
Scandic
Your friend in town
ANNUAL & SUSTAINABILITY REPORT 2023

CONTENTS

Scandic is a Swedish company subject to Swedish laws. All values are expressed in Swedish kronor. Figures in parentheses refer to 2022 unless otherwise specified. Data on markets and competition in Sweden is based on Scandic's own assessments unless a specific source is indicated. These assessments are based on the best and latest available facts from published sources. The annual accounts and consolidated accounts of the company are included on pages 57–106 of this document. The statutory sustainability report can be found on pages 26–56 in this document.

THIS IS SCANDIC

Scandic is a leading Nordic hotel company with a unique offering for leisure and business travelers. The company's successful concept is founded on more than 60 years of innovation and development and a drive to create exceptional guest experiences. Scandic is listed on Nasdaq Stockholm.

Number of hotels
267

Hotel rooms
55,642

Destinations
130

Nordic leader
#1

THE LEADING NORDIC HOTEL COMPANY

More than 60 years of development have made Scandic the largest and most popular hotel company in the Nordic region.

Scandic's history dates back to 1963, when the Esso Motorhotell opened in Laxå, Sweden. The idea of a nationwide chain of standardized roadside hotels was an innovative and successful concept. Until the early 1980s, Esso expanded in northern Europe, with the majority of hotels in Sweden, Norway and Denmark. The concept was also launched successfully in central locations in larger cities. When the company was sold in 1983, the name Scandic was born. In the 1990s, Scandic expanded through several acquisitions and was first listed on the Stockholm Stock Exchange. In the early 2000s, Scandic acquired Provobis Hotels, strengthening its portfolio of city hotels in Sweden. The company's growth journey gained momentum in 2014 when Scandic acquired the Rica hotel chain in Norway, and in 2015, Scandic returned to the Stockholm Stock Exchange. In 2017, Scandic solidified its leading position in the Nordic region by acquiring Restel in Finland.

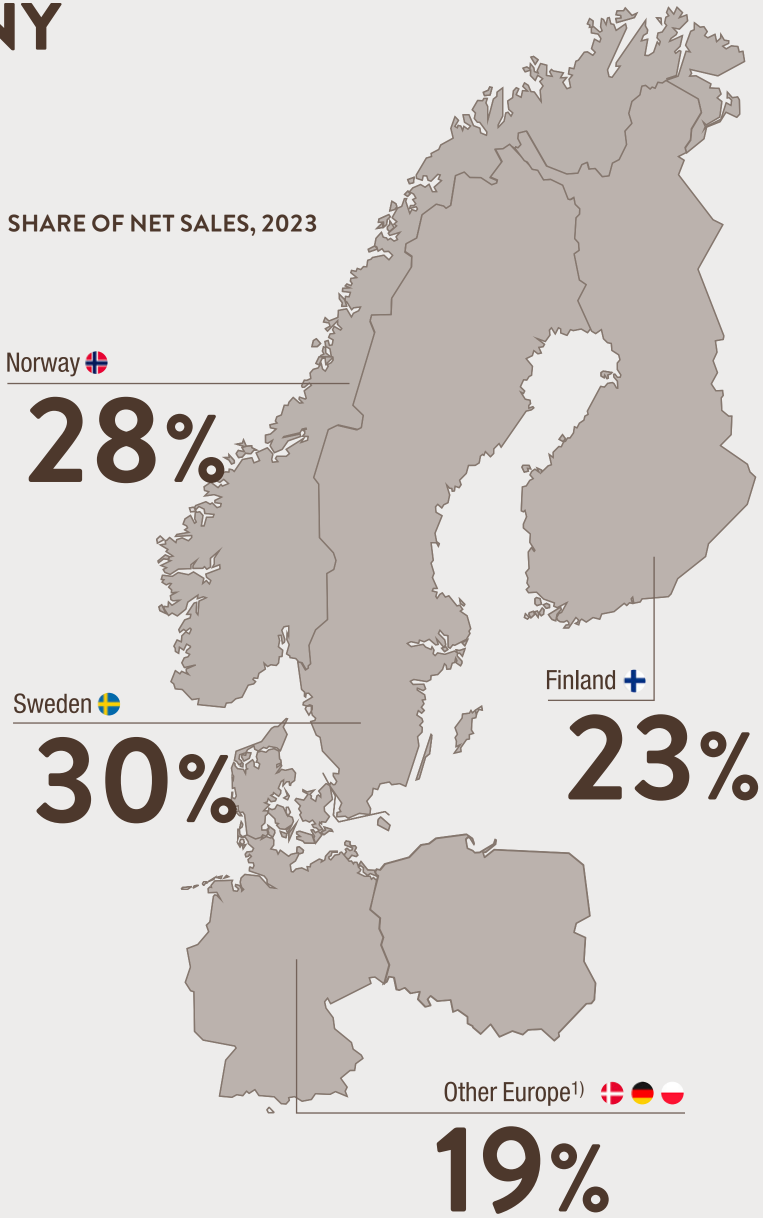
60 years of development and innovation

For six decades, Scandic has driven development and innovation in the industry. At the end of 2023, the company had 267 hotels and 55,642 hotel rooms in operation and under development at 130 destinations in Sweden, Norway, Finland and Denmark as well as in Germany and Poland. Most hotels operate under the Scandic brand, targeting leisure and business travelers in the mid-market segment. Scandic also operates a number of more exclusive hotels under its Signature Collection brand. With the recent launch of the Scandic Go brand, Scandic aims to take a leading position in the rapidly growing economy segment.

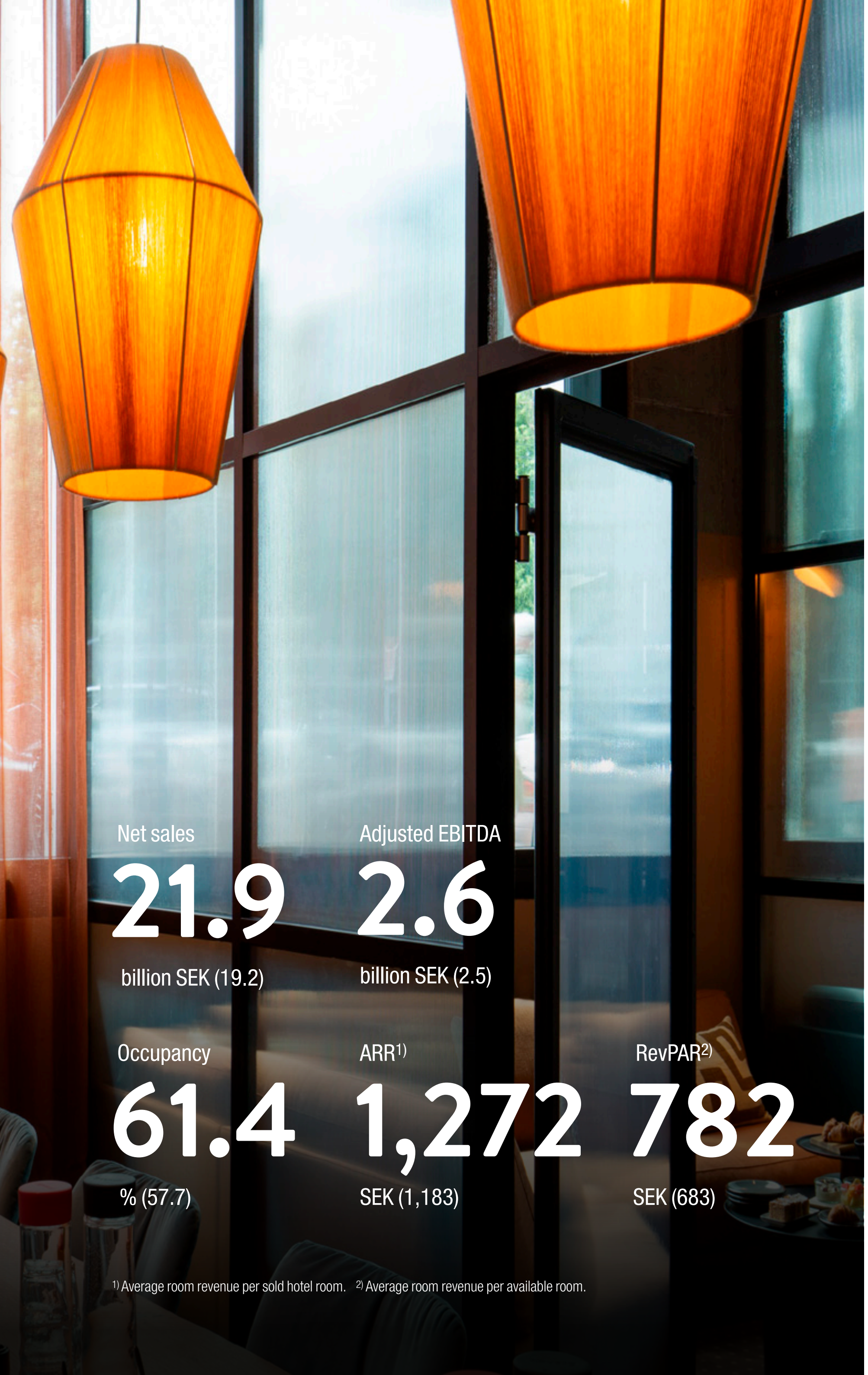
Sustainability central to Scandic's strategy

Sustainability has been a central part of Scandic's strategy and a success factor since the early 1990s. Thanks to its leading position, Scandic can drive transformation and inspire real change. Today, almost all of Scandic's hotels are environmentally certified according to the Nordic Swan Ecolabel, the official third-party environmental certification with the most demanding requirements in the industry. The foundation of the culture that characterizes Scandic was established more than 60 years ago. Today, this culture is expressed through the values Be Caring, Be You, Be a Pro and Be Bold. The main driver is always to deliver exceptional hotel experiences every day.

SHARE OF NET SALES, 2023



[1)] Includes Scandic's operations in Denmark, Germany and Poland.



Net sales

21.9

billion SEK (19.2)

Adjusted EBITDA

2.6

billion SEK (2.5)

Occupancy

61.4

% (57.7)

ARR[1]

1,272

SEK (1,183)

RevPAR[2]

782

SEK (683)

[1] Average room revenue per sold hotel room. [2] Average room revenue per available room.

THE YEAR IN SUMMARY

The year 2023 was characterized by a high pace of development within Scandic and stable market development. Demand was strong and prices developed positively. The market has recovered significantly after the pandemic, and compared with 2019, Scandic sold more rooms at higher average room rates. For Scandic, this meant record-high net sales and strong financial results. The market's ability to recover confirms how important physical meetings are, and how great is the need to travel and meet for pleasure and work to create new experiences and get inspired.

In 2023, Scandic's average occupancy rate was 61.4 percent, an increase of about 4 percentage points compared with 2022. Average revenue per available room reached a new record mainly due to positive price development. Occupancy was slightly lower compared with 2019 as Scandic have more rooms available and some market segments have still not fully recovered from the pandemic. The number of guests from Asia and Europe continued to rise during the year, but numbers have not fully returned to previous levels. In the corporate segment, the market for large conferences and trade fairs, which are characterized by long planning cycles, has also not fully recovered.

Alongside the positive market development, Scandic established a strong financial position and stepped up the pace of development. In 2023, Scandic took several significant measures to create even better guest experiences and enhance efficiency.

The hotel portfolio continued to grow, and Scandic strengthened its position in Germany, including opening a hotel in Frankfurt and signing an agreement for a new hotel in Nuremberg. The new Scandic Go brand was launched with great interest from guests, and the first hotel opened in Stockholm. With an increased focus on digitalization, Scandic also began to implement a complete cloud-based enterprise system for all hotels and central functions. In the long run, this will make Scandic even more competitive. Within sustainability, Scandic reached a new milestone when all previously Nordic Swan Ecolabeled hotels were recertified according to new requirements.

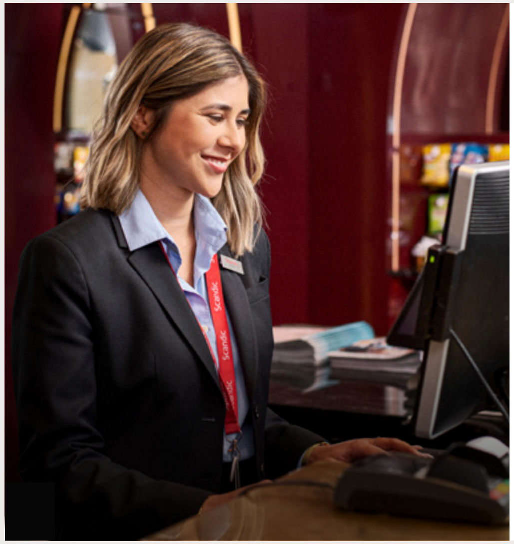
With low debt, a stronger commercial position and focus on cost control and efficiency, Scandic is well-positioned for the future.

SELECTION OF EVENTS DURING 2023

SCANDIC GO LAUNCHED

To meet the growing demand from a new generation of hotel guests, Scandic introduced Scandic Go, a new brand within the rapidly growing economy segment. The ambition is to establish a leading position and increase the pace of expansion outside the Nordics. The concept features a higher share of room revenues compared with a traditional Scandic hotel. In the long run, Scandic Go is expected to contribute to higher revenues, profitability and return on capital.

→ Read more on page 23.



DIGITALIZATION IN FOCUS

To enable even better guest experiences and higher efficiency, during the year, Scandic began implementing Oracle Hospitality OPERA Cloud, a complete cloud-based enterprise system. The goal is for all hotels and central functions to be connected to the new platform during the first half of 2024.

→ Read more on page 20.

GROWING HOTEL PORTFOLIO

During the year, Scandic strengthened its position in Germany by opening a new 505-room hotel in Frankfurt and signing an agreement for a 311-room hotel in Nuremberg. Scandic also signed an agreement for a 221-room Scandic Go in Stockholm and two new hotels with a total of 459 rooms in Helsinki, including one Scandic Go. At year-end, Scandic had 2,138 hotels in the pipeline, which is twice as many as at the beginning of 2023.

→ Read more on page 16.

SUSTAINABILITY MILESTONES

During the year, Scandic's Nordic Swan Ecolabeled hotels were recertified according to new environmental requirements. To be certified by the Nordic Swan Ecolabel, a hotel must meet ambitious environmental requirements related to energy, water, food, waste, biodiversity and chemicals. At year-end, about 90 percent of Scandic's hotels were ecolabeled, and Scandic aims for all hotels that the Group operates under the Scandic brand to be certified by the Nordic Swan Ecolabel.

→ Read more on page 39.

CEO STATEMENT

"WITH AN AMBITIOUS COMMERCIAL AGENDA, ROBUST FINANCIAL PERFORMANCE AND HISTORICALLY LOW INDEBTEDNESS, SCANDIC IS STANDING STRONGER THAN EVER."

How would you summarize 2023?
It was a very good year. We delivered record-high revenues and profits and also reached several milestones that strengthened Scandic's position. The launch of the new Scandic Go brand was well received in the market, with substantial interest from guests. We also announced our intention to implement a complete cloud-based IT solution that will be rolled out at all hotels during the first half of 2024. This marks an important step in Scandic's digitalization journey, and it is one of many projects creating more value for guests and team members alike.

I am also particularly proud that guest satisfaction increased in all markets at the same time as we improved efficiency. Overall, I'm satisfied with the year. We've created good conditions for the future.

How did the hotel market develop?
Looking at the hotel industry in the Nordic region as a whole, it has recovered significantly, with more sold rooms than before the pandemic at considerably higher prices. Occupancy was slightly lower due to increased market capacity and the fact that some segments have not fully recovered yet. Tourism from Asia and Europe has also not returned to previous levels, nor has the market for larger conferences and fairs fully recovered. That said, we believe in a stable market with continued strong demand driven by people's fundamental need to travel and meet as well as good entertainment offerings in our markets.

You say Scandic is standing stronger than ever. In what ways?
We've increased revenues to new record levels with higher margins, and we have historically low indebtedness. The pandemic forced us to evaluate our structure and how we work at all levels in the company, making us even more guest-focused and efficient. We have an ambitious commercial agenda for our three brands that meets guests' needs. We're also laying the foundation for major digitalization initiatives. We see significant potential for additional improvements, for example, within our loyalty program and booking channels such as our website and app. It is guest-focused investments that will take Scandic's offering to the next level. After two record years, we've also established a strong financial position that gives us flexibility to maintain a high pace of development.

How has Scandic Go performed, and what are the plans for the future?
Our first Scandic Go opened in Stockholm last year and got off to a good start. Guests like the new brand, and it's clear that we're satisfying a need in the rapidly growing economy segment. There is also significant interest from property owners, and we have two more Scandic Go hotels we're planning to open in 2024 and 2028. The economy segment is underdeveloped in the Nordics compared with in the rest of Europe, and we plan to grow significantly by adding 1,000 to 1,500 new rooms per year. We aim to establish a leading position in the segment and increase the pace of expanding Scandic Go beyond the Nordic region. Because Scandic Go generates a higher share of room revenues compared with a traditional Scandic hotel, the new brand is also expected to contribute to both higher profitability and return on capital.

You see great potential in digitalization. How will this benefit Scandic?
In terms of digitalization, the hotel industry is generally lagging behind other sectors. We see great potential in stepping up investments in digitalization to create even better guest experiences and increase operational efficiency. This includes improving management, booking and pricing, as well as commercial opportunities, not least Scandic's booking channels and the Scandic Friends loyalty program, which has about 2.7 million members. The pace of development in 2024 will be high, and we expect to see the results of our investments from 2025.

What about Scandic's hotel portfolio? Where are the most interesting growth markets?
Over the past year, we've noticed a gradual increase in optimism in the market. I think we maintained a good pace in our portfolio development, and by the end of 2023, we had twice as many rooms in the pipeline as at the beginning of the year. During the year, we strengthened our position in Germany by opening a new 505-room hotel in Frankfurt and we also took over the operations of a 311-room hotel in Nuremberg on March 1 of this year. In addition, we signed an agreement for a new Scandic Go in Stockholm, which will open after the summer, and two new hotels in Helsinki. With our strong financial position, we're increasing the tempo to both expand as well as maintain and renovate the hotels we have. We see good growth opportunities in all our markets, particularly in Germany.

Scandic's convertible bond is due in October and the pace of investment is increasing. How is Scandic positioned for this?
Scandic has a strong financial position with the flexibility we need to manage the convertible bond and maintain a high pace of development. At the end of 2023, we also repurchased about a third of the convertible loan, significantly reducing any dilution of shares in the event of a conversion in October 2024. At year-end, Scandic's indebtedness was also historically low. Including the convertible loan, net debt in relation to adjusted EBITDA was 0.6x. This is significantly lower than our financial target of 2–3×.

Inflation has been high for an extended period, and the macroeconomic situation is uncertain. How is Scandic handling these challenges?
Inflation has been high for quite some time now but despite this, we've managed to deliver two of Scandic's best full-year financial results ever. We're very pleased since we've also increased the pace of development considerably. This says a lot about the strength of our business model and the market. We're monitoring the world around us closely and focusing on maintaining high efficiency with good cost control while investing for the future.

Why is sustainability important to Scandic, and what progress did you make during the year?
Sustainability is a central part of Scandic's strategy and crucial for us to remain relevant to our guests, team members and society at large. During the year, we made many strides in our sustainability initiatives. We continued to reduce CO_2e emissions in line with our targets and over time, the ambition is to further reduce our dependence on fossil energy sources. During the year, Scandic's hotels that were already certified by the Nordic Swan Ecolabel were recertified to comply with new, stricter environmental requirements. Today, about 90 percent are certified, and we aim to certify even more hotels operating under the Scandic brand.

What are your thoughts on the year ahead and about Scandic in the longer term?
I am optimistic about the market development in 2024 and expect continued good demand and slightly increasing price levels. People's need to travel and meet for both leisure and business is significant. It's clear that they're prioritizing spending on experiences, travel and entertainment. After two record years in a row, we're commercially and financially stronger than ever, and we are well-positioned for the future. With my more than 15 years of experience in the company, I'm convinced that the initiatives we're driving in IT and commercial areas will result in a greater digital transformation over the next two to three years than what we've seen in the past two decades at Scandic. We're now laying the foundation for the future with high ambitions for further improving the guest experience and making work easier and more efficient for Scandic's team members.

To conclude, I'd like to sincerely thank all of our team members and guests who choose to stay with us. I look forward to an eventful 2024 and an exciting future for Scandic!

Jens Mathiesen
President & CEO

BUSINESS MODEL

Scandic holds a leading position in the Nordic region and conditions are good for continued strong growth and profitability. The company's successful concept is based on a proven business model with a focus on long-term and mainly revenue-based lease agreements[1)] with leading property owners.

The business model with long-term and primarily revenue-based lease agreements means that Scandic is responsible for both hotel operations as well as the brand and distribution. This allows Scandic to a large extent to ensure that its offering meets guests' expectations. By having responsibility for hotel operations and distribution, Scandic can also leverage economies of scale in areas such as purchasing, administration and investments. Combined with its attractive business model, Scandic's ability to operate profitable hotels with high guest satisfaction makes the company a preferred partner for property owners. Scandic and property owners have a shared incentive to increase revenue and efficiency, as higher sales also mean higher rental income and increased property values. Variable rents also mean that Scandic has a flexible cost structure, contributing to stable margins over time. Scandic's lease agreements regulate how investments are distributed, with the property owner responsible for the majority of investments. Scandic has a well-established commercial platform with a unique offering for leisure and business travelers alike. With the Nordic region's leading loyalty program and distribution capacity, Scandic has a stable base of recurring and satisfied guests, as well as excellent conditions to optimize the guest mix from a sales and profitability perspective. The ability to generate profitability is based on an efficient operational model. A sustainable approach and a strong culture with engaged and motivated team members are the foundation of Scandic's strategy. Sustainability is a central part of the strategy. The allocation of responsibilities for specific sustainability-related issues is regulated in the lease agreements to create shared incentives for competitive, responsible collaboration. With a combination of strong growth and profitability along with financial stability, Scandic aims to meet its financial goals to create shareholder value.

BENEFITS OF LEASING MODEL

- Control of value chain and offering
- Economies of scale in operations and distribution
- Incentives for property owners
- Flexible cost structure

FOCUS ON LEASE AGREEMENTS

Scandic's business model is built on lease agreements. This is the predominant model in the Nordic region and in Germany. In many other countries, the franchise model where the hotel company controls 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.

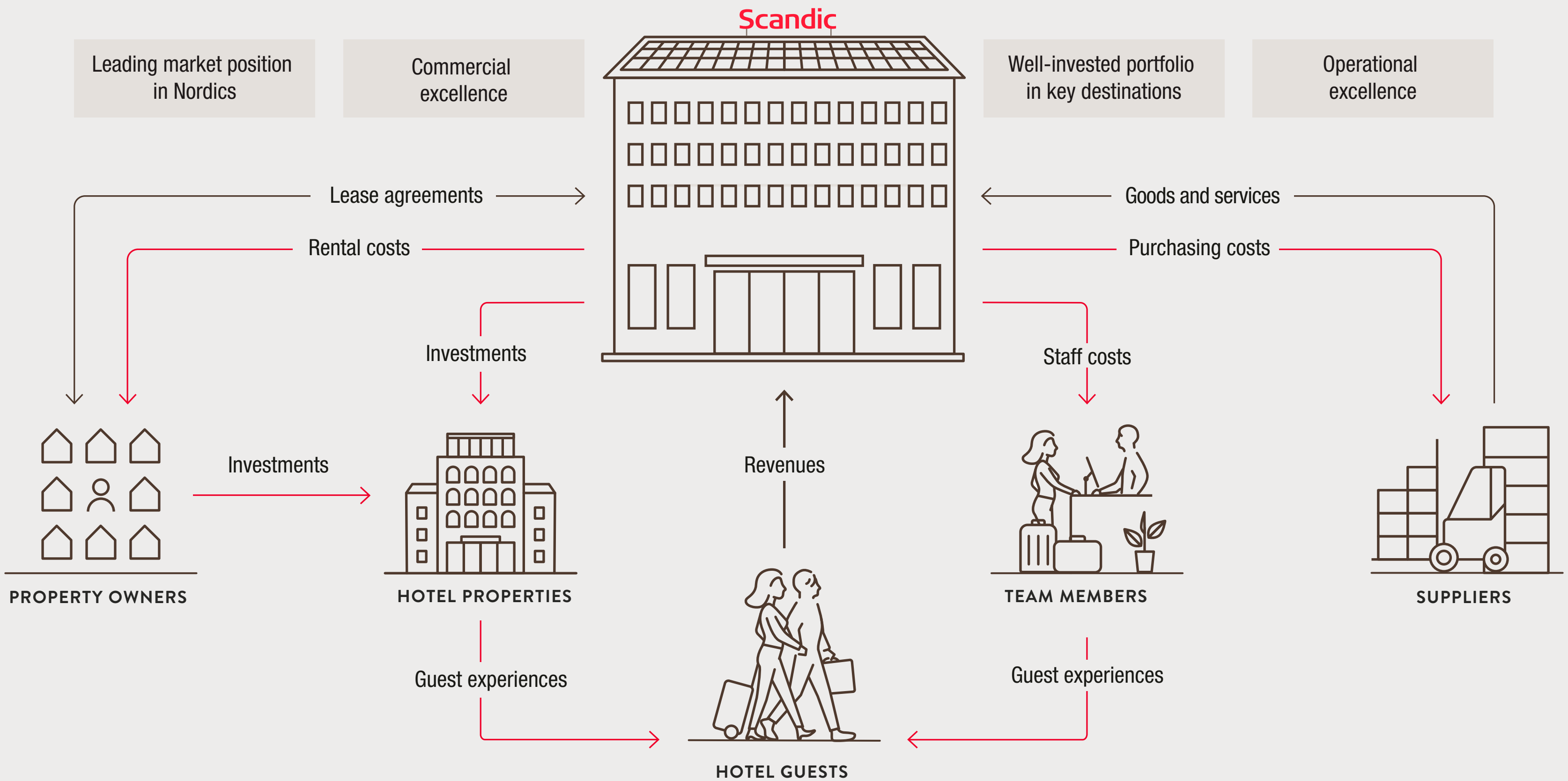
IMPACT OF IFRS 16 LEASES

Scandic has applied IFRS 16 Leases since January 1, 2019. This means that lease agreements with fixed or minimum rent are recognized in the balance sheet as right-of-use assets and lease liabilities. To help investors gain a good understanding of the company's position, Scandic presents financial results and key ratios including and excluding the effects of IFRS 16. Read more about how IFRS 16 impacts Scandic's financial statements on page 113–116.

1) On December 31, 2023, about 92 percent of Scandic's hotels were operated under lease agreements and the average remaining term was approximately 11 years. Read more about Scandic's hotel portfolio on pages 16–18.

BUSINESS MODEL

Scandic's ability to operate profitable hotels with high guest satisfaction in combination with an attractive business models makes the company a prioritized parter for property owners. The business model is built on Scandic and the property owners' shared incentives to create as great guest experiences as possible.



VALUE CREATION

Scandic's ability to create value rests on four pillars.

1 GOOD SALES GROWTH

The hotel market in the Nordic countries is expected to grow about 4 to 5 percent per year by 2030. With broad geographic coverage and a strong offering for both leisure and business travelers, Scandic is well positioned for continued strong growth. Scandic Go also creates additional opportunities through capital-efficient expansion in the rapidly growing economy segment. Scandic is benefiting from growing demand from leisure travelers and holds a leading position in the business segment with many framework agreements with companies, authorities and organizations. With the largest loyalty program in the Nordic region, Scandic also has a substantial and stable base of returning guests. Scandic's leading position, attractive business model and well-established relationships with property owners also create favorable conditions for continued expansion.

2 FLEXIBLE COST STRUCTURE

With a focus on revenue-based lease agreements, Scandic has a high proportion of variable costs. Normally, about 25 percent are consumables and sales-related expenses such as rents and commissions. At a normal level of demand, costs vary according to sales volumes. About half of Scandic's costs are considered semi-flexible and include personnel expenses. Scandic constantly adapts costs to the business situation and follows up on expected occupancy to address deviations quickly by adapting expenses.

3 STABLE PROFITABILITY

With a high percentage of returning guests and a flexible cost structure, Scandic has a strong ability to deliver stable margins over time. Scandic's efficient operating model is the foundation for running profitable hotels with high efficiency. With responsibility for hotel operations, distribution and the brand, Scandic can also leverage economies of scale. Scandic aims to achieve cost efficiencies at all levels through careful planning of staffing and following up on costs.

4 STRONG CASH FLOW

The ability to convert earnings into cash flows is due to Scandic having low capital tied up in working capital (which is negative). Investment needs are well-defined through a clear division of responsibilities between Scandic and the property owners. Excluding the construction of new hotels, the need to reinvest in maintenance is normally 3 to 4 percent of net sales over time.

FINANCIAL TARGETS & OUTCOME

Scandic's financial targets aim to create shareholder value through a combination of growth, profitability and financial stability.

1. Organic growth
Scandic's organic growth shall be at least 5 percent per year on average over a complete business cycle. During the year, net sales increased by 14.1 percent to 21.9 billion SEK, which is equivalent to organic growth of 12.1 percent. In total, the number of sold romms increased by 8 percent compared with 2022.

2. Profitability
Scandic's adjusted EBITDA margin shall be at least 11.0 percent on average over a complete business cycle. In 2023, the adjusted EBITDA margin was 11.7 percent compared with 13.2 percent in 2022. Excluding non-recurring items,[1] the adjusted EBITDA margin was 11.4 percent compared with 11.1 percent in 2022.

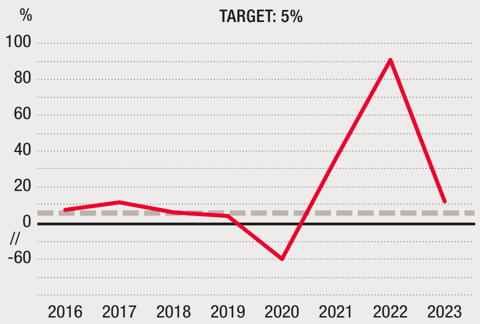
3. Capital structure
Scandic shall have net debt in relation to adjusted EBITDA of 2 to 3x. At year-end 2023, net debt was 1,503 million SEK[2] while adjusted EBITDA amounted to 2,566 million SEK, resulting in net debt in relation to adjusted EBITDA of 0.6x.

4. Dividends
The Board of Directors has adopted a dividend policy that aims to distribute at least 50 percent of Scandic's profit. Dividends are based on net profits excluding the effects of IFRS 16. Scandic's Board of Directors has proposed that no dividend be paid for 2023.

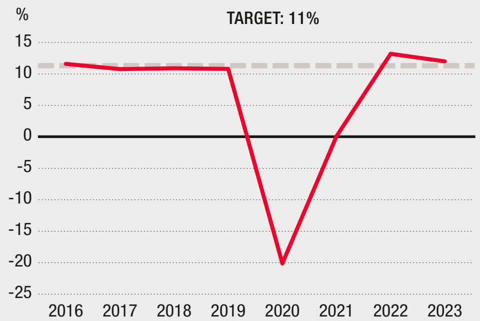
[1] Non-recurring items totaled 74 million SEK for 2023 and 433 million SEK for 2022.

[2] Including the convertible loan for 1,109 million SEK. Excluding the convertible loan, net debt in relation to adjusted EBITDA was 0.2x. Read more about the convertible loan on page 61.

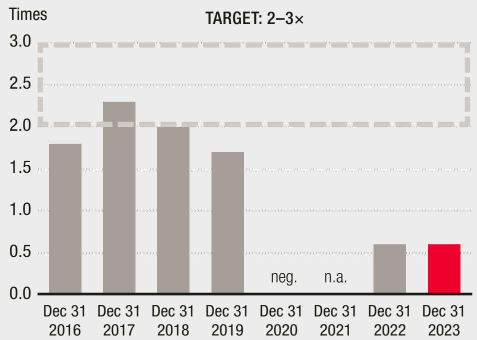
1. GROWTH, TARGETS & OUTCOMES, 2016–2023



2. PROFITABILITY, TARGETS & OUTCOMES, 2016–2023

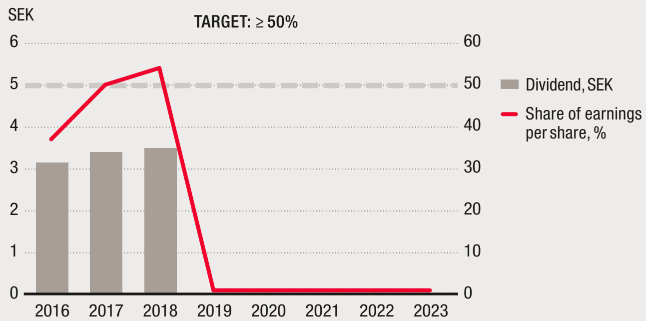


3. CAPITAL STRUCTURE, TARGETS & OUTCOMES, 2016–2023[1]



[1] Including the convertible loan for 1,109 million SEK. Excluding the convertible loan, net debt in relation to adjusted EBITDA was 0.2x. Read more about the convertible loan on page 61.

4. DIVIDENDS, TARGETS & OUTCOMES, 2016–2023



MARKET & STRATEGY

MARKET DEVELOPMENT

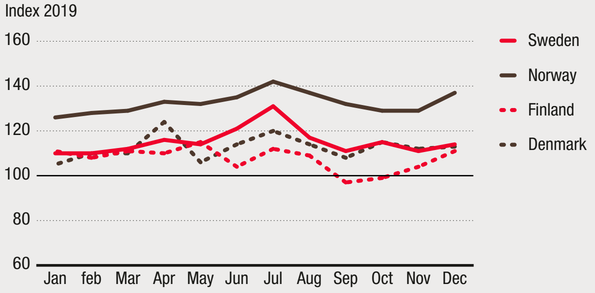
Demand growing over time

Historically, demand in the Nordic hotel market has increased steadily as international tourism and intra-Nordic travel have grown. Between 2009 and 2019, the number of sold rooms in Scandic's markets grew by 4 percent per year on average, resulting in higher average occupancy rates and revenue per available room (RevPAR). The recovery from the pandemic has been strong, and Scandic anticipates that the hotel market in the Nordics will grow an average of 4 to 5 percent per year until 2030.

Stable market development during year

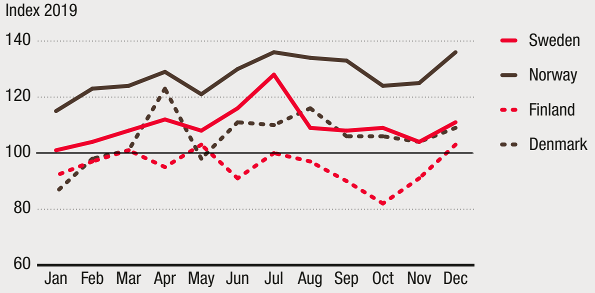
2023 was characterized by strong demand from leisure and business travelers, with increasing average room rates and RevPAR. The number of sold rooms in the Nordics grew by about 8 percent compared with 2022. The market has returned to more normal seasonal patterns, and compared with before the pandemic, the number of sold rooms has risen at higher average room rates. There is, however, still potential for recovery within certain segments. The number of guests from Asia and Europe continued to increase but has not yet fully returned to previous levels, and the market for large conferences and trade fairs, which is characterized by long planning cycles, has not fully recovered.

AVERAGE ROOM RATES, 2023



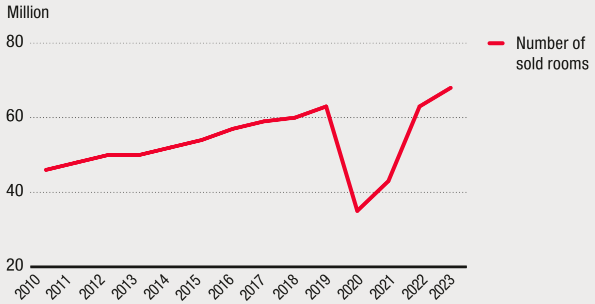
Source: Benchmarking Alliance.

REVPAR, 2023



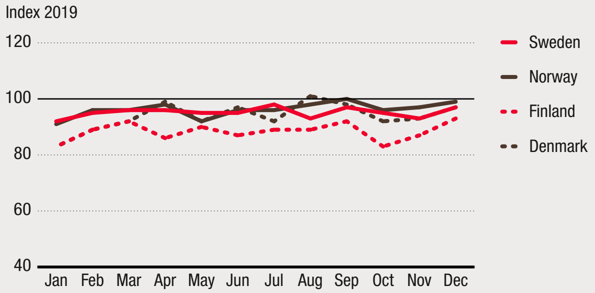
Source: Benchmarking Alliance.

NUMBER OF SOLD ROOMS IN NORDIC COUNTRIES, 2010–2023



Source: SCB, SSB, Statistics Finland, DST.

OCCUPANCY, 2023



Source: Benchmarking Alliance.

DEVELOPMENT PER QUARTER, 2023

FIRST QUARTER

The year started well with strong demand and increasing price levels. For Scandic, development was particularly strong within the business segment, where meetings and conferences were in demand at historically high levels for a first quarter. Compared with the first quarter of 2022, which was impacted by pandemic restrictions, the market's occupancy rate grew to 53 percent (40). In total, average room rates went up by 14 percent and RevPAR grew approximately 45 percent.

SECOND QUARTER

During spring and early summer, demand and prices developed well, mainly driven by high levels of domestic and intra-Nordic travel as well as a significant number of attractive entertainment offerings. This was reflected in particularly high demand for hotel rooms in metropolitan regions. The market's occupancy rate was 63 percent (64). Average room rates grew 9 percent and RevPAR went up 6 percent.

THIRD QUARTER

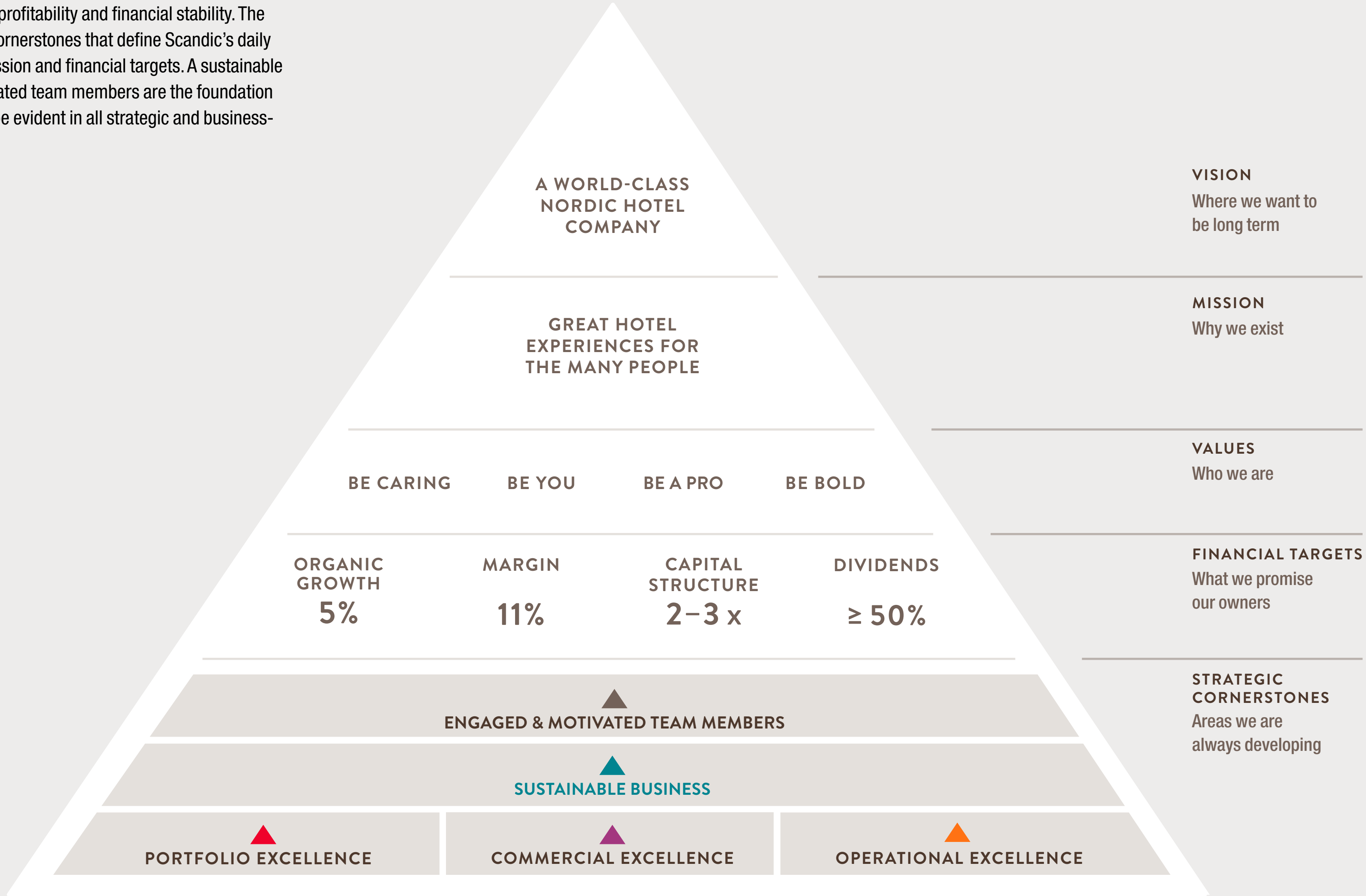
The positive market development continued into the third quarter. Demand from leisure travelers was high and the meeting season got off to a good start. The market's occupancy rate was 70 percent (71), and RevPAR and average room rates both increased by about 4 percent.

FOURTH QUARTER

The year ended with a strong quarter characterized by high demand from corporate guests. Compared with the same period in 2022, Scandic sold more room nights, and all markets saw increased occupancy rates at higher price levels. Scandic performed slightly better than the overall market, and RevPAR was higher than in 2019. The market's occupancy rate amounted to 57 percent (56), and average room rates and RevPAR both increased about 5 percent.

STRATEGY

Scandic's strategy and financial targets aim to create shareholder value through a combination of growth, profitability and financial stability. The strategy is built on five strategic cornerstones that define Scandic's daily operations to realize its vision, mission and financial targets. A sustainable approach and engaged and motivated team members are the foundation of Scandic's strategy and should be evident in all strategic and business-related decisions.



PORTFOLIO EXCELLENCE

Scandic has a well-invested, attractive hotel portfolio and it is the leading Nordic hotel operator with a market share of about 15 percent. With 267 hotels in operation at around 130 destinations, Scandic has broad geographic coverage.

Scandic strives to strenghten its market-leading positions in the Nordic markets. This is facilitated by acquiring and developing hotels in destinations where demand is growing over time. Scandic has high standards, and hotels are continuously evaluated based on guest satisfaction, profitability and return on investment

A value-creating lease model

Scandic's business model is primarily based on long-term, revenue-based lease agreements. At the end of 2023, approximately 20 percent of lease agreements were fully variable and 68 percent were variable with a guaranteed minimum rent. The remaining 12 percent were based on fixed rents. At year-end, about 92 percent of hotels had leases with an average term of 11 years. Of the other agreements, approximately 7 percent were franchise agreements and 1 percent were management agreements. Revenue-based lease agreements create shared incentives with property owners since higher revenues result in higher rental income and property values. The lease agreements are based on a hotel's revenues, with a certain percentage paid as rent to the property owner. Variable rents also mean that Scandic has a flexible cost structure linked to sales, contributing to stable margins over time. The majority of variable lease agreements have a guaranteed rent level (minimum rent) that ensures the property owner a certain rental income in the event that the revenue-based rent drops below the minimum rent. Lease agreements are continuously optimized when they are extended, for example, to achieve more balanced terms. Among other things, this means including market collapse clauses to achieve more balanced risk levels for Scandic and property owners in the event of a situation that could have a significant impact on demand in the hotel market.

The lease agreements regulate how investments should be distributed between the hotel operator and property owner. In general, Scandic is responsible for maintaining and refurbishing equipment as well as purchasing utilities such as electricity, heating and water. Property owners bear the majority of investments and are responsible for maintaining and refurbishing buildings and technical installations, as well as carrying out renovations and reconstructions. Over time, Scandic's maintenance investmentsare estimated to amount to between 3 and 4 percent of net sales.

Growing & optimizing investments

Scandic's ambition is to increase the growth rate and optimize the hotel portfolio and investments to ensure guest satisfaction and returns. During the year, the company launched Scandic Go, a new brand in the growing economy hotel segment. Scandic Go is a critical element of the company's growth strategy. The aim is to establish a market-leading position in the economy segment in the Nordics and increase the pace of expansion in the rest of Europe. Scandic aims to grow by adding between 1,000 and 1,500 new rooms per year in the economy segment. With a higher share of room revenues compared with a traditional Scandic hotel, Scandic Go is expected to contribute positively to the Group's profitability and return on capital.

Scandic also strengthened its position in Germany by opening a new 505-room hotel in Frankfurt and signing an agreement for a 311-room hotel in Nuremberg. In 2023, the first Scandic Go hotel opened, and agreements were signed for another Scandic Go in Stockholm as well as one in Helsinki. At the end of the year, Scandic also signed an agreement to extend and rebrand the 174-room Holiday Inn City Centre hotel in downtown Helsinki. From 2025, the hotel will be operated under the Scandic brand. To increase guest satisfaction, growth and returns, Scandic constantly evaluates investments in new and existing hotels and the possibilities to exit hotels with limited potential. During the year, Scandic exited five hotels with a total of 749 rooms.

Scandic Go, Upplandsgatan 4, Stockholm

FUTURE HOTELS, EXTENSIONS & EXITS AS OF DECEMBER 31 2023

Pipeline, year	Hotel	Location	Type	No. rooms
2024	Scandic Nürnberg Central	Germany	New	311
2024	Scandic Go, Sankt Eriksgatan	Sweden	New	221
2025	Signature Collection, Tromsø	Norway	New	305
2026	Scandic, Ski	Norway	New	220
2026	Signature Collection, Aarhus	Denmark	New	342
2028	Scandic, Garden Helsinki	Finland	New	227
	Scandic Go Garden Helsinki	Finland	New	232
Ongoing extensions				192
Closed for renovations				513
Exits				425
Total pipeline, net				**2,138**

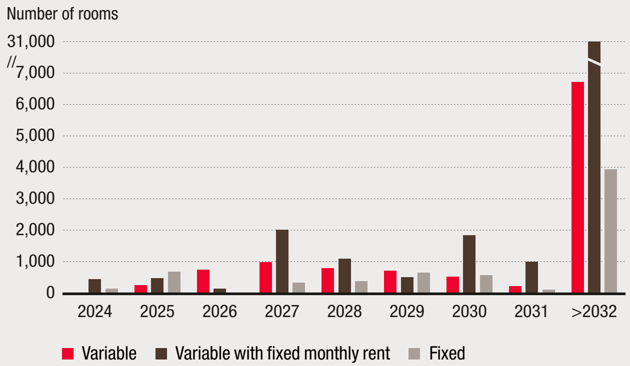
HOTEL OPENINGS IN 2023

Openings	Country	No. rooms
Scandic Frankfurt Hafenpark	Germany	505
Total		**505**


Scandic Frankfurt Hafenpark, Tyskland

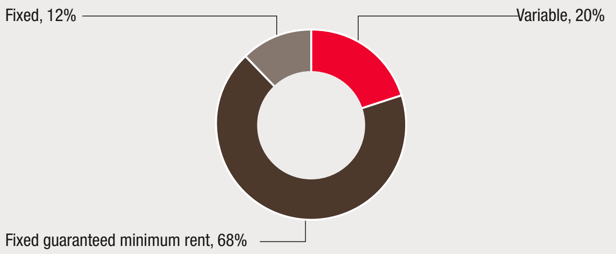

Room Collection, Scandic Frankfurt Hafenpark, Tyskland

REMAINING LEASE TERMS



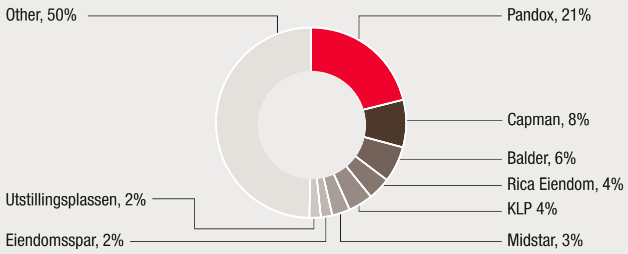
At year-end, Scandic's lease agreements had an average term of approximately 11 years. To increase guest satisfaction, growth and returns, Scandic constantly evaluates investments in new and existing hotels as well as the possibilities to extend agreements or terminate agreements.

SHARE OF LEASE AGREEMENTS



At year-end, about 92 percent of Scandic's hotels were operated under lease agreements. Of all lease agreements, about 20 percent were variable, 68 percent were variable with a guaranteed minimum rent and 12 percent were fixed rental agreements.

LARGEST PROPERTY OWNERS



Scandic collaborates closely and has well-established relationships with leading property owners. A strong commercial capability and an attractive business model make Scandic a prioritized partner.

OPERATIONAL EXCELLENCE

Scandic's operating model is constantly evolving through efficiency improvements, digitalization and standardization, as well as coordinated knowledge sharing between markets.

Focus on efficiency & economies of scale
With 267 hotels and 55,642 hotel rooms in operation, there is great potential to leverage economies of scale. Thanks to a clear division of responsibilities between hotels and central functions, Scandic benefits from economies of scale areas including purchasing, IT, administration and investments. Scandic has a proven model to quickly integrate new hotels and run them as efficiently as possible. When a hotel implements successful initiatives, such as improvements in offerings or efficiency, Scandic evaluates them for potential implementation at other hotels. Scandic's strong market position gives the company an attractive negotiating position vis-à-vis distribution partners, enabling lower distribution costs.

Property owners see great value in partnering with Scandic thanks to the company's ability to operate hotels with high guest satisfaction and efficiency.

Sustainable margin growth
To ensure long-term margin growth, Scandic is focusing on enhancing coordination and digitalization. During 2023, Scandic began implementing Oracle Hospitality OPERA Cloud, a complete cloud-based IT solution to integrate all hotels and central functions. The initiative is in line with Scandic's strategy to constantly improve the guest experience and efficiency. Scandic is also focusing on increasing profitability by optimizing procurement and improving efficiency in restaurant operations.

CASE INCREASED FOCUS ON DIGITALIZATION

"THE AIM IS TO CREATE A MORE COORDINATED APPROACH ACROSS THE COMPANY AND ESTABLISH A COMMERCIAL PLATFORM TO ENABLE EVEN BETTER GUEST EXPERIENCES AND HIGHER OPERATIONAL EFFICIENCY."

During 2023, Scandic began implementing Oracle Hospitality OPERA Cloud, a complete cloud-based IT solution to integrate all hotels and central functions.

The aim is a more coordinated approach across the company to enable even better guest experiences and higher operational efficiency. The solution will improve management, booking and pricing. With better tools and less administration, Scandic's team members can devote more time to creating value for guests, for example, through faster and smoother booking and checking in and out.

Built on a modern infrastructure, the secure future-proof platform will facilitate new commercial opportunities and initiatives that increase guest value. Faster data management will also enable pricing benefits and enable higher operational and information security.

With increased investments in digital development, Scandic sees significant opportunities to enhance growth and profitability. Implementation started in 2023. Scandic's operational units and all hotels, customer service and some central functions are expected to be connected to the platform already during the first half of 2024.

COMMERCIAL EXCELLENCE

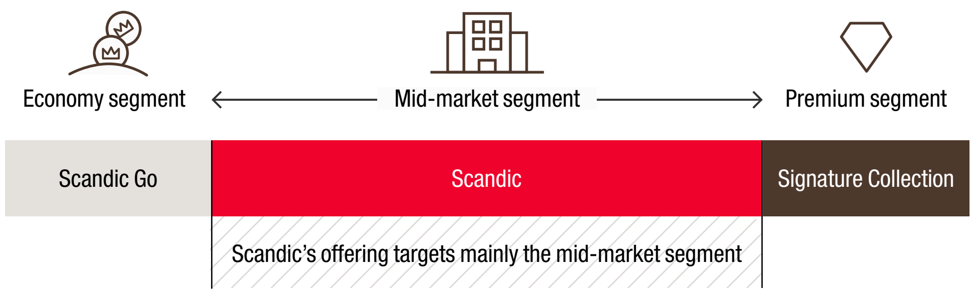
Scandic has a leading brand in the Nordic region and a successful and diversified offering for leisure and business travelers.

The brand is well-known in all of Scandic's markets and the concept targets mainly leisure and business travelers in the mid-market segment. Scandic also operates several exclusive hotels under the Signature Collection brand. With the new Scandic Go brand, Scandic aims to achieve a leading position in the rapidly growing economy segment. Since acquiring Restel in 2017, Scandic also operates 10 hotels in Finland under the Holiday Inn, Crowne Plaza, Indigo and Hilton brands. Scandic's offering is characterized by affordability and a consistent customer experience that emphasizes a personal and seamless guest journey with high service levels. This is made possible through full control and responsibility for both hotel operations and the brand's distribution.

Focus on growth & offering

In 2023, Scandic strengthened its commercial unit and took several significant steps to further enhance its offering, particularly in digitalization. Implementing Oracle Hospitality OPERA Cloud will enable Scandic to accelerate development to create even smoother, more relevant and more personalized guest experiences throughout the customer journey and in all interactions with Scandic. The launch of Scandic Go was received well by guests and property owners. Scandic will continue to focus on growing and establishing a leading brand in the economy segment.

Another focus area is improving guests' relationship with Scandic as a company and brand. During the year, a brand analysis was carried out to clearly position and strengthen Scandic's three brands: Scandic, Scandic Signature Collection and Scandic Go.



As a result, Scandic launched the "Your Friend in Town" concept, creating unified brand communication across all markets for guests, customers and partners.

Scandic is always developing its offering, and there is great potential to enhance the customer experience through digitalization. Guests aim for a smooth and personal interaction with Scandic, from booking to checkout. One example is digital check-in and checkout, which are now available at Scandic Go. Scandic sees opportunities to develop and implement this solution at more hotels.

Strong distribution capacity

Scandic has strong internal distribution, which accounted for approximately 68 percent of the number of rooms sold in 2023. Overall, digital channels are continuing to grow and increasing international and business travel is benefiting indirect channels. Scandic's website accounts for a significant share of total booking volumes. This high proportion of direct distribution means that Scandic can establish a more cost-efficient direct relationships with guests, increasing understanding of their preferences and behavior from searching to booking and staying. Scandic's strong market position is a competitive advantage against smaller competitors who are more dependent on external distribution. The company's offering should be accessible in all distribution channels relevant to guests. This is why Scandic is constantly optimizing the share of distribution channels and customer segments to ensure profitability.

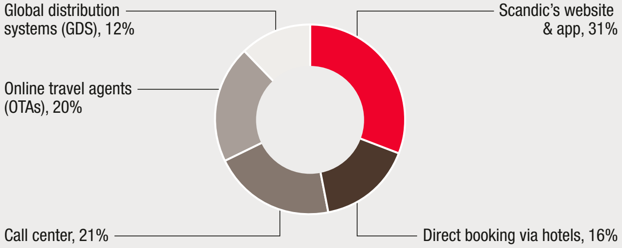
Scandic Friends – the leading Nordic loyalty program

With about 2.7 million members, Scandic Friends is the largest loyalty program in the Nordic hotel industry. The program is an important part of Scandic's offering and it creates a direct and more personal relationship with guests. Scandic has many loyal and returning guests. In 2023, Scandic sold about 38 percent of guest nights through its loyalty program. Scandic Friends enables a personalized and tailored guest journey. Guests can also redeem points they earn at a wide range of partners.

DISTRIBUTION, 2019–2023

% guest nights	2023	2022	2021	2020	2019
Scandic's website & app	31	31	34	34	27
Direct booking via hotels	16	19	25	24	24
Call center	21	20	14	13	17
Direct	**68**	**70**	**74**	**71**	**69**
OTAs	20	19	17	17	18
GDS	12	11	9	12	13
Indirect	**32**	**30**	**26**	**29**	**31**

SALES BY DISTRIBUTION CHANNEL, %



Market share in Nordic countries

~15%

Share of sales in own channels

68%

Scandic Friends' share of sold rooms, 2023

38%

CASE LAUNCH OF SCANDIC GO

"STAY DOWNTOWN, EAT WHEN YOU LIKE, TRAVEL LIGHT AND MANAGE EVERYTHING ON YOUR PHONE."

Thérèse Cedercreutz
Chief Commercial Officer

In 2023, Scandic launched Scandic Go, a new brand in the fast-growing economy segment that offers smart, sustainable accommodations in attractive city locations. The economy segment has expanded quickly in recent years driven by changed travel behavior and new financial constraints among many travelers. The segment is not as developed as in other European markets, accounting for less than 5 percent of the total hotel market compared with 15 percent in the rest of Europe.

"Scandic Go offers a smart stay for travelers who want to experience a city. It suits the needs of a younger generation of travelers who don't consider the hotel stay as the most important part of a trip. This is why we've chosen not to limit guests to fixed meal times or force them to pay for services they don't want. At Scandic Go, you can stay downtown, eat when you like, travel light and manage everything on your phone," says Thérèse Cedercreutz, Chief Commercial Officer at Scandic Hotels Group.

The goal is to meet the needs of a new target group of travelers focused on entertainment and experiences. The rooms feature a fresh design, smart solutions and clever storage facilities, catering to the young, modern traveler.

The first Scandic Go opened in Stockholm in September 2023. Since then, Scandic has signed agreements for two more hotels in Helsinki and Stockholm. Scandic Go has enjoyed a great start with positive reception from guests and property owners alike.

ENGAGED & MOTIVATED TEAM MEMBERS

High employee satisfaction and engagement are the foundation for creating guest satisfaction and good financial results. Scandic's culture is a competitive advantage and every team member is critical to each guest's experience.

Scandic strives to be an attractive employer characterized by engagement and motivation, as well as diversity and inclusion. The foundation of the culture that characterizes Scandic was established more than 60 years ago. Today, this culture is expressed through the values Be Caring, Be You, Be a Pro and Be Bold.

At year-end, Scandic had about 18,784 team members, of which 63 percent were women and 37 percent were men. The hotel industry is characterized by seasonal variations, which means that a large share of Scandic's staff have hourly employment contracts. At year-end, about 37 percent of team members had temporary employment. Scandic is often a first employer for many young people and others who have not established themselves in the labor market. This helps them gain valuable work experience and develop in different positions.

Strengthening culture, leadership & engagement

Every year, Scandic carries out two employee surveys[1] to measure and follow up on team members' well-being and engagement. In 2023, the surveys had a high response rate and showed strong results in the areas of engagement as well as diversity and especially inclusion. In particular, Scandic's commitment to health and well-being in 2023 led to positive developments in Finland, Germany and Poland. To further strengthen culture, leadership and engagement, Scandic has three strategic initiatives.

1. Health & wellness

In 2023, Scandic focused on increasing knowledge about and dedication to of health and wellness among team members by introducing a Group-wide program.

Average employment

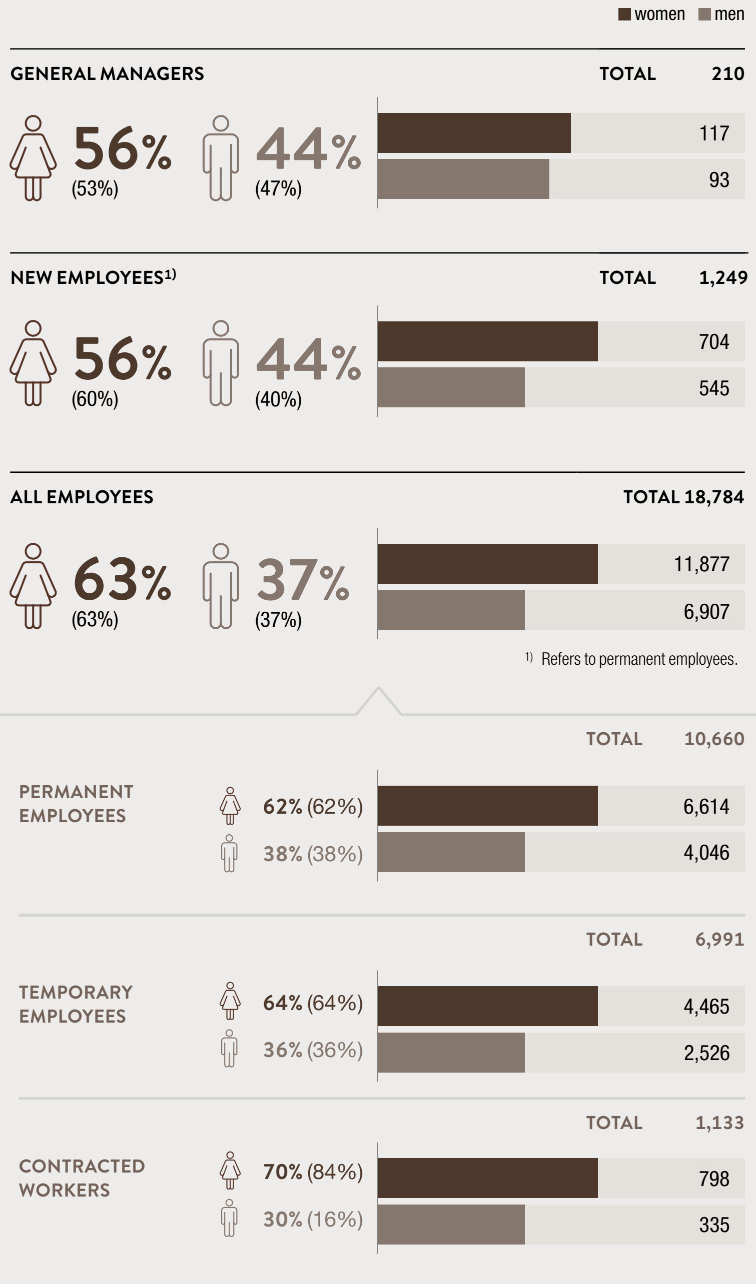
7.7 years

Scandic's permanent employees

Nationalities among team members

+140

1) Read more about the results of Scandic's employee surveys on pages 34–35.



More than 300 health ambassadors from Scandic's hotels were tasked with ensuring health-promoting initiatives were implemented and inspiring fellow team members. The program includes four main focus areas covering mental, physical and social health, as well as food and nutrition. Within each area, activities such as lectures and team events were offered with the goal of increasing well-being and engagement.

2. Scandic Academy

Learning and development are of significant strategic importance for Scandic, both to be well-equipped to meet the future needs of guests and to attract and retain team members. In 2023, Scandic established the foundation for Scandic Academy, a platform for learning and skills development. The focus is on creating a shared learning culture and providing relevant training and learning tools for both leaders and other team members. Scandic Academy aims to strengthen employee skills development to meet the needs of guests, both now and in the future.

3. Diversity & inclusion

Diversity and inclusion are one of Scandic's strategic focus areas, and the company's team members consistently rank Scandic highly in this area in employee surveys. Scandic has a strong and well-established culture and values platform. This platform is the basis for Scandic's vision for diversity and inclusion and is prioritized in activities such as recruitment and succession planning. The culture platform Inspiring Culture defines and guides team members in integrating Scandic's values into their daily work. Diversity and inclusion are a central part of Scandic's DNA and reflect how team members, guests, suppliers and other stakeholders perceive Scandic.

SUSTAINABLE BUSINESS

As the largest hotel company in the Nordics, Scandic has the power to drive transformation and inspire change on a large scale. Scandic aims to continue to lead the Nordic hotel industry in sustainability.

HIGHLIGHTS 2023

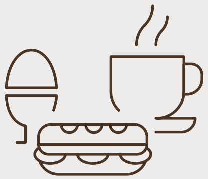
During the year, Scandic made many strides in sustainability. By year-end, 90 percent of Scandic's hotels were certified according to the Nordic Swan Ecolabel's new criteria. To be certified, a hotel must meet ambitious environmental requirements for energy, water, food, waste, biodiversity and chemicals.

Scandic Denmark, LO (the Danish Confederation of Trade Unions) and the Danish Employers' Association were awarded a prize for collaboration. Scandic Denmark was recognized for efforts that create job opportunities for youth, individuals with foreign backgrounds and people with disabilities.

Scandic won the Hotel Innovation Awards' special sustainability prize for consistently working to promote a more sustainable hospitality industry.

B
rating

In 2023, Scandic received a score of B from Carbon Disclosure Project (CDP).[1]



Scandic introduced a company-wide system for measuring food waste in all countries. Scandic Norway also won the Matvettpriset for the most creative creative and goal-oriented measures to reduce food waste with its "Never Waste List."

9%
lower emissions

Since 2019, CO_2e emissions per square meter have dropped by 9 percent for Scopes 1 and 2. Scandic aims to continue reducing reliance on fossil energy sources for heating, electricity and cooling while increasing energy efficiency.

241
environmentally certified hotels

At year-end, 241 of Scandic's 267 hotels were certified according to the Nordic Swan Ecolabel's new requirements. During the year, 50 hotels were certified for the first time, and 195 were recertified.

NORDIC SWAN ECOLABEL

1) CDP is a non-profit organization that provides a standardized reporting system for companies to measure and manage their climate and environmental impact. Each year, it rates companies based on their reporting.

PROUD HERITAGE

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

1993
The idea to reuse hotel towels is born.

1995
Began phasing out plastic single-use disposables.

1999
First Scandic hotel certified by Nordic Swan Ecolabel.

2001
Launched Scandic in Society.

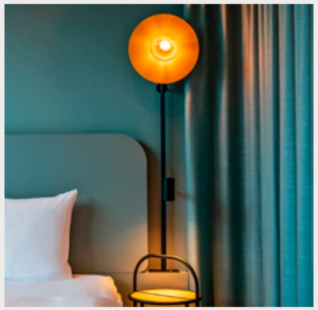
2003
Introduced an Accessibility Standard at all hotels.

2008
Switched to serving only local water in specially designed reusable bottles.

2015
Launched Breakfast for All, a vegan and allergy-friendly breakfast buffet.

2016
Introduced policy to fight prostitution and human trafficking at all hotels.

2019
Launched EcoStay, a cleaning initiative based on guest preferences.



2020
100 percent renewable hydroelectric energy at all Scandic hotels.

2021
Set new sustainability goals for 2025 and 2030.

2023
Recertified 100 percent of previously certified hotels according to the Nordic Swan Ecolabel's new, stricter requirements and certified 50 hotels for the first time.

STRATEGY FOR SUSTAINABLE BUSINESS

Sustainability is the basis of Scandic's business. The company has a strategic, long-term perspective for driving development in the industry to contribute to a more sustainable planet.

Scandic's vision is to deliver world-class Nordic hotel experiences at hotels that are the most sustainable places to meet, eat and sleep away from home. The strategy for sustainable business has three focus areas:
1. **MEET** – Health, diversity and inclusion
2. **EAT** – Food & beverage
3. **SLEEP** – Rooms and interiors

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

SUSTAINABILITY MANAGEMENT

Ultimately, Scandic's Board is responsible for its sustainability strategy. The most significant sustainability issues are addressed by the Executive Committee, and priority areas and objectives are established by the Sustainability Initiatives Steering Committee (SISC) with representatives from across the company. Scandic's strategy and central sustainability unit monitors, coordinates and follows up on initiatives, and the effectiveness of governance is continuously evaluated through performance monitoring.

Policies that guide Scandic's operations[1)]

Scandic's most important asset is the culture and values created together by its team members. All team members adhere to the following policies:

- Code of Conduct
- Anti-Corruption Policy
- Diversity & Inclusion Policy
- Environmental Policy
- Supplier Code of Conduct

These policies have been adopted by Scandic's Board or delegated by the Board to the CEO, and the Executive Committee is responsible for implementing them in their units. If team members notice irregularities or have questions, they are encouraged to contact their immediate manager. Scandic also has a whistleblowing function available to team members and external parties. The service guarantees anonymity and is managed by the Executive Committee and Board.

Policies that steer sustainability initiatives

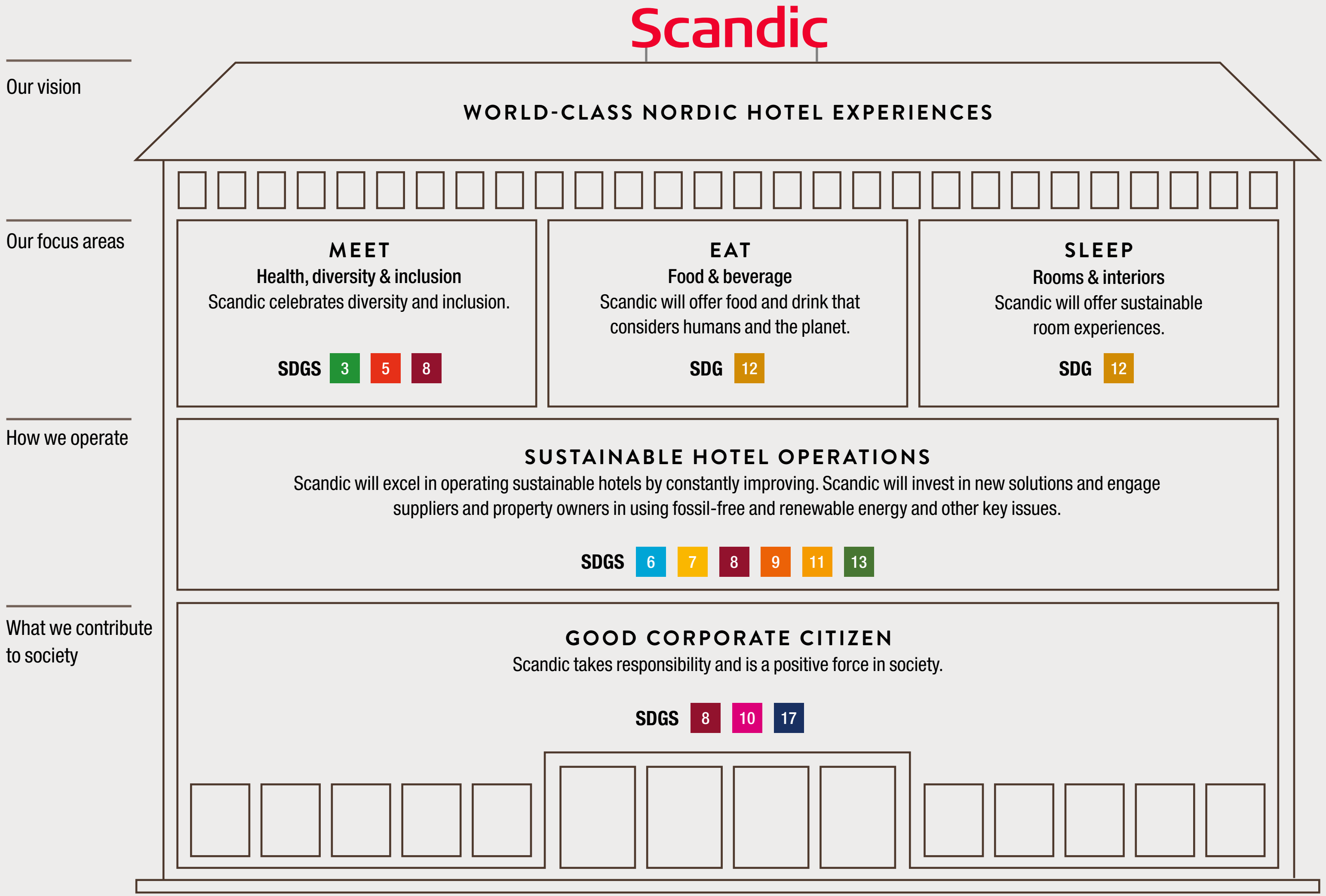
Scandic also adheres to the following governance documents:

- Sustainable Purchasing Guidelines
- Sustainable Food & Beverage Guidelines
- Food Waste Policy

1) Scandic's policies can be found at Governance and reporting | Scandic Hotels Group AB https://www.scandichotelsgroup.com/sv/hallbarhet/styrning-och-rapportering/

SCANDIC'S SUSTAINABILITY STRATEGY

Sustainability is a natural part of what Scandic does every day at all hotels. To continue to drive positive change in the industry, it is crucial to engage team members and guests, operate hotels sustainably and be a responsible partner in society.



SCANDIC'S VALUE CHAIN

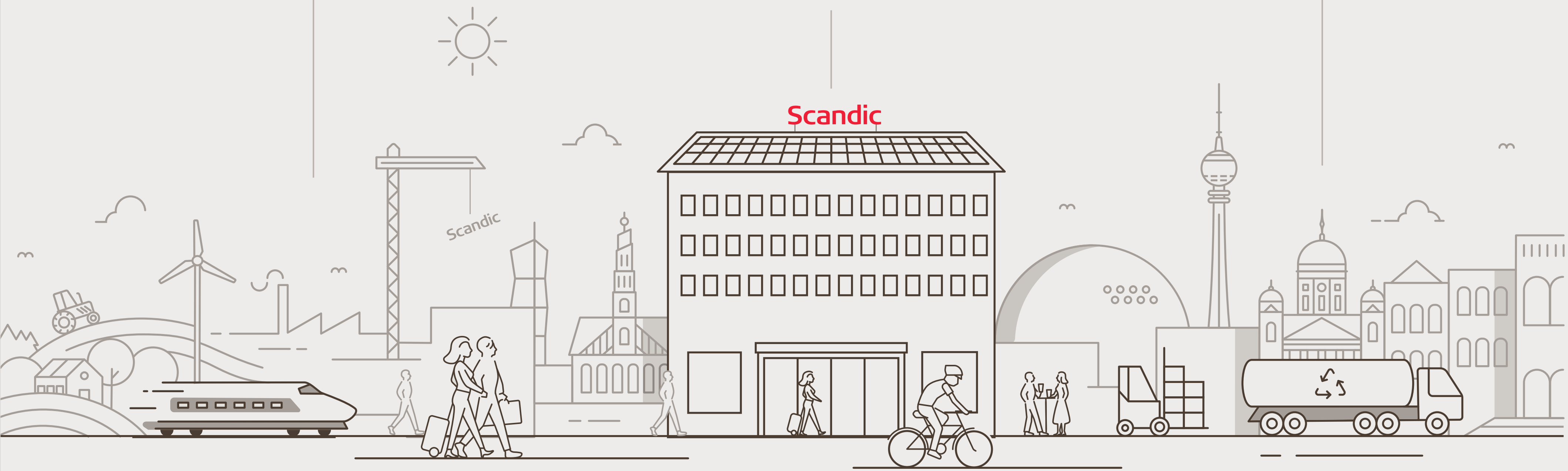
Scandic has an impact throughout the value chain, from the local community where hotels are established and operated to the way items are procured and how waste is managed and recycled.

Goods and services are sourced from carefully selected external suppliers.

Scandic rents properties and has responsibility for a hotel's operations, energy consumption and interiors.

As an employer and partner in the society, Scandic influences local communities, team members and guests.

By applying circular principles in interior design, implementing waste separation, managing residual waste and reducing food waste, Scandic reduces its environmental impact.



Cornerstones in value chain

1 ESTABLISHING HOTELS

2 INCOMING GOODS & SERVICES

3 HOTEL OPERATIONS & OFFERING

4 RECYCLING & WASTE MANAGEMENT

SCANDIC'S VALUE CHAIN

	Part of the value chain	Impact	Management	Possibility to impact
1 ESTABLISHING HOTELS	Scandic rents properties and is responsible for hotel operations, energy consumption and interiors. The property owner is responsible for maintaining and refurbishing buildings.	• Construction, renovation and property management impact the environment and society.	• Close cooperation with property owners. Sustainability-related issues are usually regulated in lease agreements. • Scandic has a positive impact by creating shared incentives to improve the environmental standards of properties.	
2 INCOMING GOODS & SERVICES	Scandic procures a large quantity of goods and services, including food, beverages, interiors and related raw materials, cleaning, laundry, IT services and transportation. The value chain extends all the way from agriculture and raw materials to reusing interior furnishings and ensuring waste is minimized.	• Procuring goods and services is a significant part of Scandic's impact on the environment and society.	• The procurement policy and guidelines for sustainable purchasing place social and environmental requirements on suppliers, helping reduce environmental impact and ensuring compliance with human rights. • Goals to increase the share of plant-based, organic and locally sourced food and beverages based on the season. • Increase the share of interiors with circular design and long lifespan.	
3 HOTEL OPERATIONS & OFFERING	Scandic is a large employer in the Nordic region, operating in approximately 130 locations. In its daily hotel operations, Scandic is responsible for energy consumption as well as fixtures and fittings.	• As an employer and partner in society, Scandic has an impact on the local community. • Team members and guests' well-being and safety. • Offering guests and team members a range of sustainable choices and options. • Energy and water consumption impact the environment.	• Employee surveys twice a year. Survey results are followed up on and measures are introduced if needed. • Targets within diversity and inclusion and action plan to ensure these are met. • Accessibility standard with high demands to guarantee inclusive guest experience. • Culture characterized by safety and security for data and physical security. All hotels have access to crisis support through Scandic's Crisis Call Center and undergo regular training in security procedures, including how to combat human trafficking and prostitution. • Proactive communication and information to guests, team members and suppliers to inspire better choices for society and the environment. • Action plans for energy efficiency and continuous monitoring of energy consumption. Scandic buys renewable electricity from hydroelectric power sources to the greatest extent possible.	
4 RECYCLING & WASTE MANAGEMENT	Scandic places strong emphasis on waste management and recycling in its hotel and restaurant operations.	• Environmental impact is influenced by waste generated from hotel operations.	• Increase recycling and reduce residual waste • Food waste is being reduced through reuse and collaborations with companies that sell leftover edible food. • When renovating, Scandic collaborates internally and with recycling partners to extend the lifespan of interior furnishings to the greatest extent possible. More information about Scandic's waste management can be found on page 38.	

Partial control Full control

GOALS & RESULTS

Focus areas	Goals	2023	2022	2021	2020	2019
MEET	**Health & wellness** Health and wellness index of at least 8.0 or higher by 2025.	8	7.8	-	-	-
	Diversity & inclusion Diversity & inclusion index of at least 8.8 or higher by 2025.	8.8	8.8	-	-	-
EAT	**Food waste** Reduce edible food waste by 25% per guest night by 2025 compared with the base year 2019.	-17%	-20%	-18%	3%	-
	Plant-based food[1)] Serve 60% plant-based food by 2025 compared with the base year 2019.	53.5%	51.6%	-	-	48.9%
	Organic food[2)] Fulfill 100% of Nordic Swan Ecolabel's limit values for organic food and drinks for each country at all hotels by 2025.	50%	-	-	-	-
SLEEP	Minimize the environmental footprint of interiors by focusing on circular, recycled and environmentally certified materials.	No specific measurements				
SUSTAINABLE HOTEL OPERATIONS	**CO_2 emissions** Decrease CO_2e/m^2 by 50% by 2030 compared with the base year 2019 (Scope 1 and 2).	-9%	-29%	-25%	-32%	-
	Environmental certification Our ambition is to certify all Scandic's hotels according to the Nordic Swan Ecolabel. At least, all hotels must comply with the Nordic Swan Ecolabel's limit values for energy consumption per square meter, unsorted waste, water consumption and ecolabeled chemicals for cleaning, laundry and washing dishes.	90%	76%	76%	77%	77%
GOOD CORPORATE CITIZEN	**Scandic in Society** All Scandic hotels shall organize two to three activities to benefit society each year.	463	-	357	-	500

1) Excluding hotels outside of the Nordic countries due to differences in measuring systems.

2) This indicator monitors the percentage of Scandic's markets that meet the organic food and beverage limit values set by the Nordic Swan Ecolabel for each country by 2025. Germany and Poland are not included as the Nordic Swan Ecolabel has not established limit values for these countries. For more information about each country, see page 36.

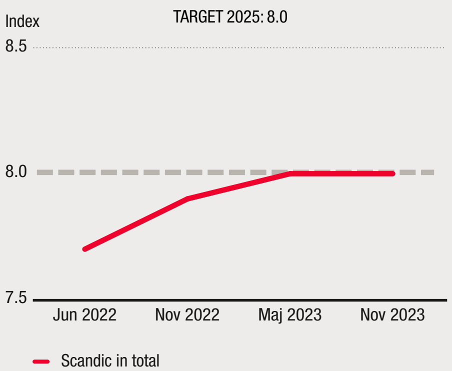
MEET
HEALTH, DIVERSITY & INCLUSION

Ambition, goals & results
Scandic aims to be the healthiest and most inclusive hotel company. Part of achieving this includes striving for diversity and gender equality when recruiting and developing team members. More information can be found on pages 24–25.

Activities
Health
High employee satisfaction and engagement are critical for creating guest satisfaction and achieving results. Scandic regularly monitors physical and psychosocial work environments through safety inspections and dialogues with team members.

Scandic also monitors team member well-being in employee surveys. For more information, see the health and wellness index below. In 2023, Scandic focused on increasing knowledge about health and well-being among team members through a Group-wide program. The initiative was divided into four modules: Mental Health, Physical Health, Food & Nutrition, and Social Health. Each included lectures, inspirational materials and activities as well as encouraging team members to participate in health-promoting initiatives. More than 300 health ambassadors were also tasked with inspiring people and ensuring initiatives were implemented.

HEALTH & WELLNESS



Gender equality

Scandic is convinced that gender equality in its organization improves its offering, the guest experience and team member engagement and well-being. It also makes it easier to recruit skilled staff. At year-end, 63 percent of Scandic's team members were women and 37 percent were men.

Among General Managers, 56 percent (53) were women and 44 percent (47) were men. Scandic aims for more balanced gender distribution in its country management teams and the Executive Committee where the distribution at year-end was 32 percent (32) women and 68 percent (68) men.

Diversity & inclusion

Scandic has an important role to play in offering new arrivals and young people their first job. In 2023, 41 percent of Scandic's team members were under 30, and more than 149 nationalities were represented. Work to promote diversity and inclusion is guided by Scandic's cultural platform and Diversity & Inclusion Policy to ensure that diversity and inclusion are part of Scandic's operations. The cultural platform defines Scandic's values and provides guidance for integrating these values in team members' daily work. Scandic follows up on results of employee surveys that show that team members feel included at work. See Scandic's development since 2022 in the diversity and inclusion index. Scandic's culture and leadership compass are important building blocks in achieving and maintaining these results. Diversity and inclusion are a central part of Scandic and reflect how team members, guests, suppliers and other stakeholders perceive Scandic.

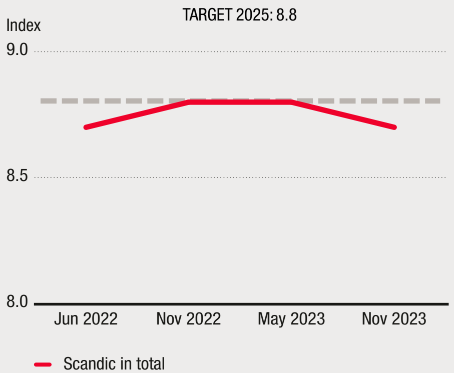
Welcoming hotels

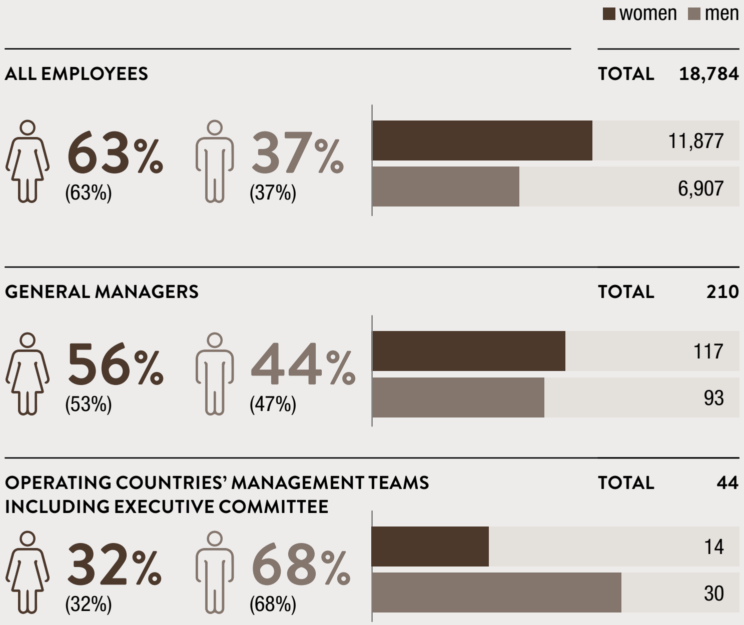
Everyone is welcome at Scandic. Scandic's hotels operate according to an accessibility standard that includes 159 points. For example, there are allergy rooms at all hotels as well as hearing loops. Scandic aims to constantly improve its standard.

UN's Sustainable Development Goals

Goal 3: Good health and well-being
Goal 5: Gender equality
Goal 8: Decent work and economic growth

DIVERSITY & INCLUSION





EAT

FOOD & BEVERAGE

Ambition, goals & results

Scandic has high ambitions for the food and drinks it serves. Being certified by the Nordic Swan Ecolabel places clear and high demands on many important areas within sustainability.

Activities

Plant-based food

Scandic aims to increase the share of plant-based food served in its restaurants for the sake of guests and the environment. Food production contributes significantly to climate change, and plant-based foods generally have a lower impact. Scandic's goal is for at least 60 percent of the food it buys to be plant-based by 2025. Compared with the base year 2019, Scandic increased the share of plant-based food from 48.9 percent to 53.4 percent in 2023.

There are several reasons for the increase, from a more extensive plant-based offering in Scandic's restaurants to the way plant-based food is placed at buffets to inspire guests to make greener choices. To achieve an even higher share, Scandic is also investing in digital training courses for chefs and other restaurant staff.

Organic food & drinks

Scandic strives to ensure that the food it serves is produced in a sustainable way that is good for people, animals and the environment. In line with the Nordic Swan Ecolabel's stricter requirements, Scandic is increasing the share of organic food and beverages. Already by 2023, Scandic met the limit values for organic food and beverages in Denmark and Finland. The goal is for all hotels to meet the limit values set by the Nordic Swan Ecolabel by 2025.

Food waste

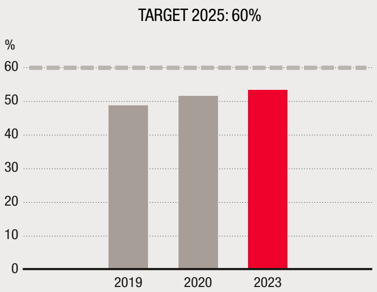
By using smaller plates and creating new recipes from food waste, Scandic aims to contribute to a new, more sustainable food culture. Scandic also works with partners that reduce food waste by connecting with people who want to buy food that would otherwise be thrown out. During 2023, together with these partners Scandic was able to reduce food waste by 160 tonnes, contributing to reducing CO_2 emissions by 381 tonnes.

Scandic aims to reduce edible food waste by 25 percent per guest night by 2025 compared with the base year 2019. An important part of achieving this is increasing awareness by weighing, measuring and analyzing waste. In 2023, food waste decreased by 17 percent per guest night compared with the base year 2019. These measurements are based on estimates. To improve comparability and data quality, during the year, Scandic implemented a common weighing system in all countries.

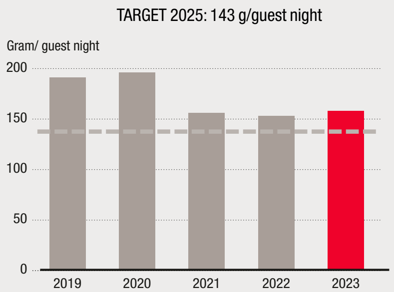
UN's Sustainable Development Goals

Goal 12: Responsible consumption and production

PLANT-BASED FOOD[1], %



FOOD WASTE, GRAMS PER GUEST NIGHT



[1] Excluding hotels outside the Nordic countries due to differences in measuring systems.

PURCHASES OF ORGANIC FOOD AND BEVERAGES[2], %

Country	Nordic Swan Ecolabel limit value: For purchases from 2024 to be reported in annual follow-up per country in 2025	Purchases of organic food and beverages in 2023
Denmark	30%	35.6%
Sweden	15%	11.8%
Norway	7%	4.4%
Finland	7%	19%

[2] Organic food and drink according to Nordic Swan Ecolabel's definition. For Sweden, Norway and Finland, this is the percentage of organic food and beverages based on total procurement costs (SEK), while for Denmark, it is the percentage of organic food and beverages based on the total weight (kg).

SLEEP
ROOMS & INTERIORS

Ambition, goals & results
To decrease its environmental impact, Scandic aims to increase the proportion of interior design elements that have a circular design, environmentally certified materials and a long life. Rooms at Scandic's hotels are usually renovated every 15 years on average, and the goal is for interiors to last even longer.

Activities
In 2022, Scandic started revising its room concept and developed guiding principles for circular design. Most items in Scandic's room concept are produced in the Nordic countries. Sustainability requirements in Scandic's Procurement Policy are also constantly updated to comply with the Nordic Swan Ecolabel requirements. These are publicly available to inspire and drive change in the industry. In 2023, Scandic launched Scandic Go, a new brand in the economy segment that meets the high environmental standards of the Nordic Swan Ecolabel. A special Scandic Go room concept with a focus on sustainability will be introduced in 2024.

Scandic always considers sustainability in the procurement process. During the year, among its many procurement processes, Scandic procured wooden PVC-free key cards for its hotel rooms. The agreement includes clear goals for traceability, reducing CO_2 emissions and reusing Scandic's old key cards at some of the supplier's other customers. The new key cards will reduce CO_2 emissions by about 70 percent compared with previous key cards.

UN's Sustainable Development Goals

Goal 12:
Responsible consumption and production

SCANDIC'S VISION OF A CIRCULAR HOTEL ROOM

Scandic's Room Collection concept includes a selection of furnishing and fixtures that are used when Scandic builds a new hotel or renovates an existing one.

1. Carpet, OEKO-TEX certified
2. TV, certified by Nordic Swan Ecolabel
3. Accessible bed, adjustable, certified by Nordic Swan Ecolabel
4. Desk, desktop made from recycled stone flour
5. Lighting, LED for all light sources
6. Closets, modular design for ease of recycling
7. Wood furniture, FSC certified
8. Curtains, OEKO-TEX certified
9. Upholstery, OEKO-TEX certified
10. Beds, certified by Nordic Swan Ecolabel
11. Wood parquet floor, certified by Nordic Swan Ecolabel

The bedspread, decorative pillow and vase pictured are not part of Scandic's Room Collection concept.

SUSTAINABLE HOTEL OPERATIONS

Ambition, goals & results

By constantly making improvements and investments as well as engaging suppliers and property owners, Scandic aims to be a leader in operating hotels sustainably. For Scandic, climate change could lead to increased energy costs, taxes on emissions, new legislation, water restrictions, changes in customer behavior and negative impacts on suppliers.

Additional environmental data can be found on page 49.

Activities

Climate strategy

Scandic's long-term ambition is to be fossil-free. By 2030, Scandic aims to reduce CO_2e emissions by 50 percent, measured in carbon dioxide equivalents per square meter of surface compared with the base year 2019 (Scope 1 and 2). Scandic is firmly committed to achieving reduction targets with clear action plans that primarily focus on energy efficiency and using green energy, such as fossil-free district heating and renewable electricity. Increasing awareness and changing behavior among team members, guests, partners and property owners can help Scandic reduce emissions. As part of its efforts to develop climate goals, Scandic continued to map direct and indirect emissions in 2023. Within the framework of its climate strategy, Scandic is establishing climate targets for approval by the Science Based Targets initiative (SBTi).

Emissions

When it comes to emissions from the gas, oil, refrigerants, heating, cooling and electricity that Scandic uses, the road to fossil-free operations is mainly dependent on the efforts of district heating companies to reduce fossil energy sources. This is because emissions from district heating account for the majority of Scandic's CO_2 emissions in Scope 1and 2. By optimizing operations and implementing energy-saving installations such as LED lighting and motion sensors as well as acquiring energy-efficient equipment for kitchens, Scandic is working to reduce energy consumption. In most hotel rooms, the electricity is activated when a key card is inserted in an electronic key card holder.

Energy consumption continued to be a focus over the year. Energy usage per square meter increased by 5 percent between 2023 and 2022, which can partly be explained by increased occupancy. Scandic also reduced the share of renewable energy from 100 per cent in 2022 to 97 per cent in 2023. This led to increased emissions compared with 2022. However, the emissions were still lower than in 2019. Compared with the base year 2019, Scandic reduced its energy consumption by 3 percent per square meter. This, together with reducing dependency on fossil energy sources for heating, electricity and cooling, helped Scandic reduce CO_2e emissions per square meter by 9 percent compared with the base year 2019.

Water

In 2023, Scandic reduced water consumption by 10 percent compared with the base year 2019, and the aim is to reduce consumption further. Scandic has already made significant progress by installing and using resource and energy-efficient appliances and bathroom fixtures. Going forward, there is great potential to change the behavior of team members and guests.

Recycling & waste

Scandic pays for a portion of its waste but also receives compensation for specially sorted waste, such as metal. Reducing unsorted waste is a critical area to focus on to reduce environmental impact and minimize costs.

Chemicals

To achieve the goal to use only ecolabeled chemicals for cleaning, internal laundry and washing dishes, Scandic provides information and training to reach out to all hotels. In 2023, 92 percent of all products used at Scandic were environmentally certified.

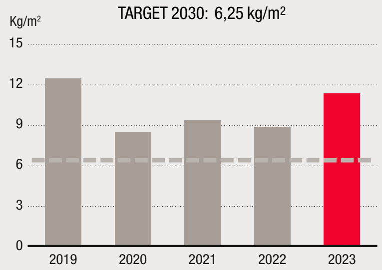
Properties

Scandic's business model is based on leasing properties to operate hotels. Along with sustainability initiatives, long-term relationships and agreements with professional property owners and developers are fundamental to Scandic's operations.
The EU Taxonomy, the Nordic Swan Ecolabel requirements for energy and water consumption and other EU environmental directives mean that Scandic will have to make improvements that require new types of knowledge and collaboration.

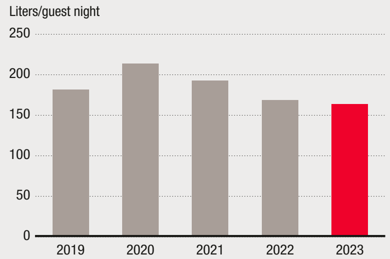
UN's Sustainable Development Goals

Goal 6: Clean water and sanitation
Goal 7: Affordable and clean energy
Goal 8: Decent work and economic growth
Goal 9: Industry, innovation and infrastructure
Goal 11: Sustainable cities and communities
Goal 13: Climate action

EMISSION INTENSITY (SCOPE 1+2), CO_2e, kg/m²

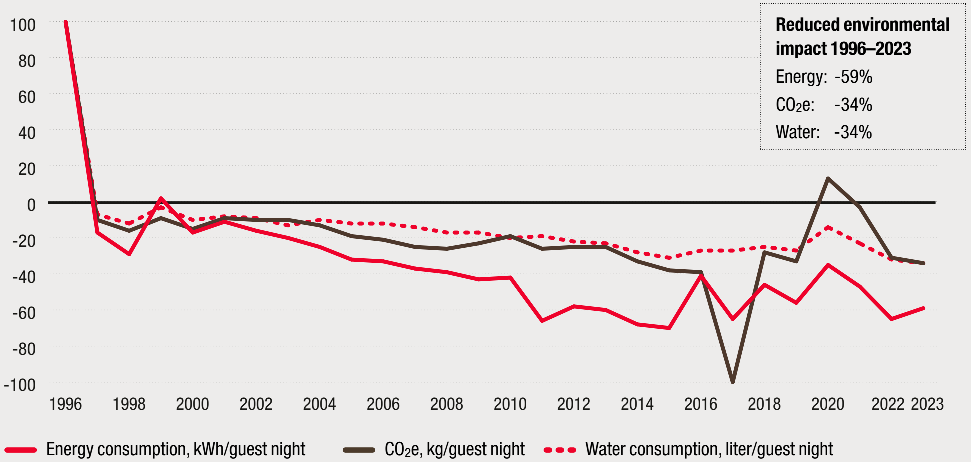


WATER CONSUMPTION, LITERS PER GUEST NIGHT



NORDIC SWAN ECOLABEL CERTIFICATION – A TOOL FOR CONSTANT IMPROVEMENT

REDUCED ENVIRONMENTAL IMPACT PER GUEST NIGHT, %



Deviations in data from 2020–2021 are due to the Covid-19 pandemic.

In 2023, Scandic focused on recertifying all Nordic Swan Ecolabeled hotels in accordance with its new requirements. This also included hotels that were not certified earlier. At year-end, 90 percent of Scandic's hotels were certified by the Nordic Swan Ecolabel.

Scandic aims for all hotels to be certified or at a minimum comply with limit values for energy consumption, unsorted waste, water consumption and ecolabeled chemicals for cleaning, internal laundry and washing dishes. Team members at all hotels also undergo training on the Nordic Swan Ecolabel criteria.

Tool for constant improvement

Scandic has held a Nordic Swan Ecolabel license since the first generation of criteria for hotels was developed in 1999. In 2004, Scandic Sweden became the world's first hotel company with Nordic Swan Ecolabel certification at all hotels. Scandic has always aimed to inspire other hotel companies so that the industry can lead the way in sustainability.

To be certified, a hotel is evaluated according to 44 mandatory requirements and six "point" requirements. There are also absolute limits, encouraging Scandic to strive to reduce resource consumption further. For example, a night at an ecolabeled hotel should consume less than 150 liters water per guest per night. The graph on this page shows how Scandic has reduced CO_2 emissions, water consumption and energy use since 1996.

Trusted environmental certification

According to ISO 14024, the Nordic Swan Ecolabel is a Type 1 ecolabel and one of the world's most credible environmental certifications. Type 1 ecolabels ensure that a product meets all of the environmental requirements of an independent third party, the Nordic Ecolabelling Board. Requirements are continually sharpened and developed from a life cycle perspective.

AS A NORDIC SWAN ECOLABELED HOTEL, AMONG OTHER THINGS SCANDIC SHALL:

- Reduce energy consumption
- Reduce water use
- Reduce unsorted waste
- Reduce food waste
- Increase organic food and beverages
- Increase plant-based food
- Increase environmentally-certified chemicals
- Involve all team members and communicate clear environmental goals

GOOD CORPORATE CITIZEN

Ambition, goals & results

Scandic's overall ambition is to be a responsible partner in society. This includes initiatives related to safety and security, purchasing and suppliers and animal welfare as well as ethical business practices and anti-corruption. It also includes the extensive community involvement initiatives that Scandic has run at its hotels since 2001.

Trafficking & prostitution

Scandic aims to prevent trafficking and prostitution, which may occur at hotels. For example, it is mandatory for team members who work in reception and housekeeping as well as General Managers to undergo training to identify signs of prostitution. An important aspect of combating human trafficking and prostitution is collaborating with the police and other experts to ensure that Scandic's knowledge is up-to-date.

Safety & security

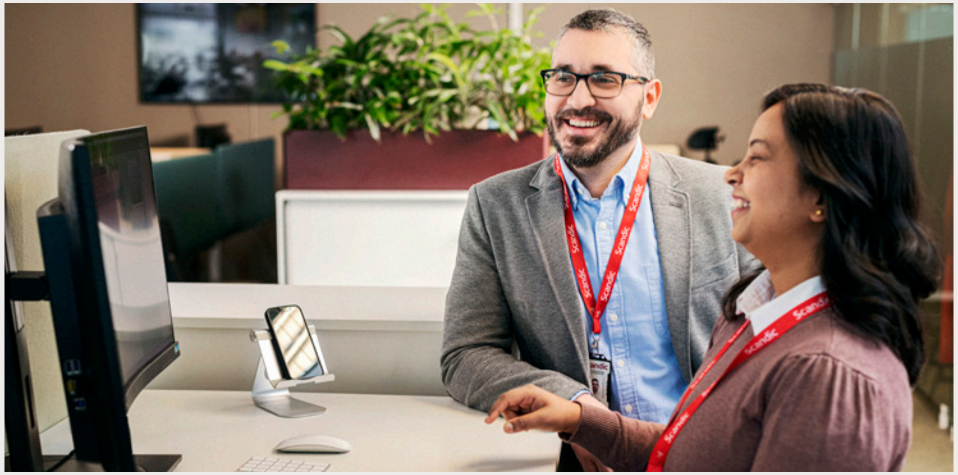
During 2023, the general threat level in society rose. Scandic places great importance on continuously working to ensure safety and security for team members and guests. Staff training is an important part of this. Every six months, Scandic carries out crisis management exercises to simulate possible events including extraordinary incidents such as terror attacks and lockdowns. These are run by Scandic's Central Crisis Unit, which follows up on the results. Scandic also holds obligatory fire safety and evacuation courses as well as first aid training for team members.

All hotels have access to emergency help from the Scandic Crisis Call Center, a 24-hour service run by trained security staff. Crisis support can include contact with psychologists and crisis support staff.

Purchasing & suppliers

Right choices from the start

Scandic's procurement team collaborates closely with the sustainability unit to ensure that sustainability is taken into account during the procurement process. Scandic also has general and specific criteria for sustainable purchasing. These include guidelines on suitable materials and substances and requirements to always apply the precautionary principle when evaluating materials and substances.



Sustainable supply chain

Sustainability is one of Scandic's basic principles in connection with purchasing, and a basic sustainability screening is carried out for each procurement project. The screening includes criteria related to the environment, anti-corruption, human rights and work environment. All suppliers that pass the selection process undertake to adhere to the principles in Scandic's Code of Conduct for Suppliers.

Scandic also regularly carries out risk assessments of its supplier base. Most of Scandic's bigger suppliers are in the Nordic region and are associated with low risk. For larger suppliers or in cases where there is uncertainty about a supplier, a thorough evaluation is conducted during which the supplier must complete a self-assessment. If necessary, a more comprehensive audit or onsite inspection is conducted at the supplier's premises. All deviations must be addressed in the manner described in a corrective action plan developed by the supplier and approved by Scandic. Measures to address deviations must be implemented within the agreed time frame for the supplier to remain under contract with Scandic.

Scandic maintains a continuous dialogue with suppliers to support their development. Given Scandic's size, the company can set high standards, and in some cases, suppliers make extensive changes to meet Scandic's sustainability requirements. Scandic's supply chain did not change significantly during the year.

Business ethics & anti-corruption

Legal and appropriate behavior in all situations is fundamental to Scandic's relationships with stakeholders and to ensure people trust the company. Scandic complies with rules and legislation to prevent, discover and handle all forms of corruption, including extortion, bribery, nepotism, fraud and money laundering. Anti-corruption is covered in Scandic's Code of Conduct for team members and Supplier Code of Conduct. Scandic's Anti-Corruption Policy is an addition to the Code of Conduct. Deviations from Scandic's policies can be reported anonymously through Scandic's whistleblowing function, which is available internally and externally.

Animal welfare

Promoting animal welfare is important to Scandic. Ensuring that suppliers comply with applicable legislation is a minimum requirement. Scandic continuously evaluates its operations to determine if requirements should be tightened.

Investments in training

When it comes to sustainability, Scandic has high ambitions for team member training. All Scandic team members are required to take Scandic's sustainability-related training course. The training covers various topics, including efforts to combat human trafficking, increase accessibility and operate hotels more sustainably.

Scandic in Society

Since 2001, Scandic has run a program called Scandic in Society where team members at hotels participate in activities each year that contribute to the local community. Supporting the communities where Scandic operates is important. It instills pride in team members while nurturing important relationships with local stakeholders. Activities are usually initiated by team members and involve local partners. Over the years, Scandic team members have run thousands of activities to benefit various organizations. During 2023, more than 460 Scandic in Society initiatives were carried out, some of which are highlighted on this page. Read more about the initiatives that Scandic supports on pages 51–52.

UN's Sustainable Development Goals

Goal 8: Decent work and economic growth
Goal 10: Reduced inequalities
Goal 17: Partnerships for the goals

SCANDIC IN SOCIETY – FOR A BETTER TOMORROW

Initiatives that help foster	Examples of Scandic's support
A sport for all	Scandic supports local sports clubs by providing meeting venues, food and accommodations.
A first job	Scandic works to open doors to people who have not yet entered the labor market through internships, mentorships and summer jobs for youth, people with disabilities and new arrivals.
A safer community	Scandic offers a place to meet and coffee for night patrol volunteers to help make neighborhoods safer.
A cleaner environment	Scandic's team members organize events to pick up garbage in parks, on beaches and in the city.
Support for research, healthcare and emergency services	Scandic provides extra support to families dependent on healthcare by providing hotel experiences. Scandic also organizes activities and events to raise money for organizations including the Swedish Childhood Cancer Fund (Barncancerfonden), the Swedish Cancer Society (Cancerfonden), Save the Children and EMS services.
A helping hand	Scandic supports people who are homeless by donating clothing, blankets, pillows and food.

EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Background

In order to achieve the EU's climate goals and to make it easier to identify environmentally sustainable economic activities, the EU has introduced what is known as the EU taxonomy. The taxonomy is an EU-wide classification system that aims to increase investments in sustainable activities within the EU. The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows toward a more sustainable economy and an important step toward achieving carbon neutrality before 2050 in line with the EU's climate goals.

Accounting principles

Scandic has been covered by the EU directive from the financial year 2021 since the company is classified as a large group according to the taxonomy, has shares listed on a regulated market and has more than 500 employees on average.

In 2022, Scandic's turnover was not included in the delegated acts of the EU Taxonomy Regulation, environmental objectives 1 and 2 (Annex 1 and 2), related to applicable economic activities. For this reason, Scandic's applicable turnover for these years amounted to 0. From June 27, 2023, however, the list of applicable activities was expanded. The delegated acts of the EU Taxonomy Regulation, along with additional annexes for environmental objectives 3–6, now include activity "2 Accommodation activities" and more specifically "2.1 Hotels, holiday, camping grounds and similar accommodation", in which Scandic's turnover is included. In 2023, Scandic's total turnover and both CapEx and OpEx were included in the economic activities described below. The tables below show whether Scandic's activities are compatible with the taxonomy's set environmental objectives. Delimitations regarding Scandic's compatibility assessment are presented under each area below.

Description of economic activities by category:

Biodiversity

2.1 Hotels, holiday, camping grounds and similar accommodation

This category encompasses all of Scandic's net turnover, as it includes room revenue, conference revenue, franchise and management fees, as well as revenue from the sale of food and beverages at hotels. Scandic's policy for assessing CapEx and OpEx follows the assessment of turnover.

In 2022, when there was no applicable turnover, Scandic assessed that all additional lease agreements pertained to purchases from suppliers whose activities were taxonomy eligible. In 2023, as the Group's total turnover is applicable under the Biodiversity environmental objective, Scandic's policy is to consider all additional CapEx and OpEx for 2023 as part of applicable economic activities (hotel operations). Activity 7.7 "Acquisition and ownership of buildings", which was applicable to CapEx in 2022, is no longer considered applicable based on Scandic's policy in light of the new environmental objectives.

For 2023, both taxonomy applicable and taxonomy aligned economic activities related to environmental objectives 1 and 2 for the economic activities that were applicable in 2022 are reported. For the new environmental objectives (environmental objectives 3–6), reporting for 2023 includes only applicability in accordance with the relief rule introduced when these environmental objectives were published. The same applies to additional economic activities under environmental objectives 1 and 2. The Group has analyzed all additional economic activities within environmental objectives 3–6 and environmental objectives 1–2 and has concluded that the Group's operations are included under environmental objective 6, which includes hotel operations as well as the sale of food and beverages associated with such operations.

In the table below, Scandic has reported the Group's share of activities within Turnover, CapEx and OpEx that is considered to be taxonomy-eligible. The assessment of eligible activities has been based on what is described below.

Turnover

According to the taxonomy, total turnover is the same as net sales according to the consolidated income statement, see page 79. The Group's net sales consist of the value of goods and services generated in hotels under lease agreements, management and franchise fees.

SCANDIC'S OPERATIONS ACCORDING TO EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

Million SEK	Total	Share of taxonomy eligible activities (%)	Share of taxonomy-non-eligible activities (%)	Share of taxonomy eligible activities that are environmentally sustainable (%)[1]	Share of taxonomy eligible activities that are not environmentally sustainable (%)[1]
Turnover	21,935	100.0% (0.0)	0.0% (100.0)	–	100.0% (0.0)
CapEx	6,645	100.0% (91.0)	0.0% (9.0)	–	100.0% (91.0)
OpEx	250	100.0% (0.0)	0.0% (100.0)	–	100.0% (0.0)

[1] For the financial year 2023, the KPI:s Turnover, CapEx and OpEx are reported in accordance with activity 2.1 within the environmental objectives for Biodiversity. In 2023, only taxonomy eligibility and not taxonomy alignment are reported, as these objectives were published in June 2023 ('the relief rule').

Capital expenditures (CapEx)

Total CapEx refers to investments in tangible and intangible fixed assets excluding goodwill and right-of-use assets. Investments during the year can be found in Notes 12 and 13 on pages 95–96. CapEx related to right-of-use assets in accordance with IFRS 16 for the financial year amounts to approximately 6.1 billion SEK (6.6) and consists mainly of extensions of existing leases and new leases for hotel properties. These investments can be found in Note 13 on page 96. Total CapEx for the year amounted to 6.6 billion SEK (6.6).

For 2023, according to the taxonomy, applicable CapEx refers to investments related to an identified sales activity (2.1 Hotels, holiday, camping grounds and similar accommodation). Since all CapEx was intended to benefit Scandic's economic activities, 100 percent of CapEx for the year is considered applicable for the current financial year.

For the comparison period, no part of the turnover was considered taxonomy-eligible. Since Scandic's operations were included in the taxonomy in significantly different ways in 2022 and 2023, it is not relevant to comment further on the differences between the years. According to information from the EU Commission, consideration should instead be given to all investments where the supplier carries out taxonomy-eligible economic activities, regardless of whether the investment was linked to economic activities specifically identified as applicable under Turnover. For 2022, Scandic determined that the share of CapEx related to leased buildings that were reported as right-of-use assets in accordance with IFRS 16 was applicable since the counterparties in this case were property owners and thus carried out eligible economic activities that were included in Annex 1, 7.7 of the EU Taxonomy Regulation, "Acquisition and ownership of buildings."

Operating expenses (OpEx)

According to the taxonomy, total OpEx is considered to be costs for maintaining the Group's fixed assets. For Scandic, these costs include direct expenses related to maintenance of property, plant and equipment carried out by the Group or third parties that is necessary to ensure the smooth and efficient function of the assets, including renovation expenses related to fixed assets and short-term leases. These costs are not specified in the consolidated income statement, but are included in Other external costs on page 79. Applicable OpEx is the part of the total OpEx that relates to identified sales activities (2.1 Hotels, holiday, camping grounds and similar accommodation), which for 2023 is considered to amount to 100 percent.

For the comparative period, no part of turnover is considered taxonomy-eligible. Consideration was instead given to all costs where the supplier carry out taxonomy-eligible economic activities, regardless of whether the cost was linked to activities deemed taxonomy-eligible under Turnover. For the comparative period, Scandic chose chosen not to investigate applicability for OpEx due to the fact that according to the taxonomy, total OpEx for the year was only 242 million SEK in addition to the large number of suppliers that accounted for this amount.

Next steps

The next step in Scandic's work related to the taxonomy is to determine how much of the aligned Turnover, CapEx and OpEx is considered to meet the taxonomy's criteria for the Biodiversity environmental objective.

EU TAXONOMY – TURNOVER

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of Turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transi-tional activity
		Million SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	J/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	21,935	100%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**21,935**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**0%**		
A. Turnover of Taxonomy eligible activities (A1+A2)		**21,935**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		0	0%																
TOTAL		**21,935**	**100%**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

EU TAXONOMY – CAPITAL EXPENDITURES (CAPEX)

Proportion of capital expenditures from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

				Substantial Contribution Criteria						**DNSH criteria ('Does Not Significantly Harm')**									
Economic Activities	Code	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transi-tional activity
		Million SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional	–	–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	6,645	100%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0%		
Acquisition and ownership of buildings	CCM 7.7	–	–	–	–	–	–	–	–								91%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**6,645**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**91%**		
A. CapEx of Taxonomy eligible activities (A1+A2)		**6,645**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**91%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		0	0%																
TOTAL		**6,645**	**100%**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

EU TAXONOMY – OPERATING EXPENSES (OPEX)

Proportion of operational expenditures from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	OpEx	Proportion of OpEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transi-tional activity
		Million SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	250	100%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**250**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**0%**		
A. OpEx of Taxonomy eligible activities (A1+A2)		**250**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0%																
TOTAL		**250**	**100%**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

Tables 1–5 in Annex XII to the delegated Regulation (EU) 2022/1214 are not considered taxonomy eligible and are not reported since none of the companies engage in nuclear or fossil gas-related activities.

Table 1 should only contain "No" in all fields.

EMPLOYEE DATA

BREAKDOWN BY TYPE OF EMPLOYMENT

	Sweden		Norway		Finland		Denmark		Other		
2023	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Total**
Total	**4,510**	**2,322**	**3,185**	**2,208**	**2,148**	**990**	**1,744**	**1,144**	**290**	**243**	**18,784**
Permanent employment	2,414	1,371	1,779	1,209	1,223	592	938	650	260	224	**10,660**
Of which full-time	*1,282*	*876*	*954*	*841*	*651*	*377*	*482*	*477*	*231*	*213*	***6,383***
Of which part-time	*1,132*	*496*	*825*	*368*	*573*	*214*	*456*	*173*	*29*	*11*	***4,277***
Temporary	2,096	951	1,406	999	127	63	806	494	30	19	**6,991**
Contracted workers					798	335					**1,133**

	Sweden		Norway		Finland		Denmark		Other		
2022	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Total**
Total	**4,807**	**2,601**	**3,168**	**2,104**	**1,754**	**693**	**1,778**	**1,228**	**260**	**212**	**18,605**
Permanent employment	2,405	1,412	1,771	1,199	1,271	582	993	676	235	199	**10,743**
Of which full-time	*1,265*	*891*	*931*	*819*	*664*	*390*	*536*	*501*	*220*	*190*	***6,406***
Of which part-time	*1,140*	*521*	*840*	*380*	*607*	*192*	*457*	*175*	*15*	*9*	***4,336***
Temporary	2,402	1,189	1,397	905	117	42	785	552	25	13	**7,427**
Contracted workers					366	69					**435**

NEW HIRES[1)]

		2023		2022	
		Number	Share, %	Number	Share, %
Total number / % of total		1,249	6.6	2,680	14.4
Of which	Women	704	56.4	1,604	59.9
	Men	545	43.6	1,076	40.1
Of which	Age <30	653	52.3	1,347	50.3
	Age 30–50	513	41.1	1,103	41.2
	Age >50	83	6.6	230	8.6
Of which	Sweden	296	23.7	845	31.5
	Norway	264	21.1	593	22.1
	Finland	214	17.1	466	17.4
	Denmark	323	25.9	592	22.1
	Other Europe	152	12.2	184	6.9

1) Permanent employees only.

EMPLOYEE TURNOVER[1)]

		2023		2022	
		Number	Share, %	Number	Share, %
Total number / % of total		2,166	11.5	2,470	13.3
Of which	Women	1,269	58.6	1,470	59.5
	Men	897	41.4	1,000	40.5
Of which	Age <30	959	44.3	1,031	41.7
	Age 30–50	975	45.0	1,160	47.0
	Age >50	232	10.7	279	11.3
Of which	Sweden	679	31.3	801	32.4
	Norway	444	20.5	456	18.5
	Finland	327	15.1	408	16.5
	Denmark	558	25.8	679	27.5
	Other Europe	158	7.3	126	5.1

DEMOGRAPHIC BREAKDOWN

2023	Total number of employees, %		Board of Directors, %		Executive Committee, %		Managers, %		Employees, %	
Men	6,907	36.8	4	57.1	7	80	617	43.4	6,283	36.2
Women	11,877	63.2	3	42.9	2	20	804	56.6	11,071	63.8
Age <30	7,719	41.1	-	-	-	-	106	7.5	7,613	43.9
Age 30–50	8,092	43.1	-	-	-	-	908	63.9	7,184	41.4
Age >50	2,973	15.8	7	100	9	100	407	28.7	2,557	14.7
Total	**18,784**		**7**		**9**		**1,421**		**17,354**	

2022	Total number of employees, %		Board of Directors, %		Executive Committee, %		Managers, %		Employees, %	
Men	6,838	36.8	4	57.1	7	87.5	630	44.8	6,201	36.1
Women	11,767	63.2	3	42.9	1	12.5	775	55.2	10,991	63.9
Age <30	7,996	43.0	-	-	-	-	121	8.6	7,875	45.8
Age 30–50	7,781	41.8	-	-	1	12.5	905	64.4	6,875	40.0
Age >50	2,828	15.2	7	100	7	87.5	379	27.0	2,442	14.2
Total	**18,605**		**7**		**8**		**1,405**		**17,192**	

ENVIRONMENTAL DATA

Total weight per method of disposal, tonnes	2023		2022		2021		2020		2019	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Reuse	-	-	-	-	-	-	-	-	-	-
Recycling	13.8	9,555.3	9.9	8,733.1	3.2	5,705.3	4.9	5,357.7	14.0	11,301.2
Energy recovery[1]	44.9	6,815.9	33.0	7,357.4	18.9	5,580.0	17.6	4,723.0	29.8	8,494.5
Combustion	60.8	-	44.8	-	26.5	-	24.0	-	38.6	-
Landfill	8.0	110.0	5.9	57.6	3.5	18.2	3.2	18.2	5.1	41.1
Total	**127.5**	**16,481.2**	**93.6**	**16,148.1**	**52.1**	**11,303.5**	**49.7**	**10,098.9**	**87.5**	**19,836.8**

1) For Sweden, Scandic has estimated the amount of household waste since the municipalities, which have a monopoly on waste management, are not able to provide actual weights.

Total weight per type of waste, tonnes	2023	2022	2021	2020	2019
Paper	1,946.6	1,915.5	1,298.4	1,189.6	2,539.7
Glass	2,011.8	1,840.8	1,150.9	1,066	2,255.3
Metal	152.4	141.8	97.6	102	199.9
Plastic	475.9	352.1	212.2	180.5	331.0
Other	12,022.0	11,991.6	8,596.4	7,610.6	14,598.4

SCOPE 1

MWh	2023	2022	2021	2020	2019
Energy consumption					
Propane	1,207.0	1,133.6	1,005.4	885.9	1,476.3
Natural and city gas	2,602.1	4,509	6,942.5	7,765.1	6,450.2
Biofuel	477.4	467.8	346	280.2	813.3
Heating oil	405.1	0.1	-	42.1	404.2
Gasoline	149.3	130.3	-	-	-
Refrigerants	-	-	-	-	-
Total	**4, 840.9**	**6,240.8**	**8,293.9**	**8,973.3**	**9,144.0**
CO_2e emissions, tonnes					
Propane	253.5	238.7	211.7	201.7	336.2
Natural and city gas	468.4	817.2	1,258.2	1,572.7	1,306.4
Biofuel	24.4	28.6	19.4	17.0	54.6
Heating oil[1]	-	-	-	-	110.3
Gasoline	35.8	31.9	-	-	-
Refrigerants	1,873.0	2,013.4	1,114.3	-	393.8
Total	**2,655.0**	**3,129.8**	**2,603.5**	**1,791.4**	**2,201.3**

SCOPE 2

MWh	2023	2022	2021	2020	2019
Energy consumption					
Electricity	337,497.5	333,592.3	302,120.00	272,245.70	359,426.70
District heating	306,323.9	293,528.7	289,855.20	231,710.50	287,205.30
District cooling	23,366.0	24,091.4	19,947.70	16,017.50	20,239.50
Total	**667,187.4**	**651,212.3**	**611,922.9**	**519,973.7**	**666,871.5**
CO_2e emissions, tonnes[2]					
Electricity	4,174.8	-	-	279.8	911.5
District heating	27,599.1	24,529.7	25,386.60	23,100.50	33,425.70
District cooling	109.8	145.1	101	156.4	617.9
Total	**31, 883.6**	**24, 674.8**	**25, 487.6**	**23, 536.7**	**34, 955.1**

1) Since 2020, Scandic has been using bioheating oil, which does not cause carbon dioxide emissions.
2) For 2023, location-based emissions, CO_2e for Scope 2, totaled 31,896.3 tonnes.
3) Parts of Scandic's Scope 3 emissions.

SCOPE 3

CO_2 emissions, tonnes[3]	2023	2022	2021	2020	2019
Air	450.4	302.5	83.4	143.7	666.6
Train	3.0	0.4	-	-	-
Total	**453.4**	**302.9**	**83.4**	**143.7**	**666.61**
Total km					
Air	3,903,819	2,571,875	672,172	1,154,121	5,618,904
Train	3,740,456	1,438,544	380,016	526,772	1,538,539
Total	**7,644,275**	**4,010,419**	**1,052,188**	**1,680,893**	**7,157,443**

SOCIETY DATA

DIRECT ECONOMIC VALUE GENERATED & DISTRIBUTED

Direct Economic Value Generated, million SEK	2023	2022	2021	2020	2019
Revenues	21,935	19,230	10,130	7,470	18,956
Economic Value Distributed	**20,562**	**17,100**	**11,809**	**13,420**	**18,234**
Costs	11,462	9,565	6,973	8,780	10,932
Employee wages, benefits & pensions	6,882	5,957	3,597	3,489	5,869
Financial expenses (dividends & interest)	2,064	1,808	1,606	1,281	1,253
Taxes & fees	-152	-221	-367	-130	177
Community investments[1)]	1.6	1.17	0.50	0.76	3.03
Economic Value Retained	**1,373**	**2,120**	**-1,678**	**-5,950**	**721.97**

The information in the table shows generated and distributed economic value. This indicates how Scandic has created value for its stakeholders from a wider social perspective. Scandic's operations are run soundly with a sustainable distribution of operating costs, including salaries, taxes and social investments while maintaining good profitability for shareholders.

COMMUNITY INVESTMENTS BY COUNTRY, 2023

[1)] Community investments, SEK	2023
Sweden	796,000
Finland	121,191
Norway	500,000
Denmark	36,000
Germany	117,745
Poland	6,872
Total	**1,577,808**

Since 2001, the "Scandic in the community" initiative has been run, which means that each hotel annually makes efforts or activities to support the local community. During 2023, over 460 initiatives were organized under Scandic in society, for more information and examples of activities see pages 41 and 51–52.

EXAMPLES OF INITIATIVES SCANDIC SUPPORTS, 2023

Organization	Description	Country	Type of cooperation
Dansk Erhverv CSR netværk	Network for the service industry that represents 17,000 companies.	Denmark	Member
ReFood	Collects and distributes leftover food from restaurants.	Denmark	Member
Wonderful Copenhagen	Active in building and communicating the Planet Copenhagen Manifest to ensure sustainable tourism development and create the most sustainable destination.	Denmark	Member
Micro Grens DK	Circular sustainability. Collects coffee grounds from Scandic's coffee machines to grow mushrooms for Scandic's restaurants.	Denmark	Supplier
Pride Partnership	Pride Copenhagen.	Denmark	Partner
Cykling for Cancer	24-hour spinning event to raise money for cancer research.	Denmark	Partner
LittleBigHelp	Scandic cooperates by sponsoring events and raising money through Scandic on the Move.	Denmark	Partner
Økologisk Landsforening	All Scandic hotels in Denmark buy between 30 and 60 percent organic food & drinks.	Denmark	Member
Too Good To Go	Digital food reseller that sells leftover food that would otherwise be thrown away.	Denmark, Norway, Germany	Partner
Resq	Digital food reseller that sells leftover food that would otherwise be thrown away.	Finland	Partner
Fightback	Supports victims of head injuries.	Finland	Sponsor
Lastenklinikoiden Kummit	Support for patients and their families.	Finland	Partner
Recup	Digital reseller of sustainable packaging that is part of a deposit system.	Germany	Partner
Spatzenkino	Organization for children with diverse cultural backgrounds. Spatzenkino specializes in educational films for kids age 4 to 7.	Germany	Sponsor
Helt Med	Creates meaningful work opportunities for people with physical and/or learning disabilities.	Norway	Partner
Kutt Matsvinn 2020	Organization that aims to reduce food waste in the hotel industry by 20 percent by 2020 and 50 percent by 2030 in line with UN SDG 12.3 to halve the amount of food wasted around the world.	Norway	One of the founders

EXAMPLES OF INITIATIVES SCANDIC SUPPORTS, 2023, CONT.

Organization	Description	Country	Type of cooperation
Sammen for livet	Aims to improve conditions for employment for people who are outside the labor market including people who have been incarcerated.	Norway	Partner
Blue Cross	Christmas dinner at around 10 hotels for people with special needs.	Norway	Partner
Norwegian Ski Federation/PARA cross-country	Offers sponsorships with a focus on accessibility, inclusion and diversity.	Norway	Partner
The Norwegian Association for Persons with Intellectual Disabilities (NFU)	Offers sponsorships with a focus on accessibility, inclusion and diversity.	Norway	Partner
Food Bank Charity	Project to reduce food waste.	Poland	Partner
Norwegian Handball Association	Offers sponsorships to national "sit down" team of athletes who use wheelchairs.	Norway	Partner
GOT – Gdansk Tourism Organisation	Network in hospitality industry that focuses on sharing experience and training and opportunities to participate in projects for charity.	Poland	Member
My Dream Now	Works to link the labor market with students from upper secondary schools in vulnerable areas.	Sweden	Partner
Diversity Charter Sweden	Part of Diversity Charter's European network. Works to promote diversity and inclusion in companies and organizations.	Sweden	Member, one of the founders and member of the board
Karma	Digital food reseller that sells leftover food that would otherwise be thrown away.	Sweden	Partner
Metos	Food safety system to decrease food waste.	Sweden, Denmark, Germany, Norway, Finland, Poland	Supplier

ABOUT SCANDIC'S SUSTAINABILITY REPORT

Stakeholder dialogues and materiality analysis

Scandic's sustainability strategy and goals are based on a materiality analysis that is updated regularly in dialogue with stakeholders. Based on the critical areas, activities and goals are established and regularly monitored.

In 2023, a double materiality analysis was conducted following the guidelines established in the European Sustainability Reporting Standards (ESRS). This analysis will be used in ongoing adaptation to the Corporate Sustainability Reporting Directive (CSRD) and is presented in more detail in Scandic's Annual Report 2024.

Data collection & calculations

Scandic's Sustainability Report includes all of Scandic's hotels operated under lease agreements in all countries of operation as well as the Group's support offices. When calculating environmentally certified hotels, all hotels are included.

Emissions data is calculated based on the GHG protocol, supplier information and third-party reports on emission factors for district heating and cooling. Calculations of emissions in Scopes 1 to 3 are carried out by Scandic's central sustainability unit using data from hotels as well as from Scandic's energy suppliers and travel agencies. Waste data is based on a compilation provided by Scandic's waste management suppliers. Environmental data has been verified by Ethos International in accordance with AA1000AS v3.

Employee data is compiled using Scandic's HR system and supplier data is compiled based on Scandic's risk assessment tool. Customer satisfaction data is compiled from monthly customer surveys.

Stakeholder group	Main sustainability aspects based on earlier stakeholder dialogues
Team members	• Satisfied customers • Health and safety • Minimizing waste
Owners and investors	• Reducing CO_2 emissions • Minimizing waste • Commitment of Board and Executive Committee to sustainability
NGOs	• Reducing CO_2 emissions • Minimizing waste • Fair working conditions • Biodiversity
Future employees	• Fair working conditions • Minimizing waste • Influence
Guests	• Minimizing waste • Reducing CO_2 emissions • Occupational health and safety • Contributing by making good choices

Stakeholder group	Main sustainability aspects based on earlier stakeholder dialogues
Corporate customers	• Fair working conditions • Occupational health and safety • Choosing interiors with consideration for environmental impacts
ESG analysts	• Measures to prevent trafficking/prostitution • Reducing CO_2 emissions • Commitment of Board and Executive Committee to sustainability
Business partners	• Ensuring all employees have equal rights and opportunities • Measures to prevent trafficking/prostitution • Fair working conditions

Ethos International
Environmental data has been verified by Ethos International in accordance with AA1000AS v3.

ethos

GRI INDEX

This is Scandic's eighth Annual Sustainability Report. Scandic has prepared the Sustainability Report taking into account GRI Standards 2021 and its accounting principles to the extent specified in the GRI Index below. The report builds on the results of Scandic's materiality analysis.

The Sustainability Report, which can be found on the pages outlined in the GRI Index below, fulfills the requirements for sustainability reporting as stipulated by the Swedish Annual Accounts Act. The scope of the report is the same as in previous years.

The report covers the period from January 1 to December 31, 2023. Scandic's most recent sustainability report was published on April 5, 2023.

Contact details

Questions regarding Scandic's Annual Report & Sustainability Report should be directed to Scandic's Director Investor Relations:

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GRI 2: GENERAL DISCLOSURES 2021

GRI Standard Title and Disclosure Number		Location	Comment
The organization and its reporting practices			
2-1	Organizational details	66	
2-2	Entities included in the organization's sustainability reporting	68	The sustainability report has the same scope as the annual report.
2-3	Reporting period, frequency and contact point	61–62	
2-4	Restatements of information	61–62	
2-5	External assurance	56	The sustainability report has not been subject to external assurance but the auditor has confirmed that a statutory sustainability report has been prepared.
Activities and workers			
2-6	Activities, value chain, and other business relationships	12–13,27,29, 50, 62, 66	
2-7	Employees	33,56–57	Scandic does not report hourly employees by gender and region.
2-8	Workers who are not employees	33,56–57	
Governance			
2-9	Governance structure and composition	40, 78–87	
2-10	Nomination and selection of the highest governance body	79	
2-11	Chair of the highest governance body	79, 84	
2-12	Role of the highest governance body in overseeing the management of impacts	79, 80, 84	
2-13	Delegation of responsibility for managing impacts	82	
2-14	Role of the highest governance body in sustainability reporting	81	
2-15	Conflicts of interest	80–81	
2-16	Communication of critical concerns	40	
2-17	Collective knowledge of the highest governance body	79	
2-18	Evaluation of the performance of the highest governance body	79	
2-19	Remuneration policies	Compensation Report	
2-20	Process to determine remuneration	79–80	
2-21	Annual total compensation ratio	Compensation Report	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	4–5	
2-23	Policy commitments	40	
2-24	Embedding policy commitments	40	
2-25	Processes to remediate negative impacts	40,44,46, 48–51,73	
2-26	Mechanisms for seeking advice and raising concerns	40	
2-27	Compliance with laws and regulations	50–51	No violations of the law occurred in 2023.
2-28	Membership associations	60	

GRI INDEX CONT.

GRI 2: GENERAL DISCLOSURES 2021, CONT.

GRI Standard Title and Disclosure Number		Location	Comment
Stakeholder engagement			
2-29	Approach to stakeholder engagement	61	
2-30	Collective bargaining agreements		Collective agreements cover 84 percent of Scandic's employees.

GRI 3: MATERIAL TOPICS 2021

GRI Standard Title and Disclosure Number		Location	Comment
3-1	Process to determine material topics	53	
3-2	List of material topics	53	
3-3	Management of material topics	53	

SPECIFIC DISCLOSURES

GRI Standard Title and Disclosure Number		Location	Comment
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	50	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	38–39,49	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	38,49	
305-2	Indirect (Scope 2) GHG emissions	38,49	
305-3	Other indirect (Scope 3) GHG emissions	49	
305-4	GHG emissions intensity	38,49	
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	32,38,49	
306-4	Waste diverted from disposal	49	
306-5	Waste directed to disposal	49	
GRI 308: Supplier environmental assessment 2016			
308-1	New suppliers that were screened using environmental criteria	32,38–40	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	24–25,47–48	
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	48	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	40	

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Scandic Hotels Group AB (publ), corporate identity number 556703-1702

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2023 (the financial year 2023) on pages 26–55 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm 27 March 2024
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorised Public Accountant

GOVERNANCE & ADMINISTRATION

ADMINISTRATION REPORT

2023 in summary

- Net sales grew by 14.1 percent to 21,935 million SEK (19,230) and the operating profit totaled 2,785 million SEK (2,457).
- Average occupancy in 2023 was 61.4 percent (57.7) while RevPAR was 782 SEK (683).
- Adjusted EBITDA was 2,566 million SEK (2,536). Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 11.4 percent (11.1).
- Earnings per share amounted to 2.86 SEK (2.21). Excluding IFRS 16, earnings per share equaled 5.09 SEK (4.10).
- Free cash flow was 1,754 million SEK (2,202).
- For 2023, the Board of Directors proposes than no dividend be paid.

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

The Board of Directors and the CEO of Scandic Hotels Group AB (publ), with its registered office in Stockholm, hereby submit the Annual Report and consolidated financial statements for the 2023 financial year.

Operations

The company owns 100 percent of the Scandic Group through its wholly-owned subsidiary, Scandic Hotels Holding AB. During the year, Scandic conducted hotel operations in six countries: Sweden, Norway, Finland, Denmark, Germany and Poland. On the reporting date, Scandic had 55,642 (55,831) rooms in operation at 267 (271) hotels, of which 246 (250) had lease agreements. The address of the head office is Sveavägen 167, Stockholm, Sweden.

Nordic hotel market development

The year started well with strong demand and increasing price levels. For Scandic, development was particularly strong within the business segment, where meetings and conferences were in demand at historically high levels for a first quarter. Compared with the first quarter of 2022, which was impacted by pandemic restrictions, the market's occupancy rate grew to 53 percent (40). Average room prices rose by approximately 12 percent to 1,132 SEK (1,007).

During spring and early summer, demand and prices developed well, mainly driven by high levels of domestic and intra-Nordic travel as well as a significant number of attractive entertainment offerings. This was reflected in particularly high demand for hotel rooms in metropolitan regions. The market's occupancy rate amounted to 63 percent (64), and average room prices increased to 1,286 SEK (1,197), corresponding to an increase of approximately 7 percent.

The positive market development continued into the third quarter with high demand from leisure travelers and a positive start to the meeting season, with good demand from business travelers, conferences and meetings. The market's occupancy rate was 70 percent (71), and average room prices increased to 1,289 SEK (1,251), corresponding to an increase of about 3 percent.

The year ended with a strong quarter characterized by high demand from corporate guests. Compared with the same period in 2022, Scandic sold more room nights, and all markets saw increased occupancy rates at higher price levels. Scandic performed slightly better than the overall market, and RevPAR remained at consistently higher levels than during 2019. The market's occupancy rate was 57 percent (57), and average room rates went up to 1,226 SEK (1,187), corresponding to an increase of approximately 3.3 percent.

Seasonal variations

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

Group key ratios, million SEK	2023	2022	Change, %
Financial key ratios, reported			
Net sales	21,935	19,230	14.1%
Operating profit/loss	2,785	2,457	
Profit/loss for year	569	428	
Earnings per share, SEK	2.86	2.21	
Alternative performance measures			
Adjusted EBITDA	2,566	2,536	
Adjusted EBITDA margin,%	11.70	13.18	
Profit/loss for year excl. IFRS 16	1,083	866	
Earnings per share, SEK, excluding IFRS 16	5.09	4.10	
Interest-bearing net liabilities	1,503	2,909	
Interest-bearing net liabilities/adjusted EBITDA, LTM	0.6	1.1	
Hotel-related key ratios			
RevPAR (Revenue Per Available Room), SEK	782	683	14.4%
ARR (Average Room Rate), SEK	1,272	1,183	7.5%
OCC (Occupancy), %	61.4	57.7	
Total number of rooms at end of period	55,642	55,831	-0.3%

Group development

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

Scandic's financial targets for profitability, capital structure and dividends exclude the effect of IFRS 16. The results for each segment (i.e. country or group of countries) are presented excluding the effects of IFRS 16 in accordance with the way Scandic's Executive Committee and Board of Directors follow up on the company's results. For more information on IFRS 16 and its effects on Scandic's financial reporting, see pages 113–116.

Net sales rose by 14.1 percent to 21,935 million SEK (19,230). Exchange rate effects impacted net sales positively by 381 million SEK or 2.0 percent. The number of available rooms at the end of the period was marginally lower compared with the previous year. Organic growth excluding exchange rate effects and acquisitions was 12.1 percent, Sales for comparable units grew by 9.6 percent.

Average revenue per available room (RevPAR) rose by 14.5 percent to 782 SEK compared with 683 SEK during the previous year. RevPAR improved in all markets compared with during the corresponding period in 2022. The average room rate continued to rise and amounted to 1,272 SEK, an increase of 7.5 percent compared with the corresponding period last year. Revenue from restaurant and conference operations grew by 14.4 percent due to the high demand for meetings and conferences in all markets. The share of net sales amounted to 28.8 percent (28.8).

Reported results

The operating profit was 2,785 million SEK (2,457) including pre-opening costs for new hotels of -17 million SEK (-131). Items affecting comparability amounted to -14 million SEK (-16) related to organizational changes and hotels that will be exited. Depreciation and amortization totaled -3,812 million SEK (3,372). This increase was impacted by additional depreciation and amortization of 441 million SEK due to IFRS 16. The Group's net financial expense amounted to -2,064 million SEK (-1,808) and was impacted by -24 million SEK in connection with repurchasing convertible bonds. The profit before tax was 721 million SEK (649) and reported tax amounted to -152 million SEK (-221), which was impacted positively by the valuation of tax losses totaling 128 million SEK from previous years in Denmark. Net profit was 569 million SEK (428).

Earnings per share after dilution totaled 2.86 SEK per share (2.21). The calculation of earnings per share includes the full dilutive effect, as the profit for the year attributable to the Parent Company's shareholders was positive.

Excluding effects of IFRS 16

Rental costs rose to 6,272 million SEK (5,391). Rental costs relative to net sales rose as a result of higher room revenues and amounted to 28.6 percent (28.0). During the period, negotiated rent concessions of approximately 30 million SEK (89) were received, reducing fixed and guaranteed rents. Depreciation and amortization totaled -844 million SEK (-845). Adjusted EBITDA amounted to 2,566 million SEK (2,536), driven by higher net sales and efficient cost control. The new hotels that opened in 2022 and 2023 and that are being ramped up continued to develop well, contributing positively to the Group's results. Excluding non-recurring items, adjusted EBITDA amounted 2,492 million SEK (2,103), and an adjusted EBITDA margin of 11.4 percent (11.1). Non-recurring items amounted 74 million SEK (433). During the year, compensation of 60 million SEK (184) was received in Norway for housing for refugees that was not used and also electricity subsidy totaling 20 million SEK was received for operations in Sweden. Compensation of 23 million SEK (59) related to hotel openings and a final reconciliation of state aid received during the pandemic was carried out, leading to a repayment of state aid in Germany and Norway amounting to -29 million SEK (190). The Group's net financial expense amounted to -330 million SEK (-344). Interest expenses totaled -288 million SEK (-307); these expenses were impacted positively by lower indebtedness. The profit before tax was 1,361 million SEK (1,199) and the net profit was 1,083 million SEK (866). Earnings per share after dilution totaled 5.09 SEK (4.10) per share.

Growth in RevPAR and net sales compared with 2022

Jan–Dec 2023	RevPAR, SEK	RevPAR, %	Net sales, million SEK	Net sales, %
Exchange rate effects	14	2.1	381	2.0
Organic growth	85	12.4	2,323	12.1
– New hotels	0	0.0	818	4.3
– New/exited hotels	7	1.0	-352	-1.8
– LFL	78	11.5	1,857	9.7
Reported growth	99	14.4	2,704	14.1

LFL contribution to growth = LFL portfolio change in RevPAR and net sales in relation to the total portfolio.

Financial targets

At the beginning of 2016, Scandic adopted the following financial targets:

- Annual average net sales growth of at least 5 percent over a business cycle, excluding potential M&As.
- An adjusted EBITDA margin of at least 11 percent on average over a business cycle.
- Net debt in relation to adjusted EBITDA of 2 to 3x.
- According to Scandic's dividend policy, the dividend shall amount to at least 50 percent of the year's results. For 2023, the Board of Directors proposes than no dividend be paid.

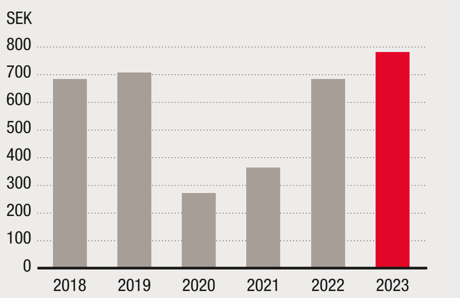
SEGMENT

Sweden

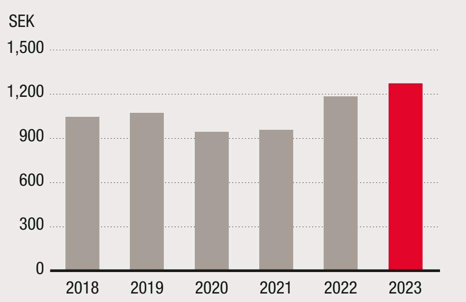
Net sales rose by 9.7 percent to 6,644 million SEK (6,053). For comparable units, net sales increased by 9.4 percent. Changes in the hotel portfolio contributed 19 million SEK net. Scandic Göteborg Central and Scandic Kiruna had the greatest positive impact. Exited hotels included Scandic Ferrum, which was closed in connection with the opening of the new Scandic Kiruna as well as Scandic Ariadne and Scandic Norra Bantorget, which were closed for renovation and will reopen next year. Average revenue per available room (RevPAR) was 764 SEK, 12.2 percent higher than during the corresponding quarter in 2022. Adjusted EBITDA improved, totaling 995 million SEK (876). During the period, an electricity subsidy of 20 million SEK was received. In 2022, Scandic received 45 million SEK in connection with opening new hotels.

Million SEK	2023	2022	Change, %
Net sales	6,644	6,053	9.7
Net sales growth, %	9.7	96.7	
Organic growth, %	9.7	96.7	
Net sales growth LFL, %	9.4	85.9	
Adjusted EBITDA	995	875.5	13.6
Adjusted EBITDA margin, %	15.0	14.4	
RevPAR, SEK	764	681	12.2
ARR, SEK	1,219	1,158	5.3
OCC, %	62.7	58.8	

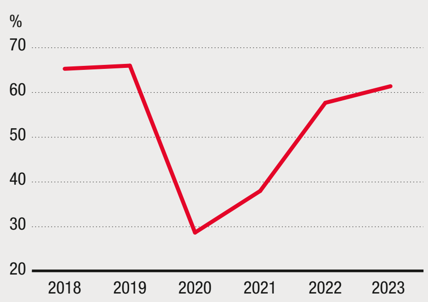
RevPAR, SCANDIC



AVERAGE ROOM RATES, SCANDIC



OCCUPANCY, SCANDIC



Norway

Net sales rose by 2.3 percent to 6,180 million SEK (6,039). Net sales for comparable units grew by 6.6 percent. Changes in the hotel portfolio contributed 33 million SEK net. The most significant positive impact was from Scandic Holmenkollen Park, which reopened in June 2022 following an extensive renovation. Average revenue per available room (RevPAR) was 764 SEK, 6.3 percent higher than in 2022. Adjusted EBITDA was 1,011 million SEK (1,171). During the year, a total of 8 million SEK (23) of state aid was repaid. Approximately 60 million SEK of adjusted EBITDA (184) is estimated to be attributable to operations related to housing for refugees that was not used.

Million SEK	2023	2022	Change, %
Net sales	6,180	6,039	2.3
Net sales growth, %	2.3	71.1	
Organic growth, %	7.1	62.3	
Net sales growth LFL, %	6.6	59.2	
Adjusted EBITDA	1,011	1,171	-13.7
Adjusted EBITDA margin, %	16.4	19.4	
RevPAR, SEK	764	719	6.3
ARR, SEK	1,269	1,224	3.7
OCC, %	60.2	58.8	

Finland

Net sales rose by 22.2 percent to 4,998 million SEK (4,089). Net sales for comparable units grew by 11.4 percent. Occupancy increased gradually during the year, driven by higher demand in Rovaniemi and Helsinki. Changes in the hotel portfolio contributed 75 million SEK net. The positive effect is mainly attributable to Scandic Helsinki Hub. Scandic Kajanus, which was exited during the first quarter, had the greatest negative impact. Average revenue per available room (RevPAR) was 726 SEK, 22.3 percent higher than in 2022.

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

Million SEK	2023	2022	Change, %
Net sales	4,998	4,089	22.2
Net sales growth, %	22.2	96.4	
Organic growth, %	13.2	87.4	
Net sales growth LFL, %	11.4	74.4	
Adjusted EBITDA	540	383	41.0
Adjusted EBITDA margin, %	10.8	9.4	
RevPAR, SEK	726	594	22.3
ARR, SEK	1,271	1,128	12.6
OCC, %	57.1	50.9	

Other Europe

Net sales rose by 34.9 percent to 4,113 million SEK (3,049). Net sales for comparable units grew by 13.8 percent. Performance improved in all countries. Changes in the hotel portfolio contributed 341 million SEK net. The positive effect is mainly attributable to Scandic Spectrum in Copenhagen and Scandic Frankfurt Hafenpark. Scandic Bygholm Park in Horsens, Denmark, which was exited during the first quarter 2023, had the greatest negative impact.

Average revenue per available room (RevPAR) was 934 SEK, 21.2 percent higher than in 2022. Adjusted EBITDA improved, totaling 494 million SEK (442). A total of -21 million SEK (114) of state aid was repaid during the period. Compensation of 23 million SEK (34) was received in connection with opening new hotels. Rental costs increased by 284 million SEK to 1,121 million SEK as a result of new hotels and higher turnover and consequently, higher variable rents and lower rent concessions.

Million SEK	2023	2022	Change, %
Net sales	4,113	3,049	34.9
Net sales growth, %	34.9	118.3	
Organic growth, %	25	108.4	
Net sales growth LFL, %	13.8	89.1	
Adjusted EBITDA	494	442	11.8
Adjusted EBITDA margin, %	12.0	14.5	
RevPAR, SEK	934	770.9	21.2
ARR, SEK	1,385	1,212	14.3
OCC, %	67.5	63.6	

Central functions

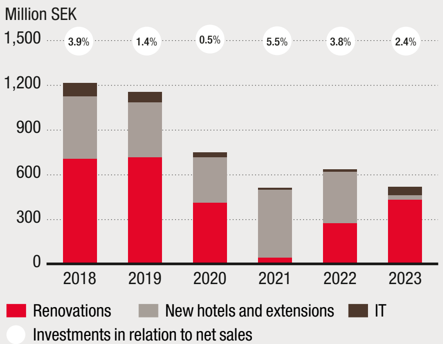
Costs for central functions went up and amounted to 474 million SEK (335), partly due to a high level of activity within digital development, increased marketing costs and measures to strengthen the organization within IT and marketing.

Cash flow and financial position

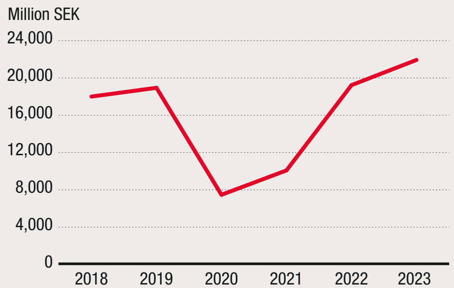
The operating cash flow analysis below is based on adjusted EBITDA and excludes the effects of IFRS 16. The table below shows how interest-bearing net debt changed during the respective period. Excluding IFRS 16, operating cash flow for the full year amounted to 2,275 million SEK (2,837). The cash flow contribution from the change in working capital amounted to -192 million SEK (614). Working capital was negatively impacted by the repayment of variable rent debts for 2022 of 715 million SEK. For 2023, a new rent debt of approximately 430 million SEK has been accrued, the majority of which will be settled during the first half of 2024. Taxes paid amounted to -109 million SEK (-39) and referred to payment of taxes for previous years primarily in Sweden and Norway. Net investments paid amounted to -521 million SEK (-635). Of these, -434 million SEK (-277) relates to ongoing hotel renovations at a number of hotels in Copenhagen, Stockholm, Trondheim and Oslo, among others, and 59 million SEK (14) to IT. Investments in new hotels and increased room capacity amounted to -28 million SEK (344) and mainly relate to the completion of Scandic Frankfurt Hafenpark in Germany. In total, free cash flow was 1,754 million SEK (2,202).

Operating capital, million SEK	Dec 31, 2023	Dec 31, 2022
Current assets, excluding cash and cash equivalents	1,619	1,429
Current liabilities	-4,377	-4,197
Working capital	**-2,758**	**-2,769**

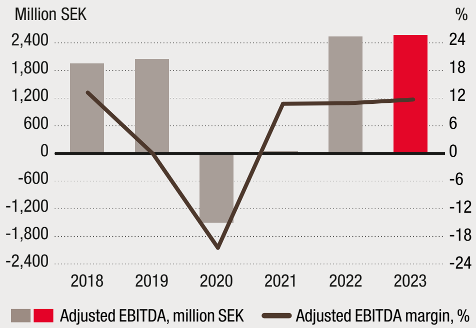
INVESTMENTS, 5 YEARS



NET SALES



ADJUSTED EBITDA & MARGIN



Five-year summary, million SEK	2023	2022	2021	2020	2019
Financial key ratios, reported					
Net sales	21,935	19,230	10,086	7,470	18,945
Net sales growth, %	14.1	90.7	35.6	-60.6	5.2
Net sales growth, LFL, %	9.7	74.6	33.8	-57.4	1.5
Operating profit/loss	2,785	2,457	-440	-4,800	2,144
Operating margin, %	12.7	12.8	-4.4	-64.3	11.3
Profit/loss for year attributable to Parent Company	532	394	-1,681	-5,949	721
Balance sheet total	53,956	50,948	44,755	38,283	43,509
Equity	2,166	2,274	1,155	2,071	6,601
Working capital	-2,758	-3,157	-2,624	-1,573	-1,972
Cash flows from operating activities	6,394	6,432	3,701	1,151	5,067
Alternative performance measures					
Adjusted EBITDA	2,566	2,536	6	-1,503	2,046
Adjusted EBITDA margin, %	11.7	13.2	0.1	-20.1	10.8
Profit/loss, excluding effect of IFRS 16	1,083	866	-1,098	-5,739	942
Interest-bearing net liabilities	1,503	2,909	4,386	4,714	3,497
Interest-bearing net liabilities/adjusted EBITDA LTM	0.6	1.1	731.0	neg	1.7
Free cash flow	1,754	2,202	185	-2,939	782
Key ratios per share					
Average number of shares after dilution	191,304,116	191,304,116	191,250,686	148,645,691	103,036,484
Earnings per share, SEK	2.86	2.21	-8.79	-40.02	7.01
Earnings per share, SEK, excl. IFRS 16	5.09	4.10	-5.75	-38.62	9.15
Equity/share, SEK	10.8	11.9	6.0	10.8	64.1
Hotel-related key ratios					
RevPAR (Revenue Per Available Room), SEK	782	683	364	271	707
ARR (Average Room Rate), SEK	1,272	1,183	957	945	1,071
OCC (Occupancy), %	61.4	57.7	38.0	28.7	66.0
Total number of rooms at year-end	55,642	55,831	54,265	53,003	52,755

Operating cash flow

Million SEK	2023	2022
Adjusted EBITDA	2,566	2,536
Pre-opening costs	-17	-131
Items affecting comparability	-14	-16
Items not included in cash flow	98	28
Taxes paid	-109	-39
Change in working capital	-192	614
Paid interest expenses	-57	-155
Cash flow from operations	**2,275**	**2,837**
Investments in hotel renovations	-434	-277
Investments in IT	-59	-14
Free cash flow before investments in expansions	**1,782**	**2,546**
Investments in new capacity	-28	-344
Free cash flow	**1,754**	**2,202**
Accrued interest, convertible loan	-163	-153
Repurchase of convertible bonds	-630	-
Reclassification of other interest-bearing liabilities	0	-493
Other items in financing activities	-86	3
Financing costs	-1	-12
Exchange rate difference in interest-bearing net debt	-5	-73
Change in net debt	**869**	**1,475**

The balance sheet total on December 31, 2023 was 53,956 million SEK compared with 50,948 million SEK on December 31, 2022. The greatest change relates to an increase in lease debts and right-of-use assets according to IFRS 16, mainly attributable to index calculations in lease agreements and new contracts. Excluding IFRS 16, the balance sheet total amounted to 14,613 million SEK.

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

Total available credit facilities amounted to 3,250 million SEK at the end of the year. On February 15, 2023, Scandic signed an agreement for external financing with total credit facilities of 3,450 million SEK until December 31, 2025. In connection with the extension, among other things, interest terms and covenants were also adjusted. Under certain conditions, the external financing gives Scandic the opportunity to finance all or part of the convertible loan that will be due on October 8, 2024. Total available liquidity at the end of the period amounted to approximately 3,500 million SEK. Other interest-bearing liabilities of 758 million SEK include debt relating to deferred VAT payments and social security contributions in Sweden. The debt increased by a net of 122 million SEK during the year, which was partly due to new deferrals of 245 million SEK that were granted and repayment of -123 million SEK. Repayment is expected to be carried out until September 2027, with 196 million SEK to be repaid during 2024.

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

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 it is calculated for the part that has been allocated to the loan. No interest payments are being made during the life of the loan (maturity date: October 8, 2024). Instead, the interest expense is accumulated on an ongoing basis to the convertible debt, which when due will initially total 1,800 million SEK.

In August 2022, 46,123 shares were converted and thereafter, the full dilutive effect amounted to 41,464,787 shares. During November 2023, Scandic repurchased convertible bonds for a nominal amount of 590 million SEK. After the repurchase, the outstanding nominal amount of the convertible loan amounted to 1,208 million SEK (1,800). The fully diluted effect after repurchase amounted to 27,853,821 shares. Upon full conversion, the convertible bonds will result in a dilution of approximately 12.71 percent. The conversion rate is 43.36 SEK.

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

Acquisitions and exits

In 2023, Scandic did not acquire or divest any businesses.

Portfolio development

At year-end, Scandic had a total of 55,642 rooms in operation at 267 hotels, 246 of which had lease agreements. At the end of 2023, the net number of hotels in operation was four fewer than at the end of 2022 and the number of rooms decreased by 189 net. New hotels with lease agreements in operation over the year included Scandic Frankfurt Hafenpark in Germany (505 rooms) and Scandic Go, Upplandsgatan 4 in Sweden (124 rooms). Hotels that were exited during the year were Scandic Kajanus in Finland (181 rooms), Scandic Bygholm Park in Denmark (142 rooms), Scandic Grimstad in Norway (98 rooms) and Scandic Upplandsgatan (124 rooms), Scandic Skogshöjd (225 rooms) and Scandic Foresta (103 rooms) in Sweden.

Research and development

No R&D work was carried out during the year since the operations of the company are not of the type requiring R&D.

Share and ownership structure

Scandic's share has been listed on Nasdaq Stockholm since December 2, 2015. According to the company's share register kept by Euroclear Sweden AB, Scandic had 60,355 known shareholders at the end of 2023. At year-end 2023, the share capital of Scandic was 48 million SEK divided into 191,304,116 shares with all shares conferring equal voting rights, an equal share of assets and earnings and an equal share of any dividends. At year-end, Stena Sessan was the largest shareholder with 15.2 percent of the company's share capital and votes followed by AMF Pension & Fonder, which held 11.8 percent and Eiendomsspar, which held 10.4 percent. Scandic has entered into a share swap agreement with a third party to ensure the delivery of shares that may be allotted according to the long-term incentive program, LTIP. If the full number of performance shares is allotted, the total number of shares allotted under the LTIP will be 949,089, which corresponds to approximately 0.5 percent of Scandic's share capital and votes.

Risks & risk management

A description of Scandic's significant risks and uncertainties is provided in the Risks and risk management section on pages 63–67.

Team members

The average number of employees was 10,774 on December 31, 2023 compared with 10,468 on December 31, 2022. Scandic strives to be an equal opportunity employer and to provide a safe work environment, which among other things is governed by the Group's Code of Conduct. Scandic also aims to ensure it has an inclusive culture throughout its operations and has clear goals for this. The gender distribution in the Group is 63 percent women and 37 percent men. The number of female general managers is 53 percent. Of the Group's team members, about 43 percent are under 30.

Sustainability Report

Scandic has prepared a Sustainability Report in accordance with the Swedish Annual Accounts Act, which has been submitted by the Board of Directors. The Sustainability Report covers the Parent Company and the Group and can be found on pages 26–56.

Executive Committee & Board of Directors

Scandic's Executive Committee has solid experience from the hotel sector and consumer-oriented operations in various markets. The Executive Committee comprises the CEO and eight executive decision-makers: the CFO, the Chief Commercial Officer, the Chief Human Resources Officer and the Group's five country heads. Six nationalities are represented in the Executive Committee, which is composed of seven men and two women.

The Board is responsible for Scandic's organization and the management of the company's affairs. According to the Articles of Association, the Board shall consist of no fewer than three and no more than 11 members, with no more than two alternates. Trade unions are entitled to appoint two regular Board members and two alternates. Board members are elected annually at the Annual General Meeting for the period up until the end of the subsequent Annual General Meeting. The Annual General Meeting 2023 elected seven Board members and appointed one employee representative.

Guidelines for compensation for senior executives

Guidelines for compensation and other terms and conditions for the CEO and other senior executives were adopted and established at the Annual General Meeting 2020. See the Corporate Governance Report on page 68 for more information.

Long-Term Incentive Program

Scandic has two share-based long-term incentive programs (LTIP). The expected financial exposure to shares that may be allotted under the LTIP and the delivery of shares to the participants of the LTIP has been hedged through Scandic's entering into a share swap agreement with a third party on market terms. See Note 05 and the Corporate Governance Report on pages 68–77 for further details.

Events after the reporting date

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

Outlook

Scandic has a positive view on the market development in 2024 with continued good demand and slightly increasing price levels. Based on the prepared business plan and cash flow forecast, it is the management's best estimate that the company's current liquidity combined with continued good management of revenue, expenses and cash flow will ensure liquidity and continuity both this year and the next.

Parent Company

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenues for 2023 amounted to 75 million SEK (55). The operating profit was 0 million SEK (-1). Net financial items for the period totaled -77 million SEK (-91). The Parent Company's loss before taxes was -77 million SEK (-75).

Appropriation of profits

In accordance with the Board's dividend policy adopted on September 14, 2015, Scandic aims to distribute at least 50 percent of its annual net profit. Decisions regarding the appropriation of profits are made with consideration for the company's future profits, financial position, capital requirements and macroeconomic conditions. The Board of Directors has proposed to the Annual General Meeting that no dividend be paid to the shareholders and that the amount at the meeting's disposal be carried forward.

	SEK
To be carried forward	8,031,038,417
Total	8,031,038,417

For more information, please see the following financial statements and notes.

RISKS & RISK MANAGEMENT

Scandic is exposed to risks that have a greater or lesser impact on the company. These risks can be attributed to events or decisions outside of Scandic's control. They may also result from decisions that the company makes. Through structured and proactive risk management, Scandic aims to ensure that risks are minimized.

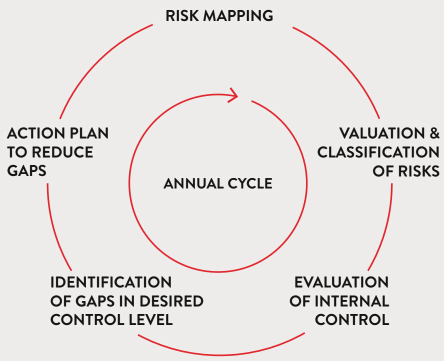
The ability to identify, assess, manage and monitor risks is an important part of the management and control of Scandic's business operations. The aim is for the Group to achieve its objectives through well-considered risk-taking within established limits. Scandic has good underlying risk diversification in the form of a geographically diverse and balanced customer base that includes both private individuals and companies. The company operates primarily in the Nordic market and is not dependent on a specific industry or a few customers.

Risk management process

Scandic's risk management process follows an annual cycle and is designed to identify and reduce risks that could have an adverse effect on the Group:

- The Executive Committee carries out risk analysis that includes identifying risks and measuring them based on the probability that they will occur and any possible impact they could have on the Group's operations. The Group's internal controls are then evaluated to ensure measures are in place to mitigate risks.
- Based on the Group's risk profile and strategy, an action plan is then established.
- Monitoring of risk management is reported to the Board and followed up in conjunction with annual strategy planning. Financial risks are reported and monitored in financial reporting to the Board and at Audit Committee meetings.

SCANDIC'S RISK MANAGEMENT PROCESS



Responsibility & monitoring

The Board of Directors has overall responsibility for ensuring that the Group has appropriate risk management structures in place, including following up on risks. The Audit Committee is responsible for evaluating the efficacy of the structure and risk management processes and for monitoring financial risks.

The CEO is responsible for managing risks in line with the guidelines adopted by the Board. The risk management process and work within specially identified risk areas are driven centrally by the Group's Chief Financial Officer. Operational risks are managed by the Executive Committee where each significant risk identified is assigned to a designated manager who is responsible for implementing action plans.

Risks

The most significant risks to which Scandic is exposed are described on the following pages. The order in which risks are presented should not be considered an indication of the probability of the occurrence of the risk or the seriousness of the consequences.

MARKET RISKS

Demand is influenced by domestic economic 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. Scandic may also be impacted by external events such as pandemics which can lead to the introduction of restrictions.

General attitudes in society toward travel, especially as it concerns the environment, also impact the demand for Scandic's services. Additionally, profitability in the sector is impacted by changes in room capacity where greater capacity can result in lower occupancy and lower room prices in the shorter term.

Price increases for goods, for example, items related to Scandic's restaurant (F&B) offerings, and energy could lead to higher purchasing costs. There is a risk that these increased costs may not be covered by price increases vis-à-vis Scandic's customers.

There is also a risk that Scandic's suppliers or subcontractors, due to price increases or reduced demand caused by negative economic development, could become insolvent or have difficulty delivering on time. As Scandic is dependent on certain suppliers in its day-to-day operations, if these suppliers become insolvent or have difficulty delivering, there is a risk that Scandic could experience disruptions in its day-to-day operations.

Some of Scandic's leases could make it difficult to carry out more extensive configurations at the company's hotels. There is also a risk that property owners may not make necessary sustainability investments, for example, in improving energy efficiency. This could make it difficult for Scandic to live up to its sustainability standards and lead to Scandic instead having to make the necessary investments in the properties.

If Scandic is unable to handle underperforming hotels with unfavorable leases, it could be left with hotels that are not profitable over time.

Risk management

Scandic's business model is based on lease agreements where most agreements have completely variable rents or variable rents with a guaranteed minimum rent. This reduces risk since decreases in demand are partly offset by lower rental costs. Scandic also has a flexible cost structure that helps lessen the effects of seasonal and economic fluctuations. Since the Covid-19 pandemic, Scandic has focused on introducing measures such as market collapse clauses in new leases to achieve more balanced conditions in the event of situations that could have a significant impact on demand.

Scandic continuously monitors purchase prices and maintains close cooperation between relevant functions to ensure competitive purchase prices. Scandic also continuously follows up on suppliers to ensure that they can deliver on time and continuously evaluates new supplier alternatives. The company is also evaluating alternatives to be able to switch to having more suppliers of business-critical products and services.

Additionally, Scandic continually optimizes its hotel portfolio to ensure guest satisfaction and profitability. The company also has an action plan to determine which contracts should be renewed and which should be terminated.

CHANGING ENVIRONMENT, TAXES & DECISIONS OF AUTHORITIES

Scandic is affected by a number of external factors that could limit mobility in society including geopolitical events, general developments in society, pandemics and terror incidents. In the long term, changed travel behavior due to factors related to the environment and sustainability can also impact Scandic. In addition, incidents that occur at the destinations where Scandic operates could affect customers' willingness to travel there.

IT security incidents caused by external attacks could affect Scandic's IT infrastructure and impact operations at hotels, and personal data or other confidential information could, for example, fall into the wrong hands or be deleted.

Changes in value added tax and other taxes could impact demand. Changes in taxes, social security fees and other fees that increase Scandic's costs may also have a negative effect on the Group's results.

Risk management

Scandic is working on a number of initiatives to adapt and maintain a high level of security. Scandic has a security program that includes crisis management in the event of fire, accidents or terror incidents. All team members receive regular training and self-inspections are carried out twice a year.

Scandic has tightened its procedures and organization related to IT security, data protection and information security. The focus is on strengthening training and practical exercises. Scandic has also developed a plan for handling major IT security incidents.

The company follows the development of relevant regulations and changes in legislation are followed up on an ongoing basis.

LEASE AGREEMENTS – FINANCIAL COMMITMENTS

Scandic's business model is based on long-term lease agreements with property owners. If market demand decreases rapidly or sharply, there is a risk that Scandic could have difficulty meeting its financial commitments.

Risk management

The risk involved in long-term financial commitments is reduced by having a high proportion of agreements with variable rents. Of Scandic's total lease agreements (based on number of rooms), most have fully variable rent or variable rent with a minimum guaranteed rent. Revenue-based rent and joint investment responsibility mean that the property owner and Scandic have a common interest in developing and maintaining the property to increase guest satisfaction and generate revenue. To increase guest satisfaction, growth and returns, Scandic constantly evaluates investments in new and existing hotels and the possibilities to exit hotels. Furthermore, Scandic only enters into agreements for hotels in attractive locations in markets with stable and good demand. Lease agreements are continuously optimized when they are extended, for example, to achieve more balanced terms. Among other things, Scandic is focusing on introducing market collapse clauses in all new agreements, which means a more balanced level of risk between Scandic and the landlord in the event of any situations that could have a significant impact on demand in the hotel market.

BRAND & REPUTATION

The hotel market is constantly evolving in terms of preferences and customer behavior. Maintaining Scandic's brand and customers' perception of Scandic's offer is critical to ensuring competitiveness.

Suppliers who do not follow Scandic's Code of Conduct or are associated with something negative in relation to, among other things, sustainability or legal issues could have a negative effect on Scandic. There is a risk that these issues may not be followed up on carefully enough.

Risk management

Scandic is the leading hotel brand in the Nordic region. By owning the Scandic brand, Scandic can guarantee the consistency and quality of its offerings and services and also ensure that the content and offerings are adapted to the demands and preferences of both existing and new customers. Scandic's Code of Conduct is based on social and environmental sustainability as well as ethical business conduct in all areas of its operations. The Code applies to all team members and also places demands on Scandic's suppliers and partners. Compliance is ensured through communication and internal training. To reduce vulnerability, among other things, Scandic implements preventive measures that include training and informing team members.

HUMAN RESOURCES & TALENT MANAGEMENT

Scandic operates in the service industry where each guest experience has a great impact on how the Group's offering is perceived. Team member engagement is an important driver in terms of customer satisfaction, making it central to the Group's results. The ability to attract, develop and retain talents and build a strong corporate culture is therefore critical.

Risk management

Team members and corporate culture are an important part of Scandic's strategy and a focus area that is continuously evaluated. To this end, Scandic conducts employee surveys regularly. The insights obtained through these surveys are an important tool for continued improvements throughout the entire organization. Scandic develops leadership through regular evaluation and development programs at all levels of the organization.

Scandic is strengthening activities in leadership development and working to develop and retain team members. The company has also sharpened its focus on in-house training and close collaboration with schools and trade unions.

SUSTAINABILITY	Risk management
Supply chains Scandic requires all suppliers to comply with the UN Global Compact. In addition, Scandic has detailed requirements, including environmental aspects. There is a risk that suppliers may not comply with these requirements.	Scandic has a process where all suppliers are reviewed using risk criteria during procurement. If Scandic identifies a potential risk, careful checks are carried out covering all areas of sustainability.
Working conditions There is a risk that working conditions for Scandic's team members may not reach the level where the health and safety of team members can be guaranteed.	Scandic carries out regular safety audits in all hotels to ensure employee safety. These are followed up with annual self-inspections and team member evaluations of their physical and psychosocial work environment as part of the employee survey. In addition, Scandic has an anonymous whistleblowing system that enables team members and external parties to report gross deviations or incidents.
Property ownership structure Scandic does not own any hotel properties. This means that Scandic is dependent on property owners implementing measures to reduce environmental impact, for example, in ventilation or heating systems. There is a risk that Scandic and property owners will not agree on these types of investments, which would make it difficult for Scandic to achieve emission targets.	Scandic is engaged in continuous dialogue with property owners and strives to ensure that measures are taken to reduce environmental impact.
Corruption & fraud There is a risk that Scandic's internal routines may not be followed, which could lead to corruption and/or various forms of fraud.	Scandic has internal rules and procedures in place that are intended to prevent corruption and fraud. These are updated and communicated continually.
Trafficking & prostitution Hotels are locations where prostitution and trafficking may occur.	In cooperation with the police, the employer organization, unions and authorities, Scandic has developed a training program to help hotel employees detect if trafficking or prostitution is occurring at a hotel. This training is carried out regularly.
Climate change Climate change can potentially affect Scandic's operations both physically and financially. Altered weather conditions could lead to flooding or cause other damage to hotel properties. Climate change could also affect the ability of suppliers to produce the goods that Scandic buys. In addition to physical damage and problems in the supply chain, which in themselves could have negative financial consequences for Scandic, energy costs could increase and new rules and taxes could be introduced. New emission taxes for companies or restrictions on people's travel could have a significant impact on Scandic. Failure to analyze climate risks could therefore result in unforeseen costs.	Scandic works constantly to comply with regulations. Scandic also follows international reporting on climate issues and maintains close contact with property owners and suppliers to remain proactive.

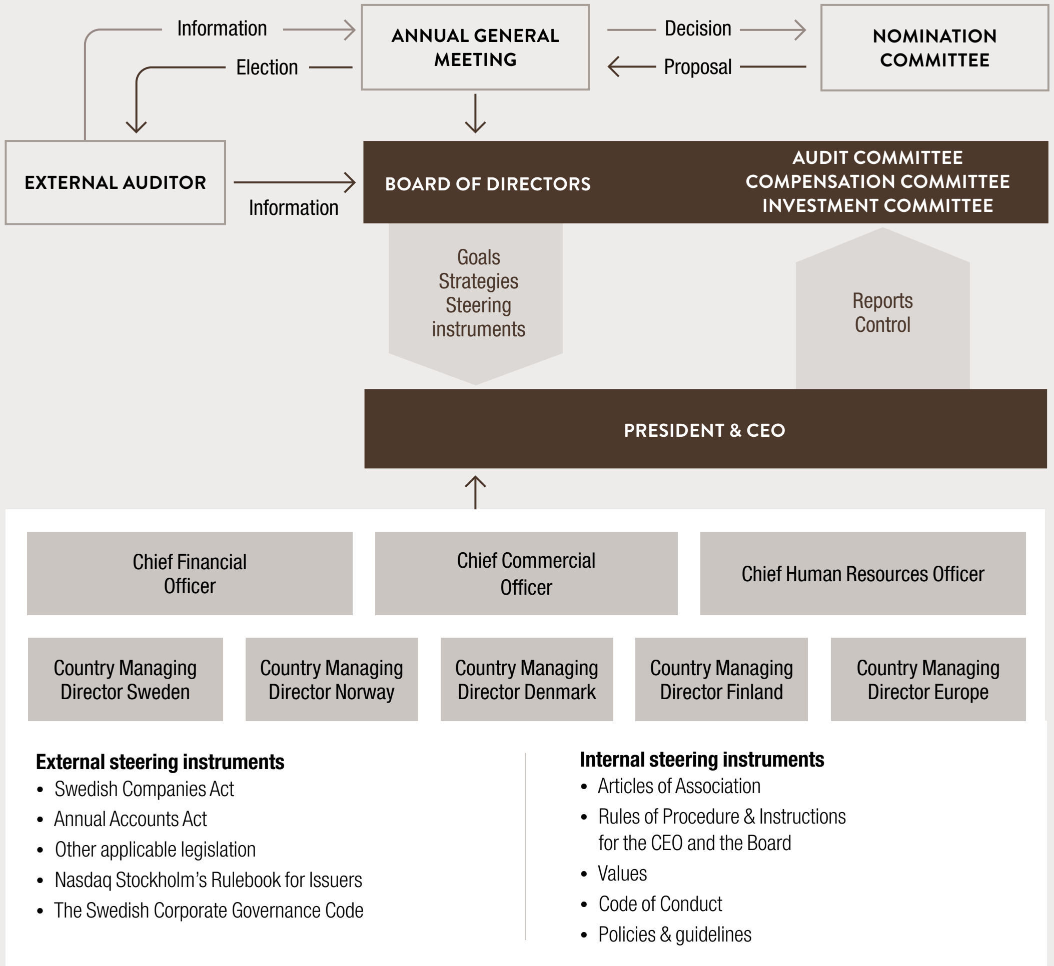
SUSTAINABILITY, cont.	Risk management
Reputation & sustainability Scandic could be impacted financially and in terms of its reputation if it does not succeed in living up to its sustainability targets or communicate its sustainability initiatives effectively.	Sustainability expertise must be present in all parts of the company. Policies and follow-up must be integrated in Scandic's procedures to ensure compliance. The company's sustainability strategy is built on Scandic being the most sustainable option for eating, sleeping and away from home. Scandic strives to maintain a good reputation in sustainability in order to attract customers and make team members proud.
Reporting requirements The reporting requirements for sustainability are increasing, a demand from customers, investors and other stakeholders.	Scandic is working to adapt to the Corporate Sustainability Reporting Directive. Scandic has clear sustainability criteria for investing in new hotels as well as the organizational capacity and expertise to manage this.

FINANCIAL RISKS	Risk management
The Group's activities expose it to different financial risks, for example, exchange rate risk, interest rate risk, credit risk and liquidity risk. The Group's Finance Policy focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Group's results and financial performance.	Scandic has policies that cover overall risk management as well as risk management for specific areas such as exchange rate risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity. Group Finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. For a description of financial risks and how Scandic manages them, see Notes 20B and 20C.

CORPORATE GOVERNANCE

Scandic is a Swedish public limited liability company whose shares are listed on Nasdaq Stockholm. Scandic applies the Swedish Corporate Governance Code. Scandic's corporate governance aims to ensure effective and value-creating decision-making through clear roles and the distribution of responsibilities between owners, the Board of Directors and the Executive Committee.

CORPORATE GOVERNANCE, SCANDIC



Basis for corporate governance
Scandic's corporate governance aims to support the Board of Directors and the Executive Committee so that all the company's operations create long-term value for shareholders and other stakeholders.

Governance includes upholding:
- An effective organizational structure
- Systems for risk management and internal control
- Transparent internal and external reporting
- Compliance

Governance structure
Responsibility for the governance and control of Scandic is distributed between the shareholders, the Board and its committees and the Chief Executive Officer (CEO). Scandic's corporate governance is based on principles in external and internal regulations. The external governance framework includes relevant laws and regulations such as the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rulebook for Issuers and the Swedish Corporate Governance Code (the "Code"). Scandic adheres to the Code and reported no deviations during the financial year 2023. Scandic's internal binding governance instruments include, for example, the Articles of Association, Rules of Procedure for the Board, instructions for the Board's committees and the CEO and Scandic's Code of Conduct as well as other policies.

The share and shareholders
Scandic's share has been listed on Nasdaq Stockholm Mid Cap since December 2, 2015. At the end of 2023, the company's share capital was 47.8 million SEK divided into 191,304,116 shares with all shares conferring equal voting rights, an equal share of assets and earnings and an equal share of dividends. At the end of the year, the ten largest shareholders represented 54.4 percent of the share capital and votes in the company. At year-end, Stena Sessan was the largest shareholder with holdings corresponding to 15.2 percent of the company's share capital and votes.

Shareholders' influence through the general meeting
Scandic's shareholders exercise influence at the general meeting, which is Scandic's highest decision-making body. The general meeting adopts the Articles of Association and at the Annual General Meeting (AGM), which is the regular general meeting held annually, the shareholders elect the Board members, the Chairman of the Board and the auditor and determine their fees. The AGM further adopts the income statement and the balance sheet and decides on the appropriation of profits as well as whether to discharge the Board members and the CEO from liability to the company. The AGM also appoints the Nomination Committee and determines its work and adopts principles of compensation and terms of employment for the CEO and other senior executives. Scandic's AGM is held annually in Stockholm before the end of June. Extraordinary general meetings may be held as and when needed.

2023 Annual General Meeting
At the AGM held on May 9, 2023 in Stockholm, resolutions on the following were passed:
- Adoption of the income statement and balance sheet for 2022.
- Resolution in accordance with the Board's proposal that no dividend be paid to the shareholders and that the amount at the meeting's disposal be carried forward.
- Discharge of the Board and the CEO from liability to the company.
- Re-election of Per G. Braathen, Gunilla Rudebjer, Grant Hearn, Fredrik Wirdenius, Martin Svalstedt and Kristina Patek as Board members. Re-election of Per G. Braathen as Chairman of the Board.
- Re-election of PwC as auditor with Sofia Götmar-Blomstedt as Auditor-in-Charge for the period until the end of the AGM 2024.
- Fees for the Board and the auditor.
- Long-term incentive program for members of the Executive Committee and other key people.
- Authorization to issue shares and/or warrants and/or convertibles.
- Authorization for the Board to repurchase and transfer own shares.
- Authorization for the Board to transfer own shares to Scandic team members who participate in the long-term incentive program for 2023.
- Compensation Report in accordance with the Board's proposal.

2024 Annual General Meeting
Scandic's Annual General Meeting 2024 will be held in Stockholm on May 16, 2024. For more information, see page 120.

Nomination Committee
The Nomination Committee represents the company's shareholders and is tasked with preparing proposals for the AGM regarding the election of the Chairman for the AGM, Board members, the Chairman of the Board and the auditor, as well as proposals for fees to the Board and auditors and, to the extent it is considered required, proposed changes to the instructions for the Nomination Committee. The Nomination Committee has adopted the guidelines stipulated in section 4.1 of the Code as the diversity policy as regards the composition of the Board. Proposals should be justified to reflect the requirement that the Board have a composition that is appropriate based on the company's needs, characterized by versatility and breadth. The Nomination Committee strives to meet the Code's requirements for even gender distribution and diversity mainly regarding age, nationality and skills.

The Nomination Committee consists of the Chairman of the Board and a representative of each of the three largest shareholders based on shareholder statistics from Euroclear Sweden AB as at the last banking day in August each year. The Nomination Committee's term of office runs until a new Nomination Committee has been appointed.

Unless otherwise agreed by the members of the Nomination Committee, the Chairman of the Nomination Committee is the member who represents the largest shareholders based on the number of votes. If a shareholder should cease to be one of the three largest shareholders by number of votes during the Nomination Committee's term of office, the representative appointed by the shareholder in question shall resign and the shareholder that has become one of the three largest shareholders by number of votes may appoint a representative. Such a change is not necessary if the change in votes is marginal or if it occurs later than three months prior to the Annual General Meeting unless there are special reasons for such. The names of the three shareholder representatives and the shareholders they represent shall be announced no later than six months before the AGM.

Nomination Committee for AGM 2024
The Nomination Committee for the AGM 2024 consists of four members and in addition to the Chairman of the Board includes representatives from the three largest shareholders as at August 31, 2023. As chairman of the Nomination Committee and representative from Stena Sessan AB, Karl Swartling led

the work of the Nomination Committee during 2023. The composition of the Nomination Committee was published in a press release on November 1, 2023.

Nomination Committee	Representing	% votes on Dec 31, 2023
Per G. Braathen	–	–
Karl Swartling (Chairman)	Stena Sessan AB	15.2
Dick Bergqvist	AMF Pension & Fonder	11.8
Christian Ringnes	Eiendomsspar A/S	10.4

In the work on nominations for the Annual General Meeting 2024, the Nomination Committee assessed the size and composition of the current Board of Directors. The Nomination Committee complies with the guidelines in the Code regarding Board member independence. The 2024 Nomination Committee held four meetings and maintained communication in between. The Nomination Committee based its work on the Chairman of the Board's report on the work of the Board and the Board evaluation that was carried out with the help of an external advisor.

The proposals of the Nomination Committee will be presented at the Annual General Meeting 2024 and on Scandic's website at scandichotelsgroup.com

The reasoning behind the proposals, a report on the committee's work and a full presentation of the proposed members will also be published on the site.

The Nomination Committee can be contacted at nominationcommittee@scandichotels.com. For the committee to consider suggestions, shareholders wishing to submit proposals must have done so by December 31, 2023 at the latest. More information is available at scandichotelsgroup.com.

Board of Directors

The Board is responsible for Scandic's organization and the management of the company's affairs. According to the Articles of Association, the Board shall consist of no fewer than three and no more than 11 members, with no more than two alternates. Trade unions are entitled to appoint two regular Board members and two alternates. Board members are elected annually at the Annual General Meeting for the period up until the end of the subsequent Annual General Meeting.

Composition of the Board in 2023

The AGM 2023 elected six Board members and appointed one employee representative. The CEO and CFO participate in Board meetings along with the secretary of the Board. Other employees participate in Board meetings to report on special matters as needed.

Independence

None of the Board members elected at the AGM are employed by Scandic and all Board members are considered to be independent in relation to the company and the senior executives. Five of the six Board members that are independent in relation to the company and the senior executives are also independent in relation to the company's major shareholders. Scandic thereby complies with the requirements in the Code regarding the Board's independence in relation to the company, senior executives and the major shareholders.

Work of the Board

The duties of the Board are regulated in the Swedish Companies Act, the company's Articles of Association and the Code. The work and procedures of the Board are established each year in written Rules of Procedure. These rules govern the distribution of work and responsibilities among the Board members, the Chairman of the Board and the CEO, and the routines for financial reporting. The Board also adopts instructions for the committees of the Board. The duties of the Board include appointing the CEO, adopting strategies, business plans, budgets, interim reports, year-end accounts and annual and sustainability reports as well as adopting instructions and guidelines. The Board also monitors the financial performance of the company, ensures the quality of financial reporting and internal control and evaluates the operations in relation to the objectives and guidelines adopted by the Board. Furthermore, the Board of Directors also resolves whether to enter into or extend leases, franchise agreements and management agreements and whether significant investments or changes in the Group's organization and operations should be made. The Chairman of the Board is responsible for managing the work of the Board, including ensuring that it is conducted efficiently and fulfills its obligations in accordance with applicable laws and regulations. The Chairman also works with the CEO to monitor the company's performance and prepare and lead Board meetings. The Chairman of the Board is also responsible for ensuring that Board members evaluate their work annually and regularly receive the information they need. The Chairman of the Board represents the company toward the shareholders.

Work during the year

During the year, the Board held 10 board meetings. During Board meetings, the Board dealt with recurring topics including status reports from the CEO, follow-up of the company's financial performance, Scandic's market situation, strategy issues, investment decisions and sustainability. The Board also addressed the evaluation of the Executive Committee and CEO and issues related to financing, policies and compensation to senior executives.

Committees of the Board

The Board has three committees: the Audit Committee, Compensation Committee and Investment Committee. None of the committees are authorized to make decisions, but prepare matters and present them to the Board for decisions. Committee work is carried out in accordance with the written procedures adopted by the Board.

Compensation Committee

The Compensation Committee prepares resolutions in matters involving compensation principles, salaries, benefits and compensation for the CEO and senior executives who are subordinate to the CEO. The committee also supervises and evaluates the outcome of programs for variable compensation and the company's compliance with the guidelines for compensation adopted at the AGM.

The Compensation Committee shall consist of at least three Board members elected at a general meeting. The Chairman of the Board may also chair the committee. The other members of the committee shall be independent in relation to the company and its senior executives. The Compensation Committee consists of Per G. Braathen (Chairman), Grant Hearn and Martin Svalstedt.

The Compensation Committee held six meetings. during the year. The committee conducted a review of the basic remuneration for senior executives, the bonus program, long-term incentive programs and other compensation.

Audit Committee

The Audit Committee prepares the Board of Directors' work on matters involving risk assessments, internal control, the internal audit, accounting, financial reporting and audits. The committee aims to ensure compliance with the adopted principles for financial reporting and internal control and that the company's relationship with its auditors is fit for the purpose.

The Audit Committee also carries out an evaluation of the audit and reports the results to the Nomination Committee. It also submits a proposal for the appointment of an auditor to the Nomination Committee. In addition, the committee follows up and comments on non-auditing related services that Scandic procures from the company's auditor.

The Audit Committee shall consist of at least three members. The majority of the members shall be independent in relation to the company and its senior executives. At least one member of the committee shall be independent in relation to the company, the company's senior executives and the company's major shareholders, and have auditing or accounting experience.

The members of the Audit Committee are Gunilla Rudebjer (Chairman), Martin Svalstedt and Kristina Patek. The requirements of the Swedish Companies Act regarding independence and accounting or auditing expertise are thus satisfied. The Audit Committee held six meetings during the year. The company's auditor attended all meetings during the year.

The following matters were addressed at Audit Committee meetings:

- Financial reporting.
- Sustainability reporting.
- Internal control and risk analysis as well as evaluation of structures and efficiency.
- Auditors' reports on the review of the annual accounts, the interim report for the third quarter and internal control.
- Audit plan and auditors' fees as well as evaluation of the work and independence of the auditors.
- Evaluation of the requirement for an internal audit function for recommendation to the Board.
- Status of ongoing disputes and legal matters.
- Impairment test of intangible assets.
- Financing matters

Investment Committee

The Investment Committee prepares decisions on issues related to investment proposals and constantly evaluates ongoing investments in new and existing hotels. In addition, it evaluates the company's lease agreements. The committee also regularly evaluates the development of the hotel portfolio, investment criteria and the process for managing the Group's investments. The Investment Committee shall consist of at least three members of the Board elected at the general meeting. Members of the Investment Committee include Grant Hearn (Chairman), Per G. Braathen and Fredrik Wirdenius. During 2023, the Investment Committee held seven meetings.

Evaluation of the work of the Board

The Chairman of the Board is responsible for evaluating the work of the Board through an annual evaluation. The evaluation refers to working methods and the main focus of the work of the Board. It also includes an evaluation of the need for and access to special expertise on the Board. The 2023 evaluation was carried out through a survey of Board members with support from an external party. The results were presented and discussed by the Board and the Nomination Committee. The evaluation was used to develop the work of the Board and constitutes support for the work of the Nomination Committee.

Auditors

PwC has been the company's auditor since 2012. At the AGM held on May 9, 2023, PwC was reappointed as auditor with Sofia Götmar-Blomstedt as auditor-in-charge for the time until the end of the AGM 2024. Sofia Götmar-Blomstedt is an authorized public accountant and a member of FAR (the institute for the accountancy profession in Sweden). During 2023, the auditor reported observations on one occasion to the Board. No members of the Executive Committee were present. Thereafter, the auditor participated in all meetings of the Audit Committee.

The Audit Committee evaluates the auditors' work and independence annually.

The auditor is paid a fee according to a resolution of the AGM. Information on auditors' fees is provided in Note 4 on page 91.

COMPOSITION OF THE BOARD OF DIRECTORS, INDEPENDENCE, ATTENDANCE, COMMITTEES AND COMPENSATION

			Independent in relation to				
Name	**Position**	**Elected, year**	**the company and senior executives**	**the largest shareholders**	**Attendance & no. meetings**	**Attendance, no. meetings, committees**	**Compensation 2023**
Per G. Braathen	Chairman	2007	Yes	Yes	10 (10)	6 (7) Investment Committee 5 (6) Compensation Committee	1,025,000
Grant Hearn	Board member	2014	Yes	Yes	10 (10)	5 (6) Investment Committee 5 (5) Compensation Committee	535,000
Fredrik Wirdenius	Board member	2015	Yes	Yes	10 (10)	7 (7) Investment Committee	428,000
Martin Svalstedt	Board member	2017	Yes	No	10 (10)	5 (6) Audit Committee 6 (6) Compensation Committee	484,333
Gunilla Rudebjer	Board member	2022	Yes	Yes	10 (10)	6 (6) Audit Committee	530,000
Kristina Patek	Board member	2020	Yes	No	10 (10)	6 (6) Audit Committee	433,000
Marianne Sundelius	Employee representative	2017	No	Yes	10 (10)		40,000
Total							**3,475,333**

Executive Committee
Scandic's Executive Committee has solid experience from the hotel sector and consumer-oriented operations. The Executive Committee comprises the CEO and eight executive decision-makers: the CFO, the CCO, the CHRO and the Group's five country heads. On May 8, 2023, Laura Tarkka was appointed as the new head of the Group's operations in Finland and a member of the Executive Committee. Thérèse Cedercreutz resigned from the Board on November 9, 2022 and began working as Scandic's Chief Commercial Officer and member of the Executive Committee in January 2023. On January 17, 2024 Pär Christiansen was appointed CFO.

The Executive Committee holds monthly meetings and focuses on the Group's strategic and operational development as well as following up on performance. See pages 76–77 for more information about the Executive Committee.

The CEO's areas of responsibility and powers are governed by the Rules of Procedure for the Board and instructions. The CEO leads the operations of the company in accordance with the instructions adopted by the Board and is responsible for the ongoing management of the company's operations in accordance with the Swedish Companies Act.

Those responsible for centralized Group functions such as accounting and finance, HR and purchasing are responsible for developing policies, guidelines and working methods as well as for following up and ensuring that the company's operations are run in accordance with policies and guidelines.

Sustainability
Sustainability is an integrated part of Scandic's strategy. Scandic's governance documents in this area include the Code of Conduct, the Code of Conduct for Suppliers, the Anti-Corruption Policy, the Environmental Policy and the Diversity & Inclusion Policy. Scandic's Diversity & Inclusion Policy is an underlying policy for Scandic's Code of Conduct.

Ultimately, Scandic's Board is responsible for the company's sustainability strategy. Sustainability issues are governed by the Executive Committee and the Board is constantly updated. Scandic's sustainability priorities and goals have been drawn up by the Sustainability Initiatives Steering Committee (SISC) with selected representatives from the business. Responsibility for sustainability initiatives is delegated to the heads of each country and function. Scandic's central sustainability unit monitors, coordinates and follows up on sustainability initiatives.

Both the Board and the Executive Committee have undergone training on the upcoming EU directive regarding standards for sustainability reporting (the Corporate Sustainability Reporting Directive). As part of adapting to the directive, Scandic carried out a double materiality analysis, the results of which have been approved by the Board.

Guidelines for compensation for the CEO and senior executives
The AGM held on June 15, 2020 adopted compensation guidelines for the CEO and senior executives. These are adapted to EU requirements on shareholder rights and apply for four years from approval. Read the guidelines in full at scandichotelsgroup.com.

Compensation
For information on compensation for the CEO and senior executives, see Note 5 on pages 92–94.

Long-Term Incentive Program
Between 2016 and 2019 and 2022 and 2023, Scandic launched an annual performance-based long-term incentive program. The most recent program, which was adopted at the AGM held on May 9, 2023, is described in Note 5 on pages 92–94. Results and the allotment of shares as well as the terms and conditions for the program are also outlined.

The Board of Directors' report on internal control
This description has been prepared in compliance with the Swedish Annual Accounts Act and the Code and is therefore limited to internal control related to financial reporting. The report has not been reviewed by the company's auditor.

According to the Swedish Companies Act and the Code, the Board is responsible for ensuring that internal control mechanisms are developed, communicated to and understood by the employees of Scandic who carry out individual control measures. The Board is also responsible for ensuring that these control measures are carried out, monitored, updated and maintained.

Executives at all levels are responsible for ensuring that internal control mechanisms are established in their areas and that these controls achieve the desired results. The CFO is ultimately responsible for ensuring that the monitoring of and the work on Scandic's internal control is conducted in the format determined by the Board.

Scandic's structure for internal control is based on the COSO model, the framework of which is applied to Scandic's operations and conditions. According to this model, a review and assessment is carried out within the areas of control environment, risk assessment, control activities, information and communication and monitoring activities. Based on this review, certain areas of development are identified and prioritized in the company's ongoing work to maintain internal control.

The procedures for internal control, risk assessment, control activities and monitoring of financial reporting have been devised to ensure reliable and relevant reporting and external financial reporting in accordance with the IFRS, applicable laws and regulations and other requirements of companies listed on Nasdaq Stockholm. This work involves the Board, the senior executives and other employees.

The way the Board monitors and ensures the quality of internal control is documented in the adopted Rules of Procedure for the Board and the instructions for the Audit Committee. The Audit Committee's duties include evaluating the company's structure and guidelines for internal control.

Financial reporting to the Board is carried out monthly according to a format described in the CEO's instructions for financial reporting. The company's CFO also conducts a review of the financial performance and latest forecast for the current year at each regular Board meeting. Drafts of interim reports are first presented to the Audit Committee for discussion and consideration at a committee meeting before they are presented to the Board of Directors for approval.

Scandic's internal financial reporting complies with a standardized format where a common set of definitions and key ratios is used for all subsidiaries and hotels. Reporting is carried out through a Group-wide reporting system that allows a high level of transparency and comparability of financial data. Financial performance is monitored through monthly reports from the subsidiaries and quarterly reviews where members of the Executive Committee, the central accounting department and the relevant country management teams participate. Detailed follow-up of key ratios for different parts of Scandic's hotel operations enables benchmarking between hotels and also provides information quickly on deviations in operating margins and operating profit/loss compared with the expected outcome. This detailed follow-up procedure is an important tool for ensuring internal control.

Control environment

The control environment is the basis of internal control of financial reporting. An important element of this environment is that channels for decision-making, authority and responsibility are clearly defined and communicated between different levels of the company and that governance documents such as internal policies and guidelines exist. A good control environment is created through communication and training to ensure understanding of and compliance with policies and regulatory frameworks. The control environment is strengthened by a positive corporate culture and transparent and relevant monitoring of financial performance and key ratios at all levels in the Group.

Risk assessment

Internal control is based on a risk analysis. The risk analysis related to internal control and the risk of errors in the financial reporting form a part of the risk analysis that the Executive Committee performs and presents to the Audit Committee and Board annually. This analysis identifies and evaluates risks based on their likelihood of occurring and the potential impact of their occurrence on the operations and financial position of the Group. The Group's internal controls and control environment are then evaluated and any gaps compared with the desired level of control are identified. An action plan aimed at reducing gaps is established where the value of and possibility to reduce the risk is weighed against the cost of establishing and maintaining internal controls. Based on the risk analysis, control activities are designed to reduce risk at a reasonable cost. The activities shall also contribute to improving internal procedures and operational efficiency.

Control activities

Scandic's internal control is based on the company's established channels for decisions and the delegation and authorization procedures documented in governing policies and guidelines.

Control activities can be IT based or manual. These activities shall form an integrated part of defined and documented processes and routines.

There are a number of control activities that are common to all Group companies. Some are implemented on the hotel level while others are implemented in the centralized accounting departments in each country. Control activities are described in Group-wide instructions.

Information and communication

The part of Scandic's governance documents in the form of policies, guidelines and manuals that involve financial reporting is chiefly communicated via monthly meetings at which all financial managers participate and via the intranet. Communication with internal and external parties is governed by a Communication Policy that provides guidelines for such. The purpose of the policy is to ensure compliance with all disclosure requirements. Internal communication aims to ensure that each team member understands Scandic's development and business. Information is continuously communicated internally, including via the Group's intranet.

Monitoring

Scandic's accounting functions are integrated through a common finance and accounting system and common accounting instructions. The Board and Executive Committee regularly receive information on the Group's operations, performance and financial position. The efficiency of the internal control is evaluated annually by the company and the Audit Committee. It is also reviewed by the external auditors. The result of the evaluation forms the basis for improvements to processes and controls for subsequent years. Internal control on the hotel and country levels is monitored through self-assessments and onsite audits.

All hotels conduct self-assessments at least once a year based on a Group-wide checklist with mandatory and recommended controls. Evaluation of internal control is also discussed regularly by the Audit Committee. Internal audits are carried out by employees at the company's central accounting department for a number of hotels each year. These involve a control checklist, spot checks within relevant areas and a general discussion with the general manager and department heads to ensure understanding of and compliance with Scandic's internal control.

Follow-up of audits carried out in each country's finance department is handled centrally by the Group's finance department through testing of the respective audits. The results of the centralized testing, the hotels' self-assessments and onsite audits are reported by the local heads of finance to the management team of each country. The results are then reported by the Group's CFO to the Audit Committee together with a report on measures undertaken to improve internal control if the results indicate a need to do so either on the hotel level, by accounting departments or in general.

As part of their review, external auditors make additional hotel visits during which they test controls according to the internal checklist. Scandic's accounting department and external auditors aim to cover approximately one-third of Scandic's hotels each year.

Internal audit

Based on the Audit Committee's evaluation, the Board has decided not to establish a separate internal audit function. The decision is based on the assessment that the existing process for internal control is well established, efficient and supported by a good control environment, a clear governance model and well-functioning regular financial monitoring. The Board evaluates the need for a special internal audit function annually.

BOARD OF DIRECTORS

PER G. BRAATHEN

Chairman of the Board since 2018.
Member of the Board since 2007.
Chairman of the Compensation Committee.
Member of the Investment Committee.

Born: 1960.

Nationality: Norwegian.

Education:
MBA from Schiller University London, UK.

Other assignments:
Owner and Chairman of the Board of Braganza. Chairman of the Board of Braathens Regional Airlines AB (BRA). Board member of Bramora Ltd, Escape Travel AS, Wayday Travel and Parques Reunidos S.A. Industrial advisor to EQT.

Previous assignments:
Chairman/CEO Tjæreborg, Always and Saga Tours. Chairman of Escape Travel A/S SunHotels AG. Board member of BRAbank ASA, Arken Zoo Holding AB, Kristiansand Dyrepark AS, Ticket Leisure Travel AB and Ticket Biz AB.

Shareholding: 1,433,305
(private and through companies)
Independent in relation to major shareholders: Yes
Independent in relation to the company and management: Yes

GUNILLA RUDEBJER

Member of the Board since 2022.
Chairman of the Audit Committee.

Born: 1959.

Nationality: Swedish.

Education:
Master of Science in Business Administration from Stockholm School of Economics.

Other assignments:
Board member of Ambea AB, NCAB Group AB, SkiStar AB and Swedish Space Corporation (SSC).

Previous assignments:
CFO at Scandic Hotels, Cision, Parks & Resorts Scandinavia, Mandator and TUI Nordic. Board member of Oriflame Holding AG.

Shareholding: 8,039
Independent in relation to major shareholders: Yes
Independent in relation to the company and management: Yes

GRANT HEARN

Member of the Board since 2014.
Chairman of the Investment Committee.

Born: 1958.

Nationality: British.

Education:
Diploma in Hotel and Tourism Management, Shannon College of Hotel Management, Ireland.

Other assignments:
None.

Previous assignments:
Chairman of the Board of The Hotel Collection, Amaris Hospitality, Shearings Holidays Ltd and UK Hospitality. Board member of London & Partners Ltd, Thame and London Ltd, TLLC Group Holdings Ltd and Travelodge Hotels Ltd.

Shareholding: 5,568
Independent in relation to major shareholders: Yes
Independent in relation to the company and management: Yes

KRISTINA PATEK

Member of the Board since 2020.
Member of the Audit Committee.

Born: 1969.

Nationality: Swedish.

Education:
Master of Science in Business Studies and Economics, Uppsala University.

Other assignments:
Senior Investment Director at Stena Sessan. Board member of Resurs Bank, Platform24, Doktor24 and Matilda Foodtech.

Previous assignments:
Head of M&A at Tieto Corporation, Partner at Scope private equity fund, Investment Manager at Ratos, CEO of Cell Innovation, management consultant at Accenture. Board member of companies including Didner & Gerge Fonder, Emric, Avega, MedCap, Bilprovningen, Skruvat.se, Wright Trafikkskole AS, Brand Factory Group, HL Display and Dahl.

Shareholding: 11,522 (in addition, Stena Sessan AB holds 29,016,865 shares)
Independent in relation to major shareholders: No
Independent in relation to the company and management: Yes

MARTIN SVALSTEDT

Member of the Board since 2017.
Member of the Audit Committee.
Member of the Compensation Committee.

Born: 1963.

Nationality: Swedish.

Education:
Bc Business Administration, University of Karlstad, Sweden.

Other assignments:
Chairman of Formica Capital and board member of Stena International SA.

Previous assignments:
CEO of Stena Adactum and Stena Sessan. CFO of Capio and other senior finance-related positions. Chairman of Ballingslöv International, Meda, Gunnebo, Stena Renewable, Envac, Mediatec Group and Blomsterlandet. Board member of Midsona, Song Networks and Formica Capital, among others.

Shareholding: None.
Independent in relation to major shareholders: No
Independent in relation to the company and management: Yes

Number of shares as at March 31, 2024.

FREDRIK WIRDENIUS

Member of the Board since 2015.
Member of the Investment Committee.

Born: 1961.

Nationality: Swedish.

Education:
Master of Science in Engineering, KTH Royal Institute of Technology, Sweden.

Other assignments:
Chairman of Willhem AB, Hållbo AB and Assemblin Group AB. Board member of Axfast AB and Stiftelsen Nobel Center.

Previous assignments:
CEO of Vasakronan AB. Several management positions within Skanska

Shareholding: 5,816
Independent in relation to major shareholders: Yes
Independent in relation to the company and management: Yes

MARIANNE SUNDELIUS

Member of the Board since 2017.
Employee representative.

Born: 1967.

Nationality: Swedish.

Education:
Postsecondary courses in leadership and psychology. Studies in economics, secondary school.

Other assignments:
None.

Previous assignments:
Employee representative at Sara Hotels AB and Reso Hotels AB.

Shareholding: 0
Independent in relation to major shareholders: Yes
Independent in relation to the company and management: No (employee representative)

Number of shares as at March 31, 2024.

EXECUTIVE COMMITTEE

JENS MATHIESEN
President & CEO

Employed by the Group since 2008.
Member of the Executive Committee since 2016.

Born: 1969.

Nationality: Danish.

Education:
Shipping Broker, Transocean Shipping, Denmark.

Previous experience:
Head of Scandic Denmark. Director of Sales & Marketing, Choice Hotels Scandinavia. CEO, Fountain Scandinavia A/S. Head of Sales & Marketing, Avis Rent a Car.

Other assignments:
Chairman of the Board of Dansk Erhverv (Danish Chamber of Commerce).

Shareholding: 261,860

PÄR CHRISTIANSEN
Chief Financial Officer

Employed by the Group since 2024.
Member of the Executive Committee since 2024.

Born: 1973.

Nationality: Swedish.

Education:
Master of Science, Faculty of Engineering, Lund University. Bachelor of Science in Business Administration and Economics, Lund University.

Previous experience:
CFO, Euroflorist, Clas Ohlson, Gant and Transcom. Management positions within MTR and SAS.

Other assignments:
None.

Shareholding: 25,000

FREDRIK WETTERLUNDH
Chief Human Resources Officer

Employed by the Group since 2021.
Member of the Executive Committee since 2021.

Born: 1966.

Nationality: Swedish.

Education:
Bachelor of Arts in Human Resource Management, Lund University, Sweden. Lieutenant, Swedish Infantry Officers' College, Halmstad, Sweden.

Previous experience:
Global Lead HR Mergers & Acquisitions, Ericsson. Senior Vice President HR, Sobi. Global HR Lead, Pfizer Inc. Area HR Lead, Kraft Foods. Group HR Director, Codan AS. HR Director, Astra Sweden.

Other assignments:
None.

Shareholding: 14,000

THÉRÈSE CEDERCREUTZ
Chief Commercial Officer

Employed by the Group since 2023.
Member of the Executive Committee since 2023.

Born: 1969.

Nationality: Finnish.

Education:
Masters in Economics, Åbo Akademi University, Finland.

Previous experience:
Chairman of the Board of EAB Group Oyj. Board member of Scandic Hotels Group and HappyOrNot. Founder and CEO, Strategy and Design Consultancy Inc. CEO and COO, 358 Advertising Agency. VP Business Development, Spoiled Milk. Global Director Consumer Business, F-Secure Oyj. Director Sales and Business Development EMEA, THQ Wireless.

Other assignments:
Board member of Fennia Oy, Tokmanni Oyj and UNICEF Finland.

Shareholding: None.

SØREN FAERBER
Country Managing Director, Denmark

Employed by the Group since 2006.
Member of the Executive Committee since 2019.

Born: 1970.

Nationality: Danish.

Education:
Currently doing MBA at Edinburgh Business School. Higher Commercial Examination Accounting & Finance.

Previous experience:
District Director Copenhagen & Denmark East, Scandic. Director of Food & Beverage, Denmark & Southern Europe, Scandic. Regional Director, Hard Rock International.

Other assignments:
Board member of Wonderful Copenhagen.

Shareholding: 21,086

Number of shares as at March 31, 2024.

PETER JANGBRATT

Country Managing Director, Sweden

Employed by Group 1995–2008 and since 2015. Member of the Executive Committee since 2016 and 2003–2008.

Born: 1967.

Nationality: Swedish.

Education:
Scandic Business School and Hilton.
Franklin Covey – Habits of Highly Effective People & Great Leadership.

Previous experience:
VP Brand, Marketing & Communication, Scandic Hotels. COO, Scandic Sweden. CEO Rica Hotels Sweden.

Other assignments:
Board member of Visita and Svenskt Näringsliv.

Shareholding: 47,373

LAURA TARKKA

Country Managing Director, Finland

Employed by the Group since 2023.
Member of the Executive Committee since 2023.

Born: 1970.

Nationality: Finnish.

Education:
Master of Science, Industrial Engineering & Economics, Lappeenranta Technical University, Finland. CEFA, Hanken School of Economics, Finland.

Previous experience:
Board member of Lassila, Tikanoja Oyj. CEO, Gigantti and Kämp Collection Hotels. CFO and Vice President, Diacor Health Care Services. Various leadership positions at Fazer Group. Partner at IceCapital Securities. Partner & Analyst at Mandatum Stockbrokerage.

Other assignments:
Board member of Karl Fazer Oy, Caruna Oy, ukko.fi Oy and Finnish Chamber of Commerce.

Shareholding: 4,000.

MICHEL SCHUTZBACH

Country Managing Director, Germany & Poland
Employed by the Group since 2009.
Member of the Executive Committee since 2016.

Born: 1961.

Nationality: German and Swiss.

Education:
Diploma from Hotel Management School, Glion, Switzerland.

Previous experience:
Several senior positions within Rezidor including Vice President HR and Regional Director Poland and Ireland.

Other assignments:
None.

Shareholding: 41,625

ASLE PRESTEGARD

Country Managing Director, Norway

Employed by the Group since 2001.
Member of the Executive Committee since 2020.

Born: 1968.

Nationality: Norwegian.

Education:
Norwegian School of Hotel Management.

Previous experience:
Board member of Visit Bergen. General Manager Bergen Hotel Gruppen AS. General Manager, Scandic Bergen. District Director West Norway, Scandic Hotels AS.

Other assignments:
None.

Shareholding: 13,480

Number of shares as at March 31, 2024.

FINANCIAL REPORTS

INCOME STATEMENT

GROUP

Million SEK	Notes	2023	2022
INCOME	02, 03		
Net sales		21,935	19,230
Other income		20	3
TOTAL INCOME		**21,955**	**19,233**
OPERATING COSTS			
Raw materials and consumables		-1,698	-1,495
Other external costs	04	-4,538	-3,854
Staff costs	05	-6,882	-5,957
Rental costs	06	-2,209	-1,951
Pre-opening costs		-17	-131
Items affecting comparability	07	-14	-16
Amortization, depreciation and impairment	11.12	-3,812	-3,372
TOTAL OPERATING COSTS		**-19,170**	**-16,776**
Operating profit/loss		**2,785**	**2,457**
Net financial items	08.09	**-2,064**	**-1,808**
Profit/loss before tax		**721**	**649**
Taxes	10	**-152**	**-221**
PROFIT/LOSS FOR THE YEAR		**569**	**428**
Attributable to the Parent Company's shareholders		532	394
Non-controlling interests		37	34
Profit/loss per share before dilution, attributable to the Parent Company shareholders (SEK per share)	11	3.46	2.69
Profit/loss per share after dilution, attributable to the Parent Company shareholders (SEK per share)	11	2.86	2.21

STATEMENT OF COMPREHENSIVE INCOME

GROUP

Million SEK	Notes	2023	2022
Profit/loss for the year		569	428
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency fluctuations from translation of foreign operations		-186	174
Changes in the value of electricity hedges, net of tax		-309	247
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-89	246
Total other comprehensive income, net of tax		**-584**	**667**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-15**	**1,095**

CONSOLIDATED BALANCE SHEET

GROUP

Million SEK	Notes	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
Goodwill	12	4,083	4,180
Trademarks	12	2,818	2,855
Other intangible assets	12	109	154
Land & buildings	13	75	82
Right-of-use assets	13	39,389	36,777
Furniture, fittings and equipment	13	3,958	4,272
Interests in associates	14	22	23
Financial investments		7	6
Other non-current receivables		29	32
Deferred tax assets	23	655	579
Total non-current assets		**51,145**	**48,960**
Current assets			
Inventories	15	135	134
Trade receivables	16	601	776
Derivative instruments		0	384
Other current receivables		186	148
Prepaid expenses and accrued income	17	545	229
Cash and cash equivalents	18	1,344	317
Total current assets		**2,811**	**1,988**
TOTAL ASSETS		**53,956**	**50,948**

Million SEK	Notes	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	19	48	48
Other contributed capital		9,892	9,892
Translation reserve		160	656
Retained earnings		-8,041	-8,399
Equity attributable to the Parent Company shareholders		**2,059**	**2,197**
Non-controlling interests		107	77
Total equity		**2,166**	**2,274**
Non-current liabilities			
Liabilities to credit institutions	20	980	1,107
Convertible loan		0	1,484
Provisions for pensions & similar commitments	21	653	545
Other provisions	22	249	206
Other liabilities		199	533
Non-current liabilities	20	41,041	38,062
Deferred tax liabilities	23	5	24
Total non-current liabilities		**43,127**	**41,961**
Current liabilities			
Convertible loan		1,109	0
Advance payments from customers		278	259
Trade payables		1,112	986
Current tax liabilities		185	124
Current lease liabilities	20	2,444	2,268
Derivative instruments		7	0
Other liabilities		999	531
Accrued expenses and prepaid income	24	2,529	2,545
Total current liabilities		**8,663**	**6,713**
Total liabilities		**51,790**	**48,674**
TOTAL EQUITY AND LIABILITIES		**53,956**	**50,948**

CASH FLOW STATEMENT

GROUP

Million SEK	Notes	2023	2022
Operating activities			
Operating profit/loss		2,785	2,457
Adjustments for items not included in cash flow, etc.	25	3,910	3,400
Taxes paid		-109	-39
Cash flows before changes in working capital		**6,586**	**5,818**
Changes in working capital			
Inventories		-6	-22
Trade receivables		156	-228
Other current receivables		-370	36
Trade payables		142	-22
Other current liabilities		-114	850
Cash flows from operating activities		**6,394**	**6,432**
Investing activities			
Paid net investments	13	-521	-635
Cash flows from investing activities		**-521**	**-635**

Million SEK	Notes	2023	2022
Cash flows after investing activities		**5,873**	**5,797**
Financing activities			
Dividend, share swap agreement		-7	-10
Net borrowing/amortization	20	-51	-2,067
Repurchase of convertible bonds		-630	0
Amortization, leases	20	-2,328	-1,976
Financing costs	20	-34	-
Paid/received interest items		-57	-155
Interest paid, leases		-1,734	-1,464
Cash flows from financing activities		**-4,841**	**-5,672**
CASH FLOWS FOR THE YEAR		**1,032**	**125**
Cash and cash equivalents at the beginning of the year		317	216
Translation differences in cash and cash equivalents		-5	-24
Cash flows for the year		1,032	125
Cash and cash equivalents at end of year		**1,344**	**317**

CHANGES IN EQUITY

GROUP

	Equity attributable to the Parent Company shareholders						
Million SEK	Share capital	Other contributed capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total shareholders' equity
OPENING BALANCE, Jan 1, 2023	48	9,892	656	-8,399	2,197	77	2,274
Profit/loss for the year				532	532	37	569
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency fluctuations from translation of foreign operations	-	-	-179	-	-179	-7	-186
Changes in the value of electricity hedges, net of tax	-	-	-309	-	-309	-	-309
Items that will not be reclassified to profit or loss							
Actuarial gains/losses for the year, net of tax	-	-	-	-89	-89	-	-89
Total other comprehensive income, net of tax	**0**	**0**	**-488**	**-89**	**-577**	**-7**	**-584**
Total comprehensive income for the year	**0**	**0**	**-488**	**443**	**-45**	**30**	**-15**
Other adjustments	**0**	**0**	**-8**	**0**	**-8**	**0**	**-8**
Transactions with shareholders							
Repurchase of convertible bonds	-	-	-	-68	-68	-	-68
Share-based payments	-	-	-	8	8	-	8
Share swap agreement to repurchase own shares	-	-	-	-25	-25	-	-25
Total transactions with shareholders	**0**	**0**	**0**	**-85**	**-85**	**0**	**-85**
CLOSING BALANCE, Dec 31, 2023	**48**	**9,892**	**160**	**-8,041**	**2,059**	**107**	**2,166**

CHANGES IN EQUITY

GROUP

	Equity attributable to the Parent Company shareholders						
Million SEK	Share capital	Other contributed capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total shareholders' equity
OPENING BALANCE, Jan 1, 2022	**48**	**9,890**	**182**	**-9,005**	**1,115**	**40**	**1,155**
Profit/loss for the year				**394**	**394**	**34**	**428**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency fluctuations from translation of foreign operations	-	-	171	-	171	3	174
Changes in the value of electricity hedges, net of tax	-	-	247	-	247	-	247
Items that will not be reclassified to profit or loss							
Actuarial gains/losses for the year, net of tax	-	-	-	246	246	-	246
Total other comprehensive income, net of tax	**0**	**0**	**418**	**246**	**664**	**3**	**667**
Total comprehensive income for the year	**0**	**0**	**418**	**640**	**1,058**	**37**	**1,095**
Other adjustments	**0**	**0**	**56**	**0**	**56**	**0**	**56**
Transactions with shareholders							
Conversion of convertibles	-	2	-	-	2	-	2
Share-based payments	-	-	-	2	2	-	2
Share swap agreement to repurchase own shares	-	-	-	-36	-36	-	-36
Total transactions with shareholders	**0**	**2**	**0**	**-34**	**-32**	**0**	**-32**
CLOSING BALANCE, Dec 31, 2022	**48**	**9,892**	**656**	**-8,399**	**2,197**	**77**	**2,274**

INCOME STATEMENT

PARENT COMPANY

Million SEK	Notes	2023	2022
Net sales		**75**	**55**
Operating costs			
Other external costs	04	-7	-1
Staff costs	05	-68	-55
Total operating costs		**-75**	**-56**
Operating profit/loss		**0**	**-1**
Financial items			
Finance income	08	124	65
Finance costs	09	-208	-156
Net financial items		**-84**	**-91**
Appropriations		**7**	**17**
Profit/loss before tax		**-77**	**-75**
Taxes	10	0	-4
PROFIT/LOSS FOR THE YEAR		**-77**	**-79**

STATEMENT OF COMPREHENSIVE INCOME

PARENT COMPANY

Million SEK	Notes	2023	2022
Profit/loss for the year		**-77**	**-79**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		**0**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-77**	**-79**

BALANCE SHEET

PARENT COMPANY

Million SEK	Notes	2023-12-31	2022-12-31
ASSETS			
Financial assets			
Participations in Group companies	27	8,415	8,415
Receivables from Group companies		1,623	1,406
Deferred tax assets	23	11	11
Total non-current assets		**10,049**	**9,832**
Current assets			
Current receivables			
Receivables from Group companies	30	19	35
Current receivables		0	15
Cash and cash equivalents		0	0
Total current assets		**19**	**50**
TOTAL ASSETS		**10,068**	**9,882**

Million SEK	Notes	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	19	48	48
Total restricted equity		**48**	**48**
Non-restricted reserves		8,108	8,270
Profit/loss for the year		-77	-79
Total non-restricted equity		**8,031**	**8,191**
Total equity		**8,079**	**8,239**
Liabilities			
Non-current liabilities			
Convertible loan		0	1,484
		636	0
Other liabilities		18	30
Total non-current liabilities		**654**	**1,514**
Current liabilities			
Convertible loan		1,109	0
Liabilities to Group companies		43	12
Other liabilities		140	86
Accrued expenses and prepaid income	24	43	31
Total current liabilities		**1,335**	**129**
Total liabilities		**1,989**	**1,643**
TOTAL EQUITY AND LIABILITIES		**10,068**	**9,882**

CASH FLOW STATEMENT

PARENT COMPANY

Million SEK	Notes	2023	2022
Operating activities			
Operating profit/loss		0	-1
Taxes paid		-6	-11
Cash flows before changes in working capital		**-6**	**-12**
Changes in working capital			
Other current receivables		26	-7
Other current liabilities		59	91
Cash flows from operating activities		**79**	**72**
Financing activities			
Paid/received interest items	20	-1	-3
Repurchase of convertible bonds		-630	-
Financing costs		-	4
Dividend, share swap agreement		-7	-10
Net borrowing/amortization		5	-
Loans to/from subsidiaries		554	-63
Cash flows from financing activities		**-79**	**-72**
CASH FLOWS FOR THE YEAR		**0**	**0**
Cash and cash equivalents at the beginning of the year		0	0
Translation differences in cash and cash equivalents		0	0
Cash flows for the year		0	0
Cash and cash equivalents at end of year		**0**	**0**

CHANGES IN EQUITY

PARENT COMPANY

	Restricted equity	Non-restricted equity		
Million SEK	Share capital	Share premium reserve	Retained earnings	Total equity
OPENING BALANCE, Jan 1, 2023	**48**	**3,561**	**4,630**	**8,239**
Profit/loss for the year	**-**	**-**	**-77**	**-77**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**0**	**0**	**-77**	**-77**
Transactions with shareholders				
Repurchase of convertible bonds	-	0	-69	-69
Share-based payments	-	-	8	8
Share swap agreement to repurchase own shares	-	-	-24	-24
Total transactions with shareholders	**0**	**0**	**-85**	**-85**
CLOSING BALANCE, Dec 31, 2023	**48**	**3,561**	**4,468**	**8,079**
OPENING BALANCE, Jan 1, 2022	**48**	**3,559**	**4,743**	**8,350**
Profit/loss for the year	**-**	**-**	**-79**	**-79**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**0**	**0**	**-79**	**-79**
Transactions with shareholders				
Conversion of convertibles	-	2	-	2
Share-based payments	-	-	2	2
Share swap agreement to repurchase own shares	-	-	-36	-36
Total transactions with shareholders	**0**	**2**	**-34**	**-32**
CLOSING BALANCE, Dec 31, 2022	**48**	**3,561**	**4,630**	**8,239**

CONTENTS – NOTES

NOTES

Notes common to the Group and the Parent Company. Amounts in million SEK unless otherwise stated.

NOTE 01 ACCOUNTING PRINCIPLES

Basis for presentation

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and in accordance with RFR 1 Supplementary accounting principles for groups of companies and the Swedish Annual Accounts Act.

The annual accounts were prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities.

The consolidated accounts were drawn up in accordance with the cost method except in respect to certain financial assets and liabilities that are measured at the fair value in the income statement. Drawing up annual accounts in accordance with the IFRS requires the use of certain important accounting estimations. The Board of Directors and Executive Committee are also required to make assessments when implementing the company's accounting principles. The areas that include a large degree of complex assessments, or areas where assumptions and estimations are of significant importance for the consolidated accounts, are detailed in each note.

Consolidated accounts

The consolidated accounts cover the companies in which the Group's ownership is equivalent to at least one half of the votes – these are fully consolidated into the Group. Subsidiaries are entities that are controlled by the Group. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. In subsidiaries that are not wholly owned, non-controlling interests are presented as a minority owner's portion of the subsidiary's equity. This is included as part of the Group's equity. The income statement includes the portion attributable to non-controlling interests. Information on the portion of profit/loss that is attributable to non-controlling interests is provided in connection to the income statement.

The Group's business combinations are accounted for using the acquisition method. The target company's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at fair value as at the acquisition date. Goodwill and other intangible assets arising from an acquisition are comprised by the amount by which the acquisition cost exceeds the fair value of the recognized assets, liabilities and contingent liabilities of the acquired subsidiary. If the cost is less than the fair value of the purchased operation's assets, liabilities and contingent liabilities, the difference is reported directly in the income statement. Acquisition-related costs are expensed as incurred.

Associated companies are incorporated in the Group's financial statement using the equity method. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

Intra-Group transactions, balances and unrealized earnings from transactions between Group companies are eliminated. Sales between Group companies are priced according to market terms. Intra-Group profits arising in conjunction with intra-Group sales are eliminated in their entirety.

Translation of foreign currency

The consolidated financial statements are presented in Swedish kronor (SEK), which is the functional and reporting currency of the Parent Company. The profit/loss and financial position of all Group companies using a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- Assets and liabilities for each of the balance sheets are translated at the daily closing rate.
- Income and expenditure for each income statement are translated at the average exchange rate.
- All exchange rate differences that arise are reported in Other comprehensive income and accumulated in the translation reserve in equity.

Transactions in foreign currencies are translated into the functional currency according to the exchange rates that apply on the transaction date or the date on which the items were revaluated. Exchange rate gains and losses that arise when paying such transactions and in the translation of monetary assets and liabilities in foreign currency at the daily closing rate are reported in the income statement.

The below exchange rates were used in the consolidation

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

New and amended International Financial Reporting Standards (IFRS)

New and amended standards adopted by the Group

None of the IFRS or IFRIC interpretations that entered into force in 2023 are expected to have a material impact on the Group.

New standards and interpretations yet to be applied by the Group

No IFRS or IFRIC interpretations yet to be applied are expected to have a material impact on the Group.

The Parent Company's accounting principles

Unless otherwise stated, the Parent Company applies the same accounting principles as the Group.

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities.

Differences between the accounting principles of the Group and the Parent Company

The Parent Company applies the alternative rule for Group contributions and reports both received and paid Group contributions as appropriations. In this respect, the Parent Company does not comply with IAS 27.

Financial instruments in the Parent Company are not reported according to IFRS 9 in view of the connection between reporting and taxation. Instead, IFRS 7 is applied when applicable and disclosure requirements are applied according to Chapter 5 of The Annual Accounts Act.

Compensation to employees in the Parent Company is not reported according to IAS 19 as the Parent Company, in accordance with RFR 2, applies reporting according to the Pension Obligations Vesting Act. The lease commitments of the Parent Company are reported in accordance with BFNAR 2012:1, which means that the Parent Company does not apply IFRS 16.

NOTE 02 NET SALES BY TYPE OF AGREEMENT

2023, million SEK	Sweden	Norway	Finland	Other Europe	Central functions	Group
Lease agreements	6,631	6,043	4,998	4,110	-	21,782
Management agreements	5	-	-	3	-	8
Franchise and partner agreements	8	14	-	-	-	22
Owned	-	123	-	-	-	123
Total	**6,644**	**6,180**	**4,998**	**4,113**	**-**	**21,935**
Other	-	-	-	-	75	75
Group eliminations	-	-	-	-	-75	-75
Group	**6,644**	**6,180**	**4,998**	**4,113**	**-**	**21,935**

2022, million SEK	Sweden	Norway	Finland	Other Europe	Central functions	Group
Lease agreements	6,038	5,917	4,089	3,041	-	19,084
Management agreements	4	-	-	8	-	12
Franchise and partner agreements	11	11	0	-	-	22
Owned	-	111	-	-	-	111
Total	**6,053**	**6,039**	**4,089**	**3,049**	**-**	**19,230**
Other	-	-	-	-	35	35
Group eliminations	-	-	-	-	-35	-35
Group	**6,053**	**6,039**	**4,089**	**3,049**	**-**	**19,230**

§ Accounting principles

Revenue recognition

The Group's revenue consists of the value of goods and services generated in hotels under lease agreements, management and franchise fees and other revenue generated in the Group's operations. All revenue in the Group is recognized in accordance with IFRS 15. Revenue is reported at the fair value of what has been received or will be received and corresponds to the receivable for delivered goods and services, less any discounts given and sales-related taxes. Scandic has no agreed performance obligations that exceed 12 months except for the customer loyalty program described below. Below is a description of the composition of the Group's revenue:

Lease agreements – Revenues from hotel operations, including all revenue from sold rooms, conferences, food and beverage sales and other services. Revenue is reported when the goods or services have been consumed, i.e. during checkout or when the services are invoiced. Restaurant revenue and revenue from other services is recognized in accordance with IFRS 15 while accommodation and conference revenue are recognized in accordance with IFRS 16.

Management fees – Fees from hotels managed by the Group through long-term agreements with hotel owners. Management fees usually consist of a proportion of the revenue and/or profits from the hotel. They are recognized in the income statement at the end of the month in question, when they are realizable according to the terms and conditions of the agreement. Invoicing occurs monthly in arrears.

Franchise fees – Fees received in conjunction with license fees for the Group's trademarks, generally through long-term agreements with hotel owners. Franchise fees consist of a proportion of the revenue from the hotel and are reported in the income statement based on the underlying terms and conditions of the agreement. They are recognized in the income statement at the end of the month and invoiced monthly in arrears.

Customer loyalty program

The Group has a customer loyalty program where customers are rewarded points for nights spent. These points give the customer future discounts. Revenue from bonus points is reported when the points are redeemed or when they expire, which is 36 months after the points are rewarded. A liability is reported until the points are used or expire. See also Note 22.

In accordance with IFRS 15, the total amount has been allocated to the bonus points based on relative stand-alone sales prices. The method means that the amount that is allocated to the bonus points is higher than the amounts that would have been allocated based on the residual value method.

NOTE 03 SEGMENT REPORTING

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 under the Hilton, Crowne Plaza and Holiday Inn brands.

Other Europe – hotels operated under the Scandic brand in Denmark, Poland and Germany. These countries have been aggregated into one segment based on the fact that they have similar economic situations, they operate their business in similar ways and they have similar types of customers. They also have the same currency, EUR, or a currency pegged to EUR.

Central functions – Costs for financial control, business development, communication, investor relations, 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. Adjusted EBITDA is earnings before amortization and depreciation, the effect of finance leases, royalties, financial items and taxes and excludes items affecting comparability that are not directly related to the normal operations of the Group, such as transaction and restructuring costs. Adjusted EBITDA also excludes pre-opening costs that refer to expenses for contracted and new hotels before opening day.

Net sales by type of revenue and country

2023 Million SEK	Sweden	Norway	Finland	Other Europe	Central functions	Group
Room revenue	4,826	3975	3,371	2,830	-	15,002
Restaurant and conference revenue	1,715	1930	1,470	1,213	-	6,328
Franchise and management fees	8	14	0	0	-	22
Other hotel-related revenue	95	261	157	70	-	583
Total	**6,644**	**6,180**	**4,998**	**4,113**	**0**	**21,935**
Segment disclosures						
Net sales	**6,644**	**6,180**	**4,998**	**4,113**	**0**	**21,935**
Other income	20	-	-	-	-	20
Intra-Group transactions	-	-	-	-	75	75
Group eliminations	-	-	-	-	-75	-75
Total operating income	**6,664**	**6,180**	**4,998**	**4,113**	**0**	**21,955**
Raw materials and consumables	-445	-567	-417	-268	-1	-1,698
Other external costs	-1,541	-1,335	-1,272	-1,048	658	-4,538
Staff costs	-2,064	-1,865	-1,362	-1,359	-232	-6,882
Rental costs	-1,914	-1,672	-1,580	-1,106	4,063	-2,209
Pre-opening costs	0	-	-	-17	-	-17
Items affecting comparability	-	-	-	-12	-2	-14
Amortization, depreciation and impairment	-288	-284	-229	-104	-2,907	-3,812
Costs	**-6,252**	**-5,723**	**-4,860**	**-3,914**	**1,579**	**-19,170**
Operating profit/loss	**412**	**457**	**138**	**199**	**1,579**	**2,785**
Net financial items	416	45	-72	-11	-2,442	-2,064
Financial statements	**91**	**-**	**2**	**-**	**-93**	**0**
Profit/loss before tax	**919**	**502**	**68**	**188**	**-956**	**721**

cont. Note 03

2022 Million SEK	Sweden	Norway	Finland	Other Europe	Central functions	Group
Room revenue	4,348	3,695	2,749	2,066	-	12,858
Restaurant and conference revenue	1,550	1,842	1,209	931	-	5,533
Franchise and management fees	10	15	0	8	-	33
Other hotel-related revenue	145	488	131	44	-	806
Total	**6,053**	**6,039**	**4,089**	**3,049**	**0**	**19,230**
Net sales	**6,053**	**6,039**	**4,089**	**3,049**	**0**	**19,230**
Other income	3	-	-	-	-	3
Intra-Group transactions	-	-	-	-	35	35
Group eliminations	-	-	-	-	-35	-35
Total operating income	**6,056**	**6,039**	**4,089**	**3,049**	**0**	**19,233**
Segment disclosures						
Raw materials and consumables	-399	-522	-367	-205	-2	-1,495
Other external costs	-1,387	-1,238	-1,080	-655	506	-3,854
Staff costs	-1,915	-1,693	-1,132	-1,038	-179	-5,957
Rental costs	-1,720	-1,592	-1,254	-822	3,437	-1,951
Pre-opening costs	-35	-16	-10	-70	0	-131
Items affecting comparability	-83	0	0	-10	77	-16
Amortization, depreciation and impairment	-289	-311	-211	-98	-2,463	-3,372
Costs	**-5,828**	**-5,372**	**-4,054**	**-2,898**	**1,376**	**-16,776**
Operating profit/loss	**228**	**667**	**35**	**151**	**1,376**	**2,457**
Net financial items	171	9	-52	-20	-1,916	-1,808
Financial statements	**-**	**-**	**-52**	**-**	**52**	**-**
Profit/loss before tax	**399**	**676**	**-69**	**131**	**-488**	**649**

Assets and investments by segment	Sweden		Norway		Finland		Other Europe		Central functions		Group	
Million SEK	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-current assets	12,838	11,528	7,650	8,220	18,829	18,477	9,600	8,555	2,228	2,180	51,145	48,960
Investments in non-current assets	215	192	163	130	39	142	59	117	59	14	535	595

For definitions of key ratios, see page 119.

§ Accounting principles

Segment reporting

Segments are reported in accordance with IFRS 8 Operating segments. Scandic operates similar businesses with the same type of customers in several countries in Europe. The largest markets for Scandic are Sweden, Norway and Finland. The segments were therefore identified on a geographic basis and based on the economic importance of each segment.

Management follows up on the segments Sweden, Norway, Finland, Other Europe and central functions. Segment information is reported according to the same model and is followed up by the executive decision-makers: the CEO, the Executive Committee and the Board of Directors.

Revenue and non-current assets by geographic market, million SEK	Revenue from external customers 2023	Revenue from external customers 2022	Non-current assets December 31, 2023	Non-current assets December 31, 2022
Sweden	6,664	6,056	12,838	11,528
Denmark	2,940	2,357	-	6,218
Finland	4,998	4,089	18,829	18,477
Norway	6,180	6,039	7,650	8,220
Poland	97	68	-	4
Germany	1,076	623	-	2,333
Group assets	-	-	2,228	2,180
Total for the Group	**21,955**	**19,233**	**41,545**	**48,960**

The allocation of revenue and assets is based on where the Group is domiciled, i.e. where the individual hotels are located. Scandic does not have any large customers from which the revenue exceeds 10 percent of the total revenue of the Group.

NOTE 04 AUDIT FEES

	Group		Parent Company	
Million SEK	**2023**	**2022**	**2023**	**2022**
Audit assignment				
PwC	6	6	-	-
Other	-	-	-	-
Other statutory assignments				
PwC	0	0	-	-
Other	-	-	-	-
Tax advice				
PwC	0	1	-	-
Other	0	1	-	-
Fees for other services				
PwC	3	2	-	-
Other	-	-	-	-
Total	**10**	**10**	**0**	**0**

The auditing assignment includes auditing the Annual Report and accounts as well as the administration of the company by the Board of Directors and CEO, other duties the company auditor must perform as well as advice and other assistance arising from the audit or in carrying out these duties.

The Parent Company's audit fee has been charged to the subsidiary Scandic Hotels AB.

Of the fees for audit assignments, 3 million SEK refers to PwC Sweden. For other statutory assignments, 0 million SEK refers to PwC Sweden. For tax advice, 0 million SEK refers to PwC Sweden. For other services, 2 million SEK refers to PwC Sweden.

Other services mainly refer to services related to certificates for revenue-based variable rent and advisory regarding sustainablitity topics. Tax advice refers mainly to compliance services.

NOTE 05 EMPLOYEES, PERSONNEL EXPENSES AND COMPENSATION TO THE BOARD OF DIRECTORS

Staff costs Million SEK	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Salaries and other compensation	5,567	4,889	48	44
Payroll overhead excluding pension costs	807	697	12	6
Pension costs	508	371	7	5
Total staff costs	**6,882**	**5,957**	**68**	**55**

The Executive Committee of the Group is employed by the Parent Company and the subsidiaries Scandic Hotels Holding AB, Scandic Hotels AB, Scandic Hotel A/S, Scandic Hotels AS, Scandic Hotels Deutschland GmbH and Scandic Hotels Oy.

A 12-month notice period applies if the CEO is terminated by the company and a nine-month notice period applies if the CEO resigns. In addition, the CEO is entitled to severance pay corresponding to six months' salary at the end of the employment if the company gives notice of termination or the duties are substantially changed after a change of control in the company, resulting in the CEO's resignation within one year of the change of control.

If other senior executives are terminated by the company, they are entitled to six to 12 months of severance pay, and if they resign at their own request, a notice period of six months applies.

Compensation and fringe benefits

Compensation to the Board of Directors, SEK	2023 Board fees	Fees for commit-tee work	Fringe benefits	Total
Per G. Braathen, Chairman of the Board	866,667	158,333	-	1,025,000
Grant Hearn	371,667	163,333	-	535,000
Fredrik Wirdenius	371,667	56,333	-	428,000
Martin Svalstedt	371,667	112,667	-	484,333
Kristina Patek	371,667	61,333	-	433,000
Gunilla Rudebjer	371,667	158,333	-	530,000
Marianne Sundelius, employee representative	40,000	-	-	40,000
Total compensation	**2,765,000**	**710,333**	**0**	**3,475,333**

Compensation to the Board of Directors, SEK	2022 Board fees	Fees for commit-tee work	Fringe benefits	Total
Per G. Braathen, Chairman of the Board	920,833	167,917	-	1,088,750
Grant Hearn	395,417	173,333	-	568,750
Ingalill Berglund[1]	152,083	64,583	-	216,666
Fredrik Wirdenius	395,417	59,583	-	455,000
Martin Svalstedt	395,417	119,167	-	514,584
Kristina Patek	395,417	65,000	-	460,417
Thérèse Cedercreutz[2]	334,583	50,417	-	385,000
Gunilla Rudebjer[3]	243,333	103,333	-	346,666
Marianne Sundelius, employee representative	40,000	-	-	40,000
Total compensation	**3,272,500**	**803,333**	**0**	**4,075,833**

1) Ingalill Berglund resigned from the Board at the AGM on May 10, 2022.
2) Thérèse Cedercreutz resigned from the Board on November 9, 2022.
3) Gunilla Rudebjer was elected to the Board at the AGM on May 10, 2022.

Compensation to senior executives, SEK	2023 Base salary	Variable compensa-tion[1]	Fringe benefits[2]	Pension expense	Total
Jens Mathiesen, President & CEO[3]	8,700,000	14,167,728	322,066	3,045,000	26,234,794
Other senior executives (9 people)	20,358,452	14,113,281	7,273,619	4,193,245	45,938,597
Total compensation and benefits	**29,058,452**	**28,281,009**	**7,595,685**	**7,238,245**	**72,173,391**

1) Variable compensation includes share-based payments of 1,523,232 SEK to the CEO and 2,439,825 SEK to other senior executives. The CEO's variable compensation also includes a retention bonus that will be paid out over three years. For more information, see the Compensation Report on page 111.
2) Fringe benefits include salary during the notice period for other senior executives who left during the year.

The number of other senior executives is the total over the year. On the reporting date, other senior executives included eight people.

Compensation to senior executives, SEK	2022 Base salary	Variable compensa-tion[1]	Fringe benefits[2]	Pension expense	Total
Jens Mathiesen, President & CEO	7,604,304	7,151,552	315,579	2,674,794	17,746,229
Other senior executives (9 people)	19,946,682	15,561,890	3,420,584	4,553,803	43,482,960
Total compensation and benefits	27,550,986	22,713,442	3,736,163	7,228,597	61,229,188

1) Variable compensation includes share-based payments of 487,548 SEK to the CEO and 836,202 SEK to other senior executives.
2) Fringe benefits include salary during the notice period for other senior executives who left during the year.

The number of other senior executives is the total over the year. On the reporting date, other senior executives included seven people.

Compensation to the CEO and other senior executives may include fixed salary, variable salary, pension and fringe benefits. Terms and conditions for compensation to senior executives are described in the Corporate Governance Report on page 68.

Pensions

The CEO is covered by a defined contribution pension plan until age 65. The pension premium for the Group's current CEO amounts to 35 percent of fixed salary. The CEO has no part in the pension liability.

Other senior executives are covered by defined contribution pension plans, and to a lesser extent defined benefit pension plans. The retirement age is in accordance with applicable local laws and collective agreements. Other senior executives' part of the pension liability was 1.8 million SEK (1.6).

Long-Term Incentive Program

From the IPO in 2015 until 2019, the Annual General Meeting resolved every year to launch a share-based Long-Term Incentive Program (LTIP). In 2020 and 2021, no LTIPs were launched.

In 2022 and 2023, new programs were launched, LTIP 2022 and LTIP 2023 respectively, which allow participants to receive a number of performance shares, free of charge, depending on the degree of fulfillment of certain performance criteria determined by the Board related to the total return on the company's shares (TSR). Performance shares will be allotted after the end of a vesting period that runs until the date of publication of Scandic's interim report for the first quarter 2025 and first quarter 2026 respectively, subject to the participant remaining a permanent employee within the Group during the entire vesting period.

The expected financial exposure to shares that may be allotted under the LTIP 2022 and LTIP 2023 and the delivery of shares to the participants has been hedged by Scandic's entering into a share swap agreement with a third party on market terms. Regarding the LTIP 2023, Scandic may also acquire its own shares, which can be transferred to participants in the program upon allotment according to the program.

cont. Note 05

Summary of granted rights in the LTIP

	2023	2022	2021	2010
As of January 1	753,755	180,601	388,092	614,867
Awarded during the year	949,089	753,755	0	0
Exercised during the year	0	-180,601	-182,953	-127,874
Forfeited during the year	-60,961	0	-24,538	-98,901
Total as at December 31	1,641,883	753,755	180,601	388,092
– of which exercisable on December 31	-	-	-	-

The strike price is 0 SEK.

		Number of rights			
Award date	Expiry date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2010
May 31, 2018	April 28, 2021	-	-	-	182,953
June 14, 2019	April 27, 2022	-	-	180,601	205,139
June 20, 2022	April 27, 2025	692,794	753,755	-	-
June 1, 2023	April 27, 2026	949,089	-	-	-
Total		**1,641,883**	**753,755**	**180,601**	**388,092**

Fair value calculations

The fair value is measured using a combination of the Black-Scholes model and the Monte Carlo simulation. The following input factors were used:

	LTIP 2023	LTIP 2022
Share price on the award date, SEK	42.00	45.30
Duration	2.91 years	2.85 years
Deduction of expected dividends	4%	4%
Risk-free interest	not applicable	not applicable
Expected volatility	not applicable	not applicable
Fair value, SEK, on the reporting date, Dec 31, 2023	18	19
Fair value, SEK, on the reporting date, Dec 31, 2022	-	19

As the strike price (zero) is significantly lower than the share price on the award date, the value has limited sensitivity to expected volatility and risk-free interest.

Cost of share-based payments that are settled in equity instruments

	LTIP 2023		LTIP 2022	
Million SEK	Group	Parent Company	Group	Parent Company
Expected cost of entire program	21	7	16	5
Maximum cost of entire program	43	15	35	13
Cost in 2023	4	1	5	2
Cost in 2022	0	0	3	1

The cost of the programs, which is included in the income statement for the Group, is calculated in accordance with IFRS 2 and distributed over the vesting period.

The program targets members of the Executive Committee (including the CEO) and certain other key personnel in the Scandic Group and allows for a maximum of 80 participants. Within the framework of the LTIP 2022 and 2023, participants may be allotted share rights, which, provided that certain conditions are met, confer the right to receive performance shares free of charge ("Share Rights").

The number of allotted Performance Shares (if any) depends on the total return on Scandic's ordinary share (i.e. share price development plus reinvestment of any dividends) ("Total Return") exceeding a certain initial value ("Minimum Level") during the Vesting Period (the "Performance Conditions").

Participants may be allotted a maximum of 692,794 shares, including dividend compensation, for the LTIP 2022, which corresponds to approximately 0.4 percent of Scandic's share capital and votes as at December 31, 2023.

The cost of the LTIP 2022 program is expected to amount to 16 million SEK, including social security contributions, and the cost included in the Group's income statement in accordance with IFRS 2 was 5 million SEK for the financial year 2023, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be
35 million SEK.

Additionally, participants may be allotted a maximum of 949,089 shares, including dividend compensation, for the LTIP 2023, which corresponds to approximately 0.5 percent of Scandic's share capital and votes as at December 31, 2023.

The cost of the LTIP 2023 program is expected to amount to 21 million SEK, including social security contributions, and the cost included in the Group's income statement in accordance with IFRS 2 was 4 million SEK for the financial year 2023, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be 43 million SEK.

	2023		2022	
Average number of employees per country	Average number of employees	of which men	Average number of employees	of which men
Parent Company				
Sweden	15	6	12	3
Subsidiaries				
Sweden	4,596	1,562	4,448	1,561
Denmark	1,557	617	1,429	584
Finland	1,609	507	1,416	401
Norway	2,662	1,089	2,878	1,148
Poland	81	37	80	36
Germany	269	123	205	92
Total for the Group	**10,789**	**3,940**	**10,468**	**3,826**

	2023		2022	
Gender division of the Board and Executive Committee on the reporting date	Total	of which men	Total	of which men
Board of Directors	7	4	7	4
Executive Committee	8	5	8	7
Total for the Group	**15**	**9**	**15**	**11**

§ Accounting principles

Severance pay

Employees receive severance payments on termination before the normal retirement age or when they voluntarily accept termination in exchange for such compensation. The Group recognizes severance payments where it is under a manifest obligation either to give notice to employees following a detailed formal plan without the right to rescission or as compensation in the event of termination due to an offer made as an incentive for voluntary resignation. Benefits that fall due more than 12 months after the reporting date are discounted to the present value.

Share-based payments

Scandic has a share-based incentive plan where the settlement is made in equity instruments and the Group is provided with services from the employees participating in the program as payment for the equity instruments. The cost of the program amounts to the fair value of the share on the award date multiplied by the number of vested shares and the cost is distributed over the lifetime of the program. At the end of each reporting period, the Group reviews its assessment of the number of shares that are expected to vest based on the non-market vesting conditions and terms of employment. Any deviations from the original assessment that the review raises are recognized in the income statement and the corresponding adjustments are made in equity. It can sometimes happen that employees render services before the award date, in which case an estimate of the fair value is made in order to recognize a cost to be distributed for a fee reported to be spread over the period between the time the employee begins

cont. Note 05

performing services and the award date. The social security contributions incurred due to the granting of equity rights are seen as an integrated part of the allotment, and this cost is treated as cash-settled share-based compensation.

Pensions

The Group has both defined benefit and defined contribution plans. For the defined contribution plans, the Group makes payments to public or privately administered pension insurance plans. These payments can either be mandatory, contractual or voluntary. The Group has no further obligations after these payments are made. The fees are reported as staff costs during the period to which they relate. See Note 21 for more information regarding pension plans.

Share swap agreement to repurchase own shares

Scandic has a share swap agreement with Nordea for repurchasing its own shares. This swap agreement is reported as a financial liability for the agreed amount payable on the maturity date and as a deduction from equity. Interest expenses related to the swap agreement are recognized in the income statement in the period they occur. When the agreement has reached the maturity date and the obligation and agreed amounts have been paid, the liability will be derecognized from the balance sheet.

NOTE 06 RENTAL COSTS

Rental costs reported in income statement	Group	
Million SEK	**2023**	**2022**
Fixed and guaranteed rental costs*	-229	-159
Variable rental costs	-1,980	-1,792
Total rental costs	**-2,209**	**-1,951**
* Of which received state aid and negotiated rent concessions	25	231

NOTE 07 ITEMS AFFECTING COMPARABILITY

Items affecting comparability	Group	
Million SEK	**2023**	**2022**
Restructuring costs	-3	-6
Dilapidation costs, left hotels	-11	-10
Total	**-14**	**-16**

§ Accounting principles

Items affecting comparability refer to items that are not directly related to the Group's normal activities, such as transaction costs when buying or selling a business, integration costs, restructuring costs as well as capital gains/losses from the sale of operations.

NOTE 08 FINANCE INCOME

Division by income type	Group		Parent Company	
Million SEK	**2023**	**2022**	**2023**	**2022**
Interest income	33	4	0	-
Interest income from Group companies	-	-	124	63
Exchange rate gains, net	8	-	-	2
Other finance income	-	16	-	-
Profit/loss from associates	4	2	-	-
Total	**45**	**22**	**124**	**65**

§ Accounting principles

Finance income and costs

All interest income and interest expenses are recognized at amortized cost. Interest rate derivatives are recognized at fair value through profit or loss. Revaluation of electricity derivatives is recognized as other external costs. Associates are recognized using the equity method.

NOTE 09 FINANCE COSTS

Distribution by type of cost	Group		Parent Company	
Million SEK	**2023**	**2022**	**2023**	**2022**
Interest expenses, credit institutions	-47	-131	-	-
Interest expenses, convertibles	-163	-153	-163	-153
Interest expenses, pension plan	-13	-12	-	-
Other interest expenses	-65	-15	-20	-3
Interest expenses, leases	-1,734	-1,464	-	-
Revaluation of derivative instruments	0	-5	-	-
Exchange rate losses, net	0	-1	-2	-
Share of transaction costs expensed during the year[1]	-10	-17	-	-
Capital gains/losses, repurchase of convertible bonds	-24	-	-24	-
Other finance costs	-53	-32	-	-
Total	**-2,109**	**-1,830**	**-208**	**-156**

[1] Part of interest expenses was expensed over the duration of the borrowings, see Note 20.

§ Accounting principles

Finance income and costs

All interest income and interest expenses are recognized at amortized cost. Interest rate derivatives are recognized at fair value through profit or loss. Revaluation of electricity derivatives is recognized as other external costs. Associates are recognized using the equity method.

NOTE 10 INCOME TAX

	Group		Parent Company	
Million SEK	**2023**	**2022**	**2023**	**2022**
Tax expense				
Current tax expense	-380	-197	-1	-4
Adjustment of tax for previous year	1	-22	1	-
Deferred tax relating to temporary differences	-41	-87	-	-
Deferred tax relating to loss carry-forwards	143	-24	0	0
Deferred tax relating to IFRS 16	125	109	-	-
Total tax income/expense	**-152**	**-221**	**0**	**-4**
Connection between tax expenses for the year and reported profit before tax, million SEK				
Tax in accordance with current rate, 20.6% (20.6)	-149	-134	16	15
Adjustment of tax expense from previous year	-7	-22	1	0
Tax effect of non-deductible expenses	-23	-39	-17	-19
Tax effect of non-taxable income	20	40	0	0
Adjustment for differing tax rates	6	-7	-	-
Loss carry-forwards from previous year for which deferred tax asset not reported	-	1	-	-
Loss carry-forwards from previous year for which deferred tax asset reported	-	-51	-	-
Tax effect of changed tax rate on deferred taxes	-	-9	-	-
Total tax income/expense	**-152**	**-221**	**0**	**-4**

The current tax rate, 20.6 percent (20.6 percent), was calculated based on the tax rate applicable to the Parent Company.

In Sweden, the tax rate was reduced to 20.6 percent from January 1, 2021. Due to this change, certain deferred tax assets and deferred tax liabilities were restated depending on when temporary differences were expected to be reversed or when loss carry-forwards were expected to be utilized.

Deferred tax was reported in Other comprehensive income relating to an actuarial revaluation profit of -18 million SEK (49) and hedge accounting of -78 million SEK (65).

NOTE 11 EARNINGS PER SHARE

Before dilution Group	2023	2022
Profit/loss for the year attributable to shareholders of the Parent Company, million SEK	532	394
Average number of shares outstanding, before dilution	191,304,116	191,277,074
Earnings per share, before dilution, SEK	3.46	2.69

After dilution Group	2023	2022
Profit/loss for the year attributable to shareholders of the Parent Company, million SEK	532	394
Average number of shares outstanding, before dilution	191,304,116	191,277,074
Average number of shares outstanding, after dilution	231,016,258	232,768,903
Earnings per share, after dilution, SEK	2.86	2.21

The calculation of earnings per share before dilution is based on the profit/loss for the year attributable to shareholders of the Parent Company divided by the weighted average number of shares outstanding during the reporting period.

When calculating earnings per share after dilution, the average number of shares is adjusted to take into account the dilutive effect of share-based incentive programs offered to employees. Dilution from share-based incentive programs affects the number of shares and only occurs when the strike price is less than the share price.

The potential shares are not viewed as dilutive if they result in better earnings per share after dilution, which is the case when there is a loss for the year.

NOTE 12 INTANGIBLE ASSETS

	December 31, 2023				December 31, 2022			
Group, million SEK	Goodwill	Trademarks	Other intangible assets	Total intangible assets	Goodwill	Trademarks	Other intangible assets	Total intangible assets
Intangible fixed assets								
Opening balance	4,180	2,855	154	7,189	3,914	2,843	128	6,885
Reclassifications	-	-	-	-	-	-	84	84
Depreciation for the year	-	0	-54	-54	-	-4	-63	-67
Revaluation	-90	-37	10	-117	190	16	-	206
Exchange rate differences	-7	-	-1	-8	76	0	5	81
Closing balance	**4,083**	**2,818**	**109**	**7,010**	**4,180**	**2,855**	**154**	**7,189**

Goodwill and trademarks	Goodwill		Trademarks[1]		Total	
Million SEK	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Sweden	1,063	1,087	2,312	2,312	3,375	3,399
Norway	442	508	506	543	948	1,051
Finland	2,574	2,582	0	0	2,574	2,582
Other Europe	4	3	0	0	4	3
Total goodwill and trademarks	**4,083**	**4,180**	**2,818**	**2,855**	**6,901**	**7,035**

[1] The Scandic Hotels trademark, which has an indefinite useful life, has a residual value as at December 31, 2023 of 2,818 million SEK (2,854). The entire value is reported in Sweden.

Impairment testing

Goodwill and other intangible assets are tested for impairment annually and at any given time when indications of impairment are identified. The Group has four cash-generating units: Sweden, Norway, Finland and Other Europe, see also Note 3.

The recoverable amount for cash-generating units is determined based on calculations of value in use. These calculations are based on estimated future cash flows after tax based on a five-year period. The cash flow for 2024 is based on a budget adopted by the Board of Directors of the company and, from 2025 to 2028, on the company's long-term forecast.

From 2024 to 2028, annual average revenue growth is expected to be approximately 4 percent. Revenue forecasts are based on industry data on market development. With regard to new hotels, historic experience of the development of new and renovated hotels was used. Cost forecasts are based on industry data regarding inflation and wage trends as well as historical experience.

Market growth was estimated at 2 percent (2) per year after the forecast period of 2024 to 2028. When calculating value-in-use, a discount rate after tax and a sustained growth rate were used in accordance with the table below.

Scandic occasionally performs impairment testing of non-current assets, or more often if necessary. The impairment testing that was performed at year-end and at the end of the previous year showed no additional impairment losses for any of the segments.

If the discount rate is increased by 1.0 percentage points and the EBITDA margin decreases by 1.0 percentage points, there will be an impairment loss of approximately 500 million SEK. For the interest rate applied per country, see the table below.

	Sweden	Norway	Finland	Other Europe
Forecast period, years	5 (5)	5 (5)	5 (5)	5 (5)
WACC rate, before tax, %	14.0 (13.7)	14.2 (15.2)	13.2 (14.3)	14.7 (15.3)
Terminal growth rate, %	2 (2)	2 (2)	2 (2)	2 (2)

§ Accounting principles

Intangible assets

Goodwill

Goodwill represents the excess of the historical cost over the fair value of the Group's share of the net identifiable assets of the acquired operation on the date of acquisition. Goodwill resulting from business combinations is reported as an intangible asset. Goodwill recognized is tested annually for impairment and is reported at the acquisition value less the accumulated impairment.

Goodwill is allocated across cash-generating units when tested for impairment. The allocation is made to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

cont. Note 12

Trademarks
Acquired trademarks are recognized at historical cost less amortization and any impairment. The Scandic Hotels trademark has an indefinite useful life and is not amortized but is instead tested annually for impairment. In the acquired companies in the Scandic Group, the Scandic Hotels trademark has existed in the market since 1984 and currently forms the basis of the Group's operations. The trademark is used in all markets where the companies are established.

The Rica Hotel brand, which was acquired in April 2014, and the Cumulus brand, which was acquired in December 2017, have a finite useful life of eight years. In 2018, the amortization period of the Cumulus brand was reassessed and changed to four years, which means that the brand was fully amortized on December 31, 2023. Amortization is carried out on a straight-line basis over the estimated useful life.

Other intangible assets
Other intangible assets include customer relationships identified in connection with the acquisition of Rica Hotels and Restel Hotellit Oy. Customer relationships have a defined useful life of 10 years and are amortized on a straight-line basis over the estimated useful life.

Development costs that are directly attributable to the development of identifiable systems for operations are also capitalized as intangible assets when the following criteria are met:
- it is technically feasible to complete the software so that it will be available for use
- it is the company's intention to complete the software and to use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available
- the expenditure attributable to the software during its development can be reliably measured

Important estimates and assumptions for accounting purposes

The estimates that may have the greatest effect on the future performance and position of the Group are the assumptions made when considering the impairment of intangible assets. Every year, the Group tests goodwill and trademarks for impairment in accordance with the accounting principle described above. Recoverable amounts for cash-generating units were determined through calculation of the value-in-use. Assumptions made in this calculation are described in the table in the section Impairment testing from which it can be seen that revenue is expected to rise in coming years. Should growth be considerably weaker, an impairment loss that significantly affects the Group's performance and position may arise.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, excluding right-of-use assets

Group, million SEK	December 31, 2023			December 31, 2022		
	Land & buildings[1]	Furniture, fittings and equipment	Total property, plant and equipment	Land & buildings[1]	Furniture, fittings and equipment	Total property, plant and equipment
Opening balance	82	4,272	4,354	54	4,385	4,439
Acquisitions		535	535		635	635
Reclassification	-3	-10	-13	28	-164	-136
Retirements/ disposals		-26	-26	1	-1	0
Depreciation for the year	-2	-761	-763	-2	-761	-763
Exchange rate differences	**-2**	**-52**	**-54**	**1**	**178**	**179**
Closing balance	**75**	**3,958**	**4,033**	**82**	**4,272**	**4,354**
Right-of-use assets						
Opening balance	36,643	134	36,777	31,197	112	31,309
Adjustment of new right-of-use assets	6,032	78	6,110	5,943	26	5,969
Depreciation for the year	-2,936	-32	-2,968	-2,149	-13	-2,162
Exchange rate differences	-530	0	-530	1,652	9	1,661
Closing balance	**39,209**	**180**	**39,389**	**36,643**	**134**	**36,777**

[1] Of buildings and land, 35 million SEK (39) of the reported residual value relates to the property in Gardermoen in Oslo, Norway.

Lease-related amounts included in the income statement

Group	2023	2022
Depreciation of right-of-use assets	-2,968	-2,527
Interest expense, lease liabilities	-1,731	-1,447
Expenses related to short-term leases	-14	-19
Expenses related to leases of low-value assets	-8	-10
Variable lease expenses not included in the lease liability	-1,980	-1,792

For 2023, total cash outflow for lease agreements amounted to 4,074 million SEK (3,427).

§ Accounting principles

Property, plant and equipment
Land and buildings comprise mainly hotel buildings. Land and buildings are reported at the Group's historical cost based on an external valuation made in conjunction with the business combination less subsequent depreciation of buildings.

Buildings are subject to component depreciation, where different parts of the building are depreciated based on differing useful lives. The depreciation period for buildings is between 25 and 50 years. Land is not subject to depreciation.

Furniture, fittings and equipment are reported at the acquisition value less depreciation and impairment. The cost includes expenditure that is directly attributable to the acquisition of the asset. Assets are depreciated on a straight-line basis over the calculated useful life, which varies depending on the character of the assets. Assets consist of various types of furniture, fittings and equipment such as furniture, fixtures and fittings in hotel rooms and shared spaces, kitchen equipment and IT equipment, with varying useful lives. For this reason, several depreciation periods are used. In general, IT equipment is depreciated over three years, while other fixtures and fittings, installations and equipment are depreciated over three to 20 years.

Furniture, fittings and equipment with a useful life of less than three years are reported as expenses in the income statement.

Right-of-use assets
As of January 1, 2019, the Group applies IFRS 16 to lease agreements. This means that lease agreements are recognized as right-of-use assets and a corresponding lease liability on the date when the leased asset is available to the Group. Assets and liabilities arising out of lease agreements are initially recognized at present value. The lease liability includes the present value of future lease payments in the form of fixed fees as well as index. Lease payments that are expected to be made for reasonably certain options to extend are also included in the lease liability. The Group also has commitments for lease agreements that have been signed but where the term of the lease has not yet started. These agreements are not included in the lease liability, as the right-of-use asset is not yet available to Scandic. By the end of 2022, these obligations amounted to approximately 2 billion SEK (7) in future undiscounted lease payments. The right-of-use assets are recognized at cost and include the amount at which the lease liability was initially recognized as well as lease fees paid on or before the starting date. Lease payments are allocated between repayments of the principal and interest. Interest is recognized in the income statement over the term of the lease. The right-of-use asset is normally depreciated on a straight-line basis over the shortest of the useful life and the term of the lease. Revenue-based rents are recognized as variable rental expenses in profit or loss in the period in which the condition that triggers those payments occurs.

cont. Note 13

In all material respects, the Group's lease commitments refer to the premises at which Scandic's hotel operations are carried out. In addition, Scandic leases vehicles, machines and other equipment. In most lease agreements for premises, the majority of the rental cost is dependent on the revenue from the leased premises. Scandic has three different types of lease agreements: those that comprise only fixed rental fees, those that comprise a combination of fixed fees and revenue-based rent and finally, those where the rent is fully revenue-based.

The Group is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are discounted using the interest rate implicit in the lease agreement. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate should be used. The marginal interest rate is calculated based on how the underlying asset, the building, could be financed over the corresponding term of the lease contracts, through an estimated market-based allocation between senior and junior loans. For a maturity analysis of Scandic's lease liabilities, see Note 20.

Scandic has lease agreements in all countries where the Group operates, and the same discount rate has been used for portfolios of agreements that are in the same country. Lease agreements of low-value assets (less than 50,000 SEK) and lease agreements with a term of less than 12 months are not included in the lease liability but are expensed on a straight-line basis over the term of the lease. Direct acquisition expenses in the valuation of right-of-use assets have also been excluded. See also Note 20B for a maturity analysis of lease liabilities.

In 2023, Scandic has not received any state aid in the form of rent concessions (46 million SEK). in state aid in the form of rent concessions. These were recognized as a cost reduction when there was reasonable assurance that the conditions associated with the aid would be met.

! Important estimates and assumptions

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably.

All other forms of maintenance of property, plant and equipment are reported as expenses in the income statement.

If there is an impairment loss, property, plant and equipment are written down to the lowest of the recoverable amount and the reported value.

NOTE 14 INTERESTS IN ASSOCIATES

Group, million SEK	Share Dec 31, 2023	Share Dec 31, 2022	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Gress-Gruppen AS	33%	33%	10	11
Aulangon Kylpylä Oy	25%	25%	10	10
Rukan Kokouskeskus Oy	33%	33%	2	2
Total			**22**	**23**

Gress-Gruppen AS is one of Norway's largest purchasing companies in which Scandic and the other owners and paying members combine their purchasing volumes. The purpose of the ownership is to ensure efficient purchasing and achieve the best possible commercial terms from suppliers.

Aulangon Kylpylä Oy and Rukan Kokouskeskus Oy were included in the Restel acquisition made by the Group at the end of 2017. Both companies are cooperating regarding spa and conference facilities at two hotels in Finland.

Changes during the year, million SEK	December 31, 2023	December 31, 2022
Amortized cost, opening balance	23	21
Increase through acquisitions	-	-
Share of profits/dividends during year	-	-
Disposals	-	-
Exchange rate differences	-1	2
Amortized cost, closing balance	**22**	**23**

§ Accounting principles

Investments in associates

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the company's financial and operating strategy decisions but does not entail direct or indirect control of such strategic decisions. There is generally significant influence if the company holds shares or participations ranging from 20 to 50 percent of the voting rights.

The share of profits from associates represents the company's share in profit or loss (after tax) from these associates and is recognized directly in the income statement. Transactions and balances with associates were immaterial in 2023 and 2022.

NOTE 15 INVENTORIES

The Group's inventories consist entirely of raw materials, mainly for restaurant operations.

§ Accounting principles

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost is determined using the first in, first out (FIFO) principle.

NOTE 16 TRADE RECEIVABLES

Trade receivables, gross values, million SEK	December 31, 2023	December 31, 2022
Total trade receivables	614	800
Less provisions for credit losses	-13	-24
Trade receivables, book value	**601**	**776**

Change in provision for credit losses	December 31, 2023	December 31, 2022
January 1	-24	-15
Provision for doubtful trade receivables	-5	-12
Receivables written off during the year as uncollectable	3	1
Reversed unutilized amount	13	2
December 31	**-13**	**-24**

Age analysis, million SEK	December 31, 2023	December 31, 2022
Current receivables	349	537
Receivables, 1–30 days past due	173	160
Receivables, 31–60 days past due	30	45
Receivables, 61–90 days past due	13	23
Receivables, 91–120 days past due	36	31
Receivables, more than 120 days past due	13	4
Trade receivables, book value	**614**	**800**

§ Accounting principles

Loan receivables and trade receivables

The Group's loan receivables and trade receivables are recognized in accordance with IFRS 9 in the category Financial assets at amortized cost.

Financial assets should meet the following criteria to be measured at amortized cost:
- the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and
- the contractual terms for the financial asset give rise to cash flows at specific times that are solely payments of principal and interest on the outstanding principal.

Financial assets are not reclassified after initial recognition, except if the Group changes the business model for the management of the financial assets.

These receivables should be valued at amortized cost using the effective interest method, but as trade receivables have very short durations and the interest effects are very small, the reported value of the Group is not deemed to diverge materially from the fair value. Loan receivables are subject to variable interest, so the fair value is also not considered to diverge materially from the recognized value. Loan receivables and trade receivables are therefore recognized at cost less any credit loss provisions.

cont. Note 16

Important estimates and assumptions

According to IFRS 9, the provision for credit losses on doubtful trade receivables should be calculated based on an impairment model for expected future credit losses. According to this model, expected changes in the customers' markets should also be considered. Since the majority of Scandic's sales are paid at booking or when staying at the hotel, the part that is invoiced is very small.

The Group applies the simplified method for trade receivable provisions. This means that a provision is made in the amount of the expected credit losses for the remaining term.

The provision amount is reported in the income statement. An impairment loss for trade receivables is recognized when there is objective evidence that the Group will not be able to recover all of the amounts due in accordance with the original terms and conditions of the t rade receivables.

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
Distribution by type of cost Million SEK	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Prepaid rent	181	-121	-	-
Other prepaid expenses	355	324	-	-
Accrued income	9	26	-	-
Total	**545**	**229**	**0**	**0**

NOTE 18 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
Million SEK	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Cash at bank and in hand	1,344	317	0	0
Total cash and cash equivalents	**1,344**	**317**	**0**	**0**

The Parent Company does not have any bank balances as all excess liquidity is used to amortize long-term loans.

Accounting principles

Cash and cash equivalents include cash, bank balances and other current investments with a due date within three months of the time of acquisition.

NOTE 19 SHARE CAPITAL

	Ordinary shares	Total number of outstanding shares	Share capital, SEK	Quota value, SEK
Number of shares on December 31, 2022	**191,304,116**	**191,304,116**	**47,796,175**	**0.25**
Number of shares on December 31, 2023	**191,304,116**	**191,304,116**	**47,796,175**	**0.25**

NOTE 20A BORROWINGS

Changes during the year, million SEK	Liabilities to credit institu-tions	Convert-ible loan	Deferred payments to tax agency[3]	Lease liabilities	Total bor-rowings
Opening balance, Jan 1, 2023	**1,107**	**1,484**	**635**	**40,330**	**43,556**
Borrowings	300	-	245	-	545
Capitalization of transaction costs[1]	-29	-	-	-	-29
Transaction costs expensed during the year[2]	31	-	-	-	31
Repayments	-300	-538	-122	-2,328	-3,288
Activated interest expense	-	163	-	-	163
Changes in overdraft facilities	-129	-	-	-	-129
New financial liabilities according to IFRS 16, net	-	-	-	6,030	6,030
Exchange rate differences	0	-	-	-546	-546
Closing balance, Dec 31, 2023	**980**	**1,109**	**758**	**43,485**	**46,332**

Changes during the year, million SEK	Liabilities to credit institu-tions	Convert-ible loan	Deferred payments to tax agency[3]	Lease liabilities	Total bor-rowings
Opening balance, Jan 1, 2022	**3,269**	**1,333**	**0**	**34,249**	**38,851**
Borrowings	850	0	675	-	1,525
Capitalization of transaction costs[1]	-5	-	-	-	-5
Transaction costs expensed during the year[2]	17	-	-	-	17
Repayments	-3,202	-2	-40	-1,976	-5,220
Activated interest expense	-	153	-	-	153
Changes in overdraft facilities	129	-	-	-	129
New financial liabilities according to IFRS 16, net	-	-	-	6,190	6,190
Exchange rate differences	49	-	-	1,867	1,916
Closing balance, Dec 31, 2022	**1,107**	**1,484**	**635**	**40,330**	**43,556**

1) Refers to transaction costs for the renegotiation of credit facilities during the year, which have been capitalized.
2) Refers to transaction costs for earlier financing that were expensed during the year and resolution of capitalized costs.
3) During 2022, a debt relating to deferred payments for VAT and social security contributions was reclassified from working capital to interest-bearing debt.

In February 2023, the loan terms were renegotiated. The Group's external loans refer to a facility of 3,450 million SEK, which expires on December 31, 2025 and comprises a fixed loan of 1,000 million SEK and a revolving part of 2,450 million SEK. The interest rate payable is STIBOR or corresponding plus a margin of 4.00 to 4.75 percent. For all loans, the margin within the range is dependent on the company's indebtedness. The terms and conditions of the loan stipulate that the following covenants must fall within certain limits: available liquidity, interest coverage ratio and debt/equity ratio. The Board of Directors closely monitors the company's financial position with respect to the fulfillment of the terms and conditions of the loans.

During 2021, a convertible loan of 1,800 million SEK (nominal amount) was taken out, which is due during 2024. In 2023, 590 million SEK worth of convertible bonds was repurchased. At the end of the year, the outstanding nominal amount was 1,208 million SEK.

The lease liability consists of future rent payments that are discounted to the present value and recognized as a lease liability. See also Note 12.

Accounting principles

Borrowings

Borrowings are financial liabilities that are initially reported at fair value, net of transaction costs. Borrowings are subsequently reported at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as liabilities to credit institutions, the debt component of the convertible loan and as leases in the balance sheet. Borrowings are classified as current liabilities unless the Group has an uncondicont. Note 20A

tional right to defer settlement of the liability for at least 12 months after the reporting date.
As of January 1, 2019, the Group applies IFRS 16 to lease agreements, which means that most former operating leases are recognized as lease liabilities. The implicit interest rate of the lessee as at January 1, 2022 was used for the calculation. The Group's incremental borrowing rate applied to these lease liabilities as of January 1, 2022 was between 7.43 and 11.23 percent. See Note 1 for the Group's weighted average incremental borrowing rate for discounting as at January 1, 2023.

NOTE 20B FINANCIAL RISK MANAGEMENT

Market risk – foreign exchange

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Risk management

Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The operations of the Scandic Group companies are mainly local, with revenues and expenses denominated in domestic currencies, and intra-Group sales are low. This means that the exchange rate exposure related to transactions is limited. According to the Group's Finance Policy, which requires Group companies to manage their foreign exchange risk against their functional currency, the Group companies shall hedge their foreign exchange risk in major future business transactions via Group Finance. To manage the foreign exchange risk arising from future business transactions, the Group companies use forward contracts signed with Group Finance. Exchange rate effects in the Group arise from the translation of foreign subsidiaries' financial statements into SEK. Of the Group's sales during the year, 30 percent (31) were in SEK, 28 percent (31) were in NOK and 42 percent (37) were in EUR and other currencies.

Borrowings are in SEK, EUR and NOK. The currency exposure arising from internal loans to the Group's foreign operations is reduced by borrowing in the corresponding currencies, which is referred to as a natural hedge.

The Group's borrowings broken down by currency are shown in the table below. The Board of Directors has resolved that other currency risks for assets and liabilities should not be hedged.

	December 31, 2023	December 31, 2022
Interest-bearing borrowings by currency		
SEK, %	100%	100%
EUR, %	0%	0%
NOK, %	0%	0%

Sensitivity analysis

The book value of liabilities to credit institutions is exposed to currency risk for the part where the borrowing is in a foreign currency. The sensitivity analysis below presents how changes in relevant foreign currencies affect the book value of liabilities to credit institutions as well as net debt.

Sensitivity analysis for currencies as at Dec 31, 2023	Change, %	Effect on net debt 2023, million SEK	Effect on net debt 2022, million SEK
Exposure of liabilities to credit institutions at a change in:			
NOK/SEK	+/- 1	+/- 0	+/- 0
EUR/SEK	+/- 1	+/- 0	+/- 0

Market risk – interest rate

Interest rate risk arises from changes in market interest rates that can have a negative effect on the Group's revenue, cash flow and interest-bearing assets and liabilities.

Risk management

As the Group has no significant interest-bearing assets, the Group's revenues and cash flows from operating activities are essentially independent of changes in market interest rates. The Group's interest rate risk arises from long-term interest-bearing borrowings. Loans issued with variable interest expose the Group to interest rate risk related to cash flow. Loans issued with fixed interest expose the Group to interest rate risk related to the fair value. The Group's Finance Policy stipulates that 25 to 75 percent of Scandic's loans must be taken at fixed interest rates. Any deviations from the policy must be approved by the Board of Directors or be based on mandatory requirements in the loan documents. When needed, the Group uses interest rate swaps or interest rate caps (interest-rate options) to achieve this. The Group's borrowings on the reporting date are shown below.

The Group normally takes out long-term loans at variable interest rates and hedges the interest rate risk using interest rate swaps and interest rate caps. In 2023, the Group hedged its interest rate risk using an interest rate cap that expired on December 29, 2023. In December 2023, interest hedging was established in accordance with the financial policy for 2024 and 2025.

	December 31, 2023	December 31, 2022
Interest-bearing borrowings by fixed and variable interest		
Fixed interest, %	0%	0%
Variable interest, %	100%	100%

All external interest-bearing borrowings with variable interest have been hedged with an interest rate cap.

Credit risk

Credit risk refers to the risk that counterparties cannot fulfill their obligations. Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and agreed transactions.

Risk management

Credit risk is managed on the Group level. Only banks and financial institutions that have received an independent minimum credit rating of A-1 are accepted. All banks and financial institutions that Scandic works with meet the rating requirement. In cases where no independent credit rating is available, a risk assessment of the customer's creditworthiness is carried out based on the customer's financial position, previous experience and other factors. The use of credit limits is followed up regularly. Sales in Scandic's operations are settled in cash, by credit card or by invoicing. Provisions for bad debt loss as at December 31, 2023 amounted to 13 million SEK (24), see also Note 16.

Maturity analysis for financial liabilities

Group, million SEK	< 1 year	1–3 years	3–5 years	> 5 years
As at Dec 31, 2023				
Liabilities to credit institutions[1]	80	1,080	-	-
Convertible loan	1,208	-	-	-
Deferred payments to the tax agency[2]	587	127	44	-
Derivative instruments[3]	7	-	-	-
Trade payables and other liabilities	1,112	-	-	-

Group, million SEK	< 1 year	1–3 years	3–5 years	> 5 years
As at Dec 31, 2022				
Liabilities to credit institutions[1]	65	1,107	-	-
Convertible loan	-	1,484	-	-
Deferred payments to the tax agency	132	474	29	-
Trade payables and other liabilities	985	-	-	-

1) Liabilities to credit institutions includes future cash flows related to liabilities such as future interest payments.
2) The repayment plan has not yet been determined for 421 million SEK of the total 587 million SEK.
3) Market value as at December 31.

Maturity analysis of lease liabilities according to IFRS 16

Group, million SEK	December 31, 2023	December 31, 2022
Years 1–3	8,498	7,432
Years 3–5	8,102	7,167
Years 5–10	17,562	15,396
Years 10–15	12,642	11,399
Years >15	10,618	10,150
Total payments	**57,422**	**51,544**
Effect of discounted amounts	-16,381	-13,482
Total liabilities according to balance sheet	**41,041**	**38,062**
Classification:		
Non-current liabilities	41,041	38,062
Current liabilities	2,444	2,268

The above maturity analysis includes agreed undiscounted cash flows.

cont. Note 20B

Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient liquidity to pay its debts and meet its commitments.

Risk management

Liquidity risk is managed by maintaining within the Group sufficient cash and cash equivalents and short-term investments with a liquid market, available financing through agreed credit facilities and the ability to close market positions. The Group's liquidity in the form of cash and cash equivalents and short-term investments is monitored and forecast on a daily basis by Group Finance. The Group's liquidity reserve was 3,518 million SEK (2,812) on December 31, 2023.

Sensitivity analysis for interest-rate hedges as at Dec 31, 2023	Change, %	Effect on profit or loss, million SEK
Interest expense at the current fixed interest rate in the event of change in interest rates	+/- 1	+/- 18
Interest expense in the event of a change in the average interest rate level	+/- 1	+/- 12

According to Scandic's Finance policy, 25-75 percent of the interest rate exposure should be hedged. Scandic hedges the current interest rate exposure with interest rate options and interest rate swaps. An interest rate cap either has zero value or a positive value. If the variable market rate rises, the theoretical surplus value of the financial instrument will grow. Hedge accounting is applied, and interest rate hedges are recognized at fair value in Other comprehensive income and the change in value, which does not impact cash flow, is recognized in profit or loss for the year. The sensitivity analysis is based on net debt. During the year, the interest rate hedges have been rearranged to reflect the new debt ratio.

Electricity derivatives

Since July 1, 2018, the Group has used cash flow hedging to hedge against fluctuations in electricity prices. The electricity derivatives used by the Group have been identified as cash flow hedges. The relationship between the hedge instrument and the hedged risk is documented when the cash flow hedge is set up. Effectiveness testing is carried out at the starting point of the hedge and further on a monthly basis during the term of the cash flow hedge. The effective part of the value change in the derivatives, which meets the requirements for cash flow hedging, is recognized in Other comprehensive income. The ineffective part of the value change in the derivatives is recognized directly in Other external costs. The effective part of the hedge is recognized in Other external costs when the hedged item affects profit or loss. In 2023, the ineffective part of the value change for electricity derivatives amounted to +3 million SEK (+2).

NOTE 20C CAPITAL RISK MANAGEMENT

The Group's goal for capital structure is to safeguard the Group's ability to maintain its operations so that it can continue to generate returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to keep capital costs down.

The Group's managed capital is made up of shareholders' equity. To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities.

Just like other companies in the industry, the Group evaluates its capital based on the debt/equity ratio. This key ratio is calculated as interest-bearing net debt divided by equity. Interest-bearing net debt is calculated as liabilities to credit institutions and commercial papers less cash and cash equivalents.

Group, million SEK	December 31, 2023	December 31, 2022
Total borrowings	46,332	42,921
Less: leases	-43,485	-40,330
Less: convertible loan	-1,109	-1,484
Less: cash and cash equivalents	-1,344	-317
Interest-bearing net liabilities	394	790
Total equity	2,166	2,274
Debt/equity ratio	0.2 x	0.4 x

	December 31, 2023		December 31, 2022	
Maturity dates, million SEK	Liabilities to credit institutions	Convertible loan	Liabilities to credit institutions	Convertible loan
Liabilities due for payment				
– within 1 year	-	1,109	-	-
– between 1 and 5 years	980	-	1,107	1,484
– in more than 5 years	-	-	-	-
Total	**980**	**1,109**	**1,107**	**1,484**

Revolving credit facility, million SEK	December 31, 2023	December 31, 2022
Amount utilized	76	205
Amount not utilized	2,374	2,495
Total revolving credit facility	**2,450**	**2,700**

NOTE 21 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions and similar obligations refer in their entirety to defined benefit pension plans in which the employees have the right to benefits after their employment ends and where the level of benefits is based on final salary and length of service. Provision for such plans has been made for FPG/PRI occupational pensions in Sweden. In other countries, defined contribution pension plans have been adopted. The defined benefit plan in Sweden provides the employees that are covered by the pension plan with a guaranteed level of pension payments during their lifetime. The defined benefit plan is adjusted according to a long-term inflation target of 2 percent which corresponds to assumptions about inflation from the Swedish Central Bank. Since January 1, 2021, the earning of new premiums has been via Alecta rather than PRI.

Defined benefit pension plans

Calculation of provision, million SEK	December 31, 2023	December 31, 2022
Present value of obligations	653	545
Fair value of plan assets	-	-
Total provision for defined benefit pension plans	**653**	**545**

Changes in provision during the year, million SEK	December 31, 2023	December 31, 2022
Net liability, opening balance	545	832
Revaluations of net pension obligation reported in Other comprehensive income[1]	124	-296
Net expense reported in the income statement	-12	-4
Pensions paid	-8	-7
Change in special employer contribution	4	21
Net liability, closing balance[2]	**653**	**545**

1) In 2023, items reported in Other comprehensive income consist of an actuarial loss of -97 million SEK (368) due to changes in financial assumptions, a loss of -29 million SEK (-77) from experience-based adjustments and profit of 2 million SEK (5) from changes in demographic assumptions.

2) The weighted average duration of pension obligations is 20 years (20).

cont. Note 21

Important estimates and assumptions

Important actuarial assumptions, %	December 31, 2023	December 31, 2022
Discount rate	3.30	4.00
Future annual salary increases[1)]	0.00	0.00
Future annual pension increases (inflation)	2.00	2.00
Employee turnover[1)]	0.00	0.00

1) Since the benefits are financed through earnings through insurance with Alecta, this assumption is not used.

Sensitivity analysis in actuarial assumptions	Change	Increase, %	Decrease, %
Discount rate	+/- 0.5%	12.3 (12.2)	-10.8 (-10.7)
Future annual pension increases (inflation)	+/- 0.5%	-10.9 (-10.9)	12.34 (12.3)
Life expectancy	+/- 1 year	-4.0 (-3.7)	4.0 (3.7)

The above sensitivity analysis is based on a change in an assumption while keeping all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The above table shows the effect as a percentage on the pension liability when such changes in the actuarial assumptions are made. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognized in the balance sheet. The methods and assumptions used in preparing the sensitivity analysis are unchanged compared with the previous year.

Pension costs for defined benefit and defined contribution pension plans

Million SEK	December 31, 2023	December 31, 2022
Current service cost, defined benefit pension plans	0	0
Current service cost, defined contribution pension plans	-508	-371
Total pension expenses included in staff costs	**-508**	**-371**
Interest expenses for defined benefit pension plans	-20	-13
Latent payroll tax adjustment item, operating expense	9	19
Interest related to latent payroll tax	-1	-2
Total expenses in the income statement	**-520**	**-367**

Payments for the coming year are expected to be at the same level as this year.

Multi-employer plans

The company has insured the ITP plan through insurance from the insurance company Alecta. Although this plan is classified as a defined benefit plan, it is not possible to obtain sufficient information from Alecta to report it as a defined benefit plan. Information on the allocation between employers is missing; instead, all earnings are allocated to the most recent employer. A breakdown of Alecta's assets and provisions by individual is not possible, which means that these plans are recognized as defined contribution plans. Collective consolidation is the buffer of Alecta's insurance commitments against fluctuations in investment returns and insurance risks, and it is calculated as the difference between assets and insurance commitments to those insured. The consolidation level is calculated as Alecta's assets as a percentage of the insurance commitments. Alecta's consolidation level varies between 125 and 175 percent. In 2022, the consolidation level was 172 percent (172 percent). Contributions to the plan that are payable in 2023 are estimated to be 36 million SEK (32).

Accounting principles

Pension commitments

Group companies operate various pension plans. These are usually financed through payments to insurance companies or managed funds where the payments are determined according to actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans are characterized by the fact that they define the amount the employee will receive in pension benefits on retirement, usually dependent on one or more factors such as age, years of service and salary. Within the Group, defined benefit plans exist only in Sweden.

For defined contribution pension plans, the Group pays fees to publicly or privately managed pension insurance schemes on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the fees are paid. The fees are reported as staff costs during the period to which they relate.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation on the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. The calculation uses interest rates of mortgage bonds that are denominated in the same currency that the benefits will be paid in and that have maturities comparable with the terms of the related pension obligation.

Actuarial gains and losses that arise from experience-based adjustments and changes in actuarial assumptions are reported in Other comprehensive income during the period in which they arise.

Past service costs are recognized directly in the income statement.

NOTE 22 OTHER PROVISIONS

Changes in other provisions during the year, million SEK	December 31, 2023 Provision for loyalty program	December 31, 2023 Other provisions	December 31, 2023 Total other provisions	December 31, 2022 Provision for loyalty program	December 31, 2022 Other provisions	December 31, 2022 Total other provisions
Opening balance	**206**	**0**	**206**	**167**	**0**	**167**
Change through income statement	-	-	-	-	-	-
Transfer to current liabilities	43	0	43	39	0	39
Closing balance	**249**	**0**	**249**	**206**	**0**	**206**

Scandic has a loyalty program, Scandic Friends, in which members earn points for overnight stays that can then be used for free overnight stays. This loyalty program is covered by the rules in IFRS 15. The liability is valued at the market value of the anticipated free-night usage.

In measuring the liability for the loyalty program, the first step is to calculate the number of free nights expected to be used based on the level of utilization and estimated points withdrawal per free night, based on the outstanding balance of points on the reporting date. The anticipated utilization of free nights is then multiplied by the average market price of such free nights.

The part of the liability that is expected to be utilized after more than one year is reported under Other provisions above, while the part that is expected to be utilized within one year is recognized under Accrued expenses and deferred income (see Note 24). The total liability for the loyalty program and its allocation between current and non-current liabilities is shown in the table below. The provision is expected to be utilized within three years.

Total liability in respect of loyalty program	December 31, 2023 Non-current provision	December 31, 2023 Current liability	December 31, 2023 Total liability in respect of loyalty program	December 31, 2022 Non-current provision	December 31, 2022 Current liability	December 31, 2022 Total liability in respect of loyalty program
Opening balance	**206**	**137**	**343**	**167**	**111**	**278**
Change through income statement	-	-	-	-	-	-
Transfer to current liabilities	43	29	72	39	26	65
Closing balance	**249**	**166**	**415**	**206**	**137**	**343**

The assessed market value of free overnight stays used during the year amounted to 415 million SEK (296). For the current liability, see Note 24.

Accounting principles

Provisions

Provisions for environmental restoration measures, restructuring costs and legal claims are reported when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are valued based on the best possible estimate of the expenditure required to resolve the obligation in question on the reporting date. Provisions for restructuring include costs for terminating lease agreements and severance pay. Provisions are not recognized for future operating losses.

Important estimates and assumptions

Reporting of provisions for loyalty programs for customers

In accordance with IFRS 15, provisions for loyalty programs for customers are reported as a reduction in revenue in conjunction with earning the right to future use. The reserve outstanding at any time is divided into a long-term portion, which is reported under Other provisions, and a short-term portion, which is reported under Accrued expenses and deferred income.

NOTE 23 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are reported net when there is a legally enforceable right to offset the recognized tax assets and liabilities and when the deferred taxes are expected to be settled at the same time.

	Group					
	December 31, 2023					
Distribution of deferred tax items by underlying balance sheet items and their changes during the year, million SEK	**Pensions**	**Derivative instruments**	**Elimination of goodwill on acquired assets**	**Loss carry-forwards**	**Net of right-of-use assets & lease liability**	**Total deferred tax assets**
Deferred tax assets						
Opening balance, Jan 1, 2023	42	-14	4	621	770	1,422
Reported in income statement	-8	0	0	-105	122	9
Reclassification	-17	-	-	-2	17	-2
Tax attributable to items in Other comprehensive income	22	9	-	0	1	32
Exchange rate differences	-	-	0	-1	-15	-16
Closing balance, Dec 31, 2023	**38**	**-5**	**4**	**513**	**895**	**1,445**
– of which receivables expected to be utilized within 12 months						

	Intangible assets	**Land & buildings**	**Untaxed reserves**	**Accelerated amortization & depreciation**	**Hedge accounting**	**Total deferred tax liabilities**
Deferred tax liabilities						
Opening balance, Jan 1, 2023	-745	-30	-24	-5	-64	-868
Reported in income statement	-18	0	19	0	1	2
Reclassifications	-3	-	5	-	-	2
Tax attributable to items in Other comprehensive income	-	-	-	-	69	69
Closing balance, Dec 31, 2023	**-766**	**-30**	**0**	**-5**	**6**	**-795**
– of which liabilities expected to be paid within 12 months						

	Deferred tax assets, net
Deferred tax assets, net	
Opening balance, Jan 1, 2023	554
Reported in income statement	11
Tax attributable to items in Other comprehensive income	101
Exchange rate differences	-16
Closing balance, Dec 31, 2023	**650**

cont. Note 23

Distribution of deferred tax items by underlying balance sheet items and their changes during the year, million SEK	Group December 31, 2022 Pensions	Derivative instruments	Elimination of goodwill on acquired assets	Loss carry-forwards	Net of right-of-use assets & lease liability	Total deferred tax assets
Deferred tax assets						
Opening balance, Jan 1, 2022	104	-1	4	746	650	1,504
Reported in income statement	-1	1	0	-135	95	-40
Tax attributable to items in Other comprehensive income	-61	-14	-	0	-6	-81
Exchange rate differences	-	-	0	9	31	40
Closing balance, Dec 31, 2022	**42**	**-14**	**4**	**621**	**770**	**1,422**
– of which receivables expected to be utilized within 12 months	-	-	-	-	-	0

	Intangible assets	Land & buildings	Untaxed reserves	Accelerated amortization & depreciation	Hedge accounting	Total deferred tax liabilities
Deferred tax liabilities						
Opening balance, Jan 1, 2022	-748	-10	-23	-5	-13	-799
Reported in income statement	0	-20	0	-	0	-20
Tax attributable to items in Other comprehensive income	-	-	-	-	-51	-51
Exchange rate differences	3	0	-1	0	-	2
Closing balance, Dec 31, 2022	**-745**	**-30**	**-24**	**-5**	**-64**	**-868**
– of which liabilities expected to be paid within 12 months	-	-	-	-	-	0

	Deferred tax assets, net
Deferred tax assets, net	
Opening balance, Jan 1, 2022	705
Reported in income statement	-60
Tax attributable to items in Other comprehensive income	-132
Exchange rate differences	42
Closing balance, Dec 31, 2022	**555**

Loss carry-forwards

The Group has reported loss carry-forwards of 3,070 million SEK (3,602) mainly in Finland, Sweden and Denmark. These loss carry-forwards can be utilized against future taxable surpluses. Recorded deferred tax assets related to reported loss carry-forwards amounted to 621 million SEK (746). The Group has assessed that it will be possible to offset these loss carry-forwards in the future, based on the forecasts of the Group for coming years. For 2023, non-recorded deficiencies totaled 0 million SEK (96). None of the loss carry-forwards are limited in time.

§ Accounting principles

Deferred income tax

Deferred income tax is reported using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their reported amounts in the consolidated accounts. However, deferred tax is not reported if it arises as a result of a transaction that constitutes the first reporting of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect either accounting profit or taxable profit. Deferred tax is also not recognized on the first reporting of goodwill. Deferred income tax is determined using the tax rates (and laws) that have entered into force or been announced on the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are reported to the extent it is probable that future tax surpluses will be available against which the temporary differences can be offset. The Group accounts net for deferred tax assets and deferred tax liabilities in the balance sheet if there is a legal right to offset.

The Parent company and its wholly-owned Swedish subsidiaries can offset deferred tax assets and liabilities for these entities through Group contributions in the consolidated financial statements.

NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

Distribution by type of expense, million SEK	Group December 31, 2023	Group December 31, 2022	Parent Company December 31, 2023	Parent Company December 31, 2022
Accrued rental costs	591	840	-	-
Accrued staff costs	1,127	1,029	38	30
Accrued interest expenses, leases	140	126	-	-
Accrued interest expenses, other	62	18	5	1
Deferred income, current portion of loyalty program	166	137	-	-
Deferred income, bonus checks[1]	23	24	-	-
Other items	420	371	0	0
Total	**2,529**	**2,545**	**43**	**31**

[1] Bonus checks are a payment method permitting discounted stays at all Scandic hotels. Bonus checks have a limited period of validity. When bonus check booklets are sold, a liability is recorded. The liability is liquidated when the checks are utilized or when it is deemed that the customer is no longer able to utilize or redeem the bonus check.

NOTE 25 ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

Adjustment for items not included in cash flow, million SEK	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Amortization, depreciation and impairment	3,812	3,372	-	-
Change in accrued expenses/income and provisions	98	28	-	-
Total	**3,910**	**3,400**	**0**	**0**

§ Accounting principles

The cash flow analysis has been prepared in accordance with the indirect method. The cash flow reported includes only transactions that involve payments made or received.

In addition to cash on hand and bank balances, short-term financial investments that are exposed only to an insignificant risk of value fluctuations and have a remaining maturity of less than three months from the acquisition date are classified as cash.

NOTE 26 STATEMENT OF CASH FLOWS

Million SEK	Opening balance, Jan 1, 2023	Cash flows from financing activities	Non-cash items 2023: Transaction costs	Exchange rate difference	Interest expense	New financial liabilities under IFRS 16, net	Closing balance, Dec 31, 2023
Liabilities to credit institutions	1,107	-291	1	0	163	-	980
Convertible loan	1,484	-375	-	-	-	-	1,109
Lease liabilities	40,330	-1,734	-	-546	-	5,434	43,485
Accrued interest expenses, leases	126	0	-	-2	15	-	139
Accrued interest expenses, other	17	100	-	-	-57	-	61
Subtotal	**43,065**	**-2,300**	**1**	**-548**	**122**	**5,434**	**45,774**
Cash and cash equivalents	-317	-1,031	-	5	-	-	-1,344
Total	**42,747**	**-3,331**	**1**	**-543**	**122**	**5,434**	**44,430**

Million SEK	Opening balance, Jan 1, 2022	Cash flows from financing activities	Non-cash items 2022: Transaction costs	Exchange rate difference	Interest expense	New financial liabilities under IFRS 16, net	Closing balance, Dec 31, 2022
Liabilities to credit institutions	3,269	-2,374	12	0	201	-	1,107
Convertible loan	1,333	151	-	-	-	-	1,484
Lease liabilities	34,249	-1,976	-	1,867	-	6,190	40,330
Accrued interest expenses, leases	110	0	-	6	10	-	126
Accrued interest expenses, other	10	-137	-	-	145	-	17
Subtotal	**38,971**	**-4,336**	**12**	**1,873**	**355**	**6,190**	**43,065**
Cash and cash equivalents	-216	-125	-	24	-	-	-317
Total	**38,755**	**-4,461**	**12**	**1,896**	**355**	**6,190**	**42,747**

The table above shows the changes in non-current liabilities affecting cash flow analysis.

NOTE 27 PARTICIPATIONS IN GROUP COMPANIES

Changes during the year Million SEK	Parent Company December 31, 2023	Parent Company December 31, 2022
Amortized cost, opening balance	8,415	8,415
Shareholders' contribution provided	-	-
Amortized cost, closing balance	**8,415**	**8,415**

Holdings on the reporting date	Corporate identity number	Registered address	December 31, 2023 Proportion of equity	December 31, 2022 Proportion of equity	December 31, 2023 Carrying amount	December 31, 2022 Carrying amount
Scandic Hotels Holding AB	**556723-5725**	**Stockholm, Sweden**	**100%**	**100%**	**8,415**	**8,415**
Scandic Hotels AB	556299-1009	Stockholm, Sweden	100%	100%	-	-
Scandic Polen Sp.z o. o.	288532	Gdansk, Poland	100%	100%	-	-
Scandic Hotels AS	953,149,117	Oslo, Norway	100%	100%	-	-
Scandic Hotels Gardermoen AS	880,289,772	Gardermoen, Norway	50%	50%	-	-
Scandic Hotel A/S	12 59 67 74	Copenhagen, Denmark	100%	100%	-	-
Scandic Hotels Deutschland GmbH	HRB 146065 B	Berlin, Germany	100%	100%	-	-
Scandic Hotels Oy	1447914-7	Helsinki, Finland	100%	100%	-	-
Total					**8,415**	**8,415**

NOTE 28 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Million SEK	Group December 31, 2023	Group December 31, 2022	Parent Company December 31, 2023	Parent Company December 31, 2022
Assets pledged as security				
Shares in subsidiaries	11,002	12,592	8,415	8,415
Total assets pledged as security	**11,002**	**12,592**	**8,415**	**8,415**
Contingent liabilities				
Guarantee commitments, FPG/PRI	9	8	-	-
Bank guarantees	75	66	68	68
Travel guarantees	3	2	0	0
Loans pledged as security in subsidiaries	2,468	2,259	1,623	1,406
Total contingent liabilities	**2,555**	**2,335**	**1,690**	**1,473**

Loans in subsidiaries are pledged in accordance with the current external loan agreements.

No material liabilities are expected to arise due to the reported contingent liabilities. Scandic is involved in a few commercial disputes. None of these disputes is deemed to have any major negative impact on the company's financial position or profit/loss. No contingent assets have been identified within the Group.

NOTE 29 FINANCIAL ASSETS AND LIABILITIES

Dec 31, 2023, million SEK	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through Other comprehensive income	Total reported value
Financial investments	-	7	-	7
Derivatives – interest rate swaps	-	22	-	22
Trade receivables	601	-	-	601
Cash and cash equivalents	1,344	-	-	1,344
Total financial assets	**1,945**	**29**	**-**	**1,974**
Liabilities to credit institutions	980	-	-	980
Convertible loan	1,109	-	-	1,109
Trade payables	1,112	-	-	1,112
Derivatives – electricity derivatives	-	29	-	29
Total financial liabilities	**3,201**	**29**	**0**	**3,230**

Dec 31, 2022, million SEK	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through Other comprehensive income	Total reported value
Financial investments	-	7	-	7
Derivatives – electricity derivatives	-	317	-	317
Derivatives – interest rate swaps	-	68	-	68
Trade receivables	776	-	-	776
Cash and cash equivalents	317	-	-	317
Total financial assets	**1,093**	**392**	**-**	**1,485**
Liabilities to credit institutions	1,107	-	-	1,107
Convertible loan	1,484	-	-	1,484
Trade payables	985	-	-	985
Other current liabilities – share swap	-	-	-41	-41
Total financial liabilities	**3,576**	**-**	**-41**	**3,535**

The Group has entered into a share swap agreement related to the Long-Term Incentive Program, see Note 5.
The fair value of other financial assets and liabilities is not considered to diverge materially from the carrying value. See Note 14.

Fair value measurement:

The table below shows the fair value of financial instruments based on their classification in the fair value hierarchy. The different levels are defined as follows:
Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Observable data regarding the asset or liability other than those included in Level 1, either directly or indirectly.
Level 3: Data regarding the asset or liability that are not based on observable market data.

For liabilities to credit institutions and liabilities for commercial papers, the book value is the same as the fair value. Financial assets and liabilities valued at fair value refer to electricity derivatives and interest rate swaps.

Dec 31, 2023, million SEK	Level 1	Level 2	Level 3	Total
Derivative instruments used for hedging	-	22	-	22
Total financial assets	**0**	**22**	**0**	**22**
Derivative instruments used for hedging	-	29	-	29
Total financial liabilities	**0**	**29**	**0**	**29**

Dec 31, 2022, million SEK	Level 1	Level 2	Level 3	Total
Derivative instruments used for hedging	-	-	-	0
Total financial assets	**0**	**0**	**0**	**0**
Derivative instruments used for hedging	-	385	-	385
Total financial liabilities	**0**	**385**	**0**	**385**

In accordance with the Group's Finance Policy, the Group has recognized derivative instruments, interest rate swaps and electricity derivatives. The Group has entered into interest rate swaps to hedge the Group against interest rate risk and invested in derivatives to hedge the Group against the price risk for electricity. On the reporting date, these derivative instruments were measured at the market value declared by the issuers, which constitutes a Level 2 measurement under IFRS 7. Market values are calculated using mid-rates based on current available market rates.

§ Accounting principles

Financial assets and liabilities

The Group classifies its material financial assets and liabilities in the following categories:

Financial assets and liabilities are measured at amortized cost, fair value through profit or loss and fair value through Other comprehensive income. The classification of financial assets is based on the Group's business model for managing assets and the asset's contractual cash flow characteristics. The Group's financial liabilities are classified based on the purpose of the acquired liability.

(a) Financial assets/liabilities at fair value through profit or loss
Financial assets/liabilities measured at fair value through profit or loss are financial assets/liabilities held for resale or hedging. Assets/liabilities in this category are classified as current assets/liabilities. Changes in the value of these financial assets/liabilities are reported as finance income/costs in the income statement.

cont. Note 29

(b) Financial assets/liabilities at amortized cost
Trade receivables are part of current assets, except for items with due dates more than 12 months after the reporting date, in which case they are classified as non-current assets.

Cash and cash equivalents and trade receivables less any provision for impairment are recognized at amortized cost. According to IFRS 9, trade receivables should be measured at amortized cost using the effective interest method, but as trade receivables have very short durations and the interest effects are very small, the Group's reported value is not deemed to diverge materially from the fair value. See also Note 16, Trade receivables.

Financial liabilities are initially reported at fair value, net of transaction costs. Thereafter, they are reported at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the loan using the effective interest method.

Liabilities to credit institutions and commercial papers are classified as current liabilities unless the Group has an unconditional right to defer the payment of the liability for at least 12 months after the reporting date.

Trade payables are part of current liabilities, except for items with due dates more than 12 months after the reporting date, which are classified as non-current liabilities. Trade payables are recognized at amortized cost.

According to IFRS 9, trade payables should be measured at amortized cost using the effective interest method, but as the Group's trade payables have very short durations and the interest effects are very small, the reported value of the Group is not deemed to diverge materially from the fair value.

(c) Financial assets/liabilities at fair value through Other comprehensive income
Share swap agreements to repurchase Scandic's own shares are reported as a financial liability with the agreed amount to be paid on the maturity date.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

The group Braganza AB is treated as a related party based on its ownership and representation on the Board of Directors during the year. The OECD's recommendations for Transfer Pricing are applied for transactions with subsidiaries. The following transactions were carried out with related parties:

	Group		Parent Company	
Million SEK	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Purchases of services				
Braganza AB [1]		0	-	-
Total purchases of services	**0**	**0**	0	**0**
Sales of services				
Braganza AB [2]	6	0	-	-
Subsidiaries	-	-	75	55
Total sales of services	**6**	**0**	75	**55**
Closing balances at year-end from purchases and sales of services				
Receivables from related parties:				
Braganza AB	1	0	-	-
Subsidiaries	-	-	19	35
Total receivables from related parties	**1**	**0**	**19**	**35**
Liabilities to related parties:				
Braganza AB	-	-	-	-
Subsidiaries	-	-	43	12
Total liabilities to related parties	**0**	**0**	**43**	**12**
Loans to related parties				
Subsidiaries				
Opening balance	**0**	**0**	**1,406**	**1,342**
Payments made or received during the year	-	-	93	-
Interest	-	-	124	64
Closing balance	**0**	**0**	**1,623**	**1,406**

1) The purchases relate mainly to air travel.
2) Sales relate entirely to income from accommodations.

The Parent Company's loans to related parties consist of long-term loans to Group companies as well as receivables and liabilities within the cash pool of the Group. These are classified as long term.

For information on terms of employment and compensation to senior executives, see the Corporate Governance Report.

NOTE 31 APPROPRIATION OF PROFITS AND DIVIDENDS

In accordance with the Board's dividend policy adopted on September 14, 2015, Scandic aims to distribute at least 50 percent of its annual profit.

Decisions regarding the appropriation of profits are made with consideration for the company's future profits, financial position, capital requirements and macroeconomic conditions.

The Board of Directors has proposed to the Annual General Meeting that no dividend be paid to the shareholders and that the amount at the meeting's disposal be carried forward.

Proposed appropriation of profits	
The Board of Directors and the CEO propose that the funds that are at the disposal in the Parent Company's balance sheet:	
Share premium reserve	3,560,960,867
Retained earnings	4,546,816,823
Profit/loss for the year	-76,739,273
Total	**8,031,038,417**
be distributed as follows:	
To be carried forward	8,031,038,417
Total	**8,031,038,417**
Total, KSEK	**8,031,038**

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's financial position and performance. This Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's financial position and performance.

Income statements and balance sheets will be submitted to the Annual General Meeting on May 16, 2024 for adoption.

NOTE 32 EVENTS AFTER THE REPORTING DATE

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

ADOPTION

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's financial position and performance. The Administration Report of the Group and Parent Company gives a true and fair view of the progress of the Group's and Parent Company's operations, financial position and performance, and states significant risks and uncertainty factors facing the Parent Company and Group companies. This Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's financial position and performance. Income statements and balance sheets will be submitted to the Annual General Meeting on May 16, 2024 for adoption.

Stockholm, March 27, 2024

Per G. Braathen
Chairman of the Board

Gunilla Rudebjer
Board member

Grant Hearn
Board member

Kristina Patek
Board member

Martin Svalstedt
Board member

Fredrik Wirdenius
Board member

Marianne Sundelius
Employee representative

Jens Mathiesen
CEO

Our audit report was presented on March 27, 2024
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor-in-Charge

AUDITOR'S REPORT

To the general meeting of the shareholders of Scandic Hotels Group AB (publ), corporate identity number 556703-1702

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Scandic Hotels Group AB (publ) for the year 2023 except for the corporate governance statement on pages 68–77. The annual accounts and consolidated accounts of the company are included on pages 58–107 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 68–77. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's and group's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

The major portion of Scandic's operations are in Sweden, Norway, Finland and Denmark and represent more than 96% of the group's net sales and EBITDA. For the largest reporting units, we have examined the year-end book closing, undertaken hotel visits and we have assessed and tested key controls regarding the financial reporting. The consolidated accounts, disclosures in the notes in the annual report and complex transactions have been examined by the group team. This has included impairment testing of the group's goodwill and brands which are not subject to ongoing depreciation.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Valuation of goodwill and other acquistion-related assets	
We refer to Note 12 Intangible assets. Goodwill and other acquisition-related assets, including brands, comprise a significant portion of the Scandic group's balance sheet total. As of 31 December, goodwill and brands amounted to MSEK 6 901 which is equivalent to 47% of the balance sheet total (excl activated leases according to IFRS16). These items are not only significant in terms of their amount but also in their nature, as they are impacted by management's estimates and judgments. Management and the Board of Directors annually undertake an impairment test of the value of goodwill and brands, and in conjunction with each occasion on which there are indications that a decline in value has been identified, to assess whether there is an impairment requirement. The recoverable amount as per 31 December 2023 is determined based on value-in-use calculations for the cash-generating units: Sweden, Norway, Finland and Other Europe. These calculations are based on estimated future cash flows after tax based on a five-year period. The cash flow for 2024 is based on a budget adopted by the Board of Directors of the company and, from 2025 to 2028, on the company's long-term forecast. This assessment includes, therefore, assumptions of significant importance to the testing of an impairment requirement. This includes assumptions on sales growth, the development of margins and the discount rate (WACC). Even if a given unit shows no impairment requirement in a testing as per 31 December 2023, future developments negatively deviating from the assumptions and judgments providing the basis of that testing can lead to an impairment requirement. Other acquisition-related intangible assets are subject to ongoing depreciation. For these assets, a testing of the valuation is undertaken if there is a suspicion that the value of the assets has decreased so that a write-down needs to be undertaken. Based on the impairment testing undertaken for goodwill and brands, which is based on best estimates and on the information available in preparing the annual testing as per 31 December 2023, Scandic's assessment is that there is no impairment requirement regarding the above-mentioned assets as of 31 December 2023.	We have performed the following audit procedures: We have verified the mathematical correctness of the company's impairment testing, the correctness of the model applied, as such, and have determined if the model agrees with IFRS. We also challenged and evaluated the reasonability of significant assumptions made by management. In order to examine the model, itself, and the assumptions we have utilized valuation experts to test and evaluate the applied models and methods, as well as significant assumptions. On a random sample basis, we have tested and challenged the details applied in the calculations against the company's budgets and financial plan prepared as per 31 December 2023. We have, then, focused on the assumptions regarding growth, margin development and the applied discount rate per cash-generating unit. We have also, where possible, evaluated and challenged against available external information. Furthermore, we have reviewed the sensitivity analysis that has been prepared by the Company in regard to the valuation of negative changes in significant parameters which, individually or on a collective basis, could imply that an impairment requirement exists.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–57 and 111–120. The Board of Directors and the Managing Director are responsible for this other i nformation.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website:
www.revisorsinspektionen.se/revisornsansvar.
This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss.

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Scandic Hotels Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, We have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Scandic Hotels Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and manage a quality management system including guidelines or routines regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements in laws and other regulations.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 68–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, Stockholm, was appointed auditor of Scandic Hotels Group AB (publ) by the general meeting of the shareholders on the 10 May 2023 and has been the company's auditor since the 9 May 2012.

Stockholm 27 March 2024
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant

COMPENSATION REPORT

Introduction
At the 2020 Annual General Meeting, Scandic's guidelines for compensation to senior executives were adopted. These guidelines remained unchanged in 2023. In accordance with the EU Shareholder Rights Directive, renewed guidelines will be presented and resolved upon at the AGM in 2024, at which time they will have been applicable for four years.

This Compensation Report describes how these guidelines have been implemented. It also provides information on compensation to the CEO and a summary of the company's share-based incentive program. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on compensation to senior executives can be found in Note 05 on pages 92–94. Information about the work of the Compensation Committee in 2023 is described in the Corporate Governance Report on pages 68–77.

Compensation to the Board of Directors is not included in this report. This compensation is decided annually by the AGM and is reported in Note 05 on page 92–94 in Scandic's Annual & Sustainability Report 2023.

The CEO's total compensation in 2023 (SEK)	
Jens Mathiesen, CEO	
Fixed compensation	
Base salary	8,700,000
Fringe benefits	322,066
Variable compensation	
One-year variable[1]	8,700,000
Multi-year variable[2]	5,467,728
Extraordinary compensation	0
Pension costs	**3,045,000**
Total compensation	**26,234,794**
Proportion of fixed[3] and variable[4] compensation	46% / 54%

1) Short-term incentive programs (STI).
2) Book value of rights allotted in Long-Term Incentive Programs LTIP 2022 and LTIP 2023 and a retention bonus for a three-year period.
3) Fixed = fixed compensation + pension expense.
4) Variable = variable compensation + extraordinary compensation.

2023 in brief
The CEO summarizes Scandic's financial year in his CEO statement on page 6–7.

Compensation guidelines:
Scope, purpose and compliance
Scandic shall offer terms that are in line with market conditions and enable the company to recruit and retain the managers required to meet its short and long-term targets. Compensation to senior executives may consist of a fixed salary, variable salary, pension and other benefits. In addition, the AGM may resolve, among other things, on long-term share-based incentive programs. The compensation guidelines do not include share-based long-term incentive programs or ordinary board fees, which are subject to separate resolutions by the AGM.

Share-based incentive program (CEO)	LTIP 2023	LTIP 2022
Jens Mathiesen, CEO		
THE MAIN CONDITIONS OF SHARE-BASED INCENTIVE PROGRAMS		
Specification of plan	LTIP 2023	LTIP 2022
Performance period	2023–2025	2022–2024
Award date	June 1, 2023	June 20, 2022
End of program period	April 27, 2026	April 27, 2025
End of holding period	April 27, 2026	April 27, 2025
INFORMATION REGARDING THE REPORTED FINANCIAL YEAR		
Opening balance		
Rights vested at the beginning of the year	181,083	146,325
During the year		
Rights vested	0	0
Shares awarded	0	0
Closing balance		
Rights subject to performance criteria	181,083	146,325
Rights vested but not transferred	0	0
Shares subject to a holding period	0	0

The guidelines for compensation to senior executives are available on Scandic's website.

In 2022, the Board resolved to pay the CEO a retention plan, which is described below. The book-value of the retention plan for 2023 amounts to 3,944,496 SEK. As a result of the value of the retention plan, the variable compensation for 2023 amounts to 162.8 percent of the fixed annual compensation. As the compensation guidelines for senior executives states that variable compensation should maximum reach 100 percent of the fixed annual salary, the CEO's variable compensation for 2023 deviates from the guidelines. No deviations from the decision-making process that according to the guidelines must be applied to determine the compensation have been made. The auditor's report on the company's compliance with the guidelines is available at Scandic's website.

Retention plan
In 2022, the Board resolved to pay the CEO variable remuneration in the form of a retention bonus over a three-year period that will be paid to the CEO in 2025, provided he remains employed within the company. This was based on the Board's assessment that it is business-critical for the company to ensure that the current CEO continues to lead Scandic during this period.

Share-based compensation
The goal of long-term incentive programs is to create long-term commitment at Scandic, to attract and retain senior executives and other key personnel and to ensure the shareholder perspective.

Long-term incentive programs constitute a supplement to fixed and variable salary, with participants nominated based on skills and performance. The outcome depends on whether certain predetermined performance requirements are met. These requirements are set to ensure long-term and sustainable value creation for Scandic's stakeholder groups.

Outstanding share-based incentive programs
From the IPO in 2015 until 2019, the AGM resolved every year to launch a share-based Long-Term Incentive Program (LTIP). In 2020 and 2021, no LTIPs were launched.

In 2022 and 2023, new programs were launched, LTIP 2022 and LTIP 2023 respectively, which allow participants to receive a number of performance shares, free of charge, depending on the degree of fulfillment of certain performance criteria determined by the Board related to the total return on the company's shares (TSR). Performance shares will be allotted after the end of a vesting period until the date of publication of Scandic's interim report for the first quarters of 2025 and 2026 respectively.

The current CEO has been allotted 146,325 rights in the LTIP 2022 and 181,083 rights in the LTIP 2023. These have been allotted free of charge and are conditional to three-year vesting periods and the CEO's continued permanent employment in the company.

Application of performance criteria
In 2023, a general short-term incentive program (STI) was launched with performance criteria linked to the company's financial results, guest experience as well as leadership and commitment. The criteria, target levels and assessment scales were prepared by the Compensation Committee and decided by the Board.

Information on changes in compensation and company performance

	2023	2023–2022	2022–2021	2021–2020	2020–2019	2019–2018
The CEO's compensation, thousand SEK [1]	26,234,794	8,317 (46.42%)	7,677 (74.97%)	-1,058 (-9.4%)	-73 (-0.6%)	3,280 (40.5%)
Adjusted EBITDA for the Group, million SEK	2,566	30 (1.18%)	2,530 (42166.67%)	1,509 (100.4%)	-3,549 (-173.5%)	89 (4.5%)
Profit/loss for the year, Group, million SEK	569	141 (32.9%)	2,107 (125.5%)	4,272 (71.78)	-6,676 (-920.8%)	47 (6.9%)
Average compensation on a full-time equivalent basis of employees, entire Group, thousand SEK	516	102.3 (24.71)	-33.9 (-7.58%)	-39.1 (-8.0%)	46.6 (10.6%)	9 (2.0%)

1) The CEO's compensation includes share-related compensation equal to the value of the shares allotted each year, respectively.

RECONCILIATIONS

Financial results including & excluding IFRS16

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

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

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

INCOME STATEMENT INCLUDING & EXCLUDING IFRS 16

	2023			2022		
	Reported	Effects of IFRS 16	Excluding IFRS 16	Reported	Effects of IFRS 16	Excluding IFRS 16
Operating income	**21,955**	**0**	**21,955**	**19,233**	**0**	**19,233**
			0			
Raw materials and consumables	-1,698	0	-1,698	-1,495	0	-1,495
Other external costs	-4,538	0	-4,538	-3,854	0	-3,854
Staff costs	-6,882	0	-6,882	-5,957	0	-5,957
Rental costs	-2,209	-4,063	-6,272	-1,951	-3,440	-5,391
Pre-opening costs	-17	0	-17	-131	0	-131
Items affecting comparability	-14	0	-14	-16	0	-16
Amortization, depreciation and impairment	-3,812	2,968	-844	-3,372	2,527	-845
Total operating costs	**-19,170**	**-1,094**	**-20,264**	**-16,776**	**-913**	**-17,689**
Operating profit/loss	**2,785**	**-1,094**	**1,691**	**2,457**	**-913**	**1,544**
Net financial items	-2,064	1,734	-330	-1,808	1,464	-344
Profit/loss before tax	721	640	1,361	649	551	1,200
Taxes	-152	-125	-278	-221	-112	-334
Profit/loss for year	**569**	**515**	**1,083**	**428**	**438**	**866**

BALANCE SHEET INCLUDING & EXCLUDING IFRS 16

	December 31, 2023			December 31, 2022		
	Reported	Effects of IFRS 16	Excluding IFRS 16	Reported	Effects of IFRS 16	Excluding IFRS 16
ASSETS						
Intangible fixed assets	7010	0	7,010	7,189	0	7,189
Land & buildings	75	0	75	82	0	82
Right-of-use assets	39,389	-39,389	0	36,777	-36,777	0
Furniture, fittings and equipment	3,958	0	3,958	4,272	0	4,272
Financial assets	713	-105	607	640	56	696
Total non-current assets	**51,145**	**-39,495**	**11,650**	**48,960**	**-36,721**	**12,240**
Current assets	1,467	152	1,619	1,287	142	1,428
Derivative instruments	0	0	0	384	0	384
Cash and cash equivalents	1,344	0	1,344	317	0	317
Total current assets	**2,811**	**152**	**2,963**	**1,988**	**142**	**2,130**
TOTAL ASSETS	**53,956**	**-39,343**	**14,613**	**50,948**	**-36,579**	**14,370**
EQUITY AND LIABILITIES						
Equity attributable to the Parent Company shareholders	2,059	3,492	5,551	2,197	3,034	5,231
Non-controlling interests	106	0	106	77	0	77
Total equity	**2,165**	**3,492**	**5,657**	**2,274**	**3,034**	**5,308**
Liabilities to credit institutions	980	0	980	1,107	0	1,107
Convertible loan	0	0	0	1,484	0	1,484
Non-current liabilities	41,041	-41,041	0	38,062	-38,062	0
Other non-current liabilities	1,106	790	1,896	1,308	843	2,151
Total non-current liabilities	**43,127**	**-40,252**	**2,875**	**41,961**	**-37,219**	**4,742**
Convertible loan	1,109	0	1,109	0	0	0
Current part of lease liabilities	2,445	-2,445	0	2,268	-2,268	0
Derivative instruments	7	0	7	0	0	0
Other current liabilities	5,103	-139	4,965	4,445	-125	4,320
Total current liabilities	8,664	-2,583	6,081	6,713	-2,393	4,320
TOTAL EQUITY AND LIABILITIES	**53,956**	**-39,343**	**14,613**	**50,948**	**-36,578**	**14,371**

CASH FLOW ANALYSIS INCLUDING & EXCLUDING IFRS 16

	2023			2022		
	Reported	Effects of IFRS 16	Excluding IFRS 16	Reported	Effects of IFRS 16	Excluding IFRS 16
OPERATING ACTIVITIES						
Operating profit/loss	2,785	-1,094	1,691	2,457	-913	1,544
Amortization, depreciation and impairment	3,812	-2,968	844	3,372	-2,527	845
Items not included in cash flow	98	0	98	28	0	28
Taxes paid	-109	0	-109	-39	0	-39
Change in working capital	-192	0	-192	614	0	614
Cash flows from operating activities	**6,394**	**-4,062**	**2,332**	**6,432**	**-3,440**	**2,991**
INVESTING ACTIVITIES						
Paid net investments	-521	0	-521	-635	0	-635
Cash flows from investing activities	**-521**	**0**	**-521**	**-635**	**0**	**-635**
FINANCING ACTIVITIES						
Paid/received interest items	-57	0	-57	-155	0	-155
Interest paid, leases	-1,734	1,734	0	-1,464	1,464	0
Repurchase of convertible bonds	-630	0	-630	0	0	0
Financing costs	-34	0	-34	0	0	0
Dividend, share swap agreement	-7	0	-7	-10	0	-10
Net borrowing/amortization	-51	0	-51	-2,067	0	-2,067
Amortization, leases	-2,328	2,328	0	-1,977	1,977	0
Cash flows from financing activities	**-4,841**	**4,062**	**-779**	**-5,672**	**3,440**	**-2,232**
CASH FLOWS FOR PERIOD	**1,032**	**0**	**1,032**	125	0	125
Cash and cash equivalents at the beginning of the period	317	0	317	216	0	216
Translation differences in cash and cash equivalents	-5	0	-5	-24	0	-24
Cash and cash equivalents at end of period	1,344	0	1,344	317	0	317

OTHER RECONCILIATIONS INCLUDING & EXCLUDING IFRS 16

SUMMARY OF REPORTED RENTAL COSTS INCLUDING & EXCLUDING IFRS 16	2023	2022
Rental costs		
Rental costs, reported	-2,209	-1,951
Effects of IFRS 16	-4,063	-3,440
Rental costs excluding IFRS 16	**-6,272**	**-5,391**
- of which fixed rental costs	-4,292	-3,599
- of which variable rent costs	-1,980	-1,792
Fixed and guaranteed rental costs, % of net sales	-19.6%	-18.7%
Variable rental costs, % of net sales	-9.0%	-9.3%
Total rental costs, % of net sales	**-28.6%**	**-28.0%**

FINANCIAL ITEMS, REPORTED VS CASH FLOW	2023	2022
Paid/received financial items		
Financial items, reported	-2,064	-1,808
of which interest expenses, IFRS 16	-1,734	-1,464
Net financial expense, excluding IFRS 16	**-330**	**-344**
Adjustments to paid financial items		
Interest expenses, convertibles (non cash-flow impacting)	163	153
Change in accrued interest expenses, bank loan	6	5
Other	39	22
Total adjustments	**208**	**180**
Paid(-)/received (+) financial items, net	**-122**	**-164**

SUMMARY OF OPERATING PROFIT/LOSS & ADJUSTED EBITDA	2023	2022
Operating profit/loss	2,785	2,457
Pre-opening costs	17	131
Items affecting comparability	14	16
Amortization, depreciation and impairment	3,812	3,372
Effects of IFRS 16	-4,063	-3,440
Adjusted EBITDA	**2,566**	**2,536**

EARNINGS PER SHARE	2023	2022
Earnings per share, SEK	2.86	2.21
Effects of IFRS 16	2.23	1.89
Earnings per share, SEK, excluding IFRS 16	5.09	4.1
Average number of shares outstanding, after dilution	231,016,258	232,768,903

THE SCANDIC SHARE

The share and shareholders
Scandic's share is listed on Nasdaq Stockholm. The share capital on December 31, 2023 was 47.8 million SEK (47.8), divided into 191,304,116 shares with a par value of 0.25 SEK per share. Each share confers one vote.

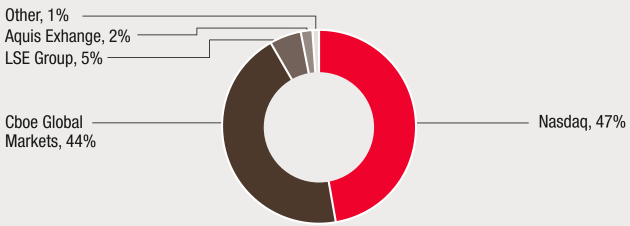
´Share price development & stock market value
Scandic's share price went up 44 percent during the year while the OMX Stockholm PI Index increased 15 percent. At year-end, Scandic's stock market value based on the last paid price amounted to 8.9 billion SEK (6.2). The highest closing price during the year was 47.9 SEK on December 19, 2023. The lowest closing price was 32.0 SEK on March 17, 2023.

Turnover
In 2023, a total of 452.7 million Scandic shares (850.3) were traded, with an average daily volume of 1.8 million shares (3.4). Of the total trading volume in the Scandic share, 46.9 percent (42.7) was carried out on Nasdaq Stockholm. The daily turnover in relation to Scandic's stock market value on Nasdaq Stockholm was 0.93 percent (1.76) compared with the average on the Mid Cap list of 0.28 percent (0.35).

Ownership structure
At year-end, the number of shareholders totaled 60,378 (71,453). The largest shareholder was Stena Sessan with holdings corresponding to 15.2 percent of the shares and votes. AMF Pension & Fonder was the second largest shareholder, holding 11.8 percent followed by Eiendomsspar with 10.4 percent of ownership. Foreign ownership at year-end was 40.7 (34.1) percent of the share capital, and institutional ownership accounted for 37.4 percent. The largest foreign shareholding was in Sweden, Norway, the US and the UK.

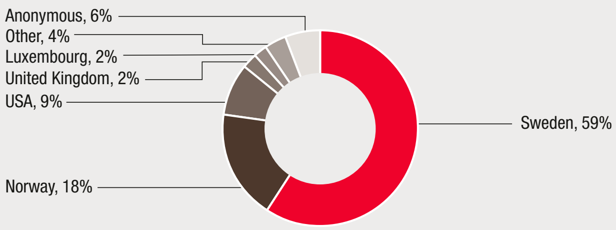
Dividends
The Board of Directors has adopted a dividend policy that aims to distribute at least 50 percent of Scandic's profit. The dividend is based on the net profit excluding the effects of IFRS 16. For 2023, the Board of Directors has proposed that no dividend be paid.

MARKETS WHERE SCANDIC SHARE WAS TRADED, 2023, %



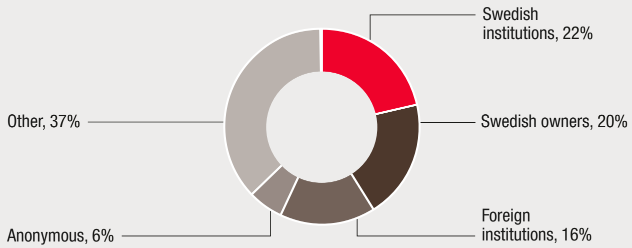
Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

GEOGRAPHIC DISTRIBUTION, %



Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

SHARE OWNERSHIP, %



Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

Analysts following Scandic	
Karl-Johan Bonnevier	DNB
Raymond Ke	Nordea
Adela Dashian	Jefferies
André Juilliard	Deutsche Bank
Jamie Rollo	Morgan Stanley

Share ownership, size distribution as at December 31, 2023	Share of capital and votes, %
10 largest shareholders	54.4
20 largest shareholders	65.1
30 largest shareholders	68.8

Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

Share data	
Ticket symbol	SHOT
ISIN	SE0007640156
Trading lot	1 share
List	Nasdaq Stockholm Nordic Mid Cap list
Sector index	Travel & Leisure

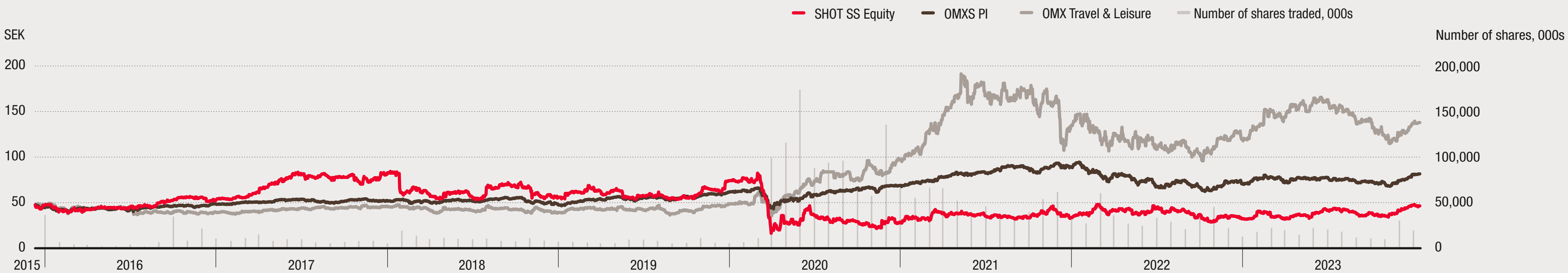
10 largest shareholders	Share of capital and votes, %	Number of shares
Stena Sessan AB	15.2	29,016,865
AMF Pension & Fonder	11.8	22,550,000
Eiendomsspar	10.4	19,910,018
Handelsbanken Fonder	3.5	6,604,672
Periscopus AS	2.7	5,138,955
Vanguard	2.6	4,888,398
Schroders	2.4	4,591,720
Svenska Handelsbanken AB for PB	2.1	4,014,699
Avanza Pension	2.1	3,936,792
Dimensional Fund Advisors	1.8	3,409,669
Total	**54.4**	**104,061,788**
Other	45.6	87,242,328
Total	**100.0**	**191,304,116**

Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

Shareholder information

Scandic's website (scandichotelsgroup.com) provides information for the capital market and other stakeholders of the company, including current and historical information about aspects such as the Group's operations, vision, purpose, business idea, strategy, corporate governance and sustainability initiatives. It also includes information about how the Scandic share has developed over time in addition to press releases, presentations, financial reports and information about general meetings. It is also possible to subscribe to receive press releases and financial reports.

SHARE PRICE & TURNOVER, DEC 2, 2015 – DEC 31, 2023[1)]



[1)] Scandic's share price adjusted for new issue 2020.
Source: Bloomberg

DEFINITIONS

HOTEL-RELATED KEY RATIOS
ARR (average room rate)
The average room revenue per sold room.

FTEs (full-time equivalents)
The number of full-time employees calculated as the total number of working hours for the period divided by annual working time.

LFL (like-for-like)
The hotels that were in operation during the entire period as well as during the corresponding period of the previous year (no new or exited hotels for the year are included).

OCC (occupancy)
Sold rooms in relation to the number of available rooms. Expressed as a percentage.

RevPAR (revenue per available room)
The average room revenue per available room.

Pre-opening costs
Costs for contracted and newly opened hotels before opening day.

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.

Earnings per share, excluding effect of IFRS 16
The profit/loss during the period related to the shareholders of the Parent Company divided by the average number of shares, excluding the effect of IFRS 16.

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.

FINANCIAL KEY RATIOS & ALTERNATIVE PERFORMANCE MEASURES
EBIT
Earnings before interest and taxes.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBITDA-margin
EBITDA as a percentage of net sales.

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

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 sales of operations.

Free cash flow
Adjusted EBITDA less pre-opening costs, items affecting comparability, items not included in cash flow, paid tax, change of cash flow, interest paid to credit institutions and investments in fixed assets as well as net of acquisition/sale of business.

Working capital
Total current assets, excluding derivative instruments and cash and cash equivalents, less total current liabilities, excluding derivative instruments, the current portion of lease liabilities and commercial papers.

Justification: There is a need to optimize cash generation to create value for Scandic's shareholders. The management team therefore has a focus on working capital and on reducing lead times between income generation and payments received.

Interest-bearing net liabilities
Liabilities to credit institutions and commercial papers and other interest-bearing liabilities, excluding the convertible loan, less cash and cash equivalents. Justification: Interest-bearing net liabilities are used to calculate the company's indebtedness, which is one of Scandic's financial targets. The definition chosen corresponds to the definition used for the calculation of indebtedness according to Scandic's loan agreements.

A more comprehensive list of definitions and alternative performance measures and related justifications is available at: www.scandichotelsgroup.com/investors/financial-overview/definitions/

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INFORMATION TO THE SHAREHOLDERS

ANNUAL GENERAL MEETING

MAY 16, 2024

STOCKHOLM

2024 Annual General Meeting

The AGM of the shareholders in Scandic Hotels Group AB (publ) will be held at 13:00 CEST on Thursday, May 16, 2024 at Vasateatern (Scandic Grand Central), Vasagatan 19, Stockholm. Registration will begin at 12.00.

Notice and registration

Shareholders who wish to attend the meeting in person or by proxy (i) must be recorded in the share register kept by Euroclear Sweden AB on May 7, 2024 and (ii) by May 10 at the latest register in writing to Scandic Hotels Group AB (publ) c/o Euroclear Sweden AB, "Annual General Meeting 2024", Box 191, 101 23 Stockholm, by phone at +46 8 402 92 48 or on the company's website at scandichotelsgroup.com. Shareholders shall in their notice state their name, social insurance number or corporate identity number, address, phone number and the number of proxies, if any (maximum 2). Shareholders represented by proxy shall provide a written and dated power of attorney. A power of attorney template is available on Scandic's website at scandichotelsgroup.com. If the power of attorney is issued by a legal entity, a registration certificate or equivalent authorization document must be attached. To facilitate registration at the meeting, a power of attorney and registration certificate and any other authorization documents shall be received by the company at the above address no later than May 15, 2024. In order to have the right to participate in the AGM, a shareholder whose shares are nominee-registered must temporarily register the shares in their own name so that the shareholder will be recorded in the share register on May 7 2024. Such registration may be temporary (so-called voting rights registration) and requests for registration should be made to the nominee according to the nominee's routines at such a time in advance determined by the nominee. Voting rights registrations made no later than the second banking day after May 7, 2024 will be taken into account when compiling the share register.

Advance voting

Shareholders wishing to participate in the Annual General Meeting by advance voting must be recorded in the share register kept by Euroclear Sweden AB on May 7, 2024 and by May 7, 2024 at the latest notify the company of their intention to participate in the meeting by advance voting according to the instructions below such that their advance vote is received by Euroclear Sweden AB no later than on this date. Shareholders who wish to participate in the meeting in person or by proxy must provide notice of such. This means that registration for advance voting alone will not suffice for any shareholder wishing to participate in person in the AGM. For advance voting, a special form shall be used. The form is available on Scandic's website at scandichotelsgroup.com. The completed form must be received by Euroclear Sweden AB no later than May 10, 2024. The completed form can be emailed to: GeneralMeetingService@euroclear.com or by post to Scandic Hotels Group AB (publ), "Annual General Meeting 2024", c/o Euroclear Sweden, Box 191, 101 23 Stockholm. Shareholders may also cast advance votes using BankID verification on Scandic's website at scandichotelsgroup.com. Shareholders may not provide the advance vote with special instructions or conditions. If this occurs, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are provided in the advance voting form. If a shareholder votes via advance voting by proxy, a power of attorney shall be attached to the form. A power of attorney template is available on Scandic's website at scandichotelsgroup.com. If the shareholder is a legal entity, the certificate of registration or other authorization documents must be attached to the form. If a shareholder has voted in advance and thereafter participates in the AGM in person or by proxy, the advance vote will remain valid to the extent that the shareholder does not participate in a vote during the meeting or otherwise revokes the advance vote cast. If the shareholder during the meeting chooses to participate in a vote, the vote cast will replace the previously submitted advance vote on that particular item.

Notice convening the AGM

The AGM is convened through a notice on the company's website and an announcement in the Swedish Official Gazette (*Post- och Inrikes Tidningar*). Any documents that are to be presented at the AGM will be made available on the company's website at least three weeks prior to the AGM.

Financial calendar 2024

Interim Report January–March 2024
April 24, 2024
Interim Report January–June 2024
July 17, 2024
Interim Report January–September 2024
October 30, 2024

Contact information

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