

A modern hotel room with a bed, armchair, and artwork. The room features a neutral color palette with beige walls and light wood flooring. A large bed with white linens is the central focus. To the right, a beige armchair sits next to a black floor lamp. The room is decorated with several framed artworks and a track lighting system on the ceiling. Large windows with sheer curtains allow natural light to filter in.

SCANDIC HOTELS

Q2 REPORT, JULY 15, 2022

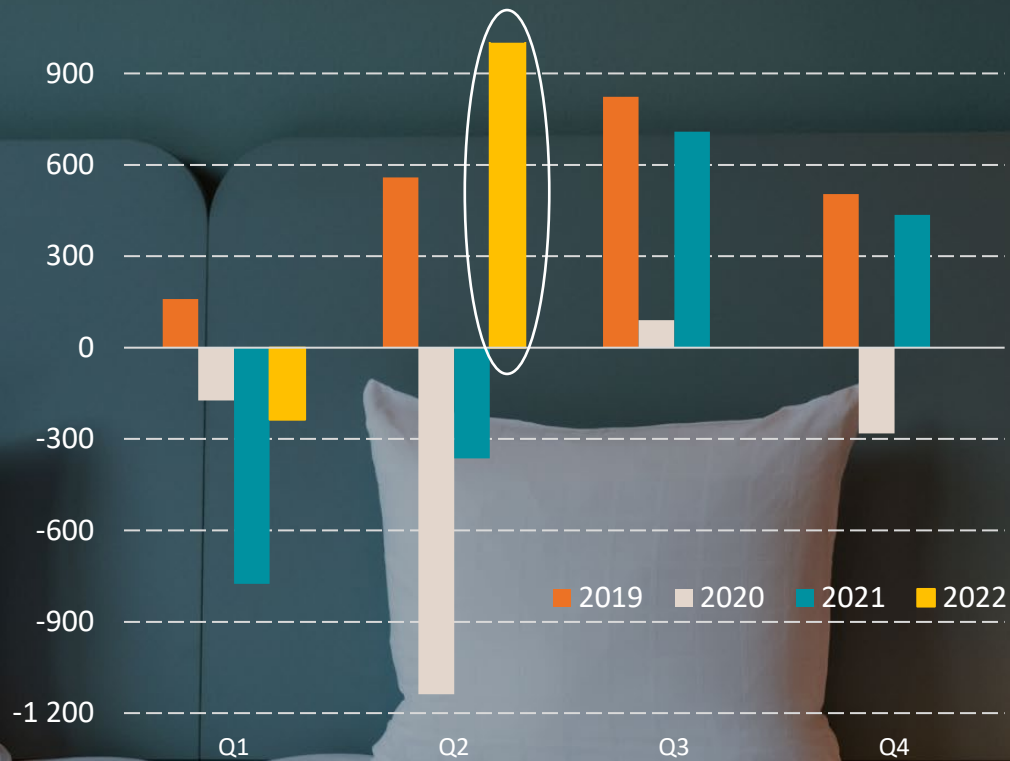


A RECORD QUARTER

- Net sales and adjusted EBITDA reached highest levels ever for a quarter
- Occupancy rose to 63% and room rates continued to improve
- RevPAR fully in line with Q2 2019
- High efficiency and cost control
- Several hotel openings and agreement extensions during quarter

SCANDIC – QUARTERLY ADJUSTED EBITDA

MSEK

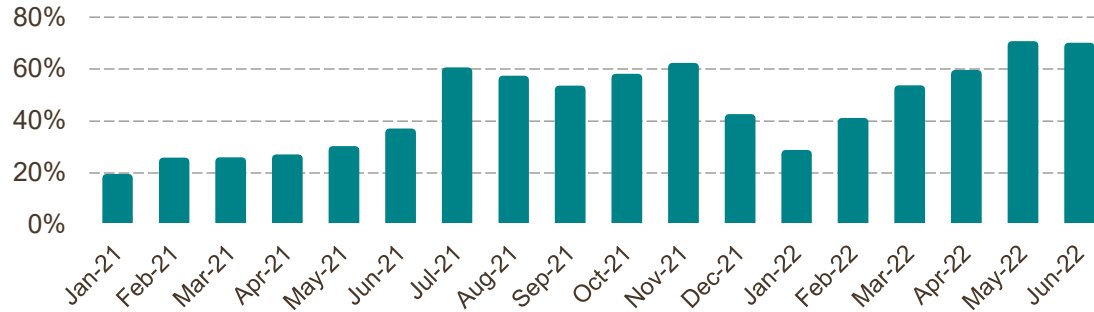


ADJUSTED EBITDA AT ALL-TIME HIGH

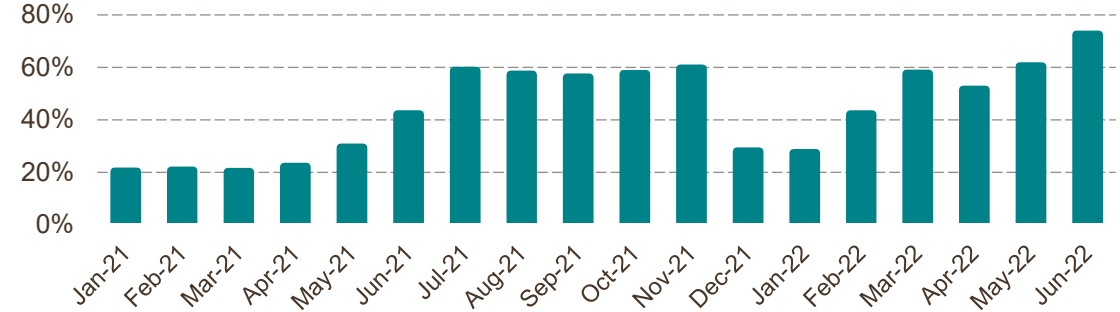
- Adjusted EBITDA reached 1,083 MSEK in Q2, almost double Q2 2019
- One-off effects of 261 MSEK included in quarter
- Strong hotel market combined with high efficiency and cost control

RAPID MARKET IMPROVEMENT

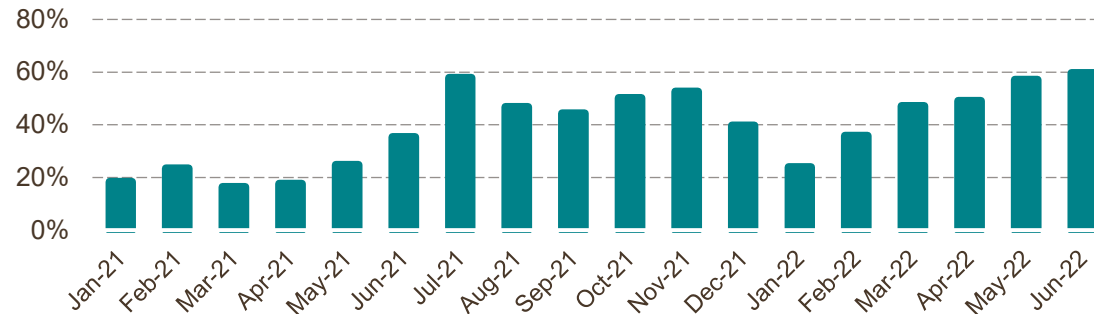
SWEDEN (TOTAL MARKET OCCUPANCY)



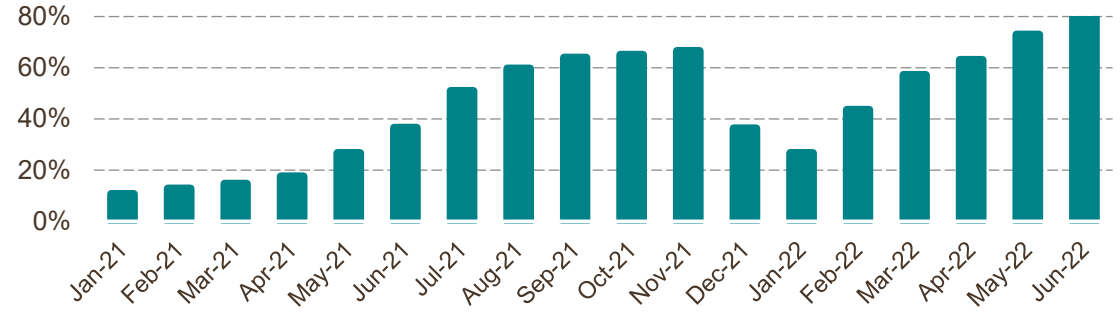
NORWAY (TOTAL MARKET OCCUPANCY)



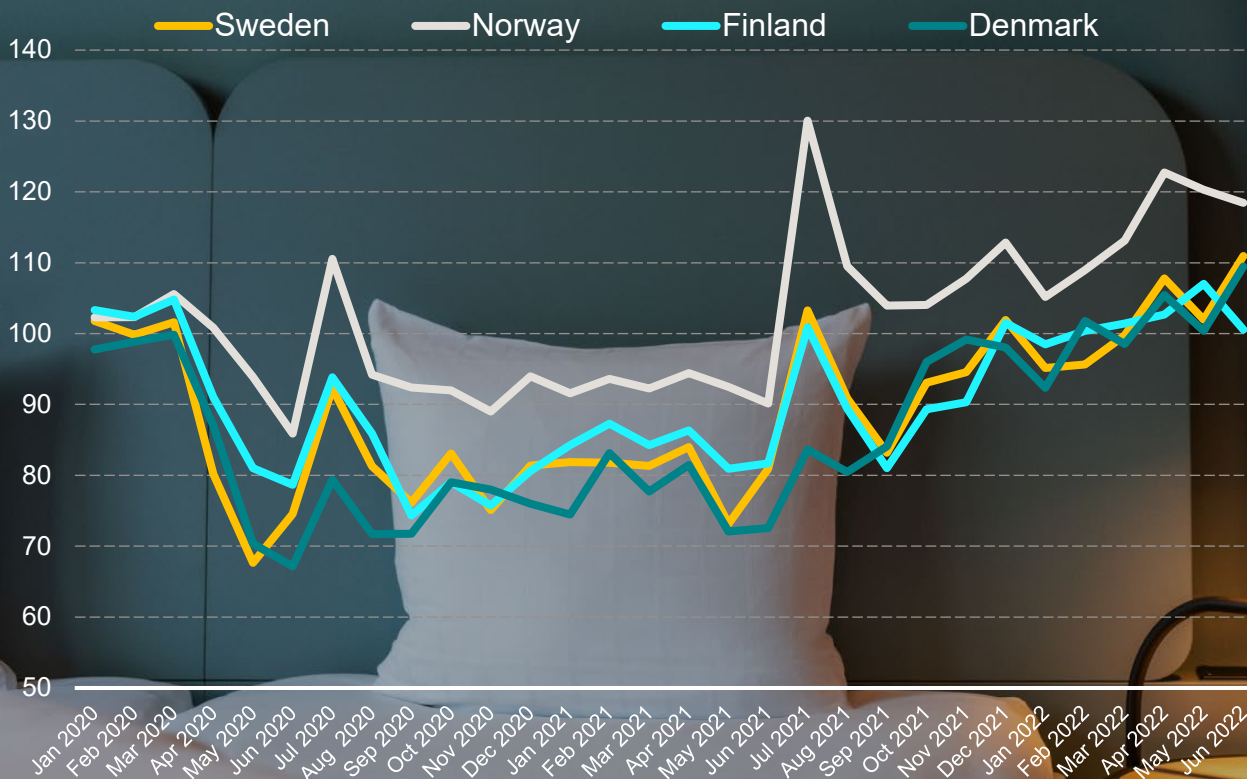
FINLAND (TOTAL MARKET OCCUPANCY)



DENMARK (TOTAL MARKET OCCUPANCY)



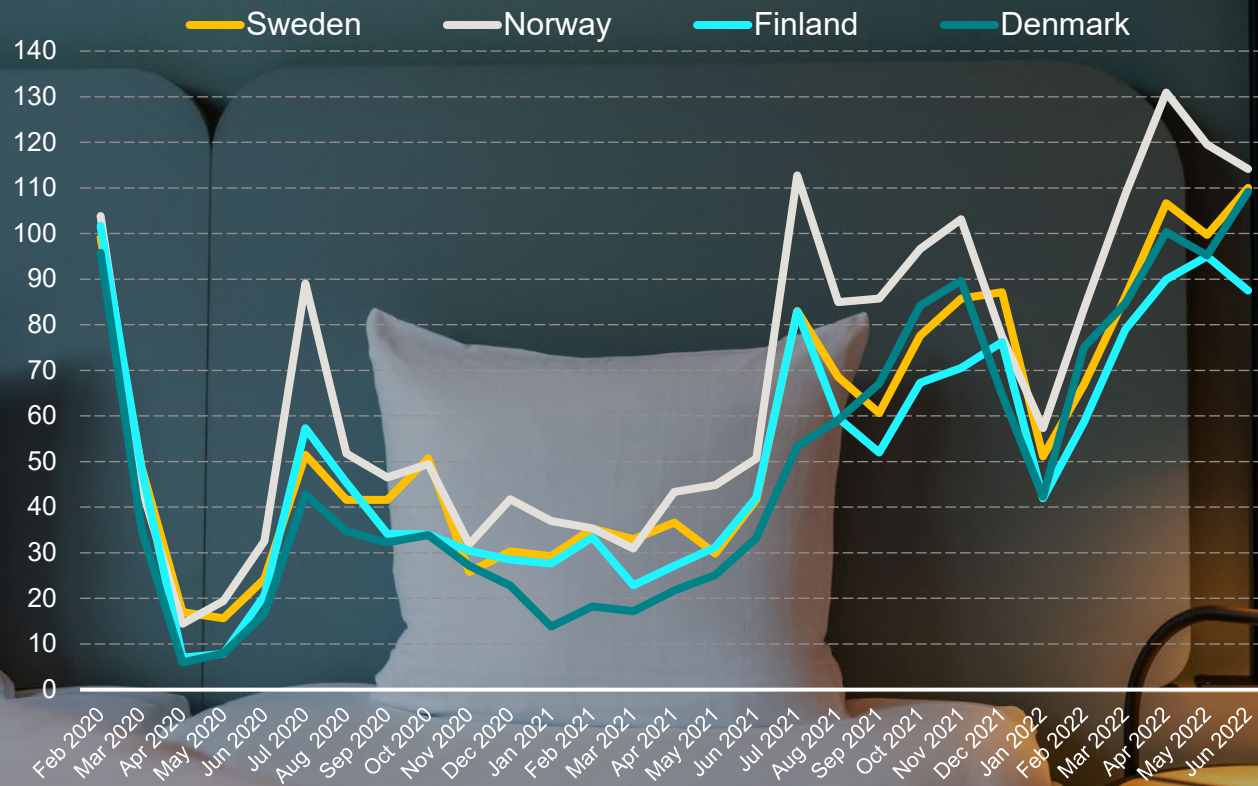
MARKET AVERAGE ROOM RATE DEVELOPMENT INDEXED TO CORRESPONDING MONTH 2019



CONTINUED IMPROVEMENT IN AVERAGE ROOM RATES

- Average room rates continued to grow, exceeding historic levels
- Development especially strong in Norway

MARKET REVPAR INDEXED TO CORRESPONDING MONTH 2019



REVPAR BACK AT 2019 LEVELS

- Market RevPAR returned to 2019 levels, driven by higher room rates

STRENGTHENED PORTFOLIO IN Q2

- 5 new hotel openings, 1 reopening
- Total rooms in operation up by 1,570 to 55,572



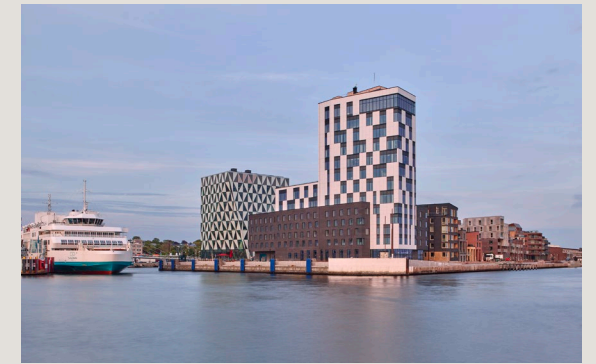
SCANDIC KIRUNA
Kiruna, Sweden



SCANDIC NØRREPORT
Copenhagen, Denmark



SCANDIC GÖTEBORG CENTRAL
Gothenburg, Sweden



SCANDIC OCEANHAMNEN
Helsingborg, Sweden



SCANDIC HOLMENKOLLEN PARK
Oslo, Norway



SCANDIC SPECTRUM
Copenhagen, Denmark

TWO ADDITIONS TO PIPELINE IN Q2

Year	Hotel	Destination		No. of Rooms
Q3 2022	Scandic Helsinki Hub	Helsinki, Finland	New	350
Q4 2022	Scandic Horsens Opus	Horsens, Denmark	Take Over	132
Q4 2022	Scandic München Macherei	Munich, Germany	New	234
Q1 2023	Scandic Frankfurt Hafepark	Frankfurt, Germany	New	505
Q4 2024	Scandic Sundsvall Central	Sundsvall Sweden	New	210
Q1 2025	Scandic Vervet Tromsø	Tromsø, Norway	New	305
Q3 2026	Scandic Aarhus Harbour	Aarhus, Denmark	New	350
				2,086
	Ongoing extensions			237
	Exits			-142
	Total net pipeline			2,181



Scandic Malmen, Sweden

23 LEASES EXTENDED IN Q2

- 25 lease agreements extended in 2022, of which 23 in Q2 with terms enabling good profitability and balanced risk for Scandic
- Recent agreement to extend leases for 15 hotels with Pandox including joint renovation program
- Among other things, Pandox will invest in ventilation and heat recovery at several hotels, reducing energy costs and increasing guest satisfaction

FINANCIAL UPDATE

Scandic

HIGHEST MARGIN EVER IN Q2

- State aid totaled 94 MSEK (203), mainly in Finland and Other Europe
- Result includes estimated 107 MSEK related to agreement with Norwegian state for housing for Ukrainian refugees and 60 MSEK related to compensation in connection with opening new hotels
- Underlying margin 4 percentage points higher than Q2 2019, even when adjusted for above-mentioned items

MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Sweden	1,686	460	333	-255	19.7%	-55.3%
Norway	1,699	643	417	27	24.5%	4.2%
Finland	1,074	313	186	-168	17.4%	-53.6%
Other Europe	817	223	215	88	26.3%	39.5%
Central costs & Group adj.	-	-	-68	-57	-	-
Group	5,276	1,640	1,083	-364	20.5%	-22.2%

	Q2 2022	H1 2022
Adjusted EBITDA	1,083	846
Change in working capital	549	109
Paid tax	-1	-35
Interest paid	-74	-129
Pre-opening costs & other items	-54	-81
Cash flow from operations	1,503	711
Investments in existing operations	-84	-142
Free cash flow before expansion capex	1,419	569
Expansion capex	-120	-265
Free cash flow	1,300	304

STRONG CASH FLOW IN Q2

- Cash flow boosted by strong underlying results combined with positive development in working capital including increased liabilities related to variable rent

FINANCING ITEMS

DEBT

- Net debt of 3,316 MSEK including 688 MSEK related to other interest-bearing liabilities
- Total credit facility of 5,352 MSEK following amortization of 484 MSEK in Q2

WORKING CAPITAL

- Liabilities related to deferred VAT and social security contributions totaling 688 MSEK reclassified as interest-bearing liabilities to be repaid from October 2022 to April 2027
- Increased liabilities related to variable rent

CONVERTIBLE BOND

- Maturity in October 2024, conversion price = 43.36 SEK
- Potential dilution = 41,510,920 shares

	Q2 2022	H1 2022
Total financial net, reported	-479	-933
of which interest expenses, IFRS 16	-365	-708
Financial net excl. IFRS 16	-115	-225
Adjustments to paid financial items		
Interest expenses, convertible bond (non-cash)	37	74
Timing difference, interest on bank loans	-18	4
Other	11	8
Total adjustments	31	86
Paid financial items, net	-83	-139

NET FINANCIAL ITEMS, REPORTED VS. CASH FLOW

- Reported financial net in Q2 was -479 MSEK incl. IFRS 16 and -115 MSEK excl. IFRS 16
- Non-cash convertible interest was -37 MSEK
- Paid financial items totaled -83 MSEK

CONCLUDING REMARKS



Scandic Continental, Sweden

OUTLOOK

- Positive outlook for July and August with continued strong hotel market expected
- High level of preparedness for future challenges such as cost-inflation and weakening of economy
- Efficient operations and cost control to enable continued good earnings and strong cash flow

A group of business professionals are seated around a long wooden conference table in a meeting room. In the background, a large screen displays a video conference with several participants. The room has wood-paneled walls. The scene is lit with warm, ambient lighting. The word "Scandic" is overlaid in the center of the image.

Scandic