

A modern hotel room interior featuring a large bed with white linens, a wooden bedside table, a modern armchair, and a large window with sheer curtains. The room is decorated with framed artwork and a track lighting system. The text "SCANDIC HOTELS" is overlaid in large white letters.

# SCANDIC HOTELS

YEAR-END REPORT, FEBRUARY 2022

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# IMPROVED RESULTS & STRONG CASH FLOW IN Q4

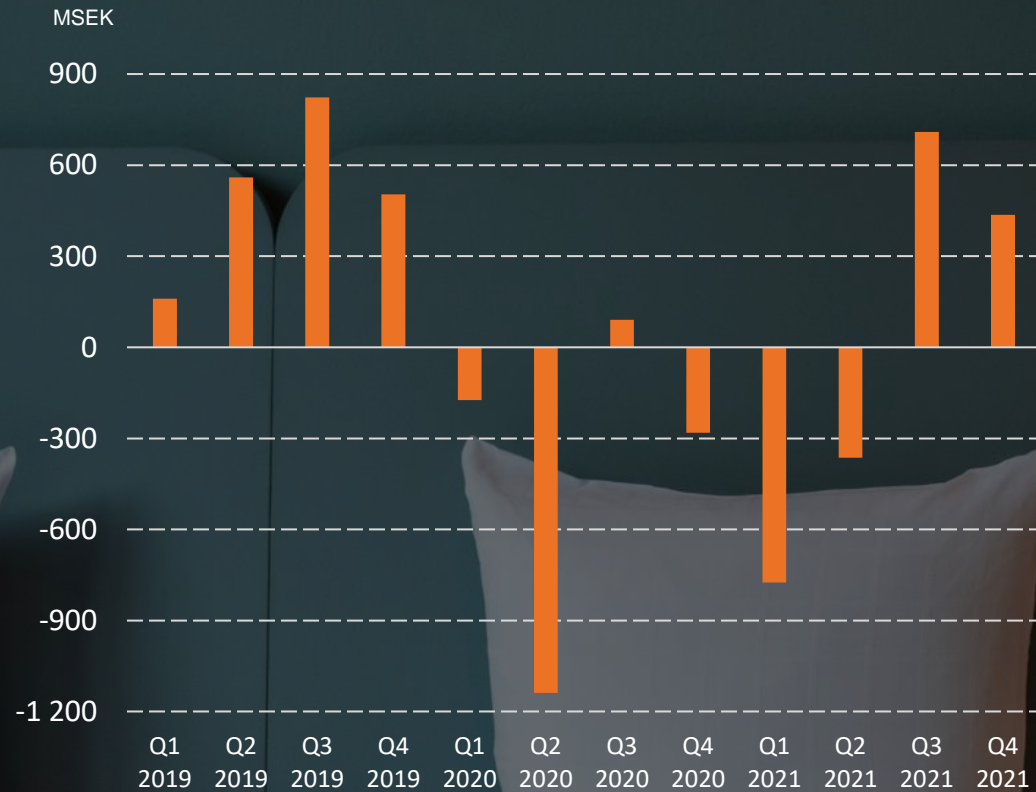
**IMPROVED RESULTS & STRONG CASH FLOW**

**GOOD DEMAND IN OCTOBER & NOVEMBER, SLOW  
DECEMBER DUE TO NEW RESTRICTIONS**

**POSITIVE VIEW FOR 2022 DESPITE WEAK START TO YEAR**

# IMPROVED RESULTS DESPITE SLOW DECEMBER

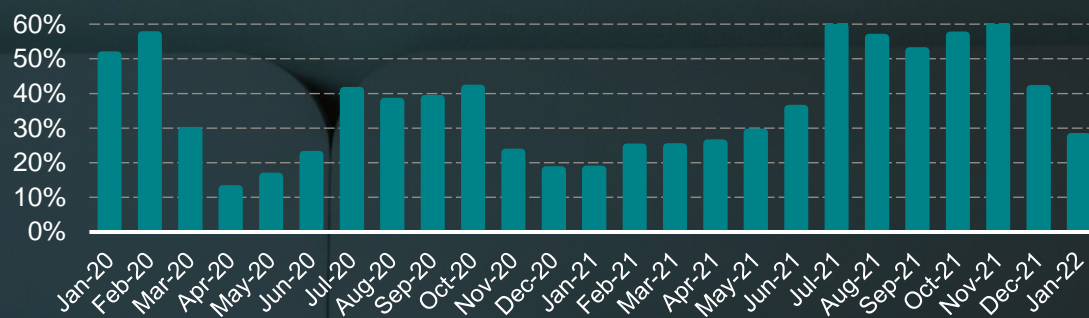
## SCANDIC – QUARTERLY ADJUSTED EBITDA



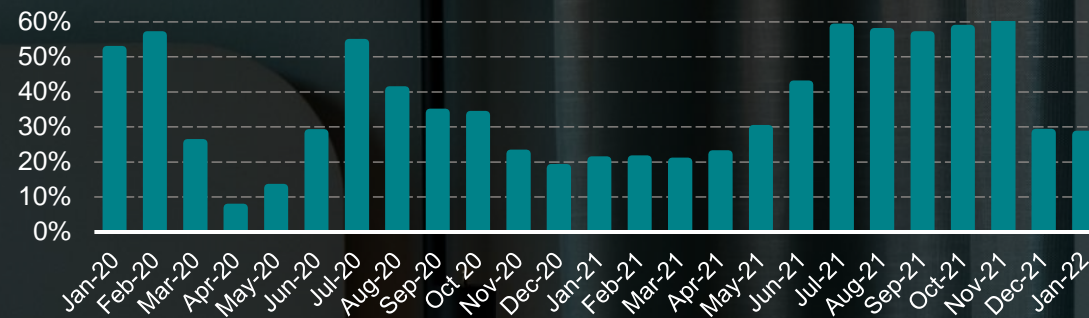
- **POSITIVE RESULTS IN Q4 INCLUDING ADJUSTMENT FOR RECEIVED STATE AID OF 111 MSEK**

# SLOWDOWN IN SEASONALLY WEAK DEC-JAN, BUSINESS HAMPERED BY TEMPORARY RESTRICTIONS

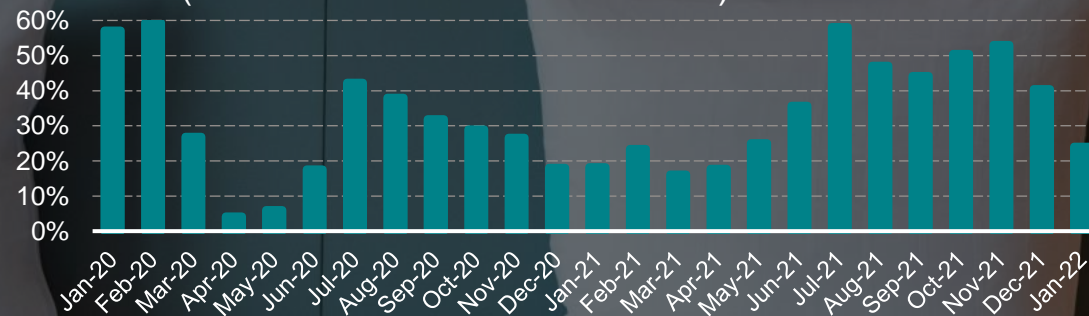
## SWEDEN (TOTAL MARKET OCCUPANCY)



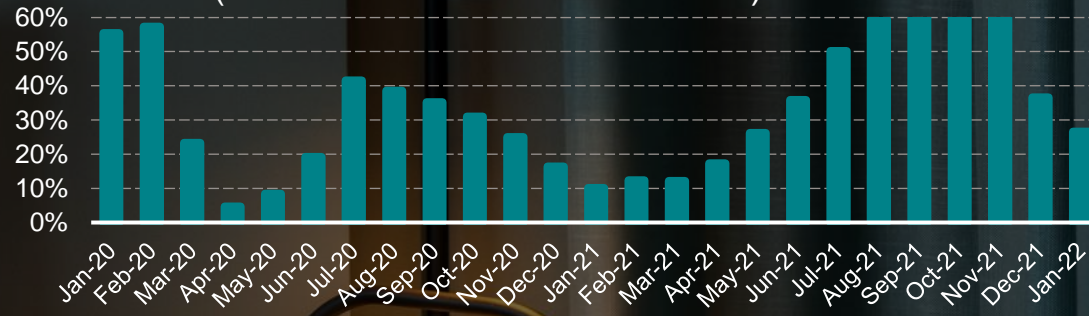
## NORWAY (TOTAL MARKET OCCUPANCY)



## FINLAND (TOTAL MARKET OCCUPANCY)



## DENMARK (TOTAL MARKET OCCUPANCY)



Source: Benchmarking Alliance

# MARKET TURNS QUICKLY WHEN RESTRICTIONS EASED

## SCANDIC – OCCUPIED ROOMS, 7-DAY ROLLING

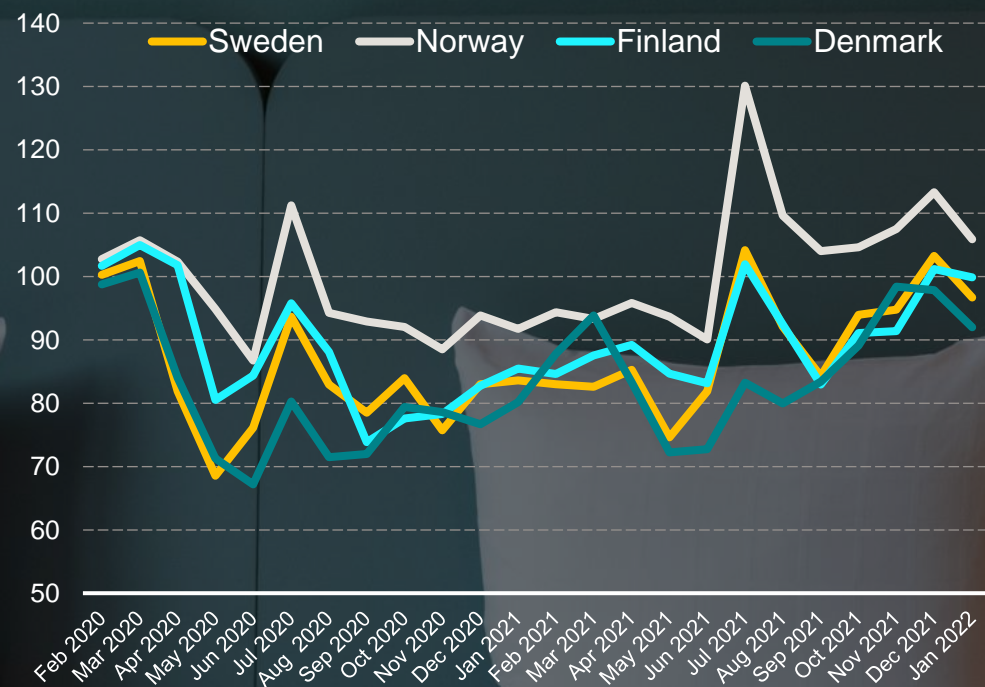


Source: Scandic Hotels Group

- **SLOW START TO 2022, BUT HIGHER LEVEL THAN LAST YEAR**
- **MOST RESTRICTIONS RECENTLY LIFTED IN NORDIC COUNTRIES**
- **LAST YEAR'S PATTERN SHOWS STRONG UNDERLYING DEMAND, MARKET TURNS QUICKLY WHEN RESTRICTIONS EASED**

# POSITIVE TREND IN AVERAGE ROOM RATES

MARKET AVERAGE ROOM RATE DEVELOPMENT  
INDEXED TO CORRESPONDING MONTH 2019

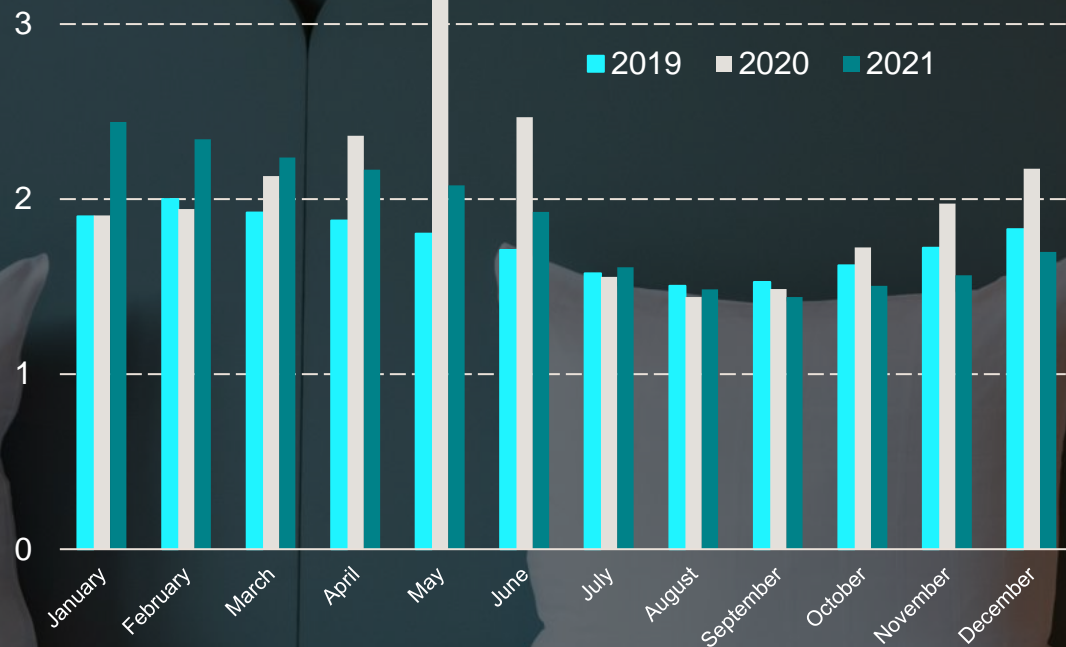


Source: Benchmarking Alliance

- **AVERAGE ROOM RATES LARGELY BACK TO PRE-COVID LEVELS IN ALL NORDIC MARKETS AT YEAR-END**
- **DEVELOPMENT ESPECIALLY STRONG IN NORWAY**
- **HIGH FOCUS ON YIELD MANAGEMENT**

# IMPROVING EFFICIENCY

## WORKING HOURS PER SOLD ROOM, ROLLING 3 MONTHS



- **WORKFORCE EFFICIENCY HAS IMPROVED, NOW AHEAD OF 2019 LEVELS DESPITE LOWER OCCUPANCY**
- **CONTINUED FOCUS ON COST EFFICIENCY & FLEXIBILITY**

# NEW HOTEL IN SUNDSVALL



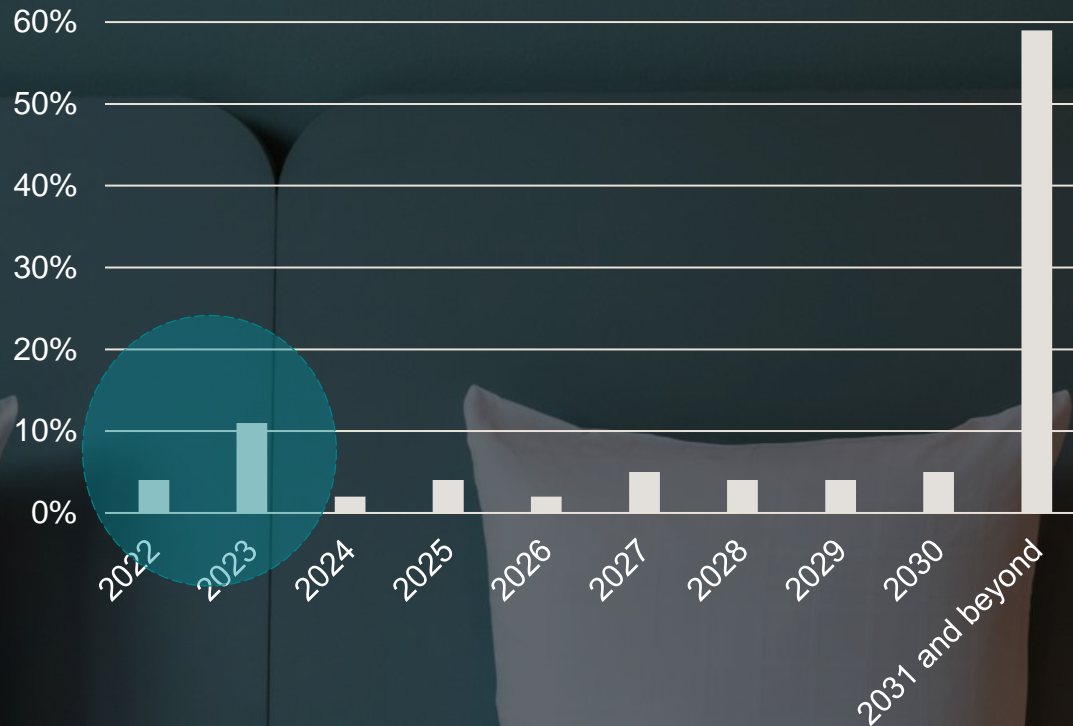
- **ATTRACTIVE LOCATION**
- **BUILT OF WOOD**
- **HIGH ENVIRONMENTAL STANDARD, CLIMATE NEUTRAL**
- **210 ROOMS**
- **PLANNED OPENING 2024**

# SEVERAL OPENINGS IN FIRST HALF OF 2022 – AMBITION TO STRENGTHEN PIPELINE

Year	Hotel	Destination		No. of rooms	
Q1 2022	Scandic Macherei	Munich, Germany	New	234	
Q1 2022	Scandic Örebro Central	Örebro, Sweden	New	160	
Q2 2022	Scandic Holmenkollen Park	Holmenkollen, Norway	Reopening	376	Reopening after renovation and extension
Q2 2022	Scandic Nørreport	Copenhagen, Denmark	New	100	
Q2 2022	Scandic Spectrum	Copenhagen, Denmark	New	632	
Q2 2022	Scandic Helsingborg Harbour	Helsingborg, Sweden	New	184	
Q2 2022	Scandic Göteborg Central	Gothenburg, Sweden	New	451	
Q2 2022	Scandic Ferrum	Kiruna, Sweden	New	230	
Q3 2022	Scandic Avenue	Helsinki, Finland	New	350	
Q1 2023	Scandic Hafenpark	Frankfurt, Germany	New	505	
Q4 2024	Scandic Sundsvall Central	Sundsvall, Sweden	New	210	
Q1 2025	Scandic Aarhus Harbour	Aarhus, Denmark	New	485	Likely to be reconfigured
				3,917	
	Ongoing extensions			114	
	Exits			-863	
	<b>Total net pipeline</b>			<b>3,168</b>	

# 15% OF LEASES EXPIRE IN 2022/2023

LEASE EXPIRY PER YEAR



- **ABOUT 15% OF LEASES TO BE RENEGOTIATED IN 2022/2023**

# FINANCIAL UPDATE

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# POSITIVE RESULTS AGAIN IN ALL SEGMENTS

MSEK	2021	2020	2021	2020	2021	2020
Sweden	1,225	465	152	-136	12.4%	-29.2%
Norway	1,136	410	147	6	12.9%	1.5%
Finland	844	300	65	-89	7.6%	-29.6%
Other Europe	577	201	143	-24	24.8%	-12.0%
Central costs & Group adj.	-	-	-71	-39	-	-
<b>Group</b>	<b>3,783</b>	<b>1,376</b>	<b>436</b>	<b>-282</b>	<b>11.5%</b>	<b>-20.5%</b>

**RESULTS INCLUDE STATE AID OF 111 MSEK IN Q4 OF WHICH:**

**11 MSEK IN NORWAY  
10 MSEK IN FINLAND  
90 MSEK IN OTHER EUROPE**

**POSITIVE UNDERLYING EBITDA IN ALL SEGMENTS**

**FY ADJ EBITDA 6 MSEK (-1,503)**

# POSITIVE CASH FLOW FOR FULL YEAR

	Q4	FY 2021
Adjusted EBITDA	436	6
Change in working capital	649	1,072
Paid tax	-1	-51
Interest paid	-99	-266
Pre-opening costs & other items	-16	-64
<b>Cash flow from operations</b>	<b>969</b>	<b>697</b>
Investments in existing operations	37	-58
<b>Free cash flow before expansion capex</b>	<b>1,006</b>	<b>639</b>
Expansion capex	-175	-454
<b>Free cash flow</b>	<b>831</b>	<b>185</b>
<b>Net debt (excluding convertible loan)</b>	<b>3,053</b>	

- **FREE CASH FLOW WAS 831 MSEK IN Q4, NET DEBT DOWN TO 3,053 MSEK**
- **CASH FLOW POSITIVELY AFFECTED BY PAYMENT DELAYS & HIGH SHARE OF ACCRUED INVESTMENTS**
- **LIABILITY FOR PAYMENT RESPITE FOR VAT & SOCIAL SECURITY CONTRIBUTIONS OF 500 MSEK EXPECTED TO BE EXTENDED TO FIRST HALF OF 2023**

# NET FINANCIAL ITEMS, REPORTED VS CASH FLOW

	Q4	FY 2021
<b>Total financial net, reported</b>	<b>-399</b>	<b>-1,606</b>
<b>of which interest expenses, IFRS 16</b>	<b>-299</b>	<b>-1,194</b>
<b>Financial net excl. IFRS 16</b>	<b>-100</b>	<b>-412</b>
<b>Adjustments to paid financial items</b>		
Interest expenses, convertible bond (non-cash)	36	101
Timing difference, interest on bank loans	-43	-5
Other	8	-18
<b>Total adjustments</b>	<b>1</b>	<b>78</b>
<b>Paid financial items, net</b>	<b>-99</b>	<b>-334</b>

- **REPORTED FINANCIAL NET IN Q4 WAS -399 MSEK (IFRS 16) & -100 MSEK EXCL. IFRS 16**
- **NON-CASH CONVERTIBLE INTEREST = -36 MSEK**
- **PAID FINANCIAL ITEMS = -99 MSEK**

# IFRS ACCOUNTING EFFECTS

## LEASEHOLD ACCOUNTING

Due to temporary rent discounts and extended maturity of lease portfolio, the negative IFRS impact on net result increased to -581 MSEK in 2021 and is expected to decrease to around -380 MSEK in 2022

With the current portfolio, the negative impact will diminish over time and become positive from 2027

## CONVERTIBLE BOND

Interest cost in P&L ~11%, no coupon  
Debt/equity split in balance sheet: 78% / 22%  
Full dilution in EPS calculation when EPS becomes positive



# CONCLUDING REMARKS

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# OUTLOOK

**OCCUPANCY 25% IN JANUARY**

**AFTER WEAK START TO YEAR, SCANDIC EXPECTS  
POSITIVE TREND IN OCCUPANCY**

**POSITIVE VIEW FOR REST OF YEAR**

**FOCUS ON STRENGTHENING RESILIENCE TO ENSURE  
HIGHER & MORE STABLE EARNINGS**



# Scandic