

scandic

# INTERIM REPORT

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JANUARY-SEPTEMBER 2024

**Scandic**

*Your friend in town*

# GOOD QUARTER, STABLE BOOKINGS AND CAPITAL RETURNS TO SHAREHOLDERS

## JULY 1 – SEPTEMBER 30, 2024

- Net sales declined by 2.0 percent to 6,182 million SEK (6,307). Organic growth increased by 0.5 percent.
- Average occupancy rate increased to 71.4 percent (71.0).
- Average revenue per available room (RevPAR) increased to 941 SEK (933).
- Operating profit totaled 1,155 million SEK (1,251).
- Adjusted EBITDA<sup>1)</sup> was 1,077 million SEK (1,173).
- Excluding IFRS 16, earnings per share equaled 2.98 SEK (3.04).
- Free cash flow was 659 million SEK (899).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.0x on a rolling 12-month basis.

## JANUARY 1 – SEPTEMBER 30, 2024

- Net sales declined by 0.3 percent to 16,472 million SEK (16,525). Organic growth increased by 0.7 percent.
- Average occupancy rate was 62.5 percent (62.6).
- Average revenue per available room (RevPAR) increased to 811 SEK (797).
- Operating profit totaled 2,209 million SEK (2,283).
- Adjusted EBITDA<sup>1)</sup> was 1,951 million SEK (2,115).
- Excluding IFRS 16, earnings per share equaled 4.14 SEK (4.29).
- Free cash flow was 389 million SEK (1,204).

## EVENTS DURING THE PERIOD

- All remaining convertible bonds were converted into shares.
- Scandic launched a new loyalty program and clarified the ambition to double the number of members by 2030.
- Scandic signed an agreement for a new Scandic Go in Gothenburg and a new Scandic Go in Umeå.
- Scandic signed an agreement for sustainability-linked long-term financing with Nordea, DNB and Svensk Exportkredit.

## EVENTS AFTER THE REPORTING DATE

- The Board of Directors set financial targets for 2025–2027. The target for net debt in relation to adjusted EBITDA was reduced from 2–3x to below 1x. The company's financial targets for growth and profitability, as well as the dividend policy, were clarified and maintained.
- Scandic announced a share buyback program of approximately 300 million SEK that will be launched in December 2024.
- Scandic announced that the Board will convene an extraordinary general meeting that will take place in December 2024 to decide on an extraordinary dividend of approximately 550 million SEK.
- Scandic prepaid the entire debt of 631 million SEK regarding deferred VAT and social security contributions related to the pandemic years to the Swedish Tax Agency in Sweden.
- Scandic established a partnership with SAS with the ambition of creating an even stronger offering for two of the leading loyalty programs in the Nordic hospitality industry.
- Scandic signed an agreement for a new hotel in Stuttgart and opened a new Scandic Go hotel in Stockholm.

## KEY RATIOS

million SEK	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%	Jan-Dec 2023	Oct-Sep 23/24
<b>Financial key ratios, reported</b>								
Net sales	6,182	6,307	-2.0%	16,472	16,525	-0.3%	21,935	21,882
Operating profit/loss	1,155	1,251		2,209	2,283		2,785	2,710
Net profit/loss for the period	536	559		519	528		569	559
Earnings per share, SEK	2.48	2.51		2.58	2.58		2.86	2.84
<b>Alternative performance measures</b>								
Adjusted EBITDA	1,077	1,173		1,951	2,115		2,566	2,402
Adjusted EBITDA margin, %	17.4	18.6		11.8	12.8		11.7	11.0
Net profit/loss for the period excl. IFRS 16	646	683		862	927		1,083	1,018
Earnings per share, SEK, excl. IFRS 16	2.98	3.04		4.14	4.29		5.09	4.91
Net debt	36	1,946		36	1,946		1,503	-
Net debt/adjusted EBITDA, LTM	0.0	0.8		0.0	0.8		0.6	-
<b>Hotel-related key ratios</b>								
RevPAR (revenue per available room), SEK	941	933	0.9%	811	797	1.6%	782	791
ARR (average room rate), SEK	1,317	1,313	0.3%	1,298	1,273	1.9%	1,272	1,290
OCC (occupancy), %	71.4	71.0		62.5	62.6		61.4	61.3
Total number of rooms on reporting date	55,452	55,969	-0.9%	55,452	55,969	-0.9%	55,642	55,452

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



## CEO'S COMMENTS

**“Scandic delivered a good quarter and the booking situation is stable. Our new financial targets reflect that we are well positioned for continued solid growth with good profitability and a balanced risk profile. We intend to return to ordinary dividends, and with the convertible loan behind us, we’ve freed up capital that we’ll now return to the shareholders.”**

Scandic delivered a good quarter with revenue in line with last year's record quarter, and excluding exchange rate effects, growth increased somewhat. We're operating our hotels with improved efficiency and have taken several important steps forward in our commercial development while our pipeline continues to grow with high-quality hotels.

Leisure travel was high during the summer, followed by a stable start to the autumn. Development was good in the largest markets, Sweden and Norway, except for a weak event calendar in Gothenburg, where also market capacity has increased over the past year. Although, we expect the market in Gothenburg to normalize with attractive events next summer. Finland delivers a solid result, however, impacted by a challenging market due to a weak economy. Especially in Helsinki, where demand has been further affected by fewer international guests as a result of its proximity to, and closed border with Russia. During the year, we have been optimizing operations to ensure good profitability, and during the third quarter, we carried out a reorganization to further increase cost efficiency. This makes us well-positioned when the market turns.

Development in Denmark continued to be good, and the somewhat lower revenues were the result of having fewer available rooms compared with the previous year, mainly due to exiting several hotels to optimize our hotel portfolio.

Revenues were in line with last year's quarter, despite the challenging market in Finland and Gothenburg, fewer available rooms and exchange rate effects. Restaurant and conference revenues were impacted by the above-mentioned factors as well as the fact that we continued to optimize our operations in Finland from a profitability perspective, for example, by adjusting opening hours. Excluding non-recurring items of -15 million SEK (31), we delivered a good, adjusted EBITDA of 1,092 million SEK (1,142), corresponding to a margin of 17.7 percent (18.1).

We continue to grow in Germany, and at the beginning of October, an agreement was signed for a new hotel in central Stuttgart, which is expected to open after renovation at the end of next year. During the quarter, we signed agreements for a new Scandic Go in Gothenburg and a new Scandic Go in Umeå, and in October, we also opened our second Scandic Go hotel in Stockholm. There is great interest in Scandic Go and I feel confident in our growth ambitions moving forward.

During the quarter, we launched a completely redesigned version of our loyalty program, Scandic Friends. Offering more attractive membership benefits and a more personalized digital ecosystem will enable us to create even stronger loyalty and offer more relevant experiences. With about three million

members, Scandic Friends is the largest loyalty program in the Nordic hotel market, and we aim to double the number of members by 2030. After the end of quarter, we also announced an exciting new partnership with SAS to create smoother, more personalized travel and hotel experiences for more than 11 million members in two of the largest loyalty programs in the Nordic hospitality industry.

Scandic has established a strong commercial position and is largely debt-free. To reflect this and our positive view of the future and a more balanced risk profile, the board decided to lower the target for net debt in relation to adjusted EBITDA from 2-3x to below 1x. At the same time, we'll maintain our current growth and profitability targets as well as the dividend policy. The convertible loan has now been converted, freeing up capital that we will return to shareholders. In addition to the ordinary dividend, the ambition is to return at least 1,200 million SEK to shareholders between 2024 and 2026, either through share buybacks or extraordinary dividends. As a first step, we will launch a share buyback program of approximately 300 million SEK in December. The board will also convene an extraordinary general meeting in December 2024 to resolve on an extraordinary dividend of approximately 550 million SEK.

In addition, we prepaid the entire debt of 631 million SEK for deferred VAT and social security contributions from the pandemic years to the Swedish Tax Agency..

We expect a stable fourth quarter with occupancy and room rates in line with the same period last year. Demand in the Nordic hotel market is good and should be impacted positively by more normalized interest rates and the monetary policy measures being implemented to improve purchasing power. During the year, we have also further fortified the company's commercial and financial position and created good conditions for continued solid growth while maintaining high efficiency and good cost control.



**JENS MATHIESEN**  
President & CEO

# NORDIC HOTEL MARKET

**Historically, demand in the Nordic hotel market has grown steadily. The hotel market is expected to continue growing steadily at an average rate of 3 percent per year between 2024 and 2028.**

## GOOD DEMAND

Demand in the Nordic hotel market remained good, with slightly higher occupancy rates compared with the same period last year.

Occupancy increased most in Norway, where the occupancy rate grew to 71.0 percent (68.7). In Denmark, occupancy went up to 79.1 percent (78.2) and in Sweden to 71.7 percent (70.9). In Finland, occupancy decreased slightly, primarily due to the weak macroeconomic situation. Demand was also affected by the lower number of international travelers, impacted by the country's proximity to, and closed border with Russia.

Occupancy was highest in August and lowest in September. During July, average occupancy rates in the Nordic markets were between 65.8 and 75.6 percent. In August, occupancy ranged from 65.8 percent to 82.6 percent, and in September

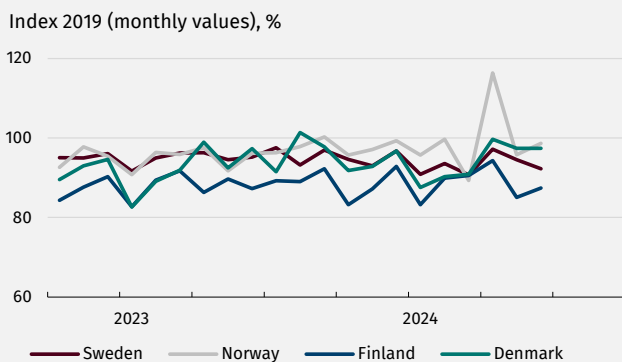
from 60.3 percent to 79.0 percent. Compared with the third quarter 2019, occupancy was 2.5 percentage points lower.

## POSITIVE PRICE DEVELOPMENT

Compared with the third quarter last year, average room rates grew 3.3 percent in the Nordic markets. Rates increased most in Norway where they went up by 6.0 percent and in Denmark by 2.2 percent. In Sweden, room rates went up by 1.6 percent and in Finland by 0.5 percent.

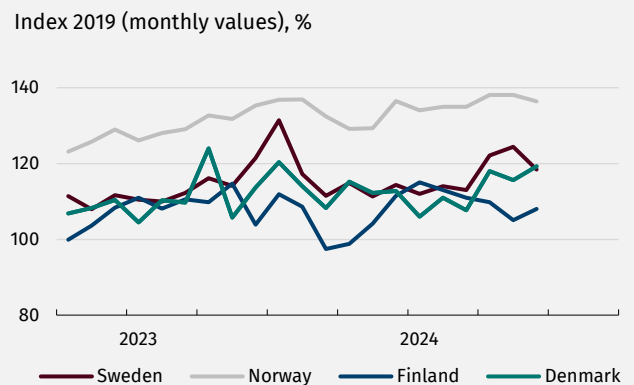
Compared with the third quarter 2019, average room rates rose by 27.0 percent and RevPAR grew 24.8 percent. Compared with the third quarter 2023, average room rates rose by 3.3 percent and RevPAR grew 5.2 percent.

## MARKET OCCUPANCY



Source: Benchmark Alliance.

## MARKET PRICE DEVELOPMENT



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.

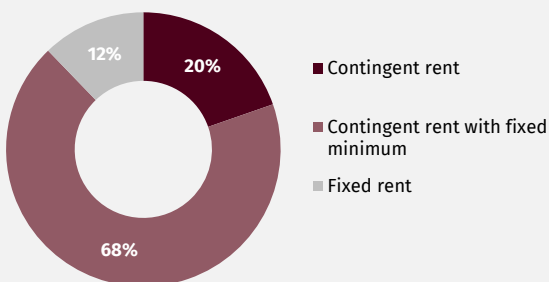
The leasing model helps Scandic ensure a high quality offering while benefiting from economies of scale in operations and distribution.

## 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 mean 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.

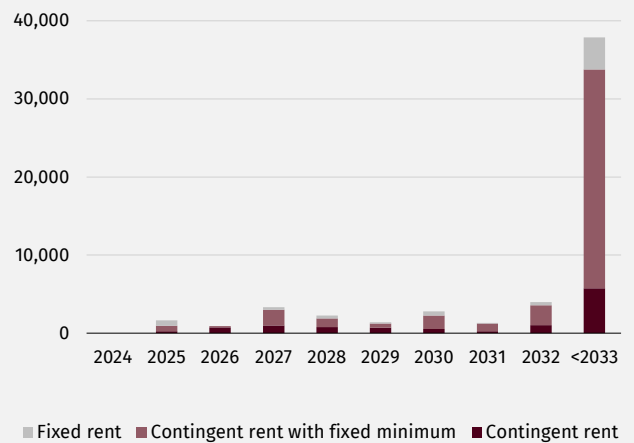
### SHARE OF LEASE AGREEMENTS

NUMBER OF ROOMS



### REMAINING LEASE TERMS

NUMBER OF ROOMS



At the end of the period, Scandic had 55,452 hotel rooms in operation at 264 hotels, of which 244 had lease agreements. In total, the number of rooms in operation has increased by 190 during 2024. No hotels were exited or opened during the quarter.

	Jul-Sep 2024	Jan-Sep 2024
<b>Portfolio changes (number of rooms)</b>		
<b>Opening balance</b>		
Lease agreements	52,940	52,806
Franchise, management & other	2,626	2,836
<b>Total</b>	<b>55,566</b>	<b>55,642</b>
<b>Total change lease agreements</b>	<b>-114</b>	<b>20</b>
<b>Change in other operating models</b>	<b>-</b>	<b>-210</b>
<b>Total change</b>	<b>-114</b>	<b>-190</b>
<b>Closing balance</b>		
Lease agreements	52,826	52,826
Franchise, management & other	2,626	2,626
<b>Total</b>	<b>55,452</b>	<b>55,452</b>



## NUMBER OF HOTELS & ROOMS IN OPERATION

### In operation as at 30 Sep, 2024

	Hotels	of which lease agreements	Rooms	of which lease agreements
Sweden	86	80	18,392	17,600
Norway	81	67	16,010	14,176
Finland	61	61	12,705	12,705
Denmark	27	27	5,577	5,577
Other Europe	9	9	2,768	2,768
<b>Total</b>	<b>264</b>	<b>244</b>	<b>55,452</b>	<b>52,826</b>
<i>Change during the quarter</i>			-114	-114

## 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 10 new planned hotels with 2,235 rooms. A total of 238 rooms have been approved for expansions. Investments in the pipeline are expected to total approximately 802 million SEK of which investments of 85 million SEK have already been made.

## NUMBER OF HOTELS IN OPERATION & PIPELINE

### In pipeline as at 30 Sep, 2024

	New hotels	Planned exits	Total	New rooms	Planned exits	Total
Sweden	4	-	4	936	-	936
Norway	2	-	2	532	-	532
Finland	3	-	3	603	-	603
Denmark	1	-	1	402	-	402
Other Europe	-	-	-	-	-	-
<b>Total</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>2,473</b>	<b>-</b>	<b>2,473</b>
<i>Change during the quarter</i>	2	-	2	273	-	273

# 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.**

## JULY – SEPTEMBER 2024

Net sales declined by 2.0 percent to 6,182 million SEK (6,307). Exchange rate effects had a negative impact of 159 million SEK or -2.5 percent on net sales. The number of available rooms at the end of the quarter was 0.9 percent lower compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 0.5 percent. Sales for comparable units grew by 2.6 percent.

Average revenue per available room (RevPAR) rose by 0.9 percent to 941 SEK compared with 933 SEK during the previous year. RevPAR improved in all markets except Finland compared with the corresponding period last year. Average room rates rose by 0.3 percent to 1,317 million SEK compared with the third quarter 2023.

Revenue from restaurant and conference operations decreased with 6.0 percent. The share of net sales was 24.0 percent (24.9).

## REPORTED RESULTS

The operating profit was 1,155 million SEK (1,251). Pre-opening costs of -9 million SEK (0) for new hotels were included in the operating profit for the quarter. Items affecting comparability amounted to -18 million SEK (0) related to costs associated with organizational changes in Finland. Depreciation and amortization totaled -967 million SEK (-970).

The Group's net financial expense amounted to -473 million SEK (-510).

The profit before tax was 682 million SEK (741) and reported tax amounted to -146 million SEK (-182). Net profit was 536 million SEK (559).

Costs for central functions increased and amounted to -120 million SEK (-110), mainly because of the high level of activity within digital development and measures to strengthen IT and commercial initiatives.

Earnings per share after dilution totaled 2.48 SEK per share (2.51).

## EXCLUDING EFFECTS OF IFRS 16

Rental costs increased somewhat to amount to -1,788 million SEK (-1,764). Rental costs relative to net sales rose and totaled 28.9 percent (27.9). The increase compared with the corresponding period last year is mainly attributable to the indexing of fixed lease costs and new hotels with a higher proportion of fixed lease costs. Depreciation and amortization totaled -203 million SEK (-213).

Adjusted EBITDA was 1,077 million SEK (1,173) and adjusted EBITDA excluding non-recurring items totaled 1,092 million SEK (1,142), which corresponds to a margin of 17.7 percent (18.1). During the quarter, non-recurring items amounted to -15 million SEK (31) related to additional costs from previous years' operations to house refugees in Norway. Exchange rate effects had a negative effect of 22 million SEK on adjusted EBITDA.

The Group's net financial expense amounted to -28 million SEK (-67). Interest expenses totaled -34 million SEK (-71) and were impacted positively by lower debt, including the conversion of the convertible loan and lower interest margins in new external financing. The profit before tax was 819 million SEK (894) and the net profit was 646 million SEK

(683). Earnings per share after dilution totaled 2.98 SEK (3.04) per share.

## JANUARY – SEPTEMBER 2024

Net sales declined by 0.3 percent to 16,472 million SEK (16,525). Exchange rate effects had a negative impact of 166 million SEK or -1.0 percent on net sales. The number of available rooms at the end of the quarter decreased by 0.9 percent compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 0.7 percent. Sales for comparable units grew by 1.9 percent.

Average revenue per available room (RevPAR) rose by 1.6 percent to 811 SEK compared with 797 SEK the previous year. Except for in Finland, RevPAR improved in all markets compared with during the corresponding period previous year. The average room rate continued to rise and amounted to 1,298 SEK, an increase of 1.9 percent compared with the corresponding period last year.

Revenue from restaurant and conference operations decreased by 3.3 percent. The share of net sales amounted to 26.8 percent (27.6).

### REPORTED RESULTS

The operating profit was 2,209 million SEK (2,283). The operating profit include pre-opening costs for new hotels of -22 million SEK (-16). Items affecting comparability amounted to -18 million SEK (-3) related to costs associated with organizational changes in Finland. Depreciation and amortization totaled -2,897 million SEK (-2,850). This increase was impacted by additional depreciation and amortization of 67 million SEK due to IFRS 16.

The Group's net financial expense totaled -1,496 million SEK (-1,535).

The profit before tax was 712 million SEK (747) and reported tax amounted to -193 million SEK (-219). Net profit was 519 million SEK (528).

Costs for central functions increased and amounted to -371 million SEK (-328), mainly due to the high level of activity within digital development and measures to strengthen IT and commercial initiatives.

Earnings per share after dilution totaled 2.58 SEK per share (2.58). The calculation of earnings per share includes the full dilutive effect, as the profit for the period attributable to the Parent Company's shareholders was positive.

### EXCLUDING EFFECTS OF IFRS 16

Rental costs increased to 4,865 million SEK (4,739). Rental costs in relation to net sales amounted to 29.6 percent (28.6). The increase compared with the corresponding period last year is mainly attributable to the indexing of fixed lease costs and new hotels with a higher proportion of fixed lease costs. Amortization and depreciation amounted to -605 million SEK (-625).

Adjusted EBITDA was 1,951 million SEK (2,115) and adjusted EBITDA excluding non-recurring items totaled 1,929 million SEK (2,023), which corresponds to a margin of 11.7 percent (12.1). During the period, non-recurring items amounted to 22 million SEK (92). Compensation from January to June for operations related to unused housing for refugees in Norway amounted to 14 million SEK, with additional costs of -15 million SEK related to previous years' operations to house refugees in Norway, as well as compensation amounting to 23 million SEK in connection with exiting hotels. Exchange rate effects had a negative effect of -25 million SEK on adjusted EBITDA.

The Group's net financial expense amounted to -168 million SEK (-230). Interest expenses totaled -171 million SEK (-202) and were impacted positively by lower debt, including the conversion of the convertible loan and lower interest margins in new external financing. The profit before tax was 1,138 million SEK (1,243) and the net profit was 862 million SEK (927). Earnings per share after dilution totaled 4.14 SEK (4.29) per share.

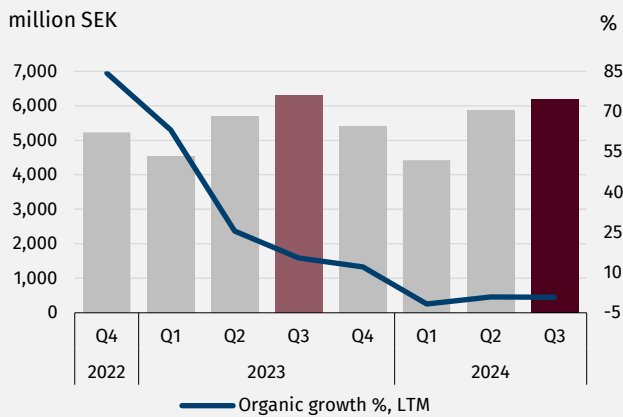
### SEASONAL VARIATIONS

Scandic operates in a sector affected by seasonal variations. The first quarter and other periods with low levels of business travel such as Easter and Christmas/New Years are generally the weakest periods. Easter falls either in the first or second quarter, which needs to be considered when making year-to-year comparisons. In 2024, Easter occurred in the first quarter, while in 2023, as well as in 2022 and 2019, Easter occurred in the second quarter.

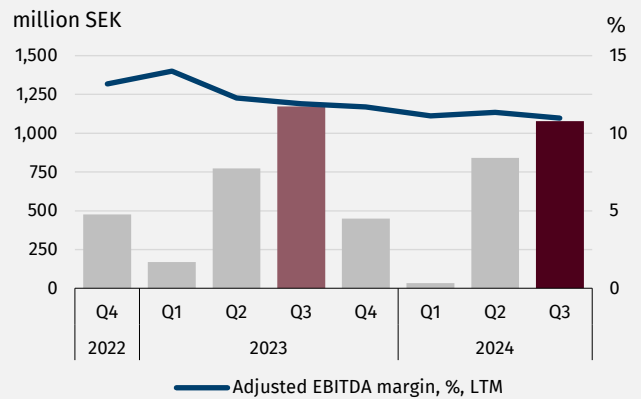


## NET SALES, OPERATING PROFIT & ADJUSTED EBITDA

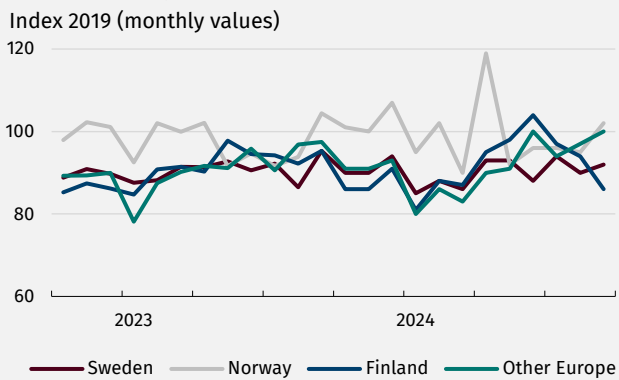
### NET SALES



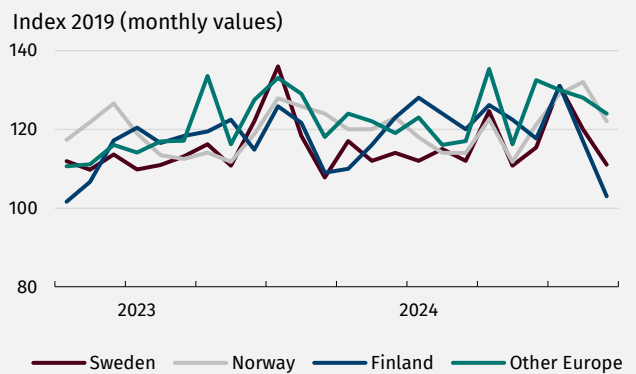
### ADJUSTED EBITDA



### OCCUPANCY, SCANDIC



### AVERAGE ROOM RATES, SCANDIC



	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%
<b>Net sales (million SEK)</b>	<b>6,182</b>	<b>6,307</b>	<b>-2.0%</b>	<b>16,472</b>	<b>16,525</b>	<b>-0.3%</b>
Currency effects	-159		-2.5%	-166		-1.0%
Organic growth	34		0.5%	113		0.7%
New hotels	73		1.2%	177		1.1%
Exits	-203		-3.2%	-383		-2.3%
LFL	163		2.6%	320		1.9%
<b>Operating profit/loss</b>	<b>1,155</b>	<b>1,251</b>		<b>2,209</b>	<b>2,282</b>	
margin, %	18.7%	19.8%		13.4%	13.8%	
<b>Adjusted EBITDA</b>	<b>1,077</b>	<b>1,173</b>		<b>1,951</b>	<b>2,115</b>	
margin, %	17.4%	18.6%		11.8%	12.8%	
<b>RevPAR (SEK)</b>	<b>941</b>	<b>933</b>	<b>0.9%</b>	<b>811</b>	<b>797</b>	<b>1.6%</b>
Currency effects	-23		-2.4%	-8		-1.0%
New hotels/exits	-1		-0.1%	-0		-0.0%
LFL	32		3.4%	22		2.7%
<b>ARR (SEK)</b>	<b>1,317</b>	<b>1,313</b>	<b>0.3%</b>	<b>1,298</b>	<b>1,273</b>	<b>1.9%</b>
<b>OCC %</b>	<b>71.4%</b>	<b>71.0%</b>		<b>62.5%</b>	<b>62.6%</b>	

Quarter Jul-Sep million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2024	2023	2024	2023	2024	2023
Sweden	1,873	1,862	406	405	21.7%	21.7%
Norway	1,783	1,851	353	404	19.8%	21.8%
Finland	1,311	1,397	223	245	17.0%	17.6%
Other Europe	1,215	1,196	215	229	17.7%	19.2%
Central functions	-	-	-120	-110	-	-
<b>Total Group</b>	<b>6,182</b>	<b>6,307</b>	<b>1,077</b>	<b>1,173</b>	<b>17.4%</b>	<b>18.6%</b>

Period, Jan-Sep million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2024	2023	2024	2023	2024	2023
Sweden	4,953	5,002	760	770	15.3%	15.4%
Norway	4,667	4,712	733	841	15.7%	17.9%
Finland	3,619	3,715	401	410	11.1%	11.0%
Other Europe	3,233	3,097	427	422	13.2%	13.6%
Central functions	-	-	-371	-328	-	-
<b>Total Group</b>	<b>16,472</b>	<b>16,525</b>	<b>1,951</b>	<b>2,115</b>	<b>11.8%</b>	<b>12.8%</b>



# 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 September was 1,095 million SEK (1,514). The cash flow contribution from the change in working capital amounted to -709 million SEK (-507).

Working capital was negatively impacted by the repayment of variable rent debts of 435 million SEK for 2023.

Taxes paid amounted to -109 million SEK (-94) and refer to payment of taxes for previous years, primarily in Norway.

Net investments paid amounted to -707 million SEK (-309), mainly due an increase in investments of -476 million SEK (-251) in ongoing hotel renovations in Stockholm, Copenhagen, Gothenburg, Vasa, Trollhättan and Oslo, among others. Investments in IT totaled -71 million SEK (-33), which increased due to the higher pace of digitalization compared with last year. Investments in new hotels and increased room capacity amounted to -159 million SEK (-25), with the new hotel in Nuremberg, Germany having the greatest impact. In total, free cash flow was 389 million SEK (1,204).

## OPERATING CASH FLOW

million SEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Adjusted EBITDA	1,077	1,173	1,951	2,115	2,566	2,402
Pre-opening costs	-9	0	-22	-16	-17	-23
Items affecting comparability	-18	-	-18	-3	-14	-30
Adjustments for non-cash items	23	-11	69	44	98	123
Paid tax	-4	-15	-109	-94	-109	-124
Change in working capital	-245	-160	-709	-507	-192	-394
Interest paid	-3	12	-67	-25	-57	-99
<b>Cash flow from operations</b>	<b>821</b>	<b>999</b>	<b>1,095</b>	<b>1,514</b>	<b>2,275</b>	<b>1,856</b>
Paid investments in hotel renovations	-89	-82	-476	-251	-434	-659
Paid investments in IT	-21	-11	-71	-33	-59	-97
<b>Free cash flow before investments in expansions</b>	<b>711</b>	<b>906</b>	<b>548</b>	<b>1,230</b>	<b>1,782</b>	<b>1,101</b>
Paid investments in new capacity	-52	-7	-159	-25	-28	-162
<b>Free cash flow</b>	<b>659</b>	<b>899</b>	<b>389</b>	<b>1,204</b>	<b>1,754</b>	<b>940</b>
Accrued interest, convertible loan	-9	-43	-70	-125	-163	-108
Conversion, convertible loan	972	-	1,179	-	-	1,179
Repurchase convertible bond	-	-	-	-	-630	-630
Other items in financing activities	-15	-1	-22	-86	-86	-22
Transaction costs	13	-3	8	1	-1	6
Exchange difference in net debt	3	24	-17	-31	-5	9
<b>Change in net debt</b>	<b>1,623</b>	<b>876</b>	<b>1,467</b>	<b>963</b>	<b>869</b>	<b>1,374</b>

## FINANCIAL POSITION

The balance sheet total on September 30, 2024, was 56,422 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 16,166 million SEK, compared with 14,613 million SEK on December 31, 2023.

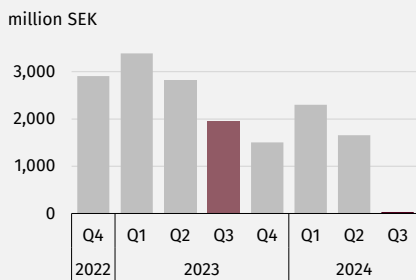
On September 30, 2024, interest-bearing net liabilities totaled 36 million SEK, a decrease of 1,467 million SEK compared with December 31, 2023. Debts to credit institutions totaled 972 million SEK, other interest-bearing liabilities amounted to 631 million SEK and cash and cash equivalents totaled 1,567 million SEK. At the end of the period, all outstanding convertible bonds had been converted and the convertible loan therefore amounted to 0 million SEK. Interest-bearing net debt in relation to adjusted EBITDA for the most recent 12 months amounted

to 0.0x, which is lower than both at the end of 2023 (0.6) and at year-end 2019 (1.7).

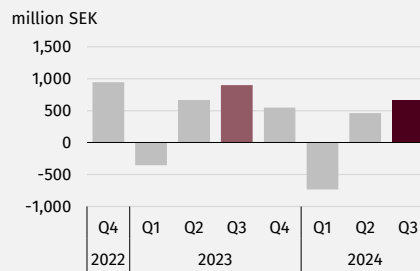
On July 1, Scandic signed an agreement for new sustainability-linked and long-term bank financing with a total credit facility of 3,250 million SEK and a term of three years (with the option to extend by two years). Total available liquidity at the end of the period amounted to approximately 3,740 million SEK.

Other interest-bearing liabilities of 631 million SEK include debt relating to deferred VAT payments and social security contributions in Sweden. Debt during the year has decreased by 127 million SEK net as a result of amortization. The amortization plan extends to September 2027. Scandic intends to repay this debt in full by the end of 2024.

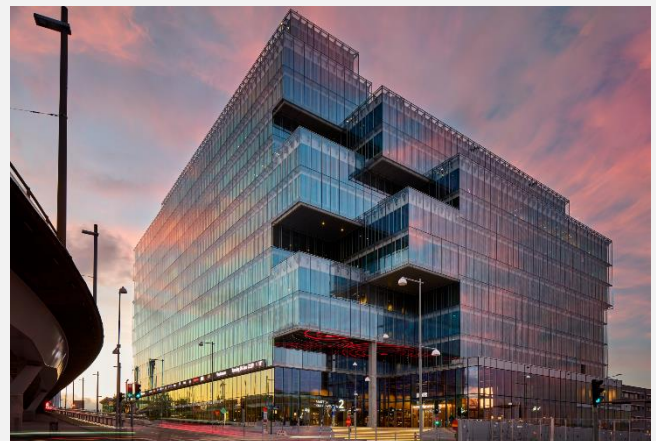
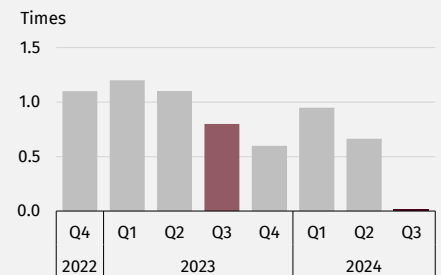
### INTEREST-BEARING NET LIABILITIES



### 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 86 hotels and more than 18,000 hotel rooms in the country.**

## JULY – SEPTEMBER

Net sales rose by 0.6 percent to 1,873 million SEK (1,862). For comparable units, net sales fell by 1.2 percent. Development in Gothenburg was weaker compared with the previous year due to weak entertainment calendar as well as increased room capacity in the market.

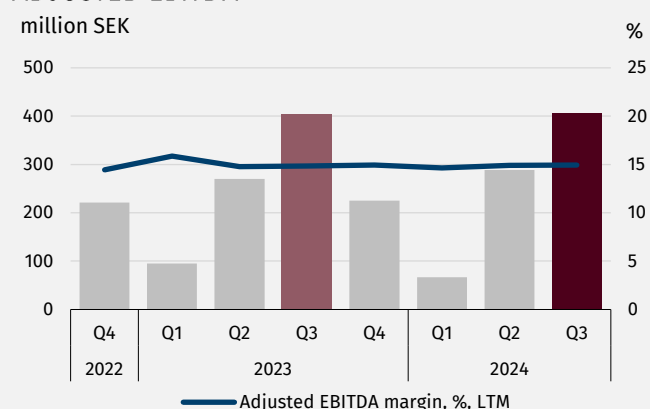
Changes in the hotel portfolio contributed 14 million SEK net. Scandic Södra Kajen, which reopened in June 2024, had the greatest positive impact. Scandic Foresta and Scandic Skogshöjd, which were exited at the end of 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 892 SEK, 0.7 percent higher than during the corresponding quarter last year. Adjusted EBITDA was 406 million SEK (405). Rental costs rose by 13 million SEK to 539 million SEK.

## JANUARY – SEPTEMBER

Net sales declined by 1.0 percent to 4,953 million SEK (5,002). For comparable units, net sales decreased by 1.0 percent. Development in Gothenburg was weaker compared with the previous year because of a weak entertainment calendar as well as increased room capacity in the market.

## ADJUSTED EBITDA



Changes in the hotel portfolio contributed -18 million SEK net. Scandic Foresta and Scandic Skogshöjd, which were exited at the end of 2023, had the greatest negative impact. Scandic Södra Kajen, which reopened in June 2024, had the greatest positive impact.

Average Revenue Per Available Room (RevPAR) increased by 0.8 percent to 781 SEK compared with the previous year. Adjusted EBITDA was 760 million SEK (770). Rental costs rose by 25 percent to 1,468 million SEK.

	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%
<b>Net sales (million SEK)</b>	<b>1,873</b>	<b>1,862</b>	<b>0.6%</b>	<b>4,953</b>	<b>5,002</b>	<b>-1.0%</b>
Organic growth	11		0.6%	-48		-1.0%
New hotels	38		2.1%	61		1.2%
Exits	-24		-1.3%	-79		-1.6%
LFL	-3		-0.2%	-29		-0.6%
<b>Adjusted EBITDA</b>	<b>406</b>	<b>405</b>		<b>760</b>	<b>770</b>	
margin, %	21.7%	21.7%		15.3%	15.4%	
<b>RevPAR (SEK)</b>	<b>892</b>	<b>886</b>	<b>0.7%</b>	<b>781</b>	<b>776</b>	<b>0.8%</b>
New hotels/exits	5		0.5%	5		0.7%
LFL	1		0.2%	1		0.1%
ARR (SEK)	1,238	1,239	-0.1%	1,235	1,218	1.4%
OCC %	72.1%	71.5%		63.3%	63.7%	

# NORWAY

**With a nationwide network of 81 hotels offering more than 16,000 rooms, Scandic is Norway's second largest hotel company.**

## JULY – SEPTEMBER

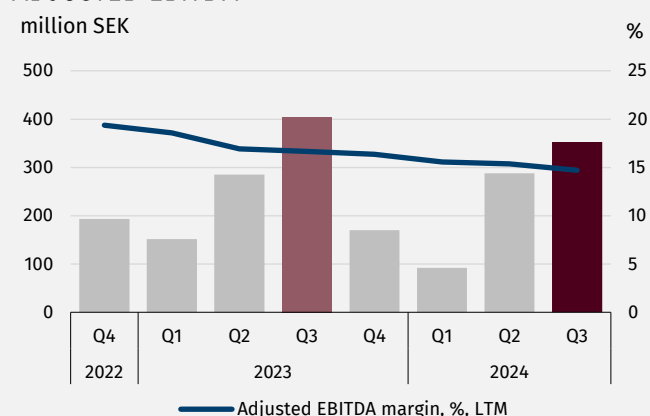
Net sales declined by 3.7 percent to 1,783 million SEK (1,851). Changes in the hotel portfolio contributed -77 million SEK net. The most negative impact was from Scandic Gardemoen, which closed for renovations in July 2024.

Average revenue per available room (RevPAR) was 973 SEK, 2.8 percent higher than during the corresponding quarter last year. Adjusted EBITDA was 353 million SEK (404). Rental costs were in line with the same quarter last year and amounted to 500 million SEK. Of adjusted EBITDA, approximately -15 million SEK refers to additional costs from previous years for operations to house refugees. Income for similar operations amounted to 11 million SEK during the same quarter last year.

## JANUARY – SEPTEMBER

Net sales declined by 0.9 percent to 4,667 million SEK (4,712). Net sales for comparable units grew by 4.8 percent. Changes in the hotel portfolio contributed -143 million SEK net. Scandic Gardemoen, which closed for renovations in July 2024, had the greatest negative impact as well as Scandic Ringsaker and Scandic Havna Tjøme, which were exited during the period.

## ADJUSTED EBITDA



Average Revenue Per Available Room (RevPAR) increased by 3.8 percent to 820 SEK compared with the previous year.

Adjusted EBITDA was 733 million SEK (841). Approximately 14 million SEK of adjusted EBITDA (49) was attributable to operations related to housing for refugees that was not used. During the period, additional costs of approximately -15 million SEK related to previous years' refugee operations were included.

Rental costs rose by 7 million SEK to 1,289 million SEK.

	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%
<b>Net sales (million SEK)</b>	<b>1,783</b>	<b>1,851</b>	<b>-3.7%</b>	<b>4,667</b>	<b>4,712</b>	<b>-0.9%</b>
Currency effects	-97		-5.2%	-129		-2.7%
Organic growth	28		1.5%	85		1.8%
New hotels	-		-	-		-
Exits	-77		-4.1%	-143		-3.0%
LFL	105		5.7%	227		4.8%
<b>Adjusted EBITDA</b>	<b>353</b>	<b>404</b>		<b>733</b>	<b>841</b>	
margin, %	19.8%	21.8%		15.7%	17.9%	
<b>RevPAR (SEK)</b>	<b>973</b>	<b>947</b>	<b>2.8%</b>	<b>820</b>	<b>790</b>	<b>3.8%</b>
Currency effects	-51		-5.4%	-23		-2.9%
New hotels/exits	-9		-1.0%	-4		-0.5%
LFL	86		9.1%	56		7.1%
ARR (SEK)	1,351	1,329	1.6%	1,310	1,277	2.6%
OCC %	72.1%	71.3%		62.6%	61.8%	

# FINLAND

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

## JULY – SEPTEMBER

Net sales declined by 6.2 percent to 1,311 million SEK (1,397). For comparable units, net sales decreased by 2.1 percent, mainly due a weak macroeconomic development in combination with increased capacity in Helsinki and Vanda. Demand was further impacted by fewer international guests as a result of the closed border with Russia.

Changes in the hotel portfolio contributed -24 million SEK net. Scandic Lahti City, which has been closed for renovations since the spring 2024, had the greatest negative impact.

Average revenue per available room (RevPAR) was 821 SEK, 3.2 percent lower than during the corresponding quarter last year.

Adjusted EBITDA was 223 million SEK (245). Rental costs fell by 20 million SEK to 406 million SEK.

## JANUARY – SEPTEMBER

Net sales declined by 2.6 percent to 3,619 million SEK (3,715). For comparable units, net sales decreased by 0.9 percent because of lower demand and new capacity in Helsinki/Vanda. The strike at the beginning of April also had a negative effect on net sales.

Changes in the hotel portfolio contributed -44 million SEK net. Scandic Lahti City, which has been closed for

## ADJUSTED EBITDA



renovations since the spring 2024, had the greatest negative impact.

Average Revenue Per Available Room (RevPAR) decreased by 0.9 percent to 726 SEK compared with the previous year.

Adjusted EBITDA was 401 million SEK (410).

Rental costs fell by 13 million SEK to 1,172 million SEK.

	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%
<b>Net sales (million SEK)</b>	<b>1,311</b>	<b>1,397</b>	<b>-6.2%</b>	<b>3,619</b>	<b>3,715</b>	<b>-2.6%</b>
Currency effects	-33		-2.4%	-20		-0.5%
Organic growth	-54		-3.8%	-76		-2.0%
New hotels	-		-	-		-
Exits	-24		-1.7%	-44		-1.2%
LFL	-29		-2.1%	-32		-0.9%
<b>Adjusted EBITDA</b>	<b>223</b>	<b>245</b>		<b>401</b>	<b>410</b>	
margin, %	17.0%	17.6%		11.1%	11.0%	
<b>RevPAR (SEK)</b>	<b>821</b>	<b>848</b>	<b>-3.2%</b>	<b>726</b>	<b>733</b>	<b>-0.9%</b>
Currency effects	-20		-2.3%	-4		-0.6%
New hotels/exits	-0		-0.0%	-1		-0.2%
LFL	-7		-0.8%	-1		-0.2%
ARR (SEK)	1,268	1,293	-1.9%	1,270	1,262	0.6%
OCC %	64.7%	65.5%		57.2%	58.1%	

# 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 27 hotels and more than 5,500 hotel rooms. Outside of the Nordic region, the company operates nine hotels with more than 2,700 hotel rooms.**

## JULY – SEPTEMBER

Net sales rose by 1.6 percent to 1,215 million SEK (1,196). Net sales for comparable units grew by 6.0 percent.

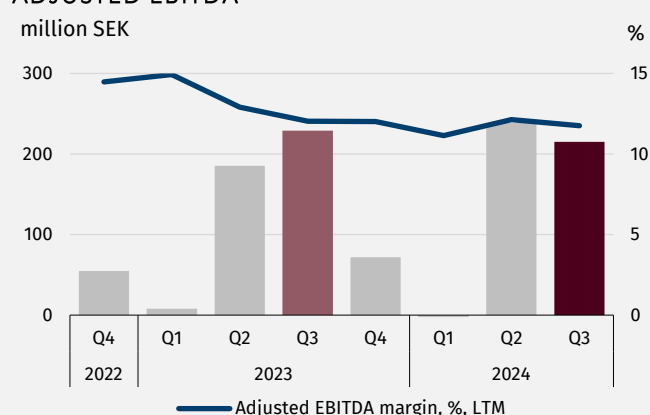
Changes in the hotel portfolio contributed -24 million SEK net. Scandic Nürnberg Central, which opened at the beginning of 2024, had the greatest positive impact. The hotel had a great start and is contributing positively to profits. Scandic The Reef, which was exited during the second quarter 2024, had the greatest negative impact.

Average revenue per available room (RevPAR) was 1,167 SEK, 2.7 percent higher than during the corresponding quarter last year. Adjusted EBITDA was 215 million SEK (229). Rental costs rose by 32 million SEK to 343 million SEK.

## JANUARY – SEPTEMBER

Net sales rose by 4.4 percent to 3,233 million SEK (3,097). For comparable units, net sales increased by 5.0 percent. Changes in the hotel portfolio contributed -1 million SEK net. Scandic Nürnberg Central, which opened during the first quarter 2024, had the greatest positive impact. Scandic The Reef, which was exited during the second quarter 2024, had the greatest negative impact. Average Revenue Per Available Room (RevPAR) increased by 3.1 percent to 986

## ADJUSTED EBITDA



SEK compared with the previous year. Adjusted EBITDA improved, totaling 427 million SEK (422). During the period, compensation of 23 million SEK was received in connection with exiting Scandic The Reef. In the comparative period, compensation of 23 million SEK was received in connection with opening hotels. Rental costs increased by 106 million SEK to 935 million SEK as a result of new hotels, higher turnover and consequently, higher variable rents and lower rent concessions.

	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%
<b>Net sales (million SEK)</b>	<b>1,215</b>	<b>1,196</b>	<b>1.6%</b>	<b>3,233</b>	<b>3,097</b>	<b>4.4%</b>
Currency effects	-29		-2.4%	-17		-0.5%
Organic growth	48		4.0%	153		4.9%
New hotels	35		2.9%	116		3.7%
Exits	-59		-4.9%	-117		-3.8%
LFL	72		6.0%	154		5.0%
<b>Adjusted EBITDA</b>	<b>215</b>	<b>229</b>		<b>427</b>	<b>422</b>	
margin, %	17.7%	19.2%		13.2%	13.6%	
<b>RevPAR (SEK)</b>	<b>1,167</b>	<b>1,137</b>	<b>2.7%</b>	<b>986</b>	<b>957</b>	<b>3.1%</b>
Currency effects	-24		-2.1%	-5		-0.5%
New hotels/exits	-5		-0.4%	-10		-1.0%
LFL	60		5.2%	44		4.6%
ARR (SEK)	1,478	1,458	1.4%	1,434	1,394	2.9%
OCC %	79.0%	77.9%		68.8%	68.7%	



# OTHER INFORMATION

## EVENTS DURING THE PERIOD

All remaining convertible bonds were converted into shares. Scandic launched a new loyalty program and aims to double the number of members by 2030. Scandic also signed an agreement for a new 176-room Scandic Go in Gothenburg and a new 100-room Scandic Go in Umeå. In addition, Scandic signed an agreement for new sustainability-linked long-term financing.

## EVENTS AFTER THE REPORTING DATE

The Board of Directors set financial targets for 2025-2027. The target for net debt in relation to adjusted EBITDA was lowered from 2-3x to below 1x. The company's financial targets for growth and profitability, as well as the dividend policy, were clarified and maintained. Scandic announced a share buyback program of approximately 300 million SEK that will be launched in December 2024. Scandic announced that the board will convene an extraordinary general meeting that will take place in December 2024 to decide on an extraordinary dividend of approximately SEK 550 million. Scandic established a partnership with SAS with the ambition of creating an even stronger offering for two of the leading loyalty programs in the Nordic hospitality industry. Scandic also signed an agreement for a new 174-room hotel in Stuttgart and opened a new Scandic Go hotel with 234 rooms in Stockholm.

## OUTLOOK

For the fourth quarter, Scandic anticipates occupancy levels and room rates in line with the corresponding period last year.

## PRESENTATION OF THE REPORT

A live streamed presentation of Scandic's Interim Report Q3 will take place on October 30, 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](https://scandichotelsgroup.com).

## FINANCIAL CALENDAR

<b>2025-02-19</b>	Year-End Report 2025
<b>2025-04-15</b>	Interim Report Q1 2025
<b>2025-05-06</b>	2025 Annual General Meeting
<b>2025-07-16</b>	Interim Report Q2 2025

## THE SHARE

The number of shareholders totaled 53,880 on September 30, 2024. The total number of shares was 219,157,922 and the closing price on September 30, 2024, was 70.65 SEK.

## SHAREHOLDERS, SEPTEMBER 30, 2024

	Number of Shareholding, shares	Shares, %	Votes, %
Eiendomsspar	32,263,233	14.72	14.72
Stena Sessan	29,016,865	13.24	13.24
AMF Pension & Fonder	28,738,714	13.11	13.11
Handelsbanken Fonder	10,661,659	4.86	4.86
Norges Bank	7,533,569	3.44	3.44
Svolder	5,358,028	2.44	2.44
Periscopos AS	5,138,955	2.34	2.34
Vanguard	5,017,776	2.30	2.30
Dimensional Fund Advisors	3,637,720	1.67	1.67
Handelsbanken Liv Försäkring AB	3,133,954	1.43	1.43
Total 10 largest shareholders	130,500,473	59.56	59.56
Other	88,657,449	40.44	40.44
<b>Total</b>	<b>219,157,922</b>	<b>100</b>	<b>100</b>

## PARENT COMPANY

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenue was 25 million SEK (20) for the quarter and 71 million SEK (52) for the period. The operating profit amounted to -5 million SEK (0) for the quarter and -5 million SEK (-0) for the period.

Net financial items totaled 5 million SEK (-15) for the quarter and -20 million SEK (-45) for the period. The profit before tax amounted to 1 million SEK (-15) for the quarter and -25 million SEK (-45) for the period.

## 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 October 30, 2024, at 07:30 CET.

# SUSTAINABILITY

## BACKGROUND

Scandic has a long history of spearheading sustainability initiatives in the hospitality industry and began reporting sustainability data as early as 1996. As the largest hotel company in the Nordics, Scandic has the power to drive transformation and inspire change on a large scale for a better, more sustainable tomorrow.

## VISION

Sustainability is the basis of Scandic’s business. The company has a strategic, long-term perspective for driving development in the industry to contribute to a more sustainable planet. Scandic’s vision is to deliver world-class Nordic hotel experiences at hotels that are also the most sustainable places to meet, eat and sleep away from home.

## SCANDIC’S SUSTAINABILITY STRATEGY

The strategy for sustainable business has three focus areas:

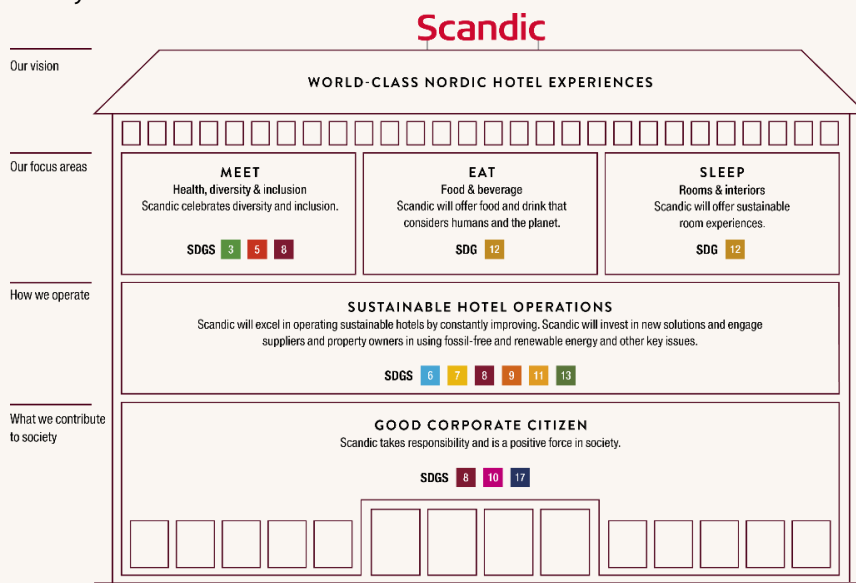
- MEET – Health, diversity and inclusion
- EAT – Food & beverage
- SLEEP – Rooms and interiors

A prerequisite for achieving the goals within each focus area is constantly improving the way Scandic operates hotels (Sustainable Hotel Operations) and being a responsible partner in society.

## HIGHLIGHTS DURING THE YEAR

- **Scandic launches sustainability-linked long-term financing** The refinancing of the company’s credit facilities is sustainability-linked, which means that it is connected to Scandic’s overall sustainability strategy and specific objectives.
- **99% of hotels certified by Nordic Swan Ecolabel:** Since the beginning of 2024, another seven hotels have been certified according to the Nordic Swan Ecolabel’s environmental criteria.
- **Scandic Denmark named Denmark’s best workplace within Diversity & Inclusion:** An important area for Scandic is diversity and inclusion, and receiving this designation from the organization “Great Place to Work” is an important milestone in the company’s efforts to create an even better workplace.
- **Scandic’s toiletries evaluated and environmentally certified:** The Swedish Society for Nature Conservation (*Naturskyddsforeningen*) has evaluated Scandic’s toiletry items to ensure that they are friendly to the environment and health, and all products are ecolabeled according to the Good Environmental Choice (*Bra Miljöval*) standard.

Read more about Scandic’s sustainability initiatives [here](#)



# FINANCIAL REPORTS

## CONSOLIDATED INCOME STATEMENT

million SEK	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>Net sales</b>		<b>6,182</b>	<b>6,307</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>
Other revenue		-	20	-	20	20	-
<b>TOTAL OPERATING INCOME</b>	<b>2, 3</b>	<b>6,182</b>	<b>6,327</b>	<b>16,472</b>	<b>16,545</b>	<b>21,955</b>	<b>21,882</b>
Raw materials and consumables		-443	-472	-1,207	-1,260	-1,698	-1,645
Other external expenses		-1,171	-1,140	-3,336	-3,301	-4,538	-4,574
Employee benefits expenses	4	-1,703	-1,778	-5,113	-5,129	-6,882	-6,865
Rental costs	5	-716	-717	-1,670	-1,703	-2,209	-2,177
Pre-opening costs		-9	0	-22	-16	-17	-23
Items affecting comparability		-18	-	-18	-3	-14	-30
Depreciation, amortization and impairment		-967	-970	-2,897	-2,850	-3,812	-3,859
<b>TOTAL OPERATING COSTS</b>		<b>-5,026</b>	<b>-5,075</b>	<b>-14,264</b>	<b>-14,262</b>	<b>-19,170</b>	<b>-19,171</b>
<b>Operating profit/loss</b>		<b>1,155</b>	<b>1,251</b>	<b>2,209</b>	<b>2,283</b>	<b>2,785</b>	<b>2,710</b>
Net financial items	6	-473	-510	-1,496	-1,535	-2,064	-2,025
<b>Profit/loss before taxes</b>		<b>682</b>	<b>741</b>	<b>712</b>	<b>747</b>	<b>721</b>	<b>686</b>
Taxes		-146	-182	-193	-219	-152	-126
<b>Net profit/loss for the period</b>		<b>536</b>	<b>559</b>	<b>519</b>	<b>528</b>	<b>569</b>	<b>559</b>
Profit/loss for period relating to:							
Parent Company shareholders		537	550	510	501	532	542
Non-controlling interest		-1	9	9	27	37	19
<b>Net profit/loss for the period</b>		<b>536</b>	<b>559</b>	<b>519</b>	<b>528</b>	<b>569</b>	<b>559</b>
Average number of outstanding shares before dilution		211,771,717	191,304,116	198,463,878	191,304,116	191,304,116	196,656,156
Average number of outstanding shares after dilution		219,157,930	232,768,903	219,157,934	232,768,903	231,016,258	220,831,414
<b>Earnings per share before dilution, SEK</b>		<b>2.57</b>	<b>3.05</b>	<b>2.85</b>	<b>3.14</b>	<b>3.46</b>	<b>3.19</b>
<b>Earnings per share after dilution, SEK</b>		<b>2.48</b>	<b>2.51</b>	<b>2.58</b>	<b>2.58</b>	<b>2.86</b>	<b>2.84</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

million SEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Net profit/loss for the period	536	559	519	528	569	559
Items that may be reclassified to the income statement	-127	-88	-127	-343	-495	-279
Items that may not be reclassified to the income statement	-44	22	-20	82	-89	-191
<b>Other comprehensive income</b>	-171	-66	-148	-261	-584	-471
<b>Total comprehensive income for period</b>	<b>365</b>	<b>493</b>	<b>371</b>	<b>266</b>	<b>-15</b>	<b>89</b>
Relating to:						
Parent Company shareholders	360	484	362	240	-53	69
Non-controlling interest	5	9	9	27	37	19

## CONSOLIDATED BALANCE SHEET, SUMMARY

million SEK	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Assets</b>				
Intangible assets		7,002	7,214	7,010
Buildings and land		71	78	75
Right-of-use assets		39,685	39,914	39,389
Equipment, fixtures and fittings		4,006	4,012	3,958
Financial assets		786	769	713
<b>Total non-current assets</b>	<b>7</b>	<b>51,551</b>	<b>51,987</b>	<b>51,145</b>
Current assets	<b>10</b>	3,304	3,293	1,467
Cash and cash equivalents	<b>9</b>	1,567	1,438	1,344
<b>Total current assets</b>		<b>4,871</b>	<b>4,730</b>	<b>2,811</b>
<b>Total assets</b>		<b>56,422</b>	<b>56,717</b>	<b>53,956</b>
<b>Equity and liabilities</b>				
Equity attributable to Parent Company shareholders		3,622	2,413	2,059
Non-controlling interest		112	101	107
<b>Total equity</b>		<b>3,734</b>	<b>2,513</b>	<b>2,166</b>
Liabilities to credit institutions	<b>9</b>	972	977	980
Convertible loan	<b>8</b>	-	1,609	-
Lease liabilities		41,618	41,459	41,041
Other long-term liabilities	<b>9</b>	1,361	1,129	1,106
<b>Total non-current liabilities</b>		<b>43,951</b>	<b>45,175</b>	<b>43,127</b>
Convertible loan		-	-	1,109
Current liabilities for leases		2,595	2,520	2,444
Derivative instruments		34	25	7
Other current liabilities	<b>10</b>	6,108	6,484	5,103
<b>Total current liabilities</b>		<b>8,737</b>	<b>9,029</b>	<b>8,663</b>
<b>Total equity and liabilities</b>		<b>56,422</b>	<b>56,717</b>	<b>53,956</b>
Equity per share, SEK		16.5	12.6	10.8
Total number of shares outstanding, end of period		219,157,922	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	
<b>OPENING BALANCE 2023-01-01</b>	<b>48</b>	<b>9,892</b>	<b>656</b>	<b>-8,399</b>	<b>2,197</b>	<b>77</b>	<b>2,274</b>
Net profit/loss for the period	-	-	-	501	501	27	528
Total other comprehensive income, net after tax	-	-	-340	82	-258	-3	-261
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-340</b>	<b>583</b>	<b>242</b>	<b>24</b>	<b>266</b>
Other adjustments	-	-	-8	-	-8	-	-8
Total transactions with shareholders	-	-	-	-19	-19	-	-19
<b>CLOSING BALANCE 2023-09-30</b>	<b>48</b>	<b>9,892</b>	<b>307</b>	<b>-7,835</b>	<b>2,412</b>	<b>101</b>	<b>2,513</b>
Net profit/loss for the period	-	-	-	31	31	10	41
Total other comprehensive income, net after tax	-	-	-148	-171	-319	-4	-323
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-148</b>	<b>-140</b>	<b>-287</b>	<b>6</b>	<b>-281</b>
Other adjustments	-	-	-0	-	-0	0	-0
Total transactions with shareholders	-	-	-	-66	-66	-	-66
<b>CLOSING BALANCE 2023-12-31</b>	<b>48</b>	<b>9,892</b>	<b>160</b>	<b>-8,041</b>	<b>2,059</b>	<b>107</b>	<b>2,166</b>
<b>OPENING BALANCE 2024-01-01</b>	<b>48</b>	<b>9,892</b>	<b>160</b>	<b>-8,041</b>	<b>2,059</b>	<b>107</b>	<b>2,166</b>
Net profit/loss for the period	-	-	-	510	510	9	519
Total other comprehensive income, net after tax	-	-	-123	-20	-143	-5	-148
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-123</b>	<b>490</b>	<b>367</b>	<b>4</b>	<b>371</b>
Other adjustments	-	-	6	-	6	-	6
Total transactions with shareholders	7	1,172	-	13	1,192	-	1,192
<b>CLOSING BALANCE 2024-09-30</b>	<b>55</b>	<b>11,064</b>	<b>42</b>	<b>-7,538</b>	<b>3,623</b>	<b>112</b>	<b>3,734</b>

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

## CONSOLIDATED CASH FLOW STATEMENT

million SEK	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>OPERATING ACTIVITIES</b>							
Operating profit/loss		1,155	1,251	2,209	2,283	2,785	2,710
Depreciation, amortization and impairment losses		967	970	2,897	2,850	3,812	3,859
Adjustments for non-cash items		23	-11	69	44	98	123
Paid tax		-4	-15	-109	-94	-109	-124
Change in working capital		-245	-160	-709	-507	-192	-394
<b>Cash flow from operating activities</b>		<b>1,896</b>	<b>2,035</b>	<b>4,357</b>	<b>4,576</b>	<b>6,394</b>	<b>6,175</b>
<b>INVESTING ACTIVITIES</b>							
Paid net investments		-163	-101	-707	-311	-521	-917
<b>Cash flow from investing activities</b>		<b>-163</b>	<b>-101</b>	<b>-707</b>	<b>-311</b>	<b>-521</b>	<b>-917</b>
<b>FINANCING ACTIVITIES</b>							
	<b>6</b>						
Interest paid/received		-3	12	-67	-25	-57	-99
Paid interest, leases		-445	-444	-1,328	-1,306	-1,734	-1,756
Repurchase convertible bond		-	-	-	-	-630	-630
Net borrowing/amortization		-44	-45	-127	-11	-51	-167
Amortization, leases		-627	-603	-1,867	-1,730	-2,328	-2,465
Dividend, share swap agreement		-	-	-7	-7	-7	-7
Financing costs		-15	-	-15	-34	-34	-15
<b>Cash flow from financing activities</b>		<b>-1,134</b>	<b>-1,080</b>	<b>-3,411</b>	<b>-3,113</b>	<b>-4,841</b>	<b>-5,138</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>600</b>	<b>854</b>	<b>240</b>	<b>1,151</b>	<b>1,032</b>	<b>121</b>
Cash and cash equivalents at the beginning of the period		964	560	1,344	317	317	1,438
Translation difference in cash and cash equivalents		3	24	-17	-30	-5	8
Cash and cash equivalents at the end of the period		1,567	1,438	1,567	1,438	1,344	1,567

## PARENT COMPANY INCOME STATEMENT, SUMMARY

million SEK	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Net sales		25	20	71	52	75	93
Expenses		-30	-21	-75	-52	-75	-98
<b>Operating profit/loss</b>		<b>-5</b>	<b>-0</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>-5</b>
Financial income		55	33	125	90	124	160
Financial expenses		-50	-48	-146	-135	-208	-219
<b>Net financial items</b>		<b>5</b>	<b>-15</b>	<b>-20</b>	<b>-45</b>	<b>-84</b>	<b>-58</b>
Appropriations		-	-	-	-	7	7
<b>Profit/loss before taxes</b>		<b>1</b>	<b>-15</b>	<b>-25</b>	<b>-45</b>	<b>-77</b>	<b>-57</b>
Taxes		1	0	0	2	-	-2
<b>Net profit/loss for the period</b>		<b>1</b>	<b>-15</b>	<b>-25</b>	<b>-43</b>	<b>-77</b>	<b>-59</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

million SEK	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>Net profit/loss for the period</b>		<b>1</b>	<b>-15</b>	<b>-25</b>	<b>-43</b>	<b>-77</b>	<b>-59</b>
Items that may be reclassified to the income statement		-	-	-	-	-	-
Items that may not be reclassified to the income statement		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for period</b>		<b>1</b>	<b>-15</b>	<b>-25</b>	<b>-43</b>	<b>-77</b>	<b>-59</b>

## PARENT COMPANY BALANCE SHEET, SUMMARY

million SEK	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Assets</b>				
Investments in subsidiaries		8,415	8,415	8,415
Group company receivables		3,590	1,588	1,623
Other receivables		13	11	11
<b>Total non-current assets</b>		<b>12,018</b>	<b>10,014</b>	<b>10,049</b>
Group company receivables		2,779	8	19
Current receivables		16	0	0
Cash and cash equivalents		1,385	0	0
<b>Total current assets</b>		<b>4,180</b>	<b>9</b>	<b>19</b>
<b>Total assets</b>		<b>16,198</b>	<b>10,023</b>	<b>10,068</b>
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>9,246</b>	<b>8,178</b>	<b>8,079</b>
Convertible loan		-	1,609	-
Liabilities to Group companies		675	-	636
Other long-term liabilities		1,033	25	18
<b>Total non-current liabilities</b>		<b>1,708</b>	<b>1,634</b>	<b>654</b>
Convertible loan		-	-	1,109
Liabilities to Group companies		5,139	49	43
Other current liabilities		54	127	140
Accrued expenses and prepaid income		51	34	43
<b>Total current liabilities</b>		<b>5,244</b>	<b>210</b>	<b>1,335</b>
<b>Total equity and liabilities</b>		<b>16,198</b>	<b>10,023</b>	<b>10,068</b>

## CHANGES IN PARENT COMPANY'S EQUITY

million SEK	Share capital	Share premium reserve	Retained earnings	Total equity
<b>OPENING BALANCE 2023-01-01</b>	<b>48</b>	<b>3,561</b>	<b>4,630</b>	<b>8,239</b>
Net profit/loss for the period	-	-	-43	-43
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-43	-43
Total transactions with shareholders	-	-	-19	-19
<b>CLOSING BALANCE 2023-09-30</b>	<b>48</b>	<b>3,561</b>	<b>4,568</b>	<b>8,178</b>
Net profit/loss for the period	-	-	-34	-34
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-34	-34
Total transactions with shareholders*	-	-	-66	-66
<b>CLOSING BALANCE 2023-12-31</b>	<b>48</b>	<b>3,561</b>	<b>4,468</b>	<b>8,079</b>
<b>OPENING BALANCE 2024-01-01</b>	<b>48</b>	<b>3,561</b>	<b>4,468</b>	<b>8,079</b>
Net profit/loss for the period	-	-	-25	-25
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-25	-25
Total transactions with shareholders*	7	1,172	13	1,192
<b>CLOSING BALANCE 2024-09-30</b>	<b>55</b>	<b>4,733</b>	<b>4,456</b>	<b>9,246</b>

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



# NOTES

## NOTE 01. Accounting principles

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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 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 40 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 September 30, 2024, Scandic's goodwill and intangible assets amounted to 7,002 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.

### 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	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Room revenue	4,527	4,536	11,593	11,474	15,002	15,121
Restaurant and conference revenue	1,481	1,576	4,420	4,572	6,328	6,175
Franchise and management fees	7	6	21	17	30	34
Other hotel-related revenue	167	188	438	461	575	552
<b>Total</b>	<b>6,182</b>	<b>6,307</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>

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

### NET SALES BY COUNTRY

million SEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Sweden	1,873	1,862	4,953	5,002	6,644	6,595
Norway	1,783	1,851	4,667	4,712	6,180	6,136
Finland	1,311	1,397	3,619	3,715	4,998	4,902
Denmark	854	877	2,226	2,233	2,940	2,933
Germany	328	289	930	793	1,076	1,214
Poland	32	29	77	71	97	102
<b>Total countries</b>	<b>6,182</b>	<b>6,307</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>
Other	25	20	71	52	75	93
Group adjustments	-25	-21	-71	-52	-75	-93
<b>Group</b>	<b>6,182</b>	<b>6,306</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>



## NET SALES BY TYPE OF AGREEMENT

million SEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Lease agreements	6,174	6,265	16,410	16,410	21,782	21,782
Management agreements	1	2	3	5	8	6
Franchise and partner agreements	7	6	19	17	22	24
Owned	-0	33	40	92	123	71
<b>Total</b>	<b>6,182</b>	<b>6,307</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>
Other	25	20	71	52	75	93
Group adjustments	-25	-21	-71	-52	-75	-93
<b>Group</b>	<b>6,182</b>	<b>6,306</b>	<b>16,472</b>	<b>16,525</b>	<b>21,935</b>	<b>21,882</b>

## NOTE 03. Segment disclosures

Jul-Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Room revenue	1,429	1,410	1,265	1,267	932	991	900	869	-	-	4,527	4,536
Restaurant and conference revenue	415	422	435	484	336	363	295	307	-	-	1,481	1,576
Franchise and management fees	3	3	4	4	-	-	-	-	-	-	7	6
Other hotel-related revenue	27	28	79	97	42	44	19	20	-	-	167	188
<b>Net sales</b>	<b>1,873</b>	<b>1,862</b>	<b>1,783</b>	<b>1,851</b>	<b>1,311</b>	<b>1,397</b>	<b>1,215</b>	<b>1,196</b>	-	-	<b>6,182</b>	<b>6,307</b>
Other revenue	-	20	-	-	-	-	-	-	-	-	-	20
Internal transactions	-	-	-	-	-	-	-	-	25	20	25	20
Group adjustments	-	-	-	-	-	-	-	-	-25	-21	-25	-21
<b>TOTAL OPERATING INCOME</b>	<b>1,873</b>	<b>1,882</b>	<b>1,783</b>	<b>1,851</b>	<b>1,311</b>	<b>1,397</b>	<b>1,215</b>	<b>1,196</b>	-	-1	<b>6,182</b>	<b>6,327</b>
Raw materials and consumables	-118	-121	-153	-171	-102	-105	-70	-75	-0	0	-443	-472
Other external expenses	-405	-397	-377	-343	-320	-320	-298	-280	230	201	-1,171	-1,140
Employee benefits expenses	-497	-516	-481	-506	-312	-349	-345	-349	-68	-57	-1,703	-1,778
Rental costs	-539	-526	-500	-500	-406	-426	-343	-311	1,072	1,047	-716	-717
Pre-opening costs	-7	-0	-	-	-1	0	-1	1	-	0	-9	0
Items affecting comparability	-	-	-	-	-18	-	-	-	-	-	-18	-
Depreciation, amortization and impairment losses	-70	-71	-41	-76	-51	-56	-34	-26	-770	-741	-967	-970
<b>TOTAL OPERATING COSTS</b>	<b>-1,637</b>	<b>-1,633</b>	<b>-1,552</b>	<b>-1,595</b>	<b>-1,210</b>	<b>-1,257</b>	<b>-1,091</b>	<b>-1,041</b>	<b>464</b>	<b>450</b>	<b>-5,026</b>	<b>-5,075</b>
<b>Operating profit/loss</b>	<b>236</b>	<b>250</b>	<b>231</b>	<b>257</b>	<b>101</b>	<b>140</b>	<b>124</b>	<b>155</b>	<b>464</b>	<b>450</b>	<b>1,155</b>	<b>1,251</b>
Net financial items	19	3	19	16	-13	-19	-1	-2	-497	-508	-473	-510
<b>Profit/loss before taxes</b>	<b>255</b>	<b>253</b>	<b>250</b>	<b>273</b>	<b>88</b>	<b>122</b>	<b>123</b>	<b>152</b>	<b>-33</b>	<b>-59</b>	<b>682</b>	<b>741</b>

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



Jan-Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Room revenue	3,685	3,673	3,151	3,091	2,494	2,545	2,262	2,165	-	-	11,593	11,474
Restaurant and conference revenue	1,191	1,251	1,329	1,388	1,004	1,053	895	880	-	-	4,420	4,572
Franchise and management fees	7	6	12	11	-	-	1	-	-	-	21	17
Other hotel-related revenue	69	70	175	222	120	117	75	52	-	-	438	461
<b>Net sales</b>	<b>4,953</b>	<b>5,002</b>	<b>4,667</b>	<b>4,712</b>	<b>3,619</b>	<b>3,715</b>	<b>3,233</b>	<b>3,097</b>	-	-	<b>16,472</b>	<b>16,525</b>
Other revenue	-	20	-	-	-	-	-	-	-	-	-	20
Internal transactions	-	-	-	-	-	-	-	-	71	52	71	52
Group adjustments	-	-	-	-	-	-	-	-	-71	-52	-71	-52
<b>TOTAL OPERATING INCOME</b>	<b>4,953</b>	<b>5,022</b>	<b>4,667</b>	<b>4,712</b>	<b>3,619</b>	<b>3,715</b>	<b>3,233</b>	<b>3,097</b>	-	-	<b>16,472</b>	<b>16,545</b>
Raw materials and consumables	-316	-333	-409	-420	-288	-308	-194	-199	-0	0	-1,207	-1,260
Other external expenses	-1,161	-1,148	-1,040	-989	-954	-942	-791	-754	609	531	-3,336	-3,301
Employee benefits expenses	-1,496	-1,553	-1,416	-1,398	-950	-1,001	-1,036	-1,016	-214	-160	-5,113	-5,129
Rental costs	-1,468	-1,443	-1,289	-1,282	-1,172	-1,185	-935	-829	3,195	3,036	-1,670	-1,703
Pre-opening costs	-14	-0	-	-	-1	0	-6	-16	-	-	-22	-16
Items affecting comparability	-	-	-	-	-18	-	-	-	-	-3	-18	-3
Depreciation, amortization and impairment losses	-208	-215	-157	-215	-155	-165	-90	-76	-2,286	-2,178	-2,897	-2,850
<b>TOTAL OPERATING COSTS</b>	<b>-4,664</b>	<b>-4,692</b>	<b>-4,311</b>	<b>-4,304</b>	<b>-3,539</b>	<b>-3,601</b>	<b>-3,052</b>	<b>-2,891</b>	<b>1,303</b>	<b>1,226</b>	<b>-14,264</b>	<b>-14,262</b>
<b>Operating profit/loss</b>	<b>289</b>	<b>330</b>	<b>356</b>	<b>408</b>	<b>79</b>	<b>114</b>	<b>181</b>	<b>205</b>	<b>1,303</b>	<b>1,226</b>	<b>2,209</b>	<b>2,283</b>
Net financial items	45	14	47	29	-49	-54	-8	-11	-1,531	-1,513	-1,496	-1,535
<b>Profit/loss before taxes</b>	<b>334</b>	<b>343</b>	<b>402</b>	<b>437</b>	<b>31</b>	<b>60</b>	<b>173</b>	<b>194</b>	<b>-228</b>	<b>-287</b>	<b>712</b>	<b>747</b>

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

#### NOTE 04. Number of employees

The average number of employees was 10,310 on September 30, 2024, compared with 10,774 on December 31, 2023.

#### NOTE 05. Rental costs

Rental costs	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Fixed and guaranteed rental costs*	-58	-60	-177	-179	-229	-227
Variable rental costs	-657	-656	-1,494	-1,524	-1,980	-1,949
<b>Total rental costs</b>	<b>-716</b>	<b>-717</b>	<b>-1,670</b>	<b>-1,703</b>	<b>-2,209</b>	<b>-2,177</b>
*Of which received state aid and negotiated discounts	1	5	7	25	25	7

#### NOTE 06. Net finance income

Financial items	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Financial income	13	16	30	26	45	48
Financial expenses	-486	-526	-1,526	-1,562	-2,109	-2,073
<b>Net financial items</b>	<b>-473</b>	<b>-510</b>	<b>-1,496</b>	<b>-1,535</b>	<b>-2,064</b>	<b>-2,025</b>
Financial expenses	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Interest expenses, credit institutions	-13	-3	-51	-22	-47	-76
Interest expenses, convertible bond	-9	-43	-70	-125	-163	-108
Other interest expenses, net	-12	-25	-50	-55	-78	-73
Other items	-7	-11	-27	-53	-87	-61
Interest expenses, IFRS 16	-445	-444	-1,328	-1,306	-1,734	-1,756
<b>Total</b>	<b>-486</b>	<b>-526</b>	<b>-1,526</b>	<b>-1,562</b>	<b>-2,109</b>	<b>-2,073</b>

## NOTE 07. Assets and investments by segment

30 Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Fixed assets	12,987	12,166	7,424	7,858	18,919	19,793	9,954	9,951	2,268	2,220	51,551
Investments in fixed assets, excl. IFRS 16	265	125	122	89	75	24	140	27	71	33	673	298
Investments in fixed assets, incl. IFRS 16	493	144	122	209	75	24	667	1,121	71	33	1,428	1,531

## 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 was charged to profit/loss, was 11 percent and was calculated for the part that was allocated to the loan. No interest payments were made during the life of the loan (maturity date: October 8, 2024). Instead, the interest expense was accumulated on an ongoing basis to the convertible debt, which when due would initially total 1,800 million SEK.

In November 2023, Scandic repurchased convertible bonds for a nominal amount of 590 million SEK.

During the third quarter 2024, a total of 22,895,573 shares were converted. This means that all outstanding convertible bonds have been converted and the nominal amount of the convertible loan therefore amounted to 0 million SEK at the end of the period.

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

## NOTE 09. Interest-bearing net liabilities

	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Interest-bearing net liabilities</b>			
Liabilities to credit institutions	972	977	980
Other interest-bearing liabilities	631	797	758
Cash and cash equivalents	-1,567	-1,438	-1,344
<b>Interest-bearing net liabilities, excl. convertible loan</b>	<b>36</b>	<b>336</b>	<b>394</b>
Convertible loan	-	1,609	1,109
<b>Net debt</b>	<b>36</b>	<b>1,946</b>	<b>1,503</b>

## NOTE 10. Working capital

	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Working capital</b>			
Current assets, excl. cash and bank balances	3,461	3,448	1,619
Current liabilities	-5,656	-5,933	-4,377
<b>Working capital</b>	<b>-2,195</b>	<b>-2,485</b>	<b>-2,758</b>

## NOTE 11. Quarterly data

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Financial key ratios, reported</b>						
Net sales	6,182	5,871	4,419	5,410	6,307	5,693
Operating profit/loss	1,155	927	126	502	1,251	833
Net profit/loss for the period	536	310	-327	41	559	271
Earnings per share, SEK	2.48	1.50	-1.73	0.27	2.51	1.27
<b>Alternative performance measures</b>						
Adjusted EBITDA	1,077	841	33	451	1,173	772
Adjusted EBITDA margin, %	17.4	14.3	0.7	8.3	18.6	13.6
Net profit/loss for the period excl. IFRS 16	646	421	-206	157	683	403
Earnings per share, SEK, excl. IFRS 16	2.98	2.00	-1.10	0.78	3.04	1.84
Net debt excl. convertible loan/adjusted EBITDA, LTM	0.0	0.3	0.5	0.2	0.1	0.5
Net debt/adjusted EBITDA, LTM	0.0	0.7	0.9	0.6	0.8	1.1
<b>Hotel-related key ratios</b>						
RevPAR (revenue per available room), SEK	941	871	619	734	933	828
ARR (average room rate), SEK	1,317	1,360	1,193	1,268	1,313	1,315
OCC (occupancy), %	71.4	64.0	51.9	57.9	71.0	63.0

## QUARTERLY DATA PER SEGMENT

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Net sales</b>						
Sweden	1,873	1,755	1,325	1,641	1,862	1,751
Norway	1,783	1,636	1,248	1,469	1,851	1,548
Finland	1,311	1,246	1,061	1,283	1,397	1,264
Other Europe	1,215	1,234	785	1,017	1,196	1,130
<b>Total net sales</b>	<b>6,182</b>	<b>5,871</b>	<b>4,419</b>	<b>5,410</b>	<b>6,307</b>	<b>5,693</b>
<b>Adjusted EBITDA</b>						
Sweden	406	288	66	225	405	270
Norway	353	288	92	170	404	285
Finland	223	162	16	130	245	145
Other Europe	215	239	-26	72	229	186
Central functions	-120	-136	-115	-146	-110	-114
<b>Total adjusted EBITDA</b>	<b>1,077</b>	<b>841</b>	<b>33</b>	<b>451</b>	<b>1,173</b>	<b>772</b>
Adjusted EBITDA margin, %	17.4%	14.3%	0.7%	8.3%	18.6%	13.6%

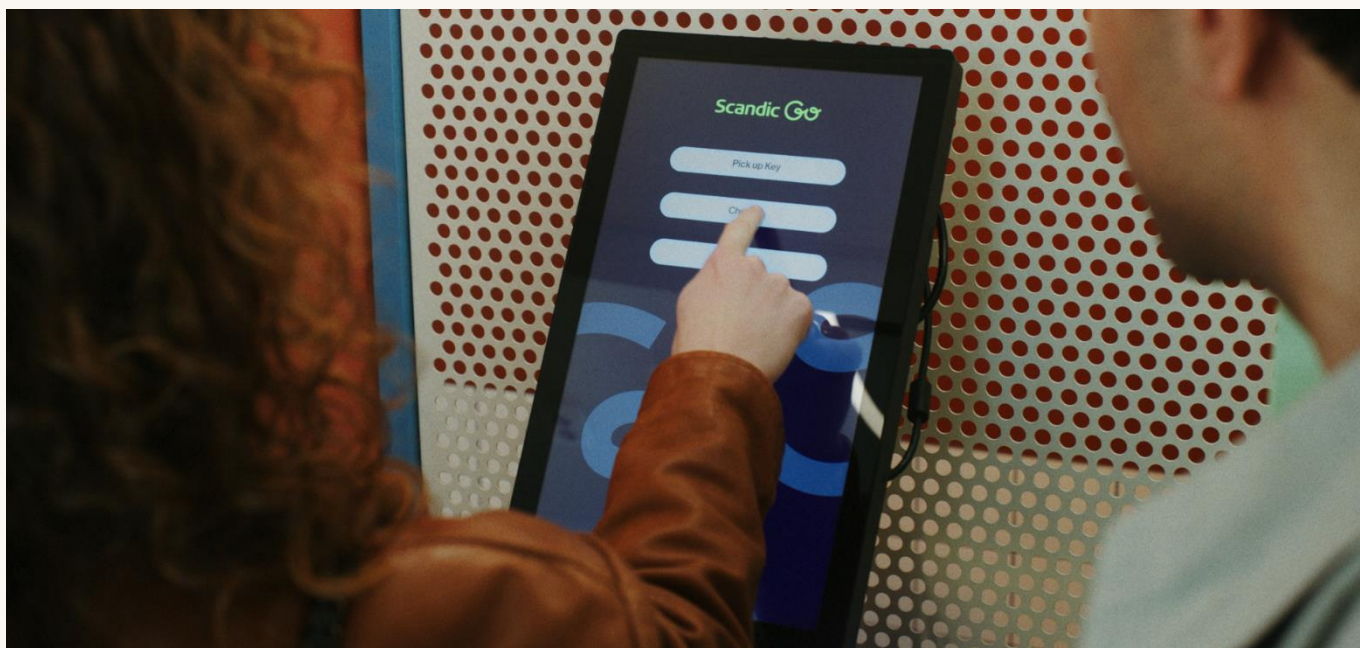
## NOTE 12. Transactions between related parties

The group Braganza AB is considered a related party based on its ownership and representation on the Board of Directors during the year. Accommodation revenues from related parties totaled 4 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-Sep 2024	Jan-Sep 2023	31 dec 2023
<b>SEK / EUR</b>			
Income statement (average)	11.4118	11.4758	11.4765
Balance sheet (at end of period)	11.3000	11.4923	11.0960
<b>SEK / NOK</b>			
Income statement (average)	0.9850	1.0123	1.0054
Balance sheet (at end of period)	0.9605	1.0202	0.9871
<b>SEK / DKK</b>			
Income statement (average)	1.5300	1.5406	1.5403
Balance sheet (at end of period)	1.5156	1.5412	1.4888





# RECONCILIATIONS

## RESULTS INCLUDING & EXCLUDING IFRS 16

### EFFECTS OF IFRS 16

Since January 1, 2019, the Group has applied 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 the third quarter 2024, net profit after tax for 2024 is expected to be negatively impacted by approximately -440 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 IFRS 16

MSEK	Jul-Sep 2024			Jul-Sep 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
<b>Operating income</b>	<b>6,182</b>	-	<b>6,182</b>	<b>6,327</b>	-	<b>6,327</b>
Raw materials and consumables	-443	-	-443	-472	-	-472
Other external expenses	-1,171	-	-1,171	-1,140	-	-1,140
Employee benefits expenses	-1,703	-	-1,703	-1,778	-	-1,778
Rental costs	-716	-1,072	-1,788	-717	-1,047	-1,764
Pre-opening costs	-9	-	-9	0	-	0
Depreciation, amortization and impairment losses	-967	764	-203	-970	757	-213
<b>TOTAL OPERATING COSTS</b>	<b>-5,026</b>	<b>-308</b>	<b>-5,335</b>	<b>-5,075</b>	<b>-290</b>	<b>-5,366</b>
<b>Operating profit/loss</b>	<b>1,155</b>	<b>-308</b>	<b>847</b>	<b>1,251</b>	<b>-290</b>	<b>961</b>
Net financial items	-473	445	-28	-510	444	-67
<b>Profit/loss before taxes</b>	<b>682</b>	<b>137</b>	<b>819</b>	<b>741</b>	<b>153</b>	<b>894</b>
Taxes	-146	-27	-173	-182	-30	-212
<b>Net profit/loss for the period</b>	<b>536</b>	<b>110</b>	<b>646</b>	<b>559</b>	<b>124</b>	<b>683</b>

MSEK	Jan-Sep 2024			Jan-Sep 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
<b>Operating income</b>	<b>16,472</b>	-	<b>16,472</b>	<b>16,545</b>	-	<b>16,545</b>
Raw materials and consumables	-1,207	-	-1,207	-1,260	-	-1,260
Other external expenses	-3,336	-	-3,336	-3,301	-	-3,301
Employee benefits expenses	-5,113	-	-5,113	-5,129	-	-5,129
Rental costs	-1,670	-3,195	-4,865	-1,703	-3,036	-4,739
Pre-opening costs	-22	-	-22	-16	-	-16
Items affecting comparability	-18	-	-18	-3	-	-3
Depreciation, amortization and impairment losses	-2,897	2,293	-605	-2,850	2,226	-625
<b>TOTAL OPERATING COSTS</b>	<b>-14,264</b>	<b>-902</b>	<b>-15,166</b>	<b>-14,262</b>	<b>-810</b>	<b>-15,072</b>
<b>Operating profit/loss</b>	<b>2,209</b>	<b>-902</b>	<b>1,306</b>	<b>2,283</b>	<b>-810</b>	<b>1,473</b>
Net financial items	-1,496	1,328	-168	-1,535	1,306	-230
<b>Profit/loss before taxes</b>	<b>712</b>	<b>426</b>	<b>1,138</b>	<b>747</b>	<b>496</b>	<b>1,243</b>
Taxes	-193	-84	-277	-219	-97	-316
<b>Net profit/loss for the period</b>	<b>519</b>	<b>342</b>	<b>862</b>	<b>528</b>	<b>399</b>	<b>927</b>

## SUMMARY OF REPORTED RENTAL COSTS INCLUDING & EXCLUDING IFRS 16

Rental costs	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
Rental costs, reported	-716	-717	-1,670	-1,703	-2,209	-2,177
Effect IFRS 16	-1,072	-1,047	-3,195	-3,036	-4,063	-4,222
<b>Rental costs excl. IFRS 16</b>	<b>-1,788</b>	<b>-1,764</b>	<b>-4,865</b>	<b>-4,739</b>	<b>-6,272</b>	<b>-6,398</b>
- of which fixed rental costs	-1,131	-1,107	-3,372	-3,215	-4,292	-4,449
- of which variable rental costs	-657	-656	-1,494	-1,524	-1,980	-1,949
Fixed and guaranteed rental costs of Net sales	-18.3%	-17.6%	-20.5%	-19.5%	-19.6%	-20.3%
Variable rental costs of Net sales	-10.6%	-10.4%	-9.1%	-9.2%	-9.0%	-8.9%
<b>Total rental costs of Net sales</b>	<b>-28.9%</b>	<b>-28.0%</b>	<b>-29.6%</b>	<b>-28.7%</b>	<b>-28.6%</b>	<b>-29.2%</b>

## SUMMARY OF OPERATING PROFIT/LOSS & ADJUSTED EBITDA

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>Operating profit/loss</b>	<b>1,155</b>	<b>1,251</b>	<b>2,209</b>	<b>2,283</b>	<b>2,785</b>	<b>2,710</b>
Pre-opening costs	9	-0	22	16	17	23
Items affecting comparability	18	-	18	3	14	30
Depreciation, amortization and impairment losses	967	970	2,897	2,850	3,812	3,859
Effect IFRS 16	-1,072	-1,047	-3,195	-3,036	-4,063	-4,222
<b>Adjusted EBITDA</b>	<b>1,077</b>	<b>1,173</b>	<b>1,951</b>	<b>2,115</b>	<b>2,566</b>	<b>2,402</b>

## FINANCIAL ITEMS, REPORTED VS. CASH FLOW

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>Paid/received financial items</b>						
Financial items, reported	-473	-510	-1,496	-1,535	-2,064	-2,025
of which interest expenses, IFRS 16	-445	-444	-1,328	-1,306	-1,734	-1,756
<b>Financial net, excl. IFRS 16</b>	<b>-28</b>	<b>-67</b>	<b>-168</b>	<b>-230</b>	<b>-330</b>	<b>-268</b>
<b>Adjustments to paid financial items</b>						
Interest expenses, convertible bond (non-cash)	9	43	70	125	163	108
Change accrued interest expenses, bank loans	-4	26	-10	30	6	-34
Other	5	20	18	23	39	34
<b>Total adjustments</b>	<b>10</b>	<b>89</b>	<b>78</b>	<b>178</b>	<b>208</b>	<b>108</b>
<b>Paid(-)/received(+) financial items, net</b>	<b>-18</b>	<b>22</b>	<b>-90</b>	<b>-52</b>	<b>-122</b>	<b>-160</b>

## BALANCE SHEET, INCLUDING & EXCLUDING IFRS 16

million SEK	30 Sep 2024			30 Sep 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
<b>Assets</b>						
Intangible assets	7,002	-	7,002	7,214	-	7,214
Buildings and land	71	-	71	78	-	78
Right-of-use assets	39,685	-39,685	-	39,914	-39,914	-
Equipment, fixtures and fittings	4,006	-	4,006	4,012	-	4,012
Financial assets	786	-728	59	769	-109	660
<b>Total non-current assets</b>	<b>51,551</b>	<b>-40,413</b>	<b>11,138</b>	<b>51,987</b>	<b>-40,023</b>	<b>11,964</b>
Current assets	3,304	157	3,461	3,293	156	3,448
Cash and cash equivalents	1,567	-	1,567	1,438	-	1,438
<b>Total current assets</b>	<b>4,871</b>	<b>157</b>	<b>5,028</b>	<b>4,730</b>	<b>156</b>	<b>4,886</b>
<b>Total assets</b>	<b>56,422</b>	<b>-40,256</b>	<b>16,166</b>	<b>56,717</b>	<b>-39,868</b>	<b>16,849</b>
<b>Equity and liabilities</b>						
Equity attributable to Parent Company shareholders	3,622	3,849	7,471	2,413	3,470	5,882
Non-controlling interest	112	-	112	101	-	101
<b>Total equity</b>	<b>3,734</b>	<b>3,849</b>	<b>7,583</b>	<b>2,513</b>	<b>3,470</b>	<b>5,983</b>
Liabilities to credit institutions	972	-	972	977	-	977
Convertible loan	-	-	-	1,609	-	1,609
Lease liabilities	41,618	-41,618	-	41,459	-41,459	-
Other long-term liabilities	1,361	254	1,615	1,129	781	1,911
<b>Total non-current liabilities</b>	<b>43,951</b>	<b>-41,364</b>	<b>2,586</b>	<b>45,175</b>	<b>-40,677</b>	<b>4,497</b>
Current liabilities for leases	2,595	-2,595	-0	2,520	-2,520	0
Derivative instruments	34	-	34	25	-	25
Other current liabilities	6,108	-146	5,962	6,484	-140	6,344
<b>Total current liabilities</b>	<b>8,737</b>	<b>-2,741</b>	<b>5,996</b>	<b>9,029</b>	<b>-2,660</b>	<b>6,370</b>
<b>Total equity and liabilities</b>	<b>56,422</b>	<b>-40,256</b>	<b>16,166</b>	<b>56,717</b>	<b>-39,868</b>	<b>16,849</b>

## CASH FLOW ANALYSIS INCLUDING & EXCLUDING IFRS 16

MSEK	Jul-Sep 2024			Jul-Sep 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
<b>OPERATING ACTIVITIES</b>						
Operating profit/loss	1,155	-308	847	1,251	-290	961
Depreciation, amortization and impairment losses	967	-764	203	970	-757	213
Adjustments for non-cash items	23	-	23	-11	-	-11
Paid tax	-4	-	-4	-15	-	-15
Change in working capital	-245	-	-245	-160	-	-160
<b>Cash flow from operating activities</b>	<b>1,896</b>	<b>-1,072</b>	<b>824</b>	<b>2,035</b>	<b>-1,047</b>	<b>988</b>
<b>INVESTING ACTIVITIES</b>						
Paid net investments	-163	-	-163	-101	-	-101
<b>Cash flow from investing activities</b>	<b>-163</b>	<b>-</b>	<b>-163</b>	<b>-101</b>	<b>-</b>	<b>-101</b>
<b>FINANCING ACTIVITIES</b>						
Interest paid/received	-3	-	-3	12	-	12
Paid interest, leases	-445	445	-	-444	444	-
Net borrowing/amortization	-44	-	-44	-45	-	-45
Amortization, leases	-627	627	-	-603	603	-
Financing costs	-15	-	-15	-	-	-
<b>Cash flow from financing activities</b>	<b>-1,134</b>	<b>1,072</b>	<b>-62</b>	<b>-1,080</b>	<b>1,047</b>	<b>-33</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>600</b>	<b>-</b>	<b>600</b>	<b>854</b>	<b>-</b>	<b>854</b>
Cash and cash equivalents at the beginning of the period	964	-	964	560	-	560
Translation difference in cash and cash equivalents	3	-	3	24	-	24
Cash and cash equivalents at the end of the period	1,567	-	1,567	1,438	-	1,438

MSEK	Jan-Sep 2024			Jan-Sep 2023		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
<b>OPERATING ACTIVITIES</b>						
Operating profit/loss	2,209	-902	1,306	2,283	-810	1,473
Depreciation, amortization and impairment losses	2,897	-2,293	605	2,850	-2,226	625
Adjustments for non-cash items	69	-	69	44	-	44
Paid tax	-109	-	-109	-94	-	-94
Change in working capital	-709	-	-709	-507	-	-507
<b>Cash flow from operating activities</b>	<b>4,357</b>	<b>-3,195</b>	<b>1,162</b>	<b>4,576</b>	<b>-3,036</b>	<b>1,540</b>
<b>INVESTING ACTIVITIES</b>						
Paid net investments	-707	-	-707	-311	-	-311
<b>Cash flow from investing activities</b>	<b>-707</b>	<b>-</b>	<b>-707</b>	<b>-311</b>	<b>-</b>	<b>-311</b>
<b>FINANCING ACTIVITIES</b>						
Interest paid/received	-67	-	-67	-25	-	-25
Paid interest, leases	-1,328	1,328	-	-1,306	1,306	-
Net borrowing/amortization	-127	-	-127	-11	-	-11
Amortization, leases	-1,867	1,867	-	-1,730	1,730	-
Dividend, share swap agreement	-7	-	-7	-7	-	-7
Financing costs	-15	-	-15	-34	-	-34
<b>Cash flow from financing activities</b>	<b>-3,411</b>	<b>3,195</b>	<b>-216</b>	<b>-3,113</b>	<b>3,036</b>	<b>-77</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>240</b>	<b>-</b>	<b>240</b>	<b>1,151</b>	<b>-</b>	<b>1,151</b>
Cash and cash equivalents at the beginning of the period	1,344	-	1,344	317	-	317
Translation difference in cash and cash equivalents	-17	-	-17	-30	-	-30
Cash and cash equivalents at the end of the period	1,567	-	1,567	1,438	-	1,438

## EARNINGS PER SHARE

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Oct-Sep 23/24
<b>Earnings per share, SEK</b>	<b>2.48</b>	<b>2.51</b>	<b>2.58</b>	<b>2.58</b>	<b>2.86</b>	<b>2.84</b>
Effect IFRS 16	0.50	0.53	1.56	1.71	2.23	2.07
<b>Earnings per share, SEK, excl. IFRS 16</b>	<b>2.98</b>	<b>3.04</b>	<b>4.14</b>	<b>4.29</b>	<b>5.09</b>	<b>4.91</b>
<b>Average number of outstanding shares after dilution</b>	<b>219,157,930</b>	<b>232,768,903</b>	<b>219,157,934</b>	<b>232,768,903</b>	<b>231,016,258</b>	<b>220,831,414</b>



# ADOPTION

The CEO affirm 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, October 30, 2024**

**Jens Mathiesen**  
President & CEO

# AUDITOR'S REVIEW REPORT

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

Scandic Hotels Group AB (publ) org no. 556703-1702

## INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Scandic Hotels Group AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF THE REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 30, 2024

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt  
Authorized Public Accountant

# 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.

### ORGANIC GROWTH

The Group's organic growth refers to revenue growth excluding business acquisitions, adjusted for changes in foreign exchange rates.

### 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 the 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](https://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.

**264** HOTELS

**130**  
DESTINATIONS

**55,452**  
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 and 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 environmental certification of the Nordic countries, and Scandic aims for all hotels to be certified.

# Scandic

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