



INTERIM REPORT

JANUARY-MARCH 2024

STABLE START TO THE YEAR AND GOOD BOOKING SITUATION FOR THE SECOND QUARTER

JANUARY 1 – MARCH 31, 2024

- Net sales declined by 2.4 percent to 4,419 million SEK (4,526). The 2024 Easter holiday occurred in March, which is why the quarter is not fully comparable with the first quarter 2023. Calendar effects are estimated to have impacted net sales negatively by 4 to 5% due to the early Easter.
- Average occupancy rate was 51.9 percent (53.5).
- Average revenue per available room (RevPAR) was 619 SEK (626).
- Operating profit totaled 126 million SEK (199).
- Adjusted EBITDA¹⁾ was 33 million SEK (170).
- Excluding IFRS 16, earnings per share equaled -1.10 SEK (-0.88).
- Free cash flow was -733 million SEK (-356).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.9x (0.5x excluding the convertible loan).

EVENTS DURING THE PERIOD

- On March 12, Scandic signed a contract for a 144-room Scandic Go in Oulu, Finland. The hotel is expected to open in 2025.
- On March 1, the 311-room Scandic Nürnberg Central opened in Germany.
- On January 17, Pär Christiansen was appointed new Chief Financial Officer and member of the Executive Committee.

KEY RATIOS

million SEK	Jan-Mar 2024	Jan-Mar 2023	Δ%	Jan-Dec 2023	Apr-Mar 23/24
Financial key ratios, reported					
Net sales	4,419	4,526	-2.4%	21,935	21,828
Operating profit/loss	126	199		2,785	2,712
Net profit/loss for the period	-327	-302		569	543
Earnings per share, SEK	-1.73	-1.63		2.86	2.90
Alternative performance measures					
Adjusted EBITDA	33	170		2,566	2,429
Adjusted EBITDA margin, %	0.7	3.8		11.7	11.1
Net profit/loss for the period excl. IFRS 16	-206	-159		1,083	1,036
Earnings per share, SEK, excl. IFRS 16	-1.10	-0.88		5.09	5.15
Net debt	2,302	3,389		1,503	-
Net debt/adjusted EBITDA, LTM	0.9	1.2		0.6	-
Hotel-related key ratios					
RevPAR (revenue per available room), SEK	619	626	-1.1%	782	780
ARR (average room rate), SEK	1,193	1,169	2.0%	1,272	1,278
OCC (occupancy), %	51.9	53.5		61.4	61.0
Total number of rooms on reporting date	55,657	56,059	-0.7%	55,642	55,657

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

CEO'S COMMENTS

“SCANDIC’S FINANCIAL POSITION IS STRONG AND WE HAVE A POWERFUL COMMERCIAL AGENDA. THE SECOND QUARTER GOT OFF TO A GOOD START AND BOOKINGS FOR MAY AND JUNE ARE IN LINE WITH LAST YEAR.”

With low indebtedness and a powerful commercial agenda, we are developing Scandic at a high pace to improve the guest experience as well as to increase growth and profitability. The first quarter is relatively small and seasonally weak for the hotel sector. The early Easter holiday impacted demand significantly in March, but this was offset by a good start to April. We delivered a stable quarter, and the somewhat lower net sales and adjusted EBITDA compared with the previous year are mainly attributable to the Easter effect, strikes in Finland, significantly lower non-recurring items and the higher pace of development.

We have had a good start to the second quarter and the booking situation for spring and summer are in line with last year.

We note increased optimism in the market and have a positive view of Scandic's growth opportunities going forward. Our growth journey in Germany continues and during the quarter, we took over the operations of a hotel in Nürnberg, which has had a promising start. In general, our hotels perform well in the German market and along with initiatives to strengthen business development, we see excellent opportunities to increase the pace of growth. Scandic Go is also continuing to expand and during the quarter, we signed an agreement for a new hotel in Oulu (Finland) which will open in 2025. Guests appreciate the concept and I feel confident in our ambitious growth aspirations. The pace will remain high to grow and optimize the hotel portfolio and during the year, we will also gradually increase the pace of investments in maintenance and renovations to reach more normalized levels.

The rollout of Oracle Hospitality OPERA Cloud is going according to plan, and already before the summer all hotels will have finished implementing

the new cloud-based enterprise system. In the longer term, we see great potential for improvements in all touchpoints of the guest journey, and there are several commercial projects underway related to, for example, the Scandic Friends loyalty program and our booking channels, that is, our website and app.

The new system will also allow us to streamline and facilitate daily work for team members in staffing and resource planning, where we see potential. As early as 2025, we expect to see positive financial effects from the investments.

With a good development so far in April and a favorable booking situation for May and June, we expect slightly higher occupancy and average room rates for the second quarter compared to last year. I have a positive view of the hotel market this year and after two record years in a row, we are commercially and financially stronger than ever. Scandic is well positioned for the future, and I look forward to an eventful spring and summer with a high level of activity at our hotels.



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.

STABLE DEMAND

Demand in the Nordic hotel market remained stable during the first quarter. The calendar effect of the early Easter holiday had a negative impact primarily in Sweden, Norway and Finland compared with the first quarter 2023. The market's occupancy rate was 52.9 percent (53.0).

Occupancy during the first quarter was highest in Denmark where it went up from 54.3 percent during the corresponding quarter last year to 55.3 percent. Occupancy was lowest in Sweden, dropping from 53.5 percent to 52.1 percent.

The first quarter is normally the weakest in the hotel industry, and occupancy was highest in March and lowest in January. In January, the average occupancy rate in the Nordic markets was between 46.6 and 51.4 percent. In February, occupancy was between 53.8 and 55.2 percent while in March, it ranged from 53.8 to 60.7 percent. Compared with the first quarter 2019, occupancy was 5.3 percentage points lower.

POSITIVE PRICE DEVELOPMENT

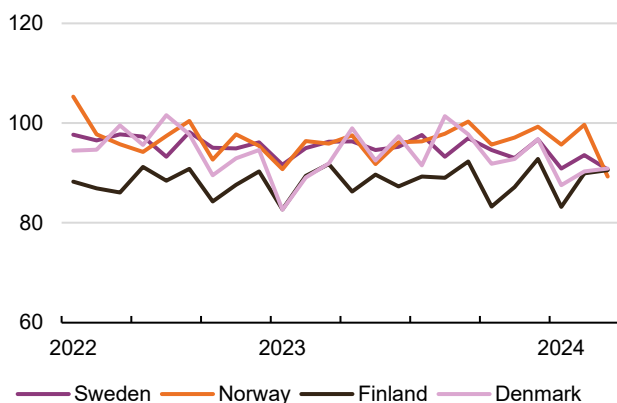
Compared with the first quarter 2023, average room rates grew 2.8 percent in the Nordic markets. Room rates went up most in Norway, where they increased by 5.2 percent and in Finland, where the increase was 2.7 percent. In Sweden, room rates rose by 1.8 percent. In Denmark, the increase was 0.5 percent. Compared with 2023, the early Easter holiday impacted room rates mainly in Sweden and Norway.

Compared with the first quarter 2019, average room rates rose by 19.2 percent. The greatest increase was in Norway, where room rates jumped 34.5 percent followed by Sweden, where the increase was 12.9 percent. In Finland and Denmark, room rates rose 12.8 and 8.7 percent respectively.

Average Revenue Per Available Room (RevPAR) went up by 2.2 percent in the Nordic markets compared with the corresponding period in 2023. Compared with the first quarter 2019, RevPAR increased by 9.5 percent.

MARKET OCCUPANCY

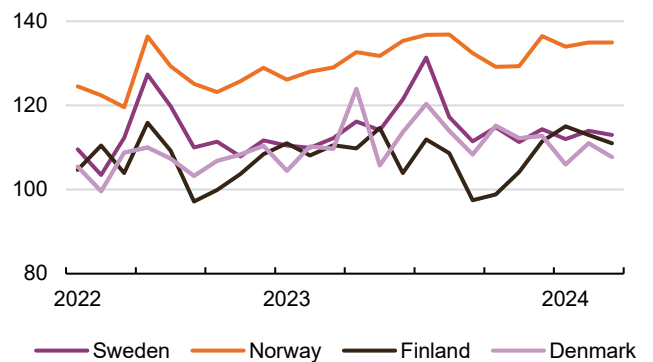
Index 2019 (monthly values), %



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.

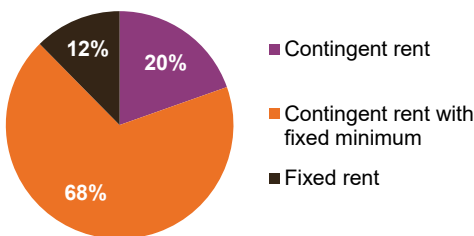
The leasing model helps Scandic ensure that its hotel offering is in line with what it markets while it can benefit from economies of scale in operations and distribution.

HOTEL PORTFOLIO

Scandic operates hotels with long-term leases that are usually variable based on hotel revenues. This creates shared incentives for both parties since higher 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.

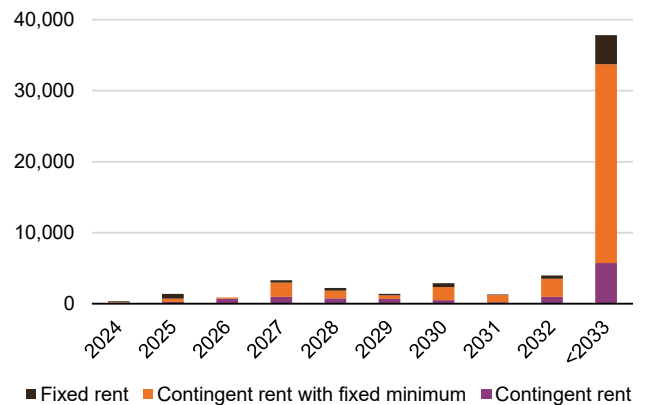
SHARE OF LEASE AGREEMENTS

NUMBER OF ROOMS



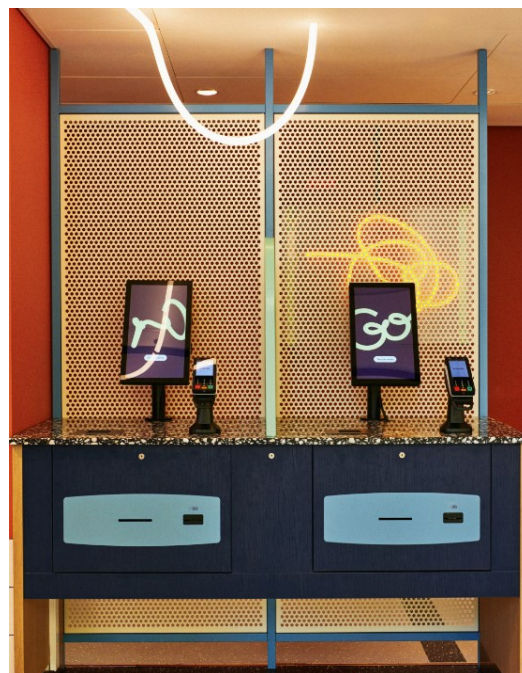
REMAINING LEASE TERMS

NUMBER OF ROOMS



At the end of the period, Scandic had 55,657 hotel rooms in operation at 266 hotels, of which 245 had lease agreements. The number of rooms in the pipeline grew by 15 during the quarter. During the quarter, Scandic exited two hotels: Scandic Ringsaker, with 176 rooms, and Scandic Eremitage, with 120 rooms.

	Jan-Mar 2024
Portfolio changes	
Opening balance	
Lease agreements	52,806
Franchise, management & other	2,836
Total	55,642
Total change lease agreements	15
Change in other operating models	-
Total change	15
Closing balance	
Lease agreements	52,821
Franchise, management & other	2,836
Total	55,657



NUMBER OF HOTELS & ROOMS IN OPERATION

	In operation as at 31 Mar, 2024			
	Hotels	of which lease agreements	Rooms	of which lease agreements
Sweden	85	79	18,069	17,277
Norway	82	68	16,069	14,235
Finland	61	61	12,835	12,835
Denmark	29	28	5,916	5,706
Other Europe	9	9	2,768	2,768
Total	266	245	55,657	52,821
<i>Change during the quarter</i>	-1	-1	15	15

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. Scandic's pipeline includes only hotels with signed lease agreements.

At the end of the period, Scandic had nine new planned hotels with 2,396 rooms and one planned exit with a total of 129

rooms. During the quarter, Scandic opened the 311-room Scandic Nürnberg Central hotel in Nuremberg, Germany, and signed an agreement to open a new 144-room Scandic Go in Oulu, Finland. Investments in the pipeline are expected to total approximately 743 million SEK. To date, investments of 108 million SEK have been made.

NUMBER OF HOTELS IN OPERATION & PIPELINE

	In pipeline as at 31 Mar, 2024					
	New hotels	Planned exits	Total	New rooms	Planned exits	Total
Sweden	3		3	866		866
Norway	2		2	525		525
Finland	3		3	603		603
Denmark	1	-1	-	402	-129	273
Other Europe			-			-
Total	9	-1	8	2,396	-129	2,267
<i>Change during the quarter</i>	1	2	3	311	328	639

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 28-31.

JANUARY – MARCH 2024

Net sales declined by 2.4 percent to 4,419 million SEK (4,526). Calendar effects, mainly due to the early Easter holiday in March compared with April in 2023 had a negative impact of approximately 4 to 5 percentage points on sales growth for comparable units. Net sales was further impacted by strikes in Finland that began in March and by negative currency effects of 27 million SEK corresponding to -0.6 percent of turnover. 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 -1.8 percent. For comparable units, sales decreased by 0.9 percent.

Average revenue per available room (RevPAR) decreased by 1.1 percent to 619 SEK compared with 626 SEK during the previous year. Average room rates rose by 2.0 percent to 1,193 million SEK compared with the first quarter 2023.

Restaurant and conference revenues decreased by 4.7 percent, negatively impacted by calendar effects. The share of net sales amounted to 31.0 percent (31.8).

REPORTED RESULTS

The operating profit was 126 million SEK (199) Pre-opening costs of 2 million SEK (-14) for new hotels were included in the operating profit for the quarter. Depreciation and amortization totaled -955 million SEK (-938). This increase was impacted by additional depreciation and amortization of 30 million SEK due to IFRS 16. The Group's net financial expense amounted to -504 million SEK (-522).

The loss before tax was -378 million SEK (-323) and reported tax amounted to 51 million SEK (21). The net loss totaled -327 million SEK (-302).

Costs for central functions increased and amounted to -115 million SEK (-104), partly due to a high level of activity within digital development and a strengthened IT and commercial organization.

Earnings per share after dilution totaled -1.73 SEK per share (-1.63). The calculation of earnings per share does not include any dilutive effect, as the profit for the period attributable to the Parent Company's shareholders was negative.

EXCLUDING EFFECTS OF IFRS 16

Rental costs increased to 1,393 million SEK (1,371). Rental costs relative to net sales rose and amounted to 31.5 percent (30.3). The increase compared to last year was mainly attributable to indexation of fixed rental costs and new hotels with higher fixed rents. Depreciation and amortization totaled -196 million SEK (-208).

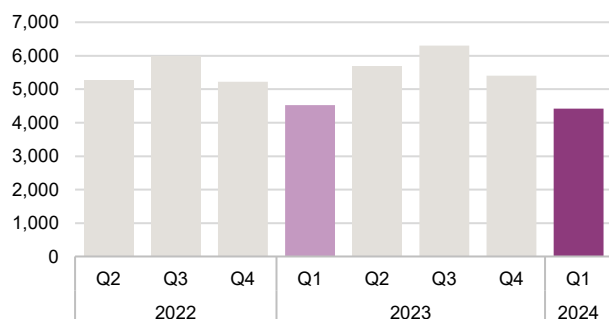
Adjusted EBITDA was 33 million SEK (170). With the exception of Other Europe, all markets reported positive adjusted EBITDA during the quarter. Excluding non-recurring items, the adjusted EBITDA margin was 0.6 percent (2.9). During the period, compensation of 6 million SEK (18) was received in Norway for housing for refugees (hotel rooms) that was not used. For the corresponding period in 2023, compensation totaling 23 million SEK was received in connection with hotel openings, which affects comparisons between the periods. Excluding direct state aid and non-recurring items, adjusted EBITDA for the quarter was 27 million SEK (129).

The Group's net financial expense amounted to -62 million SEK (-91). Interest expenses totaled -77 million SEK (-72); these expenses were impacted negatively by higher interest rates that were partially offset by lower indebtedness. The

loss before tax was -227 million SEK (-145) and the net loss was -206 million SEK (-159). Earnings per share after dilution totaled -1.10 SEK (-0.88) per share.

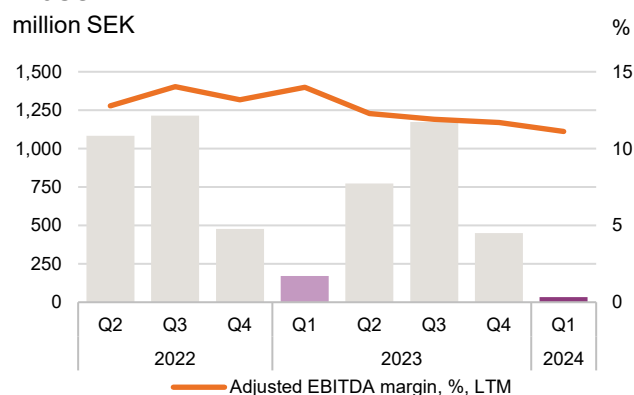
NET SALES

million SEK



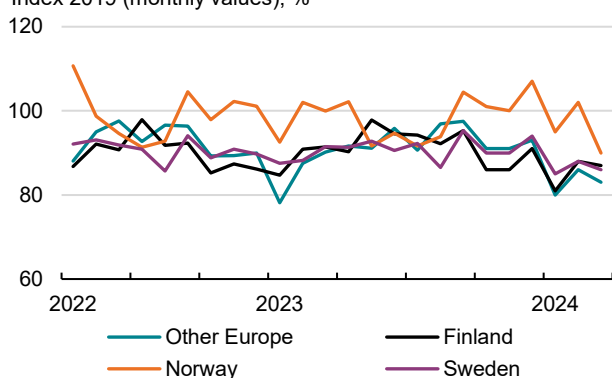
ADJUSTED EBITDA

million SEK



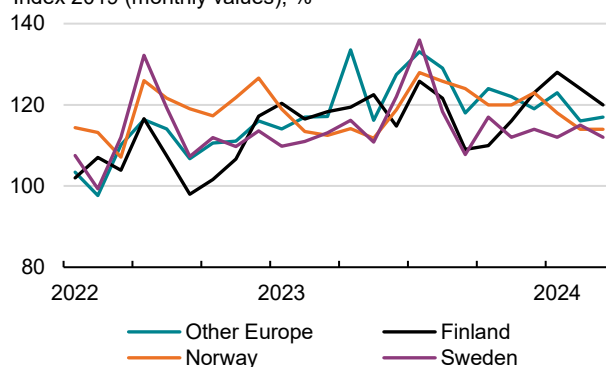
OCCUPANCY, SCANDIC

Index 2019 (monthly values), %



AVERAGE ROOM RATES, SCANDIC

Index 2019 (monthly values), %



NET SALES, OPERATING PROFIT & ADJUSTED EBITDA

	Jan-Mar 2024	Jan-Mar 2023	Δ%
Net sales (million SEK)	4,419	4,526	-2.4%
Currency effects	-27		-0.6%
Organic growth	-80		-1.8%
New hotels	34		0.8%
Exits	-72		-1.6%
LFL	-42		-0.9%
Operating profit/loss	126	199	
margin, %	2.9%	4.4%	
Adjusted EBITDA	33	170	
margin, %	0.7%	3.8%	
RevPAR (SEK)	619	626	-1.1%
Currency effects	-3		-0.6%
New hotels/exits	0		0.0%
LFL	-4		-0.6%
ARR (SEK)	1,193	1,169	2.0%
OCC %	51.9%	53.5%	

Quarter Jan-Mar million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2024	2023	2024	2023	2024	2023
Sweden	1,325	1,388	66	95	5.0%	6.8%
Norway	1,248	1,313	92	152	7.4%	11.5%
Finland	1,061	1,053	16	19	1.5%	1.8%
Other Europe	785	771	-26	8	-3.4%	1.0%
Central functions	-	-	-115	-104	-	-
Total Group	4,419	4,526	33	170	0.7%	3.8%



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 period January to March was -470 million SEK (-265). The cash flow contribution from the change in working capital amounted to -435 million SEK (-370).

Working capital is seasonally weak during the first quarter and it was negatively impacted by the repayment of variable rent debts of 220 million SEK for 2023. A further approximately 210 million SEK in rent debts is expected to be paid in 2024, mainly during the second quarter.

Taxes paid amounted to -54 million SEK (-50) and referred to payment of taxes for previous years primarily in Norway.

Net investments paid amounted to -263 million SEK (-91). Of these, -150 million SEK (-67) relates to ongoing hotel renovations at hotels in Copenhagen, Stockholm and Gothenburg, among others, and -19 million SEK (-8) to IT. Investments in new hotels and increased room capacity amounted to -94 million SEK (-17) and mainly relate to the opening of the new hotel in Nuremberg, Germany.

In total, free cash flow was -733 million SEK (-356).

OPERATING CASH FLOW

million SEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Adjusted EBITDA	33	170	2,566	2,429
Pre-opening costs	-2	-14	-17	-5
Items affecting comparability	-	-3	-14	-12
Adjustments for non-cash items	22	15	98	105
Paid tax	-54	-50	-109	-114
Change in working capital	-435	-370	-192	-257
Interest paid	-34	-14	-57	-77
Cash flow from operations	-470	-265	2,275	2,071
Paid investments in hotel renovations	-150	-67	-434	-517
Paid investments in IT	-19	-8	-59	-70
Free cash flow before investments in expansions	-639	-339	1,782	1,483
Paid investments in new capacity	-94	-17	-28	-105
Free cash flow	-733	-356	1,754	1,378
Accrued interest, convertible loan	-31	-40	-163	-154
Repurchase convertible bond	-	-	-630	-630
Other items in financing activities	-	-75	-86	-11
Financing costs	-3	8	-1	-12
Exchange difference in net debt	-32	-16	-5	-21
Change in net debt	-799	-480	869	550

FINANCIAL POSITION

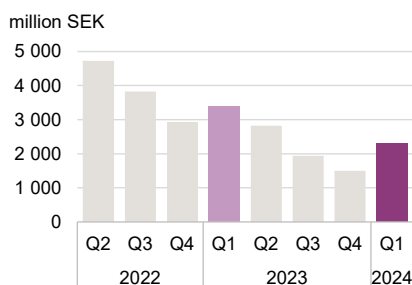
The balance sheet total on March 31, 2024 was 56,050 million SEK compared with 53,956 million SEK on December 31, 2023. The greatest change relates to an increase in lease debts and right-of-use assets according to IFRS 16, mainly attributable to index calculations in lease agreements and new contracts. Excluding IFRS 16, the balance sheet total amounted to 14,022 million SEK, compared with 14,680 million SEK on December 31, 2023.

On March 31, 2024, interest-bearing net liabilities totaled 2,302 million SEK, an increase of 799 million SEK compared with December 31, 2022. Debts to credit institutions totaled 982 million SEK, other interest-bearing liabilities amounted to 714 million SEK and cash and cash equivalents totaled 534 million SEK. The convertible loan was 1,140 million SEK at the end of the period. Interest-bearing net debt in relation to adjusted EBITDA for the previous 12 months amounted to 0.9x (0.5x excluding the convertible loan), which is higher than indebtedness at the end of 2023 (0.6) and less than at year-end 2019 (1.7).

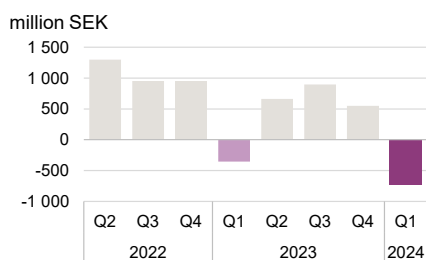
On February 15, 2023, Scandic signed an agreement for external financing with total credit facilities of 3,450 million SEK until December 31, 2025. In connection with the extension, among other things, interest terms and covenants were also adjusted. Under certain conditions, the external financing gives Scandic the opportunity to finance all or part of the convertible loan that will be due on October 8, 2024. Total available credit facilities amounted to 2,750 million SEK at the end of the quarter. Total available liquidity at the end of the period amounted to approximately 2,200 million SEK.

Other interest-bearing liabilities of 714 million SEK include debt relating to deferred VAT payments and social security contributions in Sweden. Debt during the period decreased by 44 million SEK net as a result of amortization. Repayment is expected to be carried out until September 2027, with 152 million SEK to be repaid before the end of 2024.

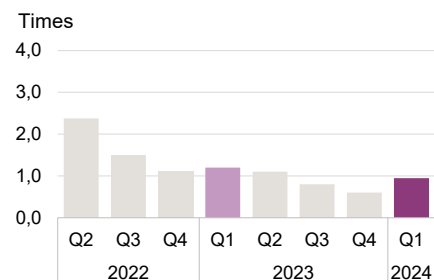
INTEREST-BEARING NET LIABILITIES



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.

JANUARY – MARCH

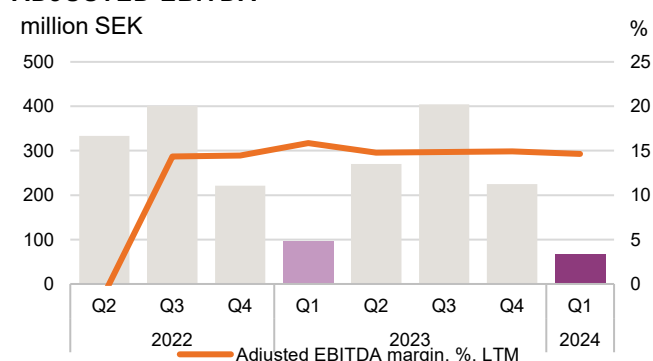
Net sales declined by 4.5 percent to 1,325 million SEK (1,388). For comparable units, net sales fell by 3.2 percent. Compared with the first quarter 2023, calendar effects due to the early Easter holiday had a negative impact on net sales for comparable units.

Changes in the hotel portfolio contributed -19 million SEK net. Scandic Foresta and Scandic Skogshöjd, which were exited at the end of 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 605 SEK, 1.7 percent lower than during the corresponding quarter in 2023.

Adjusted EBITDA was 66 million SEK (95). Rental costs fell by 5 million SEK to 415 million SEK.

ADJUSTED EBITDA



	Jan-Mar 2024	Jan-Mar 2023	Δ%
Net sales (million SEK)	1,325	1,388	-4.5%
Organic growth	-63		-4.5%
<i>New hotels</i>	4		0.3%
<i>Exits</i>	-23		-1.7%
<i>LFL</i>	-44		-3.2%
Adjusted EBITDA	66	95	
margin, %	5.0%	6.8%	
RevPAR (SEK)	605	616	-1.7%
New hotels/exits	3		0.5%
LFL	-13		-2.2%
ARR (SEK)	1,135	1,120	1.4%
OCC %	53.3%	55.0%	

NORWAY

With a nationwide network of 82 hotels offering more than 16,000 rooms, Scandic is Norway's second largest hotel company.

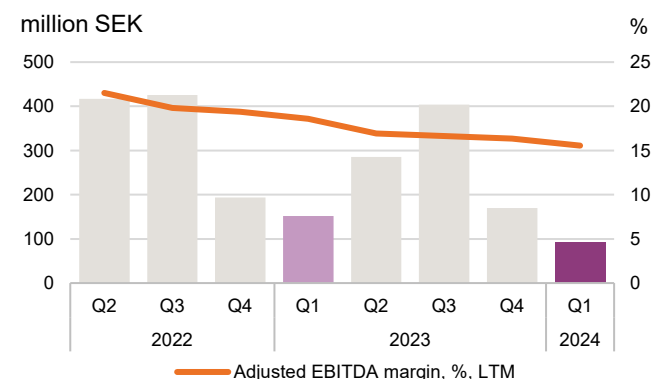
JANUARY – MARCH

Net sales decreased by 4.9 percent to 1,248 million SEK (1,313) as a result of negative calendar effects due to the early Easter holiday and negative exchange rate effects of -3.1 percent. Changes in the hotel portfolio contributed -33 million SEK net.

Average revenue per available room (RevPAR) was 622 SEK, 2.2 percent lower than during the corresponding quarter in 2023.

Adjusted EBITDA was 92 million SEK (152). Rental costs fell by 17 million SEK to 345 million SEK. Approximately 6 million SEK of adjusted EBITDA (18) is estimated to be attributable to operations related to housing for refugees (hotel rooms) that was not used. These operations are expected to cease at the end of June.

ADJUSTED EBITDA



	Jan-Mar 2024	Jan-Mar 2023	Δ%
Net sales (million SEK)	1,248	1,313	-4.9%
Currency effects	-41		-3.1%
Organic growth	-24		-1.9%
<i>New hotels</i>	-		-
<i>Exits</i>	-33		-2.5%
<i>LFL</i>	9		0.7%
Adjusted EBITDA	92	152	
margin, %	7.4%	11.5%	
RevPAR (SEK)	622	635	-2.2%
Currency effects	-20		-3.2%
New hotels/exits	2		0.3%
<i>LFL</i>	5		0.7%
ARR (SEK)	1,204	1,197	0.5%
OCC %	51.6%	53.1%	

FINLAND

Scandic is the largest hotel company 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.

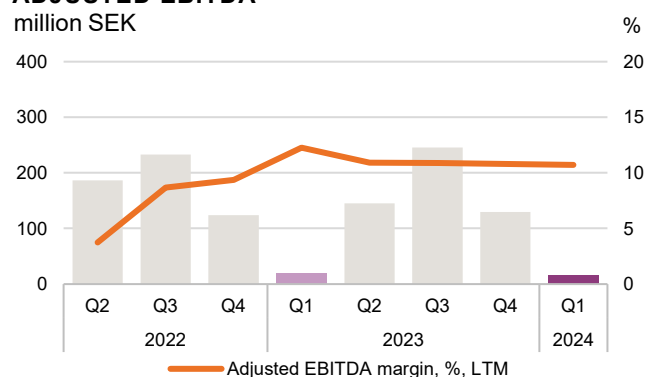
JANUARY – MARCH

Net sales rose by 0.8 percent to 1,061 million SEK (1,053). For comparable units, net revenue was in line with the same quarter in 2023, despite demand being impacted by strike activity and negative calendar effects attributable to the early Easter holiday.

Average revenue per available room (RevPAR) was 603 SEK, 0.5 percent higher than during the corresponding quarter in 2023.

Adjusted EBITDA was 16 million SEK (19). Rental costs rose by 14 million SEK to 375 million SEK.

ADJUSTED EBITDA



	Jan-Mar 2024	Jan-Mar 2023	Δ%
Net sales (million SEK)	1,061	1,053	0.8%
Currency effects	8		0.7%
Organic growth	0		0.0%
<i>New hotels</i>	-		-
<i>Exits</i>	0		0.0%
<i>LFL</i>	0		0.0%
Adjusted EBITDA	16	19	
margin, %	1.5%	1.8%	
RevPAR (SEK)	603	600	0.5%
Currency effects	4		0.7%
New hotels/exits	-0		-0.0%
LFL	-1		-0.2%
ARR (SEK)	1,236	1,180	4.7%
OCC %	48.8%	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 29 hotels and close to 6,000 hotel rooms. Outside of the Nordic region, the company operates nine hotels with more than 2,700 hotel rooms.

JANUARY – MARCH

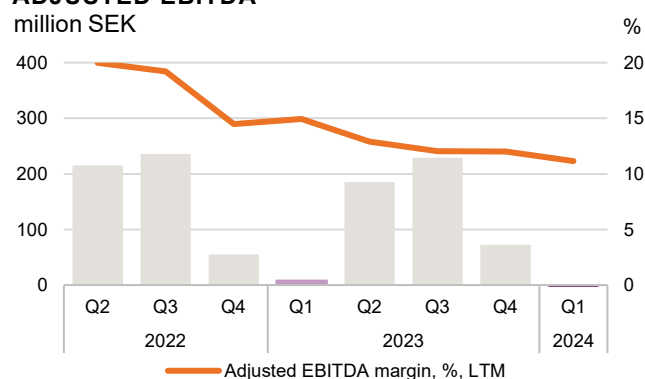
Net sales rose by 1.7 percent to 785 million SEK (771). For comparable units, net sales fell by 1.0 percent.

Changes in the hotel portfolio contributed 14 million SEK net. The positive effect is mainly attributable to Scandic Frankfurt Hafenspark, which opened at the end of the corresponding period in 2023.

Average revenue per available room (RevPAR) was 666 SEK, 0.9 percent lower than during the corresponding quarter in 2023.

Adjusted EBITDA was -26 million SEK (8). Rental costs rose by 31 million SEK to 264 million SEK.

ADJUSTED EBITDA



	Jan-Mar 2024	Jan-Mar 2023	Δ%
Net sales (million SEK)	785	771	1.7%
Currency effects	6		0.8%
Organic growth	7		0.9%
<i>New hotels</i>	30		3.9%
<i>Exits</i>	-16		-2.0%
<i>LFL</i>	-7		-1.0%
Adjusted EBITDA	-26	8	
margin, %	-3.4%	1.0%	
RevPAR (SEK)	666	672	-0.9%
Currency effects	5		0.7%
New hotels/exits	-9		-1.3%
LFL	-2		-0.3%
ARR (SEK)	1,233	1,210	1.9%
OCC %	54.0%	55.5%	

OTHER INFORMATION

EVENTS DURING THE PERIOD

On March 12, Scandic signed an agreement for a 144-room Scandic Go in Oulu, Finland. The new hotel is expected to open in 2025. On March 1, the 311-room Scandic Nürnberg Central opened in Germany.

On January 17, Pär Christiansen was appointed new Chief Financial Officer and member of the Executive Committee from March 1, 2024.

OUTLOOK

With a good development so far in April and a favorable booking situation, we expect slightly higher occupancy and average room rates for the second quarter compared to last year.

THE SHARE

The number of shareholders totaled 57,137 on March 31, 2024. 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 March 28, 2024 was 62.62 SEK.

SHAREHOLDERS AS AT MARCH 31, 2024

	Number of Shareholding, shares	Votes, %	
Stena Sessan	29,016,865	15.17	15.17
AMF Pension & Fonder	27,613,714	14.43	14.43
Eiendomsspar	26,672,018	13.94	13.94
Handelsbanken Fonder	8,154,008	4.26	4.26
Periscopus AS	5,138,955	2.69	2.69
Schroders	5,091,489	2.69	2.69
Vanguard	4,959,433	2.59	2.59
Dimensional Fund Advisors	3,406,707	1.78	1.78
Avanza Pension	3,381,099	1.77	1.77
Handelsbanken Liv Försäkring AB	3,154,345	1.65	1.65
Total 10 largest shareholders	116,588,633	60.9	60.9
Other	74,715,483	39.1	39.1
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. Revenues for the quarter amounted to 25 (14) million SEK. Net financial items for the quarter totaled 0 million SEK (0). Net financial items for the quarter totaled -11 million SEK (-14). The profit before tax was -12 million SEK (-14) for the quarter.

PRESS RELEASES, 2024 (SELECTION)

2024-03-12 Signing of a new Scandic Go in Finland
2024-02-29 Scandic Nürnberg Central to open its doors
2024-01-07 Pär Christiansen appointed new CFO of Scandic

PRESENTATION OF THE REPORT

A live streamed presentation of Scandic's Interim Report Q1 will take place on April 24, 2024 at 9:00 CET. Scandic's President & CEO Jens Mathiesen will present the report together with CFO Pär Christiansen in a live stream and phone conference. The interim report, presentation and live stream will be available at scandichotelsgroup.com. Please register and call in a few minutes before the start.

FINANCIAL CALENDAR

2024-05-16	2024 Annual General Meeting
2024-07-17	Interim Report Q2 2024
2024-10-30	Interim Report Q3 2024
2025-02-19	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 April 24, 2024 at 07:30 CEST.

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

million SEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Net sales		4,419	4,526	21,935	21,828
Other revenue		-	-	20	20
TOTAL OPERATING INCOME	2, 3	4,419	4,526	21,955	21,848
Raw materials and consumables		-349	-362	-1,698	-1,685
Other external expenses		-1,030	-1,041	-4,538	-4,526
Employee benefits expenses	4	-1,614	-1,582	-6,882	-6,915
Rental costs	5	-343	-388	-2,209	-2,164
Pre-opening costs		-2	-14	-17	-5
Items affecting comparability		-	-3	-14	-12
Depreciation, amortization and impairment losses		-955	-938	-3,812	-3,830
TOTAL OPERATING COSTS		-4,293	-4,327	-19,170	-19,136
Operating profit/loss		126	199	2,785	2,712
Net financial items	6	-504	-522	-2,064	-2,046
Profit/loss before taxes		-378	-323	721	665
Taxes		51	21	-152	-122
Net profit/loss for the period		-327	-302	569	543
Profit/loss for period relating to:					
Parent Company shareholders		-331	-312	532	513
Non-controlling interest		4	10	37	31
Net profit/loss for the period		-327	-302	569	543
Average number of outstanding shares before dilution		191,304,116	191,304,116	191,304,116	191,299,946
Average number of outstanding shares after dilution		191,304,116	191,304,116	231,016,258	219,157,937
Earnings per share before dilution, SEK		-1.73	-1.63	3.46	3.32
Earnings per share after dilution, SEK		-1.73	-1.63	2.86	2.90

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

million SEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Net profit/loss for the period	-327	-302	569	543
Items that may be reclassified to the income statement	-30	-301	-495	-224
Items that may not be reclassified to the income statement	17	50	-89	-122
Other comprehensive income	-13	-251	-584	-346
Total comprehensive income for period	-340	-552	-15	197
Relating to:				
Parent Company shareholders	-344	-562	-53	165
Non-controlling interest	4	10	37	31

CONSOLIDATED BALANCE SHEET, SUMMARY

million SEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets				
Intangible assets		7,062	7,129	7,010
Buildings and land		74	77	75
Right-of-use assets		41,421	40,610	39,389
Equipment, fixtures and fittings		4,102	4,138	3,958
Financial assets		825	721	713
Total non-current assets	7	53,484	52,674	51,145
Current assets	10	2,032	2,034	1,467
Derivative instruments		-	146	-
Cash and cash equivalents	9	534	285	1,344
Total current assets		2,566	2,465	2,811
Total assets		56,050	55,139	53,956
Equity and liabilities				
Equity attributable to Parent Company shareholders		1,718	1,609	2,059
Non-controlling interest		110	81	107
Total equity		1,828	1,690	2,166
Liabilities to credit institutions	9	982	1,270	980
Convertible loan	8	-	1,524	-
Lease liabilities		43,154	41,886	41,041
Other long-term liabilities	9	1,206	1,225	1,106
Total non-current liabilities		45,342	45,905	43,127
Convertible loan		1,140	-	1,109
Current liabilities for leases		2,591	2,432	2,444
Derivative instruments		44	-	7
Other current liabilities	10	5,105	5,113	5,103
Total current liabilities		8,880	7,545	8,664
Total equity and liabilities		56,050	55,139	53,956
Equity per share, SEK		9.0	8.4	10.8
Total number of shares outstanding, end of period		191,304,116	191,304,116	191,304,116

CHANGES IN GROUP EQUITY

million SEK	Equity attributable to						Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings	Parent Company shareholders	Non-controlling interest	
OPENING BALANCE 2023-01-01	48	9,892	656	-8,399	2,197	77	2,274
Net profit/loss for the period	-	-	-	-312	-312	10	-302
Total other comprehensive income, net after tax	-	-	-301	50	-251	-	-251
Total comprehensive income for the year	-	-	-301	-262	-563	10	-553
Other adjustments	-	-	-33	-	-33	-	-33
Total transactions with shareholders	-	-	-	1	1	-	1
CLOSING BALANCE 2023-03-31	48	9,892	322	-8,659	1,603	87	1,690
Net profit/loss for the period	-	-	-	844	844	27	871
Total other comprehensive income, net after tax	-	-	-187	-139	-326	-7	-333
Total comprehensive income for the year	-	-	-187	705	518	20	538
Other adjustments	-	-	24	-	24	0	24
Total transactions with shareholders	-	-	-	-85	-85	-	-85
CLOSING BALANCE 2023-12-31	48	9,892	160	-8,041	2,059	107	2,166
OPENING BALANCE 2024-01-01	48	9,892	160	-8,041	2,059	107	2,166
Net profit/loss for the period	-	-	-	-331	-331	4	-327
Total other comprehensive income, net after tax	-	-	-30	17	-13	-0	-13
Total comprehensive income for the year	-	-	-30	-314	-345	4	-340
Other adjustments	-	-	-0	-	-0	-	-0
Total transactions with shareholders	-	-	-	2	2	-	2
CLOSING BALANCE 2024-03-31	48	9,892	130	-8,352	1,718	110	1,828

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

CONSOLIDATED CASH FLOW STATEMENT

million SEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
OPERATING ACTIVITIES					
Operating profit/loss		126	199	2,785	2,712
Depreciation, amortization and impairment losses		955	938	3,812	3,830
Adjustments for non-cash items		22	15	98	105
Paid tax		-54	-50	-109	-114
Change in working capital		-435	-370	-192	-257
Cash flow from operating activities		614	732	6,394	6,277
INVESTING ACTIVITIES					
Paid net investments		-263	-91	-521	-693
Cash flow from investing activities		-263	-91	-521	-693
FINANCING ACTIVITIES					
	6				
Interest paid/received		-34	-14	-57	-77
Paid interest, leases		-442	-431	-1,734	-1,745
Repurchase convertible bond		-	-	-630	-630
Financing costs		-	-33	-34	-1
Dividend, share swap agreement		-	-	-7	-7
Net borrowing/amortization		-44	374	-51	-469
Amortization, leases		-609	-552	-2,328	-2,385
Cash flow from financing activities		-1,129	-657	-4,841	-5,313
CASH FLOW FOR THE PERIOD		-777	-16	1,032	273
Cash and cash equivalents at the beginning of the period		1,344	317	317	285
Translation difference in cash and cash equivalents		-33	-16	-5	-21
Cash and cash equivalents at the end of the period		534	285	1,344	534

PARENT COMPANY INCOME STATEMENT, SUMMARY

million SEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Net sales		25	14	75	86
Expenses		-25	-14	-75	-85
Operating profit/loss		0	0	0	0
Financial income		36	27	124	132
Financial expenses		-47	-41	-208	-213
Net financial items		-11	-14	-84	-81
Appropriations		-	-	7	7
Profit/loss before taxes		-11	-14	-77	-73
Taxes		-1	-0	-	-1
Net profit/loss for the period		-12	-14	-77	-74

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

million SEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Net profit/loss for the period		-12	-14	-77	-74
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		-12	-14	-77	-74

PARENT COMPANY BALANCE SHEET, SUMMARY

million SEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets				
Investments in subsidiaries		8,415	8,415	8,415
Group company receivables		1,665	1,525	1,623
Other receivables		12	10	11
Total non-current assets		10,091	9,950	10,049
Group company receivables		8	6	19
Current receivables		2	13	0
Cash and cash equivalents		0	0	0
Total current assets		10	18	19
Total assets		10,101	9,968	10,068
Equity and liabilities				
Equity		8,070	8,227	8,079
Convertible loan		-	1,524	-
Liabilities to Group companies		650	-	636
Other liabilities		22	28	18
Total non-current liabilities		671	1,552	654
Convertible loan		1,140	-	1,109
Liabilities to Group companies		48	20	43
Other liabilities		130	139	140
Accrued expenses and prepaid income		42	30	43
Total current liabilities		1,360	189	1,335
Total equity and liabilities		10,101	9,968	10,068

CHANGES IN PARENT COMPANY'S EQUITY

million SEK	Share premium			Total equity
	Share capital	reserve	Retained earnings	
OPENING BALANCE 2023-01-01	48	3,561	4,630	8,239
Net profit/loss for the period	-	-	-14	-14
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-14	-14
Total transactions with shareholders	-	1	-	1
CLOSING BALANCE 2023-03-31	48	3,562	4,617	8,227
Net profit/loss for the period	-	-	-63	-63
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-63	-63
Total transactions with shareholders	-	-1	-85	-86
CLOSING BALANCE 2023-12-31	48	3,561	4,468	8,079
OPENING BALANCE 2024-01-01	48	3,561	4,468	8,079
Net profit/loss for the period	-	-	-12	-12
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-12	-12
Total transactions with shareholders	-	-	2	2
CLOSING BALANCE 2024-03-31	48	3,561	4,458	8,070



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 2023 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 35 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 March 31, 2024, Scandic's goodwill and intangible assets amounted to 7,062 million SEK.

This figure 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 Covid-19 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	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Room revenue	2,928	2,958	15,002	14,972
Restaurant and conference revenue	1,370	1,437	6,328	6,260
Franchise and management fees	7	7	30	30
Other hotel-related revenue	114	123	575	566
Total	4,419	4,526	21,935	21,828

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

NET SALES BY COUNTRY

million SEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Sweden	1,325	1,388	6,644	6,580
Norway	1,248	1,313	6,180	6,115
Finland	1,061	1,053	4,998	5,006
Denmark	522	560	2,940	2,902
Germany	247	195	1,076	1,127
Poland	16	16	97	97
Total countries	4,419	4,526	21,935	21,828
Other	25	14	75	86
Group adjustments	-25	-14	-75	-86
Group	4,419	4,526	21,935	21,828

NET SALES BY TYPE OF AGREEMENT

million SEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Lease agreements	4,391	4,487	21,782	21,706
Management agreements	2	2	8	8
Franchise and partner agreements	6	5	22	22
Owned	21	32	123	112
Total	4,419	4,526	21,935	21,848
Other	25	14	75	86
Group adjustments	-25	-14	-75	-86
Group	4,419	4,526	21,935	21,848

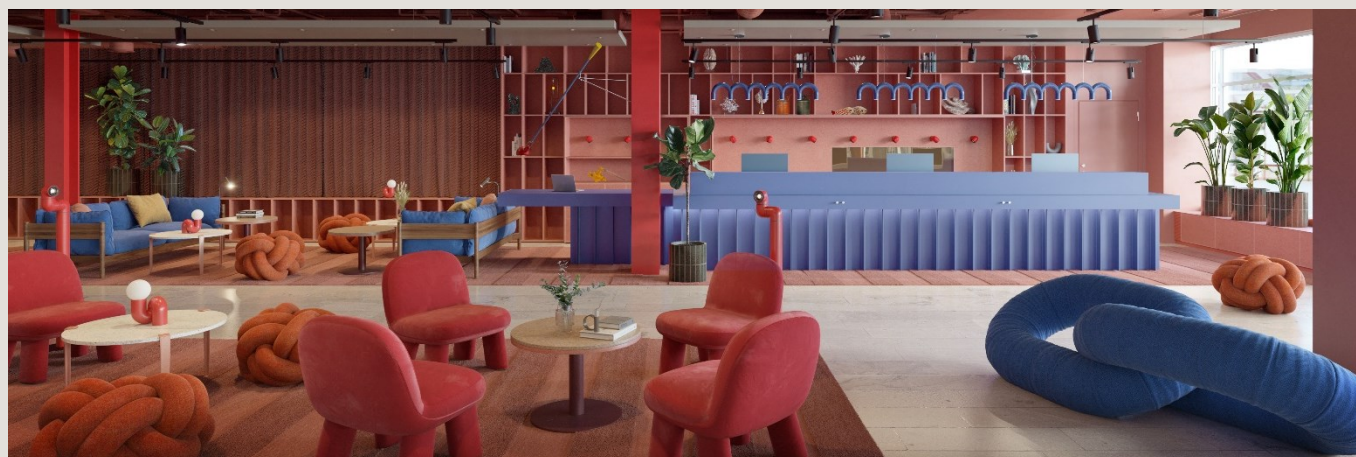
NOTE 03. Segment disclosures

Jan-Mar million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Room revenue	938	962	786	806	700	688	504	502	-	-	2,928	2,958
Restaurant and conference revenue	364	405	424	453	319	327	262	252	-	-	1,370	1,437
Franchise and management fees	2	2	4	4	-	-	-	1	-	-	7	7
Other hotel-related revenue	21	20	34	50	42	38	18	16	-	-	114	123
Net sales	1,325	1,388	1,248	1,313	1,061	1,053	785	771	-	-	4,419	4,526
Internal transactions	-	-	-	-	-	-	-	-	25	14	25	14
Group adjustments	-	-	-	-	-	-	-	-	-25	-14	-25	-14
TOTAL OPERATING INCOME	1,325	1,388	1,248	1,313	1,061	1,053	785	769	-	-	4,419	4,526
Raw materials and consumables	-93	-101	-114	-112	-91	-97	-52	-55	0	4	-349	-362
Other external expenses	-354	-345	-325	-346	-313	-305	-210	-188	173	140	-1,030	-1,041
Employee benefits expenses	-471	-492	-438	-428	-313	-309	-324	-319	-69	-34	-1,614	-1,582
Rental costs	-412	-420	-345	-362	-375	-361	-261	-233	1,050	989	-343	-388
Pre-opening costs	-	-	-	-	-	0	-2	-14	-	-	-2	-14
Items affecting comparability	-	-	-	-	-	-	-	-	-	-3	-	-3
Depreciation, amortization and impairment losses	-68	-74	-68	-71	-52	-54	-24	-25	-742	-713	-955	-938
TOTAL OPERATING COSTS	-1,398	-1,431	-1,290	-1,320	-1,144	-1,126	-873	-833	412	384	-4,293	-4,327
Operating profit/loss	-73	-43	-42	-7	-83	-73	-88	-62	412	384	126	199
Net financial items	13	4	14	6	-17	-16	-2	-5	-511	-512	-504	-522
Profit/loss before taxes	-59	-39	-28	-1	-100	-89	-90	-67	-100	-127	-378	-323

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

NOTE 04. Number of employees

The average number of employees was 9,756 on March 31, 2024 compared with 10,774 on December 31, 2023.



NOTE 05. Rental costs

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Rental costs				
Fixed and guaranteed rental costs*	-65	-60	-229	-234
Variable rental costs	-278	-328	-1,980	-1,930
Total rental costs	-343	-388	-2,209	-2,164
*Of which received state aid and negotiated discounts	3	12	25	16

NOTE 06. Net finance income

Financial items	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Financial income	15	4	45	55
Financial expenses	-519	-526	-2,109	-2,102
Net financial items	-504	-522	-2,064	-2,046

Financial expenses	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Interest expenses, credit institutions	-18	-12	-47	-53
Interest expenses, convertible bond	-31	-40	-163	-154
Other interest expenses, net	-17	-13	-78	-82
Other items	-11	-30	-87	-68
Interest expenses, IFRS 16	-442	-431	-1,734	-1,745
Total	-519	-526	-2,109	-2,102

NOTE 07. Assets and investments by segment

31 Mar million SEK	Sweden		Norway		Finland		Other Europe		Central functions		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fixed assets	13,185	12,623	7,695	7,948	19,839	19,940	10,528	9,975	2,237	2,189	53,484	52,674
Investments in fixed assets, excl. IFRS 16	95	30	41	29	7	4	109	14	19	8	271	85
Investments in fixed assets, incl. IFRS 16	99	34	41	30	7	4	621	971	19	8	787	1,047

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 amounted to 41,464,787 shares. In 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 first quarter, however, no dilution effect was relevant as the result in the period was negative.

NOTE 09. Interest-bearing net liabilities

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Interest-bearing net liabilities			
Liabilities to credit institutions	982	1,270	980
Other interest-bearing liabilities	714	880	758
Cash and cash equivalents	-534	-285	-1,344
Interest-bearing net liabilities, excl. convertible loan	1,162	1,865	394
Convertible loan	1,140	1,524	1,109
Net debt	2,302	3,389	1,503

NOTE 10. Working capital

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Working capital			
Current assets, excl. cash and bank balances	2,191	2,184	1,619
Current liabilities	-4,515	-4,561	-4,377
Working capital	-2,324	-2,376	-2,758

NOTE 11. Quarterly data

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Financial key ratios, reported						
Net sales	4,419	5,410	6,307	5,693	4,526	5,228
Operating profit/loss	126	502	1,251	833	199	488
Net profit/loss for the period	-327	41	559	271	-302	2
Earnings per share, SEK	-1.73	0.27	2.51	0.98	-1.63	-0.05
Alternative performance measures						
Adjusted EBITDA	33	451	1,173	772	170	476
Adjusted EBITDA margin, %	0.7	8.3	18.6	13.6	3.8	9.1
Net profit/loss for the period excl. IFRS 16	-206	157	683	403	-159	104
Earnings per share, SEK, excl. IFRS 16	-1.10	0.78	3.04	1.55	-0.88	0.49
Net debt excl. convertible loan/adjusted EBITDA, LTM	0.5	0.2	0.1	0.5	0.6	0.6
Net debt/adjusted EBITDA, LTM	0.9	0.6	0.8	1.1	1.2	1.1
Hotel-related key ratios						
RevPAR (revenue per available room), SEK	619	734	933	828	626	695
ARR (average room rate), SEK	1,193	1,268	1,313	1,315	1,169	1,219
OCC (occupancy), %	51.9	57.9	71.0	63.0	53.5	57.0

QUARTERLY DATA PER SEGMENT

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net sales						
Sweden	1,325	1,641	1,862	1,751	1,388	1,658
Norway	1,248	1,469	1,851	1,548	1,313	1,503
Finland	1,061	1,283	1,397	1,264	1,053	1,196
Other Europe	785	1,017	1,196	1,130	771	870
Total net sales	4,419	5,410	6,307	5,693	4,526	5,228
Adjusted EBITDA						
Sweden	66	225	405	270	95	221
Norway	92	170	404	285	152	194
Finland	16	130	245	145	19	124
Other Europe	-26	72	229	186	8	55
Central functions	-115	-146	-110	-114	-104	-117
Total adjusted EBITDA	33	451	1,173	772	170	476
Adjusted EBITDA margin, %	0.7%	8.3%	18.5%	13.6%	3.8%	9.1%

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-Mar 2024	Jan-Mar 2023	31 dec 2023
SEK / EUR			
Income statement (average)	11.2792	11.1969	11.4765
Balance sheet (at end of period)	11.5250	11.2760	11.0960
SEK / NOK			
Income statement (average)	0.9881	1.0201	1.0054
Balance sheet (at end of period)	0.9851	0.9954	0.9871
SEK / DKK			
Income statement (average)	1.5127	1.5043	1.5403
Balance sheet (at end of period)	1.5453	1.5138	1.4888



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 leasing agreements that existed at the end of the first quarter 2024, net profit after tax for 2024 is expected to be negatively impacted by approximately -438 million SEK (2023: -515). With an unchanged portfolio of lease agreements and unchanged assumptions, the negative effect on profit/loss is expected to diminish over time and affect the net profit/loss 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 IFRS 16

	Jan-Mar 2024			Jan-Mar 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Operating income	4,419	-	4,419	4,526	-	4,526
Raw materials and consumables	-349	-	-349	-362	-	-362
Other external expenses	-1,030	-	-1,030	-1,041	-	-1,041
Employee benefits expenses	-1,614	-	-1,614	-1,582	-	-1,582
Rental costs	-343	-1,050	-1,393	-388	-983	-1,371
Pre-opening costs	-2	-	-2	-14	-	-14
Items affecting comparability	-	-	-	-3	-	-3
Depreciation, amortization and impairment losses	-955	760	-196	-938	730	-208
TOTAL OPERATING COSTS	-4,293	-291	-4,584	-4,327	-253	-4,580
Operating profit/loss	126	-291	-165	199	-253	-54
Net financial items	-504	442	-62	-522	431	-91
Profit/loss before taxes	-378	151	-227	-323	178	-145
Taxes	51	-30	21	21	-35	-14
Net profit/loss for the period	-327	121	-206	-302	143	-159

SUMMARY OF REPORTED RENTAL COSTS INCLUDING & EXCLUDING IFRS 16

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Rental costs				
Rental costs, reported	-343	-388	-2,209	-2,164
Effect IFRS 16	-1,050	-983	-4,063	-4,129
Rental costs excl. IFRS 16	-1,393	-1,371	-6,272	-6,293
- of which fixed rental costs	-1,115	-1,043	-4,292	-4,364
- of which variable rental costs	-278	-328	-1,980	-1,930
Fixed and guaranteed rental costs of Net sales	-25.2%	-23.1%	-19.6%	-20.0%
Variable rental costs of Net sales	-6.3%	-7.2%	-9.0%	-8.8%
Total rental costs of Net sales	-31.5%	-30.3%	-28.6%	-28.8%

SUMMARY OF OPERATING PROFIT/LOSS & ADJUSTED EBITDA

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Operating profit/loss	126	199	2,785	2,712
Pre-opening costs	2	14	17	5
Items affecting comparability	-	3	14	12
Depreciation, amortization and impairment losses	955	938	3,812	3,830
Effect IFRS 16	-1,050	-983	-4,063	-4,129
Adjusted EBITDA	33	170	2,566	2,429

FINANCIAL ITEMS, REPORTED VS. CASH FLOW

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Paid/received financial items				
Financial items, reported	-504	-522	-2,064	-2,046
of which interest expenses, IFRS 16	-442	-431	-1,734	-1,745
Financial net, excl. IFRS 16	-62	-91	-330	-301
Adjustments to paid financial items				
Interest expenses, convertible bond (non-cash)	31	40	163	154
Change accrued interest expenses, bank loans	-3	10	6	-7
Other	-	-6	39	45
Total adjustments	28	44	208	192
Paid(-)/received(+) financial items, net	-34	-47	-122	-109

BALANCE SHEET INCLUDING AND EXCLUDING IFRS 16

million SEK	31 Mar 2024			31 Mar 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Assets						
Intangible assets	7,062	-	7,062	7,129	-	7,129
Buildings and land	74	-	74	77	-	77
Right-of-use assets	41,421	-41,421	-	40,610	-40,610	-
Equipment, fixtures and fittings	4,102	-	4,102	4,138	-	4,138
Financial assets	825	-766	59	721	-0	721
Total non-current assets	53,484	-42,187	11,297	52,674	-40,610	12,064
Current assets	2,032	159	2,191	2,034	151	2,184
Derivative instruments	-	-	-	146	-	146
Cash and cash equivalents	534	0	534	285	-0	285
Total current assets	2,566	159	2,725	2,465	151	2,616
Total assets	56,050	-42,028	14,022	55,139	-40,460	14,680
Equity and liabilities						
Equity attributable to Parent Company shareholders	1,718	3,689	5,407	1,609	3,189	4,798
Non-controlling interest	110	-	110	81	-	81
Total equity	1,828	3,689	5,517	1,690	3,189	4,879
Liabilities to credit institutions	982	-	982	1,270	-	1,270
Convertible loan	-	-	-	1,524	-	1,524
Lease liabilities	43,154	-43,154	-	41,886	-41,886	-
Other long-term liabilities	1,206	178	1,384	1,225	809	2,035
Total non-current liabilities	45,342	-42,976	2,366	45,905	-41,076	4,829
Convertible loan	1,140	-	1,140	-	-	-
Current liabilities for leases	2,591	-2,591	-0	2,432	-2,432	0
Derivative instruments	44	-	44	-	-	-
Other current liabilities	5,105	-150	4,955	5,113	-141	4,972
Total current liabilities	8,880	-2,741	6,139	7,545	-2,573	4,972
Total equity and liabilities	56,050	-42,028	14,022	55,139	-40,460	14,680

CASH FLOW ANALYSIS INCLUDING & EXCLUDING IFRS 16

	Jan-Mar 2024			Jan-Mar 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	126	-291	-165	199	-253	-54
Depreciation, amortization and impairment losses	955	-760	196	938	-730	208
Adjustments for non-cash items	22	-	22	15	-	15
Paid tax	-54	-	-54	-50	-	-50
Change in working capital	-435	-	-435	-370	-	-370
Cash flow from operating activities	614	-1,050	-436	732	-983	-251
INVESTING ACTIVITIES						
Paid net investments	-263	-	-263	-91	-	-91
Cash flow from investing activities	-263	-	-263	-91	-	-91
FINANCING ACTIVITIES						
Interest paid/received	-34	-	-34	-14	-	-14
Paid interest, leases	-442	442	-	-431	431	-
Financing costs	-	-	-	-33	-	-33
Net borrowing/amortization	-44	-	-44	374	-	374
Amortization, leases	-609	609	-	-552	552	-
Cash flow from financing activities	-1,129	1,050	-78	-657	983	327
CASH FLOW FOR THE PERIOD	-777	-	-777	-16	-	-16
Cash and cash equivalents at the beginning of the period	1,344	-	1,344	317	-	317
Translation difference in cash and cash equivalents	-33	-	-33	-16	-	-16
Cash and cash equivalents at the end of the period	534	-	534	285	-	285

EARNINGS PER SHARE

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Apr-Mar 23/24
Earnings per share, SEK	-1.73	-1.63	2.86	2.90
Effect IFRS 16	0.63	0.75	2.23	2.25
Earnings per share, SEK, excl. IFRS 16	-1.10	-0.88	5.09	5.15
Average number of outstanding shares after dilution	191,304,116	191,304,116	231,016,258	219,157,937

ADOPTION

The CEO affirms that this interim 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, April 24, 2024

Jens Mathiesen
President & CEO

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 revenue per sold room.

LFL (LIKE-FOR-LIKE)

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

OCC (OCCUPANCY)

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

REVPAR (REVENUE PER AVAILABLE ROOM)

The average room revenue per available room.

PRE-OPENING COSTS

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.

266 HOTELS

130
DESTINATIONS

55,657
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, 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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