



INTERIM REPORT

JANUARY-SEPTEMBER 2023

SCANDIC STANDING STRONGER THAN EVER

JULY 1 – SEPTEMBER 30, 2023

- Net sales rose by 5.2 percent to 6,307 million SEK (5,994).
- Average occupancy rate was 71.0 percent (70.5).
- Average revenue per available room (RevPAR) went up to 933 SEK (875).
- Operating profit totaled 1,251 million SEK (1,232).
- Adjusted EBITDA¹⁾ was 1,173 million SEK (1,213).
- Excluding IFRS 16, earnings per share equaled 3.04 SEK (3.23).
- Free cash flow was 899 million SEK (953).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.8x (0.1x excluding the convertible loan).

JANUARY 1 – SEPTEMBER 30, 2023

- Net sales rose by 18.0 percent to 16,525 million SEK (14,002).
- Average occupancy rate increased to 62.6 percent (57.9).
- Average revenue per available room (RevPAR) went up to 797 SEK (678).
- Operating profit totaled 2,283 million SEK (1,969).
- Adjusted EBITDA¹⁾ was 2,115 million SEK (2,060).
- Excluding IFRS 16, earnings per share equaled 4.29 SEK (3.56).
- Free cash flow was 1,204 million SEK (1,257).
- Interest-bearing net debt/adjusted EBITDA amounted to 0.8x (0.1x excluding the convertible loan).

EVENTS DURING THE PERIOD

- In September, Scandic opened its first Scandic Go with 124 rooms in Stockholm.
- During September, Scandic announced an agreement for two new hotels in Helsinki with a total of 459 rooms.
- During September, Scandic announced that its Signature Collection will be expanded by adding two hotels that were already in the pipeline.
- In July, Scandic announced an agreement for a new Scandic Go at Fridhemsplan in Stockholm with 221 rooms.

KEY RATIOS

million SEK	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%	Jan-Dec 2022	Oct-Sep 22/23
Financial key ratios, reported								
Net sales	6,307	5,994	5,2%	16,525	14,002	18,0%	19,230	21,753
Operating profit/loss	1,251	1,232		2,283	1,969		2,457	2,771
Net profit/loss for the period	559	633		528	426		428	530
Earnings per share, SEK	2,51	2,80		2,58	2,12		2,21	2,67
Alternative performance measures								
Adjusted EBITDA	1,173	1,213		2,115	2,060		2,536	2,591
Adjusted EBITDA margin, %	18,6	20,2		12,8	14,7		13,2	11,9
Net profit/loss for the period excl. IFRS 16	683	732		927	762		866	1,031
Earnings per share, SEK, excl. IFRS 16	3,04	3,23		4,29	3,56		4,10	4,83
Net debt	1,946	3,825		1,946	3,825		2,909	-
Net debt/adjusted EBITDA, LTM	0,8	1,5		0,8	1,5		1,1	-
Hotel-related key ratios								
RevPAR (revenue per available room), SEK	933	875	6,5%	797	678	17,6%	683	772
ARR (average room rate), SEK	1,313	1,242	5,7%	1,273	1,171	8,8%	1,183	1,261
OCC (occupancy), %	71,0	70,5		62,6	57,9		57,7	61,2
Total number of rooms on reporting date	55,969	55,977	-0,0%	55,969	55,977	-0,0%	55,831	55,969

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

CEO'S COMMENTS

“I’M PLEASED WITH THE STRIDES WE’VE BEEN MAKING TO FURTHER INCREASE GROWTH AND HOW WE’VE BECOME A MORE EFFICIENT AND PROFITABLE SCANDIC. DEMAND IS GOOD AND WE’RE PACING TOWARDS ANOTHER STRONG FULL YEAR.”

We have delivered another record-breaking quarter and Scandic is standing stronger than ever. Scandic is continuing to make progress in increasing growth and has gradually become a more efficient and profitable company. With strong cash flows and historically low indebtedness, we are maintaining a high pace in developing Scandic to leverage all opportunities to further consolidate our leading position in the Nordics.

Bookings from leisure travelers were high during the summer and the important season for corporate guests and meetings has gotten off to a good start. The hotel market is demonstrating resilience against high inflation and interest rates, and hotel stays, and travel continue to be prioritized both for business and pleasure. Both the number of room nights sold, and occupancy rate increased while prices continued to develop positively. This resulted in Scandic's highest RevPAR ever and net sales reached an all-time high level of 6.3 billion SEK. Room revenue is developing positively, and, in our F&B business, we have improved profitability by continuing to optimize pricing, purchasing and efficiency. Adjusted EBITDA was 1,173 million SEK, corresponding to a margin of 18.6 percent. Excluding non-recurring items, this is our best adjusted operating profit ever. With a strong financial position, we are continuing to invest in developing Scandic.

We are now focused on growing our hotel portfolio with a stronger organization and intensified cooperation with property owners. During the quarter, we signed an agreement to open a Scandic hotel and a Scandic Go with a total of 459 rooms in the Garden Helsinki multi-functional event arena in Helsinki, Finland. The hotels are expected to open in 2028 and will be a milestone in our growth strategy for the Helsinki region. To capture the growing demand within the upscale segment, we expanded our Signature Collection by adding two hotels in Norway and Denmark, which were already part of our pipeline. At the beginning of July, we signed an agreement for a new Scandic Go with 221 rooms at Fridhemsplan in Stockholm. We also opened our first Scandic Go in Stockholm with great success and interest from guests and property owners. This creates good conditions for our growth ambitions in the economy segment.

We are also working at full speed to implement the complete cloud-based IT solution Oracle Hospitality OPERA Cloud. Using a shared cloud-based platform will create a new common way of working for Scandic and connect all hotels and central functions. Implementing the platform will enable an even better guest experience and higher efficiency

through, for example, better management, booking and pricing. Investing in our digital development is an investment in the future where we see excellent opportunities over time to exploit more economies of scale and increase our growth and profitability. Preparations for the implementation started last year with the ambition to implement and use the solution at all hotels and in most central functions during the first half of 2024.

I am proud to report a strong quarter for Scandic and that our focus on efficiency is delivering results. Demand from business travelers and meetings is good, and we are on track for another strong full year. For the fourth quarter, we expect occupancy at par with the same period last year at a higher average price per room.

Scandic is stronger than ever, and I am looking confidently into the future as we continue to work to create even higher guest satisfaction, growth and profitability. Again, a big thank you to all our guests and team members who have made this possible.



JENS MATHIESEN
President & CEO

NORDIC HOTEL MARKET

Historically, demand in the Nordic hotel market has grown steadily. Between 2009 and 2019, the number of sold rooms increased on average by 4 percent per year driven by growth in leisure travel and a greater number of international visitors. The Nordic hotel market has recovered rapidly since the second quarter 2022, and in the past 12 months, the number of sold rooms has increased by 12 percent compared to 2019.

STABLE OCCUPANCY RATES

Demand in the hotel market in the Nordic countries remained good and the occupancy rate for the third quarter was at the same level as in 2022.

For the quarter, occupancy was between 64 and 83 percent in the Nordic countries.

Occupancy was highest in August and lowest in July. In July, the average occupancy rate in the Nordic markets was between 64 and 73 percent. The occupancy rate in August was between 64 and 83 percent and in September, it was between 64 and 79 percent.

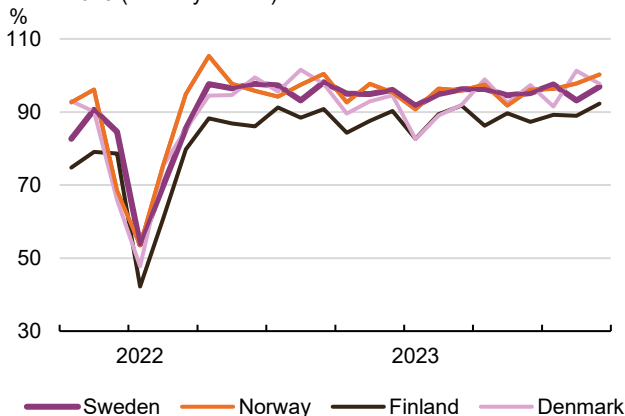
POSITIVE PRICE DEVELOPMENT

Compared with the third quarter 2022, average room rates grew 4 percent in the Nordic markets. Room rates went up most in Denmark, where they increased by 7 percent and in Norway, where the increase was 5 percent. In Sweden, room rates rose by 1 percent. In Finland, there was a decrease of -1 percent.

Compared with the third quarter 2019, average room rates rose by 23 percent. The greatest increase was in Norway, where room rates jumped 37 percent followed by Sweden, where rates were 19 percent higher. In Denmark and Finland, room rates rose 14 and 6 percent, respectively.

MARKET OCCUPANCY

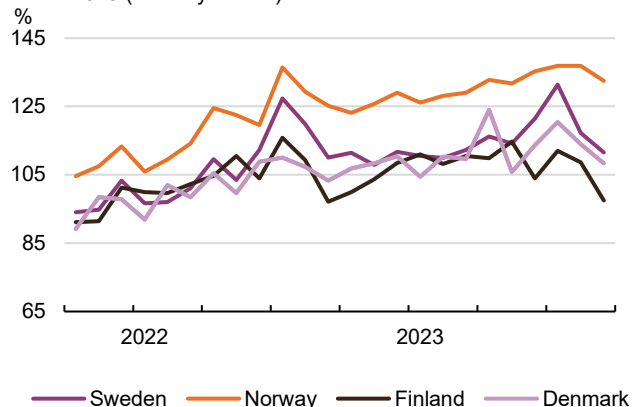
Index 2019 (monthly values)



Source: Benchmark Alliance.

MARKET PRICE DEVELOPMENT

Index 2019 (monthly values)



Source: Benchmark Alliance.

OPERATING MODEL & HOTEL PORTFOLIO

SCANDIC'S OPERATING MODEL

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

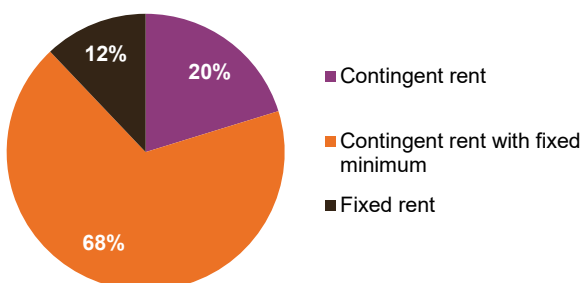
The leasing model helps Scandic ensure that its hotel offering is in line with what it markets while it can benefit from economies of scale in operations and distribution. Additionally, the team members who meet Scandic's guests are employed by Scandic.

HOTEL PORTFOLIO

Scandic operates hotels with long-term leases that are usually variable based on hotel revenues. This creates a shared interest for both parties since increasing sales means higher rents and greater property value for landlords. Variable rents ensure a relatively flexible cost structure, which helps stabilize margins. Scandic aims to increase the share of variable lease agreements and achieve more balanced conditions over time. 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.

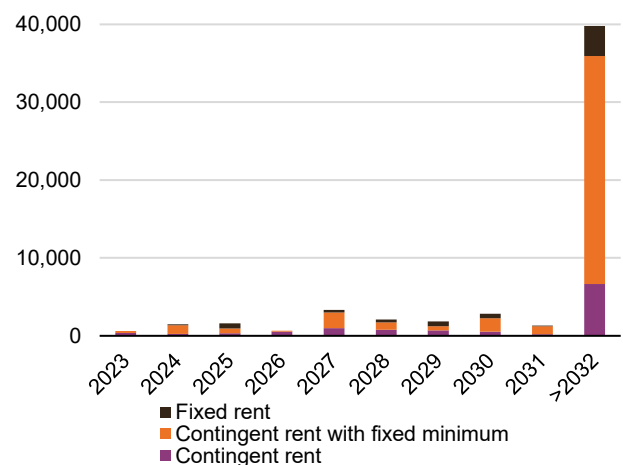
SHARE OF LEASE AGREEMENTS

NUMBER OF ROOMS



REMAINING LEASE TERMS

NUMBER OF ROOMS



At the end of the period, Scandic had 55,969 hotel rooms in operation at 269 hotels, of which 248 had lease agreements. In total, the number of rooms in operation increased by 39 during the period. The opening of Scandic Go on Upplandsgatan in Stockholm contributed with 124 rooms. Scandic Grimstad had a negative impact of 98 rooms when the hotel was exited in August.

	Jul-Sep 2023	Jan-Sep 2023
Portfolio changes		
Opening balance		
Lease agreements	53,094	52,992
Franchise, management & other	2,836	2,839
Total	55,930	55,831
Total change lease agreements	39	141
Change in other operating models	-	-3
Total change	39	138
Closing balance		
Lease agreements	53,133	53,133
Franchise, management & other	2,836	2,836
Total	55,969	55,969



NUMBER OF HOTELS & ROOMS IN OPERATION

	Hotels	In operation as of 30 Sep, 2023		
		of which lease agreements	Rooms	of which lease agreements
Sweden	87	81	18,397	17,605
Norway	83	69	16,244	14,410
Finland	61	61	12,835	12,835
Denmark	30	29	6,036	5,826
Other Europe	8	8	2,457	2,457
Total	269	248	55,969	53,133
<i>Change during the quarter</i>			39	39

SCANDIC'S PIPELINE

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

At the end of the period, Scandic had eight new planned hotels with 2,252 rooms and five planned exits that constitute

a total of 753 rooms. This corresponds to a net increase of approximately 2.7 percent of the hotel portfolio. During the quarter, Scandic announced an agreement for a new 221-room Scandic Go in Stockholm and an agreement for two new hotels in Helsinki with a total of 459 rooms. Scandic also announced that the Signature Collection would be expanded with the addition of two new hotels. Both hotels are already part of Scandic's pipeline. Investments in the pipeline are expected to total approximately 506 million SEK. To date, investments of 28 million SEK have been made.

NUMBER OF HOTELS IN OPERATION & PIPELINE

	New hotels	Planned exits	In pipeline as of 30 Sep, 2023			
			Total	New rooms	Planned exits	Total
Sweden	3	-2	1	866	-328	538
Norway	2	-1	1	525	-176	349
Finland	2	-	2	459	-	459
Denmark	1	-2	-1	402	-249	153
Other Europe	-	-	-	-	-	-
Total	8	-5	3	2,252	-753	1,499
<i>Change during the quarter</i>	2	-	2	604	-22	582

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 all investors gain a good understanding of the company's position, Scandic has chosen to present 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 2023

Net sales rose by 5.2 percent to 6,307 million SEK (5,994). Exchange rate effects impacted net sales positively by 202 million SEK or 3.4 percent. The number of available rooms at the end of the quarter was marginally lower compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 1.8 percent, and sales for comparable units grew by 1.0 percent.

Average revenue per available room (RevPAR) rose by 6.4 percent to 933 SEK compared with 875 SEK during the previous year. RevPAR improved in all markets compared with during the corresponding period in 2022. The average room rate continued to rise and amounted to 1,313 SEK; an increase of 5.7 percent compared with the third quarter 2022.

Revenue from restaurant and conference operations grew by 5.3 percent, and demand for meetings and conferences continued to be good after the summer. The share of net sales amounted to 24.9 percent (24.9).

REPORTED RESULTS

The operating profit was 1,251 million SEK (1,232). No pre-opening costs for new hotels were included in the operating profit for the quarter (-20). Depreciation and amortization totaled -970 million SEK (-849). This increase was impacted by additional depreciation and amortization of 115 million SEK due to IFRS 16.

The Group's net financial expense amounted to -510 million SEK (-436).

The profit before tax was 741 million SEK (796) and reported tax amounted to -182 million SEK (-163). Net profit was 559 million SEK (633).

Costs for central functions grew and amounted to -110 million SEK (-82), partly due to a high level of activity within digital development, increased marketing costs and measures to strengthen the organization within IT and marketing.

Earnings per share after dilution totaled 2.51 SEK per share (2.80). The calculation of earnings per share includes the full dilutive effect, as the profit for the quarter attributable to the Parent Company's shareholders was positive.

EXCLUDING EFFECTS OF IFRS 16

Rental costs rose to 1,764 million SEK (1,577). Rental costs relative to net sales increased and amounted to 27.9 percent (26.3). During the quarter, negotiated rent concessions of approximately 5 million SEK (12) were received, reducing fixed and guaranteed rents. Depreciation and amortization totaled -213 million SEK (-207).

Adjusted EBITDA was 1,173 million SEK (1,213). All markets reported positive adjusted EBITDA during the quarter. The new hotels that opened in 2022 have developed well, contributing positively to the Group's results.

Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 18.1 percent (19.0). During the quarter, Scandic Sweden received electricity subsidies and Scandic Norway was compensated for operations related to housing for refugees that was not used. Together, these items impacted adjusted EBITDA by approximately 31 million SEK (44). The comparative period includes compensation of 15 million SEK that was received in connection with opening

new hotels. Adjusted EBITDA does not include any direct state aid for fixed costs (32).

The Group's net financial expense amounted to -67 million SEK (-64). Interest expenses totaled -71 million SEK (-66); these expenses were impacted negatively by higher interest rates that were partially offset by lower indebtedness. The profit before tax was 894 million SEK (921) and the net profit was 683 million SEK (732). Earnings per share after dilution totaled 3.04 SEK (3.23) per share.

JANUARY – SEPTEMBER 2023

Net sales rose by 18.0 percent to 16,525 million SEK (14,002). Exchange rate effects impacted net sales positively by 374 million SEK or 2.7 percent. The number of available rooms at the end of the period was marginally lower compared with the previous year.

Organic growth excluding exchange rate effects and acquisitions was 15.4 percent, and sales for comparable units grew by 12.2 percent.

Average revenue per available room (RevPAR) rose by 17.6 percent to 797 SEK compared with 678 SEK during the previous year. RevPAR improved in all markets compared with during the corresponding period in 2022. The average room rate continued to rise and amounted to 1,273 SEK; an increase of 8.8 percent compared with the corresponding period last year.

Revenue from restaurant and conference operations grew by 20.6 percent due to the high demand for meetings and conferences in all markets. The share of net sales amounted to 27.6 percent (27.1).

REPORTED RESULTS

The operating profit was 2,283 million SEK (1,969), including pre-opening costs for new hotels of -16 million SEK (-122). Items affecting comparability amounted to -3 million SEK (0) related to costs associated with organizational changes. Depreciation and amortization totaled -2,850 million SEK (-2,494). This increase was impacted by additional depreciation and amortization of 152 million SEK due to IFRS 16.

The Group's net financial expense amounted to -1,535 million SEK (-1,369).

The profit before tax was 747 million SEK (600) and reported tax amounted to -219 million SEK (-173). Net profit was 528 million SEK (426).

Costs for central functions increased and totaled -328 million SEK (-184), partly due to higher marketing costs and

measures to strengthen the organization within IT and marketing.

Earnings per share after dilution totaled 2.58 SEK per share (2.12). 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 rose to 4,739 million SEK (3,943). Rental costs relative to net sales fell because of higher sales and amounted to 28.6 percent (28.2). During the period, negotiated rent concessions of approximately 25 million SEK (76) were received, reducing fixed and guaranteed rents. Depreciation and amortization totaled -625 million SEK (-627).

Adjusted EBITDA amounted to 2,115 million SEK (2,060), driven by higher net sales and efficient cost control. All markets reported positive adjusted EBITDA during the period. The new hotels that opened in 2022 and that are being ramped up continued to develop well, contributing positively to the Group's results.

Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 12.3 percent (11.7). During the period, adjusted EBITDA was impacted by non-recurring items of 92 million SEK (245), which can be divided into 49 million SEK (167) in compensation for operations related to housing for refugees that was not used, 20 million SEK in electricity subsidies in Sweden and 23 million SEK (79) that was received in connection with opening new hotels. Adjusted EBITDA does not include any direct state aid for fixed costs (189).

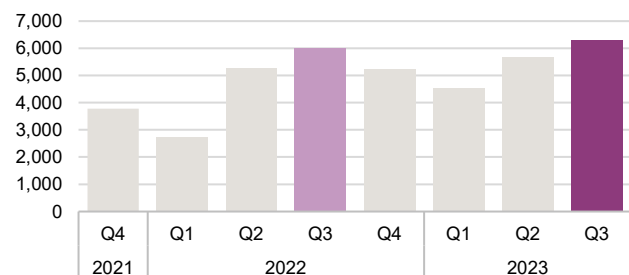
The Group's net financial expense amounted to -230 million SEK (-289). Interest expenses totaled -202 million SEK (-256); these expenses were impacted positively by lower indebtedness. The profit before tax was 1,243 million SEK (1,022) and the net profit was 927 million SEK (762). Earnings per share after dilution totaled 4.29 SEK (3.56) per share.

SEASONAL VARIATIONS

Scandic operates in a sector affected by seasonal variations. The first quarter and other periods with low levels of business travel such as the summer months, Easter and Christmas/New Year's are generally the weakest periods. Easter falls either during the first or second quarter, which should be taken into consideration when making comparisons between years. Just as in 2022 and 2019, in 2023, the Easter holiday fell during the second quarter.

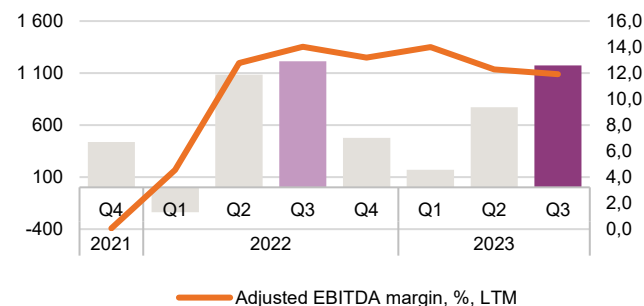
NET SALES

million SEK



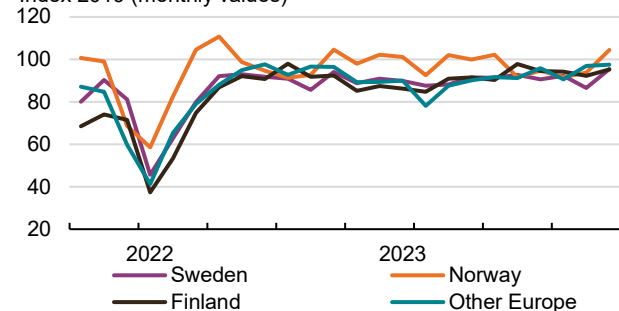
ADJUSTED EBITDA

million SEK



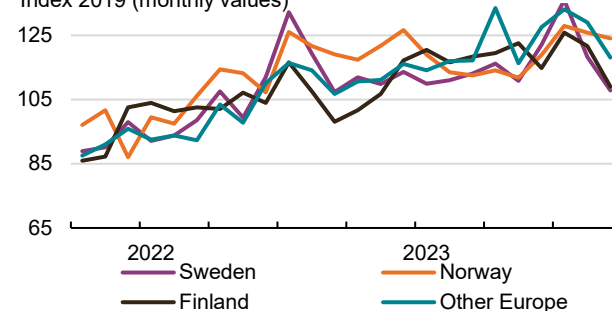
OCCUPANCY, SCANDIC

Index 2019 (monthly values)



AVERAGE ROOM RATES, SCANDIC

Index 2019 (monthly values)



NET SALES, OPERATING PROFIT & ADJUSTED EBITDA

	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%
Net sales (million SEK)	6,307	5,994	5,2%	16,525	14,002	18,0%
Currency effects	202		3,4%	374		2,7%
Organic growth	111		1,8%	2,145		15,4%
New hotels	144		2,4%	730		5,2%
Exits	-99		-1,7%	-294		-2,1%
LFL	66		1,0%	1,709		12,2%
Operating profit/loss	1,251	1,232		2,283	1,969	
margin, %	19,8%	20,6%		13,8%	14,1%	
Adjusted EBITDA	1,173	1,213		2,115	2,060	
margin, %	18,6%	20,2%		12,8%	14,7%	
RevPAR (SEK)	933	875	6,5%	797	678	17,6%
Currency effects	30		3,4%	18		2,7%
New hotels/exits	14		1,6%	7		1,0%
LFL	13		1,5%	94		13,9%
ARR (SEK)	1,313	1,242	5,8%	1,273	1,171	8,8%
OCC %	71,0%	70,5%		62,6%	57,9%	

Quarter Jul-Sep million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	1,862	1,882	405	401	21,7%	21,3%
Norway	1,851	1,876	404	425	21,8%	22,7%
Finland	1,397	1,257	245	233	17,6%	18,5%
Other Europe	1,196	979	229	236	19,2%	24,1%
Central functions	-	-	-110	-82	-	-
Total Group	6,307	5,994	1,173	1,213	18,6%	20,2%

Period, Jan-Sep million SEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	5,002	4,394	770	654	15,4%	14,8%
Norway	4,712	4,536	841	977	17,9%	21,5%
Finland	3,715	2,893	410	259	11,0%	9,0%
Other Europe	3,097	2,179	422	387	13,6%	17,8%
Central functions	-	-	-328	-218	-	-
Total Group	16,525	14,002	2,115	2,060	12,8%	14,7%



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-September amounted to 1,514 million SEK (1,810).

The cash flow contribution from the change in working capital totaled -465 million SEK (45). Working capital was negatively impacted by the previously communicated repayment of variable rent debts for 2022 of 715 million SEK. An additional approximately 25 million SEK is expected to be repaid during 2023. For 2023, a new rent debt of 400 million SEK has been accrued, the majority of which will be settled during the first half of 2024.

Taxes paid amounted to -94 million SEK (-36) and referred to payment of taxes for previous years primarily in Sweden and Norway.

Net investments paid totaled -309 million SEK (-552). Of these, -251 million SEK (-231) relates to ongoing hotel renovations at hotels in Stockholm, Umeå, Falun and Oslo among others and -33 million SEK (-10) to IT. Investments in new hotels and increased room capacity amounted to -25 million SEK (-311) and mainly relate to the completion of Scandic Frankfurt Hafenpark in Germany.

In total, free cash flow was 1,204 million SEK (1,257).

OPERATING CASH FLOW

million SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Adjusted EBITDA	1,173	1,213	2,115	2,060	2,536	2,591
Pre-opening costs	0	-20	-16	-122	-131	-25
Items affecting comparability	-	0	-3	-0	-16	-19
Adjustments for non-cash items	-11	-32	44	-11	28	83
Paid tax	-15	-1	-94	-36	-39	-97
Change in working capital	-160	-64	-507	45	614	62
Interest paid	12	4	-25	-125	-155	-55
Cash flow from operations	999	1,099	1,514	1,810	2,837	2,541
Paid investments in hotel renovations	-82	-97	-251	-231	-277	-297
Paid investments in IT	-11	-2	-33	-10	-14	-37
Free cash flow before investments in expansions	906	1,000	1,230	1,569	2,546	2,207
Paid investments in new capacity	-7	-47	-25	-311	-344	-58
Free cash flow	899	953	1,204	1,257	2,202	2,149
Accrued interest, convertible loan	-43	-39	-125	-113	-153	-165
Change in other interest bearing liability	-	-	-	-508	-493	15
Other items in financing activities	-1	-2	-86	3	3	-86
Financing costs	-3	-4	1	-13	-12	2
Exchange difference in net debt	24	-12	-31	-68	-73	-36
Change in net debt	876	897	963	559	1,475	1,880

FINANCIAL POSITION

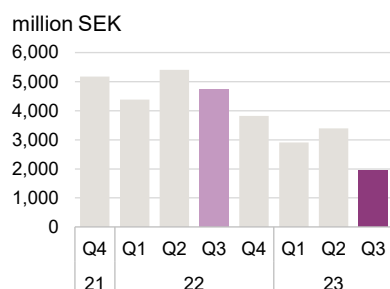
The balance sheet total on September 30, 2023, was 56,692 million SEK compared with 50,948 million SEK on December 31, 2022. The greatest change relates to an increase in lease debts and right of use assets according to IFRS 16, mainly attributable to index calculations in lease agreements and new contracts. Excluding IFRS 16, the balance sheet total amounted to 16,824 million SEK.

On September 30, 2023, interest-bearing net liabilities totaled 1,946 million SEK, a decrease of 963 million SEK compared with December 31, 2022. Debts to credit institutions totaled 977 million SEK, other interest-bearing liabilities totaled 797 million SEK and cash and cash equivalents totaled 1,438 million SEK. The convertible loan was 1,609 million SEK at the end of the period. Interest-bearing net debt in relation to adjusted EBITDA for the most recent 12 months amounted to 0.8x (0.1x excluding the convertible loan), which is lower than indebtedness at the end of 2022 (1.1) and less than at year-end 2019 (1.7).

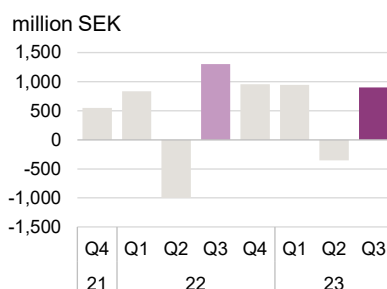
Total available credit facilities amounted to 3,250 million SEK at the end of the period. On February 15, 2023, Scandic signed an agreement for external financing with total credit facilities of 3,450 million SEK until December 31, 2025. In connection with the extension, interest terms and covenants were also adjusted. Under certain conditions, the external financing gives Scandic the opportunity to finance all or part of the convertible loan that is due on October 8, 2024. Total available liquidity at the end of 2022 amounted to approximately 3,600 million SEK.

Other interest-bearing liabilities of 797 million SEK include debt relating to deferred VAT payments and social security contributions in Sweden. The debt increased by a net of 162 million SEK during the period, partly due to new deferrals of 245 million SEK that were granted and repayment of -83 million SEK. Repayments are expected to be made until April 2027.

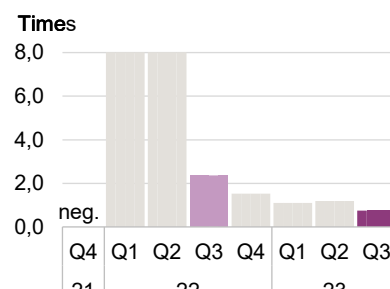
INTEREST-BEARING NET LIABILITIES



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 87 hotels and more than 18,000 hotel rooms in the country.

JULY – SEPTEMBER

Net sales declined by 1.1 percent to 1,862 million SEK (1,882). For comparable units, net sales increased by 1.1 percent.

Changes in the hotel portfolio contributed 41 million SEK to net sales. Exited hotels included Scandic Ariadne and Scandic Norra Bantorget, which are closed for renovations and will reopen next year. These hotels had the greatest negative impact on revenue.

Average revenue per available room (RevPAR) was 886 SEK, an increase of 2.2 percent compared with the corresponding quarter in 2022.

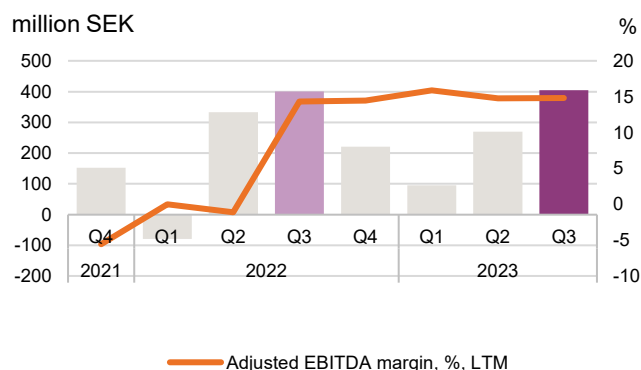
Adjusted EBITDA increased to 405 million SEK (401). During the quarter, electricity subsidies of 20 million SEK were received for the period October 2021 to September 2022. During the corresponding quarter in 2022, 45 million SEK was received in connection with opening new hotels. Rental costs increased by 10 million SEK to 526 million SEK as a result of greater turnover and consequently, higher variable rents.

JANUARY – SEPTEMBER

Net sales rose by 13.8 percent to 5,002 million SEK (4,394). For comparable units, net sales increased by 12.5 percent.

Changes in the hotel portfolio contributed 51 million SEK to net sales. Scandic Göteborg Central and Scandic Kiruna had the greatest positive impact. Exited hotels refer to Scandic Ferrum, which was closed in connection with the opening of

ADJUSTED EBITDA



the new Scandic Kiruna as well as Scandic Ariadne and Scandic Norra Bantorget, which are closed for renovation and will reopen next year.

Average revenue per available room (RevPAR) was 776 SEK, an increase of 15.2 percent compared with the corresponding quarter in 2022.

Adjusted EBITDA increased to 770 million SEK (654). No direct state aid was received during the period (10). During the third quarter, Scandic received an electricity subsidy of 20 million SEK. During 2022, 45 million SEK was received in connection with opening new hotels. Rental costs increased by 188 million SEK to 1,443 million SEK as a result of greater turnover and consequently, higher variable rents.

	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%
Net sales (million SEK)	1,862	1,882	-1,1%	5,002	4,394	13,8%
Organic growth	-20		-1,1%	604		13,7%
New hotels	11		0,6%	174		3,9%
Exits	-52		-2,8%	-123		-2,8%
LFL	22		1,1%	554		12,5%
Adjusted EBITDA	405	401		770	654	
margin, %	21,7%	21,2%		15,4%	14,8%	
RevPAR (SEK)	886	867	2,2%	776	673	15,2%
New hotels/exits	8		0,9%	3		0,4%
LFL	11		1,3%	100		14,8%
ARR (SEK)	1,239	1,228	0,9%	1,218	1,147	6,2%
OCC %	71,5%	70,6%		63,7%	58,7%	

NORWAY

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

JULY – SEPTEMBER

Net sales decreased by 1.3 percent to 1,851 million SEK (1,876), mainly as a result of negative exchange rate effects of -2.6%. For comparable units, net sales grew by 1.6 percent.

Changes in the hotel portfolio contributed -4 million SEK to net sales.

Average revenue per available room (RevPAR) was 947 SEK, an increase of 3.6 percent compared with the corresponding quarter in 2022.

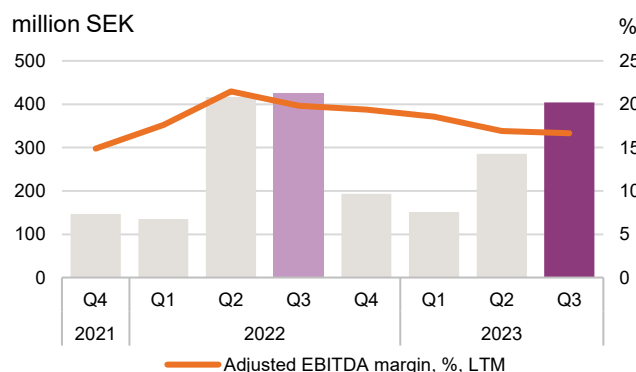
Adjusted EBITDA was 404 million SEK (425). No direct state aid was received during the period (5). Approximately 11 million SEK of adjusted EBITDA (29) is estimated to be attributable to operations related to housing for refugees in hotel rooms that were not used. Rental costs increased by 19 million SEK to 500 million SEK as a result of lower turnover and consequently, lower variable rents.

JANUARY – SEPTEMBER

Net sales rose by 3.9 percent to 4,712 million SEK (4,536). For comparable units, net sales grew by 7.6 percent.

Changes in the hotel portfolio contributed 18 million SEK to net sales. The most significant positive impact was from Scandic Holmenkollen Park, which reopened in September 2022 following an extensive renovation.

ADJUSTED EBITDA



Average revenue per available room (RevPAR) was 790 SEK, an increase of 7.8 percent compared with the corresponding quarter in 2022.

Adjusted EBITDA was 841 million SEK (977). No direct state aid was received during the period (23). Approximately 49 million SEK of adjusted EBITDA (167) is estimated to be attributable to operations related to housing for refugees in hotel rooms that were not used. Rental costs increased by 66 million SEK to 1,282 million SEK as a result of greater turnover and consequently, higher variable rents.

	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%
Net sales (million SEK)	1,851	1,876	-1,3%	4,712	4,536	3,9%
Currency effects	-49		-2,6%	-187		-4,1%
Organic growth	25		1,3%	362		8,0%
New hotels	16		0,8%	113		2,5%
Exits	-20		-1,1%	-95		-2,1%
LFL	29		1,6%	345		7,6%
Adjusted EBITDA	404	425		841	977	
margin, %	21,8%	22,7%		17,9%	21,5%	
RevPAR (SEK)	947	914	3,6%	790	732	7,8%
Currency effects	-25		-2,8%	-31		-4,3%
New hotels/exits	27		2,9%	16		2,1%
LFL	31		3,4%	73		10,0%
ARR (SEK)	1,329	1,289	3,1%	1,277	1,216	5,0%
OCC %	71,3%	70,9%		61,8%	60,2%	

SEGMENT DISCLOSURES

FINLAND

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

JULY – SEPTEMBER

Net sales rose by 11.2 percent to 1,397 million SEK (1,257). For comparable units, net sales fell by 1.6 percent.

Changes in the hotel portfolio contributed 25 million SEK to net sales. The positive effect is mainly attributable to Scandic Helsinki Hub. Scandic Kajanus, which was exited during the first quarter 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 848 SEK, growth of 10.7 percent compared with the corresponding quarter in 2022.

Adjusted EBITDA was 245 million SEK (233). No direct state aid was received during the period (0).

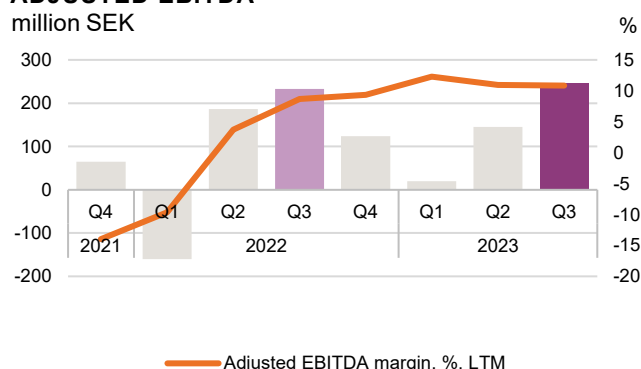
Rental costs increased by 91 million SEK to 426 million SEK as a result of greater turnover and consequently, higher variable rents.

JANUARY – SEPTEMBER

Net sales rose by 28.4 percent to 3,715 million SEK (2,893). For comparable units, net sales grew by 15.4 percent. Occupancy increased gradually during the period, driven by higher demand in Helsinki.

Changes in the hotel portfolio contributed 69 million SEK to net sales. The positive effect is mainly attributable to Scandic

ADJUSTED EBITDA



Helsinki Hub. Scandic Kajanus, which was exited during the first quarter, had the greatest negative impact. Average revenue per available room (RevPAR) was 733 SEK, which was 27.6 percent higher than the corresponding quarter in 2022. Adjusted EBITDA increased to 410 million SEK (259). No direct state aid was received during the period (43).

Rental costs increased by 270 million SEK to 1,185 million SEK as a result of greater turnover and consequently, higher variable rents and lower rent concessions.

	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%
Net sales (million SEK)	1,397	1,257	11,2%	3,715	2,893	28,4%
Currency effects	136		10,8%	307		10,6%
Organic growth	5		0,4%	515		17,8%
New hotels	35		2,8%	96		3,3%
Exits	-10		-0,8%	-27		-0,9%
LFL	-21		-1,6%	446		15,4%
Adjusted EBITDA	245	233		410	259	
margin, %	17,6%	18,5%		11,0%	9,0%	
RevPAR (SEK)	848	766	10,7%	733	575	27,6%
Currency effects	82		10,7%	61		10,5%
New hotels/exits	14		1,8%	9		1,6%
LFL	-14		-1,8%	89		15,5%
ARR (SEK)	1,293	1,167	10,9%	1,262	1,128	11,8%
OCC %	65,5%	65,6%		58,1%	50,9%	

OTHER EUROPE

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

JULY – SEPTEMBER

Net sales rose by 22.2 percent to 1,196 million SEK (979). For comparable units, net sales grew by 3.7 percent. Performance improved in all countries.

Changes in the hotel portfolio contributed 65 million SEK to net sales. The positive effect is mainly attributable to Scandic Spectrum in Copenhagen and Scandic Frankfurt Hafenpark. Scandic Bygholm Park in Horsens, Denmark, which was exited during the first quarter 2023, had a negative impact.

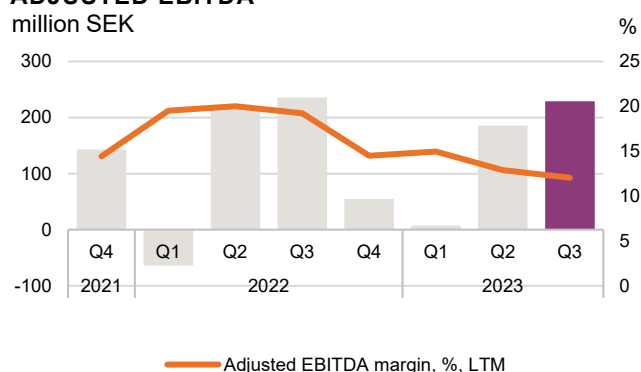
Average revenue per available room (RevPAR) was 1,137 SEK, 13.3 percent higher than the corresponding quarter in 2022.

Adjusted EBITDA was 229 million SEK (236). No direct state aid was received during the period (27). In addition, no compensation was received in connection with opening new hotels (15). Rental costs rose by 67 million SEK to 311 million SEK.

JANUARY – SEPTEMBER

Net sales rose by 42.1 percent to 3,097 million SEK (2,179). For comparable units, net sales grew by 16.8 percent. Performance improved in all countries. Changes in the hotel portfolio contributed 298 million SEK to net sales. The positive effect is mainly attributable to Scandic Spectrum in Copenhagen and Scandic Frankfurt Hafenpark. Scandic

ADJUSTED EBITDA



Bygholm Park in Horsens, Denmark, which was exited during the first quarter 2023, had a negative impact.

Average revenue per available room (RevPAR) was 957 SEK, which was 24.5 percent higher than during the corresponding quarter in 2022.

Adjusted EBITDA increased to 422 million SEK (387). No direct state aid was received during the period (113). Compensation of 23 million SEK (34) was received in connection with opening new hotels. Rental costs increased by 225 million SEK to 829 million SEK as a result of greater turnover and consequently, higher variable rents and lower rent concessions.

	Jul-Sep 2023	Jul-Sep 2022	Δ%	Jan-Sep 2023	Jan-Sep 2022	Δ%
Net sales (million SEK)	1,196	979	22,2%	3,097	2,179	42,1%
Currency effects	116		11,8%	255		11,7%
Organic growth	101		10,3%	663		30,4%
New hotels	83		8,4%	347		15,9%
Exits	-18		-1,8%	-49		-2,3%
LFL	36		3,7%	365		16,8%
Adjusted EBITDA	229	236		422	387	
margin, %	19,2%	24,1%		13,6%	17,8%	
RevPAR (SEK)	1,137	1,003	13,3%	957	769	24,5%
Currency effects	109		10,9%	-		10,2%
New hotels/exits	-5		-0,5%	8		-2,3%
LFL	29		2,9%	367		16,6%
ARR (SEK)	1,458	1,293	12,8%	1,394	1,201	16,1%
OCC %	77,9%	77,6%		68,7%	64,0%	

OTHER INFORMATION

EVENTS DURING THE PERIOD

On July 3, it was announced that Scandic had signed an agreement for a new Scandic Go hotel with 221 at Fridhemsplan in Stockholm. On August 31, Scandic announced that it would expand its Signature Collection by adding two hotels that were already in the pipeline. On September 5, the first Scandic Go hotel opened in Stockholm, and on September 13, Scandic announced an agreement to open two new hotels with a total of 459 rooms in Helsinki, Finland.

EVENTS AFTER THE REPORTING DATE

No significant events have occurred after the reporting date.

OUTLOOK

Based on current bookings, Scandic anticipates occupancy rates aligned with the corresponding period last year at higher average room rates.

THE SCANDIC SHARE

The number of shareholders totaled 64,547 on September 30, 2023. The Scandic share is listed on Nasdaq Stockholm's Nordic Mid Cap list. The total number of shares was 191,304,116 and the closing price on September 29, 2023, was 37.16 SEK.

SHAREHOLDERS, SEPTEMBER 30, 2023

	No. of shares	Shareholding, %	Votes, %
Stena Sessan	37,974,365	19.85	19.85
AMF Pension & Fonder	26,000 000	13.59	13.59
Eiendomsspar	10,283,000	5.38	5.38
Handelsbanken Fonder	6,367,459	3.33	3.33
Periscopos AS	5,138,955	2.69	2.69
Vanguard	4,766,757	2.49	2.49
Svenska Handelsbanken AB for PB	4,754,236	2.49	2.49
Dimensional Fund Advisors	3,456,173	1.81	1.81
Handelsbanken Liv Försäkring AB	3,248,988	1.70	1.70
Avanza Pension	3,243,037	1.70	1.70
Total 10 largest shareholders	105,232,970	55.0	55.0
Others	86,071,146	45.0	45.0
Total	191,304,116	100	100

PARENT COMPANY

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenue was 20 million SEK (12) for the quarter and 52 million SEK (35) for the period. The operating profit amounted to 0 million SEK (-0) for the quarter and 0 million SEK (-0) for the period. Net financial items totaled -15 million SEK (-25) for the quarter and -45 million SEK (-64) for the period. Profit before tax amounted to -15 million SEK (-25) for the quarter and -45 million SEK (-65) for the period.

PRESS RELEASES DURING PERIOD (SELECTION)

2023-09-13 Strengthened position in Helsinki with two hotels
 2023-09-05 Scandic Go opens in Stockholm
 2023-08-31 Signature Collection expands with two hotels
 2023-07-03 Scandic Go expanding with another signing
 2023-05-08 Laura Tarkka appointed as Head of Finland
 2023-03-01 Scandic Frankfurt Hafenpark opens

PRESENTATION OF THE REPORT

A live streamed presentation of Scandic's half-year report will take place on October 26, 2023, at 9:00 CEST. Scandic's President & CEO Jens Mathiesen will present the report together with CFO Åsa Wirén in a live stream and phone conference. The interim report, presentation and live stream will be available at scandichotelsgroup.com. Please register and call in a few minutes before the start.

2024-02-14	Year-end report 2023
2024-04-24	Interim report Q1 2024
2024-05-16	2024 Annual General Meeting
2024-07-17	Interim report Q2 2024

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 26, 2023, at 07.30 CEST.

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

million SEK	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Net sales		6,307	5,994	16,525	14,002	19,230	21,753
Other revenue		20	-	20	3	3	20
TOTAL OPERATING INCOME	2, 3	6,327	5,994	16,545	14,006	19,233	21,773
Raw materials and consumables		-472	-449	-1,260	-1,055	-1,495	-1,700
Other external expenses		-1,140	-1,105	-3,301	-2,665	-3,854	-4,490
Employee benefits expenses	4	-1,778	-1,649	-5,129	-4,283	-5,957	-6,804
Rental costs	5	-717	-688	-1,703	-1,418	-1,951	-2,236
Pre-opening costs		0	-20	-16	-122	-131	-25
Items affecting comparability		-	0	-3	-0	-16	-19
Depreciation, amortization and impairment losses		-970	-849	-2,850	-2,494	-3,372	-3,729
TOTAL OPERATING COSTS		-5,075	-4,762	-14,262	-12,037	-16,776	-19,002
Operating profit/loss		1,251	1,232	2,283	1,969	2,457	2,771
Net financial items	6	-510	-436	-1,535	-1,369	-1,808	-1,974
Profit/loss before taxes		741	796	747	600	649	797
Taxes		-182	-163	-219	-173	-221	-267
Net profit/loss for the period		559	633	528	426	428	530
Profit/loss for period relating to:							
Parent Company shareholders		550	622	501	402	394	492
Non-controlling interest		9	10	27	24	34	37
Net profit/loss for the period		559	633	528	426	428	530
Average number of outstanding shares before dilution		191,304,116	191,287,572	191,304,116	191,267,961	191,277,074	191,299,946
Average number of outstanding shares after dilution		232,768,903	232,786,903	232,768,903	232,768,903	232,768,903	232,768,903
Earnings per share before dilution, SEK		3,05	3,41	3,14	2,57	2,69	3,26
Earnings per share after dilution, SEK		2,51	2,80	2,58	2,12	2,21	2,67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

million SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Net profit/loss for the period	559	633	528	426	428	530
Items that may be reclassified to the income statement	-88	209	-343	623	421	-545
Items that may not be reclassified to the income statement	22	110	82	219	246	109
Other comprehensive income	-66	319	-261	842	667	-436
Total comprehensive income for period	493	952	266	1,268	1,095	93
Relating to:						
Parent Company shareholders	484	962	240	1,292	1,130	78
Non-controlling interest	9	-10	27	-24	-35	16

CONSOLIDATED BALANCE SHEET, SUMMARY

million SEK	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets				
Intangible assets		7,214	7,115	7,189
Buildings and land		78	82	82
Right-of-use assets		39,914	36,145	36,777
Equipment, fixtures and fittings		4,012	4,317	4,272
Financial assets		769	646	640
Total non-current assets	7	51,987	48,304	48,960
Current assets	10	3,293	2,056	1,287
Derivative instruments		-	728	384
Cash and cash equivalents	9	1,438	76	317
Total current assets		4,730	2,860	1,988
Total assets		56,717	51,165	50,948
Equity and liabilities				
Equity attributable to Parent Company shareholders		2,413	2,380	2,197
Non-controlling interest		101	65	77
Total equity		2,513	2,445	2,274
Liabilities to credit institutions	9	977	1,767	1,107
Convertible loan	8	1,609	1,444	1,484
Lease liabilities		41,459	37,318	38,062
Other long-term liabilities	9	1,129	1,422	1,308
Total non-current liabilities		45,175	41,951	41,961
Current liabilities for leases		2,520	2,204	2,268
Derivative instruments		25	-	-
Other current liabilities	10	6,484	4,565	4,445
Total current liabilities		9,029	6,769	6,713
Total equity and liabilities		56,717	51,165	50,948
Equity per share, SEK		12.6	12.4	11.5
Total number of shares outstanding, end of period		191,304,116	191,304,116	191,304,116

CHANGES IN GROUP EQUITY

million SEK	Share capital	Other contributed capital	Translation reserve	Retained earnings	Equity attributable to Parent Company shareholders	Non-controlling interest	Total equity
OPENING BALANCE 2022-01-01	48	9,890	182	-9,005	1,115	40	1,155
Net profit/loss for the period	-	-	-	403	403	24	426
Total other comprehensive income, net after tax	-	-	623	219	842	-	842
Total comprehensive income for the year	-	-	623	622	1,244	24	1,268
Other adjustments	-	-	56	-	56	-	56
Total transactions with shareholders	-	2	-	-35	-33	-	-33
CLOSING BALANCE 2022-09-30	48	9,892	861	-8,419	2,380	65	2,445
Net profit/loss for the period	-	-	-	-9	-9	10	1
Total other comprehensive income, net after tax	-	-	-205	27	-178	3	-175
Total comprehensive income for the year	-	-	-205	18	-186	13	-172
Other adjustments	-	-	-	-	-	0	0
Total transactions with shareholders	-	-	-	1	1	-	1
CLOSING BALANCE 2022-12-31	48	9,892	656	-8,399	2,197	77	2,274
OPENING BALANCE 2023-01-01	48	9,892	656	-8,399	2,197	77	2,274
Net profit/loss for the period	-	-	-	501	501	27	528
Total other comprehensive income, net after tax	-	-	-340	82	-258	-3	-261
Total comprehensive income for the year	-	-	-340	583	242	24	266
Other adjustments	-	-	-8	-	-8	-	-8
Total transactions with shareholders	-	-	-	-19	-19	-	-19
CLOSING BALANCE 2023-09-30	48	9,892	307	-7,835	2,412	101	2,513

CONSOLIDATED CASH FLOW STATEMENT

million SEK	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
OPERATING ACTIVITIES							
Operating profit/loss		1,251	1,232	2,283	1,969	2,457	2,771
Depreciation, amortization and impairment losses		970	849	2,850	2,494	3,372	3,729
Adjustments for non-cash items		-11	-32	44	-11	28	83
Paid tax		-15	-1	-94	-36	-39	-97
Change in working capital		-160	-64	-507	45	614	62
Cash flow from operating activities		2,035	1,984	4,576	4,460	6,432	6,548
INVESTING ACTIVITIES							
Paid net investments		-101	-146	-311	-553	-635	-393
Cash flow from investing activities		-101	-146	-311	-553	-635	-393
FINANCING ACTIVITIES	6						
Interest paid/received		12	4	-25	-125	-155	-55
Paid interest, leases		-444	-372	-1,306	-1,081	-1,464	-1,689
Financing costs		-	-	-34	-	-	-34
Dividend, share swap agreement		-	-	-7	-10	-10	-7
Net borrowing/amortization		-45	-973	-11	-1,368	-2,067	-710
Amortization, leases		-603	-516	-1,730	-1,445	-1,976	-2,261
Cash flow from financing activities		-1,080	-1,858	-3,113	-4,029	-5,672	-4,756
CASH FLOW FOR THE PERIOD		854	-20	1,151	-121	125	1,396
Cash and cash equivalents at the beginning of the period		560	101	317	216	216	76
Translation difference in cash and cash equivalents		24	-5	-30	-19	-24	-35
Cash and cash equivalents at the end of the period		1,438	76	1,438	76	317	1,438

PARENT COMPANY INCOME STATEMENT, SUMMARY

million SEK	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Net sales		20	12	52	35	55	72
Expenses		-21	-12	-52	-36	-56	-72
Operating profit/loss		-0	0	0	-1	-1	0
Financial income		33	14	90	51	65	103
Financial expenses		-48	-39	-135	-116	-156	-175
Net financial items		-15	-25	-45	-64	-91	-72
Appropriations		-	-	-	-	17	17
Profit/loss before taxes		-15	-25	-45	-65	-75	-55
Taxes		0	0	2	0	-4	-2
Net profit/loss for the period		-15	-25	-43	-65	-79	-57

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

million SEK	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Net profit/loss for the period		-15	-25	-43	-65	-79	-57
Items that may be reclassified to the income statement		-	-	-	-	-	-
Items that may not be reclassified to the income statement		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for period		-15	-25	-43	-65	-79	-57

PARENT COMPANY BALANCE SHEET, SUMMARY

million SEK	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets				
Investments in subsidiaries		8,415	8,415	8,415
Group company receivables		1,588	1,392	1,406
Other receivables		11	16	11
Total non-current assets		10,014	9,823	9,832
Group company receivables		8	5	35
Current receivables		0	4	15
Cash and cash equivalents		0	0	0
Total current assets		9	9	50
Total assets		10,023	9,832	9,882
Equity and liabilities				
Equity		8,178	8,253	8,239
Convertible loan		1,609	1,444	1,484
Liabilities to Group companies		-	-	-
Deferred tax liabilities		-	-	-
Other liabilities		25	35	30
Total non-current liabilities		1,634	1,478	1,514
Liabilities to Group companies		49	22	12
Other liabilities		127	59	86
Accrued expenses and prepaid income		34	20	31
Total current liabilities		210	101	129
Total equity and liabilities		10,023	9,832	9,882

CHANGES IN PARENT COMPANY'S EQUITY

million SEK	Share capital	Share premium reserve	Retained earnings	Total equity
OPENING BALANCE 2022-01-01	48	3,559	4,743	8,350
Net profit/loss for the period	-	-	-65	-65
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-65	-65
Total transactions with shareholders	-	2	-35	-33
CLOSING BALANCE 2022-09-30	48	3,561	4,644	8,253
Net profit/loss for the period	-	-	-14	-14
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-14	-14
Total transactions with shareholders	-	-	1	1
CLOSING BALANCE 2022-12-31	48	3,561	4,630	8,239
OPENING BALANCE 2023-01-01	48	3,561	4,630	8,239
Net profit/loss for the period	-	-	-43	-43
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-43	-43
Total transactions with shareholders	-	-	-19	-19
CLOSING BALANCE 2023-09-30	48	3,561	4,568	8,178



NOTES

NOTE 01. Accounting principles

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

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

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

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

The information about the interim period on pages 1 to 39 is an integral part of these financial statements.

SIGNIFICANT RISKS AND 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. Altogether, this means that by having a flexible cost structure, Scandic can lessen the effects of seasonal and economic fluctuations.

On September 30, 2023, Scandic's goodwill and intangible assets amounted to 7,214 million SEK.

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

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

SENSITIVITY ANALYSIS

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

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

CALCULATION OF FAIR VALUE

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

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

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

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

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

SEGMENT DISCLOSURES

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

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

Sweden – Swedish hotels operated under the Scandic brand.

Norway – Norwegian hotels operated under the Scandic brand.

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

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

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

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

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

NET SALES BY TYPE OF REVENUE

million SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Room revenue	4,536	4,254	11,474	9,504	12,858	14,828
Restaurant and conference revenue	1,576	1,496	4,572	3,790	5,533	6,315
Franchise and management fees	6	11	17	26	35	26
Other hotel-related revenue	188	233	461	682	804	583
Total	6,307	5,994	16,525	14,002	19,230	21,753

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

NET SALES BY COUNTRY

million SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Sweden	1,862	1,882	5,002	4,394	6,053	6,660
Norway	1,851	1,876	4,712	4,536	6,039	6,215
Finland	1,397	1,257	3,715	2,893	4,089	4,911
Denmark	877	760	2,233	1,701	2,357	2,888
Germany	289	198	793	430	624	987
Poland	29	21	71	47	68	92
Total countries	6,307	5,994	16,525	14,002	19,230	21,753
Other	20	12	52	35	35	52
Group adjustments	-21	-12	-52	-35	-35	-52
Group	6,306	5,994	16,525	14,002	19,230	21,753

NET SALES BY TYPE OF AGREEMENT

million SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Lease agreements	6,265	5,949	16,410	13,898	19,084	21,596
Management agreements	2	5	5	10	12	7
Franchise and partner agreements	6	6	17	18	22	22
Owned	33	33	92	77	111	126
Total	6,307	5,994	16,525	14,002	19,230	21,753
Other	20	12	52	35	35	52
Group adjustments	-21	-12	-52	-35	-35	-52
Group	6,306	5,994	16,525	14,002	19,230	21,753

NOTE 03. Segment disclosures

Jul-Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Room revenue	1,410	1,427	1,267	1,226	991	890	869	711	-	-	4,536	4,254
Restaurant and conference revenue	422	421	484	496	363	329	307	250	-	-	1,576	1,496
Franchise and management fees	3	3	4	4	-	-	-	3	-	-	6	11
Other hotel-related revenue	28	31	97	150	44	37	20	14	-	-	188	233
Net sales	1,862	1,882	1,851	1,876	1,397	1,257	1,196	979	-	-	6,307	5,994
Other revenue	20	-	-	-	-	-	-	-	-	-	20	-
Internal transactions	-	-	-	-	-	-	-	-	20	12	20	12
Group adjustments	-	-	-	-	-	-	-	-	-21	-12	-21	-12
TOTAL OPERATING INCOME	1,882	1,882	1,851	1,876	1,397	1,257	1,196	979	-1	-	6,327	5,994
Raw materials and consumables	-121	-119	-171	-168	-105	-102	-75	-61	-0	-0	-472	-449
Other external expenses	-397	-387	-343	-372	-320	-320	-280	-193	201	168	-1,140	-1,105
Employee benefits expenses	-516	-524	-506	-489	-349	-309	-349	-286	-57	-42	-1,778	-1,649
Rental costs	-526	-516	-500	-481	-426	-335	-311	-246	1,047	889	-717	-688
Pre-opening costs	-0	-3	-	-0	0	-8	1	-9	0	-	0	-20
Depreciation, amortization and impairment losses	-71	-70	-76	-78	-56	-52	-26	-24	-741	-625	-970	-849
TOTAL OPERATING COSTS	-1,633	-1,619	-1,595	-1,588	-1,257	-1,126	-1,041	-818	449	389	-5,075	-4,762
Operating profit/loss	250	263	257	289	140	131	155	162	450	388	1,251	1,232
Net financial items	3	-4	16	3	-19	-9	-2	-3	-508	-423	-510	-436
Profit/loss before taxes	253	259	273	292	122	121	152	159	-59	-35	741	796

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

Jan-Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions*		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Room revenue	3,673	3,204	3,091	2,815	2,545	1,980	2,165	1,505	-	-	11,474	9,504
Restaurant and conference revenue	1,251	1,062	1,388	1,273	1,053	820	880	635	-	-	4,572	3,790
Franchise and management fees	6	8	11	12	-	-	-	7	-	-	17	26
Other hotel-related revenue	70	120	222	437	117	93	52	32	-	-	461	682
Net sales	5,002	4,394	4,712	4,536	3,715	2,893	3,097	2,179	-	-	16,525	14,002
Other revenue	20	3	-	-	-	-	-	-	-	-	20	3
Internal transactions	-	-	-	-	-	-	-	-	52	35	52	35
Group adjustments	-	-	-	-	-	-	-	-	-52	-35	-52	-35
TOTAL OPERATING INCOME	5,022	4,397	4,712	4,536	3,715	2,893	3,097	2,179	-	-	16,545	14,006
Raw materials and consumables	-333	-283	-420	-377	-308	-251	-199	-141	0	-2	-1,260	-1,055
Other external expenses	-1,148	-956	-989	-902	-942	-752	-754	-429	531	374	-3,301	-2,665
Employee benefits expenses	-1,553	-1,395	-1,398	-1,216	-1,001	-808	-1,016	-735	-160	-130	-5,129	-4,283
Rental costs	-1,443	-1,253	-1,282	-1,203	-1,185	-914	-829	-572	3,036	2,524	-1,703	-1,418
Pre-opening costs	-0	-36	-	-16	0	-10	-16	-61	-	-	-16	-122
Items affecting comparability	-	-83	-	-	-	-	-	-	-3	83	-3	-0
Depreciation, amortization and impairment losses	-215	-210	-215	-235	-165	-157	-76	-73	-2,178	-1,818	-2,850	-2,494
TOTAL OPERATING COSTS	-4,692	-4,214	-4,304	-3,949	-3,601	-2,893	-2,891	-2,011	1,226	1,031	-14,262	-12,037
Operating profit/loss	330	180	408	587	114	-0	205	168	1,226	1,029	2,283	1,969
Net financial items	14	-10	29	1	-54	-44	-11	-17	-1,513	-1,300	-1,535	-1,369
Profit/loss before taxes	343	170	437	588	60	-44	194	151	-287	-271	747	600

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

NOTE 04. Number of employees

The average number of employees was 11,058 on September 30, 2023, compared with 10,468 on December 31, 2022.

NOTE 05. Rental costs

Rental costs	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Fixed and guaranteed rental costs*	-60	-59	-179	-108	-159	-231
Variable rental costs	-656	-630	-1,524	-1,310	-1,792	-2,006
Total rental costs	-717	-688	-1,703	-1,418	-1,951	-2,236
*Of which received state aid and negotiated discounts	5	12	25	76	231	180



NOTE 06. Net financial items

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Financial items						
Financial income	16	17	26	13	22	35
Financial expenses	-526	-453	-1,562	-1,382	-1,830	-2,009
Net financial items	-510	-436	-1,535	-1,369	-1,808	-1,974

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Financial expenses						
Interest expenses, credit institutions	-3	-21	-22	-124	-131	-29
Interest expenses, convertible bond	-43	-39	-125	-113	-153	-165
Other interest expenses, net	-25	-6	-55	-19	-27	-63
Other items	-11	-15	-53	-45	-55	-63
Interest expenses, IFRS 16	-444	-372	-1,306	-1,081	-1,464	-1,689
Total	-526	-453	-1,562	-1,382	-1,830	-2,009

NOTE 07. Assets and investments by segment

30 Sep million SEK	Sweden		Norway		Finland		Other Europe		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Fixed assets	12,166	11,574	7,858	8,257	19,793	18,245	9,951	8,108	2,220	2,121	51,987	48,304
Investments in fixed assets, excl. IFRS 16	125	155	89	98	24	98	27	91	33	10	298	452
Investments in fixed assets, incl. IFRS 16	144	1,734	209	160	24	388	1,121	1,683	33	10	1,531	3,976

NOTE 08. Convertible loan

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

which will be 1,800 million SEK when it is due. The conversion rate is 43.36 SEK. When fully converted, the convertibles will result in dilution of approximately 17.83 percent and will increase the number of shares by 41,510,920. In August 2022, 46,123 shares were converted, and the full dilutive effect now amounts to 41,464,787 shares. 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 2023	30 Sep 2022	31 Dec 2022
Interest-bearing net liabilities			
Liabilities to credit institutions	977	1,767	1,107
Other interest-bearing liabilities	797	690	635
Cash and cash equivalents	-1,438	-76	-317
Interest-bearing net liabilities, excl. convertible loan	336	2,381	1,425
Convertible loan	1,609	1,444	1,484
Net debt	1,946	3,825	2,909

NOTE 10. Working capital

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Working capital			
Current assets, excl. cash and bank balances	3,448	2,198	1,429
Current liabilities	-5,933	-4,319	-4,197
Working capital	-2,485	-2,121	-2,769

NOTE 11. Quarterly data

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Financial key ratios, reported						
Net sales	6,307	5,693	4,526	5,228	5,994	5,276
Operating profit/loss	1,251	833	199	488	1,232	1,016
Net profit/loss for the period	559	271	-302	2	633	432
Earnings per share, SEK	2,51	0,98	-1,63	-0,05	2,80	1,93
Alternative performance measures						
Adjusted EBITDA	1,173	772	170	476	1,213	1,083
Adjusted EBITDA margin, %	18,6	13,6	3,8	9,1	20,2	20,5
Net profit/loss for the period excl. IFRS 16	683	403	-159	104	732	551
Earnings per share, SEK, excl. IFRS 16	3,04	1,55	-0,88	0,49	3,23	2,44
Net debt excl. convertible loan/adjusted EBITDA, LTM	0,1	0,5	0,6	0,6	1,0	1,7
Net debt/adjusted EBITDA, LTM	0,8	1,1	1,2	1,1	1,5	2,4
Hotel-related key ratios						
RevPAR (revenue per available room), SEK	933	828	626	695	875	749
ARR (average room rate), SEK	1,313	1,315	1,169	1,219	1,242	1,185
OCC (occupancy), %	71,0	63,0	53,5	57,0	70,5	63,2

QUARTERLY DATA PER SEGMENT

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net sales						
Sweden	1,862	1,751	1,388	1,658	1,882	1,685
Norway	1,851	1,548	1,313	1,503	1,876	1,699
Finland	1,397	1,264	1,053	1,196	1,257	1,074
Other Europe	1,196	1,130	771	871	979	817
Total net sales	6,307	5,693	4,526	5,228	5,994	5,276
Adjusted EBITDA						
Sweden	405	270	95	221	401	333
Norway	404	285	152	194	425	417
Finland	245	145	19	124	233	186
Other Europe	229	186	8	55	236	215
Central functions	-110	-114	-104	-117	-82	-68
Total adjusted EBITDA	1,173	772	170	476	1,213	1,083
Adjusted EBITDA margin, %	18,6%	13,6%	3,8%	9,1%	20,2%	20,5%

NOTE 12. Transactions between related parties

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

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

EXCHANGE RATES

	Jul-Sep 2023	Jul-Sep 2022	31 dec 2022
SEK / EUR			
Income statement (average)	11,4758	10,5287	10,6317
Balance sheet (at end of period)	11,4923	10,9177	11,1283
SEK / NOK			
Income statement (average)	1,0123	1,0525	1,0523
Balance sheet (at end of period)	1,0202	1,0430	1,0572
SEK / DKK			
Income statement (average)	1,5406	1,4151	1,4290
Balance sheet (at end of period)	1,5412	1,4681	1,4965



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 a right-of-use asset and a lease liability. 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 all investors gain a good understanding of the company's position, Scandic has chosen to present 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 period in 2023, net profit after tax for 2023 is expected to be negatively impacted by approximately -504 million SEK (-430). With an unchanged portfolio of lease agreements and unchanged assumptions, the negative effect on results is expected to diminish over time and affect the net result positively from 2029. This is because interest expenses for the lease debt decrease over time as the debt is constantly amortized.

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

INCOME STATEMENT INCLUDING & EXCLUDING EFFECTS OF IFRS 16

	Jul-Sep 2023			Jul-Sep 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Operating income	6,327	-	6,327	5,994	-	5,994
Raw materials and consumables	-472	-	-472	-449	-	-449
Other external expenses	-1,140	-	-1,140	-1,105	-	-1,105
Employee benefits expenses	-1,778	-	-1,778	-1,649	-	-1,649
Rental costs	-717	-1,047	-1,764	-688	-888	-1,577
Pre-opening costs	0	-	0	-20	-	-20
Items affecting comparability	-	-	-	0	-	0
Depreciation, amortization and impairment losses	-970	757	-213	-849	642	-207
TOTAL OPERATING COSTS	-5,075	-290	-5,366	-4,762	-247	-5,008
Operating profit/loss	1,251	-290	961	1,232	-247	985
Net financial items	-510	444	-67	-436	372	-64
Profit/loss before taxes	741	153	894	796	126	921
Taxes	-182	-30	-212	-163	-26	-189
Net profit/loss for the period	559	124	683	633	100	732

	Jan-Sep 2023			Jan-Sep 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Operating income	16,545	-	16,545	14,006	-	14,006
Raw materials and consumables	-1,260	-	-1,260	-1,055	-	-1,055
Other external expenses	-3,301	-	-3,301	-2,665	-	-2,665
Employee benefits expenses	-5,129	-	-5,129	-4,283	-	-4,283
Rental costs	-1,703	-3,036	-4,739	-1,418	-2,525	-3,943
Pre-opening costs	-16	-	-16	-122	-	-122
Items affecting comparability	-3	-	-3	-0	0	-0
Depreciation, amortization and impairment losses	-2,850	2,226	-625	-2,494	1,867	-627
TOTAL OPERATING COSTS	-14,262	-810	-15,072	-12,037	-658	-12,695
Operating profit/loss	2,283	-810	1,473	1,969	-658	1,311
Net financial items	-1,535	1,306	-230	-1,369	1,081	-288
Profit/loss before taxes	747	496	1,243	600	423	1,022
Taxes	-219	-97	-316	-173	-86	-260
Net profit/loss for the period	528	399	927	426	336	762

SUMMARY OF REPORTED RENTAL COSTS INCLUDING & EXCLUDING IFRS 16

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Rental costs						
Rental costs, reported	-717	-688	-1,703	-1,418	-1,951	-2,236
Effect IFRS 16	-1,047	-888	-3,036	-2,525	-3,440	-3,951
Rental costs excl. IFRS 16	-1,764	-1,577	-4,739	-3,943	-5,391	-6,187
- of which fixed rental costs	-1,107	-947	-3,215	-2,633	-3,599	-4,181
- of which variable rental costs	-656	-630	-1,524	-1,310	-1,792	-2,006
Fixed and guaranteed rental costs of Net sales	-17,6%	-15,8%	-19,5%	-18,8%	-18,7%	-19,2%
Variable rental costs of Net sales	-10,4%	-10,5%	-9,2%	-9,4%	-9,3%	-9,2%
Total rental costs of Net sales	-28,0%	-26,3%	-28,7%	-28,2%	-28,0%	-28,4%

SUMMARY OF OPERATING PROFIT/LOSS & ADJUSTED EBITDA

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Operating profit/loss	1,251	1,232	2,283	1,969	2,457	2,771
Pre-opening costs	-0	20	16	122	131	25
Items affecting comparability	-	-0	3	0	16	19
Depreciation, amortization and impairment losses	970	849	2,850	2,494	3,372	3,729
Effect IFRS 16	-1,047	-888	-3,036	-2,525	-3,440	-3,951
Adjusted EBITDA	1,173	1,213	2,115	2,060	2,536	2,591

FINANCIAL ITEMS, REPORTED VS. CASH FLOW

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Paid/received financial items						
Financial items, reported	-510	-436	-1,535	-1,369	-1,808	-1,974
of which interest expenses, IFRS 16	-444	-372	-1,306	-1,081	-1,464	-1,689
Financial net, excl. IFRS 16	-67	-64	-230	-288	-344	-285
Adjustments to paid financial items						
Interest expenses, convertible bond (non-cash)	43	39	125	113	153	165
Change accrued interest expenses, bank loans	26	16	30	19	5	16
Other	20	13	23	22	22	23
Total adjustments	89	68	178	153	179	203
Paid(-)/received(+) financial items, net	22	4	-52	-135	-165	-81

BALANCE SHEET, INCLUDING AND EXCLUDING EFFECTS OF IFRS 16

million SEK	30 Sep 2023			30 Sep 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
Assets						
Intangible assets	7,214	-	7,214	7,115	-	7,115
Buildings and land	78	-	78	82	-	82
Right-of-use assets	39,914	-39,914	-	36,145	-36,145	-
Equipment, fixtures and fittings	4,012	-	4,012	4,317	-	4,317
Financial assets	769	-109	660	646	158	803
Total non-current assets	51,987	-40,023	11,964	48,304	-35,987	12,317
Current assets	3,293	156	3,448	2,056	142	2,198
Derivative instruments	-	-	-	728	-	728
Cash and cash equivalents	1,438	-	1,438	76	-	76
Total current assets	4,730	156	4,886	2,860	142	3,002
Total assets	56,717	-39,868	16,849	51,165	-35,846	15,319
Equity						
Equity attributable to Parent Company shareholders	2,413	3,470	5,882	2,380	2,891	5,272
Non-controlling interest	101	-	101	65	-	65
Total equity	2,513	3,470	5,983	2,445	2,891	5,337
Liabilities						
Liabilities to credit institutions	977	-	977	1,767	-	1,767
Convertible loan	1,609	-	1,609	1,444	-	1,444
Lease liabilities	41,459	-41,459	-	37,318	-37,318	-
Other long-term liabilities	1,129	781	1,911	1,422	908	2,330
Total non-current liabilities	45,175	-40,677	4,497	41,951	-36,410	5,540
Current liabilities for leases	2,520	-2,520	0	2,204	-2,204	-
Derivative instruments	25	-	25	-	-	-
Other current liabilities	6,484	-140	6,344	4,565	-123	4,442
Total current liabilities	9,029	-2,660	6,370	6,769	-2,327	4,442
Total equity and liabilities	56,717	-39,868	16,849	51,165	-35,846	15,319

CASH FLOW ANALYSIS INCLUDING & EXCLUDING EFFECTS OF IFRS 16

	Jul-Sep 2023			Jul-Sep 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	1,251	-290	961	1,232	-247	985
Depreciation, amortization and impairment losses	970	-757	213	849	-642	207
Adjustments for non-cash items	-11	-	-11	-32	-	-32
Paid tax	-15	-	-15	-1	-	-1
Change in working capital	-160	-	-160	-64	-	-64
Cash flow from operating activities	2,035	-1,047	988	1,984	-888	1,096
INVESTING ACTIVITIES						
Paid net investments	-101	-	-101	-146	-	-146
Cash flow from investing activities	-101	-	-101	-146	-	-146
FINANCING ACTIVITIES						
Interest paid/received	12	-	12	4	-	4
Paid interest, leases	-444	444	-	-372	372	-
Net borrowing/amortization	-45	-	-45	-973	-	-973
Amortization, leases	-603	603	-	-516	516	-
Cash flow from financing activities	-1,080	1,047	-33	-1,858	888	-969
CASH FLOW FOR THE PERIOD	854	-	854	-20	-	-20
Cash and cash equivalents at the beginning of the period	560	-	560	101	-	101
Translation difference in cash and cash equivalents	24	-	24	-5	-	-5
Cash and cash equivalents at the end of the period	1,438	-	1,438	76	-	76

	Jan-Sep 2023			Jan-Sep 2022		
	Reported	Effect IFRS 16	Excl. effect IFRS 16	Reported	Effect IFRS 16	Excl. effect IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	2,283	-810	1,473	1,969	-658	1,311
Depreciation, amortization and impairment losses	2,850	-2,226	625	2,494	-1,867	627
Adjustments for non-cash items	44	-	44	-11	-	-11
Paid tax	-94	-	-94	-36	-	-36
Change in working capital	-507	-	-507	45	-	45
Cash flow from operating activities	4,576	-3,036	1,540	4,460	-2,525	1,935
INVESTING ACTIVITIES						
Paid net investments	-311	-	-311	-553	-	-553
Cash flow from investing activities	-311	-	-311	-553	-	-553
FINANCING ACTIVITIES						
Interest paid/received	-25	-	-25	-125	-	-125
Paid interest, leases	-1,306	1,306	-	-1,081	1,081	-
Financing costs	-34	-	-34	-	-	-
Dividend, share swap agreement	-7	-	-7	-10	-	-10
Net borrowing/amortization	-11	-	-11	-1,368	-	-1,368
Amortization, leases	-1,730	1,730	-	-1,445	1,445	-
Cash flow from financing activities	-3,113	3,036	-77	-4,029	2,525	-1,503
CASH FLOW FOR THE PERIOD	1,151	-	1,151	-121	0	-121
Cash and cash equivalents at the beginning of the period	317	-	317	216	-	216
Translation difference in cash and cash equivalents	-30	-	-30	-19	-	-19
Cash and cash equivalents at the end of the period	1,438	-	1,438	76	-	76

EARNINGS PER SHARE

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Oct-Sep 22/23
Earnings per share, SEK	2,51	2,80	2,58	2,12	2,21	2,67
Effect IFRS 16	0,53	0,43	1,71	1,44	1,89	2,16
Earnings per share, SEK, excl. IFRS 16	3,04	3,23	4,29	3,56	4,10	4,83
Average number of outstanding shares after dilution	232,768,903	232,786,903	232,768,903	232,768,903	232,768,903	232,768,903

ADOPTION

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

Stockholm, October 26, 2023

Jens Mathiesen
President & CEO

AUDITOR'S REVIEW REPORT

Scandic Hotels Group AB (Publ) corporate identity number 556703-1702

INTRODUCTION

We have reviewed the condensed interim financial information (the interim report) of Scandic Hotels Group AB (Publ) as of September 30, 2023, and the three-month period then ended. The Board of Directors and the President & CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF THE REVIEW

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 and generally accepted accounting standards. 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 for the Group, and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, October 26, 2023

PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Auditor-in-charge

DEFINITIONS

HOTEL-RELATED KEY RATIOS

ARR (AVERAGE ROOM RATE)

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

LFL (LIKE-FOR-LIKE)

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

OCC (OCCUPANCY)

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

REVPAR (REVENUE PER AVAILABLE ROOM)

Refers to the average room revenue per available room.

PRE-OPENING COSTS

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

FINANCIAL KEY RATIOS & ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBITDA

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

ADJUSTED EBITDA MARGIN

Adjusted EBITDA as a percentage of net sales.

ITEMS AFFECTING COMPARABILITY

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

INTEREST-BEARING NET LIABILITIES

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

WORKING CAPITAL, NET

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

EQUITY-RELATED KEY RATIOS

EARNINGS PER SHARE

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

EQUITY PER SHARE

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

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



THE LEADING NORDIC HOTEL COMPANY

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

269

HOTELS

130

DESTINATIONS

55,969

**HOTEL
ROOMS**

6

COUNTRIES

INDUSTRY LEADER IN SUSTAINABILITY

Scandic has a proud heritage of driving sustainability in the hospitality industry. Sustainability is an integrated part of Scandic's culture, strategy and business model and the company is constantly developing its operations to reduce its climate impact and contribute positively to society. Scandic's strategy for sustainable business is grounded in three focus areas: MEET – Health, diversity and inclusion, EAT – Food & beverage and SLEEP – Rooms and interiors as the leading hotel company in the Nordics with 11 million sold room nights per year, the company has the power to drive 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 worked to ensure its hotels are environmentally certified and to maintain a global approach to sustainability. Today, four out of five Scandic hotels are certified by the Nordic Swan Ecolabel, the official environmental certification in the Nordic countries. Scandic aims for all hotels to be certified.

Scandic

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