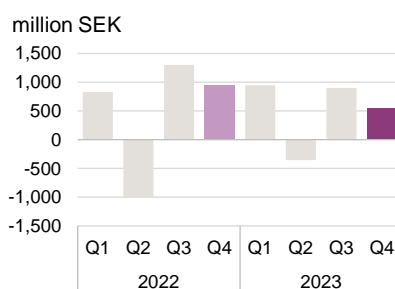
an agreement for external financing with total credit facilities of 3,450 million SEK until December 31, 2025. In connection with the extension, among other things, interest terms and covenants were also adjusted. Under certain conditions, the external financing gives Scandic the opportunity to finance all or part of the convertible loan that will be due on October 8, 2024. Total available liquidity at the end of 2022 amounted to approximately 3,500 million SEK.

Other interest-bearing liabilities of 758 million SEK include debt relating to deferred VAT payments and social security contributions in Sweden. The debt increased by a net of 122 million SEK during the year, which was partly due to new deferrals of 245 million SEK that were granted and repayment of -123 million SEK. Repayment is expected to be carried out until September 2027, with 196 million SEK to be repaid during 2024.

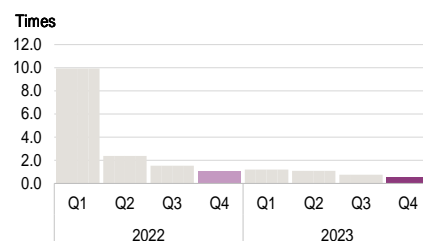
INTEREST-BEARING NET LIABILITIES



FREE CASH FLOW



INTEREST-BEARING NET LIABILITIES/ADJUSTED EBITDA, LTM



SWEDEN

Scandic is one of Sweden's most well-known brands. The company has a market-leading position, operating 85 hotels and more than 18,000 hotel rooms in the country.

OCTOBER – DECEMBER

Net sales declined by 1.0 percent to 1,641 million SEK (1,658). For comparable units, net sales were in line with the previous year.

Changes in the hotel portfolio contributed -35 million SEK net. The most significant impact was from Scandic Norra Bantorget, which was closed for renovations and will reopen next year, and Scandic Foresta, which was exited during the quarter.

Average revenue per available room (RevPAR) was 730 SEK, 3.5 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA improved, totaling 225 million SEK (221).

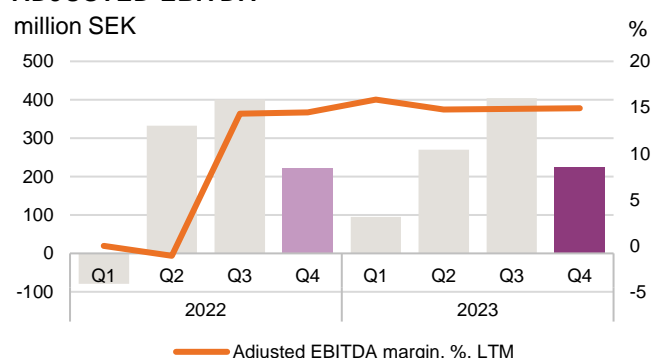
JANUARY – DECEMBER

Net sales rose by 9.7 percent to 6,644 million SEK.

(6,053). For comparable units, net sales increased by 8.9 percent.

Changes in the hotel portfolio contributed 19 million SEK net. Scandic Göteborg Central and Scandic Kiruna had the greatest positive impact. Exited hotels included Scandic Ferrum, which was closed in connection with the opening of the new Scandic Kiruna, Scandic Ariadne and Scandic Norra

ADJUSTED EBITDA



Bantorget, which is closed for renovation and will reopen next year.

Average revenue per available room (RevPAR) was 764 SEK, 12.2 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA improved, totaling 995 million SEK (876). During the period, an electricity subsidy of 20 million SEK was received. In 2022, Scandic received 45 million SEK in connection with opening new hotels.

	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales (million SEK)	1,641	1,658	-1.0%	6,644	6,053	9.7%
Organic growth	-17		-1.0%	590		8.9%
New hotels	10		0.6%	183		2.8%
Exits	-45		-2.7%	-164		-2.5%
LFL	18		1.1%	571		8.6%
Adjusted EBITDA	225	221		995	876	
margin, %	13.7%	13.3%		15.0%	14.4%	
RevPAR (SEK)	730	705	3.5%	764	681	12.2%
New hotels/exits	5		0.7%	2		0.4%
LFL	20		2.9%	80		10.5%
ARR (SEK)	1,223	1,192	2.6%	1,219	1,158	5.2%
OCC %	59.7%	59.2%		62.7%	58.8%	

NORWAY

With a nationwide network of 83 hotels offering more than 16,000 rooms, Scandic is Norway's second largest hotel company.

OCTOBER – DECEMBER

Net sales decreased by 2.2 percent to 1,469 million SEK (1,503), mainly as a result of negative exchange rate effects of -6.7 percent. Net sales for comparable units grew by 3.5 percent.

Changes in the hotel portfolio contributed 15 million SEK to net sales. The most significant positive impact was from Scandic Holmenkollen Park, which reopened in June 2022 following an extensive renovation.

Average revenue per available room (RevPAR) was 686 SEK, 1.0 percent higher than during the corresponding quarter in 2022.

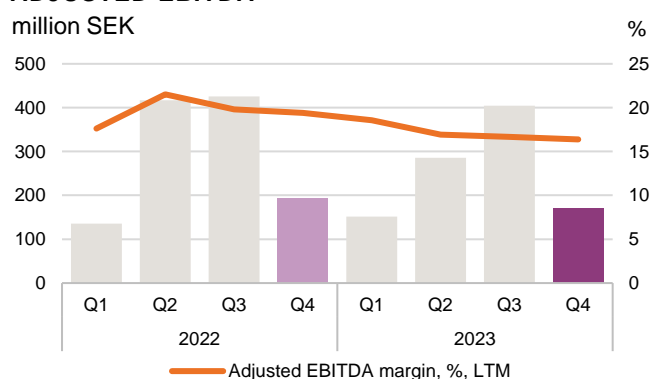
Adjusted EBITDA was 170 million SEK (194). A total of 8 <million SEK (0) of state aid was repaid during the quarter. Approximately 11 million SEK of adjusted EBITDA (17) is estimated to be attributable to operations related to housing for refugees that was not used.

JANUARY – DECEMBER

Net sales rose by 2.3 percent to 6,180 million SEK (6,039). Net sales for comparable units grew by 6.6 percent.

Changes in the hotel portfolio contributed 33 million SEK net. The most significant positive impact was from Scandic Holmenkollen Park, which reopened in June 2022 following an extensive renovation.

ADJUSTED EBITDA



Average revenue per available room (RevPAR) was 764 SEK, 6.3 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA was 1,011 million SEK (1,171). During the year, a total of 8 million SEK (23) of state aid was repaid. Approximately 60 million SEK of adjusted EBITDA (184) is estimated to be attributable to operations related to housing for refugees that was not used.

	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales (million SEK)	1,469	1,503	-2.2%	6,180	6,039	2.3%
Currency effects	-101		-6.7%	-288		-4.8%
Organic growth	68		4.5%	430		7.1%
<i>New hotels</i>	4		0.3%	117		1.9%
<i>Exits</i>	11		0.7%	-84		-1.4%
LFL	53		3.5%	398		6.6%
Adjusted EBITDA	170	194		1,011	1,171	
margin, %	11.6%	12.9%		16.4%	19.4%	
RevPAR (SEK)	686	679	1.0%	764	719	6.3%
Currency effects	-48		-7.1%	-35		-4.9%
New hotels/exits	10		1.5%	14		2.0%
LFL	45		6.7%	66		9.2%
ARR (SEK)	1,241	1,248	-0.6%	1,269	1,224	3.7%
OCC %	55.3%	54.4%		60.2%	58.8%	

FINLAND

Scandic is the largest hotel chain in Finland with 61 hotels in operation and close to 13,000 rooms. Scandic also operates Finnish hotels under the Hilton, Crowne Plaza and Holiday Inn brands.

OCTOBER – DECEMBER

Net sales rose by 7.3 percent to 1,283 million SEK (1,196). For comparable units, net sales fell by 1.4 percent.

Changes in the hotel portfolio contributed 4 million SEK net. The positive effect is mainly attributable to Scandic Helsinki Hub. Scandic Kajanus, which was exited during the first quarter 2023, had the greatest negative impact.

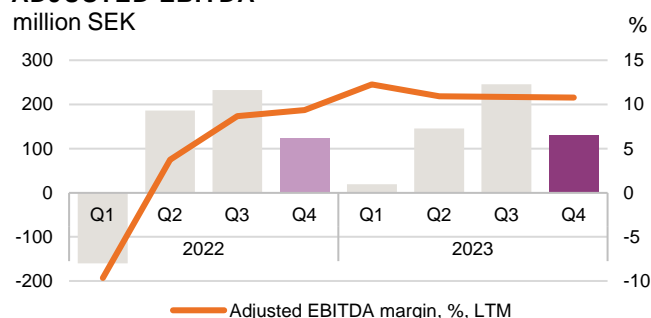
Average revenue per available room (RevPAR) was 705 SEK, 8.6 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA was 130 million SEK (124).

JANUARY – DECEMBER

Net sales rose by 22.2 percent to 4,998 million SEK (4,089). Net sales for comparable units grew by 11.4 percent. Occupancy increased gradually during the year, driven by higher demand in Rovaniemi and Helsinki. Changes in the hotel portfolio contributed 75 million SEK net. The positive effect is mainly attributable to Scandic Helsinki Hub. Scandic Kajanus, which was exited during the first quarter, had the greatest negative impact.

ADJUSTED EBITDA



Average revenue per available room (RevPAR) was 726 SEK, 22.3 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA improved, totaling 540 million SEK (383). No direct state aid was received during the year (43).

	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales (million SEK)	1,283	1,196	7.3%	4,998	4,089	22.2%
Currency effects	66		5.5%	368		9.0%
Organic growth	21		1.8%	541		13.2%
New hotels	13		1.1%	110		2.7%
Exits	-9		-0.7%	-35		-0.9%
LFL	17		1.4%	467		11.4%
Adjusted EBITDA	130	124		540	383	
margin, %	10.1%	10.4%		10.8%	9.4%	
RevPAR (SEK)	705	650	8.6%	726	594	22.3%
Currency effects	35		5.4%	54		9.0%
New hotels/exits	13		2.0%	10		1.7%
LFL	7		1.1%	69		11.6%
ARR (SEK)	1,301	1,211	7.4%	1,271	1,128	12.6%
OCC %	54.2%	53.6%		57.1%	50.9%	

OTHER EUROPE

The Other Europe segment includes Scandic's hotel operations in Denmark, Germany and Poland. In Denmark, Scandic has a market-leading position with 30 hotels and more than 6,000 hotel rooms. Outside of the Nordic region, the company operates eight hotels with close to 2,500 hotel rooms.

OCTOBER – DECEMBER

Net sales rose by 16.8 percent to 1,017 million SEK (871), and net sales for comparable units grew by 6.2 percent. In all countries, net sales increased compared with 2022.

Changes in the hotel portfolio contributed 40 million SEK net. Scandic Frankfurt Hafenspark and Scandic Spectrum in Copenhagen had the greatest positive effect. Scandic Bygholm Park in Horsens, Denmark, which was exited during the first quarter 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 868 SEK, 11.7 percent higher than during the corresponding quarter in 2022.

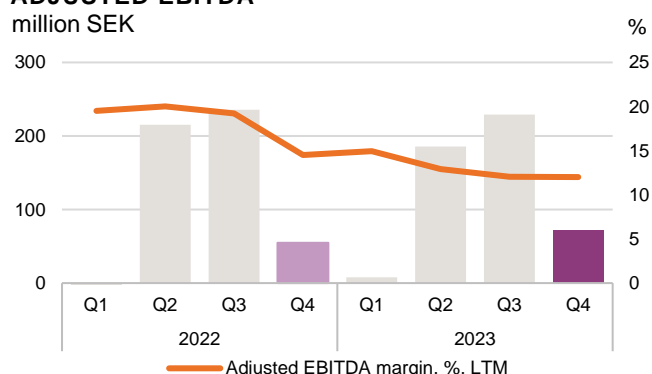
Adjusted EBITDA was 72 million SEK (55). A total of -21 million SEK (1) of state aid was repaid during the period. Rental costs rose by 26 million SEK to 280 million SEK.

JANUARY – DECEMBER

Net sales rose by 34.9 percent to 4,113 million SEK (3,049). Net sales for comparable units grew by 13.8 percent. Performance improved in all countries.

Changes in the hotel portfolio contributed 341 million SEK net. The positive effect is mainly attributable to Scandic Spectrum in Copenhagen and Scandic Frankfurt Hafenspark. Scandic Bygholm Park in Horsens, Denmark, which was

ADJUSTED EBITDA



exited during the first quarter 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 934 SEK, 21.2 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA improved, amounting to 494 million SEK (442). A total of -21 million SEK (114) of state aid was repaid during the period. Compensation of 23 million SEK (34) was received in connection with opening new hotels. Rental costs increased by 284 million SEK to 1,121 million SEK as a result of new hotels and higher turnover and consequently, higher variable rents and lower rent concessions.

	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales (million SEK)	1,017	871	16.8%	4,113	3,049	34.9%
Currency effects	51		5.9%	302		9.9%
Organic growth	95		10.9%	762		25.0%
New hotels	58		6.7%	408		13.4%
Exits	-18		-2.1%	-67		-2.2%
LFL	54		6.2%	422		13.8%
Adjusted EBITDA	72	55		494	442	
margin, %	7.1%	6.3%		12.0%	14.5%	
RevPAR (SEK)	868	777	11.7%	934	771	21.2%
Currency effects	43		5.6%	-		8.9%
New hotels/exits	-13		-1.7%	8		-2.1%
LFL	60		7.8%	367		14.4%
ARR (SEK)	1,356	1,243	9.1%	1,385	1,212	14.2%
OCC %	64.0%	62.5%		67.5%	63.6%	

OTHER INFORMATION

EVENTS DURING THE PERIOD

On December 14, Scandic signed an agreement with Pandox to take over a 311-room hotel in Nuremberg. Scandic will start operating the hotel on March 1, 2024. Scandic also signed an agreement on November 24 to extend and rebrand the Holiday Inn City Centre hotel in downtown Helsinki. From 2025, the hotel will be operated under the Scandic brand. On November 15, Scandic repurchased convertible bonds for a nominal amount of 590.2 million SEK. On October 24, Scandic announced that it would implement Oracle Hospitality OPERA Cloud.

EVENTS AFTER THE REPORTING DATE

On January 14, Pär Christiansen was appointed new Chief Financial Officer and member of the Executive Committee effective March 1, 2024.

OUTLOOK

Bookings are in line with last year and we have a positive outlook for 2024. Because the Easter holiday will fall earlier this year than last year, we expect somewhat lower occupancy for the first quarter compared with 2023 however at continued higher price levels.

THE SHARE

The number of shareholders totaled 60,355 on December 31, 2023. The Scandic share is listed on Nasdaq Stockholm's Nordic Mid Cap list. The total number of shares was 191,304,116 and the closing price on December 29, 2023 was 46.42 SEK.

SHAREHOLDERS AS AT DECEMBER 31, 2023

	Number of Shareholding, shares	Votes, %	Votes, %
Stena Sessan	29,016,865	15.17	15.17
AMF Pension & Fonder	22,550,000	11.79	11.79
Eiendomsspar	19,910,018	10.41	10.41
Handelsbanken Fonder	6,604,672	3.45	3.45
Periscopos AS	5,138,955	2.69	2.69
Vanguard	4,888,398	2.56	2.56
Schroders	4,591,720	2.40	2.40
Svenska Handelsbanken AB for PB	4,014,699	2.10	2.10
Avanza Pension	3,936,792	2.06	2.06
Dimensional Fund Advisors	3,409,669	1.78	1.78
Total 10 largest shareholders	104,061,788	54.40	54.40
Other	87,242,328	45.60	45.60
Total	191,304,116	100	100

PARENT COMPANY

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenue was 23 million SEK (20) for the quarter and 75 million SEK (55) for the period. The operating profit amounted to 0 million SEK (-1) for the quarter and 0 million SEK (-1) for the period. Net financial items totaled -38 million SEK (-26) for the quarter and -84 million SEK (-91) for the year. Profit before tax amounted to -31 million SEK (-9) for the quarter and -77 million SEK (-75) for the year.

PRESS RELEASES (SELECTION)

2023-12-14 New hotel in Nuremberg in Germany
2023-11-27 Scandic meets Nordic Swan Ecolabel's new stricter environmental requirements
2023-11-14 Scandic to rebrand hotel in central Helsinki
2023-10-24 Scandic to implement cloud-based Oracle solution
2023-09-13 Strengthening of position in Helsinki with two hotels
2023-09-05 Scandic Go to open its doors today in Stockholm
2023-08-31 Signature Collection expands with two hotels
2023-07-03 Scandic Go expanding with one hotel in Stockholm
2023-05-08 Laura Tarkka new head in Finland
2023-03-01 Scandic Frankfurt Hafepark opens

PRESENTATION OF THE REPORT

A live streamed presentation of Scandic's Year-End Report will take place on February 14, 2024 at 9:00 CET. Scandic's CEO and interim CFO Jens Mathiesen will present the report in a live stream and phone conference. The report, presentation and live stream will be available at scandichotels.com. Please register and call in a few minutes before the start.

DIVIDEND & ANNUAL GENERAL MEETING

For the year 2023, the Board of Directors proposes that the Annual General Meeting resolve that no dividend be paid. Scandic's Annual General Meeting will be held on May 16, 2024, at Vasateatern in Stockholm, Sweden.

FINANCIAL CALENDAR

April 24, 2024	Interim Report Q1 2024
May 16, 2024	2024 Annual General Meeting
July 17, 2024	Interim Report Q2 2024
October 30, 2024	Interim Report Q3 2024
February 19, 2025	Year-End Report 2025

CONTACT INFORMATION

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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 on February 14, 2024 at 07.30 CET.

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

million SEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales		5,410	5,228	21,935	19,230
Other revenue		-	-	20	3
TOTAL OPERATING INCOME	2, 3	5,410	5,228	21,955	19,233
Raw materials and consumables		-438	-440	-1,698	-1,495
Other external expenses		-1,236	-1,189	-4,538	-3,854
Employee benefits expenses	4	-1,752	-1,674	-6,882	-5,957
Rental costs	5	-507	-533	-2,209	-1,951
Pre-opening costs		-1	-9	-17	-131
Items affecting comparability		-12	-16	-14	-16
Depreciation, amortization and impairment losses		-962	-878	-3,812	-3,372
TOTAL OPERATING COSTS		-4,908	-4,740	-19,170	-16,776
Operating profit/loss		502	488	2,785	2,457
Net financial items	6	-528	-438	-2,064	-1,808
Profit/loss before taxes		-26	50	721	649
Taxes		67	-48	-152	-221
Net profit/loss for the period		41	2	569	428
Profit/loss for period relating to:					
Parent Company shareholders		32	-9	532	394
Non-controlling interest		9	11	37	34
Net profit/loss for the period		41	2	569	428
Average number of outstanding shares before dilution		191,304,116	191,304,116	191,304,116	191,277,074
Average number of outstanding shares after dilution		225,815,475	191,304,116	231,016,258	232,768,903
Earnings per share before dilution, SEK		0.32	-0.05	3.46	2.69
Earnings per share after dilution, SEK		0.27	-0.05	2.86	2.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

million SEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net profit/loss for the period	41	2	569	428
Items that may be reclassified to the income statement	-152	-202	-495	421
Items that may not be reclassified to the income statement	-171	27	-89	246
Other comprehensive income	-323	-175	-584	667
Total comprehensive income for period	-282	-173	-15	1,095
Relating to:				
Parent Company shareholders	-294	-161	-53	1,130
Non-controlling interest	10	-11	37	-35

CONSOLIDATED BALANCE SHEET, SUMMARY

million SEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible assets		7,010	7,189
Buildings and land		75	82
Right-of-use assets		39,389	36,777
Equipment, fixtures and fittings		3,958	4,272
Financial assets		713	640
Total non-current assets	7	51,145	48,960
Current assets	10	1,467	1,287
Derivative instruments		-	384
Cash and cash equivalents	9	1,344	317
Total current assets		2,811	1,988
Total assets		53,956	50,948
Equity and liabilities			
Equity attributable to Parent Company shareholders		2,059	2,197
Non-controlling interest		106	77
Total equity		2,165	2,274
Liabilities to credit institutions	9	980	1,107
Convertible loan	8	-	1,484
Lease liabilities		41,041	38,062
Other long-term liabilities	9	1,106	1,308
Total non-current liabilities		43,127	41,961
Convertible loan		1,109	-
Current liabilities for leases		2,445	2,268
Derivative instruments		7	-
Other current liabilities	10	5,103	4,445
Total current liabilities		8,664	6,713
Total equity and liabilities		53,956	50,948
Equity per share, SEK		10.8	11.5
Total number of shares outstanding, end of period		191,304,116	191,304,116

CHANGES IN GROUP EQUITY

million SEK	Share capital	Other contributed capital	Translation reserve	Retained earnings	Equity attributable to		Total equity
					Parent Company shareholders	Non-controlling interest	
OPENING BALANCE 2022-01-01	48	9,890	182	-9,005	1,115	40	1,155
Net profit/loss for the period	-	-	-	394	394	34	428
Total other comprehensive income, net after tax	-	-	418	246	664	3	667
Total comprehensive income for the year	-	-	418	640	1,058	37	1,095
Other adjustments	-	-	56	-	56	-	56
Total transactions with shareholders	-	2	-	-34	-32	-	-32
CLOSING BALANCE 2022-12-31	48	9,892	656	-8,399	2,197	77	2,274
OPENING BALANCE 2023-01-01	48	9,892	656	-8,399	2,197	77	2,274
Net profit/loss for the period	-	-	-	532	532	37	569
Total other comprehensive income, net after tax	-	-	-488	-89	-577	-7	-584
Total comprehensive income for the year	-	-	-488	443	-45	30	-15
Other adjustments	-	-	-8	-	-8	-	-8
Total transactions with shareholders	-	-	-	-85	-85	-	-85
CLOSING BALANCE 2023-12-31	48	9,892	160	-8,041	2,059	107	2,166

*Total transactions with shareholders mainly refers to repurchase of convertible bonds

CONSOLIDATED CASH FLOW STATEMENT

million SEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
OPERATING ACTIVITIES					
Operating profit/loss		502	488	2,785	2,457
Depreciation, amortization and impairment losses		962	878	3,812	3,372
Adjustments for non-cash items		54	39	98	28
Paid tax		-15	-3	-109	-39
Change in working capital		315	569	-192	614
Cash flow from operating activities		1,818	1,971	6,394	6,432
INVESTING ACTIVITIES					
Paid net investments		-211	-82	-521	-635
Cash flow from investing activities		-211	-82	-521	-635
FINANCING ACTIVITIES	6				
Interest paid/received		-32	-30	-57	-155
Paid interest, leases		-428	-383	-1,734	-1,464
Repurchase convertible bond		-630	-	-630	-
Financing costs		-	-	-34	-
Dividend, share swap agreement		-	-	-7	-10
Net borrowing/amortization		-39	-699	-51	-2,067
Amortization, leases		-598	-532	-2,328	-1,976
Cash flow from financing activities		-1,727	-1,644	-4,841	-5,672
CASH FLOW FOR THE PERIOD		-120	245	1,032	125
Cash and cash equivalents at the beginning of the period		1,438	76	317	216
Translation difference in cash and cash equivalents		26	-4	-5	-24
Cash and cash equivalents at the end of the period		1,344	317	1,344	317

PARENT COMPANY INCOME STATEMENT, SUMMARY

million SEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales		23	20	75	55
Expenses		-23	-20	-75	-56
Operating profit/loss		-0	0	0	-1
Financial income		35	14	124	65
Financial expenses		-73	-40	-208	-156
Net financial items		-38	-26	-84	-91
Appropriations		7	17	7	17
Profit/loss before taxes		-31	-9	-77	-75
Taxes		-2	-4	-	-4
Net profit/loss for the period		-33	-13	-77	-79

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

million SEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net profit/loss for the period		-33	-13	-77	-79
Items that may be reclassified to the income statement		-	-	-	-
Items that may not be reclassified to the income statement		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for period		-33	-13	-77	-79

PARENT COMPANY BALANCE SHEET, SUMMARY

million SEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Investments in subsidiaries		8,415	8,415
Group company receivables		1,623	1,406
Other receivables		11	11
Total non-current assets		10,049	9,832
Group company receivables		19	35
Current receivables		0	15
Cash and cash equivalents		0	0
Total current assets		19	50
Total assets		10,068	9,882
Equity and liabilities			
Equity		8,079	8,239
Convertible loan		-	1,484
Liabilities to Group companies		636	-
Deferred tax liabilities		-	-
Other liabilities		18	30
Total non-current liabilities		654	1,514
Convertible loan		1,109	-
Liabilities to Group companies		43	12
Other liabilities		140	86
Accrued expenses and prepaid income		43	31
Total current liabilities		1,335	129
Total equity and liabilities		10,068	9,882

CHANGES IN PARENT COMPANY'S EQUITY

million SEK	Share capital	Share premium		Retained earnings	Total equity
		reserve			
OPENING BALANCE 2022-01-01	48	3,559		4,743	8,350
Net profit/loss for the period	-	-		-79	-79
Other comprehensive income	-	-		-	-
Total comprehensive income for the year	-	-		-79	-79
Total transactions with shareholders	-	2		-34	-32
CLOSING BALANCE 2022-12-31	48	3,561		4,630	8,239
OPENING BALANCE 2023-01-01	48	3,561		4,630	8,239
Net profit/loss for the period	-	-		-77	-77
Other comprehensive income	-	-		-	-
Total comprehensive income for the year	-	-		-77	-77
Total transactions with shareholders	-	-		-85	-85
CLOSING BALANCE 2023-12-31	48	3,561		4,468	8,079

*Total transactions with shareholders refers to repurchase of convertible bonds



NOTES

NOTE 01. Accounting principles

The Group applies International Financial Reporting Standards, IFRS, as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The accounting principles and methods of calculation applied in this report are the same as those used in the preparation of the Annual Report and consolidated financial statements for 2022 and are outlined in Note 1, Accounting principles.

The Parent Company applies the Annual Accounts Act and RFR 2, Accounting for legal entities. This means that IFRS is applied with certain exceptions and additions.

This interim report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed. All amounts are expressed in million SEK unless otherwise stated. Rounding differences may occur.

The information about the interim period on pages 1 to 38 is an integral part of these financial statements.

SIGNIFICANT RISKS & UNCERTAINTY FACTORS

Scandic operates in a sector where demand for hotel nights and conferences is influenced by the underlying domestic development and purchasing power in the geographic markets in which Scandic does business as well as development in countries from which there is a significant amount of travel to Scandic's domestic markets. Additionally, profitability in the sector is impacted by changes in room capacity. Increased capacity can initially lower occupancy in the short term, but in the long term, it can help stimulate interest in business and leisure destinations, which in turn can increase the number of hotel nights.

Scandic's business model is based on lease agreements where approximately 90 percent of its hotels (based on number of rooms) have variable revenue-based rents. This results in a lower profit risk since revenue losses are partly offset by lower rental costs. Scandic's other costs also include a high share of variable costs where above all, staffing flexibility is important to be able to adapt cost levels to variations in demand. All together, this means that by having a flexible cost structure, Scandic can lessen the effects of seasonal and economic fluctuations.

On December 31, 2023, Scandic's goodwill and intangible assets amounted to 7,010 million SEK.

This value relates mainly to operations in Sweden, Norway and Finland. A significant downturn in the hotel markets in these countries would affect expected cash flow negatively, and consequently, the value of goodwill and other intangible assets.

After the hotel market began to improve from the summer of 2021, there was a slowdown at the end of the year due to the increased spread of infection and re-introduction of pandemic restrictions. The hotel market improved substantially during 2022 and 2023.

SENSITIVITY ANALYSIS

Scandic has a cost structure consisting of variable costs, which are affected by changes in volumes, and costs that are fixed in the short term, which are independent of changes in volume. Costs that are affected by changes in volume largely include sales commissions and other external distribution costs, the cost of goods sold, sales-based rental charges, property-related costs (energy, water, etc.), payroll expenses for hotel employees without guaranteed working hours and the cost of certain services, such as laundry. Costs that are not affected by changes in volume largely consist of payroll expenses for hotel employees with guaranteed working hours, fixed and guaranteed rental costs and costs related to country and Group-wide functions such as sales, marketing, IT and other administrative services.

The operations of Scandic's subsidiaries are mainly local with revenues and expenses in domestic currencies and the Group's internal sales are low. This means that currency exposure due to transactions is limited to the operating profit/loss. Exchange rate effects in the Group arise from the translation of foreign subsidiaries' financial statements into SEK.

CALCULATION OF FAIR VALUE

The fair value of financial instruments is determined by their classification in the hierarchy of actual value. The different levels are defined as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Observable data other than quoted prices for assets or liabilities included in Level 1, either directly or indirectly.

Level 3: Data for assets or liabilities not based on observable market data.

The Group's derivative instruments and loans from credit institutions are classified as Level 2. Liabilities to credit institutions are recognized at fair value.

SEGMENT DISCLOSURES

Segments are reported in accordance with IFRS 8 Operating segments. Segment information is reported in the same way as it is analyzed and studied internally by executive decision-makers, mainly the CEO, the Executive Committee and the Board of Directors.

Scandic's main markets in which the Group operates are:

Sweden – Swedish hotels operated under the Scandic brand.

Norway – Norwegian hotels operated under the Scandic brand.

Finland – Finnish hotels operated under the Scandic brand as well as hotels operated under the Hilton, Crowne Plaza and Holiday Inn brands.

Other Europe – hotels operated under the Scandic brand in Denmark, Poland and Germany.

Central functions – Costs for finance, business development, IR, communication, technical development, human resources, branding, marketing, sales, IT and purchasing. These functions support all hotels in the Group including those under lease agreements or under management and franchise agreements.

The division of revenues between segments is based on the location of the business activities and segment disclosures are determined after eliminating intra-Group transactions. Revenues derive from many customers in all segments. The segments are reviewed and analyzed based on adjusted EBITDA.

NOTE 02. Net sales by type of revenue, country and type of agreement

NET SALES BY TYPE OF REVENUE

million SEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Room revenue	3,529	3,354	15,002	12,858
Restaurant and conference revenue	1,755	1,743	6,328	5,533
Franchise and management fees	7	7	30	33
Other hotel-related revenue	119	124	575	806
Total	5,410	5,228	21,935	19,230

*) Revenue from bars, restaurants, breakfasts and conferences including rental of premises.

NET SALES BY COUNTRY

million SEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Sweden	1,641	1,658	6,644	6,053
Norway	1,469	1,503	6,180	6,039
Finland	1,283	1,196	4,998	4,089
Denmark	707	656	2,940	2,357
Germany	284	194	1,076	624
Poland	26	21	97	68
Total countries	5,410	5,228	21,935	19,230
Other	23	12	75	35
Group adjustments	-23	-12	-75	-35
Group	5,410	5,228	21,935	19,230

NET SALES BY TYPE OF AGREEMENT

million SEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022
Lease agreements	5,372	5,186	21,782	19,084
Management agreements	2	3	8	12
Franchise and partner agreements	5	5	22	22
Owned	31	35	123	111
Total	5,410	5,228	21,935	19,230
Other	23	12	75	35
Group adjustments	-23	-12	-75	-35
Group	5,410	5,228	21,935	19,230

NOTE 03. Segment disclosures

Oct-Dec million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Room revenue	1,153	1,144	884	880	826	770	666	561	-	-	3,529	3,354
Restaurant and conference revenue	463	488	542	569	417	389	333	297	-	-	1,755	1,743
Franchise and management fees	2	2	3	3	-	-	-	2	-	-	5	7
Other hotel-related revenue	23	25	40	51	40	38	18	11	-	-	121	124
Net sales	1,641	1,658	1,469	1,503	1,283	1,196	1,017	871	-	-	5,410	5,228
Internal transactions	-	-	-	-	-	-	-	-	23	12	23	12
Group adjustments	-	-	-	-	-	-	-	-	-23	-12	-23	-12
TOTAL OPERATING INCOME	1,641	1,658	1,469	1,503	1,283	1,196	1,017	871	-	-	5,410	5,228
Raw materials and consumables	-113	-116	-147	-144	-109	-116	-69	-63	-0	-0	-438	-440
Other external expenses	-393	-431	-346	-336	-330	-328	-295	-226	128	132	-1,236	-1,189
Employee benefits expenses	-509	-520	-467	-478	-361	-324	-343	-303	-72	-50	-1,752	-1,674
Rental costs	-471	-467	-390	-389	-395	-339	-277	-251	1,026	913	-507	-533
Pre-opening costs	-	-0	-	0	0	0	-1	-9	-	-	-1	-9
Items affecting comparability	-	-	-	-	-	-	-12	-10	-	-6	-12	-16
Depreciation, amortization and impairment losses	-74	-79	-69	-76	-63	-54	-27	-25	-729	-644	-962	-878
TOTAL OPERATING COSTS	-1,560	-1,613	-1,419	-1,423	-1,258	-1,161	-1,024	-887	353	344	-4,908	-4,740
Operating profit/loss	82	43	50	80	25	35	-8	-18	353	347	502	488
Net financial items	403	181	16	8	-17	-8	0	-2	-930	-617	-528	-438
Appropriations	91	-	-	-	2	-52	-	-	-93	52	0	-0
Profit/loss before taxes	576	224	66	88	10	-25	-8	-20	-670	-218	-26	50

*Central functions here include all effects from group eliminations and IFRS adjustments.

Jan-Dec million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Room revenue	4,828	4,348	3,975	3,695	3,371	2,749	2,830	2,066	-	-	15,002	12,858
Restaurant and conference revenue	1,714	1,550	1,930	1,842	1,470	1,209	1,213	931	-	-	6,328	5,533
Franchise and management fees	8	10	14	15	-	-	-	8	-	-	22	33
Other hotel-related revenue	94	144	261	488	157	131	70	44	-	-	583	806
Net sales	6,644	6,053	6,180	6,039	4,998	4,089	4,113	3,049	-	-	21,935	19,230
Other revenue	20	3	-	-	-	-	-	-	-	-	20	3
Internal transactions	-	-	-	-	-	-	-	-	75	35	75	35
Group adjustments	-	-	-	-	-	-	-	-	-75	-35	-75	-35
TOTAL OPERATING INCOME	6,664	6,056	6,180	6,039	4,998	4,089	4,113	3,049	-	-	21,955	19,233
Raw materials and consumables	-445	-399	-567	-522	-417	-367	-268	-205	-1	-2	-1,698	-1,495
Other external expenses	-1,541	-1,387	-1,335	-1,238	-1,272	-1,080	-1,048	-655	658	506	-4,538	-3,853
Employee benefits expenses	-2,064	-1,915	-1,865	-1,693	-1,362	-1,132	-1,359	-1,038	-232	-179	-6,882	-5,958
Rental costs	-1,914	-1,720	-1,672	-1,592	-1,580	-1,254	-1,106	-822	4,063	3,437	-2,209	-1,951
Pre-opening costs	-0	-35	-	-16	0	-10	-17	-70	-	-	-17	-131
Items affecting comparability	-	-83	-	-	-	-	-12	-10	-2	77	-14	-16
Depreciation, amortization and impairment losses	-288	-289	-284	-311	-229	-211	-104	-98	-2,907	-2,463	-3,812	-3,372
TOTAL OPERATING COSTS	-6,252	-5,828	-5,723	-5,372	-4,860	-4,054	-3,914	-2,898	1,579	1,376	-19,170	-16,776
Operating profit/loss	412	228	457	667	138	35	199	151	1,579	1,376	2,785	2,457
Net financial items	416	171	45	9	-72	-52	-11	-20	-2,442	-1,916	-2,064	-1,808
Appropriations	91	-	-	-	2	-52	-	-	-93	52	0	-0
Profit/loss before taxes	919	399	502	676	68	-69	188	131	-956	-488	721	649

*Central functions here include all effects from group eliminations and IFRS adjustments.

NOTE 04. Number of employees

The average number of employees was 10,774 on December 31, 2023 compared with 10,468 on December 31, 2022.

NOTE 05. Rental costs

Rental costs	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Fixed and guaranteed rental costs*	-51	-52	-229	-159
Variable rental costs	-456	-482	-1,980	-1,792
Total rental costs	-507	-533	-2,209	-1,951
*Of which received state aid and negotiated discounts	5	16	25	231



NOTE 06. Net finance income

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Financial items				
Financial income	19	9	45	22
Financial expenses	-547	-447	-2,109	-1,830
Net financial items	-528	-438	-2,064	-1,808
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Financial expenses				
Interest expenses, credit institutions	-25	-6	-47	-131
Interest expenses, convertible bond	-37	-40	-163	-153
Other interest expenses, net	-22	-8	-78	-27
Other items	-35	-9	-87	-55
Interest expenses, IFRS 16	-428	-383	-1,734	-1,464
Total	-547	-447	-2,109	-1,830

NOTE 07. Assets and investments by segment

31 Dec million SEK	Sweden		Norway		Finland		Other Europe		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Fixed assets	12,838	11,528	7,650	8,220	18,829	18,477	9,600	8,555	2,228	2,181	51,145
Investments in fixed assets, excl. IFRS 16	215	192	163	130	39	142	59	117	59	14	535	595
Investments in fixed assets, incl. IFRS 16	251	1,772	283	192	45	432	1,154	1,709	60	14	1,792	4,119

NOTE 08. Convertible loan

An extraordinary general meeting on April 26, 2021 approved the Board of Directors' proposal to issue a convertible loan, raising 1,609 million SEK in gross proceeds. After 32 million SEK in issue expenses, net proceeds totaled 1,577 million SEK. Of the net proceeds, 1,231 million SEK was allocated to a convertible loan and 346 million SEK to equity. The theoretical effective interest rate, which is charged to profit/loss, is 11 percent and it is calculated for the part that has been allocated to the loan. No interest payments are being made during the life of the loan (maturity date: October 8, 2024). Instead, the interest expense is accumulated on an ongoing basis to the convertible debt, which when due will initially total 1,800 million SEK.

In August 2022, 46,123 shares were converted and thereafter, the full dilutive effect amounts to 41,464,787

shares. During November 2023, Scandic repurchased convertible bonds for a nominal amount of 590 million SEK. After the repurchase, the outstanding nominal amount of the convertible loan amounted to 1,208 million SEK (1,800). The fully diluted effect after repurchase amounted to 27,853,821 shares. Upon full conversion, the convertible bonds will result in a dilution of approximately 12.71 percent. The conversion rate is 43.36 SEK.

The calculation of earnings per share includes the full dilutive effect for any periods with profits. For the fourth quarter and full year, the calculation was carried out with the full dilutive effect, as the result for both the quarter and the full year was positive.

NOTE 09. Interest-bearing net liabilities

	31 Dec 2023	31 Dec 2022
Interest-bearing net liabilities		
Liabilities to credit institutions	980	1,107
Other interest-bearing liabilities	758	635
Cash and cash equivalents	-1,344	-317
Interest-bearing net liabilities, excl. convertible loan	394	1,425
Convertible loan	1,109	1,484
Net debt	1,503	2,909

NOTE 10. Working capital

	31 Dec 2023	31 Dec 2022
Working capital		
Current assets, excl. cash and bank balances	1,619	1,429
Current liabilities	-4,377	-4,197
Working capital	-2,758	-2,769

NOTE 11. Quarterly data

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Financial key ratios, reported						
Net sales	5,410	6,307	5,693	4,526	5,228	5,994
Operating profit/loss	502	1,251	833	199	488	1,232
Net profit/loss for the period	41	559	271	-302	2	633
Earnings per share, SEK	0.27	2.51	0.98	-1.63	-0.05	2.80
Alternative performance measures						
Adjusted EBITDA	451	1,173	772	170	476	1,213
Adjusted EBITDA margin, %	8.3	18.6	13.6	3.8	9.1	20.2
Net profit/loss for the period excl. IFRS 16	157	683	403	-159	104	732
Earnings per share, SEK, excl. IFRS 16	0.78	3.04	1.55	-0.88	0.49	3.23
Net debt excl. convertible loan/adjusted EBITDA, LTM	0.2	0.1	0.5	0.6	0.6	1.0
Net debt/adjusted EBITDA, LTM	0.6	0.8	1.1	1.2	1.1	1.5
Hotel-related key ratios						
RevPAR (revenue per available room), SEK	734	933	828	626	695	875
ARR (average room rate), SEK	1,268	1,313	1,315	1,169	1,219	1,242
OCC (occupancy), %	57.9	71.0	63.0	53.5	57.0	70.5

QUARTERLY DATA PER SEGMENT

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net sales						
Sweden	1,641	1,862	1,751	1,388	1,658	1,882
Norway	1,469	1,851	1,548	1,313	1,503	1,876
Finland	1,283	1,397	1,264	1,053	1,196	1,257
Other Europe	1,017	1,196	1,130	771	871	979
Total net sales	5,410	6,307	5,693	4,526	5,228	5,994
Adjusted EBITDA						
Sweden	225	405	270	95	221	401
Norway	170	404	285	152	194	425
Finland	130	245	145	19	124	233
Other Europe	72	229	186	8	55	236
Central functions	-146	-110	-114	-104	-117	-82
Total adjusted EBITDA	451	1,173	772	170	476	1,213
Adjusted EBITDA margin, %	8.3%	18.5%	13.6%	3.8%	9.1%	20.2%

NOTE 12. Transactions between related parties

The group Braganza AB is treated as a related party based on its ownership and representation on the Board of Directors during the year. Accommodation revenues from related parties totaled 0 million SEK during the period. Costs

for purchasing services from related parties amounted to 0 million SEK. The OECD's recommendations for Transfer Pricing are applied for transactions with subsidiaries.

EXCHANGE RATES

	Jan-Dec 2023	Jan-Dec 2022
SEK / EUR		
Income statement (average)	11.4765	10.6317
Balance sheet (at end of period)	11.0960	11.1283
SEK / NOK		
Income statement (average)	1.0054	1.0523
Balance sheet (at end of period)	0.9871	1.0572
SEK / DKK		
Income statement (average)	1.5403	1.4290
Balance sheet (at end of period)	1.4888	1.4965



RECONCILIATIONS

RESULTS INCLUDING & EXCLUDING IFRS 16

EFFECTS OF IFRS 16

As of January 1, 2019, the Group applies IFRS 16 Leases. The accounting principle means that lease agreements with fixed or minimum rent are recognized in the balance sheet as right-of-use assets and lease liabilities. IFRS 16 has a substantial impact on Scandic's income statement and balance sheet. Since the application of IFRS 16, reported EBITDA has increased significantly as the cost of leases has fallen while depreciation of right-of-use assets and interest expenses for the lease liability has increased. Since Scandic's business model is to lease (rather than own) its hotel properties, IFRS 16 will continue to have a major impact on the company's accounting. To help investors gain a good understanding of the company's position, Scandic presents financial key ratios both including and excluding the effects of IFRS 16. Scandic's financial targets for profitability, capital structure and dividends exclude the effect of IFRS 16.

With the portfolio of lease agreements that existed at the end of 2023, net profit after tax for 2024 is expected to be negatively impacted by approximately -531 million SEK (2023: -515). With an unchanged portfolio of lease agreements and unchanged assumptions, the negative effect on results is expected to diminish over time and affect the net result positively from 2029. This is because interest expenses for the lease debt decrease over time as the debt is constantly amortized.

The definition of adjusted EBITDA excludes the effect of IFRS 16. The table below shows the difference between the reported results including and excluding IFRS 16.

INCOME STATEMENT INCLUDING & EXCLUDING EFFECTS OF IFRS 16

	Oct-Dec 2023			Oct-Dec 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Operating income	5,410	-	5,410	5,228	-	5,228
Raw materials and consumables	-438	-	-438	-440	-	-440
Other external expenses	-1,236	-	-1,236	-1,189	-	-1,189
Employee benefits expenses	-1,752	-	-1,752	-1,674	-	-1,674
Rental costs	-507	-1,026	-1,533	-533	-915	-1,448
Pre-opening costs	-1	-	-1	-9	-	-9
Items affecting comparability	-12	-	-12	-16	-	-16
Depreciation, amortization and impairment losses	-962	742	-219	-878	660	-217
TOTAL OPERATING COSTS	-4,908	-284	-5,192	-4,740	-255	-4,995
Operating profit/loss	502	-284	218	488	-255	233
Net financial items	-528	428	-100	-438	383	-55
Profit/loss before taxes	-26	144	118	50	128	178
Taxes	67	-28	38	-48	-26	-74
Net profit/loss for the period	41	116	156	2	102	104

	Jan-Dec 2023			Jan-Dec 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Operating income	21,955	-	21,955	19,233	-	19,233
Raw materials and consumables	-1,698	-	-1,698	-1,495	-	-1,495
Other external expenses	-4,538	-	-4,538	-3,854	-	-3,854
Employee benefits expenses	-6,882	-	-6,882	-5,957	-	-5,957
Rental costs	-2,209	-4,063	-6,272	-1,951	-3,440	-5,391
Pre-opening costs	-17	-	-17	-131	-	-131
Items affecting comparability	-14	-	-14	-16	-	-16
Depreciation, amortization and impairment losses	-3,812	2,968	-844	-3,372	2,527	-845
TOTAL OPERATING COSTS	-19,170	-1,094	-20,264	-16,776	-913	-17,689
Operating profit/loss	2,785	-1,094	1,691	2,457	-913	1,544
Net financial items	-2,064	1,734	-330	-1,808	1,464	-344
Profit/loss before taxes	721	640	1,361	649	551	1,200
Taxes	-152	-125	-278	-221	-112	-334
Net profit/loss for the period	569	515	1,083	428	438	866

SUMMARY OF REPORTED RENTAL COSTS INCLUDING & EXCLUDING IFRS 16

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Rental costs				
Rental costs, reported	-507	-533	-2,209	-1,951
Effect IFRS 16	-1,026	-915	-4,063	-3,440
Rental costs excl. IFRS 16	-1,533	-1,448	-6,272	-5,391
- of which fixed rental costs	-1,077	-967	-4,292	-3,599
- of which variable rental costs	-456	-482	-1,980	-1,792
Fixed and guaranteed rental costs of Net sales	-19.9%	-18.5%	-19.6%	-18.7%
Variable rental costs of Net sales	-8.4%	-9.2%	-9.0%	-9.3%
Total rental costs of Net sales	-28.3%	-27.7%	-28.6%	-28.0%

SUMMARY OF OPERATING PROFIT/LOSS & ADJUSTED EBITDA

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss	502	488	2,785	2,457
Pre-opening costs	1	9	17	131
Items affecting comparability	12	16	14	16
Depreciation, amortization and impairment losses	962	878	3,812	3,372
Effect IFRS 16	-1,026	-915	-4,063	-3,440
Adjusted EBITDA	451	476	2,566	2,536

FINANCIAL ITEMS, REPORTED VS. CASH FLOW

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Paid/received financial items				
Financial items, reported	-528	-438	-2,064	-1,808
of which interest expenses, IFRS 16	-428	-383	-1,734	-1,464
Financial net, excl. IFRS 16	-100	-55	-330	-344
Adjustments to paid financial items				
Interest expenses, convertible bond (non-cash)	37	40	163	153
Change accrued interest expenses, bank loans	-23	-12	6	5
Other	31	-2	39	22
Total adjustments	45	26	208	180
Paid(-)/received(+) financial items, net	-55	-29	-122	-164

BALANCE SHEET, INCLUDING & EXCLUDING EFFECTS OF IFRS 16

million SEK	31 Dec 2023			31 Dec 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Assets						
Intangible assets	7,010	-	7,010	7,189	-	7,189
Buildings and land	75	-	75	82	-	82
Right-of-use assets	39,389	-39,389	-	36,777	-36,777	-
Equipment, fixtures and fittings	3,958	-	3,958	4,272	-	4,272
Financial assets	713	-105	607	640	56	696
Total non-current assets	51,145	-39,495	11,650	48,960	-36,721	12,240
Current assets	1,467	152	1,619	1,287	142	1,428
Derivative instruments	-	-	-	384	-	384
Cash and cash equivalents	1,344	-	1,344	317	-	317
Total current assets	2,811	152	2,963	1,988	142	2,130
Total assets	53,956	-39,343	14,613	50,948	-36,579	14,370
Equity and liabilities						
Equity attributable to Parent Company shareholders	2,059	3,492	5,551	2,197	3,034	5,231
Non-controlling interest	106	-	106	77	-	77
Total equity	2,165	3,492	5,657	2,274	3,034	5,308
Liabilities to credit institutions	980	-	980	1,107	-	1,107
Convertible loan	-	-	-	1,484	-	1,484
Lease liabilities	41,041	-41,041	-	38,062	-38,062	-
Other long-term liabilities	1,106	790	1,896	1,308	843	2,151
Total non-current liabilities	43,127	-40,252	2,875	41,961	-37,219	4,742
Convertible loan	1,109	-	1,109	-	-	-
Current liabilities for leases	2,445	-2,445	0	2,268	-2,268	-
Derivative instruments	7	-	7	-	-	-
Other current liabilities	5,103	-139	4,965	4,445	-125	4,320
Total current liabilities	8,664	-2,583	6,081	6,713	-2,393	4,320
Total equity and liabilities	53,956	-39,343	14,613	50,948	-36,578	14,370

CASH FLOW ANALYSIS INCLUDING & EXCLUDING EFFECTS OF IFRS 16

	Oct-Dec 2023			Oct-Dec 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	502	-284	218	488	-255	233
Depreciation, amortization and impairment losses	962	-742	219	878	-660	217
Adjustments for non-cash items	54	-	54	39	-	39
Paid tax	-15	-	-15	-3	-	-3
Change in working capital	315	-	315	569	-	569
Cash flow from operating activities	1,818	-1,026	791	1,971	-915	1,056
INVESTING ACTIVITIES						
Paid net investments	-211	-	-211	-82	-	-82
Cash flow from investing activities	-211	-	-211	-82	-	-82
FINANCING ACTIVITIES						
Interest paid/received	-32	-	-32	-30	-	-30
Paid interest, leases	-428	428	-	-383	383	-
Repurchase convertible bond	-630	-	-630	-	-	-
Net borrowing/amortization	-39	-	-39	-699	-	-699
Amortization, leases	-598	598	-	-532	532	-
Cash flow from financing activities	-1,727	1,026	-701	-1,644	915	-729
CASH FLOW FOR THE PERIOD	-120	-	-120	245	-0	245
Cash and cash equivalents at the beginning of the period	1,438	-	1,438	76	-	76
Translation difference in cash and cash equivalents	26	-	26	-4	-	-4
Cash and cash equivalents at the end of the period	1,344	-	1,344	317	-	317

	Jan-Dec 2023			Jan-Dec 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	2,785	-1,094	1,691	2,457	-913	1,544
Depreciation, amortization and impairment losses	3,812	-2,968	844	3,372	-2,527	845
Adjustments for non-cash items	98	-	98	28	-	28
Paid tax	-109	-	-109	-39	-	-39
Change in working capital	-192	-	-192	614	-	614
Cash flow from operating activities	6,394	-4,062	2,332	6,432	-3,440	2,991
INVESTING ACTIVITIES						
Paid net investments	-521	-	-521	-635	-	-635
Cash flow from investing activities	-521	-	-521	-635	-	-635
FINANCING ACTIVITIES						
Interest paid/received	-57	-	-57	-155	-	-155
Paid interest, leases	-1,734	1,734	-	-1,464	1,464	-
Repurchase convertible bond	-630	-	-630	-	-	-
Financing costs	-34	-	-34	-	-	-
Dividend, share swap agreement	-7	-	-7	-10	-	-10
Net borrowing/amortization	-51	-	-51	-2,067	-	-2,067
Amortization, leases	-2,328	2,328	-	-1,977	1,977	-
Cash flow from financing activities	-4,841	4,062	-779	-5,672	3,440	-2,232
CASH FLOW FOR THE PERIOD	1,032	0	1,032	125	-0	125
Cash and cash equivalents at the beginning of the period	317	-	317	216	-	216
Translation difference in cash and cash equivalents	-5	-	-5	-24	-	-24
Cash and cash equivalents at the end of the period	1,344	-	1,344	317	-	317

EARNINGS PER SHARE

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Earnings per share, SEK	0.27	-0.05	2.86	2.21
Effect IFRS 16	0.51	0.54	2.23	1.89
Earnings per share, SEK, excl. IFRS 16	0.78	0.49	5.09	4.10
Average number of outstanding shares after dilution	225,815,475	191,304,116	231,016,258	232,768,903

ADOPTION

The CEO affirms that this year-end report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and that it also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, February 14, 2024

Jens Mathiesen
President & CEO and interim CFO

Auditor's review

This report has not been the subject of any review by the company's auditors.

DEFINITIONS

HOTEL-RELATED KEY RATIOS

ARR (AVERAGE ROOM RATE)

The average room rate is the average room revenue per sold room.

LFL (LIKE-FOR-LIKE)

LFL refers to the hotels that were in operation during the entire period as well as during the corresponding period of the previous year.

OCC (OCCUPANCY)

Refers to sold rooms in relation to the number of available rooms. Expressed as a percentage.

REVPAR (REVENUE PER AVAILABLE ROOM)

Refers to the average room revenue per available room.

PRE-OPENING COSTS

Refers to costs for contracted and newly opened hotels before opening day.

FINANCIAL KEY RATIOS & ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBITDA

Earnings before pre-opening costs, items affecting comparability, taxes, depreciation and amortization, adjusted for the effects of IFRS 16.

ADJUSTED EBITDA MARGIN

Adjusted EBITDA as a percentage of net sales.

ITEMS AFFECTING COMPARABILITY

Items that are not directly related to the normal operations of the Group, for example, costs for transactions, integration, restructuring and capital gains/losses from sale of operations.

INTEREST-BEARING NET LIABILITIES

Liabilities to credit institutions, commercial papers, convertible loans and other interest-bearing liabilities, less cash and cash equivalents.

WORKING CAPITAL, NET

Total current assets, excluding derivative instruments and cash and cash equivalents, less total current liabilities, excluding derivative instruments and the current portion of lease liabilities, other interest-bearing liabilities and commercial papers.

EQUITY-RELATED KEY RATIOS

EARNINGS PER SHARE

The profit/loss during the period related to the shareholders of the Parent Company divided by the average number of shares.

EQUITY PER SHARE

Equity related to the shareholders of the Parent Company divided by the number of shares outstanding at the end of the period.

A more comprehensive list of definitions is available at scandichotelsgroup.com/en/definitions



THE LEADING NORDIC HOTEL COMPANY

SCANDIC HAS THE LARGEST AND WIDEST HOTEL NETWORK IN THE NORDIC COUNTRIES AS WELL AS A UNIQUE OFFERING IN THE MID-MARKET SEGMENT FOR LEISURE AND BUSINESS TRAVELERS.

267 HOTELS

130
DESTINATIONS

55,642
HOTEL
ROOMS

6 COUNTRIES

INDUSTRY LEADER IN SUSTAINABILITY

Scandic has a proud heritage of driving sustainability in the hospitality industry. Sustainability is an integrated part of Scandic's culture, strategy and business model and the company is constantly developing its operations to reduce its climate impact and contribute positively to society. Scandic's strategy for sustainable business is grounded in three focus areas: MEET – Health, diversity and inclusion, EAT – Food & beverage and SLEEP – Rooms and interiors.

As the largest hotel company in the Nordics, Scandic has the power to drive transformation and inspire change on a large scale. Scandic aims to remain at the forefront when it comes to guests' expectations in areas such as energy and climate-smart, environmentally friendly restaurant offerings. Since the 1990s, Scandic has ensured its hotels are environmentally certified and maintained a global approach to sustainability. Today, more than 90 percent of Scandic's hotels are certified by the Nordic Swan Ecolabel, the official ecolabel of the Nordic countries, and Scandic aims for all hotels to be certified.

Scandic

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