
Scandic
Your friend in town
ANNUAL AND SUSTAINABILITY REPORT 2025

Scandic

# CONTENTS


**THIS IS SCANDIC**

NORDIC'S LEADING HOTEL OPERATOR 1
KEY EVENTS DURING THE YEAR 3
CEO STATEMENT 5
BUSINESS MODEL 7
VALUE CREATION 9
FINANCIAL TARGETS AND OUTCOME 10

**MARKET AND STRATEGY**

MARKET DEVELOPMENT 12
STRATEGY 13
PORTFOLIO EXCELLENCE 14
OPERATIONAL EXCELLENCE 17
COMMERCIAL EXCELLENCE 18
ENGAGED AND MOTIVATED TEAM MEMBERS 20

**SUSTAINABLE BUSINESS**

HIGHLIGHTS 2025 23
PROUD HERITAGE 25
SUSTAINABILITY STRATEGY 26

**ADMINISTRATION AND GOVERNANCE**

ADMINISTRATION REPORT 28
RISKS AND RISK MANAGEMENT 34
SUSTAINABILITY STATEMENTS 38
- GENERAL DISCLOSURES 39
- ENVIRONMENTAL DISCLOSURES 59
- SOCIAL DISCLOSURES 81
- GOVERNANCE DISCLOSURES 94

CORPORATE GOVERNANCE 103
BOARD OF DIRECTORS 110
EXECUTIVE COMMITTEE 112

**FINANCIAL REPORTS**

FINANCIAL STATEMENTS – GROUP 115
FINANCIAL STATEMENTS – PARENT COMPANY 120
NOTES 124
ADOPTION 143
AUDITOR'S REPORT 144
COMPENSATION REPORT 150
RECONCILIATIONS 152
SHARE PRICE AND SHAREHOLDERS 156
DEFINITIONS 158
INFORMATION TO THE SHAREHOLDERS 159


Scandic is a Swedish company subject to Swedish laws. All values are expressed in Swedish kronor. Figures in parentheses refer to 2024 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 company's annual report, including the statutory sustainability report prepared in accordance with ESRS, can be found on pages 28–142.

THIS IS SCANDIC
- NORDIC'S LEADING HOTEL OPERATOR
- KEY EVENTS DURING THE YEAR
- CEO STATEMENT
- BUSINESS MODEL
- VALUE CREATION
- FINANCIAL TARGETS AND OUTCOME

MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

FINANCIAL REPORTS

# NORDIC'S LEADING HOTEL OPERATOR

Scandic Hotels Group is the leading hotel operator in the Nordic countries, with more than 320 hotels and 68 000 rooms in operation and under development in over 150 destinations. With a history spanning over six decades, Scandic has developed a strong corporate culture and an innovative offering.

Scandic offers a broad, attractive offering through three complementary brands that meet the needs of various guests. Most of its hotels operate under the main Scandic brand, which primarily targets guests in the mid-market segment. Through the Scandic Go brand, the company has established an affordable, modern offering for a new generation of travel-savvy guests in the economy segment. Scandic's Signature Collection brand includes premium hotels with a focus on unique experiences and design for guests who are looking for something extra.

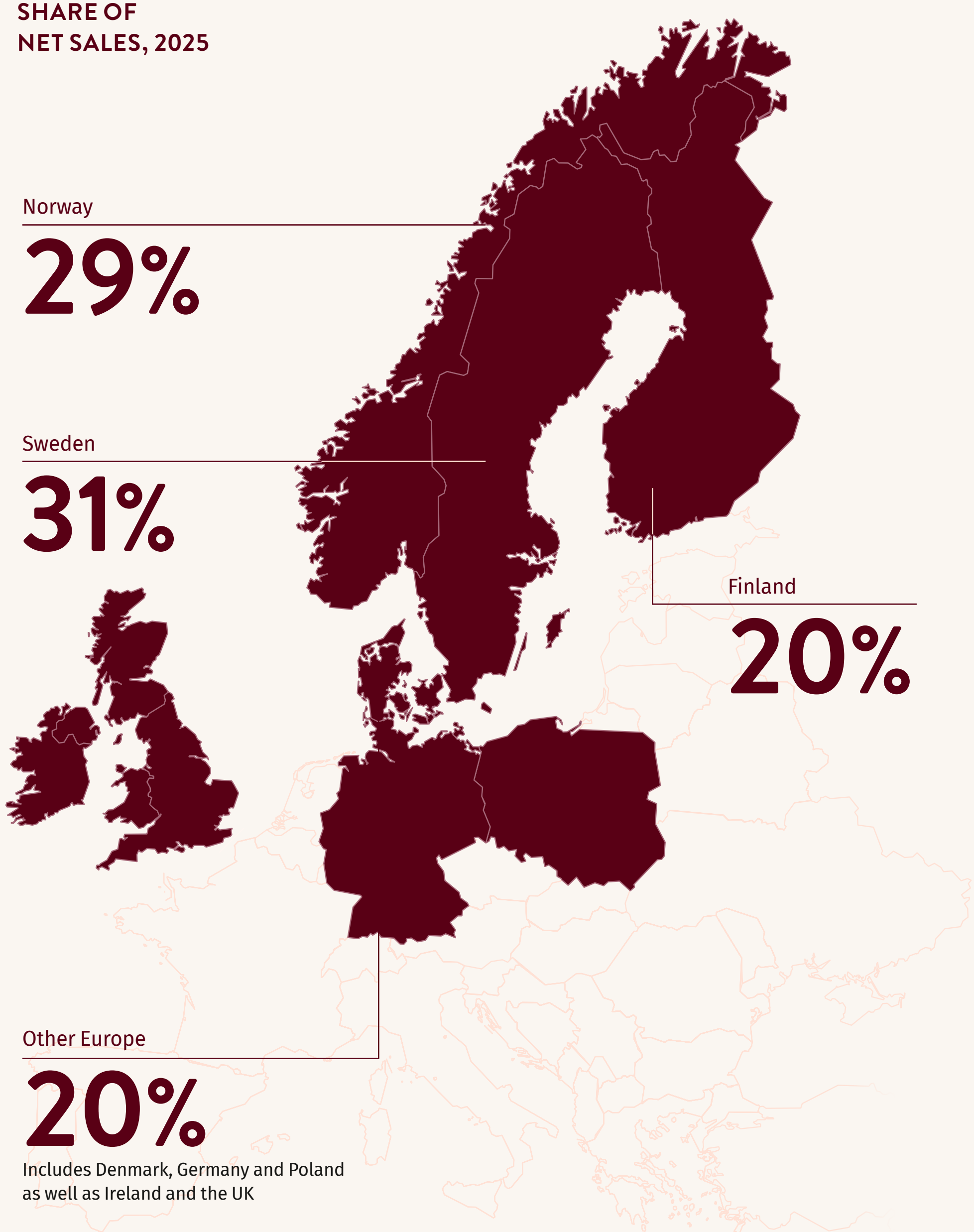
Sustainability is a key and integral part of Scandic's strategy. The company has conducted structured sustainability work since the early 1990s and continues to drive developments in the industry. Almost all of its hotels are now environmentally certified under the Nordic Swan Ecolabel, and in 2025 Scandic joined the Science Based Targets initiative (SBTi).

In July 2025, Scandic entered into an agreement to acquire Dalata Hotel Group's hotel operations from Pandox and Eiendomsspar. The acquisition provides Scandic with a well-managed portfolio of 56 hotels under two strong brands, Clayton and Maldron, with a leading position in Ireland and an established position in the UK. As a part of the ongoing acquisition, Scandic has been running Dalata's hotel operations under a management agreement since November 2025. The management agreement applies until the ongoing acquisition and carve-out process has been completed, which is expected to take place in the second half of 2026.

With a market-leading position in the Nordic region, a strong brand platform and a clear plan for continued profitable expansion, Scandic is well equipped for the future.

| Nordic leader | Unique destinations |
|---|---|
| #1 | 150+ |

## SHARE OF NET SALES, 2025



THIS IS SCANDIC
- NORDIC'S LEADING HOTEL OPERATOR
- KEY EVENTS DURING THE YEAR
- CEO STATEMENT
- BUSINESS MODEL
- VALUE CREATION
- FINANCIAL TARGETS AND OUTCOME

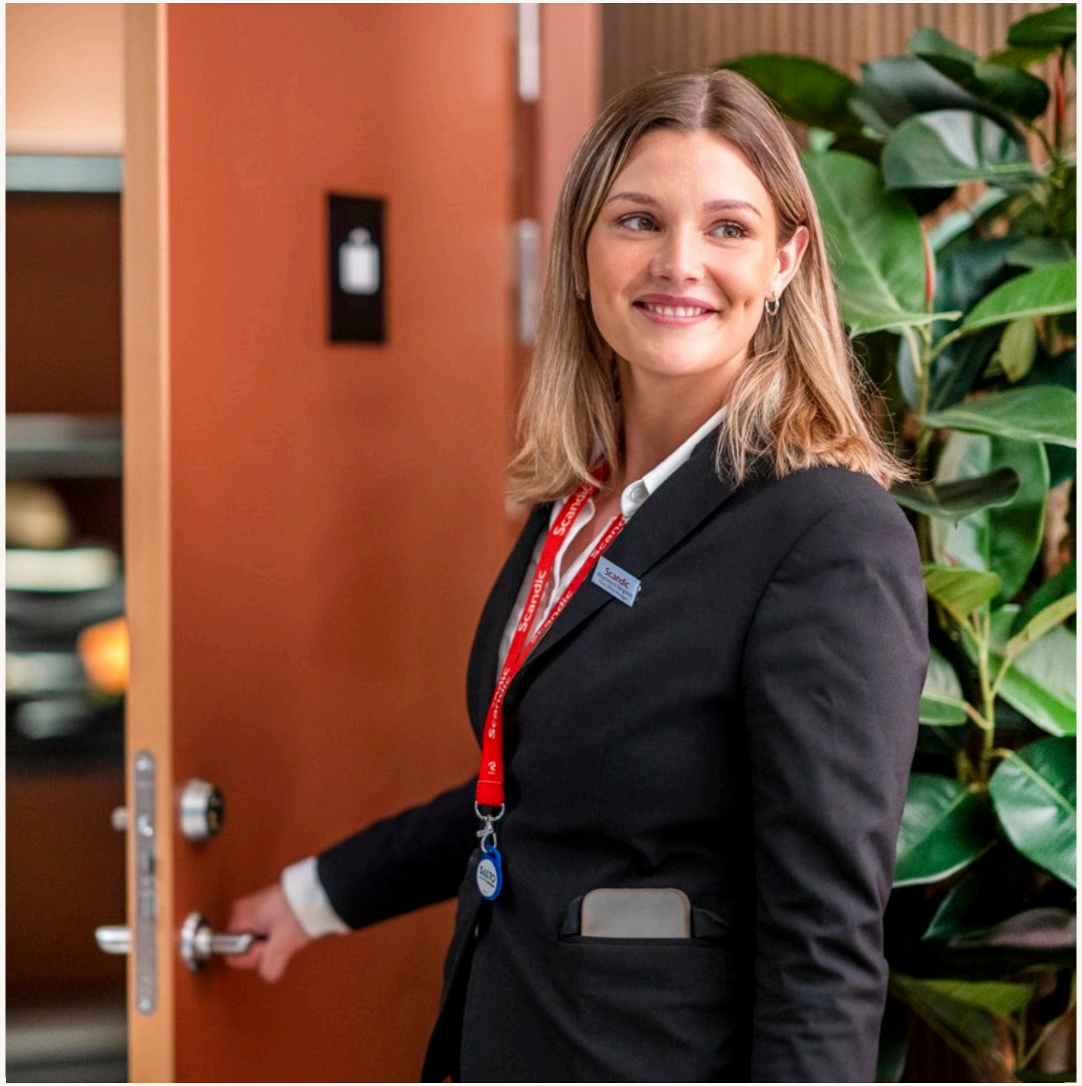
MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

FINANCIAL REPORTS

Scandic's success is built on more than six decades of innovation and continuous development with a strong drive to create exceptional guest experiences, for leisure and business travelers alike. Scandic is listed on Nasdaq Stockholm.



## KEY RATIOS

Net sales[1)]
**22.3**
SEK billion (22.0)

Adjusted EBITDA
**2.4**
SEK billion (2.5)

Occupancy
**64.1**
% (61.8)

ARR[2)]
**1,274**
SEK (1,294)

RevPAR[3)]
**816**
SEK (799)

Number of hotels
**323**
(263)

Number of hotel rooms
**68,592**
(55,319)

Number of team members
**17,670**
(16,358)

1) Net sales include SEK 39 million from franchise and management agreements. Hotel-related key ratios such as occupancy rate, average room rate and revenue per available room exclude franchise and management hotels as defined by Scandic. Number of hotels, hotel rooms and team members including hotels under temporary management agreements linked to the acquisition of Dalata Hotel Group.
2) Average room revenue per sold room.
3) Average room revenue per available room.

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
• KEY EVENTS DURING THE YEAR
CEO STATEMENT
BUSINESS MODEL
VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# KEY EVENTS DURING THE YEAR

## EXPANSION IN THE NORDICS AND GERMANY

In 2025, Scandic made investments to strengthen the Group's position in the Nordic and German markets. A total of three new hotels were opened and another four reopened after extensive renovations. In addition to openings and renovations, Scandic signed several agreements for new hotels in Sweden, Finland and Germany. The new agreements are in line with the Group's 2030 growth strategy to consolidate the company's leading position in the Nordics and carry out targeted expansions in select German destinations. The hotels represent over 1,200 rooms and include city hotels as well as destination resorts. All projects are designed based on strict sustainability requirements, such as energy efficiency, Nordic Swan Ecolabelling and circular material choices – all in line with Scandic's long-term strategy to reduce its climate impact. At year-end, Scandic had a robust pipeline of 20 hotels with just over 4,000 rooms (including six hotels from Dalata).

The Dock 69°39 by Scandic opened in Tromsø during the year and offers a unique experience north of the Arctic Circle.

Increase in the number of rooms during 2025

**~25%**

### HIGH LEVEL OF PORTFOLIO ACTIVITY DURING THE YEAR

| Three new hotels opened during the year | |
|---|---|
| The Dock 69°39 by Scandic | Norway |
| Scandic Stuttgart Europaviertel | Germany |
| Scandic Victoria Florø | Norway |

| Four hotels opened after renovations | |
|---|---|
| Scandic Karlskrona | Sweden |
| Scandic Wallin | Sweden |
| Scandic Malmen | Sweden |
| Scandic Sjöfartshotellet | Sweden |

| Five agreements for new hotels | Rooms | Opens |
|---|---|---|
| Scandic Go Turku, Finland | 144 rooms | 2026 |
| Scandic Sälen, Sweden | 136 rooms | 2027 |
| Scandic Uppsala Södra City, Sweden | 236 rooms | 2028 |
| Scandic Hamburg, Germany | 328 rooms | 2028 |
| Scandic Hamburg, Germany | 430 rooms | 2030 |

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
• KEY EVENTS DURING THE YEAR
CEO STATEMENT
BUSINESS MODEL
VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS



## CAPITAL MARKETS DAY 2025 – A CLEAR PLAN FOR HIGHER GROWTH

In February 2025, Scandic organized a Capital Markets Day in Stockholm where the company presented the business plan that serves as the foundation for the company's financial targets as well as its strategy for 2030. The strategy includes approximately 10,000 new rooms by 2030, around half of which under the Scandic Go brand, which operates in the fast-growing economy segment. In addition, Scandic plans to grow through 30 to 40 new franchise hotels in locations where the company is not currently established, providing broad Nordic coverage at low risk.

Scandic also explained how the company will increase its revenues and loyalty by creating more relevant and personalized guest experiences as well as how investments in digitalization will improve efficiency.

The Capital Markets Day also clarified the company's capital allocation framework, which combines attractive investments and yearly dividends while periodically utilizing share buybacks as a tool to optimize the capital structure.



## ACQUISITION OF DALATA'S HOTEL OPERATIONS

In conjunction with the 2025 half-year report, Scandic announced its intention to acquire Dalata Hotel Group's hotel operations from Pandox and Eiendomsspar.

The acquisition provides Scandic with a well-managed portfolio of 56 hotels and approximately 12,000 rooms under strong brands, with a leading position in Ireland and an established position in the UK.

As a part of the ongoing acquisition, Scandic has been running Dalata's hotel operations under a management agreement since November 2025, under which Scandic receives 4 percent of the revenues from Dalata's hotel operations on a quarterly basis. The management agreement applies until the ongoing acquisition and carve-out process has been completed, which is expected to take place in the second half of 2026. The acquisition of these hotels is an additional component of Scandic's growth strategy. After the takeover, the company will manage over 320 hotels with nearly 70,000 rooms. This gives Scandic a strong platform for continued expansion in two of Europe's most attractive hotel markets.

## A STRONGER COMMERCIAL PLATFORM

During the year, Scandic has strengthened its position to create value for its guests and team members. The company's new online platform and mobile app have improved the digital customer experience and made it easier than ever to plan and book hotel stays.

Scandic's partnership with SAS has opened the door to a broad network of travelers and attractive offerings that provide added value for shared customers and the companies' employees.

To offer guests additional flexibility and added value, Scandic has made it possible to choose add-on services and products before and during hotel visits, such as breakfast.

Investing in flexibility, added value and personalized experiences will allow Scandic to continue developing new business models and to deepen its relationships with leisure and business travelers. This will lay the foundation for sustainable growth and confirms Scandic's position as the leading Nordic hotel chain.

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
KEY EVENTS DURING THE YEAR
• CEO STATEMENT
BUSINESS MODEL
VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS



# CEO STATEMENT

"HOTEL EXPERIENCES, TRAVEL AND LEISURE REMAIN HIGH PRIORITIES, AND OUR ASSESSMENT IS THAT DEMAND WILL CONTINUE TO GROW STEADILY IN THE COMING YEARS. THE FOCUS NOW IS ON CAPTURING THE POTENTIAL WITHIN THE COMPANY TO TAKE SCANDIC TO THE NEXT LEVEL."

**What key steps has Scandic taken during the year?**
It has been a good year where we have implemented several important strategic initiatives and delivered robust growth and earnings in most markets. We sold a record number of hotel rooms and have successfully increased our efficiency. At the same time, we achieved a high level of guest satisfaction which is a clear recognition of the important work that our employees perform at our hotels.

During the year, we enhanced our commercial platform, focusing on the guest experience. We launched a new website and app, continuously developing our loyalty program and established new partnerships. This give us a stronger foundation to interact with our guests in a more relevant and personalized way, increase our sales and build loyalty.

Through the acquisition of Dalata, we are expanding our presence to include Ireland and the UK – two of Europe's most attractive hotel markets. The hotel portfolio is growing well, and we had 20 hotels in our pipeline at the end of the year. Including Dalata's hotels, we currently operate nearly 70,000 rooms, about a quarter more than we did just one year ago. Thus, we have strengthened Scandic's leading position in Northern Europe and created a solid foundation for continued expansion.

Overall, this means that we have the necessary conditions to take Scandic to the next level, in the form of dedicated team members, loyal guests and solid financial position.

**Are you also pleased with the financial performance?**
Our financial performance was strong overall, but there is still a great deal of potential for us to take advantage of. Net sales increased to SEK 22.3 billion, and organic growth amounted to approximately 4 percent. Earnings increased to SEK 2.4 billion, corresponding to an adjusted EBITDA margin of 10.9 percent. Our cash flow is strong, and we had essentially no debt at year-end. We have also proposed a dividend in line with our policy and will be able to complete the acquisition of Dalata while maintaining a balanced level of debt. This puts us in a strong position.

**How did demand develop across your markets?**
The Nordic hotel market is strong and continued to perform well. Leisure travel is strong and continuing to grow, and business travel has also started to pick up. While revenue was driven more by occupancy than prices, we see good conditions and excellent potential thanks to a stronger price trend. Our largest markets – Sweden and Norway – delivered good growth and earnings, and we had a strong year in Denmark, where we reported record-breaking sales and earnings. Finland remained a challenging market due to the war in Ukraine and an ongoing recession. Germany was somewhat cautious during the year due to the economic environment, but we continue to expand selectively in line with our strategy and see attractive opportunities to gradually strengthen our position in this important growth market.

THIS IS SCANDIC
- NORDIC'S LEADING HOTEL OPERATOR
- KEY EVENTS DURING THE YEAR
- CEO STATEMENT
- BUSINESS MODEL
- VALUE CREATION
- FINANCIAL TARGETS AND OUTCOME

MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

FINANCIAL REPORTS

**What will it take for Finland to return to historical levels?**
The challenge in Finland is mainly that price development has been relatively weak in larger cities. Occupancy has improved during the year, but room rates have been under pressure due to the recession and the war in Ukraine. We operate with strong cost control and a high level of efficiency. As market conditions improve, the results will be clearly visible. Historically, Finland has been a strong earnings market for Scandic, and we see long-term potential.

**How is Scandic's pipeline developing?**
The hotel market is attractive, and we are delivering in line with our target to grow by approximately 10–12 new hotels per year in our lease portfolio. Looking at our pipeline, it's well balanced between our various markets and brands. Roughly half of the hotels are Scandic Go hotels, which is aligned with our targets. Scandic is in a growth phase, and we will continue to strengthen our portfolio by signing new agreements, maintaining a well-balanced renovation rate, and constantly evaluating whether we want to end any of our existing agreements.

**Scandic held a Capital Markets Day during the year and presented its strategy for 2030. Could you briefly explain the strategy and the Group's progress?**
Scandic is currently on a growth journey, and at the Capital Markets Day, we presented our targets for 2030 and how we plan to achieve them. We have set an ambitious target to grow our lease portfolio by approximately 10,000 rooms and the franchise portfolio by 5,000 rooms by 2030. In addition to opening numerous new hotels, we also aim to grow through our well-invested commercial platform, which enables us to offer a much more personalized and relevant guest journey. Through new booking channels, relevant partnerships and a leading loyalty program, our aim is to make Scandic the preferred choice for even more guests, more often.

**How does Dalata complement your existing portfolio?**
The acquisition marks a milestone for Scandic and should be regarded as a complement to the strategy presented at the Capital Markets Day. Dalata operates 56 hotels with approximately 12,000 rooms and has a leading position in Ireland and an established presence in the UK. It also adds attractive new hotel brands to our portfolio, strengthening our offering and making us relevant to more guests in more markets. These markets are characterized by high demand and room rates that are above the Nordic rates.

The transaction is expected to have a positive impact on our earnings from day one. While our level of debt will increase temporarily, our financial position will remain stable. Dalata will allow us to broaden our geographic base and strengthen our growth profile. We currently operate Dalata's hotel under a management agreement that will remain in place until we complete the acquisition, which is expected to occur in the second half of 2026.

**What role does sustainability play in Scandic's long-term value creation?**
Sustainability is a clear part of our strategy and an integral aspect of how we conduct our business, from sourcing and supply chain requirements to operations and long-term business decisions. During the year, we developed a new sustainability strategy that sets out clear and ambitious targets. As of early 2026, 97 percent of our hotels were certified in accordance with the Nordic Swan Ecolabel. Our climate targets for achieving net-zero emissions by 2050 have also been validated by the Science Based Targets initiative (SBTi).

Sustainability provides a competitive edge. Our customers have high expectations, especially in the corporate and public sectors, and our sustainability work gives us a stronger position in these areas. More efficient energy consumption and clear processes also enable stricter cost control. This plays an important role in our long-term value creation.

**How do you see the remainder of the year and the longer-term outlook?**
The year has started well and we believe in another strong summer driven by an improving economy and an attractive events calendar.

Scandic has never been in a better position. We have an attractive hotel portfolio and a powerful commercial platform, and our financial position provides us with considerable strategic freedom. Along with our dedicated team members, this gives us a very good starting point.

Hotel experiences, travel and entertainment are high priorities for many people, and our assessment is that demand will continue to increase steadily over time. Now it's about leveraging the potential that exists in the company, continue enhancing guest experience and give our employees the best foundation for taking Scandic to the next level. At the same time, we remain mindful that the geopolitical environment is uncertain, and we are humble regarding how developments may evolve. We are monitoring the situation closely but continue to see stable underlying demand across our markets.

Finally, I would like to extend my sincere thanks to all our team members and guests.

Jens Mathiesen
President & CEO

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
KEY EVENTS DURING THE YEAR
CEO STATEMENT
• BUSINESS MODEL
VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# BUSINESS MODEL

Scandic's successful concept is built on a business model with a focus on long-term, mainly sales-based, lease agreements. Our ability to combine high guest satisfaction with good profitability makes the company an attractive and long-term partner for property owners.

As a hotel company, Scandic's business model is based on long-term sales-based lease agreements. The company is responsible for the entire hotel business, from operations and branding to sales and distribution, giving it full control over the guest experience and ensuring consistent quality throughout the entire offering. The centralized, integrated structure thereby creates significant economies of scale in procurement, administration, and investment.

Scandic's model is based on mutual incentives: higher sales benefit both Scandic and property owners by increasing rental income and property values. Scandic's focus on variable rents creates a flexible cost structure that enables stable margins, even when market conditions vary. Its leases also stipulate how investments are to be distributed, with the property owner normally taking responsibility for the majority of property-related investments.

Scandic has a well-established commercial platform with a broad, diversified offering for leisure and business travelers alike. The Nordic region's largest loyalty program and strong distribution channels give Scandic a high share of returning guests and good opportunities to optimize the guest mix based on revenues and profitability.

Operational efficiency, motivated team members and sustainability are key to the business model. Sustainability is integrated into the strategy, and the lease agreements allocate responsibility in order to establish mutual incentives and ensure long-term value creation for all parties.

## BENEFITS OF LEASING MODEL

- Control over value chain and guest experience
- Economies of scale in operations and distribution
- Mutual incentives with property owners
- Flexible cost structure

## FOCUS ON VARIABLE LEASE AGREEMENTS

Scandic's model of sales-based lease agreements is well established in northern Europe. Franchise agreements, where the hotel company is only responsible for the brand and management is handled by a third party, are more common in many other markets. Some operators use a fully integrated model where they own the property in addition to operating the hotel. Scandic's model gives the company control over the value chain and offering, enabling economies of scale in operation and distribution while creating mutual incentives with the property owners. The variable lease agreements also create a flexible cost structure that ensures the business model's long-term resilience.

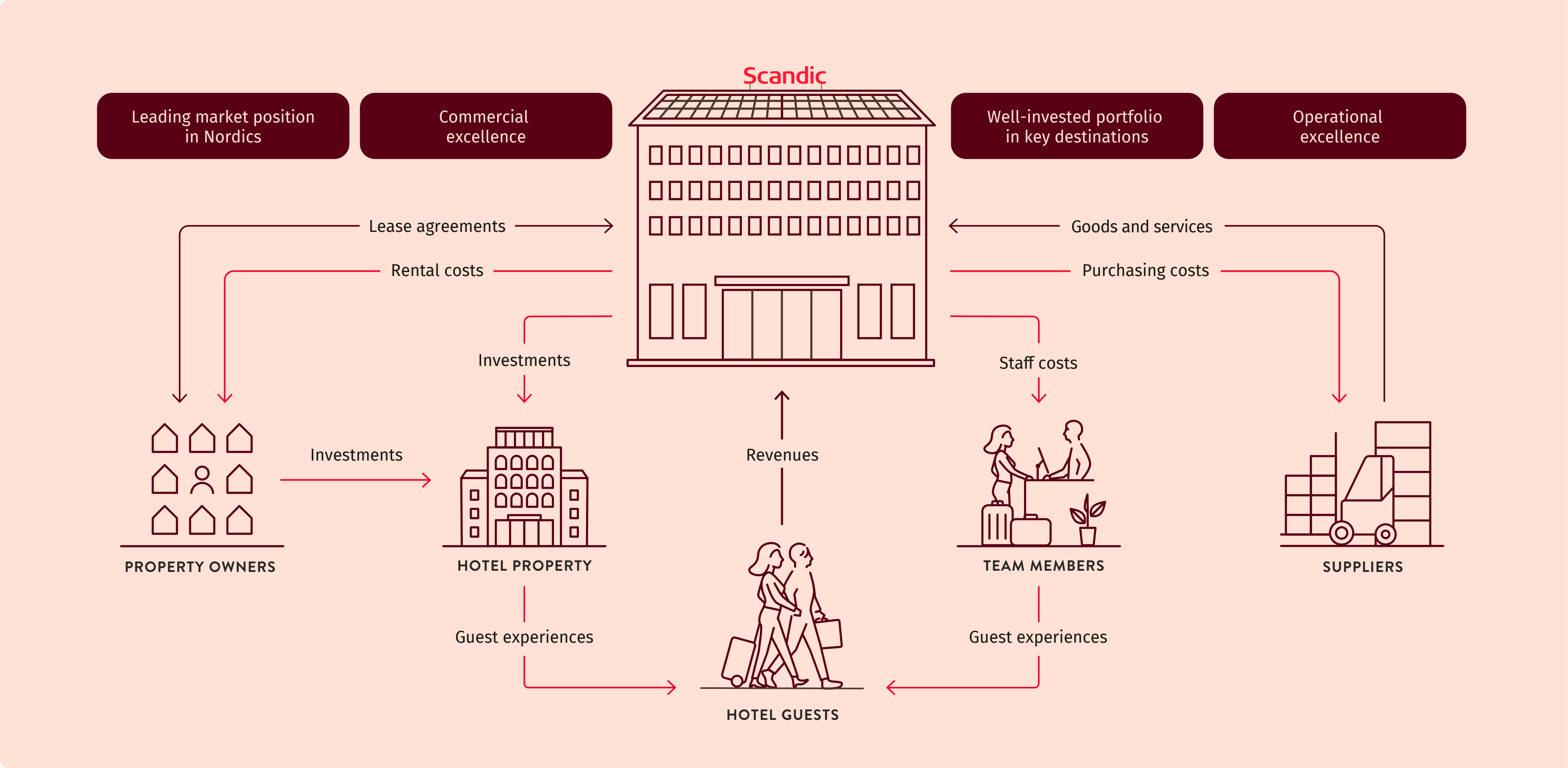
## IMPACT OF IFRS 16 LEASES

Scandic has applied IFRS 16 Leases since January 1, 2019. This means that lease agreements with fixed or minimum rent are recognized as right-of-use assets and lease liabilities in the balance sheet. To give investors a true and fair view of the company's financial performance, Scandic reports earnings and key ratios with and without the effects of IFRS 16. Read more about how IFRS 16 impacts Scandic's financial statements on pages 152–155.

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
KEY EVENTS DURING THE YEAR
CEO STATEMENT
• BUSINESS MODEL
VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# BUSINESS MODEL OVERVIEW

Scandic's business model makes the company a preferred long-term partner for property owners. It is based on mutual incentives, where Scandic and the property owner work together to create the best possible guest experience.



THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
KEY EVENTS DURING THE YEAR
CEO STATEMENT
BUSINESS MODEL
• VALUE CREATION
FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# VALUE CREATION

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

## 1 GOOD GROWTH

The development of Scandic's core markets is attractive and has historically been characterized by stable growth from increased travel and tourism. The company has a leading position in the mid-market segment, the largest segment in the Nordic region, and also operates hotels in the economy and premium segments. This provides broad market coverage and good opportunities for continued growth. Demand from leisure travelers is continuing to increase and Scandic is maintaining a strong position in the business segment. The commercial platform is well invested and features the Nordic region's largest loyalty program. With a high share of returning guests and a strong distribution capacity, the company can optimize sales between its own and external channels to drive revenues and profitability. Scandic has increased its rate of expansion in recent years and now has a comprehensive pipeline of new hotel openings. In 2025, the company signed an agreement to acquire Dalata Hotel Group. The acquisition, which is expected to be completed in 2026, gives Scandic a strong position in Ireland and the UK, two of Europe's most attractive hotel markets.

## 2 FLEXIBLE COST STRUCTURE

Scandic's business model is built on sales-based lease agreements, which enables a high share of variable costs and a flexible cost structure. Around 25 percent of the company's costs consist of consumables and sales-related items such as rents and commissions, which vary with occupancy and sales.

Just over half of its costs are semi-variable, mainly payroll expenses. Through thorough planning and daily monitoring of demand, Scandic can quickly adapt staffing and other costs to the prevailing market conditions, helping it to maintain stable margins over time.

## 3 GOOD PROFITABILITY

Scandic's operating model and flexible cost structure form the foundation of its ability to generate good and stable margins over time. Since the company's stock market listing in 2015, profitability has gradually been improved by maintaining a consistent focus on efficiency and scalability. As a hotel company responsible for operations, branding and distribution, Scandic has control over the entire value chain, enabling efficient optimization of revenues, costs and investment. The company strives for cost efficiency at every level through careful staff planning and economies of scale, for example in IT, procurement, investment and administration, which strengthens its profitability over time.

## 4 STRONG CASH FLOW

The combination of good growth and profitability as well as low tied-up working capital means that Scandic can generate strong cash flows. Cash flow generation in relation to sales has improved significantly over time.

The level of investment is balanced through a clearly structured division of responsibilities between Scandic and its property owners. Maintenance and renovation investments, excluding new establishments, normally amount to 3–4 percent of net sales over time. In addition, investments are being made in expansion, IT and digitalization in order to strengthen the company's long-term competitiveness.

Since the pandemic, Scandic has gradually reduced its debt, achieving historically low debt levels and a strong financial position by the end of 2025.

THIS IS SCANDIC
NORDIC'S LEADING HOTEL OPERATOR
KEY EVENTS DURING THE YEAR
CEO STATEMENT
BUSINESS MODEL
VALUE CREATION
• FINANCIAL TARGETS AND OUTCOME
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# FINANCIAL TARGETS AND OUTCOME

Scandic's financial targets and dividend policy aim to create long-term shareholder value through a balanced combination of growth, profitability and financial strength. The current financial targets were established in 2025 and apply until 2027.

## ORGANIC GROWTH

**Organic net sales growth of at least 5 percent per year.**

**Outcome 2025**
In 2025, organic growth amounted to 3.9 percent. Net sales increased by a total of 1.5 percent to SEK 22.3 billion.

## PROFITABILITY

**Adjusted EBITDA margin of at least 11 percent per year.**

**Outcome 2025**
In 2025, the adjusted EBITDA margin was 10.9 percent compared with 11.4 percent in 2024. Excluding items affecting comparability, the margin was 10.7 percent (11.2).

## CAPITAL STRUCTURE

**Scandic shall have net debt in relation to adjusted EBITDA of less than 1×.**

**Outcome 2025**
At the end of 2025, Scandic's net debt amounted to SEK 35 million, while adjusted EBITDA was SEK 2 425 million.

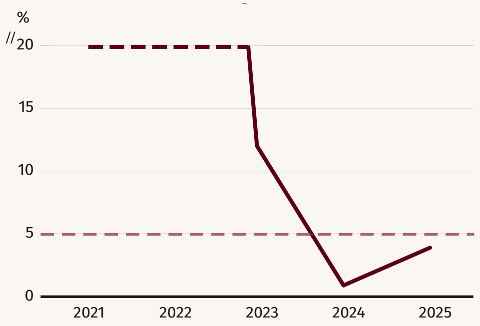
Net debt in relation to adjusted EBITDA was 0.0x.

## DIVIDENDS

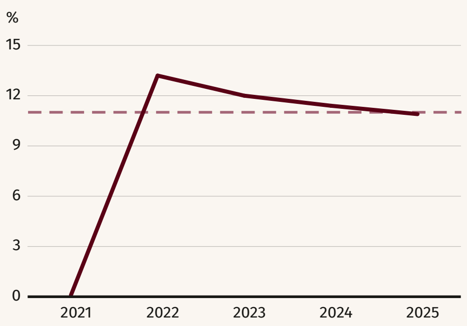
**The dividend policy is to distribute at least 50 percent of net profit for the year. Dividends are based on net profit excluding the effects of IFRS 16.**

**Outcome 2025**
For the 2025 financial year, the Board of Directors has proposed that the Annual General Meeting (AGM) approve an ordinary dividend of SEK 2.60 per share. In total, this corresponds to approximately 53 percent of net profit, excluding effects from IFRS 16. In 2024, Scandic distributed SEK 550 million (SEK 2.50 per share) in an extraordinary dividend as well as an ordinary dividend of SEK 2.60 per share. In total, this corresponded to approximately 103 percent of net profit excluding IFRS 16 effects.

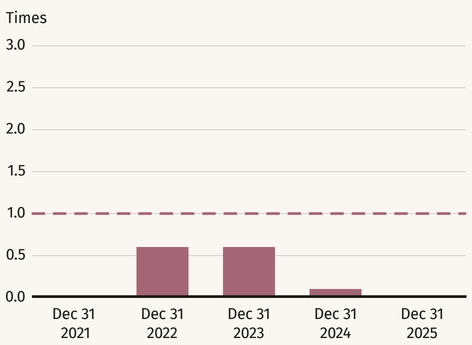
GROWTH TARGET: >5%



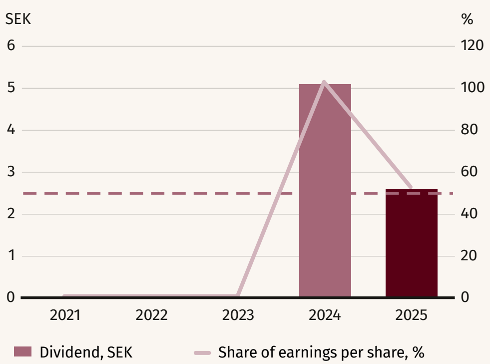

PROFITABILITY TARGET: >11%




CAPITAL STRUCTURE TARGET: <1×




DIVIDEND TARGET: ≥50%



THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# MARKET AND STRATEGY

THIS IS SCANDIC
MARKET AND STRATEGY
• MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# GOOD DEMAND IN SCANDIC'S CORE MARKETS

Scandic is the leading Nordic hotel company, primarily present in Sweden, Norway, Finland, Denmark and Germany. The Nordic markets are characterized by a high share of domestic demand, stable tourism growth and a balanced development in capacity. These factors have collectively led to a positive market situation. Through the acquisition of Dalata Hotel Group's hotel operations, Scandic is strengthening its geographic presence with a leading position in Ireland and an established position in the UK. These countries are two of Europe's most attractive hotel markets. They have seen a good trend since the pandemic, driven by stable domestic demand, growing international tourism and relatively low growth in new rooms.

During the year, Scandic's markets performed well overall, with increasing average room rates and revenue per available room (RevPAR). In the Nordics, the market was stable and RevPAR increased by approximately 8 percent. In Ireland and the UK, RevPAR increased by about 5 percent and 2 percent, respectively.

The Norwegian hotel market showed a strong trend, driven by both leisure and business travel. A favorable macroeconomic situation, high levels of activity in the energy and services sectors, and limited growth in capacity led to higher prices and occupancy rates.

The trend in Sweden was stable, with good demand from both leisure and business travelers. The price trend was positive, though somewhat more restrained compared with the previous year due to the weaker economy.

Economic growth remains weak in Finland, leading to a negative price trend during the year despite a stable increase in the occupancy rate. The market was also impacted by the lingering effects of the war in Ukraine, which is having a dampening effect on international travel.

The trend in the Danish market remained strong, particularly in the Copenhagen region where international tourism is growing quickly. The city's appeal in terms of both leisure and business travel, in combination with increased air traffic and limited new capacity, led to increased occupancy and price levels.

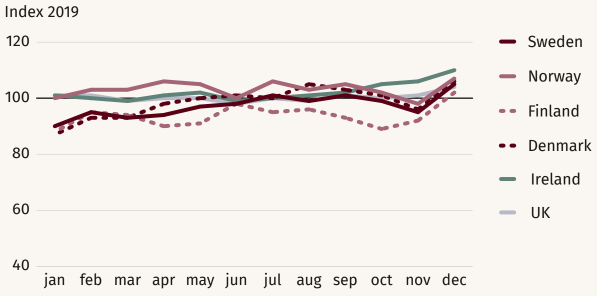
Developments remained stable in Ireland and the UK, supported by growing tourism and a gradual recovery in international business travel.

**Good conditions for continued positive development**

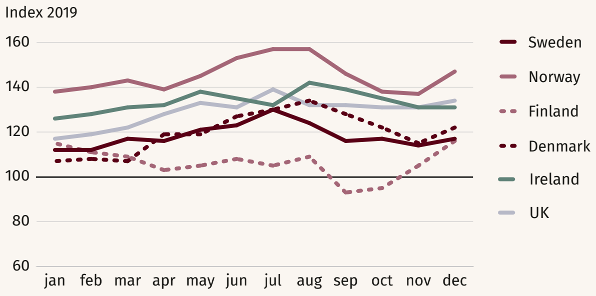
The Nordic hotel market is expected to continue developing positively in the coming years. Demand is increasingly being driven by leisure travel, while business travel continues to recover. There is still untapped potential, particularly regarding major conferences and trade fairs that have not yet returned to their full pre-pandemic levels. Scandic believes that the prospects are good, with growing demand and a relatively low rate of growth in the supply of new hotels.

Conditions in Ireland and the UK are also favorable, with high occupancy and room rates, strong international demand, and continued limited growth in capacity.

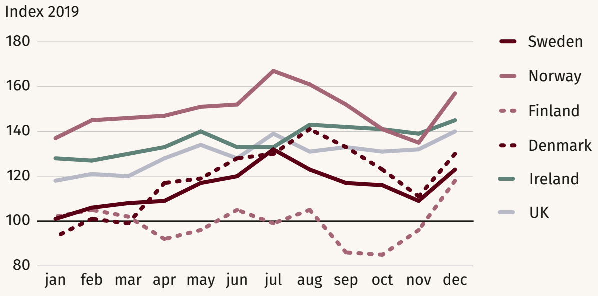
**OCCUPANCY 2025**




**AVERAGE ROOM RATES 2025**



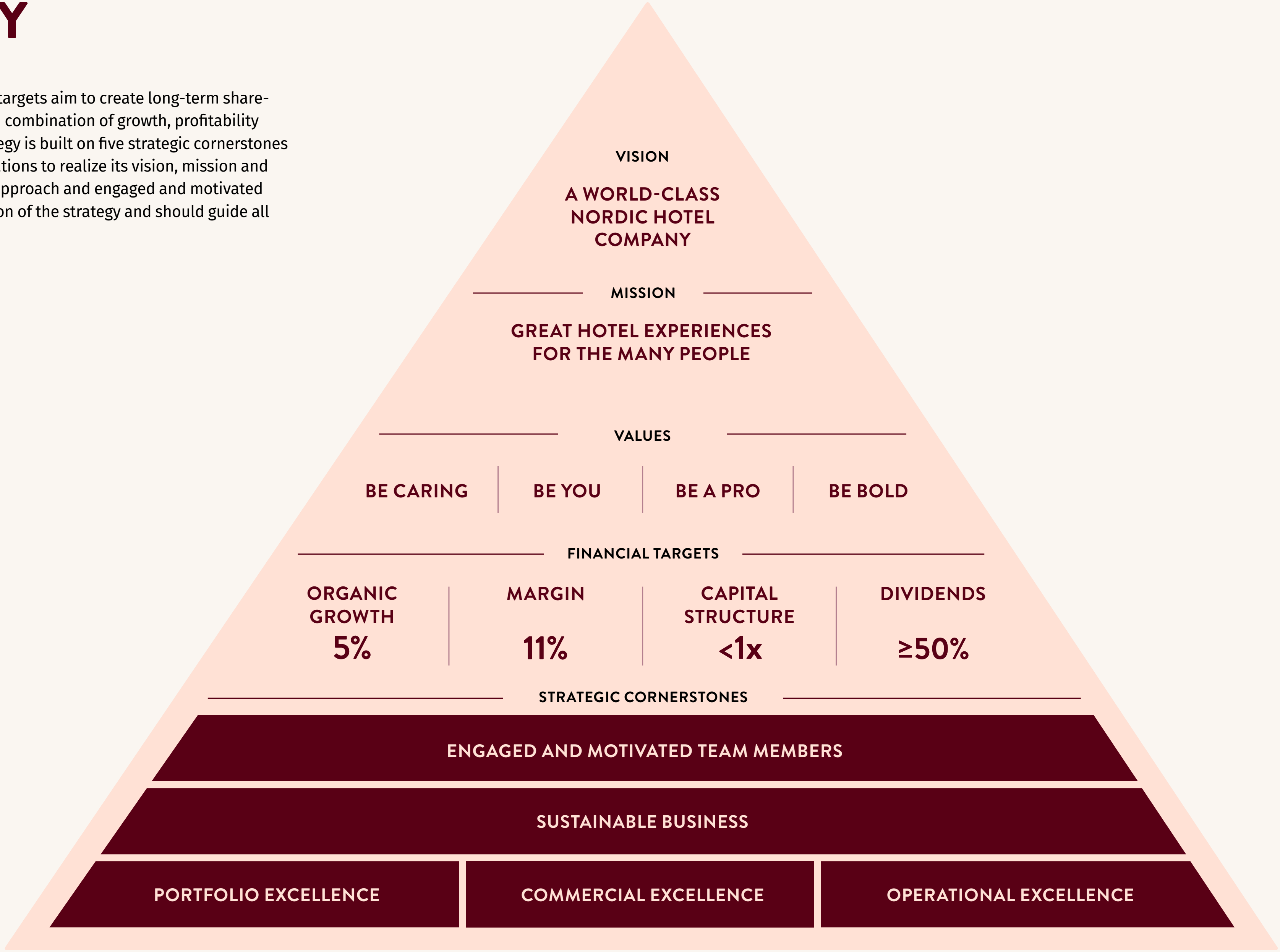

**REVENUE PER AVAILABLE ROOM (REVPAR) 2025**

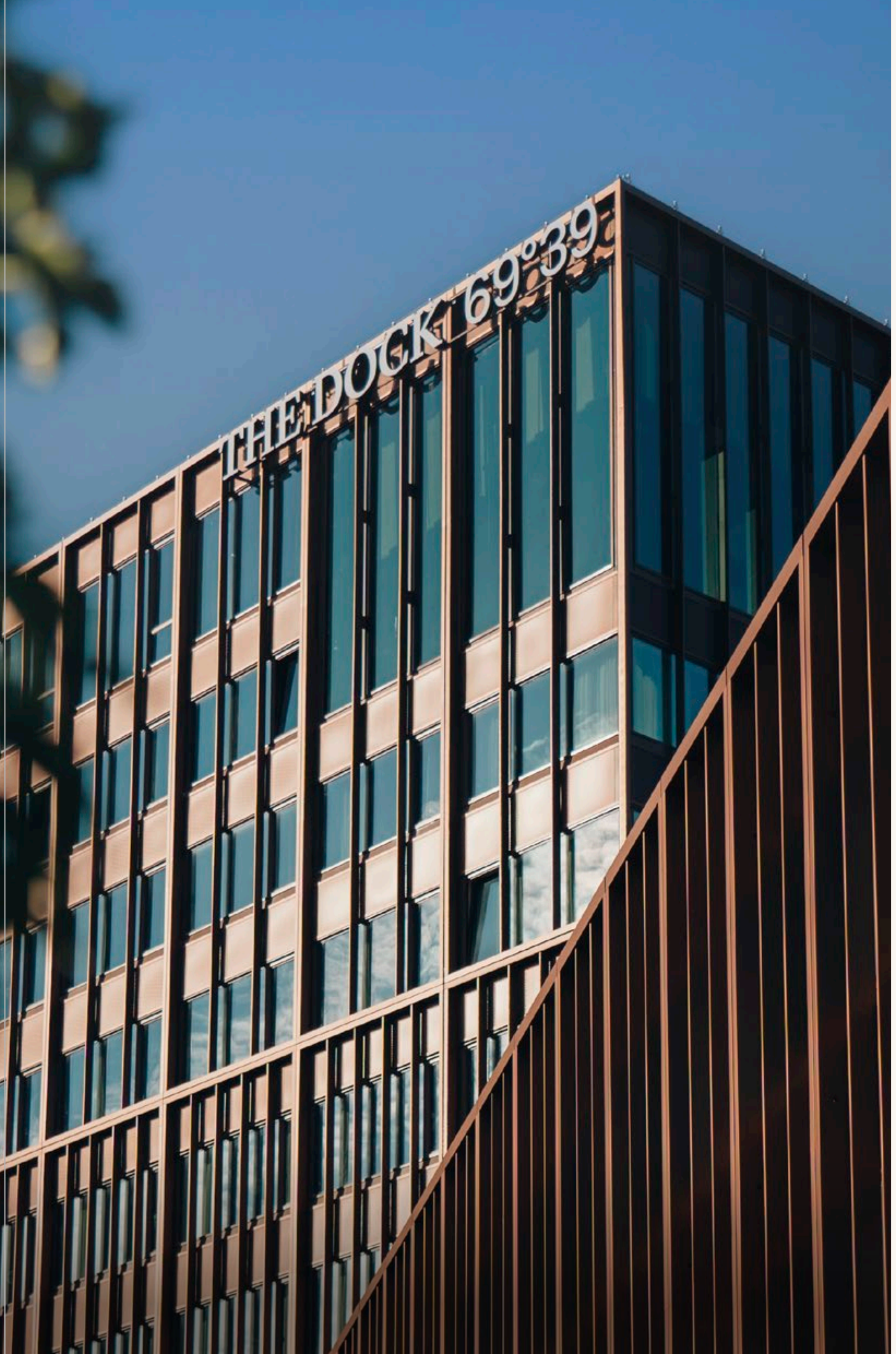



Source: Benchmarking Alliance and STR.

# STRATEGY

Scandic's strategy and financial targets aim to create long-term shareholder value through a balanced combination of growth, profitability and financial strength. 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 the strategy and should guide all important decisions.






# PORTFOLIO EXCELLENCE

Scandic's strategy focuses on strengthening its market-leading position in the Nordic countries, selectively expanding in Germany, and continuously developing and optimizing its hotel portfolio to enhance its guest offering.

At the end of 2025, Scandic operated 323 hotels with 68 592 rooms, 246 of which were through lease agreements, 57 through management agreements, 19 through franchise agreements and one fully owned hotel. At the Capital Markets Day in February 2025, Scandic presented its updated growth plans and targets for 2030. These include increasing the number of rooms by around 10,000 through lease agreements and by around 5,000 through franchise agreements. The strategy aims to further strengthen Scandic's leading position in the Nordics by increasing its presence in the region, alongside the company's intention to grow in select markets in Germany. The expansion in Germany is primarily taking place in key destinations with growing demand and with a focus on responsible establishments and long-term profitability.

**Complementary growth through acquisition of Dalata**

As a complementary component of the growth strategy, Scandic entered into an agreement to acquire Dalata Hotel Group's hotel operations from Pandox and Eiendomsspar in the end of 2025. The acquisition includes 56 hotels with approximately 12,000 rooms in operation and 1,900 in the pipeline. The acquisition strengthens Scandic's presence in two attractive markets, with good underlying demand. The acquisition provides Scandic with a leading position in Ireland and an established position in the UK. Until the acquisition is finalized, which is expected to take place in the second half of 2026, the hotels will be operated by Scandic through a management agreement.

## PORTFOLIO OVERVIEW

**At the end of 2025, Scandic had a diversified portfolio of lease agreements:**

**19 percent** were fully variable.

**68 percent** were variable with a guaranteed minimum rent.

**13 percent** were based on fixed rents.

**About 76 percent** of Scandic's hotels were operated with lease agreements.

**In addition, about 18 percent** of hotels were operated under franchise agreements.

**About 6 percent** were operated under management agreements.

THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
• PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

## Well-invested portfolio

Scandic's strong brands and attractive business model make the company a preferred partner for property owners, creating establishment opportunities in strategically important locations in the Nordic region and in select European destinations. The company continuously invests in and optimizes its existing hotels to achieve high levels of guest satisfaction and to strengthen its profitability. A well-invested portfolio, with systematic reinvestments in Scandic's own facilities, allows the company to offer three complementary brands that meet a variety of guest needs. During the year, investments in renovations and maintenance amounted to SEK 783 million, corresponding to 3.5 percent of net sales.

## Growth and development of the hotel portfolio

Scandic's strategy focuses on strengthening its market-leading position in the Nordic countries and selectively expanding in Germany. The acquisition of Dalata Hotel Group's hotel operations has also allowed Scandic to lay the groundwork for an expanded presence in two attractive markets, Ireland and the UK, as a complement to the long-term growth strategy.

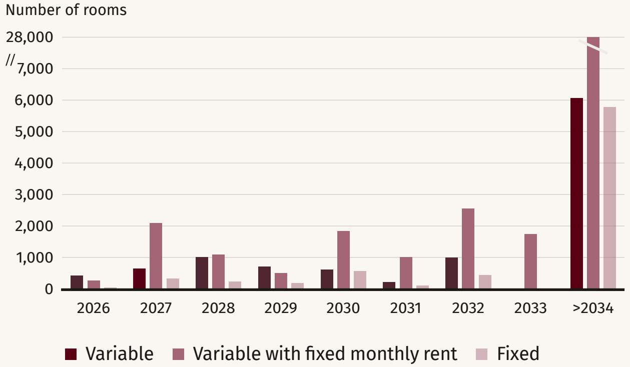
The company works continuously to develop and optimize the hotel portfolio by evaluating investments in new and existing hotels as well as identifying opportunities to exit hotels with limited potential, contributing to a stronger guest offering and higher underlying profitability.

Scandic's brand portfolio is a central part of the company's growth strategy. Beyond the main Scandic brand, the company is continuing to expand in the quickly growing economy segment through Scandic Go and to establish premium hotels in select destinations under the Signature Collection brand.

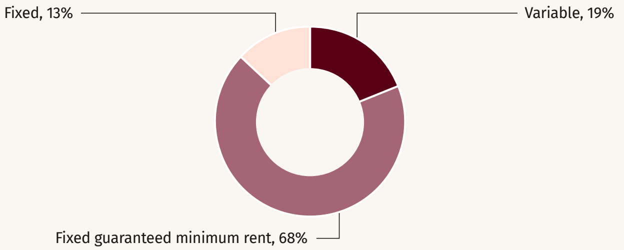
These three brands collectively offer a broad and diversified offering that addresses the economy, mid-market and premium segments by meeting a variety of guest needs.

During the year, Scandic signed an agreement for 5 new hotels and opened 3 new hotels. At the end of the year, Scandic had a strong pipeline of 20 hotels and 4 283 rooms (including 6 hotels from Dalata's pipeline).

### REMAINING LEASE TERMS

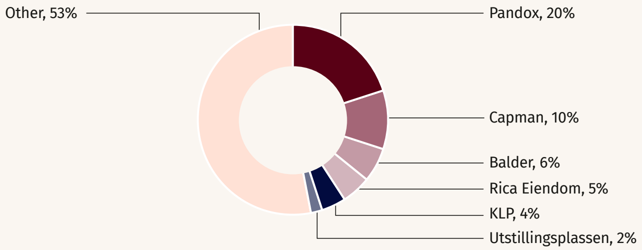



### SHARE OF LEASE AGREEMENTS




At year-end, about 76 percent of Scandic's hotels were operated under lease agreements and 24 percent under management or franchise agreements. Of all lease agreements, about 19 percent were variable, 68 percent were variable with a guaranteed minimum rent and 13 percent were fixed rental agreements.

### LARGEST PROPERTY OWNERS




Scandic collaborates closely and has well-established relationships with leading property owners. Strong commercial capabilities and an attractive business model make Scandic a preferred partner.

THIS IS SCANDIC

MARKET AND STRATEGY

MARKET DEVELOPMENT

STRATEGY

• PORTFOLIO EXCELLENCE

OPERATIONAL EXCELLENCE

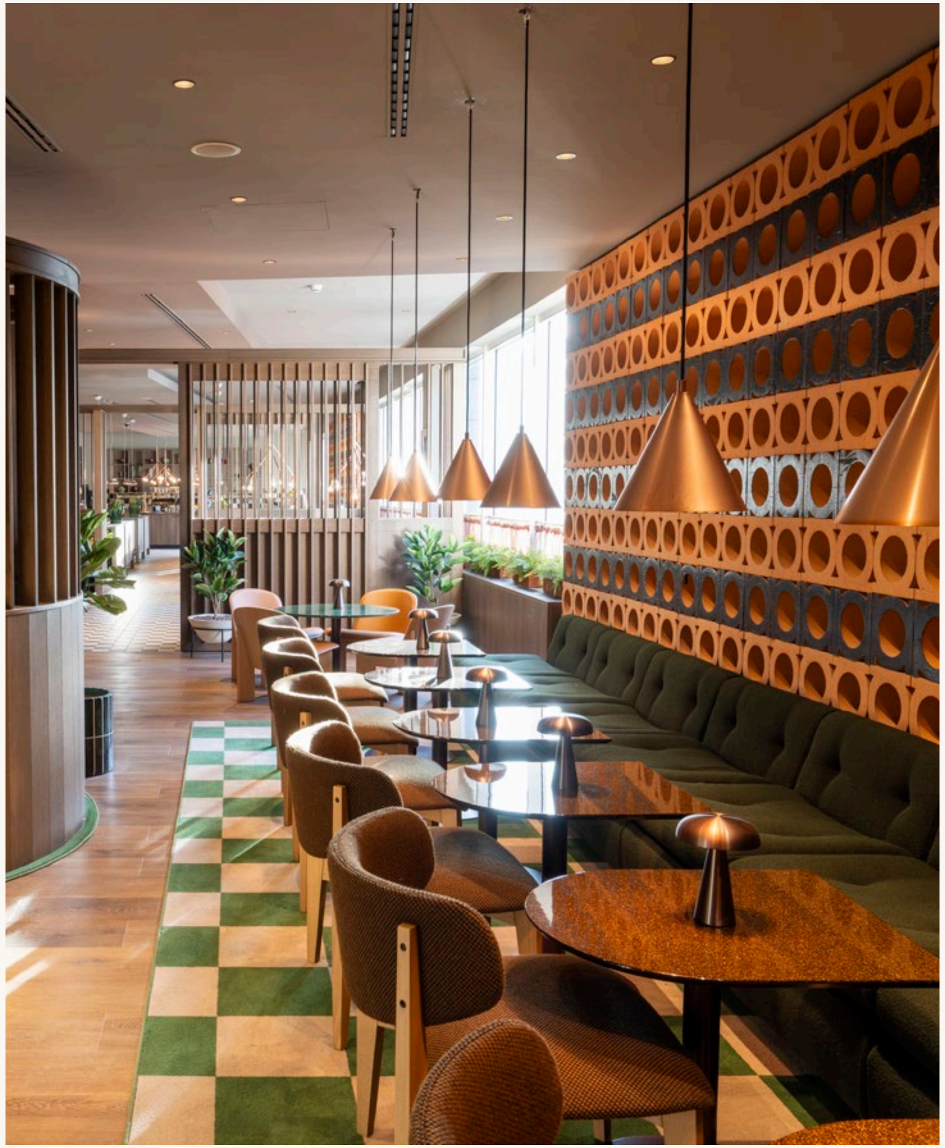
COMMERCIAL EXCELLENCE

ENGAGED AND MOTIVATED TEAM MEMBERS

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

FINANCIAL REPORTS



In December 2025, Scandic opened its first hotel in Stuttgart. Scandic operates a total of eight hotels with approximately 2,600 rooms in Germany.

**FUTURE HOTELS, EXTENSIONS AND EXITS AS AT DECEMBER 31, 2025**

| Pipeline, year | Hotel | Location | No. rooms |
|---|---|---|---|
| Q1 2026 | Scandic Go, Umeå | Umeå, Sweden | 100 |
| Q2 2026 | Scandic Go, Gothenburg | Gothenburg, Sweden | 176 |
| Q2 2026 | Scandic Go, Helsingborg | Helsingborg, Sweden | 96 |
| Q2 2026 | Maldron Hotel Croke Park, Dublin | Dublin, Ireland | 200 |
| Q3 2026 | Scandic Go, Oulu | Oulo, Finland | 144 |
| Q3 2026 | Scandic Berlin Charlottenburg | Berlin, Germany | 214 |
| Q3 2026 | Clayton Hotel Tiergarten, Berlin | Berlin, Germany | 274 |
| Q3 2026 | Scandic Go, Jönköping | Jönköping, Sweden | 103 |
| Q4 2026 | Clayton Hotel St Andrew Square, Edinburgh | Edinburgh, United Kingdom | 172 |
| Q1 2027 | Signature Collection, Aarhus | Aarhus, Denmark | 342 |
| Q4 2027 | Scandic Sälen | Sälen, Sweden | 136 |
| Q2 2028 | Scandic Hamburg StadtKontor | Hamburg, Germany | 328 |
| Q2 2028 | Scandic Uppsala Södra City | Uppsala, Sweden | 236 |
| Q3 2028 | Clayton Hotel Morrison Street, Edinburgh | Edinburgh, United Kingdom | 256 |
| Q4 2028 | Scandic Ski | Ski, Norway | 220 |
| Q4 2028 | Clayton Hotel at Valdebebas, Madrid | Madrid, Spain | 243 |
| Q4 2028 | Clayton Hotel, Old Broad Street London | London, United Kingdom | 154 |
| Q1 2030 | Scandic Garden Go, Helsinki | Helsinki, Finland | 232 |
| Q1 2030 | Scandic Garden, Helsinki | Helsinki, Finland | 227 |
| Q2 2030 | Scandic Hamburg Heidenkampweg | Hamburg, Germany | 430 |
| **Total** | | | **4,283** |
| Ongoing extensions | | | 404 |
| Closed for renovations | | | 200 |
| Exits | | | -641 |
| **Total pipeline, net** | | | **4,246** |

Read more about Scandic's acquisition of Dalata's hotel operations and how they are managed on page 18.



# OPERATIONAL EXCELLENCE

Scandic's leading, scalable operating model contributes to high guest and employee satisfaction and efficiency. Investments in digitalization, standardization and coordination between markets create efficient ways of working that support sustainable, profitable growth.

**Leading operating model**

Scandic's ability to balance guest and employee satisfaction with profitability forms the foundation of its successful operating model. Standardized processes and coordination, for example in procurement, administration and investments, create significant economies of scale and lead to high efficiency. A strong market position also provides a favorable negotiating position with distribution partners, strengthening the company's cost position.

Scandic also has the ability to quickly and efficiently implement its operating model at new hotels, an important competitive advantage in its dialogues with property owners and when expanding into new markets.

**High level of service and an efficient way of working**

Scandic continuously invests in improving its level of service through standardization, increased coordination and digital solutions. One important step during the year was the implementation of the cloud-based Opera Cloud business system at every hotel and at the company's central functions in all markets. In 2025, Scandic continued to strengthen its operations and service by introducing the new Quinyx staff planning system, which is now used in all markets. The system provides better conditions for efficient planning and resource use as well as a more uniform way of working. It improves the level of service by ensuring the right staffing based on occupancy rate and enables flexible staffing between hotels.

Quinyx also provides greater transparency and flexibility for the company's team members, who can view their schedules, change shifts and manage their leave directly in the tool.

Scandic is continuously optimizing its operations to further improve its coordination and efficiency, thereby strengthening collaboration between the various parts of operations and creating good conditions for reaching the company's strategic targets.

THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS



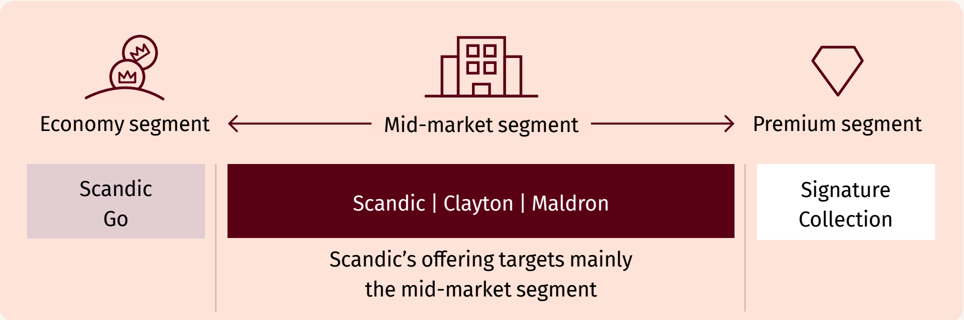
# COMMERCIAL EXCELLENCE

Scandic is a leading brand in the Nordics with an attractive offering for leisure and business travelers alike, primarily in the economy and mid-market segments.

The company's brand portfolio consists of three complementary brands: Scandic, Scandic Go and Signature Collection. These brands collectively cover the economy, mid-market and premium segments. Under the main Scandic brand, the company operates hotels with high brand awareness and a leading position among leisure and business travelers. Scandic Go targets the fast-growing economy segment with a smart and affordable offering for a new generation of well-traveled guests. Under the Signature Collection brand, Scandic operates hotels in the premium segment, focusing on unique experiences and distinctive design.

**Complementary brands through Dalata acquisition**

The acquisition of Dalata Hotel Group will also introduce the well-known Clayton and Maldron brands to Scandic's brand portfolio. These two established brands primarily operate in the mid-market segment and strengthen Scandic's position considerably. Since acquiring Restel in 2017, Scandic also operates ten hotels in Finland under the Holiday Inn, Crowne Plaza, Indigo and Hilton brands. Regardless of brand, Scandic's offering is characterized by high levels of personal service and a consistent guest experience. This is made possible thanks to Scandic's business model, which gives the company full control over hotel operations, branding and distribution.



THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
• COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

### Digital guest offering and flexibility

Work to improve the digital customer journey continued during the year. A new website and mobile app were launched to simplify the booking process and create a more integrated experience for Scandic Friends members. The new platforms have led to increased activity in the direct channels.

In parallel with this, Scandic continued to develop a more flexible booking experience, where guests can adjust what is included in their stay themselves. In 2025, for example, the ability to include or opt out of breakfast was introduced, making the offering more relevant and responsive to guest needs.

### Strong distribution platform

Scandic has a strong and well-balanced distribution platform with a high share of direct bookings. In 2025, the Group's own channels accounted for 63 per cent of room nights sold, with the Scandic website and app continuing to represent the largest booking channel and remaining at stable levels over time. The somewhat lower share of direct bookings compared with previous years is primarily explained by fewer bookings made directly through hotels, while digital channels continue to develop well. At the same time, increased international demand has contributed to higher activity in global distribution channels such as OTAs, broadening reach and complementing Scandic's own distribution. The high share of direct distribution creates a cost-efficient relationship with guests while providing Scandic with valuable insights into their preferences and behaviour. Together with the Group's strong brand and market-leading position, this creates clear competitive advantages compared with operators without similar scale or distribution capabilities.

### Integrated ecosystem for loyalty and partnerships

In 2024, Scandic also launched a new, more attractive loyalty program to strengthen guest relationships and offer more

relevant experiences. With three million members, Scandic Friends is the Nordic hotel industry's largest loyalty program. Since its launch, the program has seen a growing user base and higher activity levels.

In 2025, Scandic introduced a strategic partnership with SAS in order to offer unique, value-creating benefits for members of both companies' loyalty programs. The partnership is an important part of developing Scandic Friends into a broader ecosystem that creates value for guests. It provides incentives for over 11 million members of two of the Nordic region's largest loyalty programs to choose Scandic and SAS for hotel stays, travel and experiences.

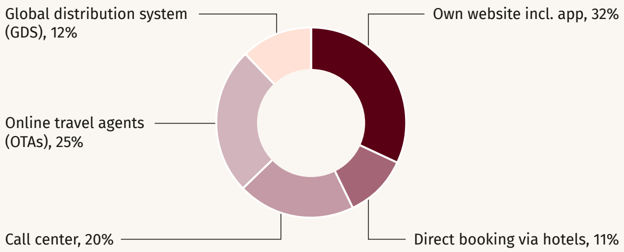
### An attractive offering and strong foundation for continued growth

Scandic's ambition is to be the first choice for both leisure and business travelers as well as loyalty members and partners. Its market-leading position in the Nordic region, in combination with a strong and renewed commercial offering, provides good conditions for increased loyalty, higher direct sales and continued growth with good profitability.

#### DISTRIBUTION MIX 2021–2025

| % of guest nights | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Own website incl. app | 32 | 32 | 31 | 31 | 34 |
| Direct booking via hotels | 11 | 14 | 16 | 19 | 25 |
| Call center | 20 | 20 | 21 | 20 | 14 |
| **Direct** | **63** | **66** | **68** | **70** | **74** |
| OTAs | 25 | 22 | 20 | 19 | 17 |
| GDS | 12 | 12 | 12 | 11 | 9 |
| **Indirect** | **37** | **34** | **32** | **30** | **26** |

#### DISTRIBUTION CHANNEL




Market share in Nordic countries

**~16%**

Share of sales in own channels

**~63%**

Scandic Friends' share of sold rooms 2025

**~38%**

THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# ENGAGED AND MOTIVATED TEAM MEMBERS

Scandic's culture is one of the company's main strengths and a key part of its strategy. The company's culture is founded on the values Be Caring, Be You, Be a Pro and Be Bold, which collectively promote an inclusive, professional and development-oriented work environment.

**A strong internal culture**

In 2025, work to further strengthen the internal culture was prioritized. The Culture Boost initiative provided training for all team members in Scandic's culture, with updated tools for applying the values to their daily work – regardless of whether their role is at a hotel or a central function. This work is long-term and will continue in 2026.

**A new employer value proposition**

As a part of its development work, Scandic launched a new employer value proposition (EVP): "Be the reason great happens. Every stay. Every day."

The EVP brings together the company's culture, strategy and brand promise in a combined narrative and clarifies how important each team member is to the guest experience and Scandic's performance.

A strong EVP is a strategic investment that leads to lower employee turnover, reduced recruitment costs, and higher engagement and performance.

**A workplace for many**

At the end of the year, Scandic had approximately 17 670 team members, of whom 63 percent were women and 37 percent were men, with over 150 nationalities represented. The hotel industry is characterized by seasonal variations, which means that staff size varies throughout the year.

As one of the Nordic region's largest employers in the industry, Scandic often represents a first step into the labor market and offers good opportunities for internal development.

**Diversity, inclusion and well-being**

Diversity and inclusion, like health and well-being, are prioritized areas at Scandic. Group-wide training was carried out during the year to counteract unconscious bias, and Scandic was recognized externally for its unconscious bias training.

Long-term work is followed up through regular employee surveys that measure key metrics related to well-being, inclusion and engagement.

THIS IS SCANDIC
MARKET AND STRATEGY
MARKET DEVELOPMENT
STRATEGY
PORTFOLIO EXCELLENCE
OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
• ENGAGED AND MOTIVATED TEAM MEMBERS
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

Scandic also works with several organizations, such as Sunflower in Denmark, LIN and Helt Med in Norway and Diversity Charter in Sweden, to strengthen inclusion and make it easier for people to enter, or re-enter, the labor market. Employee engagement measures at various locations have resulted in local initiatives to support the LGBTQ+ community and create a sense of internal cohesion.

**Leadership development**

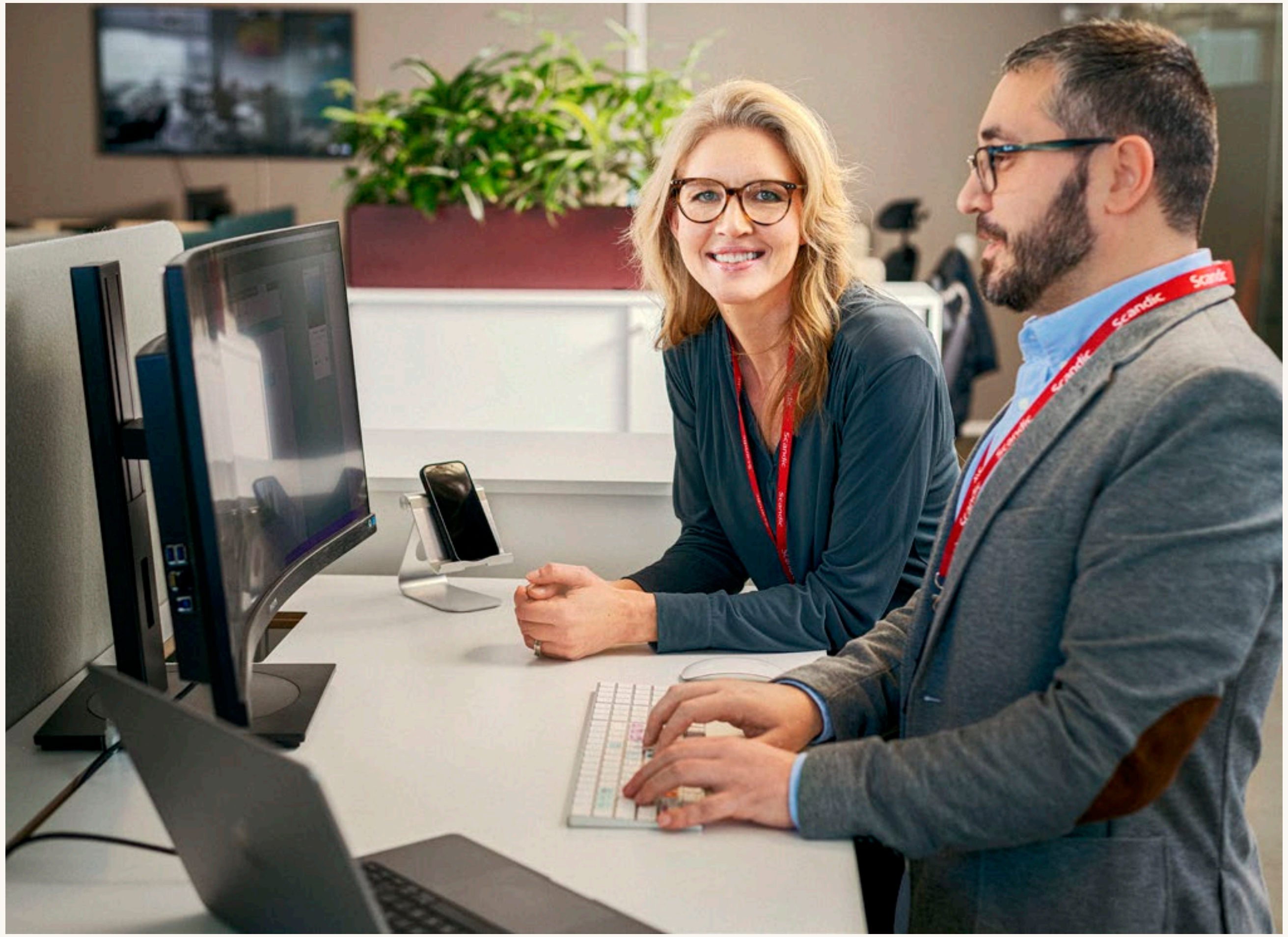
Scandic takes a long-term approach to being a workplace where its team members can grow and develop. The Future Leaders and Future Talents programs play an important role in securing the company's leadership supply, combining practical experience with training in business, values-based leadership and development-oriented work.

In 2025, 150 team members participated in Future Leaders, highlighting Scandic's ambition to develop the leaders of the future.

**Health and wellness**

Scandic continuously works to improve team member well-being. The company implemented several joint health and training initiatives during the year in different countries, such as participating in the Blodomloppet exercise race in Sweden and Charity for Cancer in Denmark, to encourage exercise, community and health.

For the coming year, Scandic is planning a strategic diversity and inclusion review to clarify focus areas and strengthen the connection between this work and its own sustainability strategies for 2030 and to promote health and well-being.



Scandic takes a long-term approach to being a workplace where its team members can grow and develop.

Number of team members

**17,670**

Represented nationalities among employees

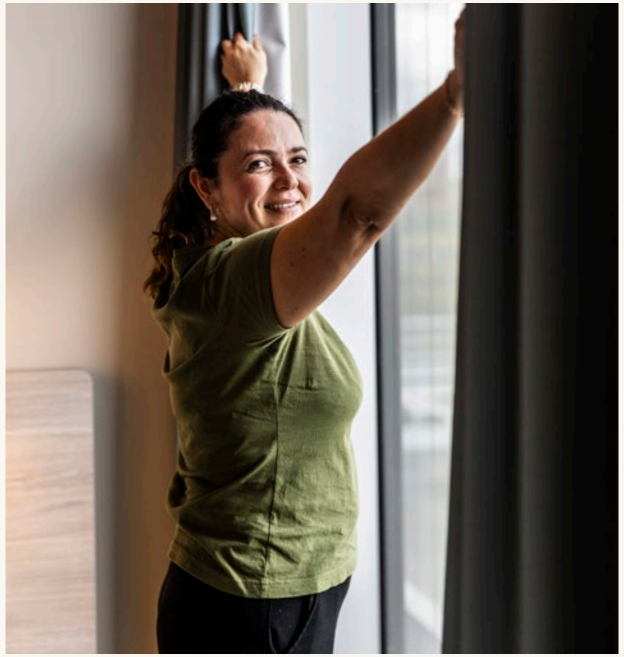
**~150**

# SUSTAINABLE BUSINESS

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
• HIGHLIGHTS 2025
PROUD HERITAGE
SUSTAINABILITY STRATEGY
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS

# HIGHLIGHTS 2025

Scandic further strengthened its sustainability work in 2025 by taking several important steps towards the goal of promoting a more sustainable hotel industry. This work focused on the areas where Scandic has the greatest impact and where the company can make the most significant contribution to positive change.



### New sustainability strategy

During the year, Scandic developed a new sustainability strategy that clarifies the company's priorities and ambitions. The strategy is based on the updated double materiality assessment and covers the areas where Scandic has the greatest impact on people and the environment. Clearer focus areas and targets enable more structured, long-term governance of sustainability work. Read more on page 46

### Nordic Swan Ecolabeled hotels

Scandic aims to certify all of its hotels according to the Nordic Swan Ecolabel. At the end of the year, 96 percent of Scandic's hotel portfolio was Nordic Swan Ecolabeled. The Nordic Swan Ecolabel has high requirements in areas such as organic food, water use and energy performance, and the certification is a core element of Scandic's ambition to reduce the environmental impact of its operations. Read more on page 78

**96%**

environmentally certified hotels

SVANENMÄRKET

### Validated science-based emissions targets

During the year, Scandic carried out a comprehensive mapping of greenhouse gas emissions throughout the value chain. Based on this analysis, Scandic developed climate targets in line with Science Based Targets initiative's criteria. The targets include near-term targets for 2033 and a long-term ambition to achieve net zero emissions by no later than 2050. The targets were validated in February 2026. Read more on page 67

**6%**

total reduction in emissions during 2025 (Scopes 1–3), compared to 2024

SCIENCE BASED TARGETS

### Sustainable food and reduced food waste

In 2025, Scandic continued its work to develop a more sustainable food offering with a focus on plant-based options in its purchasing. In addition, food waste was reduced by 31 percent compared with the 2019 baseline year.

**31%**

Reduced food waste 2025 compared to 2019

### Circular furnishings

Scandic continued to implement its circular furnishings concept during the year. The concept is based on reuse, renovations and extending the lifespan of materials and furniture, contributing to a smaller climate impact as well as more cost-effective investments over time. Read more on page 77

### Accessibility and inclusion

During the year, Scandic launched an updated accessibility standard to further strengthen its work to offer hotels that are accessible and welcoming for all guests. The standard includes physical environments, digital accessibility and adaptations that make guests' stays easier.

### Local community involvement

Through initiatives as part of the Scandic in Society framework, the company contributed to the local communities in the markets where it operates. In 2025, 761 initiatives were completed, with a focus on social inclusion, local presence and support for vulnerable groups.

**761**

Initiatives in 2025

### Sustainability-linked financing

Scandic reached all of the annual targets associated with the company's sustainability-linked financing. This shows a clear connection between sustainability and financial governance, and highlights the company's commitment to integrating sustainability into all of its operations.

### EcoVadis rating

Scandic received a Silver rating in EcoVadis's annual sustainability review, putting the Group among the top 15 percent of companies ranked globally.

### International partnerships

Scandic remains a member of the World Sustainability Hospitality Alliance (WSHA), a global network with over 55 member companies that collectively represent more than 66,000 hotels and eight million hotel rooms. The network strives to reduce the industry's environmental impact and to promote social responsibility through partnerships, training and joint initiatives.

World Sustainable Hospitality Alliance

### UN Global Compact

Scandic became a signatory to the UN Global Compact in 2025 and supports the ten principles outlined therein covering human rights, labor, the environment and anti-corruption.

# PROUD HERITAGE

Scandic has a long history of spearheading sustainability initiatives in the hospitality industry. The company began reporting sustainability data back in 1996, long before this was industry practice. As the largest hotel chain in the Nordic countries, Scandic has both an opportunity and a responsibility to influence, drive transformation and inspire change to create a more sustainable tomorrow for the entire industry.

**2015**
The “Breakfast for All” initiative, with allergy-friendly options

**2019**
Clean on request

**2020**
100% renewable electricity

**2025**
Committed to set science -based targets

**2008**
Only local water in specially designed reusable bottles

**2003**
Accessibility standard

**2001**
“Scandic in Society”

**2000**
First hotel certified by Nordic Swan Ecolabel

**1993**
The “Hang up Your Towel” initiative

**1996**
Plastic single-use disposables phased out

**1996**
Started reporting sustainability data

# SCANDIC'S SUSTAINABILITY STRATEGY

Three strategic focus areas have been identified to ensure that Scandic's sustainability work is both focused and effective. These serve as the basis for the company's sustainability strategy and provide guidance for long-term, sustainable operations.

Scandic has a broad impact across the entire value chain and, at the same time, is impacted by changes in its operating environment, new trends and increased expectations from guests, investors and society. Sustainability is therefore integrated into all areas of its operations, from establishing and operating hotels to procurement, energy consumption, waste management and its contacts with guests and local communities.

Several priority sustainability focus areas were identified by analyzing the areas where Scandic has the greatest impact or where the company is most impacted by external risks and opportunities.

Based on these material sustainability areas, Scandic has established and regularly monitors targets and activities. For more information about targets and progress in each focus area, see pages 47–48.

## SUSTAINABLE BUSINESS

### SOCIAL RESPONSIBILITY AND INCLUSION

Scandic has a strong commitment to social responsibility and inclusion. As a proud employer and service provider, the company strives to make a positive contribution to society. We actively partner with organizations that share Scandic's values and promote diversity, inclusion, and social development.

### CIRCULARITY AND RESOURCE EFFICIENCY

Scandic is dedicated to circularity and resource efficiency. The goal is to minimize the company's environmental footprint through conscious design and procurement, optimized operations, responsible waste management, reduced food waste and efficient water use. Change and innovation are driven in close collaboration with our suppliers and business partners.

### CLIMATE AND ENERGY CONSUMPTION

Scandic acknowledges the importance of climate and energy consumption, and this is at the core of the company's long-term targets. The focus is on reducing emissions across the entire value chain by increasing energy efficiency, shifting to renewable energy sources and actively choosing low-carbon products.

# ADMINISTRATION AND GOVERNANCE

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
• ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ADMINISTRATION REPORT

### 2025 in summary

- Net sales grew by 1.5 percent to SEK 22,289 million (21,959) and operating profit totaled SEK 2,661 million (2,836).
- Average occupancy in 2025 was 64.1 percent (61.8) while RevPAR was SEK 816 (799).
- Adjusted EBITDA was SEK 2,425 million (2,495). Excluding direct state aid and non-recurring items, the adjusted EBITDA margin was 10.7 percent (11.2).
- Earnings per share amounted to SEK 2.90 (3.19). Excluding IFRS 16, earnings per share totaled SEK 4.93 (5.23).
- Free cash flow was SEK 914 million (910).
- On November 7, Scandic assumed operational responsibility for Dalata Hotel Group plc's hotel operations under a management agreement. A carve-out process to separate Dalata's property business from the hotel operations has been initiated and is expected to be completed during the second half of 2026.
- For 2025, the Board proposes that the AGM resolve on a dividend of SEK 2.60 per share.

### Scandic Hotels Group AB (publ) org nr 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 2025 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. The operations also include operational management of Dalata Hotel Group plc's hotel operations under a management agreement.

On the reporting date, Scandic had 68,592 (55,319) rooms in operation at 323 (263) hotels, of which 246 (243) had lease agreements. The address of the head office is Sveavägen 167, Stockholm, Sweden.

### Nordic hotel market development

During the year, Scandic's markets developed overall in a positive direction, with increasing average room rates and revenue per available room (RevPAR). In the Nordic region, the market remained stable and RevPAR grew by approximately 8 percent. In Ireland and the United Kingdom, RevPAR increased by around 5 and 2 percent respectively.

The Norwegian hotel market had a strong performance, driven by both leisure and business travel. A favorable macroeconomic environment with high activity in the energy and service sectors, as well as limited capacity growth contributed to rising prices and occupancy levels. In Sweden, market conditions were stable with continued solid demand from both leisure and business travellers. Price development was positive although somewhat more restrained compared with the previous year due to the weak economic condition.

Finland continues to experience weak economic growth which during the year contributed to negative price development despite a stable increase in occupancy. The market is also affected by the prolonged impacts of the war in Ukraine which is dampening international travel. The Danish market continued to show strong development, particularly in the Copenhagen region where international tourism is growing rapidly. The city's strong appeal to both leisure and business travellers, combined with increased air traffic and limited new capacity, supported rising occupancy rates and price levels. In Ireland and the United Kingdom, the market remained stable, supported by growing tourism and a gradual recovery in international business travel.

| Group key ratios, SEK million | 2025 | 2024 | Change, % |
|---|---|---|---|
| **Financial key ratios, reported** | | | |
| Net sales | 22,289 | 21,959 | 1.5 |
| Operating profit/loss | 2,661 | 2,836 | |
| Profit/loss for period | 624 | 652 | |
| Earnings per share, SEK | 2.90 | 3.19 | |
| **Alternative performance measures** | | | |
| Adjusted EBITDA | 2,425 | 2,495 | |
| Adjusted EBITDA, margin % | 10.9 | 11.4 | |
| Profit/loss for year excl. IFRS 16 | 1,061 | 1,098 | |
| Earnings per share, SEK, excl. IFRS 16 | 4.93 | 5.23 | |
| Interest-bearing net liabilities | 35 | 128 | |
| Interest-bearing net liabilities/adjusted EBITDA, LTM | 0.0 | 0.1 | |
| **Hotel-related key ratios** | | | |
| RevPAR (revenue per available room), SEK | 816 | 799 | 2.1 |
| ARR (average room rate), SEK | 1,274 | 1,294 | -1.5 |
| OCC (occupancy), % | 64.1 | 61.8 | |
| Total number of rooms at end of period | 68,592 | 55,319 | 24.0 |

### Seasonal variations

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

### Group development

IFRS 16 Leases has a significant impact on Scandic's income statement and balance sheet,

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
• ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

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 effects 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 the Executive Committee and Board of Directors follow up on the company's results. For more information on IFRS 16 and its effects on financial reporting, see pages 152–155.

As of November 7, 2025, revenues from operational management of Dalata's hotel operations are included in Scandic's net sales and adjusted EBITDA through the management agreement. Dalata is also included in the hotel portfolio and pipeline. However, Dalata is excluded from the operational hotel-related key metrics, including occupancy rate (OCC), revenue per available room (RevPAR), and average room rate (ARR).

Net sales rose by 1.5 percent to SEK 22,289 million (21,959). Currency effects had a negative impact of SEK -555 million or -2.5 percent on net sales. The number of available rooms at the end of the period was 24.0 percent higher compared with the previous year. The increase was mainly due to the Group assuming responsibility for operational management of Dalata. Organic growth excluding exchange rate effects and acquisitions was 3.9 percent. Sales for comparable units grew by 2.6 percent.

Average revenue per available room (RevPAR) rose by 2.1 percent to SEK 816 compared with SEK 799 during the previous year. RevPAR excluding currency effects improved in all markets, compared with the previous year. Average room rates rose slightly to SEK 1,274 at fixed exchange rates but decreased 1.6 percent due to a strengthening of the SEK compared with the previous year.

Restaurant and conference revenue decreased by 1.8 percent.

### Reported results

Operating profit was SEK 2,661 million (2,836). Operating profit included pre-opening costs for new hotels of SEK -75 million (-28). Items affecting comparability amounted to SEK -51 million (-18) and pertained to transaction costs related to the acquisition of Dalata's hotel operations (-25) and restructuring costs (-26). Amortization, depreciation and impairment were SEK 3,996 million (-3,884), of which SEK 102 million refers to impairment of right-of-use assets, mainly related to Finnish lease agreements.

The Group's net financial expense was SEK -1,852 million (-1,975). Profit before tax was SEK 809 million (861). Reported tax amounted to SEK -185 million (-209). Net profit was SEK 624 million (652).

Costs for central functions increased to SEK -620 million (-529), mainly due to the high level of digital development activity and measures to strengthen the IT and commercial organization.

Earnings per share after dilution totaled SEK 2.90 per share (3.19).

### Excluding effects of IFRS 16

Rental costs increased to SEK -6,588 million (-6,427). Rental costs relative to net sales amounted to 29.6 percent (29.3). The increase compared with the previous year was mainly due to indexation of fixed rental costs and new hotels with a higher share of fixed rental costs. Depreciation and amortization totaled SEK -833 million (-832).

Adjusted EBITDA was SEK 2,425 million (2,495), and adjusted EBITDA excluding non-recurring items totaled SEK 2,382 million (2,451), corresponding to a margin of 10.7 percent (11.2). Adjusted EBITDA was negatively impacted by currency effects of SEK -73 million (-25). During the year, non-recurring items of SEK 43 million (44) referred in their entirety to the reversal of a reserve in Denmark for uncertainty related to state aid received from 2020 to 2021. The final assessment by the authority resulted in a positive effect of SEK 43 million.

The Group's net financial expense was SEK -113 million (-204). Interest expenses totaled SEK -94 million (-231) and were positively impacted by lower indebtedness, including the conversion of the convertible loan and lower interest margins in new external financing from October 2024. Profit before tax was SEK 1,354 million (1,414) and net profit was SEK 1,061 million (1,097). Earnings per share after dilution totaled SEK 4.93 per share (5.23).

**Growth in RevPAR and net sales compared with 2024**

| Jan–Dec 2025 | RevPAR, SEK | RevPAR, % | Net sales, SEK million | Net sales, % |
|---|---|---|---|---|
| Currency effects | -20 | -2.6 | -555 | -2.5 |
| Acquisitions | | | 39 | 0.2 |
| Organic growth | 36 | 4.7 | 846 | 3.9 |
| – New hotels | 0 | 0.0 | 172 | 0.8 |
| – Temporarily closed hotels | 3 | 0.4 | 125 | 0.6 |
| – Exited hotels | 1 | 0.2 | -26 | -0.1 |
| – LFL | 32 | 4.1 | 576 | 2.6 |
| Reported growth | 16 | 2.1 | 330 | 1.7 |

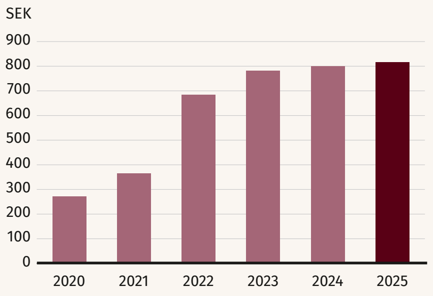
LFL contribution to growth = LFL portfolio change in RevPAR and net sales in relation to the total portfolio.

### Financial targets

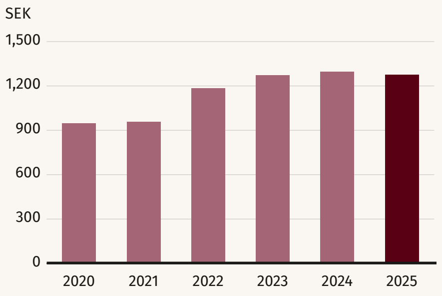
In October 2024, Scandic adopted the following financial targets for 2025–2027:

- Organic net sales growth of at least 5 percent per year.
- Adjusted EBITDA margin of at least 11 percent per year.
- Net debt in relation to adjusted EBITDA of less than 1x.
- The dividend policy is to distribute at least 50 percent of net profit for the year. Dividends are based on net profit excluding the effects of IFRS 16.

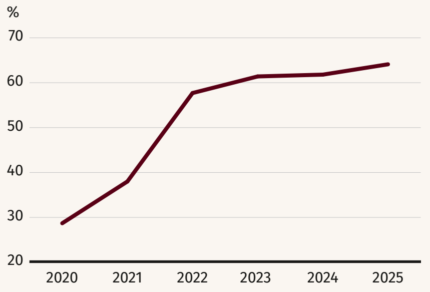
**RevPAR, SCANDIC**




**AVERAGE ROOM RATE, SCANDIC**




**OCCUPANCY, SCANDIC**



THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
• ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## SEGMENT

### Sweden

Net sales rose by 5.4 percent to SEK 6,964 million (6,608). Comparable units reported an increase in net sales by 2.7 percent. Changes in the hotel portfolio contributed SEK 180 million net. Scandic Wallin, which opened in March 2025, and Scandic Go St Eriksgatan, which opened in October 2024, had the most significant positive impact. Average revenue per available room (RevPAR) rose by 2.0 percent to SEK 783 (768) compared with the previous year. Adjusted EBITDA was SEK 1,032 million (980). Rental costs rose by SEK 112 million to SEK 2,065 million.

| SEK million | 2025 | 2024 | Change, % |
|---|---|---|---|
| Net sales | 6,964 | 6,608 | 5.4 |
| Sales growth, % | 5.4 | -0.5 | |
| Organic growth, % | 5.4 | -0.5 | |
| Sales growth LFL, % | 2.7 | -0.6 | |
| Adjusted EBITDA | 1,032 | 980 | 5.3 |
| Adjusted EBITDA margin, % | 14.8 | 14.8 | |
| RevPAR, SEK | 783 | 768 | 2.0 |
| ARR, SEK | 1,227 | 1,234 | -0.6 |
| OCC, % | 63.8 | 62.2 | |

### Norway

Net sales rose by 4.2 percent to SEK 6,387 million (6,128). Excluding negative currency effects, sales grew by 8.5 percent. For comparable units, net sales increased by 7.1 percent. Changes in the hotel portfolio contributed SEK 84 million net. The Dock 69°39, which opened in June 2025, had the most significant positive impact. Average revenue per available room (RevPAR) rose by 6.2 percent to SEK 847, compared with the previous year. In the corresponding period in the previous year, adjusted EBITDA was impacted by SEK -1 million in operations related to unused hotel rooms used to house refugees. Rental costs rose by SEK 65 million to SEK 1,746 million.

| SEK million | 2025 | 2024 | Change, % |
|---|---|---|---|
| Net sales | 6,387 | 6,128 | 4.2 |
| Sales growth, % | 4.2 | -0.9 | |
| Organic growth, % | 8.5 | 1.4 | |
| Sales growth LFL, % | 7.1 | 4.9 | |
| Adjusted EBITDA | 1,000 | 909 | 10.0 |
| Adjusted EBITDA margin, % | 15.7 | 14.8 | |
| RevPAR, SEK | 847 | 798 | 6.2 |
| ARR, SEK | 1,316 | 1,298 | 1.4 |
| OCC, % | 64.4 | 61.5 | |

### Finland

Net sales declined by 6.8 percent to SEK 4,552 million (4,884). Excluding negative currency effects, sales fell by 3.7 percent. For comparable units, net sales decreased by 2.7 percent, negatively impacted by lower demand and new capacity in Helsinki and Vantaa, in combination with subdued demand and a relatively weak price trend.

Changes in the hotel portfolio contributed SEK -52 million net. The most significant negative impact was from Scandic Helsinki Station, which closed for renovations between August 2024 and September 2025. Average revenue per available room (RevPAR) fell by 3.6 percent to SEK 706 compared with the previous year. Adjusted EBITDA was SEK 447 million (569). Rental costs fell by SEK 67 million to SEK 1,500 million.

| SEK million | 2025 | 2024 | Change, % |
|---|---|---|---|
| Net sales | 4,552 | 4,884 | -6.8 |
| Sales growth, % | -6.8 | -2.3 | |
| Organic growth, % | -3.7 | -1.9 | |
| Sales growth LFL, % | -2.7 | 0.2 | |
| Adjusted EBITDA | 447 | 569 | -21.4 |
| Adjusted EBITDA margin, % | 9.8 | 11.6 | |
| RevPAR, SEK | 706 | 732 | -3.6 |
| ARR, SEK | 1,178 | 1,282 | -8.1 |
| OCC, % | 59.9 | 57.1 | |

### Other Europe

Net sales rose by 1.0 percent to SEK 4,381 million (4,339). Excluding negative currency effects and acquisitions (Dalata), sales grew by 3.4 percent.

For comparable units, net sales increased by 2.1 percent. Changes in the hotel portfolio contributed SEK 57 million net. The most significant positive impact was from the compensation for the management agreement for Dalata's hotel operations, which contributed SEK 39 million from November 7, 2025. Scandic The Reef, which was exited in the second quarter of 2024, had the most significant negative impact. Average revenue per available room (RevPAR) rose by 3.2 percent to SEK 997 (966) compared with the previous year. Adjusted EBITDA was SEK 562 million (566), of which the net contribution from Dalata's hotel operations amounted to SEK 35 million. Non-recurring items referred to the reversal of a reserve in Denmark for uncertainty related to state aid received from 2020 to 2021. The final assessment by the authority resulted in a positive effect of SEK 43 million. Rental costs rose by SEK 50 million to SEK 1,277 million due to new hotels, higher sales and thus increased variable rents.

| SEK million | 2025 | 2024 | Change, % |
|---|---|---|---|
| Net sales | 4,381 | 4,339 | 1.0 |
| Sales growth, % | 1.0 | 5.5 | |
| Organic growth, % | 3.4 | 5.9 | |
| Sales growth LFL, % | 2.1 | 5.8 | |
| Adjusted EBITDA | 562 | 566 | -0.7 |
| Adjusted EBITDA margin, % | 12.8 | 13.0 | |
| RevPAR, SEK | 997 | 966 | 3.2 |
| ARR, SEK | 1,420 | 1,412 | 0.6 |
| OCC, % | 70.2 | 68.4 | |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
• ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

### Central functions

Costs for central functions increased to SEK -620 million (-529), mainly due to the high level of digital development activity and measures to strengthen the IT and commercial organization.

### Cash flow and financial position

The operating cash flow statement below is based on adjusted EBITDA and excludes the effects of IFRS 16. The table below shows how interest-bearing net liabilities changed in each period. Excluding IFRS 16, cash flow from operations for the period amounted to SEK 2,038 million (1,966). The cash flow contribution from the change in working capital was SEK 36 million (-293). The improvement was mainly due to a higher level of advance payments by customers and an increase in staff-related liabilities. In the comparative period, working capital was negatively affected by the repayment of approximately SEK 430 million in liabilities related to variable rent for 2024. The corresponding repayment for the period was approximately SEK 230 million. The liability for variable rent for 2025 amounted to approximately SEK 340 million as of December 31, 2025 and is expected to be settled during the first half of 2026.

Taxes paid amounted to SEK -301 million (-126) and chiefly pertained to Norway and Sweden.

Net investments paid amounted to SEK -1,124 million (-1,056). They chiefly related to increased investments in ongoing hotel renovations of SEK -783 million (-737), including in Stockholm, Helsinki, Jyväskylä and Rovaniemi. IT investments amounted to SEK -94 million (-106). Investments in new hotels and increased room capacity totaled SEK -247 million (-213), including in Tromsø, Karlskrona and Stuttgart. Free cash flow totaled SEK 914 million (910).

| Multi-year summary, SEK million | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **Financial key ratios, reported** | | | | | |
| Net sales | 22,289 | 21,959 | 21,935 | 19,230 | 10,086 |
| Sales growth, % | 1.5 | 0.1 | 14.1 | 90.7 | 35.6 |
| Sales growth LFL, % | 2.6 | 2.3 | 9.7 | 74.6 | 33.8 |
| Operating profit/loss | 2,661 | 2,836 | 2,785 | 2,457 | -440 |
| Operating margin, % | 11.9 | 12.9 | 12.7 | 12.8 | -4.4 |
| Net profit/loss for year attributable to Parent Company | 625 | 643 | 532 | 394 | -1,681 |
| Balance sheet total | 52,532 | 53,842 | 53,956 | 50,948 | 44,755 |
| Equity | 2,968 | 3,372 | 2,166 | 2,274 | 1,155 |
| Working capital | -2,412 | -2,478 | -2,758 | -3,157 | -2,624 |
| Cash flow from operating activities | 6,459 | 6,389 | 6,394 | 6,432 | 3,701 |
| **Alternative performance measures** | | | | | |
| Adjusted EBITDA | 2,425 | 2,495 | 2,566 | 2,536 | 6 |
| Adjusted EBITDA margin, % | 10.9 | 11.4 | 11.7 | 13.2 | 0.1 |
| Net profit/loss, excl. effect of IFRS 16 | 1,061 | 1,098 | 1,083 | 866 | -1,098 |
| Interest-bearing net liabilities | 35 | 128 | 1,503 | 2,909 | 4,386 |
| Interest-bearing net liabilities/adjusted EBITDA LTM | 0.0 | 0.1 | 0.6 | 1.1 | 731.0 |
| Free cash flow | 914 | 910 | 1,754 | 2,202 | 185 |
| **Key ratios per share** | | | | | |
| Average number of shares after dilution | 215,487,109 | 219,106,689 | 191,304,116 | 191,304,116 | 191,250,686 |
| Earnings per share, SEK | 2.90 | 3.19 | 2.86 | 2.21 | -8.79 |
| Earnings per share, SEK excl. effect IFRS 16 | 4.93 | 5.23 | 5.09 | 4.10 | -5.75 |
| Equity per share, SEK | 13.5 | 15.0 | 10.8 | 11.9 | 6.0 |
| **Hotel-related key ratios** | | | | | |
| RevPAR (revenue per available room), SEK | 816 | 799 | 782 | 683 | 364 |
| ARR (average room rate), SEK | 1,274 | 1,294 | 1,272 | 1,183 | 957 |
| OCC (occupancy), % | 64.1 | 61.8 | 61.4 | 57.7 | 38.0 |
| Total number of rooms at year-end | 68,592 | 55,319 | 55,642 | 55,831 | 54,265 |

### Operating cash flow

| Working capital, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Current assets, excluding cash and cash equivalents | 1,261 | 1,372 |
| Current liabilities | -3,673 | -3,850 |
| **Working capital** | **-2,412** | **-2,478** |

| SEK million | 2025 | 2024 |
|---|---|---|
| Adjusted EBITDA | 2,425 | 2,495 |
| Pre-opening costs | -75 | -28 |
| Items affecting comparability | -51 | -18 |
| Items not included in cash flow | 67 | 88 |
| Taxes paid | -301 | -126 |
| Change in working capital | 36 | -293 |
| Paid interest expenses | -63 | -152 |
| **Cash flow from operations** | **2,038** | **1,966** |
| Paid investments in hotel renovations | -783 | -737 |
| Paid investments in IT | -94 | -106 |
| **Free cash flow before investments in expansions** | **1,161** | **1,123** |
| Paid investments in new capacity | -247 | -213 |
| **Free cash flow** | **914** | **910** |
| Accrued interest, convertible loan | – | -70 |
| Conversion of convertible loan | – | 1,179 |
| Repurchase of own shares | -248 | -52 |
| Dividends | -585 | -544 |
| Other items in financing activities | -33 | -22 |
| Financing costs | -8 | 5 |
| Currency effects in interest-bearing net liabilities | 56 | -31 |
| **Change in interest-bearing net liabilities** | **96** | **1,375** |

The balance sheet total on December 31, 2025, was SEK 52,532 million, compared with SEK 53,842 million on December 31, 2024. Excluding IFRS 16, the balance sheet total was SEK 13,396 million, compared with SEK 13,604 million on December 31, 2024.

On December 31, 2025, interest-bearing net liabilities totaled SEK 35 million, a decrease of SEK 96 million compared with December 31, 2024. Liabilities to credit institutions totaled SEK 985 million, compared with SEK 974 million at the end of 2024. Cash and cash equivalents amounted to SEK 950 million (846). Interest-bearing net liabilities in relation to adjusted EBITDA for the most recent 12 months were 0.0x, which is lower than at the end of 2024 (0.1).

On October 1, 2024, Scandic signed an agreement for new sustainability-linked long-term bank financing with a total credit facility of SEK 3,250 million and a term of three years (with the option to extend by two years). Total available liquidity at the end of the period was approximately SEK 3,100 million.

In December 2024, Scandic launched a share buyback program of approximately SEK 300 million in total. The program ended on March 31, 2025 and a total of 4,030,622 shares were repurchased at a value of approximately SEK 300 million. At the end of the period, all repurchased shares had been settled in cash.

| Interest-bearing net liabilities | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Liabilities to credit institutions | 985 | 974 |
| Cash and cash equivalents | -950 | -846 |
| **Interest-bearing net liabilities** | **35** | **128** |

## Acquisitions and exits

In 2025, Scandic did not acquire or divest any businesses. During the year Scandic has entered an agreement with Pandox AB and Eiendomsspar AS with the intent to acquire the Dalata Hotel Group plc's hotel business. On November 7, Scandic assumed operational responsibility for Dalata Hotel Group plc's hotel operations under a management agreement. A carve-out process to separate Dalata's property business from the hotel operations has been initiated and is expected to be completed during the second half of 2026.

## Portfolio development

At the end of the period, Scandic had 68,592 hotel rooms in operation at 323 hotels, of which 246 were leased. During the quarter, the number of rooms in operation increased by 13,273, mainly due to the Group assuming responsibility for operational management of Dalata. New hotels with lease agreements in operation during the year were: Scandic Wallin, Sweden (255 rooms); The Dock 69°39 by Scandic, Norway (305 rooms); Scandic Helsinki Station, Finland (174 rooms); and Scandic Stuttgart Europaviertel, Germany (173 rooms). Hotels exited during the year refers to Scandic Imatra, Finland (137 rooms).

## 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 51,086 known shareholders at the end of 2025. At year-end 2025, the share capital of Scandic was SEK 55 million divided into 215,127,300 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, AMF Pension och Fonder was the largest shareholder with 13.6 percent of the votes, followed by Stena Sessan, which held 13.4 percent and Eiendomsspar, which held 8.2 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 long-term incentive programs (LTIP). If the full number of performance shares is allotted, the total number of shares allotted under long-term incentive programs (LTIP) will be 420,309, which corresponds to approximately 0.2 percent of Scandic's share capital and votes.

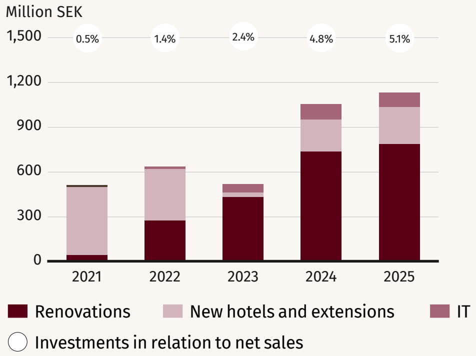
## Risks and risk management

A description of Scandic's material risks and uncertainties is provided in the "Risks and risk management" section on pages 34–37.

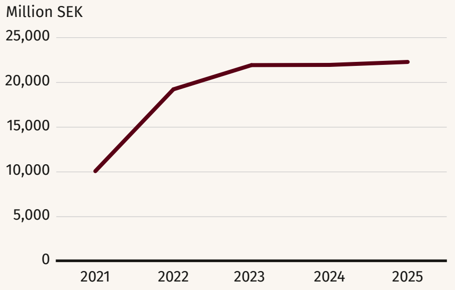
## Team members

The average number of employees in the Group was 10,178 on December 31, 2025 compared with 10,097 on December 31, 2024. 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 targets for this. The gender distribution in the Group is 63 percent women and 37 percent men. The share of female general managers is 55 percent. Of the Group's employees, about 41 percent are under the age of 30.

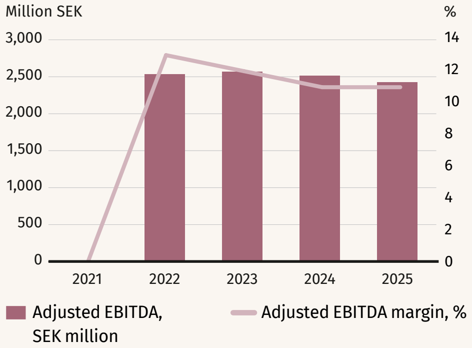
INVESTMENTS, 5 YEARS




NET SALES




ADJUSTED EBITDA AND MARGIN



THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
• ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## 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 can be found on pages 38–102. The Sustainability Report covers the Parent Company and the Group.

## Executive Committee and Board of Directors

Scandic's Executive Committee has solid experience from the hotel sector and consumer-oriented operations in various markets. The Executive Committee is comprised of the CEO and seven senior executives: the CFO, the Chief Commercial Officer, the Chief Human Resources Officer, the Chief Strategy Officer and three Chief Operating Officers. Four nationalities are represented in the Executive Committee, which is composed of six 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 AGM for the period up until the end of the subsequent AGM. The 2025 AGM elected seven Board members and appointed one employee representative.

## Guidelines for compensation to senior executives

Guidelines for compensation and other terms and conditions for the CEO and other senior executives were adopted and established at the 2025 AGM. See the Corporate Governance Report on pages 103–109 for more information.

## Long-term incentive programs

Scandic has three share-based long-term incentive programs (LTIP). The expected financial exposure to shares that may be allotted under long-term incentive programs (LTIP) and the delivery of shares to the participants of long-term incentive programs (LTIP) have been hedged through Scandic entering into a share swap agreement with a third party on market terms. See Note 05 and the Corporate Governance Report on pages 103–109 for further details.

## Events after the reporting date

In January 2026, Scandic signed an agreement for a new Scandic Go hotel in Tromsø, Norway, with 170 rooms. The hotel, which is expected to open in 2028, complements Scandic's existing presence in the city, where the company already operates two hotels.

In February 2026, Scandic signed an agreement for a new Scandic Go hotel in Stavanger, Norway, with 152 rooms, which is expected to open in 2028, complementing Scandic's already strong position with five hotels in the growing city.

In February 2026, Scandic had its climate targets approved by the Science Based Targets initiative. The targets include both interim goals for 2033 and a long-term ambition to achieve net-zero emissions by 2050.

## Outlook

At the time of the publication of the year-end report for 2025, booking levels for the beginning of 2026 were higher than at the corresponding time in the previous year, which was expected to support a stable first quarter with both higher occupancy and average room rates compared with the same period last year.

## Parent Company

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenues for 2025 amounted to SEK 88 million (96). Operating loss was SEK -8 million (6). Net financial income for the period totaled SEK 92 million (2). The Parent Company's profit before tax was SEK 40 million (8).

## Appropriation of profits

In accordance with the Board's dividend policy adopted on October 29, 2024, Scandic aims to distribute at least 50 percent of its net profit. Dividends are based on net profits excluding the effects of IFRS 16. Decisions regarding dividend proposals are made taking into account the company's future profits, financial position, capital requirements and macroeconomic conditions. The Board of Directors proposes that the profits be allocated as follows:

| | SEK |
|---|---|
| Dividend to shareholders, SEK 2.60 per share | 559,330,980 |
| To be carried forward | 7,318,456,172 |
| **Total** | 7,877,787,152 |

The Board of Directors proposes that the dividend be divided into two payments of SEK 1.30 per share. The proposed record dates for the payment of dividends are May 7, 2026 and November 9, 2026.

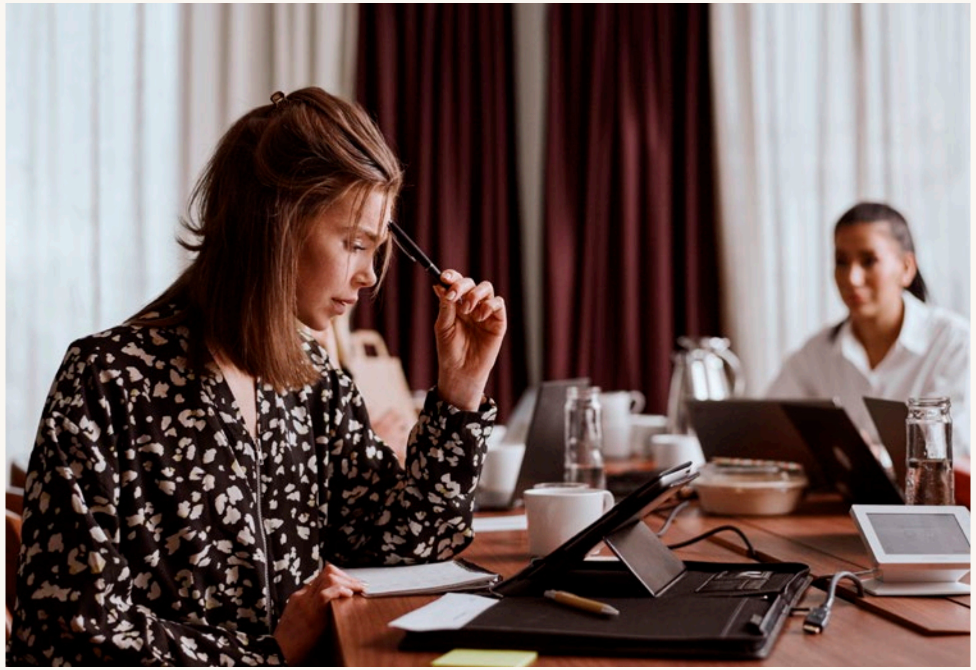
For more information, please see the following financial statements and notes.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
• RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# RISKS AND 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, the ambition is 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 the company'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 since the company operates in several geographically diverse markets with a balanced customer base that includes both private individuals and companies. The company operates in several markets, primarily in the Nordics, and is not dependent on a specific industry or a few customers.



## Risk management process

The risk management process follows an annual cycle that is structured to identify and minimize risks that could have an adverse effect on the company:

- The Executive Committee carries out a risk analysis that includes identifying risks and assessing risks based on the likelihood that they will occur and any possible impact they could have. 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 connection with the financial reporting to the Board and at Audit Committee meetings.

## Responsibility and monitoring

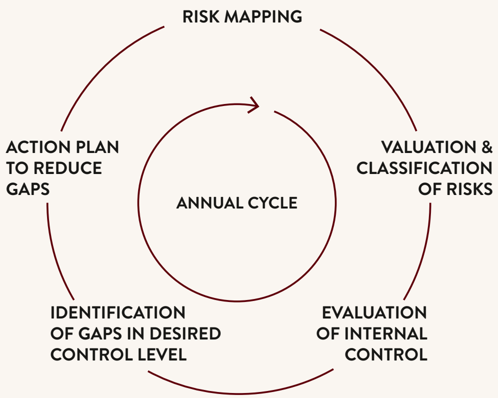
The Board of Directors has the ultimate responsibility for ensuring that the Group has appropriate risk management and follow up structures in place. The Audit Committee is responsible for evaluating the effectiveness of the structure and risk management processes and for monitoring financial risks.

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 focus areas are driven centrally by the Group's CFO. Operational risks are managed by the Executive Committee, whereby each material risk identified is assigned to a designated manager who is responsible for executing any action plans.

## Risks

The most material risks are described on the following pages.

SCANDIC'S RISK MANAGEMENT PROCESS



THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
• RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# RISKS AND RISK MANAGEMENT

## MARKET RISKS

Demand is influenced by domestic economic development and purchasing power in the countries in which Scandic does business as well as developments in countries from which there is a significant amount of travel to Scandic's domestic markets. General attitudes in society towards travel, especially as it concerns the environment and sustainability, also influence demand for Scandic's services. Additionally, profitability in the sector is impacted by changes in room capacity, whereby greater capacity can result in lower occupancy and lower room rates in the short term.

Price increases for goods, for example items related to Scandic's restaurant (F&B) offerings, and energy could lead to higher purchasing costs, leading to the risk that increased costs may not be covered by price increases vis-à-vis Scandic's customers. There is also a risk that 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, there is a risk that Scandic could experience disruptions in its day-to-day operations if these suppliers become insolvent or have difficulty delivering.

Specific lease agreements could make it difficult to implement more comprehensive configurations at hotels, meaning that property owners may not make necessary sustainability investments, for example in improving energy efficiency. This, in turn, 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 unprofitable.

## RISK MANAGEMENT

Scandic's business model is based on lease agreements, whereby most agreements have fully variable rents or variable rents with guaranteed minimum rent. This reduces risk since decreases in demand are partly offset by lower rental costs. A flexible cost structure also helps lessen the effects of normal seasonal and economic fluctuations.

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

Proactive work is ongoing to optimize the hotel portfolio to ensure guest satisfaction and profitability. There is also an action plan to determine which contracts should be renewed or terminated.

## CHANGING ENVIRONMENT, TAXES AND DECISIONS OF AUTHORITIES

Scandic is affected by several external factors that could limit mobility in society including geopolitical events, general developments in society, pandemics and terror incidents. Incidents that occur at the destinations where Scandic operates could also affect customers' willingness to travel there.

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

Changes in VAT and other taxes could impact demand. Changes in taxes, social security contributions 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 several initiatives to adapt and maintain a high level of security and has a safety program that addresses crisis management in the event of, for example, fires, accidents or terrorist events. All team members receive regular training and self-inspections are carried out twice a year.

The company has strengthened its routines and organization related to IT security, data protection and information security as well as prioritized more robust exercises and training. Scandic has also developed a plan for handling major IT security incidents.

The company continuously follows the development of relevant regulations and changes in legislation.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
• RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## LEASE AGREEMENTS – FINANCIAL COMMITMENTS

Scandic's business model is based on long-term lease agreements with property owners. If market demand decreases rapidly and sharply, there is a risk that the company 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 variable lease agreements. Based on the number of rooms, most lease agreements have either fully variable rent or variable rent with guaranteed minimum rent. Revenue-based rent and joint investment responsibility mean that the property owner and tenant 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 with limited potential. Furthermore, Scandic only signs 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. Scandic is also focusing on introducing market collapse clauses in new lease agreements, which provides a more balanced level of risk between Scandic and the landlord in the event of situations that have a significant impact on demand in the hotel market.

## BRAND AND REPUTATION

The hotel market is constantly evolving in terms of preferences and customer behavior. Maintaining Scandic's brands and customers' trust in the offering is critical for ensuring competitiveness. Suppliers who do not follow Scandic's Code of Conduct or are connected with negative associations in terms of, among other things, sustainability or legal issues could have a negative impact on Scandic. There is also a risk that these deviations may not be followed up on carefully enough.

## RISK MANAGEMENT

Scandic works to guarantee the consistency and quality of its offerings and services and 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 employees and places demands on suppliers and partners. Compliance is ensured through communication, internal training and agreements with suppliers and partners. To reduce vulnerability, Scandic implements preventive measures such as training and informing team members.

## HUMAN RESOURCES AND 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 constantly evaluated. To this end, Scandic conducts regular employee surveys. The insights obtained through surveys are an important tool for continued improvements throughout the entire organization. Leadership is developed through regular evaluation and development programs at various levels of the organization. There is also a focus on in-house training as well as collaboration with schools and trade unions.

## ACQUISITION RISKS

Scandic is in the process of acquiring Dalata Hotel Group's hotel operations with a portfolio of 56 hotels, mainly in Ireland and the UK. There is a risk that the integration process could take longer, be more costly or create more complexity than expected. Acquired intangible assets such as customer relationships, brands and relationships with suppliers and key personnel could also be negatively impacted by the new ownership.

## RISK MANAGEMENT

Scandic has good experience from previous acquisitions, including the Finnish company Restel and the Norwegian company Rica Hotels, which contributed to Scandic's market-leading positions. The integration is being carried out in very close collaboration with Dalata Hotel Group and Scandic's advisors. Dalata Hotel Group's current employees are continuing to manage and conduct daily operations with support from Scandic representatives.

## FINANCIAL RISKS

The Group's activities expose it to different financial risks, for example, exchange rate risk, interest rate risk, credit risk and liquidity risk. The acquisition of Dalata will expand the Group's financial exposure as its long-term financing needs and shorter-term liquidity requirements increase alongside its growing portfolio. The Group's Finance Policy focuses on the unpredictable nature of the financial markets and seeks to minimize potential negative effects on the Group's results and financial performance.

## RISK MANAGEMENT

Scandic has policies that cover overall risk management as well as risk management for specific areas such as exchange rate risk, interest rate risk, liquidity risk, credit risk, the use of derivatives and non-derivative financial instruments, and investment of excess liquidity. Scandic has secured financing for the acquisition of Dalata. Liquidity and refinancing risks are managed by maintaining sufficient liquidity buffers and ensuring diversified sources of financing. The Group carries out regular cash flow forecasts and scenario analyses to ensure it maintains sufficient liquidity. Group Finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

Read notes 20B and 20C for a description of the financial risks and how they are managed.

## SUSTAINABILITY

Scandic conducted a double materiality assessment to identify and evaluate how various sustainability aspects impact its operations and how its operations, in turn, impact the environment, society and economy. This methodology involves a thorough assessment of impacts, risks and opportunities, providing a comprehensive view that forms the basis for strategic decisions and long-term sustainability governance. The following material areas have been identified in accordance with the European Sustainability Reporting Standards (ESRS):

- ESRS E1, E3-E5 – Environmental matters: Climate change, Water and marine resources, Biodiversity and ecosystems, and Resource use and circular economy.
- ESRS S1-S4 – Social matters: Scandic's Own workforce, Workers in the value chain, Affected communities, and Consumers and end-users.
- ESRS G1 – Governance matters: Business conduct.

## RISK MANAGEMENT

Scandic has clear policies and action plans and monitors specific key performance indicators to ensure structured and effective management of material impacts, risks and opportunities. More detailed information about these areas can be found in the Sustainability Report on pages 38–102.

# SUSTAINABILITY STATEMENTS

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# GENERAL DISCLOSURES

## Basis for preparation

### BP-1 General basis for preparation of sustainability statements

Scandic's sustainability statements for 2025 cover the financial year from January 1 to December 31, 2025. The Sustainability Report in the Administration Report is Scandic's statutory sustainability report in accordance with the Swedish Annual Accounts Act (ÅRL). The sustainability statements were prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation.

The sustainability statements have been reviewed by Scandic's elected auditor. Their report is presented on pages 148–149. The sustainability statements have been prepared at a consolidated level, and the scope is the same as for Scandic's financial reporting. Where Scandic has operational control through the acquisition of Dalata per November 2025, data has been excluded due to materiality for financial year 2025. No subsidiaries have been exempted from reporting.

When conducting the double materiality assessment, which forms the basis for the sustainability-related disclosures reported, Scandic's upstream and downstream value chain was considered. Upstream in the value chain, reporting covers suppliers, the process of ensuring sustainable procurement and business relationships with landlords.

The calculations of upstream emissions include all procurement. A majority of the purchase emissions are calculated based on activity data, while a minor proportion is based on purchasing data, see pages 69–70. The downstream value chain includes issues related to guests' health and safety and protection of personal data, and potential risks associated with human trafficking that Scandic's operations may give rise to. The same principles have been applied as in the 2024 report. For more information on the value chain, see pages 49–50.

The company's policies, actions and targets encompass the entire value chain through requirements on suppliers via the Supplier Code of Conduct and Sustainable Procurement Guidelines as well as a portfolio-wide environmental management system based on the Nordic Swan Ecolabel.

Relevant key performance indicators (KPIs) include, where material, data from the value chain, including data for selected Scope 3 categories according to the Greenhouse Gas (GHG) Protocol. Scandic has not used the option to omit information on intellectual property, know-how or results of innovation in its sustainability statements. Nor has it exercised the option to exempt information about impending developments or matters in the course of negotiation, as Swedish legislation does not permit this.

### BP-2 Disclosures in relation to specific circumstances

Scandic's sustainability statements have been prepared in accordance with applicable legal requirements and reporting principles. Certain disclosures are affected by specific circumstances that are important to understand in order to interpret data and comparisons. These circumstances relate to time horizons in the climate riskassessment, the use of estimates in the value chain, methodological changes and the application of transitional rules as the sustainability reporting is adapted to the ESRS requirements.

**Time horizons**

In general, Scandic uses the time horizons defined in the ESRS. However, the following time horizons are applied in the climate risk assessment, which were chosen to more accurately reflect Scandic's current risk and decision processes as well as the industry's investment horizon.

- Short-term: 0–2 years
- Medium-term: 2–5 years
- Long-term: 5–10 years

**Estimates in the value chain and uncertainties**

Scandic reports information from the value chain, including information on emissions. For metrics where complete or verified primary data is not yet available, estimates are used based on recognized methodologies described in the reporting principles for each standard.

Climate data is calculated according to the GHG Protocol and is based on a combination of activity data and purchasing data. Scandic reports data for all relevant Scope 3 categories and continually works to increase the share of primary data. Calculation bases, assumptions and planned improvements for this are described in ESRS E1 Climate change.

Metrics based on estimates in the value chain are associated with some degree of uncertainty, partly due to emissions factors and access to primary data. For each metric concerned, the main sources of uncertainty and assumptions are stated in the respective section, along with a comment on sensitivity or uncertainty where relevant.

Scandic considers the estimates used to be well-founded and does not believe that any of the uncertainties have had a material impact on the overall assessment of the company's sustainability performance.

Reporting principles that detail the assumptions and estimates applied are presented under each standard. No estimates were made regarding monetary amounts.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**Disclosures that contain estimates**

| Disclosure | Metric |
|---|---|
| E1 | Share of greenhouse gases for Germany: partly based on estimates. See ESRS E1 |
| E1-6 | Emissions calculations: estimates are used in the calculation of greenhouse gas emissions. See ESRS E1 |
| E3 | Estimates may occur when calculating the hotel's water usage |
| E5-5 | Waste calculations: estimates are used in waste calculations. See ESRS E5 |
| E5-5 | Waste from renovations: estimated volume of waste from room renovations. See ESRS E5 |
| S1-16 | Pay gaps: estimates based on annual compensation across two markets. See ESRS S1 |

**Changes in calculations and performance**

The company's sustainability reporting was adapted to the new EU reporting requirements in 2025. Both previous and recalculated comparative figures are reported in cases where KPIs have been defined differently to comply with the new structure. When recalculation is not possible for practical reasons, the reasons are stated.

The calculation method for Scope 1 and Scope 2 was adjusted in 2025 by including emissions from company cars, which were not previously included in the calculations. Emissions for 2024 and 2023 have been recalculated to include emissions from company cars. Starting in 2025, 2023 is established as the new base year for emissions calculations, due to criteria from the SBTi.

As of 2025, reporting on E3 Water and marine resources and E5 Resource use and circular economy only includes hotels managed by the company unless otherwise specified. The changes were implemented in order to harmonize the company's sustainability and financial reporting.

In cases where previous targets continue to be followed up, but where the definition of a KPI has changed in accordance with the new regulations, both versions of the metric are reported to enable comparability over time. See the respective standards for details.

**Correction of prior information**

If material errors are identified in prior periods, these will be corrected retrospectively. If retrospective correction is not practically possible, the reasons for this and the date from which the correction is applied are stated. Methodology changes are not the same as errors. No material errors have been identified in the Sustainability Report for the 2024 financial year.

**Standards and frameworks applied**

When Scandic uses information based on other standards, this is indicated. The GHG Protocol is used as a methodological framework for climate calculations, in line with previous practice.

**Transitional and phase-in provisions**

Standards for which Scandic has chosen to phase in reporting according to the "quick fix" amendment, and reference to reporting according to ESRS 2 paragraph 17, are listed in the table below.

**Disclosure requirements incorporated through phase-in provisions**

| Phased-in reporting | Page |
|---|---|
| ESRS E4 Biodiversity and ecosystems | 77 |
| ESRS S2 Workers in the value chain | 91 |
| ESRS S3 Affected communities | 92 |
| ESRS S4 Consumers and end-users | 94 |
| Financial effects (in all material standards) | – |
| Disclosure requirements S1-7, S1-11, S1-13, S1-15 | – |

## Governance

### GOV-1 The role of the administrative, management and supervisory bodies

**Composition and diversity**

Scandic's Board of Directors consists of seven members, 57 percent of whom are men and 43 percent are women. The Board consists exclusively of non-executive members.

One of the members is a workers' representative and is therefore not independent of the company and the Executive Committee. None of the Board members elected at the AGM are employed by Scandic and all (100 percent) Board members are considered to be independent in relation to the company and the Executive Committee. Five of the six Board members elected by the AGM (83 percent) are also independent in relation to the company's major shareholders.

**Sustainability agenda**

The Board bears ultimate responsibility for Scandic's sustainability agenda. The Board is responsible for the company's strategy and sustainability governance and for ensuring that operations are conducted according to established targets, policies and regulations.

The Board is also responsible for overseeing the internal control of sustainability reporting. The Audit Committee is responsible for reviewing and monitoring to ensure that the internal control of the sustainability reporting process is sufficient and appropriate. Within Scandic's organization, the same function is responsible for coordinating the internal control process for both financial and sustainability information.

The Executive Committee is responsible for following up on material sustainability matters. The Sustainability Initiatives Steering Committee (SISC) is a cross-functional forum with selected representatives from the operations. It prepares sustainability matters and provides recommendations to the Executive Committee, which in turn reports to the Board. Responsibility for implementing sustainability activities is delegated to the heads of each country and function. Scandic's strategy and sustainability department leads, coordinates and follows up on these activities.

**Roles and responsibilities for material impacts, risks and opportunities**

The Board of Directors oversees sustainability matters by:

- Assessing and, if necessary, deciding on adjustments to sustainability-related aspects of the strategy and business model, including priorities and targets.
- Overseeing the annual identification and assessment of material sustainability-related impacts, risks and opportunities, where the Executive Committee is responsible for following up on the most material matters, and the strategy and sustainability department prepares supporting information with the support of the SISC.
- Establishing policies and targets for prioritized sustainability areas.
- Overseeing sustainability reporting, including internal control and data quality. According to its instructions, the Audit Committee is tasked with reviewing and monitoring internal control of sustainability reporting.

**Sustainability matters in strategic decisions and risk management**

Material sustainability matters constitute an important basis for the company's strategy development, risk management and decision-making.

The sustainability strategy is integrated into the business strategy and guides priorities, investments and target setting. This means that the Board of Directors, Audit Committee and Executive Committee take material sustainability matters into account when strategies are established, policy frameworks are revised and major decisions are made.

**Operational governance**

The SISC ensures the overall progress of the sustainability agenda and monitors developments through monthly meetings for prioritized areas. The committee prepares recommendations for targets, measures and a sustainability budget for each year, which are approved by the Executive Committee and the Board. Scandic's strategy and sustainability department is responsible for preparing for the committee's meetings and supporting the implementation of decisions throughout the organization.

In 2025, Scandic established a process whereby the strategy and sustainability department and relevant key personnel analyze the double materiality assessment every year in order to strengthen the ongoing management of impacts, risks and opportunities. The results of the review are reported to the Audit Committee.

Scandic began developing an internal control framework for sustainability reporting in 2025. This includes introducing controls to strengthen data quality and reporting reliability.

**The Board's expertise**

The Board of Directors possesses relevant industry and regional knowledge as well as an understanding of material sustainability-related impacts, risks and opportunities. All Board members and members of the Executive Committee in 2024 completed CSRD training in the previous year. External sustainability experts are hired when needed to ensure access to the necessary expertise.

**Policies and governance documents**

The governance framework is based on external and internal governance documents such as the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq rules and the Swedish Corporate Governance Code as well as internal documents such as the Articles of Association, Rules of Procedure for the Board, instructions for the CEO and the Code of Conduct.

Scandic follows up on its sustainability agenda through policies, action plans and specific KPIs for each material matter. Stakeholder dialogues, in the form of surveys and interviews, are used as a basis for the double materiality assessment. They also form the basis for adjustments and adaptations of the strategy.

Scandic's Code of Conduct and other policies form an important basis for the overall sustainability governance and are presented on pages 42–43.

THIS IS SCANDIC

MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

ADMINISTRATION REPORT

RISKS AND RISK MANAGEMENT

SUSTAINABILITY STATEMENTS

• GENERAL DISCLOSURES

ENVIRONMENTAL DISCLOSURES

SOCIAL DISCLOSURES

GOVERNANCE DISCLOSURES

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

FINANCIAL REPORTS

## Policies

| Policy | Content and purpose | Material impacts, risks and opportunities | Scope | External initiatives | Responsibility for implementation |
|---|---|---|---|---|---|
| **Code of Conduct** | Sets out Scandic's fundamental values and states that the operations are to be conducted ethically, sustainably and legally in accordance with high ethical standards and applicable legislation. Encompasses areas including human rights, fair working conditions, the environment, anti-corruption, confidentiality/privacy and fair competition. | All material sustainability matters | Covers all employees (regardless of employment form), all subsidiaries and franchises. | UN Global Compact; national and international legislation (human rights, labor rights, the environment, competition and anti-corruption). | Adopted by the Board of Directors. Policy owner: CEO. Each member of the Executive Committee is responsible for implementing the Code in their area of responsibility. Managers ensure communication and compliance. |
| **Anti-Corruption Policy** | Prevents and counteracts all forms of corruption including bribery, extortion, nepotism, fraud and money laundering. Provides guidance on gifts and hospitality, facilitating payments, donations and sponsorships. | G1: Corruption and bribery | Covers all of Scandic's operations, including franchises. | UN Global Compact; internationally recognized anti-corruption principles. | Adopted by the Board of Directors. Policy owner: CFO. The Executive Committee is responsible for implementation. Managers ensure communication and compliance. |
| **Data Protection Policy** | Regulates data protection and information security within Scandic. Sets out requirements in key areas such as the protection of business-critical information, the lawful and responsible processing of personal data, and the promotion of a security-conscious organization. | S4: Data protection | Covers all employees and subsidiaries as well as franchisees, suppliers and other partners where applicable. | Reference to the General Data Protection Regulation (GDPR). | Adopted by the CEO. Policy owner: Head of Information Security/DPO. The Executive Committee is responsible for implementation in each business area. The DPO reviews. |
| **Privacy Policy** | Regulates the transfer of personal data and identifies the recipients with whom Scandic shares information. Aims to clearly inform guests about how their personal data is collected, used and protected. | S4: Data protection | Covers all of Scandic's operations (also applies to franchisees, who are required to process personal data in accordance with the Privacy Policy unless otherwise specified). | Reference to the General Data Protection Regulation (GDPR). | Adopted by the CEO. Policy owner: Head of Information Security/DPO. The Executive Committee is responsible for implementation in each business area. The DPO reviews. |
| **Environmental Policy** | Governs the management of environmental issues based on the double materiality assessment with a focus on climate change, water/marine resources, resource use and circularity, and biodiversity/ecosystems. | E1: Climate change mitigation, Energy,<br>E3: Water,<br>E4: Purchased goods and services as drivers of biodiversity loss,<br>E5: Purchased goods and services, including resource use, Waste | Covers all of Scandic's operations, including franchises, the Executive Committee and employees. | UN Global Compact; Nordic Swan Ecolabel. | Adopted by the Board of Directors. Policy owner: Head of Strategy and Sustainability. The Executive Committee is responsible for implementation. Managers ensure communication and compliance. |
| **Diversity and Inclusion Policy** | Commitment to creating a work environment where diversity and inclusion are fundamental and where every employee is treated with dignity and respect and afforded equal opportunities. Clarifies responsibilities, expectations and processes to counteract discrimination and ensure an inclusive culture. | S1: Diversity and inclusion | Covers all employees regardless of employment form as well as consultants. | Subordinate to Code of Conduct. | Adopted by the Board of Directors. Policy owner: CHRO. The Executive Committee is responsible for implementation. Managers ensure communication and compliance. |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Policies

| Policy | Content and purpose | Material impacts, risks and opportunities | Scope | External initiatives | Responsibility for implementation |
|---|---|---|---|---|---|
| **Supplier Code of Conduct** | Stipulates minimum requirements for suppliers, subcontractors and other business partners concerning human rights, working conditions, the environment and anti-corruption. | E1: Climate change<br>E3: Water<br>E5: Procurement of goods and services, incl. resource use<br>S2: Cooperation with subcontractors<br>G1: Anti-corruption and bribery, Animal welfare | Covers all suppliers, subcontractors and other business partners as well as their employees (permanent, temporary or contracted). | UN Global Compact; UN Universal Declaration of Human Rights; ILO Fundamental Principles; Rio Declaration on Environment and Development; UN Convention against Corruption. | Adopted by the Board of Directors.<br>Policy owner: CFO.<br>The Executive Committee is responsible for implementation; deviation reports are submitted to the Head of Group Procurement. |
| **Sustainable Procurement Guidelines** | Theoretical and practical framework for all procurement decisions. The guidelines stipulate criteria for sustainable procurement, including requirements for energy-efficient production, low GHG emissions and responsible production conditions. | E1: Climate change<br>E4: Impact of procurement of goods and services on biodiversity<br>E5: Procurement of goods and services, incl. resource use<br>S2: Cooperation with subcontractors<br>G1: Anti-corruption and bribery, Animal welfare | Covers all employees who are responsible for purchasing at Scandic as well as external stakeholders such as suppliers. | UN Sustainable Development Goals (SDGs). | The Head of Group Procurement is responsible for implementation and follow-up in collaboration with the Head of Strategy and Sustainability. |
| **Food Waste Policy** | Aims to reduce food waste through clear guidelines and tangible measures to prevent, reduce, repurpose and manage food waste sustainably. | E5: Waste | Covers all of Scandic's operations. | UN Sustainable Development Goals (SDGs). | Policy owner: Head of Strategy and Sustainability.<br>Responsibility for implementation rests with each country's Food and Beverage Director or the equivalent. |
| **Marketing Policy** | Ensures that all marketing communication reflects Scandic's sustainability commitments. | S4: Responsible marketing practices | Covers all of Scandic's operations. | Refers to Scandic's Sustainable Procurement Guidelines, which refer to the UN SDGs. | Policy owner: CCO.<br>Implemented by the marketing manager. |
| **Accessibility standard** | The standard sets requirements for the physical layout of hotels and guidelines for how services should be adapted to meet guests' various needs, such as allergies, visual impairments and wheelchair use. | S4: Accessibility and non-discrimination | Covers all of Scandic's operations (and also applies to franchisees). | Based on ISO 21902 Accessible Tourism and local legal requirements. | Policy owner: Technical Services.<br>Responsibility for implementation rests with the hotel managers. |
| **Internal Investigation Policy** | Aims to ensure that internal investigations at Scandic are carried out securely and objectively. | G1: Corporate culture,<br>G1: Corruption and bribery | Covers all of Scandic's operations. | N/A | Policy owner: General counsel. |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors and Audit Committee receive information on an ongoing basis concerning sustainability-related impacts, risks, opportunities, targets and progress, including results from the whistleblowing service and other reports of material importance. The reporting to the Board of Directors and Audit Committee also includes the status of targets and metrics, material deviations, progress in the due diligence process and significant regulatory changes. An updated assessment of the company's material impacts, risks and opportunities was conducted in 2025. The plan is to perform such a review annually as an integral part of the company's overall risk assessment. The results serve as the basis for updates to relevant policies, actions, metrics and targets. The effectiveness of sustainability measures is continually assessed by following up results and receiving feedback.

The Audit Committee received six reports on sustainability initiatives in 2025, while the Board of Directors received four.

In 2025, the Board of Directors, Audit Committee and Executive Committee addressed the following sustainability matters, by following up KPIs and targets:

- Review and assurance of the prioritized actions and targets for 2025, including application to the SBTi; prepared by the strategy and sustainability department with the support of the SISC (All impacts, risks and opportunities, and specifically E1).
- Formulation of Scandic's new sustainability strategy and future sustainability targets; prepared by the strategy and sustainability department with the support of the SISC (All impacts, risks and opportunities).
- Annual risk assessment; prepared by the legal department (All impacts, risks and opportunities).
- Continual information on the whistleblowing service; prepared by the legal department (G1).
- Ongoing follow-up of the company's preparation for CSRD and Taxonomy reporting; prepared by the strategy and sustainability department (All impacts, risks and opportunities, and specifically E1).

In 2025, the Board of Directors considered several decisions related to sustainability matters, including:

- Adoption of the Annual and Sustainability Report 2024 as well as quarterly reports.
- Scandic's application to the SBTi (E1).
- Decision on prioritized areas and targets for 2026, see pages 47–48.
- Approval of the company's risk assessment, see pages 35–37.
- Approval of most of Scandic's policies, see pages 42–43.

## GOV-3 Integration of sustainability-related performance in incentive schemes

Scandic employs an incentive scheme consisting of a short-term incentive program (STIP) and a long-term incentive program (LTIP).

### Short-term incentive program

Sustainability-related performance metrics are integrated into Scandic's short-term incentive program (STIP). The program covers the CEO, Executive Committee and other senior executives, and is based on the fulfillment of predefined financial and sustainability-related targets, in line with Scandic's strategy. The sustainability-related components include targets related to leadership and employee engagement, which are considered crucial drivers for responsible and sustainable business conduct. These metrics are measured using employee surveys and used as performance benchmarks when determining annual variable compensation. The sustainability-related targets constitute 10 percent of the total STIP.

The outcome of the STIP is determined annually by the Compensation Committee based on results achieved compared with established target values, and reported to the Board of Directors.

### Long-term incentive program

The long-term incentive program LTIP is not currently linked directly to sustainability-related targets, and is instead based on the company's total shareholder return (TSR). The program covers the CEO, Executive Committee and key managers. The Board is not covered.

## GOV-4 Statement on due diligence

Scandic takes an integrated approach to due diligence as part of the Group's risk management and governance structure for all of its hotel operations and central functions. Scandic's value chain, including upstream and downstream players (see page 50) as well as associated risks, are analyzed as part of the company's overall risk management process. Sustainability initiatives include an assessment of impacts, risks and opportunities in the value chain. Some parts of the value chain, such as suppliers, are reviewed as part of specific processes related to their business operations.

Due diligence work is based on the company's processes for risk assessment, supplier risk management and sustainability strategy. It is based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

| Core elements of due diligence | Paragraphs in the report |
|---|---|
| 1. Embedding due diligence in governance, strategy and business model | How sustainability matters are integrated into the board's work and the business strategy, see Governance on page 40 |
| 2. Identifying and assessing actual and potential negative impacts | The process for risk identification and prioritization, see Double Materiality Analysis on page 56 |
| 3. Taking actions to prevent or mitigate impacts | Procedures for managing identified risks, see Policies and governing documents on pages 41–43 |
| 4. Follow-up and evaluation of the effectiveness of these actions | KPIs and outcomes, see Sustainability Targets on pages 47–48 |
| 5. Communication of results to stakeholders | Dialogue with and reporting to stakeholders, see Stakeholder Engagement on page 51 |
| 6. Handling of complaints or remedies | Scandic has a whistleblowing service for addressing grievances and works with remediation in different ways depending on the topic. Refer to the specific standard |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

Due diligence is integrated into Scandic's governance through the SISC, which prepares sustainability matters and follows up this work. The Audit Committee also monitors the internal control of sustainability reporting.

Dialogues with stakeholders, especially related to the double materiality assessment, help to identify and prioritize areas that require particular focus.

Scandic is monitoring the development of the EU Corporate Sustainability Due Diligence Directive (CSDDD). The plan is to gradually harmonize processes and reporting procedures in line with future regulations.

### GOV-5 Risk management and internal controls over sustainability reporting

Scandic has established a Group-wide structure for risk management and internal controls over sustainability reporting. The purpose of the structure is to ensure that the information provided is accurate, complete and reliable, and that the process for data collection, compilation and reporting is systematic and controlled.

The work is managed jointly by the strategy and sustainability department and Group Finance, and is integrated into Scandic's overall framework for internal governance and control. Ongoing quality assurance of sustainability data is ensured within each area of responsibility.

In 2025, Scandic worked on identifying processes and risks associated with the collection and processing of sustainability data. Process descriptions specifying the division of responsibilities for data collection, calculation and reporting were developed as part of this work.

Scandic has begun to formulate and formalize internal controls for sustainability information. These controls are intended to strengthen data quality and ensure that procedures are consistent throughout the organization. This work will continue in 2026.

The framework for internal control of sustainability information is based primarily on the same principle and methodology as the framework employed for financial reporting, which enables an integrated and consistent approach throughout the Group. The structure for internal control is based on the COSO model, which is applied to Scandic's operations and conditions. According to this model, a review and assessment are 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.

Risks have been identified as part of the process identification that was performed. These risks have been assessed on the basis of their potential impact on the data's completeness, reliability and accuracy. Risks are prioritized based on the results of the double materiality assessment as well as an assessment of the likelihood of occurrence of each risk and its potential consequences.

Development of internal controls for climate and environmental data received particular attention in 2025, since these areas are considered to be the most susceptible to insufficient data quality. The main risks identified include manual reporting of data from hotels, uncertainty about variable data in reporting systems and dependence on key individuals in the production and calculation of sustainability data.

These risks are managed by introducing relevant controls, such as saving raw data as a verifiable source. Clear documentation of data collection, calculation methods and aggregation has been implemented in order to reduce dependence on key individuals.

The results of the risk assessment and established internal controls are integrated into Scandic's internal processes and functions, with the objective of ensuring that sustainability data is reviewed by experts in each area. For example, sustainability analysts are responsible for several controls concerning climate and environmental data, and procurement analysts handle controls related to purchasing data under Scope 3.

The performance of controls is reviewed and verified by an independent function, ordinarily the Group's sustainability controller.

The Board's Audit Committee has ultimate responsibility for reviewing and ensuring that there is sufficient and effective internal control of sustainability reporting. The Board of Directors is to be regularly informed and receive feedback on the status of the implementation of the CSRD.

## Strategy

### SBM-1 Strategy, business model and value chain

Scandic's vision is to deliver world-class Nordic hotel experiences, with sustainable business and engaged and motivated team members as fundamental prerequisites for success. The strategy is reviewed annually as part of the Group's business planning to ensure it is adapted to changes in market and sustainability conditions.

Scandic's primary offering consists of hotel experiences, food and beverages, as well as conferences and events. Its customers include both business and leisure travelers. Scandic operates in Sweden, Norway, Denmark, Finland, Germany and Poland, and had a total head count of 17,670 employees (headcount) at the end of the financial year. For more information on employees, see page 87. Since November 2025, following the acquisition of Dalata, Scandic has expanded with additional hotels in the markets of Ireland, the United Kingdom, the Netherlands, and Germany.

Scandic's business model is built on scalable and efficient management of hotel operations that combine a strong local presence with shared support functions. Scandic leverages economies of scale in purchasing, administration and investments in order to operate an efficient and sustainable business. The operations are primarily based on long-term lease agreements that are largely sales-based. The distribution of responsibilities between Scandic and property owners concerning sustainability-related matters is regulated in lease agreements.

Scandic's business model and strategy contribute to the transition to a sustainable economy by combining profitable growth with reduced environmental impact and socially responsible work methods. Long-term profitability is based on efficient and sustainable operations, where optimized processes and resource management enable both business success and a reduced environmental impact. Sustainable and responsible hotel operations create long-term value for guests, employees, suppliers, owners and society.

Scandic's business model is based on ensuring access to the resources required for efficient, safe and sustainable hotel operations. Key input factors include energy, water, food, properties and technical installations, supplier services and qualified staff – and these dependencies form the basis of the risk analysis in the materiality assessment. Access to these resources is ensured through structured purchasing and procurement processes with clear

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

requirements for quality, environmental performance and social responsibility. Input factors are developed through continuous investments in properties and technical systems, skills development for team members, and improving operational and guest concepts in all operating areas. To secure these resources over the long term, Scandic applies established processes for risk management, long-term supplier partnerships, certification requirements, preventive maintenance of properties and technical systems, and robust procedures for information and data protection. These measures make the operations more resilient and support stable and sustainable long-term operations.

Scandic's strategy makes sustainability a key part of the operations and is based on identified risks, opportunities and stakeholder expectations. Sustainability is integrated into the entire value chain, with a focus on reducing climate impact throughout the value chain, optimizing impacts in the purchasing stage by implementing the Supplier Code of Conduct and the Sustainable Procurement Guidelines, and ensuring guest safety and privacy by having well-defined processes and offering training.

These efforts also include measures for energy-efficient operations, a safe and secure work environment, and reduced resource use and waste generation. Scandic's sustainability initiatives improve operational resilience, create better guest and employee experiences, and reduce the total environmental and climate impact, thus contributing to the company's long-term goal of having more sustainable operations.

Achieving Scandic's sustainability targets requires continuous improvements in the daily operations. The most significant services – hotel accommodations, restaurants and meetings – are essential for reducing climate impact, increasing energy efficiency and improving circular flows. They account for the majority of energy consumption, waste and emissions, which means that improvements in these areas are directly connected to Scandic's sustainability targets. The Group's climate targets are science-based and follow the SBTi's criteria in line with the Paris Agreement.

Trends in Scandic's primary markets and within key customer groups, such as business and leisure travelers as well as conference participants, have an impact on resource use, food waste and energy intensity. Customer consumption patterns are therefore integrated into Scandic's work to achieve its sustainability targets over time.


**Sustainability strategy**

In 2025, Scandic developed a new sustainability strategy for the 2025–2030 period based on the results of the double materiality assessment. The assessment identified the areas that are most important for Scandic's operations and stakeholders, and serves as the basis for the strategy's design. The sustainability strategy is integrated into the overall business strategy, and supports the company's targets for profitable growth and a sustainable hotel business.

**The strategy for sustainable business is grounded in three focus areas**

**Social responsibility and inclusion** – with the aim of promoting diversity and inclusion, ensuring fair working conditions and business ethics, combating human trafficking, contributing to local communities and collaborating with organizations that share Scandic's values.

**Circularity and resource efficiency** – with the aim of reducing the company's environmental impact through waste management and resource efficiency, and collaborating with suppliers to create sustainable solutions.

**Climate and energy consumption** – with the aim of reducing the company's GHG emissions through energy efficiency, renewable energy and climate-smart choices along the value chain.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Sustainability target

| ESRS Standard | Sustainability matter | Target, timeframe | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|
| **E1 Climate change** | Climate change mitigation<br>All Scopes | Achieve net-zero GHG emissions in the entire value chain (2050) | Total emissions Scope 1, 2 and 3 ($tCO_2e$) | 195,899 | 209,017 | 226,299 |
| | Climate change mitigation<br>Scope 1 and 2 | Reduce emissions (Scope 1 and 2)<br>-55% by 2033 (from 2023)<br>-90% by 2050 (from 2023) | Percentage reduction compared to the base year 2023 | -39% | -29% | – |
| | Climate change mitigation<br>Scope 3: FLAG | Reduce emissions (Scope 3 FLAG)[1)]<br>-39% by 2033 (from 2023)<br>-72% by 2050 (from 2023) | Percentage reduction compared to the base year 2023 | -5% | 13% | – |
| | Climate change mitigation<br>Scope 3: non-FLAG | Reduce emissions (Scope 3 non-FLAG)<br>-61% per SEK in value added[2)] by 2033 (from 2023)<br>-97% per SEK in value added by 2050 (from 2023) | Percentage reduction compared to the base year 2023 | -12% | -13% | – |
| | Climate change mitigation<br>Share of purchased plant-based food | Increase the quantity of plant-based food purchased to 60% (2030)[3) 4) 5)] | Share (%) of total food purchases that are plant-based | 56% | 57% | 56% |
| | Climate change mitigation<br>Scope 1 and 2 (outgoing target) | Reduce Scope 1 and 2 emissions per sqm by 50% by 2030 (from 2019) | Percentage reduction compared to the base year 2019 | -39% | -29% | -1% |
| | Energy<br>Energy consumption per square meter | Reduce energy consumption per sqm by -15% by 2030 (from 2023) | Percentage reduction compared to the base year 2023 | -6% | -2% | – |
| **E3: Water and marine resources** | Water use | 100% of hotels shall meet the Nordic Swan Ecolabel's limits concerning water consumption (2030) | Share (%) of hotels meeting the Nordic Swan Ecolabel thresholds for water use | 93%[6)] | – | – |
| **ESRS E4 Biodiversity and ecosystems** | Purchased goods and services as drivers of biodiversity loss | 100% of markets shall meet the Nordic Swan Ecolabel's limits for purchasing organic food and beverages (2030)[5)] | Share (%) of markets meeting the Nordic Swan Ecolabel criteria for the purchase of organic food and beverages | 100% | 100% | 50% |
| **E5 Resource use and circular economy** | Waste (phased-out target) | Reduce the amount of edible food waste by 25% per guest night by 2025 (compared with base year 2019) | Amount of avoidable food waste per guest night | -31% | -31% | -17% |
| | Waste | Recycle 65% of all waste (2030) | Share (%) of recycled waste of total waste | 56% | 51% | 56% |
| | Purchased goods and services, including resource use | 100% of markets shall meet the Nordic Swan Ecolabel's limits for purchasing organic food and beverages (2030)[5)] | Share (%) of markets meeting the Nordic Swan Ecolabel criteria for the purchase of organic food and beverages | 100% | 100% | 50% |

1) FLAG=Forestry, land and agriculture emissions.
2) Value added is defined as sales less costs of raw materials and consumables.
3) Target for plant-based food applies to our own hotels. Measurement includes franchise hotels, as these could not be excluded.
4) In all countries except Germany, the percentage is calculated based on the total weight of purchased food (kg). In Germany, the measurement is instead based on financial data. The underlying data reflects the largest suppliers in each country.
5) Poland is excluded from the metric because the data collection process has not yet been established. Scandic is actively working to develop these processes. The share of plant-based food for Germany is based on the distribution used for Sweden, Denmark, and Finland.
6) Share of Swan-labelled hotels that meet the Swan criteria for water use.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Sustainability target

| ESRS Standard | Sustainability matter | Target, timeframe | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|
| **S1 Own workforce** | Working conditions, health and safety<br>Work-life balance | Health & Well-being index: 8.2 (2030) | Result in the employee survey VOICE, Health & Well-being Index | 8.0 | 7.9 | 8.0 |
| | Diversity and inclusion | Diversity & Inclusion index: 9.0 (2030) | Result in the employee survey VOICE, Diversity & Inclusion Index | 8.7 | 8.6 | 8.8 |
| | Training and skills development | Growth index: 8.2 (2030) | Result in the employee survey VOICE, Growth Index | 7.9 | – | – |
| | Diversity and inclusion<br>Other workrelated rights | Gender distribution in top management: within a range of 40–60% | Gender distribution in the management team | 25%1[1] | 22%[1] | 20%[1] |
| **S2 Workers in the value chain** | Working conditions and work-related rights | 95% of suppliers (>SEK 1 million) follow the due diligence process (2030)[2] | Share of suppliers with an annual purchasing value exceeding SEK 1 million that are covered by and comply with the company's due diligence processes | 98% | – | – |
| **S3 Affected communities** | Human trafficking | 100% of relevant employees have completed training on risks and preventive measures related to human trafficking annually | Share of relevant employees who have completed training (%) | Not applicable for 2025 | – | – |
| **S4: Consumers and end-users** | Data protection and use of guest data | In-depth training held for 100% of relevant users annually from launch | Share of relevant expert users who have completed training | Not applicable for 2025 | – | – |
| | Health, safety and security of guests | 100% of hotels have a reporting process for incidents, including preventive actions and follow-up (2030) | Share of hotels with an incident reporting process | 100% | – | – |
| | Health, safety and security of guests | Scandic Guest Survey:<br>Question regarding "Sustainable choices" 72 points (2030) | Result (score) in Scandic's guest survey regarding "Sustainable choices" | 62.1 | – | – |
| | Non-discrimination and accessibility | Goal to be set after evaluation of accessibility | N/A | Not applicable for 2025 | – | – |
| | Responsible marketing practices | 100% of relevant team members are informed of the Responsible Marketing Policy annually and are expected to comply with it | Share of employees in the defined group | Not applicable for 2025 | – | – |
| **G1 Business conduct** | Corporate culture | Engagement index 8.2 (2030) | Result in the employee survey VOICE, Engagement Index | 8.1 | – | – |
| | Corporate culture | Management support index 8.5 (2030) | Result in the employee survey VOICE, Management Support Index | 8.4 | – | – |
| | Corruption and bribery | 100% of employees in high-risk functions received anti-corruption training (2030) | Share of employees in high-risk functions who have completed anti-corruption training | 5% | – | – |
| | Collaboration with subcontractors | 100% of new supplier contracts (>SEK 500 thousand) have been procured in accordance with Scandic's Procurement Policy, including Scandic's Supplier Code of Conduct (2030)[2] | Share of supplier contracts above SEK 500k in compliance with policy | 94% | – | – |
| | Animal welfare | 100% of new supplier contracts (>SEK 500 thousand) have been procured in accordance with Scandic's Procurement Policy, including Scandic's Supplier Code of Conduct (2030) | Share of supplier contracts above SEK 500k in compliance with policy | Not applicable for 2025 | – | – |

[1] Share of women.
[2] Germany and Poland are excluded from the metric as relevant processes are not yet established in these countries. Scandic is actively working to develop these processes, and the first priority is to include Germany.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# SCANDIC'S VALUE CHAIN

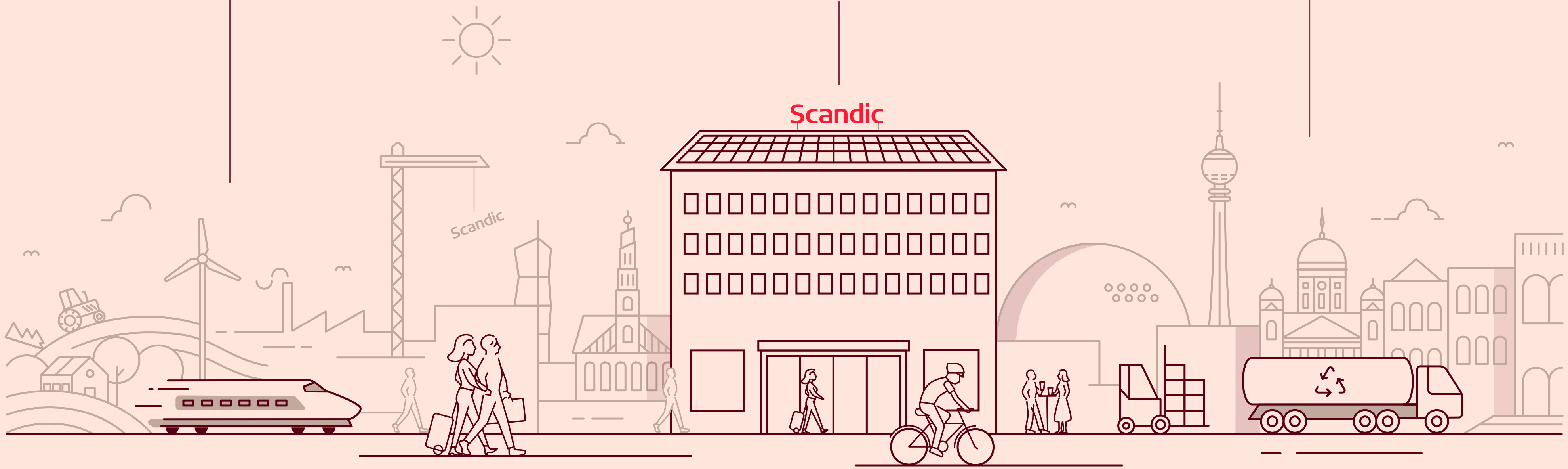
Scandic has an impact throughout the value chain, from the local community where hotels are established and operated to the way goods are procured and how waste is managed and recycled.

Goods and services are sourced from carefully selected suppliers.

Scandic rents properties and is responsible for the operations, energy consumption and interiors of its hotels.

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

By applying circular principles in, for example, choices for interiors, renovations, reuse, and waste management, Scandic can reduce its environmental impact.




Key elements of the value chain

**ESTABLISHING HOTELS** → **INCOMING GOODS AND SERVICES** → **HOTEL OPERATIONS AND OFFERING** → **RECYCLING AND WASTE MANAGEMENT**

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# SCANDIC'S VALUE CHAIN

| | Upstream | Own operations | Downstream |
|---|---|---|---|
| **SCANDIC'S IMPACT ON PEOPLE AND THE ENVIRONMENT** | • Property owners who plan, build, manage and maintain the hotel properties.<br>• Suppliers whose employees produce goods and services: food, beverages and interiors as well as cleaning, laundry and IT services, and transportation. | • 17,670 employees in operations in the Nordic countries, Germany, and Poland. Since November 2025, through the acquisition of Dalata, Scandic has expanded with additional hotels in the markets of Ireland, the United Kingdom, the Netherlands, and Germany.<br>• Safety and well-being of employees and guests.<br>• Leasing of hotel properties and responsibility for hotel operations, including maintenance of furnishings and fixtures.<br>• Energy and water use in the operations.<br>• Purchased goods and services. | • Hotel experiences that are safe for guests.<br>• Guests who enjoy themselves.<br>• Waste and recycling from hotel and restaurant operations. |
| **SCANDIC'S ACTIVITIES AND MANAGEMENT** | • Cooperation with property owners. Sustainability-related issues are usually regulated in lease agreements. Shared incentives to improve the environmental standards of the properties.<br>• Scandic's Supplier Code of Conduct and Sustainable Procurement Guidelines set social and environmental requirements on suppliers.<br>• Internal targets to increase the share of plant-based and organic food. | • Annual employee surveys. Survey results are followed up on and measures are implemented if needed.<br>• Targets within diversity and inclusion and an action plan to ensure these are met.<br>• 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.<br>• Accessibility standard with high demands to guarantee inclusive guest experience for all.<br>• Proactive communication and information to guests, team members and suppliers to inspire better choices for society and the environment.<br>• Action plans for energy efficiency.<br>• Target to reduce food waste.<br>• Efforts to extend the service life of materials through maintenance and circular design. | • Informing guests about data and physical security.<br>• Proactive communication and information to guests, team members and suppliers to inspire better choices for society and the environment.<br>• Target to increase recycling and reduce residual waste.<br>• A target to reduce food waste by raising awareness among guests and collaborating with companies that sell leftover edible food.<br>• When renovating, Scandic collaborates internally and with recycling partners. |
| **KEY STAKEHOLDERS** | • Property owners and other suppliers. | • Guests, employees and suppliers. | • Guests, employees and business partners. |
| **SUSTAINABILITY MATTERS AFFECTED** | • Climate change (*Climate change mitigation, Climate change adaptation* and *Energy*).<br>• Water.<br>• Biodiversity.<br>• Resource use.<br>• Workers in the value chain. (*Working conditions and work-related rights*).<br>• Business conduct (*Corruption and bribery* and *Collaboration with subcontractors*). | • Climate change (*Climate change mitigation/Energy*).<br>• Water.<br>• Resource use.<br>• Own workforce (*Working conditions, health and safety; Diversity and inclusion, Work-life balance, Training and skills development* and *Other work-related rights).*<br>• Affected communities (*Human trafficking*).<br>• Consumers and end-users (*Data protection and use of guest data, Non-discrimination and accessibility* and *Responsible marketing*).<br>• Business conduct (*Corporate culture* and *Corruption and bribery*). | • Climate change (*Climate change mitigation, Energy*).<br>• Water.<br>• Waste.<br>• Affected communities (*Human trafficking*).<br>• Consumers and end-users (*Data protection and use of guest data, Non-discrimination and accessibility* and *Responsible marketing*). |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## SBM-2 Interests and views of stakeholders

Scandic maintains an ongoing and structured dialogue with its stakeholders in order to ensure that sustainability initiatives develop in line with expectations, needs and developments in society. The format and frequency of these dialogues vary depending on the stakeholder groups and their needs.

These dialogues are held several times per year with employees, suppliers, social representatives, customers and owners. For team members and guests, follow-up and dialogue are mainly conducted through recurring evaluations with representatives of each group.

A central part of the double materiality assessment is gaining a deeper understanding of how key stakeholders view Scandic's sustainability-related impacts, risks and opportunities. Stakeholder dialogues are thus a crucial basis for Scandic to prioritize its sustainability initiatives and ensure relevant and transparent sustainability reporting.

As a basis for the double materiality assessment, which was discussed with and approved by Scandic's Board, extensive data collection was conducted through surveys and interviews with priority stakeholder groups. The purpose was to identify and increase the understanding of key sustainability areas and to identify potential development opportunities within Scandic's sustainability efforts.

Based on insights from these dialogues and the double materiality assessment, Scandic updated its sustainability strategy in 2025. The strategy, its focus areas and targets are an integral part of the Group's overall business strategy, and they are firmly established in the company's long-term direction. The company continually evaluates its position in relation to its stakeholders' expectations and priorities as part of its strategy initiatives.

In the future, Scandic plans to continue the dialogue with its stakeholders in order to gather additional insights. The purpose is to gain a deeper understanding of stakeholders' interests and how they are affected by the operations, and to use the results to further refine the double materiality assessment.

### Scandic's stakeholders

| Stakeholder group | Important sustainability matters |
|---|---|
| Guests | • Opportunity to make sustainable choices when they stay (food and beverages, cleaning, single-use plastics, etc.)<br>• Reducing $CO_2$ emissions, and energy efficiency<br>• An inclusive and safe hotel experience |
| Corporate customers | • Reducing $CO_2$ emissions<br>• Efficient use of resources (energy, water, etc.)<br>• Responsible employer (fair working conditions, diversity, inclusion) |
| Team members and Executive Committee | • Responsible use of resources (minimize waste, recycling)<br>• A safe and inclusive work environment with fair working conditions<br>• Responsible use of guest data |
| Owners and investors | • Reducing $CO_2$ emissions (including mitigating climate-related risks)<br>• Efficient use of resources (energy, water, food and beverages)<br>• Responsible employer (fair working conditions, diversity, inclusion)<br>• Clear governance model for sustainability (engagement of Executive Committee and Board, integrated across entire organization) |
| Business partners (suppliers and property owners) | • Responsible employer (diversity and inclusion, harassment, working conditions, recruitment)<br>• Close collaboration with suppliers and other business partners on sustainability matters<br>• Reducing environmental impact (use of resources, $CO_2$ emissions) |
| Interest organizations | • Fair working conditions<br>• Accessible hotels<br>• Responsible partner in local communities and value chain |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Through the double materiality assessment, Scandic has identified sustainability matters where its business, directly or through the value chain, has a material impact on people and the environment as well as the areas where sustainability-related risks and opportunities can have a significant impact on Scandic's financial position and development.

An updated assessment of the company's material impacts, risks and opportunities was conducted in 2025. The results show that the previously identified sustainability matters remain unchanged, with the exception that animal welfare has been identified as a material matter and has been included in the sustainability reporting.

Further information on the impacts, risks and opportunities identified with respect to the relevant sustainability matter is presented in the relevant standard. The impacts identified in the materiality assessment are connected to Scandic's strategy and business model to varying degrees.

At present, Scandic has not quantified the financial effects of the identified impacts, risks and opportunities or assessed the risk of significant adjustments to them for forthcoming reporting periods.

### Material sustainability matters

| ESRS Standard | Sustainability matter | Description | Value chain | Impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|---|
| **E1 Climate change** | Climate change mitigation | Impacts arise through emissions from the Group's own operations and through business relationships in the value chain. Financial risks could arise in the form of increased costs due to more stringent regulations, and changes in customer preferences could drive internal costs. Scandic has identified a strong sustainability brand as an opportunity. | Upstream, own operations and downstream | Actual negative; Originates from strategy and business model | Short, medium and long | Risk and opportunity | Short, medium and long |
| | Climate change adaptation | Changes in weather due to climate change could lead to supply chain disruptions, which could impact purchasing costs. | Upstream | No | N/A | Risk | Short, medium and long |
| | Energy | Impacts arise through energy consumption in the Group's own operations and through business relationships in the value chain. More stringent energy regulations constitute a financial risk. Energy efficiency creates opportunities for reduced operating costs. | Upstream and own operations | Actual negative; Originates from strategy and business model | Short, medium and long | Risk and opportunity | Short, medium and long |
| **E3 Water and marine resources** | Water | Water use takes place in the Group's own operations and through upstream business relationships, which could impact local water access, especially in areas under water stress.<br>Risks include potential tightening of regulatory requirements concerning water-saving measures and higher purchase prices for food connected to limited access to water. | Upstream and own operations | Actual negative; Originates from strategy and business model | Short, medium and long | Risk | Short, medium and long |
| **E4 Biodiversity and ecosystems** | Purchased goods and services as drivers of biodiversity loss | Impacts on biodiversity are generated through purchases made in upstream business relationships, particularly within interiors and food, which could lead to habitat loss and have negative impacts on ecosystems. | Upstream | Actual negative; Originates from strategy and business model | Short, medium and long | No | N/A |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| ESRS Standard | Sustainability matter | Description | Value chain | Impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|---|
| **E5 Resource use and circular economy** | Purchased goods and services, including resource use | Impacts on natural resources from purchased goods and services are generated upstream and in the group's own operations through resource use. Increased regulation of material selection could lead to higher costs. | Upstream and own operations | Actual negative; Originates from strategy and business model | Short, medium and long | Risk | Short, medium and long |
| | Waste | Waste is generated in the Group's own operations from kitchens, cleaning and guest-related activities, which gives rise to increased resource consumption and negative impacts. Increased regulation of waste could lead to higher costs. | Own operations and downstream | Actual negative; Originates from strategy and business model | Short, medium and long | Risk | Short, medium and long |
| **S1 Own workforce** | Working conditions, health and safety | Impacts are generated in the Group's own operations through labor-intensive and physically demanding work, shift work and intermittently high workloads, which could lead to poor health, work-related injuries, increased absence due to illness and reduced job satisfaction. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | No | N/A |
| | Diversity and inclusion | Impacts are generated in the Group's own operations through insufficiently systematic work related to diversity and inclusion, which could lead to unequal conditions and negative impacts on employees. Work in this area, in the form of employee engagement, can be an opportunity. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | Opportunity | Short, medium and long |
| | Work-life balance | Impacts are generated in the Group's own operations through, for example, inconvenient working hours and strenuous workloads, which could lead to negative impacts on employee health. Absence due to illness constitutes a financial risk. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | Risk | Short, medium and long |
| | Training and skills development | Impacts are generated in the Group's own operations through inadequate instruction and skills development, which could lead to poor service quality, for example. An unskilled workforce risks not meeting customer expectations. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | Risk | Short, medium and long |
| | Other work-related rights | Impacts are generated in the Group's own operations through non-compliance with other work-related rights, which could lead to human rights violations, precarious work and negative impacts on employee well-being. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | No | N/A |
| **S2 Workers in the value chain** | Working conditions and work-related rights | Impacts are generated upstream and downstream in the value chain, in the Group's own operations and in business relationships, where workers can be exposed to potential negative impacts related to working conditions and work-related rights. | Upstream | Potential negative; Related to strategy and business model | Short, medium and long | No | N/A |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| ESRS Standard | Sustainability matter | Description | Value chain | Impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|---|
| **S3 Affected communities** | Human trafficking | Impacts are generated in the Group's own operations, where the hotel environment could be exploited for human trafficking or related exploitation, which entails a potential negative impact with consequences for vulnerable individuals. | Own operations | Potential negative; Related to strategy and business model | Short, medium and long | No | N/A |
| **S4 Consumers and end-users** | Data protection and use of guest data | Impacts are generated in the Group's own operations through inadequate data protection. Data leaks could undermine trust in Scandic and constitute a financial risk. | Own operations | Potential negative; Related to strategy and business model | Short, medium and long | Risk | Short, medium and long |
| | Health, safety and security of guests | Impacts are generated in the Group's own operations based on how health, safety and security are ensured for guests. | Own operations | Potential negative; Related to strategy and business model | Short, medium and long | No | N/A |
| | Non-discrimination and accessibility | Impacts are generated in the Group's own operations based on how non-discrimination and accessibility are ensured and shortcomings could lead to negative impacts for the individual. | Own operations | Potential negative; Originates from strategy and business model | Short, medium and long | No | N/A |
| | Responsible marketing | Insufficient or unclear communication could lead to risks such as loss of trust, reputational damage and negative impacts on customer loyalty. | Own operations | No | N/A | Risk | Short, medium and long |
| **G1 Business conduct** | Corporate culture | Lack of integrity, transparency and accountability could lead to risks of irregularities, legal liability, reputational damage and weakened stakeholder confidence. | Own operations | No | N/A | Risk | Short, medium and long |
| | Corruption and bribery | Non-compliance in sales, purchasing and procurement could lead to financial risks through legal consequences, sanction fees, loss of contracts and reputational damage. | Upstream and downstream | No | N/A | Risk | Short, medium and long |
| | Collaboration with subcontractors | Failure to ensure that suppliers comply with the company's principles and requirements, or mismanagement of supplier relationships, could result in reputational risks. | Upstream, own operations | No | N/A | Risk | Short, medium and long |
| | Animal welfare | Impacts are generated upstream in the value chain through business relationships related to food purchases, which could entail potential negative impacts on animal welfare. | Upstream | Potential negative; Originates from strategy and business model | Short, medium and long | No | N/A |

THIS IS SCANDIC

MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

ADMINISTRATION REPORT

RISKS AND RISK MANAGEMENT

SUSTAINABILITY STATEMENTS

GENERAL DISCLOSURES

ENVIRONMENTAL DISCLOSURES

SOCIAL DISCLOSURES

GOVERNANCE DISCLOSURES

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

FINANCIAL REPORTS

**Resilience analysis of the business model**

Scandic has established a number of key processes that provide an essential basis for the continued work on developing a resilience analysis in accordance with ESRS requirements. These processes support the identification, assessment and management of material impacts, risks and opportunities linked to Scandic's business model and value chain. These include:

- Double materiality assessment (DMA), which is the core of the company's ESRS work based on a systematic assessment of impacts and risks.
- Climate risk assessment, which supports identifying and understanding climate-related risks and opportunities in line with ESRS E1.
- Corporate Risk Assessment, which includes several of the risks identified by the double materiality assessment and ensures their integrated management under the company's standard risk framework.

Combined, these established processes provide a stable platform for meeting the ESRS requirements linked to business model resilience. In the future, Scandic intends to continue to deepen the double materiality assessment to ensure that the business model is sustainable, resilient and adaptable in the long term based on key environmental, social and governance factors.

**Results of the climate resilience analysis**

In 2025, Scandic performed an overall resilience analysis in order to assess the company's resilience against climate-related risks, in accordance with ESRS requirements.

The analysis was based on insights from different potential climate scenarios (see page 57), and consisted primarily of qualitative assessments and general cost estimates of identified risks and opportunities. The analysis builds upon the double materiality assessment, with an equivalent scope, and was performed with the support of Scandic's internal risk assessment process. The analysis covers the value chain in a way similar to the materiality assessment.

The preliminary analysis indicates that Scandic's business model is resilient against climate change, but that more work is needed to further strengthen understanding and the analysis. At this point, Scandic has not assessed climate risks beyond ten years.

**The analysis builds on several factors:**

- **Physical adaptability:** The company can continually upgrade its physical asset base and make it more efficient through energy efficiency plans and collaboration with property owners, in order to reduce locked-in GHG emissions. A detailed analysis of whether these emissions could pose a risk to Scandic's ability to achieve its transition plan has not yet been performed.
- **Initial access to financing:** Scandic has internally established the possibility to apply for resources for sustainability initiatives, which can enable investments in energy efficiency and other climate-relevant measures.
- **A sustainable offering:** Scandic's array of products and services is continually developed with a focus on sustainability, including through circular furnishings concepts and climate-efficient procurement.
- **Skills development:** To meet future transition requirements, Scandic provides training in sustainability and energy-efficient operation, which strengthens the organization's internal capacity.

## Impact, risk and opportunity management

### IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

**Description of the processes to identify and assess material impacts, risks and opportunities**
The double materiality assessment was conducted in accordance with ESRS requirements and with the support of external advisors with special expertise in the area. The results of the assessment were reviewed and approved by Scandic's Executive Committee and Board.

**This work was carried out in four stages:**

1. Context analysis and identification of potential sustainability matters with related impacts, risks and opportunities.
2. Stakeholder dialogues conducted through surveys and interviews.
3. Evaluation of impacts, risks and opportunities.
4. Execution and validation of results.

***1. Context analysis and identification of impacts, risks and opportunities***
Scandic identified potentially material sustainability matters based on previous materiality assessments, industry and market reports, societal sustainability trends, relevant legislation, and sector-specific frameworks.

The criteria for Nordic Swan Ecolabel, which maps hotel operations' impacts, risks and opportunities, were also used to identify relevant sustainability matters. The identified sustainability matters were subsequently validated with key personnel in the business and external experts before being included in the continued assessment.

In addition to the double materiality assessment, Scandic also uses an internal risk management process based on Enterprise Risk Management (ERM) to identify, assess and prioritize financial, strategic and operational risks. Sustainability-related risks are currently assessed within the framework of the double materiality assessment and compared qualitatively with other risk categories with respect to potential impact and likelihood.

Risks are prioritized through an overall assessment, where sustainability-related risks are related to other identified risks to enable a consistent ranking and escalation. The risk assessment is supported by documented risk assessment tools, including the risk register, scoring methodology and, for select climate-related risks, scenario analyses.

The company intends to further integrate the ERM process with the financial part of the materiality assessment in order to strengthen the link between sustainability-related risks and financial reporting in the future.

***2. Stakeholder dialogues***
Surveys and interviews with prioritized interest groups were held in order to gain a better understanding of which sustainability aspects are most important to Scandic.

Two types of surveys were used: a shorter version for guests and a more comprehensive survey for other stakeholders. A total of 11 interviews were conducted to identify material sustainability matters, assess risks and opportunities, and evaluate the existing approach and communication.

The stakeholder groups were selected based on their impact on the company's operations as well as how they are impacted by the company's operations. They included guests, team members, the Executive Committee, suppliers, property owners, corporate clients, analysts and owners.

No direct consultations were held with individually affected individuals or local communities under the framework of the completed materiality assessment.

***3. Evaluation of impacts, risks and opportunities***
In the third stage, a workshop was conducted with the SISC and other key personnel from Scandic. The purpose was to evaluate and assess the company's impacts, risks and opportunities, including financial effects. A general review of the operations' assets and activities through the value chain, including dependencies such as resources, was conducted as part of the assessment. The assessment was based on criteria such as severity, scope and likelihood. In the case of negative impacts, irremediable character was also assessed. Likelihood was graded on a five-point scale, under which 5 (very likely) corresponded to an actual or highly likely impact.

In assessing severity and financial impact, the gross risk principle was used, meaning the assessment did not consider existing actions.

To determine which sustainability matters were considered material, the median value of all assessed impacts, risks and opportunities was used as a threshold. The aspects that were over the median were generally considered material, with two exceptions:

- **Workers in the value chain –** working conditions and work-related rights.
- **Affected communities –** human trafficking.

Although these sustainability matters did not fully meet the threshold, they are included in the reporting. The reason for this is their potentially serious impact on human rights and their relevance to the company's operations.

Scandic considered operations and business relationships that could give rise to a heightened risk of negative impacts in its analysis. These include:

- **Geographic areas –** supply chain in countries with a higher risk of human rights violations and poor working conditions, based on the procurement department's risk analysis.
- **Other factors –** risk of human trafficking linked to hotel operations.

These factors were integrated into the double materiality assessment to ensure that areas with a potentially high negative impact, particularly on human rights, were identified and prioritized.

***4. Execution and validation***
The results of the assessment were validated by external advisors, and subsequently in a final validation workshop with the SISC. The sustainability department conducted an update of the assessment in 2025. Previously identified areas of impact, risks and opportunities were verified by key personnel in the organization. The review confirmed a change in the assessment of material sustainability matters, with animal welfare now considered as material.

The process of further integrating the materiality assessment into Scandic's overall risk management process began during the year and will continue in 2026. Sustainability risks are also assessed in relation to other types of risks in this assessment.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

### E1. ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Scandic assesses its impacts, risks and opportunities through the double materiality assessment. The assessment shows that the company primarily impacts the climate through GHG emissions from purchased goods and services, and through energy consumption in the hotel operations.

In 2025, Scandic mapped its emissions in the entire value chain, and determined its carbon footprint within all of the relevant categories in accordance with the GHG Protocol, see page 69. A review of the operations was performed in order to identify actual and potential sources of emissions. This mapping is also a crucial basis for analyzing climate-related risks, opportunities and transition needs.

**Method for identification and analysis of climate-related risks and opportunities**

In 2025, Scandic performed an overall climate risk assessment in accordance with ESRS requirements. The assessment was based on the double materiality assessment, where Scandic identified climate risks – both physical risks and transition risks. The opportunities identified in the materiality assessment were described but not analyzed further as part of the climate risk assessment.

This work was performed with the support of the company's overall risk management process, which is led by the legal department. The assessment of climate-related risks, which forms the basis of the climate risk assessment, was carried out via a workshop with the SISC and other key personnel from the organization. The purpose was to evaluate and assess impacts, risks and opportunities, including their potential financial consequences.

The climate risk assessment is based on two climate scenarios: a high-emissions scenario (current policies) and a scenario in line with a global net zero (Net Zero 2050), see page 59. The analysis includes three time horizons in accordance with the internal risk management process:

- Short-term (0–2 years)
- Medium-term (2–5 years)
- Long-term (5–10 years)

Identified risks were categorized based on these scenarios and time horizons.

The analysis is based primarily on qualitative assessments, complemented by quantitative data such as emissions figures and general cost estimates. For information on the assessment of risks according to the materiality assessment, see page 56. A risk is considered to be material if it is identified in the company's overall risk management process.

A specific assessment of risks beyond ten years (such as up to 2050) has not yet been performed. The Group plans to include a more in-depth assessment of long-term physical risks in its future work.

**Assessment of physical climate-related risks – analysis of a high-emissions scenario**

Scandic has identified several physical climate-related risks that could impact both its own operations and the value chain in the short, medium and long term.

In its risk analysis, Scandic's sustainability department analyzed BSR's climate scenarios and assessed the likely physical climate risks in high-emissions scenarios based on materiality. The physical risks were analyzed by the sustainability department based on a high-emissions scenario. Under the high-emissions scenario, the likelihood of extreme weather, heat waves and water scarcity increases. An in-depth quantitative analysis of the likelihood and severity of physical climate risks has not yet been carried out.

Disruptions to the supply chain are expected to occur in such a scenario, for example through impacts on production, transportation or access to resources.

Risks to the company's assets and business operations in relation to physical climate risks were analyzed as part of the double materiality assessment. However, this analysis is not geographically detailed and is not linked to specific coordinates or site-specific exposures.

**Assessment of climate-related transition risks and opportunities**

Scandic has identified transition risks and opportunities that are considered to be relevant in a low-emissions scenario through the double materiality assessment. Methods used in the materiality assessment, including a workshop with the SISC and categorization carried out by the sustainability department, are described in the section "Method for identification and analysis of climate-related risks and opportunities". The double materiality assessment took likelihood, magnitude and duration into account, and analyzed how business operations and assets could be impacted by transition risks within a time horizon of up to ten years.

Once risks and opportunities were identified, the climate resilience analysis focused primarily on risks, however a general analysis of opportunities was also carried out. Scandic intends to develop this assessment further.

The assessment of transition risks under a low-emissions scenario was also integrated with the targets designed according to the SBTi criteria in order to ensure consistency between the risk assessment and emissions targets.

Scandic has not yet identified any operations that are incompatible with, or require significant investments to become compatible with, a transition to a climate-neutral economy.

**Method: Climate scenarios**

In its risk analysis, Scandic's sustainability department analyzed BSR's climate scenarios and assessed the likely physical climate risks in high-emissions scenarios based on the material (www.bsr.org). The scenarios were mapped against Representative Concentration Pathways (RCPs) and based on the Network for Greening the Financial System (NGFS) framework.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

Two main scenarios were analyzed:

- **High-emissions scenario (current policies):** Limited climate policy actions lead to global warming above 3.0°C by 2100. This scenario entails higher physical risks, such as extreme weather, water scarcity and disruptions to supply chains.
- **Low-emissions scenario (Net Zero 2050):** Ambitious climate actions in accordance with the Paris Agreement limit global warming to approximately 1.5°C. This scenario entails primarily transition risks, such as stricter regulations, changes in market conditions and a greater need for transition investments.

The result from the climate risk assessment is presented in ESRS E1.

**Method: Time horizons for climate risk assessment**

The climate risk assessment was performed across three time perspectives, in accordance with Scandic's risk management process:

- Short-term: 0–2 years
- Medium-term: 2–5 years
- Long-term: 5–10 years

These time horizons also guide Scandic's short-term emission reduction targets according to E1-4, where climate targets were designed with reference to both the business strategy and the expected development of climate-related risks.

**Development of climate risk assessment**

Scandic intends to develop its climate risk assessment further by:

- Introducing quantitative methods and more detailed scenario models for greater precision and transparency in future reporting.
- Expanding the assessment to include long-term physical risks beyond ten years, with a particular focus on time horizons up to 2050.

### E2. ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Scandic has made an overall assessment that its operations do not currently have a material impact on the matter of pollution.

In the framework of this analysis, no site- or facility-specific audits were carried out to assess pollution-related aspects. No local stakeholders were consulted in this respect.

### E3. ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

A general review of the operations' assets and activities through the value chain was conducted as part of the assessment. Scandic's assessment identified which facilities are in areas of high water stress. No local stakeholders were consulted in this respect.

### E4. ESRS 2 IRO-1 Description of the processes to identify and assess material biodiversity and ecosystems-related impacts, risks and opportunities

A general review of the operations' assets and activities through the value chain was conducted as part of the assessment. Scandic's assessment in 2024 identified which hotels were located in areas with sensitive biodiversity. No local stakeholders were consulted in this respect.

### E5. ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Scandic's assessment of the value chain identified which inputs and resources are of strategic importance. Scandic also has established processes for measuring daily food waste in restaurants. No local stakeholders were consulted in this respect.

### G1. ESRS 2 IRO-1 Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities

Scandic's operations impact numerous stakeholders, and it is of the utmost importance that they are managed in an ethical manner. The company's Code of Conduct is the fundamental governance document for Scandic's business conduct. Risk assessments are performed continually as part of Scandic's overall risk management process in order to identify actual and potential risks. With respect to business ethics, Scandic assesses impacts, risks and opportunities by analyzing risk-exposed parts of the operations (such as sales and procurement) and conducting geographic risk assessments of markets and business relationships. The UN Human Development Index (HDI), Transparency International's Corruption Perceptions Index (CPI) and the International Trade Union Confederation's Global Rights Index (GRI) are used to assess the level of risk based on geography and supplier relationship.

### IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Scandic has reviewed all of the ESRS disclosure requirements to determine which ones to include in its sustainability reporting. Each requirement was assessed based on its materiality in relation to Scandic's identified impacts, risks and opportunities according to the double materiality assessment as well as whether it is covered by transitional provisions or is voluntary. Scandic provided an explanation for requirements not deemed to be material. For a list of the disclosure requirements covered in the sustainability statements, based on the materiality assessment, refer to page 97.

Scandic has deemed that E2 Pollution is not material, since the impact in this area is limited. Impacts, risks and opportunities not deemed to be material are not presented in this report.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ENVIRONMENTAL DISCLOSURES

## TAXONOMY REPORT

Pursuant to Article 8 of Regulation (EU) 2020/852
(Taxonomy Regulation)

**Background**
In order to achieve the EU's climate targets 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 by 2050 in line with the EU's climate targets.

An activity is classified as environmentally sustainable if it contributes to at least one of the Taxonomy's six environmental objectives, does not cause significant harm to any of the other objectives and meets basic requirements in terms of minimum safeguards.

**Reporting principles**
Scandic has been covered by the EU directive from the 2021 financial year since Scandic 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. For Taxonomy reporting in 2025, Scandic has chosen to apply the Commission Delegated Regulation (EU) 2026/73 from July 4, 2025. This means that the presentation format has changed compared with previous years, but that the application of eligibility and alignment criteria is the same as in 2024.

Environmental objective 6, Biodiversity, includes activity "2 Accommodation activities" and more specifically "2.1 Hotels, holiday, camping grounds and similar accommodation", in which Scandic's turnover is included.

Franchise and management fees are not included, since this revenue stream is currently not included in the Taxonomy's list of eligible activities. Apart from franchise and management fees, the category includes all of Scandic's turnover, such as room revenue, conference revenue and revenue from the sale of food and beverages at hotels. Scandic's policy is that the assessment of CapEx and OpEx follows the same evaluation as turnover, as the investments are made to support the activities that generate turnover.

**Eligibility assessment of hotel operations**
According to the FAQs published by the European Commission in March 2025 (EUR-Lex – 52025XC01373 – EN – EUR-Lex), it was clarified that hotels included in activity BIO 2.1 can be tested for Taxonomy alignment regardless of their location. Based on this clarification, it was assessed that all of Scandic's hotels should still be covered by the economic activity and considered eligible.

The assessment of Taxonomy-eligible activities has been based on what is described below. Delimitations regarding Scandic's assessment of alignment are presented under each area below.

**Turnover**
Total turnover according to the Taxonomy is the same as net sales according to the consolidated income statement, see page 115. The Group's net sales consist of the value of goods and services generated in hotels under lease agreements as well as management and franchise fees. Franchise and management fees have been excluded from eligible turnover as this revenue stream is not included in the Taxonomy's eligible economic activities.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**CapEx**

Total CapEx refers to investments in tangible and intangible assets (excluding goodwill) and right-of-use assets. Investments during the year can be found in Notes 12 and 13 on pages 131–132. CapEx related to right-of-use assets according to IFRS 16 for the financial year totaled 3,825 MSEK (2,673) and consisted primarily of extensions of existing leases and new lease agreements for hotel properties. These investments can be found in Note 13 on page 132. The amount of total CapEx for the year totaled SEK 4,957 MSEK (3,606).

According to the Taxonomy, eligible CapEx refers to investments related to an identified sales activity (2.1 Hotels, holiday, camping grounds and similar accommodation). Since all investments are made to improve Scandic's eligible turnover, 100% of capital expenditure for the financial year is considered eligible.

**OpEx**

According to the Taxonomy, total OpEx is considered to be costs for maintaining the Group's non-current 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 appropriate functioning of the assets, including renovation expenses related to property, plant and equipment, low-value leases and short-term leases. These costs are not specified in the consolidated income statement, but are included in Other external costs on page 115. Eligible 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 the current financial year is considered to be 100 percent.

**Reporting principles for alignment**

Scandic bases its reporting principles on alignment of turnover in activity 2.1. on the FAQ published by the European Commission in March 2025.

Scandic uses the technical screening criteria to evaluate whether activities are aligned. This includes energy certificates and evaluating whether an activity does any significant harm to the other environmental objectives and whether it meets the minimum safeguards.

**Assessments 2025**

The assessment is that Scandic's activities did not achieve Taxonomy alignment in 2025. An alignment assessment based on technical screening criteria was carried out on a hotel by hotel basis. There are currently technical screening criteria linked to DNSH (do no significant harm to other environmental objectives) that are not met, which is why no portion of turnover, CapEx or OpEx is reported as Taxonomy-aligned for 2025. Scandic intends to continue this analysis ahead of next year's reporting.

## Proportion of turnover

### CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the year 2025

| Financial year | | 2025 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Breakdown by environmental objectives of Taxonomy-aligned activities | | | | | | | | | | |
| KPI | Total | Proportion of Taxonomy-eligible activities | Taxonomy-aligned activities | Proportion of Taxonomy-aligned activities | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Proportion of enabling activities | Proportion of transitional activities | Not assessed activities considered non-material | Taxonomy-aligned activities in previous financial year (2024) | Proportion of Taxonomy-aligned activities in previous financial year (2024) |
| | SEK million | % | SEK million | % | % | % | % | % | % | % | % | % | % | SEK million | % |
| Turnover | 22,220 | 99.7 | – | – | – | – | – | – | – | – | – | – | – | – | – |
| CapEx | 4,957 | 100.0 | – | – | – | – | – | – | – | – | – | – | – | – | – |
| OpEx | 491 | 100.0 | – | – | – | – | – | – | – | – | – | – | – | – | – |

## Turnover

### Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2025

| Reported KPI | | Turnover | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial year | | 2025 | | | | | | | | | | | |
| | | | | | Environmental objective of Taxonomy-aligned activities | | | | | | | | |
| Economic activities | Code | Taxonomy-eligible KPI (Proportion of Taxonomy-eligible turnover) | Taxonomy-aligned KPI (monetary value of turnover) | Taxonomy-aligned KPI (Proportion of Taxonomy-aligned turnover) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
| | | % | SEK million | % | % | % | % | % | % | % | E | T | % |
| Hotels, holiday, camping grounds and similar accommodation | BIO 2.1 | 99.7 | – | – | – | – | – | – | – | – | – | – | – |
| Sum of alignment per objective | | | | | – | – | – | – | – | – | | | |
| Total KPI (Turnover) | | 99.7 | – | – | – | – | – | – | – | – | – | – | – |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## CapEx

### Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2025

| Reported KPI | | CapEx | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial year | | 2025 | | | | | | | | | | | | |
| | | | | | Environmental objective of Taxonomy-aligned activities | | | | | | | | | |
| Economic activities | Code | Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx) | Taxonomy-aligned KPI (monetary value of CapEx) | Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
| | | % | SEK million | % | % | % | % | % | % | % | E | T | % |
| Hotels, holiday, camping grounds and similar accommodation | BIO 2.1 | 100.0 | – | – | – | – | – | – | – | – | – | – | – |
| Sum of alignment per objective | | | | | – | – | – | – | – | – | | | |
| Total KPI (Capex) | | 100.0 | – | – | – | – | – | – | – | – | – | – | – |

## OpEx

### Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2025

| Reported KPI | | OpEx | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial year | | 2025 | | | | | | | | | | | |
| | | | | | Environmental objective of Taxonomy-aligned activities | | | | | | | | |
| Economic activities | Code | Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx) | Taxonomy-aligned KPI (monetary value of OpEx) | Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
| | | % | SEK million | % | % | % | % | % | % | % | E | T | % |
| Hotels, holiday, camping grounds and similar accommodation | BIO 2.1 | 100.0 | – | – | – | – | – | – | – | – | – | – | – |
| Sum of alignment per objective | | | | | – | – | – | – | – | – | | | |
| Total KPI (OpEx) | | 100.0 | – | – | – | – | – | – | – | – | – | – | – |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS E1 CLIMATE CHANGE

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Climate change mitigation** | Upstream, own operations and downstream | **Actual negative:** Scandic impacts the climate throughout the entire value chain. GHG emissions are generated in the Group's own operations and through upstream and downstream business relationships, including through purchased goods and services, energy consumption, transportation and guest-related activities. | Systematic work to reduce emissions in the Group's own operations and through business relationships through energy efficiency measures, renewable energy and climate requirements for purchases. | Short, medium and long | **Risk:** Changes to regulations on GHG emissions could result in higher operating costs and the need to redirect procurement (*transition risk*).<br>**Risk:** Changing customer preferences could require Scandic to make procurement even more sustainable, which could entail a financial risk (*transition risk*).<br>**Opportunity:** Active work to limit climate change could lead to increased guest satisfaction and a stronger brand position. | Short, medium and long |
| **Climate change adaptation** | Upstream | No | N/A | N/A | **Risk:** Changes in weather due to climate change could lead to supply chain disruptions (*physical risk*), which could impact purchasing costs. | Short, medium and long |
| **Energy** | Upstream and own operations | **Actual negative:** Energy consumption in the operations has an actual negative impact on the environment through GHG emissions. Impacts arise in the Group's own operations as well as through upstream business relationships, such as through the purchase of energy, equipment and technical systems. | Systematic energy efficiency work and increased use of renewable energy in the Group's own operations and through business relationships. | Short, medium and long | **Risk:** Stricter energy efficiency regulations, higher energy prices and increased requirements for energy efficiency, which could result in higher operating costs and the need for investments (*transition risk*).<br>**Opportunity:** Energy efficiency actions can lead to reduced operating costs, lower energy consumption and reduced climate impact in addition to strengthening the company's resilience to price increases and regulatory changes. | Short, medium and long |

## Introduction

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Scandic's operations have a negative impact on the climate, which the company is working to reduce. The material climate-related risks that Scandic has identified in its double materiality assessment consist of both physical risks and transition risks.

**Climate-related physical risks – distribution between own operations and value chain**

- **Own operations:** No material physical climate risks have been identified at this time.
- **Upstream in the value chain:** Suppliers could be impacted by climate-related disruptions such as extreme weather and water scarcity, especially in the areas of food production and logistics.

**Climate-related material transition risks – distribution between own operations and value chain**

- **Own operations:** Regulatory changes, such as higher carbon taxes and stricter energy regulations, could affect operating costs.
- **Upstream in the value chain:** Suppliers could be affected by regulatory changes, especially in the areas of food production, energy and transportation, which could lead to higher costs.
- **Downstream in the value chain:** A shift in customer preferences towards more climate-friendly products and services could entail higher purchasing costs.

Scandic is also seeing a greater emphasis on sustainability, which could strengthen demand for climate-friendly hotel experiences and resource-efficient operational solutions.

## Strategy

### E1-1 Transition plan for climate change mitigation

Scandic has begun developing a transition plan, with the target of achieving net-zero emissions by no later than 2050, in line with the Paris Agreement and the 1.5° C target. Scandic developed science-based climate targets according to the criteria of the SBTi in 2025. The targets were validated by SBTi in February 2026.

The targets form the basis for the company's transition plan, and were prepared under the SISC's supervision and approved by the Board of Directors.

The new science-based climate targets replace the previous target to reduce $CO_2$ emissions ($CO_2e$) per square meter by 50 percent by 2030 compared to 2019. Results compared with the previous target are shown on page 67.

The transition plan contains several strategic actions to reduce $CO_2$ emissions, also known as "decarbonization levers."

The measures are divided by emission category: direct emissions in the Group's own operations (Scope 1), indirect emissions from purchased energy (Scope 2) and other indirect emissions in the value chain (Scope 3). A detailed analysis of the respective quantitative contribution to the transition plan by each strategic action has not yet been performed, and the visualization is indicative.

When identifying decarbonization levers, Scandic looked at sources of emissions across the value chain and the science-based climate targets, which in turn support a low-emissions scenario and guided the identification of levers.

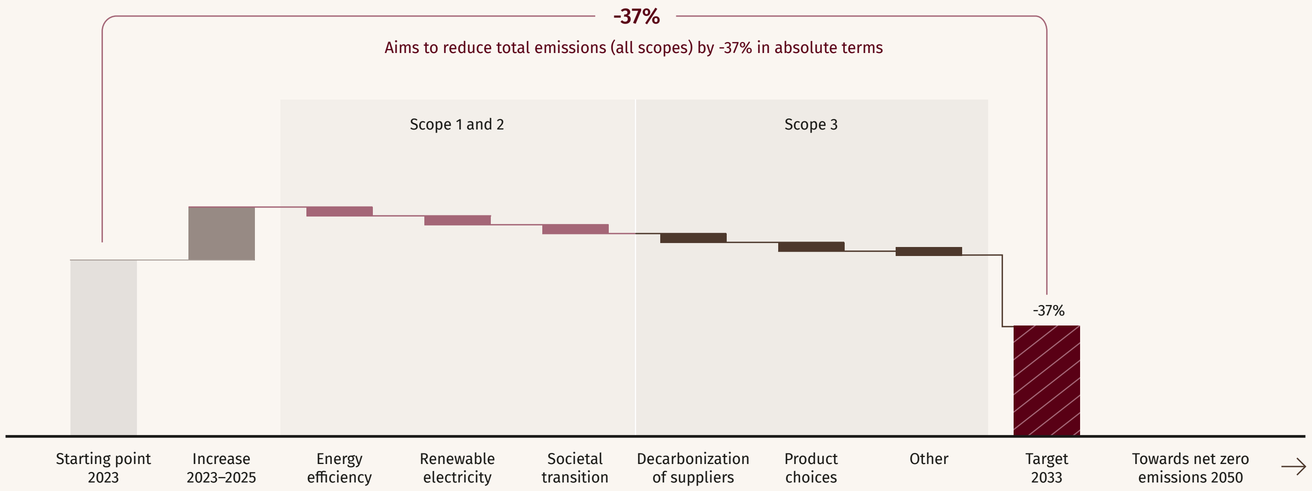
**Scope 1 and 2 emission reductions: Energy efficiency, renewable electricity, and the ability to apply for resources for sustainability initiatives**

Scandic has developed targets for Scope 1 and 2 emissions according to the criteria of the SBTi. Scope 1 and 2 account for about 15 percent of the company's total GHG emissions.

The target is to reduce $CO_2e$ emissions in absolute terms by 55 percent by 2033, with 2023 as the base year.

In order to achieve its established emissions targets, Scandic has identified several key activities. These include energy efficiency measures and continued procurement of renewable electricity with the associated Guarantees of Origin (GoO).

### Indicative presentation of decarbonization levers 2023–2033




| | |
|---|---|
| **Energy efficiency** | Scandic considers investing in energy efficiency to be an opportunity and has started developing an energy efficiency plan |
| **Renewable electricity** | Scandic considers continuing to purchase renewable electricity to be an opportunity |
| **Society's transition** | Society's transition to lower emissions benefits Scandic as a buyer of energy |
| **Supplier emission reduction** | Scandic works actively to reduce emissions from the value chain through supplier requirements and partnerships |
| **Product selection** | Active selections during procurement allow Scandic to continue to lower emissions in this are |

A Group-wide target for energy efficiency has been developed, along with an overall action plan. In 2025, Scandic has established a process enabling parts of the organization to apply for resources for sustainability projects, enabling targeted investments in climate-smart solutions at the hotel level. These sustainability initiatives are managed within the framework of existing investment processes.

Procurement of renewable electricity and the associated GoO is managed by the company's Treasury department for the majority of hotels. Remaining hotels are encouraged to manage this aspect locally. Increased use of renewable electricity by Scandic's hotels is one way for Scandic to reduce the company's emissions.

In addition to the activities above, Scandic believes that society's overall transition will help reduce emissions, for example through greater access to more climate-efficient district heating and other energy efficiency measures at the community level.

Scandic also mapped emissions from its vehicle fleet in 2025. How this emission category will be addressed in the transition plan has not yet been determined.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**Scope 3 emission reductions: Emission reductions in the supply chain and climate-efficient procurement**

Scandic has established climate targets for indirect emissions (Scope 3) in line with the SBTi. Scope 3 emissions account for approximately 85 percent of the Group's total climate impact and cover emissions throughout the value chain, from purchased goods and services to use and waste management. The targets encompass both FLAG[1] and non-FLAG emissions in order to cover all material sources of emissions in the value chain.

In the case of FLAG emissions, the target is to reduce emissions by 39 percent in absolute terms by 2033, compared with the base year 2023 in accordance with SBTi requirements. This work is being carried out in close collaboration with suppliers and includes improved data collection and follow-up of emissions linked to purchasing, especially related to food. Increasing the share of plant-based alternatives and measures to reduce food waste are key actions to reduce the company's climate impact in this area.

In the case of non-FLAG emissions, the target is to reduce emissions by 61 percent in relation to the company's value creation by 2033. Scandic has chosen an intensity value in order to take the company's expected growth into account. A significant part of the work to achieve this target relates to procurement, where Scandic's circular room concept and purchasing of laundry services, for example, present opportunities for climate efficiency.

Scandic does not currently apply nature-based solutions as part of its transition plan.

**Financial connection to the transition plan**

Scandic's goal is to ensure that the transition is financially sustainable and contributes to long-term value creation while also achieving its net-zero 2050 target.

The process of incorporating the transition plan into the financial planning has begun. Activities for higher energy efficiency are partially embedded in existing business plans and in the financial structure. It is currently considered possible for a significant part of the transition in Scopes 1 and 2 to take place via the energy efficiency plan and general improvements in society's energy systems.

The economic consequences of the transition plan are currently addressed as part of the regular budget and investment process and are not currently deemed to require significant investments beyond ordinary planning. Scandic does not report separate figures for the transition plan, but rather as part of operating activities.

During 2025, the establishment of the previously mentioned possibility to apply for resources for sustainability initiatives was initiated in order to enable targeted investments in energy efficiency at the hotel level. The development of this and related processes is intended to continue in the coming years.

Scandic continually evaluates additional financing options for climate-related investments, including scaling up circular procurement solutions.

Scandic has not yet identified any operations that are incompatible with, or require significant investments to become compatible with, a transition to a climate-neutral economy. Scandic has locked-in GHG emissions in rental agreements, but their duration has been deemed manageable within the time frame of the transition plan.

Scandic currently assesses that the company does not have any Taxonomy-aligned CapEx. At present, Scandic does not have a finalized plan to achieve alignment with the taxonomy.

**Follow-up and management**

The transition plan and its follow-up are under development.

The plan is based on the company's science-based climate targets, and is being developed in close cooperation with relevant parts of the organization, including the SISC. It is an integral part of Scandic's sustainability strategy. The science-based climate targets have been approved by the Board of Directors, and are part of the company's overall strategy.

Scandic follows up, among other things, the energy consumption in its hotels on a monthly basis, see page 68.

**Integration into strategy and decision-making**

The identified climate-related risks and opportunities are in the process of being integrated into Scandic's strategic planning via the transition plan and the Group-wide energy efficiency plan that Scandic is developing. As part of this work, Scandic has also established an internal opportunity to apply for resources for sustainability initiatives, such as investments in energy efficiency, which is a way to translate climate-related insights into strategic and financial decisions.

Climate-related risks have been integrated into the company's overall risk management, which ensures that risk identification is linked to strategic decisions. Actions in the transition plan are assessed from both economic and climate perspectives.

**Compliance with EU Paris-Aligned Benchmarks**

Scandic has deemed that the company is not excluded from the EU Paris-Aligned Benchmarks (PABs).

## Governance

### GOV-3 Integration of sustainability-related performance in incentive schemes

Scandic has not integrated environment-related metrics into variable compensation at this time. See page 44 for information on how various sustainability-related targets are linked to the company's variable compensation for senior executives and other employees.

[1] FLAG = Forestry, land and agriculture emissions.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Impact, risk and opportunity management

### E1-2 Policies related to climate change mitigation and adaptation

The following policies and guidelines set out Scandic's material matters linked to climate change mitigation and adaptation and together, these documents constitute the overall framework for Scandic's management of these topics.

- Code of Conduct
- Environmental Policy
- Supplier Code of Conduct
- Sustainable Procurement Guidelines

These policies are publicly available on Scandic's website and presented in summary on pages 42–43.

**Code of Conduct**

Scandic's Code of Conduct contains a clear commitment to reduce the company's environmental impact by continually reducing GHG emissions and improving energy efficiency in the operations. The Code serves as a governing framework for all employees and operating areas, and describes the company's responsibility in matters that concern the environment, human rights and ethics.

**Environmental Policy**

Scandic's Environmental Policy sets out the company's commitment to operating environmentally sustainable hotels by systematically working to minimize GHG emissions through measures including energy efficiency and use of renewable energy.

**Supplier Code of Conduct**

Scandic's Supplier Code of Conduct sets clear requirements that all suppliers must have an environmental program with measurable targets to continually improve their environmental performance and work environment.

**Sustainable Procurement Guidelines**

Scandic's Sustainable Procurement Guidelines constitute the theoretical and practical framework for all procurement decisions within the Group. The guidelines stipulate criteria for sustainable procurement, including requirements for energy-efficient production, low GHG emissions and responsible production conditions.

### E1-3 Actions and resources in relation to climate change policies

**Climate change mitigation and energy consumption**

In 2025, Scandic conducted several strategic activities as part of its transition plan, with the aim of strengthening the Group's climate management and minimizing its environmental impact. The company focuses on activities and resources in the following areas in order to reduce its GHG emissions:

**Group-wide measures:**

- Mapping of GHG emissions according to the GHG Protocol for all relevant emission categories (Scope 1–3).
- Development and validation of science-based climate targets including near term targets for 2033 as well as a long-term net-zero target for 2050.

**Scope 1 and 2: Direct emission reductions and energy efficiency**

- Further development of the five-year energy efficiency plan initiated in 2024. In 2025, Scope 1 and 2 emissions decreased by 14 percent compared with 2024.
- Further development and establishment of the process that enables internal resources for sustainability projects, which was initiated in 2024 to finance investments in energy efficiency at the hotel level.
- Mapping of emissions from all of the company cars and other vehicles.

**Scope 3: Partnerships with suppliers and emissions data in the value chain as well as other actions**

- Development of a method to map and analyze emissions in the food and beverage segment through greater cooperation with suppliers and improved data collection.
- Stricter requirements for suppliers via the Supplier Code of Conduct and further development of the Guidelines for Sustainable Procurement in order to clarify expectations for climate performance and data reporting.
- Continued focus on purchase of plant-based food.
- Reduced food waste in hotel operations.

Scandic does not currently have data to quantify the exact emission reduction that each measure contributed to during the reporting period. Scandic is further developing its data collection methods to enable more precise quantification in the future.

In 2026, Scandic plans to refine its emissions calculations by continuing to collect activity data for greater precision in the reporting. This also involves continuing to refine the implementation plan for the science-based sustainability targets, continuing to implement the energy efficiency plan Group-wide, and evaluating the effects of the measures that have been implemented.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Metrics and targets

### E1-4 Targets related to climate change mitigation and adaptation

Scandic continually evaluates and updates its targets and methods in order to ensure that they remain relevant and effective.

Scandic therefore developed new science-based targets in 2025, while continuing to follow up on previous targets in its reporting. The use of SBTi criteria ensures that the targets have a scientific basis and are in line with climate research, and that the targets are compatible with the boundaries in Scandic's emissions reporting. Scandic uses the base year 2023 for its emissions calculations. This year was chosen to represent a year as close as possible to the company's process of developing targets and preparing its application to the SBTi. The goals were validated in February 2026. Scandic took both FLAG and non-FLAG emissions into account when designing its climate targets. In the latter case, an intensity target was chosen that takes expected growth in the operations into account.

Scandic has also performed an overall analysis of potential paths to meeting its targets as well as how internal and external factors could affect emissions and emission reductions over time.

Scandic involves relevant stakeholders, including team members and suppliers, in the process of defining and implementing its climate targets. Dialogue and feedback are used to ensure that the targets are achievable, credible and responsible. In the case of significant changes to the scope of the operations, Scandic applies the SBTi's criteria for recalculation. This methodology enables long-term and robust work towards achieving net-zero emissions.

All of Scandic's climate targets are Group-wide and cover the same greenhouse gases as those reported in the company's emission calculations under the GHG Protocol.

### Targets for E1 Climate change

| Sustainability target | Sustainability target | Scope | Base year | Target value and year | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Climate change mitigation | Achieve net zero emissions by 2050 (SBT) | Operations under operational control, in accordance with the GHG Protocol | 2023 | Net zero emissions, 2050 | Total emissions Scope 1, 2 and 3 ($tCO_2e$) | 195 899 | 209 017 | 226 299 |
| Climate change mitigation | Reduce $CO_2e$ emissions in Scope 1 and 2 (market-based) by 55% in absolute terms (SBT) | Operations under operational control, in accordance with the GHG Protocol | 2023 | 55% reduction, 2033 | Percentage reduction compared with base year 2023 | -39% | -29% | – |
| Climate change mitigation | Reduce $CO_2e$ emissions in Scope 3 (FLAG)[1] by 39% in absolute terms (SBT) | Operations under operational control, in accordance with the GHG Protocol | 2023 | 39% reduction, 2033 | Percentage reduction compared with base year 2023 | -5% | 13% | – |
| Climate change mitigation | Reduce $CO_2e$ emissions in Scope 3 (non-FLAG) per SEK of revenue[2] by 61% (economic intensity) (SBT) | Operations under operational control, in accordance with the GHG Protocol | 2023 | 61% reduction (economic intensity metric), 2033 | Percentage reduction compared with base year 2023 | -12% | -13% | – |
| Climate change mitigation | Reduce emissions (Scope 1 and 2) per square meter by 50% (outgoing targets) | Operations under operational control, in accordance with the GHG Protocol | 2019 | 50% reduction, 2030 | Percentage reduction compared with base year 2019 | -39% | -29% | -1% |
| Climate change mitigation | Increase the share of plant-based food purchases to 60%3 [3] [4] [5] | All owned hotels | N/A | 60% plant-based share, 2030 | Share (%) of total food purchases that are plant-based | 56% | 57% | 56% |
| Energy | Reduce energy consumption per square metre by 15% | Operations under operational control, in accordance with the GHG Protocol | 2023 | 15% reduction, 2030 | Percentage reduction compared with base year 2023 | -6% | -2% | – |

[1] FLAG (Forestry, Land and Agriculture emissions): Emissions originating from forestry and land use, as well as agriculture.
[2] Value added is defined as sales less costs of raw materials and consumables.
[3] Target for plant-based food applies to our own hotels. Measurement includes franchise hotels, as these could not be excluded.
[4] In all countries except Germany, the percentage is calculated based on the total weight of purchased food (kg). In Germany, the measurement is instead based on financial data. The underlying data reflects the largest suppliers in each country.
[5] Poland is excluded from the metric because the data collection process has not yet been established. Scandic is actively working to develop these processes. The share of plant-based food for Germany is based on the distribution used for Sweden, Denmark, and Finland.

The outcome for 2025 is presented in the table Targets, base year and metrics for E1 Climate Change and shows overall that Scandic's emissions decreased during the year.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## E1-5 Energy consumption and mix

Scandic measures and follows up the company's energy consumption at all hotels on a monthly basis. The majority of the data comes from measurements at the hotels and from invoices, and a smaller share originates from the property owners. In 2025, Scandic further developed its Group-wide energy efficiency plan with the aim of reducing energy consumption in future years and moving to a more climate-efficient energy supply. In 2025, 99 percent of purchased electricity was covered by Guarantees of Origin (GoO certificates). The majority of these are bundled with electricity supply contracts, but certificates are also purchased separately from the contracts.

### Reporting principles

Energy consumption refers to the use of non-renewable energy and renewable energy. Activity data for energy consumption is based on invoices from suppliers, supplier reports and measures, or estimates based on contracts. Energy consumption is not validated by a third party.

Consumption of purchased or acquired electricity, heat, steam and cooling is assumed to come from fossil sources if there is no certificate or energy choice.

### Energy consumption and mix, MWh

| | 2025 | 2024 |
|---|---|---|
| 1 Fuel consumption from coal and coal products | – | – |
| 2 Fuel consumption from crude oil and petroleum products | 3,369 | 3,509 |
| 3 Fuel consumption from natural gas | 2,943 | 3,581 |
| 4 Fuel consumption from other fossil sources | – | – |
| 5 Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources | 260,985 | 277,301 |
| **6 Total fossil energy consumption (calculated as the sum of lines 1 to 5)** | **267,297** | **284,391** |
| Share of fossil sources in total energy consumption | 45% | 46% |
| 7 Consumption of nuclear energy | – | – |
| **Share of nuclear energy sources in total energy consumption** | | |
| 8 Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) | 438 | 538 |
| 9 Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources | 327,520 | 336,019 |
| 10 Consumption of self-generated non-fuel renewable energy | 403 | 363 |
| **11 Total renewable energy consumption (calculated as the sum of lines 8 to 10)** | **328,361** | **336,920** |
| Share of renewable sources in total energy consumption | 55% | 54% |
| **Total energy consumption (calculated as the sum of lines 6, 7 and 11)** | **595,658** | **621,311** |

## E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Scandic generates GHG emissions, and measures them according to the GHG Protocol.

Scandic has deemed some of the GHG Protocol's Scope 3 categories to be irrelevant to the company. The categories excluded and the reason for exclusion are presented in the section Reporting principles for E1-6.

The scope of Scandic's emissions sources has changed since 2024, since the Group's vehicle fleet is now included as per 2025. 2024 and 2023 have been recalculated to include emissions from the vehicle fleet.

Scandic's Scope 1 biogenic emissions were calculated at 69 tonnes of $CO_2e$ for 2025. However, Scandic's assessment is that the occurrence of indirect biogenic $CO_2$ emissions from combustion or bio-degradation of biomass in other parts of the value chain is limited and that there are no significant emissions that require separate reporting. Within Scope 2, Scandic is currently unable to ensure that biogenic emissions are not included in the emission factors provided by energy suppliers.

Scandic has reduced its total emissions by 13 percent since the base year 2023. A large part of this reduction is explained by lower emissions from purchased goods, partly driven by decreased emissions linked to purchased food products in Denmark, Norway and Finland. Emissions within Scope 2 have also decreased, primarily due to a lower average emission factor for district heating as well as reduced energy consumption.

There are also reductions in other areas, such as Scope 1 and emissions related to Scandic's franchise hotels, but these account for a smaller share of Scandic's total emissions and therefore have a limited impact on the overall result. At the same time, some emission categories have increased, which has offset part of the total reduction. This mainly applies to purchased services, capital goods and emissions related to employee commuting. For purchased services and capital goods, the increase is partly driven by higher costs within these areas, as the calculations are based on financial data. The model for Scope 3 calculations is not inflation-adjusted, which means that price increases during 2024 and 2025 contribute to the observed rise in these categories.

For employee commuting, the increase is primarily explained by a growing number of employees during the period, resulting in a higher total number of commuting activities.

There have also been reductions in other areas, such as Scope 1 emissions and emissions related to Scandic's franchise hotels. However, these represent a smaller share of Scandic's total emissions and therefore have a limited impact on the overall outcome.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| | Retrospective | | | | Milestones and target years | | |
|---|---|---|---|---|---|---|---|
| **Gross Scopes 1, 2, 3 and Total GHG emissions** | 2023 | 2024 | 2025 | % 2025/2024 | 2025[1] | 2033 | Annual % target / Base year |
| **Scope 1 – GHG emissions** | | | | | | | |
| Gross Scope 1 GHG emissions, $tCO_2eq$ | 5,383 | 4,190 | 3,532 | -16% | | | |
| Percentage of scope 1 greenhouse gas emissions covered by regulated emission trading schemes, % | – | – | – | – | | | |
| **Scope 2 – GHG emissions, $tCO_2eq$** | | | | | | | |
| Gross location-based Scope 2 GHG emissions | 45,110 | 33,823 | 28,006 | -17% | | | |
| Gross market-based Scope 2 GHG emissions | 31,770 | 22,303 | 19,126 | -14% | | | |
| **Total greenhouse gas emissions Scope 1 and 2, $tCO_2eq$** | | | | | | | |
| Total greenhouse gas emissions, Scope 1 and 2 (location-based) | 50,493 | 38,014 | 31,538 | -17% | | | |
| Total greenhouse gas emissions, Scope 1 and 2 (market-based) | 37,153 | 26,493 | 22,658 | -14% | 33,074 | 16,857 | -6% |
| **Significant Scope 3 GHG emissions** | | | | | | | |
| 1 Purchased goods and services | 132,942 | 126,617 | 117,057 | -8% | | | |
| 2 Capital goods | 11,808 | 13,738 | 17,893 | 30% | | | |
| 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | 25,481 | 26,470 | 25,537 | -4% | | | |
| 4 Upstream transportation and distribution | 3,835 | 565 | 725 | 28% | | | |
| 5 Waste generated in operations | 940 | 678 | 652 | -4% | | | |
| 6 Business travel | 905 | 855 | 885 | 3% | | | |
| 7 Employee commuting | 5,415 | 6,682 | 6,589 | -1% | | | |
| 8 Upstream leased assets | – | – | – | – | | | |
| 9 Downstream transportation | – | – | – | – | | | |
| 10 Processing of sold products | – | – | – | – | | | |
| 11 Use of sold products | – | – | – | – | | | |
| 12 End-of-life treatment of sold products | – | – | – | – | | | |
| 13 Downstream leased assets | – | – | – | – | | | |
| 14 Franchises | 7,819 | 6,920 | 3,904 | –44% | | | |
| 15 Investments | – | – | – | – | | | |
| **Total Scope 3 GHG emissions, $tCO_2eq$** | **189,146** | **182,524** | **173,241** | **-5%** | | | |
| Scope 3 FLAG emissions | 67,730 | 76,630 | 64,161 | -16% | 62,393 | 41,045 | -4% |
| Scope 3 non-FLAG emissions | 121,418 | 105,894 | 109,080 | 3% | -17% | -61%[2] | |
| **Total GHG emissions, $tCO_2eq$** | | | | | | | |
| **Total GHG emissions (location-based)** | **239,639** | **220,538** | **204,779** | **-7%** | | | |
| **Total GHG emissions (market-based)** | **226,299** | **209,017** | **195,899** | **-6%** | | | |

[1] The goals for 2025 are milestones based on Scandic's SBTi targets for 2033.
[2] The goals for 2025 are milestones based on Scandic's SBTi targets for 2033. Scope 3 Non-FLAG emissions $tCO_2e$.

| **Greenhouse gas intensity per net revenue** | 2023 | 2025 | % 2025 / 2024 |
|---|---|---|---|
| **Total greenhouse gas emissions (location-based) per net revenue (MSEK) ($tCO_2e$/monetary unit)[3]** | **10.2** | **9.2** | **-9%** |
| **Total greenhouse gas emissions (market-based) per net revenue ($tCO_2e$/monetary unit) (MSEK)[3]** | **9.5** | **8.8** | **-8%** |

[3] Scandic measures the business's total revenue.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Reporting principles

**Direct emissions (Scope 1):**
Scope 1 emissions are reported according to the GHG Protocol, and include all direct GHG emissions. The calculation is performed by multiplying relevant consumption (activity data) by relevant emissions factors. Activity data is primarily based on measurements, invoices and information from company car leasing companies. Emissions factors from DEFRA or supplier-specific factors are used for most Scope 1 emissions. For leased cars in Norway, cost data is used together with emissions factors based on environmentally extended input-output (EEIO) models. Updated GWP values are used for refrigerants.

**Indirect emissions (Scope 2):**
Scope 2 emissions are reported according to the GHG Protocol and include emissions from purchased electricity, district heating and district cooling.

The calculation is based on multiplying relevant consumption (kWh) by relevant emissions factors. Consumption data is based on invoices from suppliers, supplier reports and measures, information from leasing companies for company vehicles or consumption breakdowns based on contracts with property owners.

**Location-based:** country-specific emissions factors are used.

**Market-based:** consumption covered by GoO is added to consumption that is not covered. For the time being, certificates are estimated to cover approximately 99 percent of purchased electricity. Emissions factors for the residual mix are used for electricity consumption without certificates (source: AIB).

Scandic is currently unable to ensure that biogenic emissions are not included in the emission factors provided by energy suppliers. Emissions from greenhouse gases other than $CO_2$ are included in the reporting.

**Indirect emissions (Scope 3):**
Scope 3 emissions are reported according to the GHG Protocol. The following is a list of every material Scope 3 category:

- **Category 1 – Purchased goods and services:**
  ***Food and beverage as well as laundry services:*** Volume data and emission factors are collected from suppliers. 90 percent of the data for food and beverages is based on primary data, and 93 percent for laundry services.
  ***Other purchased goods and services:*** 100 percent of procurement-based data from the accounting system, categorized into different cost categories, is linked to relevant emissions factors.
  Data for Germany and Poland is based 100 percent on purchase data.
- **Category 2 – Capital goods:** Includes all investments, including renovations, new construction, maintenance and IT.
  71 percent of the furniture and interior data containing FLAG products in Sweden, Norway, Denmark and Finland is based on volume data and emission factors from suppliers. Data for Germany and Poland is based 100 percent on purchase data.
- **Category 3 – Fuel- and energy-related activities:** Calculated using consumption data from Scope 1 and 2 as well as Well to Tank and Transmission and distribution emissions factors (DEFRA), which covers upstream emissions related to fuel and energy.
- **Category 4 – Upstream transportation and distribution:** The calculation is based on purchasing data from the accounting system for Scandic's transportation and logistics suppliers as well as emissions factors from EEIO. Scandic's current reporting of emissions from upstream transportation and distribution excludes cases where the transportation cost cannot be distinguished from the total purchase cost. This applies, for example, to transportation related to food purchases.
- **Category 5 – Waste:** Waste data in kilograms (kg) is collected via regular weighments by the company's waste contractors. Estimated values were reported by 16 percent of the hotels. The estimates are based either on the number of waste containers collected by the waste contractor or on average values compiled by the waste contractor. Emissions factors taken from DEFRA.
  For food waste in 2025, data is primarily based on data from waste contractors. Data for some hotels is also collected via onsite weighments. Emissions factors are taken from DEFRA.
  Waste from hotel renovations is based on estimates of the volume of waste in tons, such as furniture and flooring. Estimates are made based on the number of rooms and restaurant areas renovated. Emissions factors taken from DEFRA.
- **Category 6 – Business travel:** Emissions from business travel by air, train and other land-based transportation methods. Fuel consumption, distance and emissions are obtained from travel agencies or the payroll system. Emissions factors are supplier-specific or from EEIO or DEFRA.
- **Category 7 – Employee commuting:** Commuting distance is estimated based on the total number of employees, broken down by different employment categories. An average commute for Sweden is used as a proxy for all countries where Scandic operates (source: Transport Analysis).
  Means of transportation are allocated based on a study carried out by WSP in 2024. Each one is assigned a specific emissions factor. Emission factors taken from DEFRA or EEIO.
- **Category 14 – Franchises:** Scope 1 and 2 data for franchise hotels is collected in the same manner as for other hotels and follows the same reporting principles as for own operations hotels
  The Scope 3 categories currently excluded from the reporting are listed below. The reason for exclusion is presented in the section Reporting principles.
  *Category 8:* Upstream leased assets – Excluded since Scandic does not have any leased assets according to this definition.
  *Category 9:* Downstream transportation and distribution – Excluded since Scandic does not conduct downstream transportation.
  *Categories 10–12:* Processing, use and end-of-life treatment of products – Excluded since Scandic does not sell a material amount of physical product.
  *Category 13:* Downstream leased assets – Excluded since Scandic does not have any leased assets according to this definition.
  *Category 15:* Investments – Scandic's ownership of Gress Gruppen is excluded from the emissions calculations since they are not considered material.

*FLAG and non-FLAG emissions*
FLAG (Forest, Land and Agriculture) is a classification used in climate reporting to distinguish emissions from land use, forestry and agriculture from other emissions.

For some food and product categories (such as food, wood and paper), there is a predefined division between FLAG and non-FLAG emissions. This means that the product's total emissions are divided into two components:

**FLAG emissions:** the share related to forests, land and agriculture (such as cultivation, land use change and deforestation).

**Non-FLAG emissions:** the share from other sources, such as energy, transportation, packaging and processing.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS E3 WATER AND MARINE RESOURCES

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Water** | Upstream and own operations | **Actual negative:**Scandic's operations are dependent on water and entail a high level of water use in the Group's own operations, which can negatively impact local water supply, especially in areas with high water stress. The operations also contribute indirectly to additional strain on water resources through upstream business relationships, such as the purchase of food, beverages and textiles. Overall, actual negative impacts on water resources and water-related ecosystems arise both in the Group's own operations and through business relationships in the value chain. | Systematic work with water efficiency in the Group's own operations and water requirements in upstream business relationships. | Short, medium and long | **Risk:** Water scarcity can lead to increased regulatory requirements and the need for investments in water-saving measures. **Risk:** Limited water availability can also contribute to higher prices for food and beverages, which affects operating costs and can have a negative impact on Scandic's financial performance. | Short, medium and long |

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Scandic reports water withdrawals according to ESRS definitions. Reporting does not include water consumption. According to the double materiality assessment, the matter of marine resources is non-material for Scandic's operations.

Scandic's operations are dependent on access to good-quality water for its hotels and restaurants. Some parts of the supply chain, such as food production, are also highly dependent on water in order to deliver their products.

Scandic's water withdrawals entail an actual impact on local water resources, especially in regions with high water stress. Water scarcity could affect access to food inputs, which could lead to higher purchasing costs and affect the operations' profitability in the long term. Water scarcity could also entail risks for Scandic through increased regulatory requirements, higher costs for water consumption and a need for investments in water-saving technology.

Responsible water use and efficient water management are therefore crucial elements of Scandic's work to minimize its environmental impact and ensure long-term operational stability.

Scandic does not consider the impact on water resources from its operations to be of a degree of severity that requires remedies for specific groups. No such actions have therefore been established.

## Impact, risk and opportunity management

### E3-1 Policies related to water and marine resources

The following policies and guidelines set out Scandic's material sustainability matters linked to water resources and constitute the overall framework for Scandic's management of water and marine resources.

- Code of Conduct
- Environmental Policy
- Supplier Code of Conduct

These policies are publicly available on Scandic's website and presented in summary on pages 42–43.

**Code of Conduct**

Scandic's Code of Conduct includes requirements and guidelines within core sustainability areas, including responsible water use and handling of chemicals.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**Environmental Policy**

Scandic's Environmental Policy establishes the company's commitment to reduce its water use and to ensure responsible management of water resources throughout its operations. The policy requires all hotels to comply with the Nordic Swan Ecolabel limits for water withdrawals. This includes the installation of water-saving equipment such as water-efficient taps and showerheads. For more information about the Nordic Swan Ecolabel, see page 78.

The Environmental Policy also contains guidelines for limiting the impact of wastewater, such as through the selection and use of cleaning agents, with the aim of reducing the load on lakes, oceans and marine ecosystems.

Through this work, Scandic helps to preserve a healthy ecological status in surface and groundwater. Scandic does not perform any water treatment within its operations.

**Supplier Code of Conduct**

Through Scandic's Supplier Code of Conduct, the company requires all suppliers to actively work towards sustainable and responsible water use in its operations and supply chain.

## E3-2 Actions and resources related to water and marine resources

Scandic continuously works to reduce water use at its hotels and offices. The work is based on the Nordic Swan Ecolabel's criteria for water withdrawals, which ensures sustainable and efficient management of water resources.

Since water use is an integral part of hotel operations, Scandic continually follows up its usage and takes actions to make it more efficient. Several initiatives are built into the Group's daily operations, for example in cleaning and laundry processes, while others are integrated into planned renovations and the process of establishing new hotels. Requirements for water-saving installations such as water-efficient taps, showerheads and kitchen equipment are stipulated as part of these projects. This means that Scandic's activity plan for water efficiency is financed and implemented both on an ongoing basis and in connection with planned renovation investments. In the case of renovation investments, however, costs are not categorized as sustainability-related, which is why Scandic is not of the opinion that specific investments are required to carry out these activities.

Scandic implemented several measures in its hotel operations in 2025, with the aim of reducing water withdrawals and minimizing the impact of its operations on water resources.

**Systematic follow-up of water withdrawals**

Water withdrawals are followed up continuously to ensure efficient and sustainable water use. Follow-up makes it possible to detect deviations from established levels at an early stage and provides an important basis for further improvements.

Scandic has earlier identified which hotels are located in areas under high water stress. The aim of this mapping is to gain a better understanding of water-related risks and to create a better basis for decision-making in continued work.

**Water- and energy-efficient equipment**

In 2025, Scandic invested in resource- and energy-efficient, water-saving kitchen equipment. These investments aim to reduce water and energy consumption.

**Fresh towels and cleaning on request**

Hotel guests are only offered fresh towels and cleaning upon request. This action is a part of Scandic's nudging program and aims to raise awareness about water consumption among guests and team members. This initiative is supported by information campaigns and recurring reminders in hotel environments and offices.

**Water efficiency in bathroom renovations**

During bathroom renovations, Scandic requires property owners to use fixtures that meet the Nordic Swan Ecolabel's water efficiency requirements, including requirements for maximum flow in taps, showers and toilets. For more information about the Nordic Swan Ecolabel, see page 79.

**Automatically controlled amounts of cleaning agents when cleaning**

Scandic uses a system to control the amount of cleaning agents used in cleaning processes in order to reduce the risk of wastewater contamination. This leads to more cautious use of chemicals and less strain on the marine environment.

Activities are carried out as part of Scandic's daily operations and are part of planned and continuous renovations. Scandic has therefore not identified any significant costs that can be specifically connected to sustainability work and no such costs are reported separately.

Work will continue in 2026, with the objective for all hotels to meet the requirements for the Nordic Swan Ecolabel. The planned initiatives going forward will be fully integrated into the daily operations and Scandic does not currently have any plans to allocate specific funds for these activities.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Metrics and targets

### E3-3 Targets related to water and marine resources

According to Scandic's double materiality assessment, marine resources is not a material matter for the operations. Scandic therefore did not take it into consideration when establishing a target for the standard ESRS E3 Water and marine resources.

**Target related to water withdrawals**

The target is for all of Scandic's hotels to meet the Nordic Swan Ecolabel's limits concerning water use. The Nordic Swan Ecolabel is an ecolabel with stricter requirements than those stipulated by law. For more information on the Nordic Swan Ecolabel, see page 78.

By applying the Nordic Swan Ecolabel limits for water use, the operations help to reduce impact in areas where water stress is high. While stakeholders were not involved in the formulation of the water withdrawal targets, Scandic believes that using the Nordic Swan Ecolabel criteria demonstrates a clear level of ambition with third-party verification.

Actions such as installing water-efficient fittings, training team members and optimizing washing and cleaning processes are being implemented to meet this target. Reduced water use also helps to reduce wastewater amounts and thus to lower the risk of discharges of pollution. The operations also use controlled dosing of cleaning agents, reducing the risk of negative impacts on water quality in areas where the hotels operate.

### E3-4 Water consumption

Scandic reports water withdrawals and not water consumption according to ESRS.

Total water withdrawals for 2025 increased by 2 percent compared with the previous year, amounting to 2 949 417 m³. Of this, 189 116 m³ pertained to hotels located in areas with water risk, including regions with high water stress.

Scandic does not recycle, reuse or store water, which is why a figure of 0 is reported in these categories above.

All hotels report their water withdrawals to a central internal follow-up system on a monthly basis. Water withdrawal data for hotels that share properties with other operations is provided by the property owner. Scandic-operated hotels and franchise-operated hotels are reported separately.

| Water withdrawal, m³ | 2025 | 2024 |
|---|---|---|
| Total water withdrawal | 2,949,417 | 2,884,672 |
| Total water withdrawal in areas at water risk or areas of high-water stress | 189,116 | 148,001 |
| Total water recycled and reused | 0 | 0 |
| Total amount of water stored | 0 | 0 |
| Changes in storage | 0 | 0 |
| Total water consumption in own operations in m³ per EUR million in net revenue[1] | 132[1] | 131 |

[1] Calculated based on total revenue.

Total water withdrawal including Franchise for 2025 amounts to 3,122,428 m³ (2024: 3,047,124 m³).

**Reporting principles**

Scandic measures water withdrawals, meaning the amount of water taken in by the operations during the reporting period.

Activity data for water is based on water meters or information from property owners, who in turn base this information on meters or estimates.

Water withdrawals in areas with water stress have been identified through mapping against the World Resources Institute's (WRI) Aqueduct Water Risk Atlas.

No hotels within the Group recycle or reuse water. In previous years, Scandic reported water withdrawal including consumption from franchise hotels. From 2025 onwards, reporting includes only water withdrawal from Scandic-operated hotels.

**The Nordic Swan Ecolabel limits for water consumption**

| Operations | Limits |
|---|---|
| Hotels | 150 liters/guest |
| Hotels with pools | 200 liters/guest |
| Restaurants | 30 liters/guest service |
| Catering | 20 liters/catering portion |
| Conferences | 15 liters/guest |
| Pool with external guests | 50 liters/external pool guest |

If the company combines several operations, water consumption is calculated using the following formula:

Limit for the entire company =
(150 liters/hotel guest × number of hotel guests) +
(30 liters/guest × number of restaurant guests) +
(20 liters/catering portion × number of catering portions) +
(15 liters/guest × number of conference guests) +
(50 liters/guest × number of external pool guests).
Hotels with pools use the limit
of 200 liters/guest instead of 150 liters/guest.

**Targets for E3 Water and marine resources**

| Sustainability topic | Sustainability target | Scope | Baser year | Target value and year | KPI | 2025 |
|---|---|---|---|---|---|---|
| Water | 100 percent of Scandic's hotels are to meet the Nordic Swan Ecolabel's limit value concerning water use | All own hotels | N/A | 100%, 2030 | Share (%) of hotels meeting the Nordic Swan Ecolabel thresholds for water use | 93%[1] |

[1] Share of Swan-labelled hotels that meet the Swan criteria for water use.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS E4 BIODIVERSITY AND ECOSYSTEMS

Scandic reports generally on E4 Biodiversity and ecosystems and applies the "quick fix" phase-in provisions for the majority of the standard.

**Material sustainability matters**

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Purchased goods and services as drivers of biodiversity loss** | Upstream | **Actual negative:** Scandic impacts biodiversity through its purchases, particularly in terms of interiors, food and beverages. Impacts arise through business relationships upstream in the value chain, where purchased goods and services could contribute to land use change, resource extraction and habitat loss. This has an actual negative impact on ecosystems and biodiversity, especially for sources in sensitive natural habitats. | Integrated biodiversity requirements in purchasing processes and supplier agreements to reduce negative impacts upstream in the value chain. | Short, medium and long | No | N/A |

**Material impacts, risks and opportunities and their interaction with strategy and business model**
Scandic's purchased goods and services could lead to negative impacts on biodiversity, primarily within food and beverages as well as interiors, where production and raw material extraction impact land and water use. To limit this impact, Scandic applies clear and strict requirements in its procurement and supplier selection processes. Sustainability takes precedence over other commercial interests in Scandic's procurement priorities. Additionally, there is a ban on purchasing any endangered species or products that could contribute to the extinction of endangered species.

Scandic does not operate in areas that are classified as nature reserves or biodiversity sensitive; however, in 2024, an analysis based on the WWF Biodiversity Risk Filter and Natura 2000 determined that five of Scandic's hotels are located near areas that are biodiversity sensitive.

These areas are:
- Rautas, Kiruna, Sweden
- Gammelstadsviken, Luleå, Sweden
- Zatoka Pucka, Gdansk, Poland
- Øvre Pasvik Nationalpark, Kirkenes, Norway
- Valtavaara – Pyhävaara, Rukahovi, Finland

Scandic has not yet conducted a full assessment of its impact on biodiversity at these hotels and therefore cannot determine its exact impact in more detail. Since hotel operations are covered by EU Taxonomy environmental objective 6 Protection and restoration of biodiversity and ecosystems, work on Taxonomy alignment and Scandic's contribution to biodiversity will be reported in line with the EU Taxonomy requirements, see pages 61–62.

**Policies**
The following policies and guidelines set out Scandic's material sustainability matters linked to biodiversity and ecosystems and constitute the overall framework for Scandic's management of the topic:
- Code of Conduct
- Environmental Policy
- Supplier Code of Conduct
- Sustainable Procurement Guidelines

These policies are publicly available on Scandic's website and presented in summary on pages 42–43.

**Code of Conduct**
Scandic's Code of Conduct sets out fundamental values and the commitment to conducting business in an ethical, sustainable and legally compliant manner.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**Environmental Policy**
Scandic sets high standards for its purchases to ensure that products do not contain materials from endangered species or materials whose production negatively impacts endangered species and ecosystems.

**Supplier Code of Conduct**
Scandic sets requirements for its suppliers through its Supplier Code of Conduct, which stipulates that all suppliers must have an environmental program with measurable targets to improve environmental safety standards.

**Sustainable Procurement Guidelines**
Scandic's Sustainable Procurement Guidelines emphasize the importance of preserving biodiversity by setting requirements for suppliers and procurement processes.

**Targets and outcomes**
Scandic is working to reduce its impact on biodiversity. Its work in 2025 focused on the following actions:

- Continued focus on purchases of organic food and beverages to reduce the company's negative environmental impact and support sustainable farming practices.
- Compliance with Scandic's Sustainable Procurement Guidelines. This means, for example, that no products were purchased that contain materials from endangered species or whose production directly impacts endangered species.
- Work is continuing on the target of having all hotels operated under the Scandic brand certified by the Nordic Swan Ecolabel. In the development of Nordic Swan Ecolabel requirements for certification, biodiversity and ecosystems are key factors.

**Metrics and targets**
The target is for every market to meet the Nordic Swan Ecolabel limits for the share of purchased organic food by 2030. For more information on the Nordic Swan Ecolabel, see page 78.

## Purchases of organic food and beverages

| Country | Scandic's purchases of organic food and beverages 2025, % | Thresholds for Nordic Swan Ecolabel, % |
|---|---|---|
| Sweden | 15 | 10 |
| Denmark | 37 | 30 |
| Norway | 7 | 5 |
| Finland | 10 | 7 |
| Germany | 29 | 15 |

**Reporting principles**
Organic food and beverages are defined according to the definition of the Nordic Swan Ecolabel.

In Sweden, Norway, Finland and Germany, the share of organic food and beverages is calculated as a share of total purchases in SEK. In Denmark, the share is calculated as a share of total weight (kg). Poland is not included in the metric. The data is based on the largest suppliers in each country.

## Targets for E4 Biodiversity and ecosystems

| Sustainability topic | Sustainability target | Scope | Base year | Target value and year | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Procurement of goods and services impacting biodiversity | 100% of markets shall meet the Nordic Swan Ecolabel's criteria for the purchase of organic food and beverages[1] | All owned hotels[1] | N/A | 100%, 2030 | Share (%) of markets meeting the Nordic Swan Ecolabel criteria for the purchase of organic food and beverages | 100% | 100% | 50% |

[1] Poland is excluded from the metric because the data collection process has not yet been established. Scandic is actively working to develop these processes.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Purchased goods and services, including resource use** | Upstream and own operations | **Actual negative:** Purchased goods and services in the operations, including virgin materials, have an actual negative impact on natural resources both upstream in the supply chain and in the Group's own operations. This includes the purchase of food, consumables and furniture. | Systematic work on sustainable procurement, resource-efficient material selection and supplier requirements to reduce environmental impacts and manage increased regulatory costs. | Short, medium and long | **Risk:** Increased regulations of material selections and sustainability requirements for suppliers could lead to increased rental and renovation costs. | Short, medium and long |
| **Waste** | Own operations and downstream | **Actual negative:** Scandic's operations generate waste, particularly from restaurants, cleaning and guest-related activities, which have an actual negative impact on the environment. Inadequate waste minimization and sorting leads to increased resource consumption and environmental impact. | Systematic work on waste minimization and sorting as well as material selection in the Group's own operations to reduce environmental impact and manage stricter regulatory requirements. | Short, medium and long | **Risk:** There is a financial risk related to increased regulation of waste management, which could lead to higher operating costs. More stringent requirements regarding sorting, recycling and use of sustainable materials could lead to higher costs for waste management, purchasing and adaptation of operations. | Short, medium and long |

## Impact, risk and opportunity management

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Scandic's operations give rise to the use of resources, such as furniture and fixtures for Scandic's hotels, as well as food and beverages which are purchased for Scandic's restaurants.

Purchased goods and services from the supply chain as well as the waste generated within Scandic's own operations have a negative environmental impact.

Increased regulation of materials and resources could lead to higher costs for Scandic. Increased regulation of waste management could also lead to higher operating costs.

In light of this, responsible and efficient use of resources is of great importance to Scandic.

### E 5-1 Policies related to resource use and circular economy

The following policies and guidelines set out Scandic's material matters linked to resource use and circular economy and constitute the overall framework for Scandic's management of resource use and circular economy:

- Code of Conduct
- Environmental Policy
- Supplier Code of Conduct
- Sustainable Procurement Guidelines
- Food Waste Policy

These policies are publicly available on Scandic's website and presented in summary on pages 42–43.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**Code of Conduct**
Scandic's Code of Conduct states the fundamental principles for responsible business conduct. These include commitments to environmental considerations, sustainable procurement and the application of circular principles in the operations. The Code guides employees in decisions that promote resource efficiency and sustainable consumption.

**Environmental Policy**
Scandic's Environmental Policy establishes Scandic's commitment to running an environmentally sustainable hotel business, with a focus on efficient resource use, circular solutions and responsible waste management. The policy aims to minimize identified environmental risks and reduce the company's negative environmental impact.

**Supplier Code of Conduct**
Through its Supplier Code of Conduct, Scandic sets clear requirements that all suppliers must pursue systematic environmental work and have an environmental program with measurable targets for continuous improvements. The program must include relevant areas such as resource efficiency and waste management.

**Sustainable Procurement Guidelines**
Scandic's Sustainable Procurement Guidelines promote circular principles by prioritizing products and materials with a long service life, high recycling rate and low environmental impact. The guidelines are based on the waste hierarchy, and emphasize the importance of primarily preventing and minimizing waste as well as maximizing reuse and recycling.

**Food Waste Policy**
Scandic's Food Waste Policy aims to reduce food waste through clear guidelines and tangible measures to prevent, reduce, reuse and manage food waste sustainably. To achieve this goal, food waste data is reported and analyzed daily, enabling identification of areas for improvement and continuous measures to optimize resource use.

## E5-2 Actions and resources related to resource use and circular economy

Scandic continually works to integrate circular principles throughout its operations, from procurement and furnishings to waste management. This work aims to make resource use more efficient, reduce environmental impact and promote a more sustainable value chain.

Many of the activities that contribute to resource efficiency are a natural part of daily operations and Scandic's assessment is that no comprehensive investments are required to conduct these activities. These activities include continual work on reducing food waste as well as clear requirements that suppliers use sustainable and circular materials.

Processes for reuse and recycling of furnishings and building materials are applied in hotel renovations, which extends the products' service life and reduces the amount of waste. This means that Scandic's activity plan for efficient resource use is financed and implemented both in regular operations and as part of large investment projects for planned renovations. Scandic does not report any figures for its action plans separately.

**Actions related to resource use: Purchased goods and services**
In 2025, Scandic conducted several initiatives to reduce resource consumption and increase the degree of circularity in procurement and product use:

- **Improved data collection:** Scandic has developed Group-wide data collection for the procurement of food, furniture and other materials. The purpose is to improve calculations of climate impact and create better support information for decisions concerning resource efficiency and sustainable procurement, thereby enabling better resource use. Scandic collects volume data and procurement data from suppliers and is working to increase the proportion of volume-based information.
- **Circular design:** Scandic has taken significant steps to increase the share of furnishings with a circular design and a long service life. One example is the further development of the circular furnishings concept for Scandic Go. The establishment of Scandic Go continued in Sweden during the year. The concept focuses on optimizing material use and minimizing the need for virgin resources as well as reducing impact.
- **Organic food:** Work to meet the Nordic Swan Ecolabel limit for the share of organic food continued in 2025, in order to reduce the negative environmental impact of Scandic's food purchases.

**Actions related to waste**
Scandic works systematically to reduce waste quantities and increase reuse and recycling in its hotel and restaurant operations. This work is based on the waste hierarchy and encompasses the entire value chain.

During 2025, Scandic focused on the following actions:

- **Reduction of food waste:** All hotels have continued to work on reducing food waste through improved procedures, daily follow-up via the SmartKitchen digital tool and collaborations with external partners to reuse surplus food.
- **Improved waste sorting:** Work according to the Nordic Swan Ecolabel criteria for waste sorting has continued in all markets, with a focus on increasing the degree of recycling and reducing the quantity of unsorted waste.
- **Reuse in renovations:** Units within the Group cooperate in order to reuse fixtures and furniture internally during hotel renovations. Scandic also cooperates with external partners to extend the service life of existing furniture and fixtures and to reduce waste quantities.

Scandic plans to continue making its waste management more efficient through increased digital follow-up, expanded reuse initiatives and additional collaborations with suppliers and local partners. These measures are expected to help reduce the total quantity of waste, increase the recycling rate and strengthen fulfillment of the targets in the Environmental Policy and Food Waste Policy.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Metrics and targets

### E5-3 Targets related to resource use and circular economy

Scandic works to promote circular material flows. In the area of resource use and circular economy, the company has set targets based on the double materiality assessment as well as the company's Environmental Policy and Sustainable Procurement Guidelines.

**Purchased goods and services**

Scandic has two targets in the area of purchased goods and services. One pertains to the share of purchased organic food, where each market is to meet the Nordic Swan Ecolabel limits for the amount of purchased organic food. The other target is for the share of purchased recycled wood. The ambition level for this target will be established and reported as data from the value chain gradually becomes available.

Scandic has already reported on the target for organic food. Scandic has chosen to introduce a new metric, and an upcoming target, related to the purchase of recycled wood and thus to reduced use of virgin materials. This is in line with the material impacts identified in the double materiality assessment. The target is closely linked to the company's Environmental Policy, which states that Scandic is to minimize its environmental impact, as well as to the Sustainable Procurement Guidelines, which are designed to reduce environmental impacts from material flows, increase recycling and promote circular solutions.

Scandic has two targets for the area of waste: increasing the share of waste that is recycled and reducing the amount of edible food waste.

Scandic's targets under E5 resource use (inflows and waste) are not currently science-based, and stakeholders were not involved in the formation of the targets. This is an area for improvement. When it comes to the target for organic food purchased, Scandic believes that applying the Nordic Swan Ecolabel limits per country represents a level of ambition with third-party verification. No change to the measurement method was made in 2025. The targets are voluntary and go beyond legal requirements.

**THE NORDIC SWAN ECOLABEL**

The Nordic Swan Ecolabel is a Type 1 ecolabel according to ISO 14024. Certification of a hotel means that the operations meet the high environmental requirements set by an independent third party, the Nordic Ecolabelling Board.

Nordic Swan Ecolabel criteria for hotels encompass limits for energy consumption per m², unsorted waste, water consumption, use of eco-labelled chemicals for internal laundry, cleaning and washing dishes. In the development of Nordic Swan Ecolabel requirements for certification, biodiversity and ecosystems are considered. The Nordic Swan Ecolabel does not include ecological thresholds.
Source: www.nordic-swan-ecolabel.org

### Targets for E5 Resource use and circular economy

| Sustainability topic | Sustainability target | Scope | Base year | Target value and year | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Purchased goods and services, including resource use | 100% of markets shall meet the Nordic Swan Ecolabel's criteria for the purchase of organic food and beverages[1] | All owned hotels | N/A | 100%, 2030 | Share (%) of markets meeting the Nordic Swan Ecolabel criteria for the purchase of organic food and beverages | 100% | 100% | 50% |
| Waste | Increase the share of recycled waste (including renovation waste) to 65% | All owned hotels | N/A | 65%, 2030 | Share (%) of recycled waste of total waste | 56% | 51% | 56% |
| Waste | Reduce food waste by 25% per guest night from 2019 to 2025 (adopted target) | All hotels, including franchise operations | 2019 | -25% per guest night, 2025 | Amount of avoidable food waste per guest night | -31% | -31% | -17% |

1) The metric does not include Poland. The measurement includes franchise operations, as it has not been possible to exclude them.

The outcome for 2025 shows that the overall trend is in line with the company's established targets for resource use and circular economy.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS



## Categorization of E5 sustainability targets based on the waste hierarchy

| Reporting requirement | Description | All markets are to meet the Nordic Swan Ecolabel limits for the quantity of purchased organic food every year | Increase the percentage of recycled waste to 65% by 2030 | Reduce edible food waste by 25% per guest night by 2025 (compared with the base year 2019) |
|---|---|---|---|---|
| E5-3_02 | Increase circular product design (including design for sustainability, dismantling, repairability, recyclability, etc.) | No | No | No |
| E5-3_03 | Increase in the share of circular material use | No | Yes, by helping to increase the amount of recycled material | No |
| E5-3_04 | Minimization of primary raw materials | No | No | Yes, by ensuring that purchasing quantities are optimized |
| E5-3_05 | Sustainable acquisition and use (in accordance with the cascading principle) of renewable resources | Yes, by increasing demand for organic food (considered more sustainable than non-organic) | Yes, by promoting access to recycled resources that can replace other inputs | Yes, by reducing wasting of resources |
| E5-3_06 | Waste management, including preparations for correct treatment | No | Yes, by helping to increase the amount of recycled material | Yes, indirectly, by achieving good sorting through a focus on reduction |
| E5-3_07 | Explanation of how the target relates to the waste hierarchy | Choosing organic foods can be a tool to prevent environmental impact through resource-efficient production processes and a reduced risk of waste, such as chemical residues | Increasing the recycling rate reduces the quantity of waste that goes to energy recovery or disposal (lower levels of the hierarchy) | Reduce the quantity of extracted resources. Reduce the quantity of waste that goes to energy recovery or disposal (lower levels of the hierarchy) |
| E5-3_08 | Other matters related to resource use or circular economy | Fewer pesticides and additives means that organic waste (such as food scraps) is cleaner and easier to compost or recycle as biofertil-izer. Organic food supports systems where food waste can be returned to agriculture as nutrients, which is in line with the circular economy principles | Contributes indirectly to reduced use of natural resources and thus a reduced impact on nature | Raises awareness among employees and guests |
| E5-3_09 | Level in the waste hierarchy that the target refers to | Prevention | Material recycling | Prevention, Material recycling |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
• ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## E5-4 Resource inflows

Scandic's resource inflows consist primarily of purchased furnishing products and food. To better illustrate how the operations impact resource use, Scandic has chosen to gradually introduce a company-specific metric linked to the use of virgin materials. The metric is based on the material impact identified in the company's double materiality assessment and focuses on the share of recycled wood purchased from a defined group of suppliers. Wood is an important part of Scandic's total resource inflows, especially in hotel renovations.

This metric is being gradually introduced, since it requires new processes and better data collection in close collaboration with suppliers in order to ensure reliable and comparable information. Scandic's Sustainable Procurement Guidelines stipulate principles and requirements to reduce the use of virgin materials, such as integrating circular principles into the planning and implementation of hotel renovations.

In addition, Scandic chooses to report information on purchased organic food, which accounts for a significant share of the company's total resource inflows and is a crucial area in Scandic's efforts to contribute to sustainable consumption and production.

### Purchased materials and food per category

| Metrics | 2025 |
|---|---|
| Total quantity of purchased wood, tons | Phase in |
| Purchased recycled wood, tons | Phase in |
| Share of recycled wood, % | Phase in |
| Total quantity/volume of purchased food, kg | 22,608,192 |
| Share of purchased organic food and beverages[1)] | 11% |

1) Calculations are based on purchasing costs.

## E5-5 Resource outflows

### Total waste

| Waste, tonne | 2025 | 2024 |
|---|---|---|
| Total amount of waste | 16,716 | 15,934 |
| Total amount by weight diverted from disposal | 16,529 | 15,776 |
| Hazardous waste | 85 | 73 |
| Non-hazardous waste | 16,444 | 15,703 |
| **Breakdown by the following recovery operation types** | | |
| Preparation for reuse | 13 | 2 |
| Recycling | 4,097 | 4,198 |
| Other recovery operations | 12,418 | 11,577 |

| Waste, tonne | 2025 | 2024 |
|---|---|---|
| **Total amount by weight diverted to disposal:** | | |
| Incineration | 62 | 66 |
| Landfill | 125 | 92 |
| Other disposal operations | – | – |
| **Total of the above** | **187** | **158** |
| **Components of waste** | | |
| Total amount of non-recycled waste | 187 | 158 |
| Total share of non-recycled waste | 1% | 1% |
| Hazardous waste | 73 | 75 |
| Non-hazardous waste | 114 | 83 |
| Radioactive waste | 0 | 0 |

| Scandic specific metric, tonne | 2025 | 2024 |
|---|---|---|
| Edible food waste | 2,535 | 2,372 |
| Total Food waste | 4,156 | 3,889 |

**Reporting principles**

Scandic's waste data is based primarily on data from waste management companies. Estimated values were reported by 16 percent of the hotels – this applies primarily to combustible waste. In some cases, these estimates are based on the number of containers handled by the waste management company, and in other cases on the average value calculated by the waste management company. For waste related to renovations, estimates have been made based on the number of rooms and restaurants renovated during the year.

Food waste including edible food waste: Most information for 2025 has been obtained from waste management companies. For hotels that do not receive waste data, waste is weighed onsite at the hotels. Employees weigh food waste several times per day and log the weight digitally. Edible food waste is defined as food waste without bones, shells, coffee grounds and other inedible components. In Denmark, the share is calculated as a share of total weight.

Organic food and beverages according to definition of the Nordic Swan Ecolabel. In Sweden, Norway, Finland and Germany, the share of organic food and beverages is calculated as a share of total purchases in SEK. In Denmark, the share is calculated as a share of total weight. Poland is not included in the metric. The data is based on the largest suppliers in each country. The metric includes all hotels, including franchise operations.

### Waste streams, management and level in the waste hierarchy

| Waste stream | Example of management | Waste hierarchy |
|---|---|---|
| Food waste | Composting or biogas production | Material recycling/ Energy recovery |
| Packaging waste | Material recycling (plastic, glass, cardboard) | Material recycling |
| Textile waste | Reuse or textile recycling | Reuse/Material recycling |
| Electronic waste | Special collection and recycling | Material recycling |
| Hazardous waste | Safe management and treatment (chemicals, batteries) | Special treatment/ Disposal |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# SOCIAL DISCLOSURES

## ESRS S1 OWN WORKFORCE

All employees and non-employee workers, regardless of employment form, are affected by the respective impact, risk and opportunity unless otherwise indicated in the table. Affected groups are assessed by standard owners and subject matter experts, where applicable.

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Working conditions, health and safety** | Own operations | **Potential negative:** Scandic's operations are labour-intensive and include work tasks that are often physically demanding and work methods, including shift work, inconvenient working hours and intermittently high workloads. Potential negative impacts include ergonomic strain, work-related accidents, exposure to chemicals, and psychosocial impacts such as stress and insufficient recovery. If such impacts are not prevented, they could lead to poor health, increased absence due to illness and lower morale among team members. Negative impacts can be attributed to single incidents, for example work stoppages. | By offering good working conditions and actively promoting safety, health and well-being, Scandic contributes to employee satisfaction and development. | Short, medium and long | No | N/A |
| **Diversity and inclusion** | Own operations | **Potential negative:** Diversity and inclusion are important prerequisites for a sustainable working environment within Scandic's operations. Failure to engage in systematic, operation-wide work related to diversity and inclusion could have a negative impact on the health and well-being of team members as well as on the guest experience. A lack of inclusion could lead to unequal conditions, lower engagement and a deteriorating working environment. Negative impacts can be attributed to single incidents. Scandic considers a high level of diversity and inclusion to be a business advantage, for example through greater employee commitment. | Systematic and operation-wide work related to diversity and inclusion aimed at ensuring equal treatment and an inclusive work environment for the Group's own workforce. | Short, medium and long | **Opportunity:** Systematic work related to diversity and inclusion in the Group's own workforce could help to boost motivation, efficiency and engagement among team members. Scandic values diversity and inclusion, which benefits its employees and guests and can thus have a potential positive impact on Scandic's financial results through a stronger employer brand, better guest experiences and long-term profitability. | Short, medium and long |
| **Work-life balance** | Own operations | **Potential negative:** The nature of the company's working arrangements, such as shift work, unsocial working hours and periodically high workloads, may negatively affect employees' work–life balance. An inadequate work-life balance could have a negative impact on the health, well-being and motivation of Scandic's team members and contribute to stress, burnout and increased absence due to illness. Negative impacts can largely be attributed to single incidents and are not widespread. | Systematic, operation-wide work related to scheduling, rest and health aimed at promoting a good work-life balance among the Group's own workforce. | Short, medium and long | **Risk:** Failure to ensure a good work-life balance could lead to lower motivation, higher employee turnover and increased costs related to absence due to illness and recruitment, which could have a negative impact on the efficiency and quality of the Group's operations. | Short, medium and long |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Training and skills development** | Own operations | **Potential negative:** Learning and skills development are central to Scandic's operations, both to meet guests' needs and to attract and retain employees. Instruction and development are essential for meeting the needs of guests and attracting and retaining team members. Insufficient training and experience among team members could lead to low motivation, limited development opportunities and a lower quality of service, which in turn could result in low guest satisfaction. Given that Scandic has numerous employees with different conditions at its hotels, this is a strategic focus area that requires continuous work and a systematic approach. Negative impacts can be considered systematic for new team members if there is not enough time for onboarding. | Systematic work related to onboarding, instruction and skills development aimed at ensuring that the right skills are in place in the Group's own operations. | Short, medium and long | **Risk:** An inexperienced and unqualified workforce could result in reduced revenue due to a lower quality of service and low guest satisfaction. Insufficient training and skills development could also lead to increased employee turnover, higher recruitment costs and lower operational efficiency, which could have a negative impact on Scandic's financial performance. | Short, medium and long |
| **Other work-related rights** | Own operations | **Potential negative:** Failure to comply with work-related rights within the company's own operations may have a negative impact on employees. This may include freedom of association and collective bargaining, protection against discrimination, harassment and victimization as well as access to effective grievance mechanisms and whistleblowing functions. Poor working conditions and exploitation of workers could have a significant negative impact on the individuals affected and constitute serious human rights violations. Failure to guarantee these rights could lead to precarious work, a deteriorating working environment and a negative impact on team member well-being. Scandic therefore considers the matter to be material, even though the likelihood of impact is considered low. Negative impacts can largely be attributed to single incidents and are not widespread. | Compliance with laws and collective bargaining agreements as well as applying policies and grievance mechanisms to ensure respect for other work-related rights in the Group's own operations. | Short, medium and long | No | N/A |

## Strategy

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Affected groups are assessed by standard owners and subject matter experts, where applicable.

Every guest experience is very important to how Scandic's offering is perceived. Team member engagement is a decisive driver in terms of customer satisfaction, making it central to the Group's long-term success. The ability to attract, develop and retain talent and build a strong values-driven culture is therefore of strategic importance.

Team members and culture are one of the pillars of Scandic's overall strategy and an area that is continually followed up and developed. Scandic conducts regular employee surveys that serve as an important tool for identifying areas for improvement and initiating Group-wide programs. The results are analyzed at different levels of the organization in order to enable targeted insights concerning specific target groups and needs.

Information and training initiatives related to Scandic's operations are provided continually through both central and local channels in order to ensure that all employees are reached effectively.

Scandic endeavours to be an attractive employer that meets the expectations of both society and its employees concerning the work environment, professional development opportunities and fair wages. Shortcomings in these areas could lead to difficulties in recruiting and retaining personnel, which in the longer term could have a negative impact on the Group's service delivery and revenue.

The hotel and restaurant industry, like the hospitality industry, is sensitive to macroeconomic factors that affect travel and consumption. Scandic's operations, and therefore its personnel, could therefore be affected by changes in market conditions that require structural adaptations. Otherwise, the material impact on employees is deemed to arise primarily from individual incidents outside Scandic's control.

Scandic's workforce consists of two main categories: employees and non-employees. Employees may be permanent, hourly or non-guaranteed hours employees. The non-employee group consists primarily of staff from outsourced services. Non-guaranteed hours staff and, to a certain extent, non-employees are primarily used to handle the industry's seasonal fluctuations. These groups are therefore impacted to a greater extent by external factors that affect demand and capacity.

Scandic plays an important role as an employer by offering many young people and recent immigrants their first job. Around 150 nationalities are represented within the Group, and approximately 41 percent of employees are aged 30 or younger. Diversity and inclusion work is guided by Scandic's cultural platform and Diversity and Inclusion Policy, which ensures that these values are included in the operations. The cultural platform guides employees in how to implement Scandic's values in their daily work.

One means of follow-up is employee surveys, which show that team members experience a high degree of inclusion in the workplace. All employees and most non-employees are covered by Group-wide initiatives, including initiatives to promote health and well-being as well as diversity and inclusion. In addition, each country conducts specific activities adapted to their local needs and target groups.

In 2025, Scandic began the rollout of the Culture Boost initiative, which aims to reintegrate Scandic's four core values into daily work. As part of the program, every team member is given the opportunity to discuss and reflect on how the values can be implemented in their own professional role. This work will continue in 2026 until all parts of the operations have been reached.

The operations are conducted without forced labor. Scandic operates in a high-risk industry that has many opportunities for entry-level or temporary jobs. The company operates in a region with very strict regulations and deems the risk of forced labour to be very low. At the same time, this is an especially important area for Scandic, not least because the company offers many young people their first jobs. Compliance with applicable legislation and collective bargaining agreements applies to all team members, including contracted workers, as well as to supplier requirements for staffing services. Identified risks are primarily linked to the hotel operations, especially at hotels with a greater need for seasonal workers, where Scandic actively works to ensure responsible working conditions.

Employees who work irregular hours or take extra shifts in order to cover operational peaks may be more exposed to work-related stress. In addition, certain professional groups such as kitchen staff who handle hot liquids or sharp objects may be at a higher risk of work-related injuries. Therefore, Scandic systematically engages in training, follow-up and workplace initiatives and regulates working hours in order to minimize these risks and ensure a secure workplace for everyone.

Scandic follows applicable laws and regulations regarding systematic work environment initiatives in each market. This work includes continuous risk assessments and actions to prevent accidents, which are followed up through internal controls.

Scandic believes that the development of the operations in line with the company's climate transition plan does not entail any negative impacts for employees.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Impact, risk and opportunity management

### S1-1 Policies related to own workforce

Scandic's most important asset is the strong corporate culture and shared ethical foundation that its team members create together. To ensure a consistent, inclusive and sustainable work environment, all team members must comply with Scandic's Code of Conduct and its Diversity and Inclusion Policy, see page 42.

**Code of Conduct**

Scandic's Code of Conduct outlines guidelines that ensure the company operates with respect for human rights and fair working conditions. The code addresses areas such as diversity and inclusion, discrimination and harassment, fair employment conditions, health and safety, confidentiality and privacy, as well as an explicit prohibition of child labour, forced labour and human trafficking. The Code of Conduct is based on the UN Global Compact.

**Diversity and Inclusion Policy**

Along with the Code of Conduct, Scandic's Diversity and Inclusion Policy clearly sets out the company's commitment to ensuring equal opportunities and fair treatment for all team members. The policy covers, and safeguards the rights of, all employees when it comes to the following categories: sex, transgender identity or expression, sexual orientation, ethnicity, religion or other belief, disability, trade union engagement, family situation and age.

Scandic identifies potential deviations from the policy in several ways. One important tool is the employee survey, where HR analyzes responses and anonymous comments to identify any necessary actions in individual parts of the operations or among specific employee groups, for example in matters of discrimination.

At present, there is no formal written policy for remedies to employees in situations where their rights may have been violated. These types of cases are handled individually based on applicable procedures and circumstances in the individual case.

### S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Scandic regularly conducts employee surveys to maintain an open dialogue about team members' work situations, satisfaction and engagement. In countries where Scandic operates under collective bargaining agreements, ongoing consultations with trade union representatives are held. Additionally, there is a central consultation body, the Workers' Council, which is a platform for comprehensive dialogue between the Group and union representatives. Scandic is able to gather views on its operations and for planned initiatives through this body. The Chief Human Resources Officer, who is part of the Executive Committee at the Group level, has the ultimate responsibility for labour union cooperation. Scandic has had an agreement with EFFAT-IUL since 2008.

Besides the biannual employee surveys, structured consultations take place with union representatives and ongoing one-on-one meetings are held between managers and employees. Each manager is responsible for ensuring that these meetings are held on a regular basis, with a recommended frequency of four times per year. One of these meetings serves as the mandatory annual development talk. Further dialogues are held as needed or in accordance with local regulations.

The results of employee surveys also enable comparisons of experiences among different groups, for example based on gender, age, professional group or geography, which helps increase transparency and understanding of the work environment and inclusion in the organization. Each manager is able to see and assess the outcome for these groups if the number is sufficiently large. Scandic's HR department can analyze the needs of specific groups at the company level, where comparisons are also possible between countries. It is therefore possible to guide actions for people who are potentially in vulnerable situations to the areas of operations where they are particularly needed. At present, there is no formal process for evaluating the effectiveness of the employee dialogues beyond the analysis that is done of the engagement level and response frequency in the employee surveys.

### S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Team members who wish to report suspected irregularities are encouraged to first contact their immediate manager, another person in a management position or Scandic's HR department.

Alternatively, Scandic has a whistleblowing service that enables anonymous reporting of suspected irregularities and other serious improprieties. A link to the service is available on Scandic's website and intranet to ensure easy access for all team members.

Reports submitted to the whistleblowing service are handled by a dedicated whistleblowing group consisting of Scandic's Legal Counsel and representatives from the Executive Committee. The Group is responsible for evaluating the reports, determining necessary actions and ensuring that these are implemented and followed up in a structured and transparent manner.

The CEO and the Board, through the Audit Committee, receive regular reports about the matters submitted and the actions taken. In accordance with Scandic's Whistleblowing Policy and Guidelines, retaliations against individuals who report suspected irregularities in good faith are explicitly prohibited.

Currently, Scandic does not formally assess whether employees are aware of or have confidence in the whistleblowing service.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

**Working conditions, health and safety**

Scandic conducts continuous and systematic efforts to ensure employee health and well-being, maintain a safe and secure working environment, and provide both mandatory and competence-enhancing training. The systematic work environment management approach enables a proactive handling of work environment-related incidents and ensures that necessary measures are taken in each individual case.

During 2025, Scandic has further developed and improved its incident reporting procedures at the hotels, in line with its systematic work environment management. The follow-up of incidents has been further operationalized to ensure frequent and high-quality reporting. This is carried out within Scandic's HR system, in addition to the systems and channels required under the laws and regulations of each respective country. Scandic follows up on reported incidents but currently has no defined targets. For the aspects relating to working conditions and health, targets are in place as described in the section on work-life balance below.

**Diversity and inclusion**

Diversity and inclusion have long been, and continue to be, a priority focus area. The impact of initiatives implemented both locally and at Group level is monitored in several ways, including through employee surveys, which show further improvement on already strong results in 2025. In addition to these surveys, efforts are continuously evaluated through dialogue with employees and in consultation with union representatives. The Diversity & Inclusion Index helps measure performance in this area.

**Work-life balance**

Scandic identified health and well-being as a priority focus area following employee surveys in 2022 that indicated clear potential for improvement. Since then, results have strengthened across the Group. In 2026, efforts to promote health and well-being continue through the establishment of Health & Energy Teams at the hotels, with the aim of further improving results. The Health & Wellbeing Index helps monitor development in this area.

Scandic has also identified improvement potential in the staffing process, with the ambition to simplify and streamline operations at the hotels. In 2025, a new workforce management tool was implemented, providing employees with greater transparency and flexibility in scheduling, while also enabling managers to create and adjust schedules more efficiently with the support of modern technology. Efforts to further improve the staffing process will continue in 2026.

Scandic maintains a strong focus on simplifying internal processes for all employees in order to reduce administrative burden and create the conditions for a more efficient and sustainable working environment.

To measure progress related to the above initiatives, the company uses various indicators from its employee survey (VOICE), including metrics such as perceived workload. Health and well-being are monitored through a dedicated metric in VOICE, as is also the case for work on diversity and inclusion. More information on these metrics is provided in the following section. In addition, absence and sick leave statistics are key parameters in the company's follow-up, not least to support the creation of an efficient and sustainable working environment.

**Training and skills development**

Guest satisfaction at Scandic ultimately impacts the financial performance. It is therefore essential that employees, both new and experienced, continuously stay up to date on how service is delivered, as well as on offerings and standards. In a business characterised by seasonality and on-demand staff, having an effective onboarding process for new employees is critical. Onboarding processes are continuously updated and improved, and training initiatives are regularly launched through the learning team, Scandic Academy.

The "culture boost" initiative launched in 2025 is being implemented across the organization, and at the hotels, teams actively discuss how the company's values translate into the service provided to guests. The Growth Index is used to monitor progress within the area of Learning and Development.

**Other work-related rights**

For Scandic, compliance with the laws, regulations and conditions applicable in the markets where the company operates is a given. Scandic aims to be, and to be perceived as, an inclusive and safe workplace that employees are proud to recommend.

At present, Scandic has no dedicated targets for this area beyond the metrics reported in accordance with ESRS.

**Continuous improvement**

All improvement work pertaining to Scandic's own workforce is carried out within the framework of the company's annual planning and strategy process. This process covers all operations and involves all departments. This process takes external factors and forthcoming laws and regulations into consideration as well as analyses of available information from internal information channels and surveys.

It provides a foundation for identifying company-level initiatives, which are then prioritized, planned and implemented.

Actions under S1 are currently addressed as part of the regular budget and investment process and are not currently deemed to require significant investments beyond ordinary planning.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Metrics and targets

### S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Scandic has established targets in several areas related to its workforce. These targets cover all employees within Scandic and apply, unless otherwise stated, to all forms of employment. The results are based on data from Scandic's recurring employee surveys, which are conducted through a third-party system and updated at the final measurement of each calendar year.

The targets for Health & Wellbeing and Diversity & Inclusion are linked to the Code of Conduct and the Diversity and Inclusion Policy. Other targets within S1 are defined and connected to the company's long-term strategy. The targets have been developed by Scandic's HR function, are followed up annually through the company's strategic planning process, and are approved by the Group Executive Committee and the Board of Directors. HR monitors the results after each employee survey and evaluates priorities and necessary actions in consultation with Group Management.

During 2025, positive improvements have been observed in several key areas. See S1-4 on page 85 for more information.

### Targets for S1 Own workforce

| Sustainability topic | Sustainability target | Scope | Targetvalue and year | KPI | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| Working conditions, health and safety<br><br>Work-life balance | Health & Wellbeing Index to reach 8.2 by 2030 | All employees excluding on-demand staff | 8,2, 2030 | Health & Wellbeing Index (VOICE) | 8,0 | 7,9 | 8,0 |
| Diversity and inclusion | Diversity & Inclusion Index to reach 9.0 by 2030 | All employees excluding on-demand staff | 9,0, 2030 | Diversity & Inclusion Index (VOICE) | 8,7 | 8,6 | 8,8 |
| Training and skills development | Growth Index to reach 8.2 by 2030 | All employees excluding on-demand staff | 8,2, 2030 | Growth Index (VOICE) | 7,9 | – | – |
| Diversity and inclusion<br><br>Other workrelated rights | Gender distribution in senior management to be within the 40–60% range | Group management | Gender distribution within 40–60% | – | 25%[1] | 22%[1] | 20%[1] |

[1] Share of women.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## S1-6 Characteristics of the undertaking's employees

| Country | Number of employees |
|---|---|
| Denmark | 2,821 |
| Finland | 1,573 |
| Germany | 510 |
| Norway | 5,466 |
| Poland | 116 |
| Sweden | 7,184 |

| Gender | Number of employees |
|---|---|
| Female | 11,175 |
| Male | 6,493 |
| Other | – |
| Not reported | 2 |
| **Total employees** | **17,670** |

| Employees who have exited the company | Permanent |
|---|---|
| Number of leavers | 1,872 |
| Turnover, % | 19 |

| Number of employees per employment form and type, by gender | Female | Male | Other | Not disclosed | Total |
|---|---|---|---|---|---|
| Number of employees | 11,175 | 6,493 | 0 | 2 | 17,670 |
| Number of permanent employees | 6,121 | 3,825 | 0 | 0 | 9,946 |
| Number of temporary employees | 364 | 184 | 0 | 0 | 548 |
| Number of non-guaranteed hours employees | 4,690 | 2,484 | 0 | 2 | 7,174 |

| Number of employees per employment form and type, by region | Denmark | Finland | Norway | Sweden | Other | Total |
|---|---|---|---|---|---|---|
| Number of employees | 2,822 | 1,573 | 5,466 | 7,184 | 625 | 17,670 |
| Number of permanent employees | 1,401 | 1,480 | 2,930 | 3,578 | 557 | 9,946 |
| Number of temporary employees | 40 | 93 | 163 | 226 | 26 | 548 |
| Number of non-guaranteed hours employees | 1,381 | 0 | 2,373 | 3,380 | 40 | 7,174 |

### Reporting principles S1-6

The tables present the number of employees (headcount) and data as of 31 December 2025, unless otherwise stated. The table "Employees who have left the company" reports figures for permanent employees. We refer to the number of employees elsewhere in the annual report, where it is calculated based on hours worked. See the Directors' Report on page 28 and Note 5 on page 128.

## S1-8 Collective bargaining coverage and social dialogue

In countries where the share of team members amounts to at least 10 percent of the total workforce, all team members (100 percent) are covered by collective bargaining agreements.

In these countries, there are also employee representatives who participate in the company's Works Council, ensuring a structured dialogue between employer and workers. Scandic has had an established Works Council and agreement with EFFAT-IUL since 2008.

| | Collective Bargaining Coverage | | Social dialogue |
|---|---|---|---|
| Coverage Rate | Employees – EEA (for countries with >50 employees representing >10% total employees) | Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees) | Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees) |
| 0–19% | | | |
| 20–39% | | | |
| 40–59% | | | |
| 60–79% | | | |
| 80–100% | Denmark, Finland, Norway, Sweden | | Denmark, Finland, Norway, Sweden |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS



## S1-9 Diversity metrics

| Gender distribution | Executive Committee | Board of Directors |
|---|---|---|
| Total | 8 | 7 |
| Share of women, % | 25 | 43 |
| Share of men, % | 75 | 57 |

| Age distribution | % |
|---|---|
| Share up to age 30 | 41 |
| Share ages 30–50 | 42 |
| Share over age 50 | 17 |

## S1-10 Adequate wages

Scandic ensures that team members in all operating countries receive market-competitive and fair compensation. In countries where collective bargaining agreements are not applied, the company follows relevant local and regional collective bargaining agreements as benchmarks to maintain competitive and fair compensation levels. This approach ensures that Scandic's compensation principles align with current labor market standards and contribute to a sustainable and fair work environment.

## S1-14 Health and safety metrics

In 2025, Scandic recorded a total of 434 work-related accidents. This corresponds to an accident frequency of 26, calculated by dividing the number of incidents by the total number of hours worked by employees, multiplied by 1,000,000. No fatalities linked to work-related accidents were reported during the year.

All Scandics employees are covered by the occupational health and safety laws and regulations applicable in their respective markets. All hotels have access to, are able to, and are expected to register, follow up on, and address reported incidents.

| The number of recordable work-related accidents and the accident rate | |
|---|---|
| Number of work-related accidents | 434 |
| Accident frequency | 26 |

## S1-16 Remuneration metrics (pay gap and total compensation)

| Gender pay gap, % | |
|---|---|
| 2025 | 7.9 |

| Annual total compensation ratio | |
|---|---|
| 2025 | 92 |

### Reporting principles S1-16

Gender pay gap: The information is based on employees as of December 31, 2025. The gender pay gap is the difference in average earnings between women and men, expressed as a percentage of men's average earnings.

To ensure comparability between full-time, part-time and hourly employees and other forms of employment, the following is used: For hourly employees, the current hourly wage as of December 31, 2025 is used. For salaried part-time and full-time employees, the divisor according to the respective collective bargaining agreement is used.

Annual total compensation ratio: The total compensation ratio is calculated based on the information disclosed in Note 5 of the financial statements. The calculation takes the following into account: the median salary has been replaced with the average salary per employee, calculated as total personnel expenses excluding social security contributions minus personnel expenses for the CEO and other senior executives, divided by the total number of employees in S1–6 excluding the CEO and senior executives.

## S1-17 Incidents, complaints and severe human rights impacts

In 2025, Scandic registered two cases related to harassment or discrimination. These matters are handled through Scandic's HR function, the regular VOICE employee survey and the whistleblowing service. Currently, there are no consolidated statistics on these matters other than the cases reported through the whistleblowing service.

In addition to the above-mentioned cases, Scandic registered 30 cases related to complaints or irregularities through the whistleblowing service.

Scandic did not receive any fines, sanction fees or similar penalties in 2025. Furthermore, the company did not identify any cases of serious human rights violations affecting team members during the year.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS S2 WORKERS IN THE VALUE CHAIN

Scandic reports generally on S2 Workers in the value chain and applies the "quick fix" phase-in provisions for the standard.

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Working conditions and work-related rights** | Upstream | **Potential negative:** Workers in Scandic's value chain can be exposed to potential negative impacts linked to working conditions and work-related rights, both upstream and downstream. Impacts arise through Scandic's business relationships, since the company is a significant purchaser of goods and services and therefore indirectly impacts the workforce of its suppliers. | Supplier requirements regarding working conditions and rights, risk-based follow-up of business partners, and clear contractual and reporting mechanisms in the value chain. | Short, medium and long | No | N/A |

### Material impacts, risks and opportunities and their interaction with strategy and business model

Scandic's purchasing affects the working conditions of its suppliers, especially in the areas of food and beverages, services, renovations, contracted workers and laundry. Professional groups that are affected include outsourced cleaning staff, construction workers and workers upstream in the value chain, for example in agriculture, textiles and furniture manufacturing.

Scandic takes responsibility for the entire value chain, and sets requirements for ethical and responsible working conditions at supplier sites. Risks have been identified, particularly concerning immigrant workers in the cleaning and construction sectors in domestic markets, and in coffee and textile production abroad. These risks are structural and industry-specific, which requires greater vigilance and more responsibility in supplier relationships. Scandic engages in continual dialogue with its suppliers in order to ensure that their workers' rights and views are taken into consideration.

### Policies

**Supplier Code of Conduct**

Scandic's suppliers must follow the company's Supplier Code of Conduct, which builds on the UN Global Compact and ensures compliance with principles governing human rights, labor rights, the environment and anti-corruption, see page 42.

### Targets and outcomes

- **Supplier dialogues:** Scandic primarily engages in dialogues with suppliers' official representatives, especially in connection with physical audits. The focus is on suppliers deemed to be most material for the operations in order to ensure compliance with the sustainability requirements set.
- **Reporting and management of negative impacts:** In the event of negative impacts, Scandic cooperates with the affected parties and authorities to address the situation. A whistleblowing service is available for both internal and external stakeholders via the website and intranet. However, there is no systematic process for ensuring that workers in the value chain are aware of this channel.
- **Working conditions in the value chain:** Scandic prioritizes collaborating with local producers in order to promote fair working conditions while reducing environmental impact. For products that cannot be produced locally, such as coffee and cotton, Scandic primarily prioritizes certified options such as Fairtrade or UTZ. If there is no certification, Scandic requires that raw materials not come from high-risk areas. If this cannot be ensured, Scandic refrains from making the purchase.
- **Insight and monitoring:** Scandic visits its suppliers and continuously develops tools to gain greater insight into the working conditions of its suppliers. Annual risk assessments are performed for the largest suppliers, based on international indices such as the Human Development Index (HDI), Global Rights Index, and Corruption Perception Index. Based on these assessments, suppliers are classified into three risk levels: high, medium and low.

More in-depth evaluations and documentation on working conditions and health and safety are required for high- or medium-risk suppliers. Action plans involving continual monitoring are drawn up in the event of deviations.

### Targets for S2 Workers in the value chain

| Sustainability topic | Sustainability target | Scope | Target value and year | KPI | 2025 |
|---|---|---|---|---|---|
| Working conditions and work-related rights | At least 95% of suppliers with an annual purchasing value exceeding SEK 1 million shall be covered by and comply with the company's due diligence processes[1] | Suppliers with an annual purchasing value exceeding SEK 1 million | 95%, 2030 | Share of suppliers with an annual purchasing value exceeding SEK 1 million that are covered by and comply with the company's due diligence processes | 98% |

[1] Germany and Poland are excluded from the metric as relevant processes are not yet established in these countries. Scandic is actively working to develop these processes, and the first priority is to include Germany.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS S3 AFFECTED COMMUNITIES

Scandic reports generally on S3 Affected communities and applies the "quick fix" phase-in provisions for the standard.

### Material sustainability matters

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Human trafficking** | Own operations | **Potential negative:** Human trafficking is a potential negative impact in Scandic's own operations. Scandic has zero tolerance for human trafficking, and as instances of prostitution may occur in hotels, this is a material matter for Scandic. If preventive actions and control mechanisms are inadequate, there is a risk of the hotel environment being exploited for human trafficking or related exploitation, with serious consequences for vulnerable individuals. | Clear procedures, training employees to identify risks, and reporting and collaborative processes for suspected cases of human trafficking. | Short, medium and long | No | N/A |

### Material impacts, risks and opportunities and their interaction with strategy and business model

Prostitution and human trafficking are serious societal issues, and hotels can occasionally serve as places where these crimes occur. Although suspected incidents of such crimes are rare at Scandic's hotels, each one is considered to be serious and to have a significant negative impact on the affected individuals. Human trafficking and prostitution are therefore a prioritized material sustainability matter within Scandic's initiatives for social sustainability.

### Policies

**Code of Conduct**

Scandic's Code of Conduct and associated procedures are the basis for the work related to preventing and minimizing the company's negative impacts related to human trafficking and prostitution. These governance documents clarify that these matters are especially important within the hotel industry and emphasize the importance of preventive actions and taking active and continuous responsibility in the operations, see page 42.

### Taking action on material impacts on affected communities

- **Human trafficking:** Scandic has zero tolerance for prostitution and human trafficking and works to prevent them from occurring at Scandic's hotels. A key part of this work involves training team members to identify and take action in suspected cases of prostitution and human trafficking. It is mandatory for team members in reception and housekeeping as well as general managers to undergo specialized training to identify signs of prostitution and human trafficking and to act in accordance with Scandic's guidelines. Scandic does not currently measure how many relevant team members have completed the training, but intends to measure this information in 2026.
- Scandic has established procedures for incident reporting and conducts regular follow-ups of all security-related incidents to ensure a safe and secure workplace.

### Targets for S3 Affected communities

| Sustainability topic | Sustainability target | Scope | Target value and year | KPI | 2025 |
|---|---|---|---|---|---|
| Human trafficking | Share of relevant employees who have completed training on risks and prevention measures related to human trafficking | Relevant employees | 100%, (2030) | Share of relevant employees who have completed training (%) | Not applicable for 2025: Scandic does not currently measure systematically how many relevant employees have completed the training |

### Processes for engaging with affected communities about impacts

- Scandic has a whistleblowing service available to team members and external stakeholders. Read more about the whistleblowing service on page 95.
- An important component of Scandic's work in this area is ongoing collaboration with the police in the event of suspected crime.

### Processes to remediate negative impacts and channels for affected communities to raise concerns

- An important component of Scandic's work in this area is its process for collaborating with the police in the event of suspected crime. Scandic does not follow up on individual victims of crime, but cases of suspected crime are referred to the local police.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
• SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# ESRS S4 CONSUMERS AND END-USERS

Scandic reports generally on S4 Consumers and end-users and applies the "quick fix" phase-in provisions for the standard.

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Data protection and use of guest data** | Own operations | **Potential negative:** Scandic's guests are directly impacted by how the company handles data protection and the use of guest data. Guest privacy and secure processing of personal data are crucial factors for Scandic's success. Shortcomings in data protection, such as intrusions leading to personal data leaks, could negatively impact guests. | Stronger data protection through technical and organi-sational protective measures.<br><br>Controlled and transparent use of guest data with a focus on data minimisation and privacy. | Short, medium and long | **Risk:** Data leaks could undermine trust in Scandic and constitute a financial risk. | Short, medium and long |
| **Health, safety and security of guests** | Own operations | **Potential negative:** Scandic's guests are impacted by how the company ensures health, safety and security. Failure to ensure guest health, safety and security could have a negative impact. | Clear safety and health proce-dures, continuous employee training, and regular hotel environment risk assessments and controls. | Short, medium and long | No | N/A |
| **Non-discrimina-tion and accessibility** | Own operations | **Potential negative:** Scandic's guests are impacted in the Group's own operations by how the company ensures non-discrimination and accessibility. Accessibility short-comings could have a potential negative impact, as they may lead to practical challenges for guests and risk being perceived as discriminatory. | Accessible hotel and digital environments, training in inclusive and non-discrimina-tory treatment, and clear guidelines and follow-up in the Group's own operations. | Short, medium and long | No | N/A |
| **Responsible marketing practices** | Own operations | No | No | N/A | **Risk:** Insufficient or unclear communication could lead to risks such as loss of trust, reputational damage and negative impacts on customer loyalty. | Short, medium and long |

## Material impacts, risks and opportunities and their interaction with strategy and business model

### Data protection and use of guest data

Processing and protection of personal data are crucial for guests' trust and thus for Scandic's business model, which is based on repeat guests and long-term customer relationships. Shortcomings in data protection, such as intrusions or personal data leaks, constitute a material risk with a potential negative impact on both the brand and the Group's financial results. Meanwhile robust data protection provides an opportunity to boost customer loyalty and create a clearer position in a competitive market where trust is becoming increasingly important.

Scandic therefore works systematically and continuously to prevent risks and ensure a high level of data and privacy protection across the operations.

### Health, safety and security of guests

Our guests' health and security are critical to Scandic's operations, and they directly impact our ability to attract and retain customers. Insufficient security procedures and inadequate physical security constitute material risks. Incidents could lead to a negative impact on the guest experience. At the same time, investments in health and safety provide a strategic opportunity. Systematic work related to safety, preventive actions and clear procedures can strengthen the offering, increase customer satisfaction and become a competitive advantage. Work related to health and safety is an integral part of Scandic's quality process and business strategy.

### Non-discrimination and accessibility

Accessibility is a material impact for Scandic, both from a social responsibility perspective and as a business opportunity. Inclusive and accessible hotel environments that accommodate individuals with disabilities lead to a better guest experience and improve Scandic's market position.

Shortcomings in this area can entail risks such as discrimination, negative publicity and loss of trust. They can also limit the customer base and damage the ability to attract new guest groups, which in the long run can impact the Group's revenue and brand.

Active work related to accessibility presents an opportunity to reach more customers, improve customer loyalty and create a more competitive offering in an industry where expectations surrounding inclusion are growing.

Therefore, accessibility is integrated into product development, design and operation, in line with Scandic's sustainable growth strategy.

### Responsible marketing practices

Clear and responsible communication is an important part of Scandic's business model. The brand plays a central role in how customers perceive the offering, which affects both trust and behavior. Marketing that is clear, accurate and responsible is therefore important for strengthening the customer relationship and reducing the risk of misunderstandings or inappropriate expectations.

Insufficient or unclear communication could lead to material risks such as loss of trust, reputational damage and negative impacts on customer loyalty. This in turn could impact sales as well as long-term brand value.

Responsible marketing practices constitute an opportunity to strengthen customer loyalty and clarify Scandic's position as a responsible company. This area is therefore integrated into the commercial strategy.

### Policies

The following policies and guidelines set out Scandic's material matters linked to consumers and end-users. More information is available on pages 42–43.

- **Code of Conduct:** Scandic's Code of Conduct sets out the fundamental values that guide the company's business and serves as a framework for ethical and responsible behavior. The code specifically emphasizes the importance of protecting guests' health, safety and privacy.
- **Data Protection Policy:** Scandic's Data Protection Policy aims to regulate data protection and information security within Scandic.
- **Privacy Policy:** Scandic's Privacy Policy aims to clearly inform guests about how their personal data is collected, used and protected by Scandic.
- **Marketing Policy:** To promote responsible communication, Scandic has implemented a Marketing Policy that ensures that all marketing communication reflects Scandic's sustainability commitments and promotes environmental and social responsibility.
- **Accessibility Standard:** Scandic's accessibility standard aims to ensure inclusive and accessible service and sets requirements for the physical layout of hotels and guidelines for how services should be adapted to meet guests' various needs.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

### Targets and outcomes

To create a world-class hotel experience, Scandic took the following actions in each material area during the year:

- **Ensured data protection:** Scandic established a robust data protection unit with a dedicated information security team, data owners and ambassadors within the organization to ensure that data within the company is handled with care and to build a strong security culture. There is an established information security management system that contains the policies and governance documents that are needed to protect information and maintain its confidentiality, accuracy and accessibility.
  Information classification for e-mails and documents was implemented in 2025. The goal is to ensure the right level of confidentiality while creating better conditions for automated purging, archiving and management of information. Moreover, a phishing simulation tool is being piloted with the aim of improving the organization's resilience against digital intrusions. In addition, a business continuity planning initiative is being carried out to improve Scandic's ability to maintain business operations despite interruptions to critical resources. The annual internal audit of critical IT systems was conducted in the fourth quarter of 2025.
- **Promote health and well-being of all guests:** Scandic works to create a guest experience that enables healthy and sustainable choices. Most Scandic hotels offer gyms, and in its restaurants, the company aims to increase the availability of healthy options.
- **Maintaining high security standard at hotels:** Scandic prioritizes the safety of its team members and guests through continuous training, and every year, Scandic carries out crisis management exercises to simulate different scenarios including fire and illness as well as terror attacks and lockdowns. Scandic also conducts mandatory fire and evacuation training as well as first aid courses. All hotels have access to emergency help from the 24-hour Scandic Crisis Call Center. During the year, Scandic developed a common safety handbook for the entire Group, as well as a unified incident reporting system.
- **Ensure welcoming and accessible services for all guests:** All hotels operate based on an accessibility standard that focuses on both the physical environment and creating an inclusive guest experience. Scandic updated its accessibility standard in 2025 and launched a self-audit of its hotels during the year.
- **Ensure responsible marketing practices:** Scandic has a marketing policy which was updated in 2024. Implementation among relevant team members began in 2025. There are plans to formalize the work in 2026.

### Targets for S4 Consumers and end-users

| Sustainability topic | Sustainability target | Scope | Target value and year | KPI | 2025 |
|---|---|---|---|---|---|
| Data protection and use of guest data | Enhanced training in data protection to be provided to 100% of relevant employees annually before launch | Defined group of expert users | 100% annually before launch | Share of relevant expert users who have completed training | N/A, 2025: targeted training initiative not available for reporting in 2025 |
| Health, safety and security of guests | 100% of hotels to have a process for incident reporting, including preventive actions and follow-up | All owned hotels | 100%, 2030 | Share of hotels with an incident reporting process | 100% |
| Health, safety and security of guests | Achieve a score of 72 in Scandic's guest survey regarding "Sustainable choices" | – | 72 points, 2030 | Result (score) in Scandic's guest survey regarding "Sustainable choices" | 62,1 |
| Responsible marketing practices | All relevant employees to be informed annually about the marketing policy and are expected to comply | Defined group of employees | 100%, annually | Share of employees in the defined group | N/A, 2025 |
| Non-discrimination and accessibility | Target to be established | All owned hotels | Target to be defined following completed accessibility evaluation | N/A | N/A, 2025: a new evaluation of hotel accessibility will form the basis for the metric |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
• GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# GOVERNANCE DISCLOSURES

## ESRS G1 BUSINESS CONDUCT

| Sustainability matter | Value chain | Impacts | Actions to reduce impacts | Time horizon Impacts | Financial effect | Time horizon Financial effect |
|---|---|---|---|---|---|---|
| **Corporate culture** | Own operations | No | No | N/A | **Risk:** Failure to establish a sound corporate culture characterized by integrity, transparency and accountability could lead to risks of irregularities, legal liability, reputational damage and weakened stakeholder confidence. | Short, medium and long |
| **Corruption and bribery** | Upstream and downstream | No | No | N/A | **Risk:** In particular, risks for corruption can arise from transactions carried out by sales and purchasing functions as well as from procurement and contract management. Non-compliance can lead to a financial risk for Scandic in the form of legal consequences, sanction fees, loss of contracts and reputational damage. | Short, medium and long |
| **Collaboration with subcontractors** | Upstream, own operations | No | No | N/A | **Risk:** If Scandic does not ensure that suppliers comply with the company's principles and requirements, or if Scandic does not manage supplier relationships in a correct and transparent manner, reputational risks may arise. | Short, medium and long |
| **Animal welfare** | Upstream | **Potential negative:** Scandic's purchasing of food could lead to a potential negative impact on animal welfare upstream in the value chain. This impact arises through business relationships, since animal care and primary production are carried out by external suppliers and not in Scandic's own operations. The potential impact could arise if suppliers do not meet applicable animal welfare standards. | Scandic sets requirements towards suppliers to secure animal welfare in the supply chain. This work has expanded during 2025. | Short, medium and long | No | N/A |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Governance

### GOV-1 The role of the administrative, management and supervisory bodies

Board members and the Executive Committee have extensive experience from the hotel industry and the business sector as a whole. This experience helps to form an understanding of the role of business in society and the importance of ethical and responsible business conduct.

The Board of Directors examines and approves Scandic's Code of Conduct and other policies related to business ethics on a yearly basis. Along with all of Scandic's managers, the CEO and Executive Committee are responsible for ensuring that the contents and central messages in these documents are communicated, understood and complied with by all Scandic team members. For more information about the Board and Executive Committee's responsibilities, see page 41.

## Impact, risk and opportunity management

### G1-1 Corporate culture and business conduct policies

One of Scandic's most important assets is the corporate culture and shared values that its team members create and develop together. To ensure a strong corporate culture characterized by integrity, openness and responsibility, Scandic has established a comprehensive framework of guiding policies and guidelines.

The following policies and guidelines set out Scandic's material sustainability matters related to business conduct, and are presented further on pages 42–43.

- Code of Conduct
- Anti-Corruption Policy
- Whistleblowing Policy
- Internal Investigation Policy
- Supplier Code of Conduct
- Sustainable Procurement Guidelines

Scandic does not currently have a separate, general training policy for business ethics. The policies related to business ethics (including the Code of Conduct) are available on Scandic's website and intranet, where support material is also available to facilitate their application. All employees are informed of any reviews and updates to ensure awareness and compliance, with an overall review and reference to in-depth material if necessary.

**Code of Conduct**

Scandic's Code of Conduct establishes the company's fundamental values and serves as a crucial part of the work to build trusting relationships with suppliers, strengthen the corporate culture and prevent corruption.

**Anti-Corruption Policy**

The Anti-Corruption Policy, which covers critical areas such as gifts and hospitality, bribery, nepotism, fraud, extortion and money laundering, aims to combat all forms of corruption and to ensure a high standard of business ethics in the entire organization.

**Whistleblowing Policy**

Scandic's Whistleblowing Policy encourages and enables internal and external stakeholders to anonymously report suspected irregularities. The policy covers violations of the Code of Conduct, violations of laws and regulations, and human rights violations as well as risks related to health, safety and the environment. All reports are handled confidentially and with no risk of retaliation to the person reporting.

Scandic's whistleblowing service is provided by an external and independent party. Reports are handled by a dedicated whistleblowing group consisting of Scandic's Legal Counsel and representatives from the Executive Committee.

**Internal Investigation Policy**

Scandic's Internal Investigation Policy ensures that cases that involve business ethics, corruption or other irregularities are investigated quickly, objectively and with a high degree of confidentiality.

**Supplier Code of Conduct**

Scandic employs a separate Supplier Code of Conduct to ensure responsible and sustainable collaboration with suppliers. The Code sets clear requirements for ethical behavior, respect for human rights, working conditions, environmental considerations and anti-corruption. During 2025, animal welfare was identified as a material topic and included also in Scandic's Supplier Code of Conduct to further mitigate risks in this area. The policy update was approved early in 2026. The topic was earlier included in Sustainable Procurement Guidelines.

**Scandic's Sustainable Procurement Guidelines**

Scandic's Sustainable Procurement Guidelines establish principles that govern business conduct in the supply chain and are applied to procurement decisions. The policy applies to all products and services and covers requirements for environmental (including animal welfare), climate and social responsibility in line with the 2030 Agenda, circular economy principles and the Nordic Swan Ecolabel. It contains general and category-specific criteria and compliance requirements for suppliers according to the Supplier Code of Conduct and forms part of Scandic's framework for responsible governance in the value chain.

### G1-2 Management of relationships with suppliers

Scandic works in a structured manner to ensure responsible, transparent and long-term relationships with its suppliers. Responsible supplier management is a key part of sustainability and risk management as procurement has a significant impact on both people and the environment in the value chain. The procurement process is based on clear principles of fairness and business ethics. These guidelines are integrated into the standardized purchasing and contracting processes.

Scandic conducts an annual risk assessment of its largest suppliers, where risks are evaluated based on several parameters. These include financial, operational, brand-related and sustainability-related risks. The sustainability-related assessment is based on both the country of origin of the product or service and the supplier's domicile. Countries are risk-classified according to established indexes such as the Human Development Index, the Global Rights Index and Transparency International's Corruption Perception Index. Most of Scandic's bigger suppliers are based in the Nordic region and have been assessed to have a 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 a physical inspection may be carried out onsite. Any identified deviations are to be addressed in an action plan prepared by the supplier and approved by Scandic. Deviations must be addressed within the agreed timeframe for the cooperation to continue. Scandic maintains an ongoing dialogue with its suppliers to support their development and ensure compliance with business ethics and sustainability-related requirements.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
• GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

In every purchasing project, basic sustainability analysis is carried out where the supplier is evaluated based on criteria including the environment, anti-corruption, human rights and working conditions. Requirements for social and sustainability criteria come first in Scandic's evaluation, and suppliers that do not meet the requirements are disqualified, while those that adequately meet the requirements are graded according to how well they meet the requirements.

In addition, Scandic works to secure animal welfare in the supply chain. Scandic's requirement within this topic can be found in the Guidelines for Sustainable Procurement and also Supplier Code of Conduct.

Scandic values its relationships with suppliers and always strives to fulfill the agreements it makes, including agreed payment terms. For all suppliers to whom Scandic's general procurement agreements apply, payment terms are 30 days. Scandic applies the same payment terms for all suppliers as a standard. New team members working in purchasing receive introductory training in Scandic's purchasing work. The training includes Scandic's supplier relationship model, Supplier Code of Conduct and Sustainable Procurement Guidelines.

### G1-3 Prevention and detection of corruption and bribery

Scandic's Anti-Corruption Policy, Internal Investigation Policy and Whistleblowing Policy and Guidelines include provisions on managing conflicts of interest in order to ensure that those responsible for investigating irregularities can act independently and impartially.

Through the Audit Committee, the Board and the CEO receive regular information about reports received via the whistleblowing service as well as other legal matters of significant importance to Scandic.

Scandic has identified the following functions within the company where the risk is greatest that employees could be exposed to corruption and bribery:

- The Executive Committee
- Business development (including partnerships and franchises),
- Procurement (including technical services), and
- Hotel general managers

Scandic's Board is not currently considered to constitute such a risk group.

Customized in-depth training is held for identified risk functions. The course is based on the Code to Prevent Corruption in Business developed by the Swedish Anti-Corruption Institute. It covers topics including legislation, preventive measures and management of benefits. This more in-depth course for particular risk functions is held at least every other year, while the basic course for all employees is held annually.

The course was developed in the second half of 2025, which means that not all risk functions have taken it yet.

Every year, the Board of Directors reviews Scandic's business ethics policies, including Scandic's Anti-Corruption Policy. Actions are addressed as part of the regular budget and investment process and are not currently deemed to require significant investments beyond ordinary planning.

## Metrics and targets

### G1-4 Confirmed incidents of corruption or bribery

Scandic was not fined or convicted of any violations of laws concerning corruption or bribery in 2025.

### Targets for G1 Business conduct

| Sustainability topic | Sustainability target | Scope | Target value and year | KPI | 2025 |
|---|---|---|---|---|---|
| Corporate culture | Engagement Index to reach at least 8.2 | All employees | At least 8,2, 2030 | Engagement Index (score) | 8,1 |
| Corporate culture | Management Support Index to reach at least 8.5 | All employees | At least 8,5, 2030 | Management Support Index (score) | 8,4 |
| Corruption and bribery | 100% of employees in high-risk functions to complete anti-corruption training | Employees in high-risk functions | 100%, 2030 | Share of employees in high-risk functions who have completed anti-corruption training | 5% |
| Collaboration with subcontractors | 100% of new supplier contracts with a purchasing value exceeding SEK 500k to comply with Scandic's Supplier Code of Conduct[1)] | Supplier contracts above SEK 500k | 100%, 2030 | Share of supplier contracts above SEK 500k in compliance with policy | 94% |
| Animal welfare | 100% of new supplier contracts with a purchasing value exceeding SEK 500k to comply with Scandic's Supplier Code of Conduct | Supplier contracts above SEK 500k | 100%, 2030 | Share of supplier contracts above SEK 500k in compliance with policy | N/A, 2025 |

1) Germany and Poland are excluded from the metric as relevant processes are not yet established in these countries. Scandic is actively working to develop these processes, and the first priority is to include Germany.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# APPENDIX

## IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

| ESRS 2 | General disclosures | Page | Other information |
|---|---|---|---|
| BP-1 | General basis for preparation of sustainability statements | 39 | |
| BP-2 | Disclosures in relation to specific circumstances | 39–40 | |
| GOV-1 | The role of the administrative, management and supervisory bodies | 40–43 | |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 44 | |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | 44 | |
| GOV-4 | Statement on due diligence | 44–45 | |
| GOV-5 | Risk management and internal controls over sustainability reporting | 45 | |
| SBM-1 | Strategy, business model and value chain | 45–50 | |
| SBM-2 | Interests and views of stakeholders | 51 | |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 52–55 | |
| IRO-1 | Description of the process to identify and assess material impacts, risks and opportunities | 56–58 | |
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 58, 97–102 | |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| ESRS E1 | Climate change | Page | Other information |
|---|---|---|---|
| ESRS 2 GOV-3 | Integration of sustainability-related performance in incentive schemes | 44 | |
| E1-1 | Transition plan for climate change mitigation | 64–65 | |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 52, 55, 63 | |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 56–58 | |
| E1-2 | Policies related to climate change mitigation and adaptation | 66 | |
| E1-3 | Actions and resources in relation to climate change policies | 66 | |
| E1-4 | Targets related to climate change mitigation and adaptation | 67 | Company-specific disclosure: Plant-based food |
| E1-5 | Energy consumption and mix | 68 | |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 68–70 | |

| ESRS E3 | Water and marine resources | Page | Other information |
|---|---|---|---|
| ESRS 2 IRO-1 | Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities | 56, 58 | |
| E3-1 | Policies related to water and marine resources | 71–72 | |
| E3-2 | Actions and resources related to water and marine resources | 72 | |
| E3-3 | Targets related to water and marine resources | 73 | |
| E3-4 | Water consumption | 73 | Scandic reports on water withdrawal |

| ESRS E4 | Biodiversity and ecosystems | Page | Other information |
|---|---|---|---|
| Phase-in | General disclosures according to ESRS BP-2 §17 | 74–75 | Company-specific disclosure: Organic food and beverages |

| ESRS E5 | Resource use and circular economy | Page | Other information |
|---|---|---|---|
| ESRS 2 IRO-1 | Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | 56, 58 | |
| E5-1 | Policies related to resource use and circular economy | 76–77 | |
| E5-2 | Actions and resources related to resource use and circular economy | 77 | |
| E5-3 | Targets related to resource use and circular economy | 78–79 | |
| E5-4 | Resource inflows | 80 | Company-specific disclosure: Total wood purchased, share of recycled wood, total food purchased, and share of purchased organic food and beverages |
| E5-5 | Resource outflows | 80 | Scandic reports on waste |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| ESRS S1 | Own workforce | Page | Other information |
|---|---|---|---|
| ESRS 2 SBM-2 | Interests and views of stakeholders | 51 | |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 52–53, 81–83 | |
| S1-1 | Policies related to own workforce | 84 | |
| S1-2 | Processes for engaging with own workforce and workers' representatives about impacts | 84 | |
| S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 84 | |
| S1-4 | Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 85 | Company-specific disclosure: Health and Wellbeing index, Diversity and Inclusion index, Growth Index |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 86 | |
| S1-6 | Characteristics of the undertaking's employees | 87 | |
| S1-8 | Collective bargaining coverage and social dialogue | 87 | |
| S1-9 | Diversity metrics | 88 | |
| S1-10 | Adequate wages | 88 | |
| S1-14 | Health and safety metrics | 88 | |
| S1-16 | Remuneration metrics (pay gap and total compensation) | 88 | |
| S1-17 | Incidents, complaints and severe human rights impacts | 88 | |

| ESRS S2 | Workers in the value chain | Page | Other information |
|---|---|---|---|
| Phase-in | General disclosures according to ESRS BP-2 §17 | 89 | Company-specific disclosure: Share of suppliers covered by and complying with the company's due diligence process |

| ESRS S3 | Affected communities | Page | Other information |
|---|---|---|---|
| Phase-in | General disclosures according to ESRS BP-2 §17 | 90 | Company-specific disclosure: Share of relevant employees trained on risks and preventive measures related to human trafficking |

| ESRS S4 | Consumers and end-users | Page | Other information |
|---|---|---|---|
| Phase-in | General disclosures according to ESRS BP-2 §17 | 91–93 | Company-specific disclosure: Share of employees who have completed targeted training and share of employees informed about the marketing policy |

| ESRS G1 | Business conduct | Page | Other information |
|---|---|---|---|
| ESRS 2 GOV-1 | The role of the administrative, supervisory and management bodies | 40–43, 95 | |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 56, 58 | |
| G1-1 | Corporate culture and business conduct policies | 95 | Company-specific disclosure: Engagement index, Management support index |
| G1-2 | Management of relationships with suppliers | 95–96 | Company-specific disclosure: Share of employees who have completed targeted training and share of employees informed about the marketing policy |
| G1-3 | Prevention and detection of corruption and bribery | 96 | |
| G1-4 | Confirmed incidents of corruption or bribery | 96 | |

## List of datapoints in cross-cutting and topical standards that derive from other EU legislation

| Disclosure requirement and related datapoint | | Page | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference |
|---|---|---|---|---|---|---|
| ESRS 2 GOV-1 | Board's gender diversity paragraph 21 (d) | 40 | ● | | ● | |
| | Percentage of board members who are independent paragraph 21 (e) | 40 | | | ● | |
| ESRS 2 GOV-4 | Statement on due diligence paragraph 30 | 44–45 | ● | | | |
| ESRS 2 SBM-1 | Involvement in activities related to fossil fuel activities paragraph 40 (d) i | N/A | ● | ● | ● | |
| | Involvement in activities related to chemical production paragraph 40 (d) ii | N/A | ● | | ● | |
| | Involvement in activities related to controversial weapons paragraph 40 (d) iii | N/A | ● | | ● | |
| | Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | N/A | | | ● | |
| ESRS E1-1 | Transition plan to reach climate neutrality by 2050 paragraph 14 | 64–65 | | | | ● |
| | Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | 65 | | ● | ● | |
| ESRS E1-4 | GHG emission reduction targets paragraph 34 | 67 | ● | ● | ● | |
| ESRS E1-5 | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | N/A | ● | | | |
| | Energy consumption and mix paragraph 37 | 68 | ● | | | |
| | Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | N/A | ● | | | |
| ESRS E1-6 | Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | 68–70 | ● | ● | ● | |
| | Gross GHG emissions intensity paragraphs 53 to 55 | 70 | ● | ● | ● | |
| ESRS E1-7 | GHG removals and carbon credits paragraph 56 | N/A | | | | ● |
| ESRS E1-9 | Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | Phase-in | | | ● | |
| | Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) | Phase-in | | ● | | |
| | Location of significant assets at material physical risk paragraph 66 | Phase-in | | ● | | |
| | Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c) | Phase-in | | ● | | |
| | Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | Phase-in | | | ● | |
| ESRS E2-4 | Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | N/A | ● | | | |
| ESRS E3-1 | Water and marine resources paragraph 9 | 71–72 | ● | | | |
| ESRS E3-1 | Dedicated policy paragraph 13 | N/A | ● | | | |
| | Sustainable oceans and seas paragraph 14 | N/A | ● | | | |
| ESRS E3-4 | Total water recycled and reused paragraph 28 (c) | 73 | ● | | | |
| | Total water consumption in $m^3$ per net revenue on own operations paragraph 29 | 73 | ● | | | |
| ESRS 2 – SBM 3– E4 | E4 paragraph 16 (a) i | 52 | ● | | | |

| Disclosure requirement and related datapoint | | Page | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference |
|---|---|---|---|---|---|---|
| | E4 paragraph 16 (b) | 52 | ● | | | |
| | E4 paragraph 16 (c) | 52 | ● | | | |
| ESRS E4-2 | Sustainable land / agriculture practices or policies paragraph 24 | N/A | ● | | | |
| | Sustainable oceans / seas practices or policies paragraph 24 (c) | N/A | ● | | | |
| | Policies to address deforestation paragraph 24 (d) | N/A | ● | | | |
| ESRS E5-5 | Non-recycled waste paragraph 37 (d) | 80 | ● | | | |
| | Hazardous waste and radioactive waste paragraph 39 | 80 | ● | | | |
| ESRS 2 – SBM3 – S1 | Risk of incidents of forced labor paragraph 14 (f) | 53, 83 | ● | | | |
| | Risk of incidents of child labor paragraph 14 (g) | 53, 83 | ● | | | |
| ESRS S1-1 | Human rights policy commitments paragraph 20 | 84 | ● | | | |
| | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | 84 | | | ● | |
| | Processes and measures for preventing trafficking in human beings paragraph 22 | 84 | ● | | | |
| | Workplace accident prevention policy or management system paragraph 23 | 84 | ● | | | |
| ESRS S1-3 | Grievance/complaints handling mechanisms paragraph 32 (c) | 84 | ● | | | |
| ESRS S1-14 | Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | 88 | ● | | ● | |
| ESRS S1-14 | Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Phase-in | ● | | | |
| ESRS S1-16 | Unadjusted gender pay gap paragraph 97 (a) | 88 | ● | | ● | |
| ESRS S1-16 | Excessive CEO pay ratio paragraph 97 (b) | 88 | ● | | | |
| ESRS S1-17 | Incidents of discrimination paragraph 103 (a) | 88 | ● | | | |
| | Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a) | 88 | ● | | ● | |
| ESRS 2 – SBM3 – S2 | Significant risk of child labor or forced labor in the value chain paragraph 11 (b) | 53 | ● | | | |
| ESRS S2-1 | Human rights policy commitments paragraph 17 | 89 | ● | | | |
| | Policies related to value chain workers paragraph 18 | 89 | ● | | | |
| | Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | 89 | ● | | ● | |
| | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | 89 | ● | | ● | |
| | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | 89 | ● | | | |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
GENERAL DISCLOSURES
ENVIRONMENTAL DISCLOSURES
SOCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

| Disclosure requirement and related datapoint | | Page | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference |
|---|---|---|---|---|---|---|
| ESRS S3-1 | Human rights policy commitments paragraph 16 | 90 | ● | | | |
| | Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | 90 | ● | | ● | |
| ESRS S3-4 | Human rights issues and incidents paragraph 36 | 90 | ● | | | |
| ESRS S4-1 | Policies related to consumers and end-users paragraph 16 | 92 | ● | | | |
| | Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | 92 | ● | | ● | |
| ESRS G1-1 | United Nations Convention against Corruption paragraph 10 (b) | 95 | ● | | | |
| | Protection of whistle-blowers paragraph 10 (d) | 95 | ● | | | |
| ESRS G1-4 | Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | 96 | ● | | ● | |
| | Standards of anti-corruption and anti-bribery paragraph 24 (b) | 96 | ● | | | |

# CORPORATE GOVERNANCE

THIS IS SCANDIC

MARKET AND STRATEGY

SUSTAINABLE BUSINESS

ADMINISTRATION AND GOVERNANCE

ADMINISTRATION REPORT

RISKS AND RISK MANAGEMENT

SUSTAINABILITY STATEMENTS

• CORPORATE GOVERNANCE

BOARD OF DIRECTORS

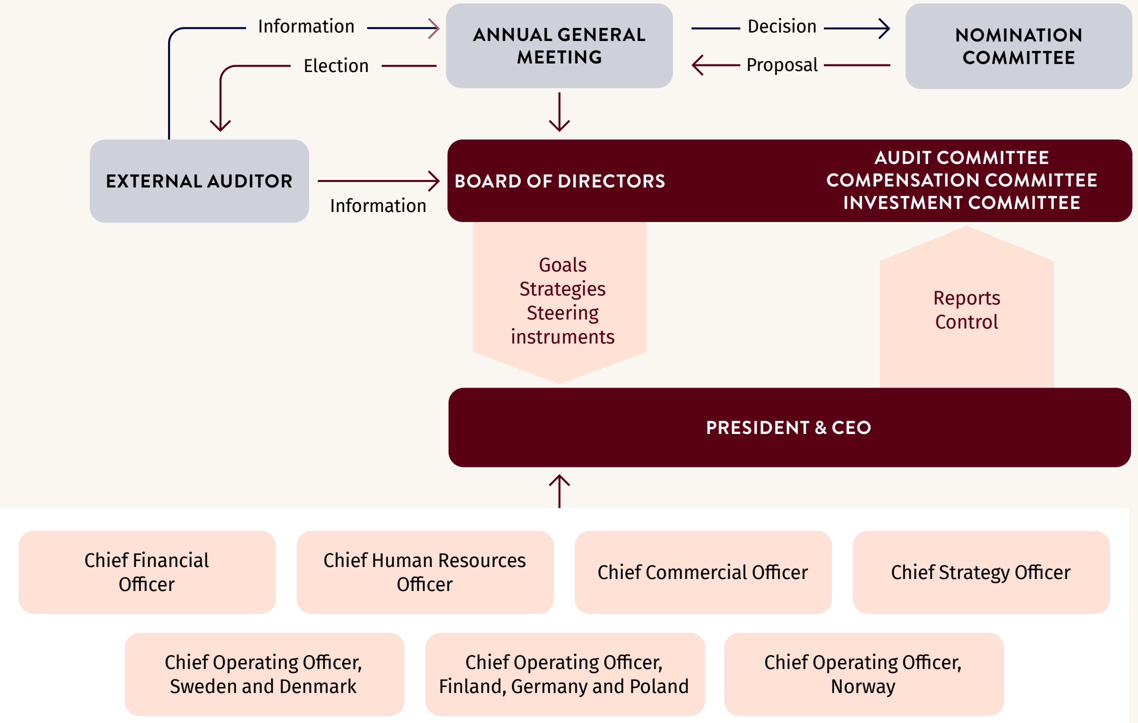
EXECUTIVE COMMITTEE

FINANCIAL REPORTS

# CORPORATE GOVERNANCE REPORT

Scandic is a Swedish public limited liability company whose shares are listed on Nasdaq Stockholm. Scandic applies the Swedish Corporate Governance Code. This ensures 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




**External steering instruments**

- Swedish Companies Act
- Annual Accounts Act
- Other applicable legislation
- Nasdaq Stockholm's Rulebook for Issuers
- The Swedish Corporate Governance Code

**Internal steering instruments**

- Articles of Association
- Rules of Procedure and Instructions for the CEO and the Board
- Values
- Code of Conduct
- Policies and guidelines

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

### Basis for corporate governance

Corporate governance aims to support the Board of Directors and the Executive Committee in creating long-term value for shareholders and other key 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 divided 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, for example, 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 rules of the Code and reported no deviations during the 2025 financial year. Scandic's internal binding governance instruments include, for example, the Articles of Association, Rules of Procedure for the Board and the Board's committees, instructions for the CEO as well as Scandic's Code of Conduct and other policies.

### The share and shareholders

Scandic's share has been listed on Nasdaq Stockholm since December 2, 2015. The share capital at year-end totaled SEK 54.8 million, divided into 215,127,300 shares, with all shares conferring equal voting rights and rights to a share of the company's assets and profits. At the end of the year, the ten largest shareholders represented 54.6 percent of the share capital and votes in the company. AMF Pension & Fonder was the largest shareholder with holdings corresponding to 13.6 percent of the company's share capital and votes at the end of the year.

### Shareholders' influence through the general meeting

Scandic's shareholders exercise their influence at the general meeting, which is the company's highest decision-making body. The general meeting adopts the Articles of Association, and at the Annual General Meeting (AGM), 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 earnings 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.

### 2025 Annual General Meeting

At the AGM held on May 6, 2025, in Stockholm, resolutions on the following were passed:

- Adoption of the income statement and balance sheet for 2024.
- The AGM resolved, in accordance with the Board's proposal, on a dividend of SEK 2.60 per share and that the dividend be split into two payments during the year.
- The Board and the CEO were discharged from liability to the company. Per G. Braathen, Kristina Patek, Gunilla Rudebjer, Frank Veenstra and Fredrik Wirdenius were re-elected as members of the Board and Lars-Åke Bokenberger was elected as a new member of the Board until the end of the subsequent AGM. Per G. Braathen was re-elected as Chairman of the Board and Öhrlings PricewaterhouseCoopers AB was re-elected as auditor, with Helena Kaiser de Carolis as auditor-in-charge for the same period. The AGM resolved that fees to the members of the Board and the auditor shall be paid in accordance with the proposal from the Nomination Committee.
- Approval of the Compensation Report.
- Long-term incentive program for members of the Executive Committee and other key team members.
- Authorization to issue shares, warrants and/or convertibles.
- Authorization for the Board to repurchase and transfer own shares.
- Authorization to transfer own shares to participants in long-term incentive program.
- Reduction of the company's share capital through the cancellation of shares previously repurchased by Scandic.

### 2026 Annual General Meeting

Scandic's 2026 AGM will be held in Stockholm on May 5, 2026. For more information, see page 159.

### 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. 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. A change is not necessary if the change in votes is marginal or if it occurs later than three months prior to the AGM 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 2026 Annual General Meeting

The Nomination Committee for the 2026 AGM consists of four members and in addition to the Chairman of the Board includes representatives from the three largest shareholders as of August 31, 2025. As Chairman of the Nomination Committee and representative from Eiendomsspar AS, Christian Ringnes led the work of the Nomination Committee. The composition of the Nomination Committee was published in a press release on October 28, 2025.

| Nomination Committee | Representing | % votes on Dec 31, 2025 |
|---|---|---|
| Christian Ringnes (Chairman) | Eiendomsspar AS | 8.2 |
| Anders Hansson | AMF Pension & Fonder | 13.6 |
| Karl Swartling | Stena Sessan AB | 13.4 |
| Per G. Braathen | Chairman of the Board of Scandic | 0.7 |

In the work on nominations for the 2026 AGM, 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 2026 Nomination Committee held 5 meetings and maintained communication in between. The 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 2026 AGM and on Scandic's website at www.scandichotelsgroup.com. The reasoning behind the proposals, a report on the committee's work and a presentation of the proposed members will also be published on the site. The Nomination Committee can be contacted at nominationcommittee@scandichotels.com. Shareholders may present proposals to the Nomination Committee whenever they wish. For the committee to consider suggestions, shareholders wishing to submit proposals must have done so by December 31, 2025, at the latest. More information is available at www.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 employee representative and two alternates to the Board. Board members are elected annually at the AGM for the period up until the end of the subsequent AGM. There has been no change in the gender distribution among board members when comparing 31 December 2024 with 31 December 2025.

### Composition of the Board in 2025

The 2025 AGM elected six Board members and, shortly after this, appointed one employee representative. The CEO and CFO participate in Board meetings along with the secretary of the Board. Other salaried 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 elected by the AGM 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 resolves on whether to enter into or terminate leases and management agreements and on whether to extend such agreements entailing significant undertakings for Scandic. The Board also resolves on the framework for franchise 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 laws and regulations. The Chairman also works with the CEO to monitor the company's performance and prepare and lead Board meetings. The Chairman is also responsible for ensuring that Board members evaluate their work annually and regularly receive the information they need for the work of the Board to be conducted efficiently. The Chairman of the Board represents the company vis-à-vis the company's shareholders.

### Work during the year

During the year, the Board held 13 meetings. During these meetings, the Board dealt with topics including updates from the CEO, follow-up on the company's financial performance, Scandic's market situation, strategy issues, investment decisions and sustainability. The Board also addressed the acquisition of Dalata Hotel Group, the evaluation of the Executive Committee and CEO, and issues related to financing and capital allocation, 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 for each committee and the Rules of Procedure for 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), Gunilla Rudebjer and Kristina Patek. The Compensation Committee held 5 meetings during the year. The committee conducted a review of the basic remuneration for senior executives, the bonus program, 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 and sustainability reporting, and audits. The committee aims to ensure compliance with the adopted principles for financial and sustainability reporting and internal control and that the company's relationship with its auditors is fit for 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 Audit Committee consists of Gunilla Rudebjer (Chairman), Kristina Patek and Frank Veenstra. The requirements of the Swedish Companies Act regarding independence and accounting or auditing expertise are thus satisfied. The Audit Committee held 8 meetings during the year. The company's auditor attended all meetings during the year.

The following matters were addressed at Audit Committee meetings:

- Financial and sustainability reporting.
- Capital allocation and financial targets.
- Financing.
- 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 and tangible assets.

**Investment Committee**
The Investment Committee prepares decisions on issues related to investment proposals and constantly evaluates ongoing investments in new and existing hotels as well as 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. The Investment Committee consists of Per G. Braathen (Chairman), Fredrik Wirdenius, Lars-Åke Bokenberger and Frank Veenstra. During 2025, the Investment Committee held 7 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 2025 evaluation was carried out through a survey of Board members with help from an external party. The results were presented and discussed by the Board and 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 6, 2025, PwC was reappointed as auditor for the period until the end of the 2026 AGM, with Helena Kaiser de Carolis as auditor-in-charge. Helena Kaiser de Carolis is an authorized public accountant and a member of FAR (the institute for the accountancy profession in Sweden). During 2025, 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 127.

**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 and no. meetings | Attendance, no. meetings, committees | Compensation 2025 |
| Per G. Braathen | Chairman | 2007 | Yes | Yes | 13 (13) | 7 (7) Investment Committee<br>5 (5) Compensation Committee | 1, 139, 667 |
| Frank Veenstra | Board member | 2024 | Yes | Yes | 13(13) | 7 (7) Investment Committee<br>8 (8) Audit Committee | 532 333 |
| Lars-Åke Bokenberger[1)] | | | Yes | Yes | 8 (13) | 5 (7) Investment Committee | 314 667 |
| Fredrik Wirdenius | Board member | 2015 | Yes | Yes | 13 (13) | 7 (7) Investment Committee | 483 333 |
| Gunilla Rudebjer | Board member | 2022 | Yes | Yes | 13 (13) | 8 (8) Audit Committee<br>5 (5) Compensation Committee | 634 333 |
| Kristina Patek | Board member | 2020 | Yes | No | 13 (13) | 8 (8) Audit Committee<br>5 (5) Compensation Committee | 527 333 |
| Gisela Kilder | Employee representative | 2025 | No | Yes | 6 (13) | | 40 000 |
| **Total** | | | | | | | **3 821 333** |

1) Elected at the 2025 AGM.Note: Former Board member Michael Levie attended 5 Board meetings and 3 Investment Committee meetings in 2025. Marianne Sundelius, former employee representative, attended 7 Board meetings in 2025. Fees for these former Board members are included in the total compensation to the Board.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

## Executive Committee

Scandic's Executive Committee has solid experience from the hotel sector and consumer-oriented operations. During the year, the Executive Committee consisted of the CEO, Chief Financial Officer (CFO), Chief Commercial Officer, Chief Strategy Officer, Chief Human Resources Officer and three Chief Operating Officers – one for Sweden and Denmark, one for Germany, Finland and Poland, and one for Norway. On January 1, 2025, Sören Faerber (earlier Country Managing Director, Denmark) was appointed Chief Strategy Officer, a new position that consolidates strategic key functions with a focus on executing Scandic's strategy. To strengthen coordination and efficiency in the company, Scandic also introduced the role of Chief Operating Officer (COO) with responsibility for operations in one or several countries. Peter Jangbratt, who was earlier Country Managing Director, Sweden, was appointed COO for Sweden and Denmark. Laura Tarka, who was earlier Country Managing Director, Finland, was appointed COO for Finland, Germany and Poland. Asle Prestegard, who earlier was Country Managing Director, Norway, was appointed COO for Norway. Michel Schutzbach, who earlier was Country Managing Director, Germany and Poland, was appointed District Director, Germany and Poland and is no longer a member of the Executive Committee. The Executive Committee meets monthly and focuses on the Group's strategic and operative development as well as monitoring the company's performance. The CEO's areas of responsibility and powers are governed by the Rules of Procedure for the Board and instructions for the CEO. 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 integral part of Scandic's strategy. Scandic's main governance documents in this area include the Code of Conduct, the Supplier Code of Conduct, the Anti-Corruption Policy, the Environmental Policy and the Diversity and Inclusion Policy. For more information, see page 42–43. 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 targets 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 strategy and sustainability department leads, coordinates and follows up on these activities.

### Compensation for the CEO and senior executives

The AGM held on May 16, 2024, adopted compensation guidelines for the CEO and senior executives. These are adapted to EU requirements on shareholder rights. The intention is that they shall apply for four years from approval. Read the guidelines in full at www.scandichotelsgroup.com.

For information on compensation for the CEO and senior executives, see Note 05 on pages 128–130.

### Long-Term Incentive Program

Between 2015 and 2019 and between 2022 and 2025, Scandic launched yearly annual share-based long-term incentive programs. The most recent program, which was adopted at the AGM held on May 6, 2025, is described in Note 05 on pages 128–130. 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

The description has been prepared in compliance with the Swedish Annual Accounts Act and the Code and is therefore limited to internal control over financial and sustainability 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 implemented, communicated to and understood by Scandic's team members who carry out the control measures and ensure that they are performed, 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 and sustainability 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. The same procedures have been established for sustainability reporting in accordance with the CSRD. 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 Scandic's hotel operations enables benchmarking between hotels and 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
• CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**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 and sustainability 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 assesses 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**
Internal control is based on the company's established channels for decisions and the delegation and authorization procedures documented in governing policies and guidelines. The control activities may be IT-based or manual, and shall form an integrated part of defined and documented processes and routines.

There are several 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 and sustainability reporting is chiefly communicated at monthly meetings at which all financial managers participate and via the company's 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 several 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 all 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# BOARD OF DIRECTORS

**PER G. BRAATHEN**

Chairman of the Board since 2018.
Member of the Board since 2007.
Chairman of the Compensation Committee and 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), Escape Travel AS and member of the Board of Parques Reunidos S.A. Industrial advisor to EQT.

**Previous assignments:** Chairman of the Board/CEO of Tjæreborg, Always and Saga Tours. Chairman of the Board of SunHotels AG. Board member of BRAbank ASA, Lea Bank AB, 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.
Member of the Compensation 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 SSC Space AB.

**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

**FRANK VEENSTRA**

Member of the Board since 2024.
Member of the Investment Committee.
Member of the Audit Committee.

**Born:** 1968

**Nationality:** Dutch

**Education:** Bachelor in Hotel Management from the Hotel Management School Maastricht. HOFAM Qualified Controller, and from NIVE Instituut voor Controlling.

**Other assignments:** Owner, Mainstay Hospitality. Guest lecturer, Breda University of Applied Sciences. Chief Development Officer, Kempinski Hotels.

**Previous assignments:** Deputy Head of Global Hospitality at Abu Dhabi Investment Authority. Senior advisor at Corinthia Hotels Limited. Corporate Officer Development & Asset Management at NH Hotels. Group Controller at YMCA Management.

**Shareholding:** 0

**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.
Member of the Compensation 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 AddLife (publ), Platform24, Matilda Foodtech och Lassie.

**Previous assignments:** Head of M&A at Tieto Corporation. Partner of the private equity fund Scope. Investment Manager at Ratos. Management Consultant at Accenture and Cell Network.

**Shareholding:** 19,026 (In addition, Stena Sessan AB holds 28,894,295 shares)

**Independent in relation to major shareholders:** No

**Independent in relation to the company and management:** Yes

Number of shares as at March 31, 2026.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
FINANCIAL REPORTS

**LARS-ÅKE BOKENBERGER**

Member of the Board since 2025.
Member of the Investment Committee.

**Born:** 1968

**Nationality:** Swedish

**Education:** Bachelor of Science (Economics) from the School of Business, Economics and Law at the University of Gothenburg, Sweden and Concordia University Montréal, Canada.

**Other assignments:** Chairman of the Board of Wallenstam AB and Mattssons Fastighetsutveckling AB. Vice Chairman and member of the Board of Convendum Corporation AB (publ). Member of the Board of Mertzig Asset Management AB.

**Previous assignments:** Member of the Board of AMF Fastigheter AB, Colive AB and Ferroamp AB (publ). Head of Swedish Equities at AMF Pension and Equity Analyst and Head of Equity Research at Alfred Berg ABN AMRO

**Shareholding:** 20,000

**Independent in relation to major shareholders:** Yes

**Independent in relation to the company and management:** Yes

**FREDRIK WIRDENIUS**

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

**Born:** 1961

**Nationality:** Swedish

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

**Other assignments:** Chairman of the Board of Willhem AB. Board member of Axfast AB, Stiftelsen Nobel Center and Urban Escape AB.

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

**Shareholding:** 5,816

**Independent in relation to major shareholders:** Yes

**Independent in relation to the company and management:** Yes

**GISELA KILDER**

Member of the Board since 2025.
Employee representative.

**Born:** 1973

**Nationality:** Swedish

**Education:** Leadership education, Göteborgs arbetares folkhögskola.

**Other assignments:** Chairman of HRF, department West.

**Previous assignments:** –

**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, 2026.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
ADMINISTRATION REPORT
RISKS AND RISK MANAGEMENT
SUSTAINABILITY STATEMENTS
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
• EXECUTIVE COMMITTEE
FINANCIAL REPORTS

# 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 and Head of Sales & Marketing Avis Rent a Car.

**Other assignments:** Chairman of the Board of Dansk Erhverv (Danish Chamber of Commerce) and Kraks Fond.

**Shareholding:** 401,165

**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:** 49,000

**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, Bachelor of Science 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:** 27,577

**THÉRÈSE CEDERCREUTZ**
Chief Commercial Officer

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

**Born:** 1969

**Nationality:** Finnish

**Education:** Degree of Master of Science in Economics and Business Administration, Åbo Akademi University, Finland.

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

**Other assignments:** Board member Ballingslöv International and UNICEF Finland.

**Shareholding:** 10,056.

**SØREN FAERBER**
Chief Strategy Officer

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

**Born:** 1970

**Nationality:** Danish

**Education:** Copenhagen Business School Executive Board Education Higher Commercial Examination Accounting & Finance.

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

**Other assignments:** Board member of Wonderful Copenhagen.

**Shareholding:** 43,776

Number of shares as at March 31, 2026.

**PETER JANGBRATT**

Chief Operating Officer, Sweden and Denmark

Employed by the 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:** 68,555

**LAURA TARKKA**

Chief Operating Officer, Finland, Germany and Poland

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

**Born:** 1970

**Nationality:** Finnish

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

**Previous experience:** Member of the Board of Lassila and Tikanoja Oyj. Viking Line Oyj, ukko.fi, Docrates Oy and Finnish Chamber of Commerce. Managing Director, Gigantti. CEO of Kämp Collection Hotels. CFO and deputy CEO of 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, MaRa Ry (Hotel and Restaurant association Finland).

**Shareholding:** 5,200

**ASLE PRESTEGARD**

Chief Operating Officer, 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. Board member of NHO Reiseliv.

**Other assignments:** Vice President of the Board of The Norwegian Hospitality Association.

**Shareholding:** 33,550

Number of shares as at March 31, 2026.

# FINANCIAL REPORTS

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
- FINANCIAL STATEMENTS – GROUP
- FINANCIAL STATEMENTS – PARENT COMPANY
- NOTES
- ADOPTION
- AUDITOR'S REPORT
- COMPENSATION REPORT
- RECONCILIATIONS
- SHARE PRICE AND SHAREHOLDERS
- DEFINITIONS
- INFORMATION TO THE SHAREHOLDERS

# INCOME STATEMENT

## GROUP

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **REVENUE** | 02, 03 | | |
| Net sales | | 22,289 | 21,959 |
| **TOTAL REVENUE** | | **22,289** | **21,959** |
| **OPERATING COSTS** | | | |
| Raw materials and consumables | | -1,637 | -1,634 |
| Other external costs | 04 | -4,614 | -4,454 |
| Employee benefits expenses | 05 | -7,025 | -6,948 |
| Rental costs | 06 | -2,230 | -2,157 |
| Pre-opening costs | | -75 | -28 |
| Items affecting comparability | 07 | -51 | -18 |
| Amortization, depreciation and impairment | 11, 12 | -3,996 | -3,884 |
| **TOTAL OPERATING COSTS** | | **-19,628** | **-19,123** |
| **Operating profit/loss** | | **2,661** | **2,836** |
| Net financial items | 08, 09 | -1,852 | -1,975 |
| **Profit/loss before tax** | | **809** | **861** |
| Taxes | 10 | -185 | -209 |
| **PROFIT/LOSS FOR THE YEAR** | | **624** | **652** |
| Attributable to Parent Company shareholders | | 625 | 643 |
| Non-controlling interests | | -1 | 9 |
| Earnings per share before dilution, attributable to Parent Company shareholders (SEK per share) | 11 | 2.90 | 3.43 |
| Earnings per share after dilution, attributable to Parent Company shareholders (SEK per share) | 11 | 2.90 | 3.19 |

# STATEMENT OF COMPREHENSIVE INCOME

## GROUP

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Profit/loss for the year** | | **624** | **652** |
| **Other comprehensive income** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Currency effects from translation of foreign operations | | -261 | -56 |
| Changes in the value of electricity hedges, net of tax | | 25 | -33 |
| *Items that may not be reclassified to profit or loss* | | | |
| Remeasurements of post-employment benefit obligations | | 42 | 37 |
| **Total other comprehensive income, net of tax** | | **-194** | **-52** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **430** | **600** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
- FINANCIAL STATEMENTS – GROUP
- FINANCIAL STATEMENTS – PARENT COMPANY
- NOTES
- ADOPTION
- AUDITOR'S REPORT
- COMPENSATION REPORT
- RECONCILIATIONS
- SHARE PRICE AND SHAREHOLDERS
- DEFINITIONS
- INFORMATION TO THE SHAREHOLDERS

# BALANCE SHEET

## GROUP

| SEK million | Notes | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 12 | 3,818 | 4,111 |
| Trademarks | 12 | 2,782 | 2,810 |
| Other intangible assets | 12 | 225 | 179 |
| Land and buildings | 13 | 65 | 71 |
| Right-of-use assets | 13 | 38,659 | 39,707 |
| Furniture, fittings and equipment | 13 | 4,237 | 4,142 |
| Interests in associates | 14 | 20 | 22 |
| Financial investments | | 6 | 7 |
| Other non-current receivables | | 33 | 31 |
| Deferred tax assets | 23 | 630 | 692 |
| **Total non-current assets** | | **50,475** | **51,772** |
| **Current assets** | | | |
| Inventories | 15 | 145 | 143 |
| Trade receivables | 16 | 472 | 533 |
| Current tax receivables | | 58 | 0 |
| Other current receivables | | 143 | 163 |
| Prepaid expenses and accrued income | 17 | 347 | 385 |
| Cash and cash equivalents | 18 | 950 | 846 |
| **Total current assets** | | **2,115** | **2,070** |
| **TOTAL ASSETS** | | **52,590** | **53,842** |

| SEK million | Notes | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 19 | 55 | 55 |
| Other contributed capital | | 11,054 | 11,061 |
| Reserves | | -155 | 87 |
| Retained earnings | | -8,058 | -7,938 |
| **Equity attributable to Parent Company shareholders** | | **2,896** | **3,265** |
| Non-controlling interests | | 72 | 107 |
| **Total equity** | | **2,968** | **3,372** |
| **Non-current liabilities** | | | |
| Liabilities to credit institutions | 20 | 985 | 974 |
| Provisions for pensions and similar commitments | 21 | 579 | 620 |
| Other provisions | 22 | 344 | 291 |
| Other liabilities | | 32 | 67 |
| Non-current liabilities | 20 | 41,024 | 41,757 |
| Deferred tax liabilities | 23 | 98 | 50 |
| **Total non-current liabilities** | | **43,062** | **43,759** |
| **Current liabilities** | | | |
| Advance payments from customers | | 376 | 338 |
| Trade payables | | 863 | 864 |
| Current tax liabilities | | 0 | 114 |
| Current lease liabilities | 20 | 2,668 | 2,654 |
| Derivative instruments | | 14 | 48 |
| Other liabilities | | 279 | 361 |
| Accrued expenses and prepaid income | 24 | 2,360 | 2,332 |
| **Total current liabilities** | | **6,560** | **6,711** |
| **Total liabilities** | | **49,622** | **50,470** |
| **TOTAL EQUITY AND LIABILITIES** | | **52,590** | **53,842** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
• FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# CASH FLOW STATEMENT

## GROUP

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/loss | | 2,661 | 2,836 |
| Adjustments for items not included in cash flow, etc. | 25 | 4,063 | 3,972 |
| Taxes paid | | -301 | -126 |
| **Cash flow before changes in working capital** | | **6,423** | **6,682** |
| | | | |
| **Changes in working capital** | | | |
| Inventories | | -9 | -7 |
| Trade receivables | | 38 | 71 |
| Other current receivables | | -38 | 174 |
| Trade payables | | 34 | -257 |
| Other current liabilities | | 11 | -274 |
| **Cash flow from operating activities** | | **6,459** | **6,389** |
| | | | |
| **Investing activities** | | | |
| Investments paid | 13 | -1,124 | -1,056 |
| **Cash flow from investing activities** | | **-1,124** | **-1,056** |

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Financing activities** | | | |
| Paid interest items | | -89 | -210 |
| Received interest items | | 26 | 58 |
| Interest paid, leases | | -1,740 | -1,771 |
| Financing costs | 20 | 0 | -15 |
| Repurchase of own shares | | -248 | -52 |
| Dividends | | -585 | -544 |
| Dividend, share swap agreement | | -33 | -7 |
| Borrowing, credit facilities | 20 | 200 | 0 |
| Amortization, credit facilities | 20 | -200 | -758 |
| Amortization, leases | 20 | -2,618 | -2,500 |
| **Cash flow from financing activities** | | **-5,287** | **-5,799** |
| | | | |
| **CASH FLOW FOR THE YEAR** | | **48** | **-466** |
| | | | |
| Cash and cash equivalents at the beginning of the year | | 846 | 1,344 |
| Translation differences in cash and cash equivalents | | 56 | -32 |
| Cash flow for the year | | 48 | -466 |
| **Cash and cash equivalents at end of year** | | **950** | **846** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
- FINANCIAL STATEMENTS – GROUP
- FINANCIAL STATEMENTS – PARENT COMPANY
- NOTES
- ADOPTION
- AUDITOR'S REPORT
- COMPENSATION REPORT
- RECONCILIATIONS
- SHARE PRICE AND SHAREHOLDERS
- DEFINITIONS
- INFORMATION TO THE SHAREHOLDERS

# CHANGES IN EQUITY

## GROUP

| | Equity attributable to Parent Company shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| **SEK million** | **Share capital** | **Other contributed capital** | **Reserves** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| **OPENING BALANCE, Jan 1, 2025** | **55** | **11,061** | **87** | **-7,938** | **3,265** | **107** | **3,372** |
| **Profit/loss for the year** | **–** | **–** | **–** | **625** | **625** | **-1** | **624** |
| **Other comprehensive income** | | | | | | | |
| *Items that may be reclassified to profit or loss* | | | | | | | |
| Currency effects from translation of foreign operations | – | – | -256 | – | -256 | -5 | -261 |
| Changes in the value of electricity hedges, net of tax | – | – | 25 | – | 25 | – | 25 |
| *Items that will not be reclassified to profit or loss* | | | | | | | |
| Actuarial gains/losses for the year, net of tax | – | – | – | 42 | 42 | – | 42 |
| **Total other comprehensive income, net of tax** | **0** | **0** | **-231** | **42** | **-189** | **-5** | **-194** |
| **Total comprehensive income for the year** | **0** | **0** | **-231** | **667** | **436** | **-6** | **430** |
| **Other adjustments** | **0** | **0** | **-12** | **0** | **-12** | **0** | **-12** |
| **Transactions with shareholders** | | | | | | | |
| Dividends | – | – | – | -556 | -556 | -28 | -584 |
| Share-based payments | – | -7 | – | 17 | 10 | – | 10 |
| Repurchase of own shares | – | – | – | -248 | -248 | – | -248 |
| **Total transactions with shareholders** | **0** | **-7** | **–** | **-787** | **-794** | **-28** | **-822** |
| **CLOSING BALANCE, Dec 31, 2025** | **55** | **11,054** | **-155** | **-8,058** | **2,896** | **72** | **2,968** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
● FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# CHANGES IN EQUITY

## GROUP

| | Equity attributable to Parent Company shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| **SEK million** | **Share capital** | **Other contributed capital** | **Reserves** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| **OPENING BALANCE, Jan 1, 2024** | **48** | **9,892** | **160** | **-8,041** | **2,059** | **107** | **2,166** |
| **Profit/loss for the year** | **–** | **–** | **–** | **643** | **643** | **9** | **652** |
| **Other comprehensive income** | | | | | | | |
| *Items that may be reclassified to profit or loss* | | | | | | | |
| Currency effects from translation of foreign operations | – | – | -47 | – | -47 | -9 | -56 |
| Changes in the value of electricity hedges, net of tax | – | – | -33 | – | -33 | – | -33 |
| *Items that will not be reclassified to profit or loss* | | | | | | | |
| Actuarial gains/losses for the year, net of tax | – | – | – | 37 | 37 | – | 37 |
| **Total other comprehensive income, net of tax** | **0** | **0** | **-80** | **37** | **-43** | **-9** | **-52** |
| **Total comprehensive income for the year** | **0** | **0** | **-80** | **680** | **600** | **0** | **600** |
| **Other adjustments** | **0** | **0** | **7** | **0** | **7** | **0** | **7** |
| **Transactions with shareholders** | | | | | | | |
| Dividends | – | – | – | -544 | -544 | 0 | -544 |
| Conversion of convertible loan | 7 | 1,169 | – | – | 1,176 | – | 1,176 |
| Share-based payments | – | – | – | 18 | 18 | – | 18 |
| Repurchase of own shares | – | – | – | -52 | -52 | – | -52 |
| **Total transactions with shareholders** | **7** | **1,169** | **–** | **-578** | **598** | **–** | **598** |
| **CLOSING BALANCE, Dec 31, 2024** | **55** | **11,061** | **87** | **-7,938** | **3,265** | **107** | **3,372** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
• FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# INCOME STATEMENT

## PARENT COMPANY

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Net sales** | | **88** | **96** |
| | | | |
| **Operating costs** | | | |
| Other external costs | 04 | -1 | -2 |
| Employee benefits expenses | 05 | -95 | -100 |
| **Total operating costs** | | **-96** | **-102** |
| | | | |
| **Operating profit/loss** | | **-8** | **-6** |
| | | | |
| **Financial items** | | | |
| Financial income | 08 | 307 | 228 |
| Financial expenses | 09 | -215 | -226 |
| **Net financial items** | | **92** | **2** |
| | | | |
| Appropriations | | -44 | 12 |
| | | | |
| **Profit/loss before tax** | | **40** | **8** |
| | | | |
| Taxes | 10 | 0 | 0 |
| | | | |
| **PROFIT/LOSS FOR THE YEAR** | | **40** | **8** |

# STATEMENT OF COMPREHENSIVE INCOME

## PARENT COMPANY

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Profit/loss for the year** | | **40** | **8** |
| | | | |
| **Other comprehensive income** | | | |
| Items that may be reclassified to profit or loss | | – | – |
| Items that may not be reclassified to profit or loss | | – | – |
| **Total other comprehensive income, net of tax** | | **0** | **0** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **40** | **8** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
• FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# BALANCE SHEET

## PARENT COMPANY

| SEK million | Notes | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial assets** | | | |
| Participations in Group companies | 27 | 8,415 | 8,415 |
| Receivables from Group companies | | 1,019 | 1,986 |
| Other receivables | | 16 | 14 |
| **Total non-current assets** | | **9,450** | **10,415** |
| | | | |
| **Current assets** | | | |
| **Current receivables** | | | |
| Receivables from Group companies | 30 | 2,933 | 2,687 |
| Current receivables | | 2 | 3 |
| Cash and cash equivalents | 18 | 905 | 708 |
| **Total current assets** | | **3,840** | **3,398** |
| | | | |
| **TOTAL ASSETS** | | **13,290** | **13,813** |

| SEK million | Notes | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 19 | 55 | 55 |
| **Total restricted equity** | | **55** | **55** |
| | | | |
| Non-restricted reserves | | 7,838 | 8,623 |
| Profit/loss for the year | | 40 | 8 |
| **Total non-restricted equity** | | **7,878** | **8,631** |
| **Total equity** | | **7,933** | **8,686** |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Other non-current liabilities | | 1,001 | 1,025 |
| **Total non-current liabilities** | | **1,001** | **1,025** |
| | | | |
| **Current liabilities** | | | |
| Liabilities to Group companies | | 4,244 | 4,002 |
| Other current liabilities | | 44 | 46 |
| Accrued expenses and prepaid income | 24 | 68 | 54 |
| **Total current liabilities** | | **4,356** | **4,102** |
| | | | |
| **Total liabilities** | | **5,357** | **5,127** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **13,290** | **13,813** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
• FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# CASH FLOW STATEMENT

## PARENT COMPANY

| SEK million | Notes | 2025 | 2024 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/loss | | -8 | -6 |
| Adjustments for items not included in cash flow, etc. | 25 | 0 | 18 |
| **Cash flow before changes in working capital** | | **-8** | **12** |
| **Changes in working capital** | | | |
| Other current receivables | | 4 | -8 |
| Other current liabilities | | -19 | -35 |
| **Cash flow from operating activities** | | **-23** | **-31** |
| **Financing activities** | | | |
| Paid interest items | | -90 | -37 |
| Received interest items | | 19 | 14 |
| Financing costs | | 0 | -15 |
| Dividend, share swap agreement | | -33 | -7 |
| Repurchase of own shares | | -248 | -52 |
| Net borrowing/amortization | 20 | 0 | -27 |
| Loans to/from subsidiaries | | 1,067 | 1,407 |
| Dividends | | -557 | -544 |
| **Cash flow from financing activities** | | **158** | **739** |
| **CASH FLOW FOR THE YEAR** | | **135** | **708** |
| Cash and cash equivalents at the beginning of the year | | 708 | 0 |
| Translation differences in cash and cash equivalents | | 62 | 0 |
| Cash flow for the year | | 135 | 708 |
| **Cash and cash equivalents at end of year** | | **905** | **708** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
• FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# CHANGES IN EQUITY

## PARENT COMPANY

| | Restricted equity | Non-restricted equity | | |
|---|---|---|---|---|
| SEK million | Share capital | Share premium reserve | Retained earnings | Total equity |
| **OPENING BALANCE, Jan 1, 2025** | **55** | **4,730** | **3,900** | **8,686** |
| **Profit/loss for the year** | **–** | **–** | **40** | **40** |
| **Other comprehensive income** | **–** | **–** | **–** | **–** |
| **Total comprehensive income for the year** | **0** | **0** | **40** | **40** |
| **Transactions with shareholders** | | | | |
| Shareholders' contribution received | – | – | 2 | 2 |
| Dividends | – | – | -559 | -559 |
| Repurchase of own shares | – | – | -248 | -248 |
| Share-based payments | – | – | 19 | 19 |
| Share swap agreement to repurchase own shares | – | -7 | – | -7 |
| **Total transactions with shareholders** | **0** | **-7** | **-786** | **-793** |
| **CLOSING BALANCE, Dec 31, 2025** | **55** | **4,723** | **3,154** | **7,933** |
| | | | | |
| **OPENING BALANCE, Jan 1, 2024** | 48 | 3,561 | 4,468 | 8,079 |
| **Profit/loss for the year** | **–** | **–** | **8** | **8** |
| **Other comprehensive income** | **–** | **–** | **–** | **–** |
| **Total comprehensive income for the year** | **0** | **0** | **8** | **8** |
| **Transactions with shareholders** | | | | |
| Dividends | – | – | -544 | -544 |
| Repurchase of own shares | – | – | -52 | -52 |
| Conversion of convertible loan | 7 | 1,169 | – | 1,176 |
| Share-based payments | – | 0 | 18 | 18 |
| **Total transactions with shareholders** | **7** | **1,169** | **-578** | **598** |
| **CLOSING BALANCE, Dec 31, 2024** | **55** | **4,730** | **3,900** | **8,686** |

# CONTENTS NOTES


| | | |
|---|---|---|
| **NOTE 01** | ACCOUNTING PRINCIPLES | 125 |
| **NOTE 02** | NET SALES BY TYPE OF AGREEMENT | 126 |
| **NOTE 03** | SEGMENT REPORTING | 126 |
| **NOTE 04** | AUDIT FEES | 127 |
| **NOTE 05** | EMPLOYEES, EMPLOYEE BENEFITS EXPENSES AND COMPENSATION TO THE BOARD OF DIRECTORS | 128 |
| **NOTE 06** | RENTAL COSTS | 130 |
| **NOTE 07** | ITEMS AFFECTING COMPARABILITY | 130 |
| **NOTE 08** | FINANCIAL INCOME | 130 |
| **NOTE 09** | FINANCIAL EXPENSES | 130 |
| **NOTE 10** | INCOME TAX | 130 |
| **NOTE 11** | EARNINGS PER SHARE | 131 |
| **NOTE 12** | INTANGIBLE ASSETS | 131 |
| **NOTE 13** | PROPERTY, PLANT AND EQUIPMENT | 132 |
| **NOTE 14** | INTERESTS IN ASSOCIATES | 133 |
| **NOTE 15** | INVENTORIES | 133 |
| **NOTE 16** | TRADE RECEIVABLES | 133 |
| **NOTE 17** | PREPAID EXPENSES AND ACCRUED INCOME | 134 |
| **NOTE 18** | CASH AND CASH EQUIVALENTS | 134 |
| **NOTE 19** | SHARE CAPITAL | 134 |
| **NOTE 20A** | BORROWINGS | 134 |
| **NOTE 20B** | FINANCIAL RISK MANAGEMENT | 135 |
| **NOTE 20C** | CAPITAL RISK MANAGEMENT | 136 |
| **NOTE 21** | PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS | 136 |
| **NOTE 22** | OTHER PROVISIONS | 137 |
| **NOTE 23** | DEFERRED TAX ASSETS AND LIABILITIES | 138 |
| **NOTE 24** | ACCRUED EXPENSES AND PREPAID INCOME | 139 |
| **NOTE 25** | ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW | 139 |
| **NOTE 26** | CASH FLOW STATEMENT | 140 |
| **NOTE 27** | PARTICIPATIONS IN GROUP COMPANIES | 140 |
| **NOTE 28** | PLEDGED ASSETS AND CONTINGENT LIABILITIES | 140 |
| **NOTE 29** | FINANCIAL ASSETS AND LIABILITIES | 141 |
| **NOTE 30** | TRANSACTIONS WITH RELATED PARTIES | 142 |
| **NOTE 31** | APPROPRIATION OF PROFITS AND DIVIDEND PER SHARE | 142 |
| **NOTE 32** | EVENTS AFTER THE REPORTING DATE | 142 |

# NOTES

Notes common to the Group and the Parent Company. Amounts in SEK million 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 prepared in accordance with the cost method except in respect to certain financial assets and liabilities that are measured at the fair value through profit or loss. Preparing 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.

Covenants that the Group must comply with at or before the end of the reporting period are taken into account when determining whether liabilities with covenants are classified as current or non-current. Covenants that the Group is required to comply with after the reporting date do not affect the classification at the balance sheet date.

### 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.
- Revenue 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 2025 | Jan–Dec 2024 |
|---|---|---|
| **SEK = EUR** | | |
| Income statement (average rate) | 11.0677 | 11.4322 |
| Balance sheet (at end of period) | 10.8180 | 11.4865 |
| **SEK = NOK** | | |
| Income statement (average rate) | 0.9445 | 0.9832 |
| Balance sheet (at end of period) | 0.9148 | 0.9697 |
| **SEK = DKK** | | |
| Income statement (average rate) | 1.4829 | 1.5327 |
| Balance sheet (at end of period) | 1.4484 | 1.5398 |

### 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 2025 are expected to have a material impact on the Group.

**New standards and interpretations yet to be applied by the Group**

The IASB has published amendments to standards that are effective on or after January 1, 2025. In April 2024, the IASB published IFRS 18 in response to investor concerns regarding comparability and transparency in companies' performance reporting. The new presentation requirements in IFRS 18 will enhance the comparability of financial performance between similar companies, particularly with respect to the definition of "operating profit". The new disclosure requirements relating to management-defined performance measures will also strengthen transparency. IFRS 18 becomes effective on 1 January 2027 and has not yet been applied by the Group. Scandic is currently assessing the effects of applying IFRS 18 for the Group. Scandic will publish its first interim report prepared in accordance with IFRS 18 for the period ending 31 March 2027. Scandic already bases the cash flow statement on operating profit and also presents a subtotal for operating profit in the income statement. Scandic also presents interest received and interest paid within financing activities in the cash flow statement, meaning that these requirements will not affect the company's financial presentation. The Group is conducting a detailed analysis to determine the appropriate classification of items to ensure that the subtotal meets the requirements of IFRS 18. Furthermore, the current presentation of net financial items will be removed, and a new subtotal will be introduced showing profit before financing and income taxes. In addition, the new aggregation and disaggregation requirements may lead to changes to ensure that the statements and notes provide a useful and structured summary. The Group is also analyzing which performance measures currently reported outside the financial statements may fall within the definition of management-defined performance measures.

Other than IFRS 18, the IASB amendments have not had any material impact on the financial statements.

**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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## NOTE 02 NET SALES BY TYPE OF AGREEMENT

| 2025, SEK million | Sweden | Norway | Finland | Other Europe | Central functions | Group |
|---|---|---|---|---|---|---|
| Lease agreements | 6,950 | 6,344 | 4,552 | 4,343 | – | 22,189 |
| Management agreements | 5 | – | – | 39 | – | 44 |
| Franchise and partner agreements | 9 | 16 | – | – | – | 25 |
| Owned | – | 26 | – | – | – | 26 |
| **Total** | **6,964** | **6,387** | **4,552** | **4,381** | **–** | **22,284** |
| Other | – | – | – | – | 93 | 93 |
| Group eliminations | – | – | – | – | -88 | -88 |
| **Group** | **6,964** | **6,387** | **4,552** | **4,381** | **5** | **22,289** |

| 2024, SEK million | Sweden | Norway | Finland | Other Europe | Central functions | Group |
|---|---|---|---|---|---|---|
| Lease agreements | 6,582 | 6,072 | 4,884 | 4,336 | – | 21,874 |
| Management agreements | 10 | – | – | 3 | – | 13 |
| Franchise and partner agreements | 16 | 16 | – | – | – | 32 |
| Owned | – | 40 | – | – | – | 40 |
| **Total** | **6,608** | **6,128** | **4,884** | **4,339** | **–** | **21,959** |
| Other | – | – | – | – | 96 | 96 |
| Group eliminations | – | – | – | – | -96 | -96 |
| **Group** | **6,608** | **6,128** | **4,884** | **4,339** | **–** | **21,959** |

### § Accounting principles

**Revenue recognition**

The Group's revenues consist of the value of goods and services generated at hotels under lease agreements, management and franchise fees, revenue from owned hotel properties, as well as other income generated within the Group's operations. All of the Group's revenues are recognised in accordance with IFRS 15. Revenue is recognised at the amount of consideration the Group expects to receive in exchange for transferring goods or services to customers, net of discounts and sales-related taxes. Under IFRS 15, the transaction price determines the amount of revenue. Determining the transaction price includes assessing and measuring discounts, excluding taxes, and considering whether a significant financing component exists. The transaction price and its allocation to the various performance obligations are based on the agreements made with the customer. 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** – Revenue from hotel operations, including all revenue from overnight stays, 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 completed purchases. 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. This also includes the operational management of Dalata Hotel Group plc's hotel operations, which are conducted through a management agreement.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, investor relations, communication, technical development, human resources, branding, marketing, sales, IT and purchasing. These functions support all hotels in the Group including those under lease agreements or under management and franchise agreements.

The division of revenue between segments is based on the location of the business activities and segment disclosures are determined after eliminating intra-Group transactions.

Revenue derives 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**

| 2025, SEK million | Sweden | Norway | Finland | Other Europe | Central functions | Group |
|---|---|---|---|---|---|---|
| Accommodation revenue | 5,132 | 4,350 | 3,135 | 3,047 | – | 15,664 |
| Restaurant and conference revenue | 1,717 | 1831 | 1,271 | 1,211 | | 6,030 |
| Franchise and management fees | 13 | 16 | – | 39 | – | 68 |
| Other hotel-related revenue | 101 | 189 | 147 | 84 | 5 | 527 |
| **Total** | **6,964** | **6,387** | **4,552** | **4,381** | **5** | **22,289** |
| **Segment disclosures** | | | | | | |
| **Net sales** | **6,964** | **6,387** | **4,552** | **4,381** | **5** | **22,289** |
| Intra-Group transactions | – | – | – | – | 88 | 88 |
| Group eliminations | – | – | – | – | -88 | -88 |
| **Total operating income** | **6,964** | **6,387** | **4,552** | **4,381** | **5** | **22,289** |
| Raw materials and consumables | -459 | -544 | -371 | -263 | – | -1,637 |
| Other external costs | -1,324 | -1,170 | -1,003 | -846 | -271 | -4,614 |
| Employee benefits expenses | -2,094 | -1,925 | -1,230 | -1,427 | -349 | -7,025 |
| Rental costs | -2,065 | -1,746 | -1,500 | -1,277 | 4,358 | -2,230 |
| Pre-opening costs | -11 | -29 | -9 | -26 | – | -75 |
| Items affecting comparability | -6 | – | -11 | -8 | -27 | -51 |
| Amortization, depreciation and impairment | -290 | -170 | -190 | -125 | -3,221 | -3,996 |
| **Costs** | **-6,250** | **-5,583** | **-4,313** | **-3,971** | **489** | **-19,627** |
| **Operating profit/loss** | **714** | **803** | **239** | **411** | **494** | **2,661** |
| Net financial items | -275 | -214 | -206 | -202 | -956 | -1,852 |
| **Appropriations** | **-334** | **0** | **168** | **0** | **167** | **0** |
| **Profit/loss before tax** | **105** | **590** | **201** | **209** | **-295** | **809** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 03, cont.

| 2024, SEK million | Sweden | Norway | Finland | Other Europe | Central functions | Group |
|---|---|---|---|---|---|---|
| Accommodation revenue | 4,862 | 4,079 | 3,331 | 2,962 | – | 15,234 |
| Restaurant and conference revenue | 1,642 | 1,864 | 1,395 | 1,242 | – | 6,143 |
| Franchise and management fees | 13 | 16 | – | 3 | – | 32 |
| Other hotel-related revenue | 91 | 169 | 158 | 132 | – | 550 |
| **Total** | **6,608** | **6,128** | **4,884** | **4,339** | **–** | **21,959** |
| **Segment disclosures** | | | | | | |
| **Net sales** | **6,608** | **6,128** | **4,884** | **4,339** | **–** | **21,959** |
| Other revenue | | | | | | 0 |
| Intra-Group transactions | – | – | – | – | 96 | 96 |
| Group eliminations | – | – | – | – | -96 | -96 |
| **Total operating income** | **6,608** | **6,128** | **4,884** | **4,339** | **0** | **21,959** |
| Raw materials and consumables | -428 | -543 | -397 | -266 | – | -1,634 |
| Other external costs | -1,546 | -1,382 | -1,240 | -1,069 | 783 | -4,454 |
| Employee benefits expenses | -2,029 | -1,895 | -1,307 | -1,407 | -310 | -6,948 |
| Rental costs | -1,953 | -1,681 | -1,567 | -1,227 | 4,271 | -2,157 |
| Pre-opening costs | -17 | – | -3 | -8 | – | -28 |
| Items affecting comparability | – | – | -18 | – | – | -18 |
| Amortization, depreciation and impairment | -281 | -207 | -214 | -124 | -3,058 | -3,884 |
| **Costs** | **-6,254** | **-5,708** | **-4,746** | **-4,101** | **1,686** | **-19,123** |
| **Operating profit/loss** | **354** | **420** | **138** | **238** | **1,686** | **2,836** |
| Net financial items | 39 | 54 | -61 | -9 | -1,998 | -1,975 |
| Appropriations | -106 | – | 6 | – | 100 | – |
| **Profit/loss before tax** | **287** | **474** | **83** | **229** | **-212** | **861** |

| Assets and investments by segment SEK million | Sweden 2025 | Sweden 2024 | Norway 2025 | Norway 2024 | Finland 2025 | Finland 2024 | Other Europe 2025 | Other Europe 2024 | Central functions 2025 | Central functions 2024 | Group 2025 | Group 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Non-current assets | 12,673 | 12,470 | 6,756 | 7,145 | 18,266 | 19,143 | 9,335 | 9,971 | 3,444 | 3,043 | 50,475 | 51,772 |
| Investments in non-current assets excl. IFRS 16 | 389 | 376 | 199 | 218 | 293 | 136 | 157 | 200 | 93 | 106 | 1,131 | 1,036 |
| Investments in non-current assets incl. IFRS 16 | 622 | 606 | 528 | 228 | 594 | 138 | 633 | 728 | 138 | 107 | 2,515 | 1,807 |

For definitions of key ratios, see page 158.

## § 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, SEK million | Revenue from external customers 2025 | Revenue from external customers 2024 | Non-current assets[1] Dec 31, 2025 | Non-current assets[1] Dec 31, 2024 |
|---|---|---|---|---|
| Sweden | 6,964 | 6,608 | 12,860 | 12,708 |
| Denmark | 3,017 | 2,978 | 5,304 | 5,785 |
| Finland | 4,552 | 4,884 | 17,950 | 18,504 |
| Norway | 6,387 | 6,128 | 6,806 | 7,190 |
| Poland | 113 | 105 | 4 | 4 |
| Germany | 1,212 | 1,256 | 3,821 | 3,835 |
| Dalata[2] | 39 | – | – | – |
| Group assets | 5 | – | 3,041 | 2,994 |
| **Total for the Group** | **22,289** | **21,959** | **49,786** | **51,020** |

1) This refers to non-current assets excluding financial instruments and deferred tax assets, allocated based on the asset's physical location.
2) Dalata in this table refers to the revenue from the management agreement for the operational management of Dalata Hotel Groups plc:s hotel operations. The revenue is recognized in Scandic Hotels Holding AB.

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

| SEK million | Group 2025 | Group 2024 | Parent Company 2025 | Parent Company 2024 |
|---|---|---|---|---|
| **Audit assignment** | | | | |
| PwC | 7 | 7 | – | – |
| Other | – | – | – | – |
| **Other statutory assignments** | | | | |
| PwC | 1 | 0 | – | – |
| Other | – | – | – | – |
| **Tax advice** | | | | |
| PwC | – | – | – | – |
| Other | 0 | 0 | – | – |
| **Fees for other services** | | | | |
| PwC | 1 | 4 | – | – |
| Other | – | – | – | – |
| **Total** | **9** | **11** | **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, SEK 2,8 million refers to PwC Sweden. For other statutory assignments, SEK 1,0 million refers to PwC Sweden. For tax advice, SEK 0 million refers to PwC Sweden. For other services, SEK 0,4 million refers to PwC Sweden.

Other services mainly refer to services related to certificates for sales-based variable rent. Tax advice refers mainly to compliance services.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
• NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# NOTE 05 EMPLOYEES, EMPLOYEE BENEFITS EXPENSES AND COMPENSATION TO THE BOARD OF DIRECTORS

| Employee benefits expenses SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Salaries and other compensation | 5,624 | 5,547 | 62 | 58 |
| Payroll overhead excluding pension costs | 820 | 794 | 18 | 14 |
| Pension costs | 487 | 492 | 9 | 9 |
| **Total employee benefits expenses** | **6,931** | **6,832** | **89** | **81** |

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 | 2025 | | | |
|---|---|---|---|---|
| | Board fees | Fees for committee work | Fringe benefits | Total |
| Per G. Braathen, Chairman of the Board | 930,000 | 209,667 | – | 1,139,667 |
| Fredrik Wirdenius | 403,333 | 80,000 | – | 483,333 |
| Kristina Patek | 403,333 | 124,000 | – | 527,333 |
| Gunilla Rudebjer | 403,333 | 231,000 | – | 634,333 |
| Frank Veenstra | 403,333 | 129,000 | – | 532,333 |
| Michael Levie[1] | 130,000 | 19,667 | – | 149,667 |
| Lars-Åke Bokenberger[2] | 273,333 | 41,333 | | 314,667 |
| Gisela Kilder, employee representative | 40,000 | – | – | 40,000 |
| **Total compensation** | **2,986,667** | **834,667** | **0** | **3,821,333** |

1) Michael Levie resigned from the Board of Directors at the AGM on May 6, 2025.
2) Lars-Åke Bokenberger was elected to the Board at the AGM on May 6, 2025.

| Compensation to the Board of Directors, SEK | 2024 | | | |
|---|---|---|---|---|
| | Board fees | Fees for committee work | Other benefits | Total |
| Per G. Braathen, Chairman of the Board | 891,667 | 163,333 | – | 1,055,000 |
| Grant Hearn[1] | 125,000 | 55,000 | – | 180,000 |
| Fredrik Wirdenius | 385,000 | 96,333 | – | 481,333 |
| Martin Svalstedt[2] | 125,000 | 38,000 | – | 163,000 |
| Kristina Patek | 385,000 | 99,333 | – | 484,333 |
| Gunilla Rudebjer | 385,000 | 199,333 | – | 584,333 |
| Frank Veenstra[3] | 260,000 | 82,000 | – | 342,000 |
| Michael Levie[4] | 260,000 | 39,333 | – | 299,333 |
| Marianne Sundelius, employee representative | 40,000 | – | – | 40,000 |
| **Total compensation** | **2,856,667** | **772,667** | **–** | **3,629,333** |

1) Grant Hearn resigned from the Board of Directors at the AGM on May 16, 2024.
2) Martin Svalstedt resigned from the Board of Directors at the AGM on May 16, 2024.
3) Frank Veenstra was elected to the Board at the AGM on May 16, 2024.
4) Michael Levie was elected to the Board of Directors at the AGM on May 16, 2024.

| Compensation to senior executives, SEK | 2025 | | | | |
|---|---|---|---|---|---|
| | Basic salary[1] | Variable compensation[2] | Fringe benefits[3] | Pension expense[4] | Total |
| Jens Mathiesen, President & CEO | 10,801,748 | 20,183,231 | 308,003 | 3,127,495 | 34,420,477 |
| Other senior executives (8 people) | 22,372,421 | 16,403,491 | 1,003,582 | 4,608,544 | 44,418,038 |
| | **33,174,169** | **36,586,722** | **1, 341,585** | **7,736,039** | **78,838,515** |

1) The amount includes, for 2025, holiday pay of SEK 1,562,960 for the CEO and SEK 1,588,003 for other senior executives.
2) This includes STI 2025 (paid out in 2026) as well as extraordinary and retention bonuses paid in 2025 and stock benefit paid in 2025 regarding LTIP 2022.
3) Other benefits include housing, health, and meal benefits as well as car benefit/car allowance.
4) This includes premiums paid into pensions during the year.

The recorded value of rights allocated in ongoing Long Term Incentive Programs, LTIP 2023, LTIP 2024, and LTIP 2025 amounts to SEK 3,983,982 for the CEO and SEK 6,047,829 for other senior executives.

| Compensation to senior executives, SEK | 2024 | | | | |
|---|---|---|---|---|---|
| | Basic salary | Variable compensation[1] | Fringe benefits[2] | Pension expense | Total |
| Jens Mathiesen, President & CEO | 8,969,700 | 15,429,041 | 2,074,749 | 3,141,600 | 29,615,090 |
| Other senior executives (9 people) | 21,924,910 | 17,437,608 | 6,957,849 | 4,749,993 | 51,070,360 |
| **Total compensation and benefits** | **30,894,610** | **32,866,649** | **9,032,598** | **7,891,593** | **80,685,450** |

1) Variable compensation includes share-based payments of SEK 3,543,670 to the CEO and SEK 5,837,486 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 eight 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 pages 103–109.

### 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 is SEK 1.5 million (1.4).

### Long-Term Incentive Program

Since the IPO in 2015, the Annual General Meeting resolved each year up to and including 2019 to launch a share-based long-term incentive program (LTIP). No LTIP was launched in 2020 or 2021.

In 2022–2025, new programs were introduced — LTIP 2022, LTIP 2023, LTIP 2024 and LTIP 2025 — which allow participants to receive a number of performance shares free of charge, depending on the degree of fulfilment of a performance condition set by the Board of Directors related to the total shareholder return (TSR) on the Company's shares. The performance shares will be allocated after the end of a vesting period, which runs until and including the day of the publication of Scandic's interim report for the first quarter of 2025, the first quarter of 2026, the first quarter of 2027, and the first quarter of 2028, provided that the participants have been permanently employed within the group throughout the vesting period. The vesting period for LTIP 2022 expired during the spring of 2025, and performance shares were allocated.

The expected financial exposure to shares, which may be allocated under LTIP 2023, LTIP 2024, and LTIP 2025, and the delivery of shares to the participants, can, when deemed effective, be hedged by Scandic entering into a share swap agreement with a third party on market terms. Regarding LTIP 2023, LTIP 2024, and LTIP 2025, Scandic may also acquire its own shares, which can be transferred to the participants in the program upon allocation under the program.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 05, cont.

**Summary of granted rights in the LTIP**

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| As of January 1 | 2,174,408 | 1,641,883 | 753,755 | 180,601 |
| Awarded during the year | 420,309 | 600,888 | 949,089 | 753,755 |
| Exercised during the year | -673,872 | – | – | -180,601 |
| Forfeited during the year | -13,175 | -68,363 | -60,961 | 0 |
| Total as at December 31 | 1,907,670 | 2,174,408 | 1,641,883 | 753,755 |
| – of which exercisable on December 31 | – | – | – | – |

The strike price is SEK 0.

| | | Number of rights | | | |
|---|---|---|---|---|---|
| Award date | Expiry date | Dec 31, 2025 | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2022 |
| Jun 20, 2022 | Apr 24, 2025 | – | 673,872 | 692,794 | 753,755 |
| Jun 27, 2023 | Apr 24, 2026 | 893,433 | 899,648 | 949,089 | – |
| Jun 11, 2024 | Apr 25, 2027 | 593,928 | 600,888 | – | – |
| Jun 16, 2025 | Apr 15, 2028 | 420,309 | – | – | – |
| **Total** | | **1,907,670** | **2,174,408** | **1,641,883** | **753,755** |

**Fair value calculations**

The fair value has been calculated using the Monte Carlo model. The following input factors were used:

| | LTIP 2025 | LTIP 2024 | LTIP 2023 |
|---|---|---|---|
| Share price on the award date, SEK | 74.85 | 62.35 | 42.00 |
| Duration, years | 2.83 | 2.87 | 2.91 |
| Risk-free interest, % | 1.9 | not applicable | not applicable |
| Expected volatility, % | 32.3 | not applicable | not applicable |
| Fair value, SEK, on the reporting date, Dec 31, 2025 | 23 | 29 | 24 |
| Fair value, SEK, on the reporting date, Dec 31, 2024 | – | 26 | 21 |
| Fair value, SEK, on the reporting date, Dec 31, 2023 | – | – | 18 |
| Fair value, SEK, on the reporting date, Dec 31, 2022 | – | – | – |

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. Expected dividends are not included in the model since participants are compensated in the form of additional shares.

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

| | LTIP 2025 | | LTIP 2024 | | LTIP 2023 | |
|---|---|---|---|---|---|---|
| SEK million | Group | Parent Company | Group | Parent Company | Group | Parent Company |
| Expected cost of entire program | 17 | 6 | 29 | 10 | 39 | 13 |
| Maximum cost of entire program | 35 | 13 | 43 | 16 | 41 | 14 |
| Cost in 2025 | 3 | 1 | 11 | 4 | 16 | 5 |
| Cost in 2024 | – | – | 4 | 1 | 11 | 4 |
| Cost in 2023 | – | – | – | – | 4 | 1 |
| Cost in 2022 | – | – | – | – | – | – |

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 2023, LTIP 2024 and LTIP 2025, 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").

Additionally, participants may be allotted a maximum of 893,433 shares, including dividend compensation, for the LTIP 2023, which corresponds to approximately 0.4 percent of Scandic's share capital and votes as at December 31, 2025.

The cost of the program is expected to amount to SEK 39 million, including social security contributions, and the cost included in the Group's income statement in accordance with IFRS 2 was SEK 16 million for the full year 2025, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be SEK 41 million.

Additionally, participants may be allotted a maximum of 593,928 shares, including dividend compensation, for the LTIP 2024, which corresponds to approximately 0.3 percent of Scandic's share capital and votes as at December 31, 2025.

The cost of the program is expected to amount to SEK 29 million, including social security contributions, and the cost included in the Group's income statement in accordance with IFRS 2 was SEK 11 million for the full year 2025, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be SEK 43 million.

Participants may be allotted a maximum of 420,309 shares, including dividend compensation, for the LTIP 2025, which corresponds to approximately 0.2 percent of Scandic's share capital and votes as at December 31, 2025.

The cost of the program is expected to amount to SEK 17 million, including social security contributions, and the cost included in the Group's income statement in accordance with IFRS 2 was SEK 3 million for the full year 2025, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be SEK 35 million.

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Average number of employees per country | Average number of employees | of whom men | Average number of employees | of whom men |
| **Parent Company** | | | | |
| Sweden | 18 | 8 | 16 | 7 |
| **Subsidiaries** | | | | |
| Sweden | 3,985 | 1,327 | 3,988 | 1,328 |
| Denmark | 1,420 | 579 | 1,412 | 576 |
| Finland | 1,406 | 477 | 1,506 | 511 |
| Norway | 2,944 | 1,175 | 2,810 | 1,121 |
| Poland | 74 | 34 | 76 | 35 |
| Germany | 332 | 146 | 289 | 132 |
| **Total for the Group** | **10,178** | **3,746** | **10,097** | **3,710** |

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Gender division of the Board and Executive Committee on the reporting date | Total | of whom men | Total | of whom men |
| Board of Directors | 7 | 4 | 7 | 4 |
| Executive Committee | 8 | 6 | 9 | 7 |
| **Total for the Group** | **15** | **10** | **16** | **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 settlement is carried out in shares 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 vesting period. 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 over the period between the time the employee begins 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 05, cont.

### 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 employee benefits expenses 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, SEK million | Group | |
|---|---|---|
| | 2025 | 2024 |
| Fixed and guaranteed rental costs | -209 | -229 |
| Variable rental costs | -2,021 | -1,928 |
| **Total rental costs** | **-2,230** | **-2,157** |

Fixed and guaranteed rental costs refer to expenses attributable to lease agreements of low value, not exceeding SEK 50,000, as well as expenses arising from lease agreements with a contractual term of less than 12 months.

## NOTE 07 ITEMS AFFECTING COMPARABILITY

| Items affecting comparability, SEK million | Group | |
|---|---|---|
| | 2025 | 2024 |
| Transaction costs, Dalata | -25 | – |
| Other items affecting comparability | -26 | -18 |
| **Total** | **-51** | **-18** |

### § 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 FINANCIAL INCOME

| Division by type of revenue, SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Interest income | 23 | 46 | 19 | 14 |
| Interest income from Group companies | – | – | 240 | 214 |
| Exchange rate gains, net | – | – | 48 | – |
| Profit/loss from associates | 2 | 4 | – | – |
| **Total** | **25** | **50** | **307** | **228** |

### § Accounting principles

**Financial income and expenses**

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 FINANCIAL EXPENSES

| Distribution by type of cost, SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 204 |
| Interest expenses, credit institutions | -44 | -58 | -52 | -29 |
| Interest expenses, convertibles | – | -70 | – | -70 |
| Interest expenses, pension plan | -21 | -20 | – | – |
| Interest expenses from Group companies | – | – | -92 | -99 |
| Other interest expenses | -29 | -83 | -29 | -14 |
| Interest expenses, leases | -1,739 | -1,771 | – | – |
| Exchange rate losses, net | -2 | -9 | – | -9 |
| Share of transaction costs expensed during the year[1] | -10 | -10 | -10 | -4 |
| Other financial expenses | -32 | -4 | -33 | -1 |
| **Total** | **-1,877** | **-2,025** | **-215** | **-226** |

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

### § Accounting principles

**Financial income and expenses**

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

| SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| **Taxes in Income statement** | | | | |
| Current tax expense | -159 | -173 | 0 | 0 |
| Deferred tax | -26 | -34 | 0 | 0 |
| **Total** | **-185** | **-209** | **0** | **0** |
| **Reconciliation of effective tax, SEK million** | | | | |
| Reported profit before tax | 809 | 861 | 40 | 8 |
| Tax in accordance with current rate | -167 | -177 | -8 | -2 |
| Adjustment of tax expense from previous year | 2 | 7 | – | -1 |
| Tax effect of non-taxable income | 7 | 3 | 9 | 3 |
| Tax effect of non-deductible expenses | -9 | -23 | -1 | – |
| Tax losses without corresponding recognition of deferred tax | -1 | – | – | – |
| Utilisation of previously unrecognised tax losses | 7 | 2 | – | – |
| Other adjustments | -24 | -21 | – | – |
| **Total** | **-185** | **-209** | **0** | **0** |

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 -11 (-6) million SEK and hedge accounting of -6 million SEK (-5).

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
• NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## NOTE 11 EARNINGS PER SHARE

| Before dilution<br>Group | 2025 | 2024 |
|---|---|---|
| Profit/loss for the year attributable to Parent Company shareholders, SEK million | 625 | 643 |
| Average number of shares outstanding, before dilution | 215,487,109 | 203,614,417 |
| Earnings per share, before dilution, SEK | 2.90 | 3.43 |

| After dilution<br>Group | 2025 | 2024 |
|---|---|---|
| Profit/loss for the year attributable to Parent Company shareholders, SEK million | 625 | 643 |
| Average number of shares outstanding, before dilution | 215,487,109 | 203,614,417 |
| Average number of shares outstanding, after dilution | 215,487,109 | 219,106,689 |
| Earnings per share, after dilution, SEK | 2.90 | 3.19 |

The calculation of earnings per share before dilution is based on 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

| | Dec 31, 2025 | | | | Dec 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| Group, SEK million | Goodwill | Trademarks | Other intangible assets | Total intangible assets | Goodwill | Trademarks | Other intangible assets | Total intangible assets |
| **Intangible assets** | | | | | | | | |
| Opening balance | 4,111 | 2,810 | 179 | 7,100 | 4,083 | 2,818 | 109 | 7,010 |
| New acquisitions | – | – | 115 | 115 | – | – | 114 | 114 |
| Retirements/disposals | – | – | – | – | – | – | -4 | -4 |
| Amortization for the year | – | – | -68 | -68 | – | – | -42 | -42 |
| Exchange rate differences | -292 | -28 | -2 | -322 | 28 | -8 | 2 | 22 |
| **Closing balance** | **3,818** | **2,782** | **225** | **6,825** | **4,111** | **2,810** | **179** | **7,100** |

| Goodwill and trademarks | Dec 31, 2025 | | | Dec 31, 2024 | | |
|---|---|---|---|---|---|---|
| SEK million | Goodwill | Trademarks[1] | Total | Goodwill | Trademarks[1] | Total |
| Sweden | 725 | 2,782 | **3,507** | 725 | 2,810 | **3,535** |
| Norway | 580 | – | **580** | 717 | – | **717** |
| Finland | 2,509 | – | **2,509** | 2,665 | – | **2,665** |
| Other Europe | 4 | – | **4** | 4 | – | **4** |
| **Total goodwill and trademarks** | **3,818** | **2,782** | **6,600** | **4,111** | **2,810** | **6,921** |

1) The Scandic Hotels trademark, which has an indefinite useful life, had a residual value as of December 31, 2025 of SEK 2,782 million (2,810). 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 of cash-generating units is determined based on value-in-use calculations. These calculations are based on estimated future cash flows after tax based on a five-year period. The cash flow for 2026 is based on a budget adopted by the Board of Directors of the company and, from 2027 to 2030, on the company's long-term forecast.

From 2026 to 2030, Scandic's 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 2026 to 2030. When calculating value-in-use, a discount rate after tax and a sustained growth rate were used in accordance with the table below.

Scandic performs impairment testing of non-current assets annually, 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 is no need for an impairment (previous year: SEK 400 million). 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, % | 12.3 (13.1) | 12.6 (13.4) | 12.1 (12.8) | 13.8 (15.9) |
| Terminal growth rate, % | 2 (2) | 2 (2) | 2 (2) | 2 (2) |
| Average growth over the forecast period, % | 3 | 2 | 6 | 7 |

### § 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 12, cont.

**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 trademark, which was acquired in April 2014, and the Cumulus brand, which was acquired in December 2017, have a definite useful life of eight years. In 2018, the amortization period of the Cumulus trademark was reassessed and changed to four years, which means that the trademark, as well as for the Rica Hotel, was fully amortized as of December 31, 2025. 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 definite useful life of ten 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, and
- 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 the 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**

| | Dec 31, 2025 | | | Dec 31, 2024 | | |
|---|---|---|---|---|---|---|
| **Group, SEK million** | **Land and buildings[1]** | **Furniture, fittings and equipment** | **Total property, plant and equipment** | **Land and buildings[1]** | **Furniture, fittings and equipment** | **Total property, plant and equipment** |
| Opening balance | 71 | 4,142 | 4,213 | 75 | 3,958 | 4,033 |
| Acquisitions | – | 1,017 | 1,017 | – | 930 | 930 |
| Reclassifications | – | – | – | – | 1 | 1 |
| Retirements/disposals | – | -15 | -15 | – | -25 | -25 |
| Depreciation for the year | -2 | -751 | -753 | -2 | -763 | -765 |
| Impairment | – | 0 | 0 | – | 0 | 0 |
| Exchange rate differences | -4 | -156 | -160 | -2 | 41 | 39 |
| **Closing balance** | **65** | **4,237** | **4,301** | **71** | **4,142** | **4,213** |
| **Right-of-use assets** | | | | | | |
| Opening balance | 39,527 | 180 | 39,707 | 39,209 | 180 | 39,389 |
| Adjustment of new right-of-use assets | 3,747 | 78 | 3,825 | 2,645 | 28 | 2,673 |
| Depreciation for the year | -3,021 | -40 | -3,061 | -3,019 | -34 | -3,053 |
| Impairment for the year | -102 | – | -102 | – | – | – |
| Exchange rate differences | -1,700 | -9 | -1,709 | 692 | 6 | 698 |
| **Closing balance** | **38,451** | **208** | **38,659** | **39,527** | **180** | **39,707** |

1) Of land and buildings, SEK 33 million (33) of the reported residual value relates to the property in Gardermoen in Oslo, Norway.

| Amounts for leasing included in income statement, Group | 2025 | 2024 |
|---|---|---|
| Depreciation of right-of-use assets | -3,061 | -3,053 |
| Impairment of right-of-use assets | -102 | – |
| Interest expenses, lease liabilities | -1,740 | -1,771 |
| Expenses related to short-term leases | -23 | -14 |
| Expenses related to leases of low-value assets | -78 | -79 |
| Variable lease expenses not included in the lease liability | -2,021 | -1,928 |

For 2025, total cash outflow for lease agreements amounted to SEK 4,358 million (4,275).

### Accounting principles

**Property, plant and equipment**

Land and buildings comprise mainly hotel buildings. Land and buildings are reported at the Group's historical value 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 13, cont.

**Right-of-use assets**

The Group has applied 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 2025, these obligations amounted to approximately SEK 13.4 billion (1.9) 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. Sales-based rents are recognized as variable rental costs in profit or loss in the period in which the condition that triggers those payments occurs.

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 sales 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 sales-based fees and finally, those where the rent is fully sales-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 incremental borrowing 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.

Lease agreements of low-value assets (less than SEK 50,000) 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 2025, Scandic received no state aid in the form of rent concessions (SEK 0 million). In accordance with IAS 36, Scandic performed an impairment test of right-of-use assets recognized under IFRS 16 during 2025. The test was based on estimated future cash flows from the cash-generating units to which the assets belong. For certain units, the forecasted cash flows were lower than the carrying amount, which resulted in an impairment being recognized corresponding to the difference between the recoverable amount and the carrying amount. Total impairment of right-of-use assets in 2025 amounted to SEK 102 million and mainly relates to Finnish lease contracts.

### 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 carrying amount.

## NOTE 14 INTERESTS IN ASSOCIATES

| Group, SEK million | Share Dec 31, 2025 | Share Dec 31, 2024 | Carrying amount Dec 31, 2025 | Carrying amount Dec 31, 2024 |
|---|---|---|---|---|
| Gress-Gruppen AS | 33% | 33% | 9 | 10 |
| Aulangon Kylpylä Oy | 25% | 25% | 9 | 10 |
| Rukan Kokouskeskus Oy | 33% | 33% | 2 | 2 |
| **Total** | | | **20** | **22** |

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 combination 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 cooperate regarding spa and conference facilities at two hotels in Finland.

| Changes during the year, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Amortized cost, opening balance | 22 | 22 |
| Disposals | -1 | – |
| Exchange rate differences | -1 | 0 |
| **Amortized cost, closing balance** | **20** | **22** |

### § Accounting principles

**Investments in associates**

An associate is an entity that is neither a subsidiary nor a joint venture over which the Group has significant influence. Significant influence is the power to participate in the company's financial and operating strategy decisions; however, it 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 is the company's share in profit or loss (after tax) from these associates, and it is recognized directly in the income statement. Transactions and balances with associates were immaterial in 2025 and 2024.

## 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, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Total trade receivables | 481 | 544 |
| Less provisions for credit losses | -9 | -11 |
| **Trade receivables, carrying amount** | **472** | **533** |

| Change in provision for credit losses | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| January 1 | -11 | -13 |
| Provision for doubtful trade receivables | 0 | -4 |
| Receivables written off during the year as uncollectible | 1 | 2 |
| Reversed unutilized amount | 1 | 4 |
| **December 31** | **-9** | **-11** |

| Age analysis, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Current receivables | 348 | 364 |
| Receivables, 1–30 days past due | 102 | 102 |
| Receivables, 31–60 days past due | 11 | 32 |
| Receivables, 61–90 days past due | 6 | 13 |
| Receivables, 91–120 days past due | 7 | 33 |
| Receivables, more than 120 days past due | 7 | 0 |
| **Trade receivables, carrying amount** | **481** | **544** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 16, cont.

### § 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 carrying amount 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 carrying amount. Loan receivables and trade receivables are therefore recognized at cost less any credit loss provisions.

### ! 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 trade receivables.

## NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

| Distribution by type of cost, SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | Dec 31, 2025 | Dec 31, 2024 | Dec 31, 2025 | Dec 31, 2024 |
| Prepaid rent | 207 | 269 | – | – |
| Other prepaid expenses | 94 | 106 | – | – |
| Accrued income | 46 | 10 | – | – |
| **Total** | **347** | **385** | **0** | **0** |

## NOTE 18 CASH AND CASH EQUIVALENTS

| SEK million | Group | | Parent Company | |
|---|---|---|---|---|
| | Dec 31, 2025 | Dec 31, 2024 | Dec 31, 2025 | Dec 31, 2024 |
| Cash and bank balances | 950 | 846 | 905 | 708 |
| **Total cash and cash equivalents** | **950** | **846** | **905** | **708** |

### § 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 | Nominal value, SEK |
|---|---|---|---|---|
| **Closing balance, December 31, 2024** | 218,257,922 | 218,257,922 | 54,789,482 | 0.25 |
| **Closing balance, December 31, 2025** | 215,127,300 | 215,127,300 | 54,789,482 | 0.25 |

During December 2024, Scandic launched a share buyback program of a total of approximately SEK 300 million. The program ended on March 31, 2025, and a total of 4,030,622 shares were repurchased for approximately SEK 300 million. By year-end, all buybacks had been fully settled in cash.

## NOTE 20A BORROWINGS

| Changes during the year, SEK million | Liabilities to credit institutions | Lease liabilities | Total borrowings |
|---|---|---|---|
| **Opening balance, Jan 1, 2025** | **974** | **44,411** | **45,386** |
| Transaction costs expensed during the year[1] | 11 | – | 11 |
| Repayments | – | -4,359 | -4,359 |
| Capitalized interest expenses, IFRS16 | – | 1,747 | 1,747 |
| Indexation and updated terms, IFRS16 | – | 2,431 | 2,431 |
| New financial liabilities according to IFRS 16 | – | 1,397 | 1,397 |
| Exchange rate differences | – | -1,934 | -1,934 |
| **Closing balance, Dec 31, 2025** | **985** | **43,692** | **44,677** |

| Changes during the year, SEK million | Liabilities to credit institutions | Convertible loan | Deferred payments to tax agency | Lease liabilities | Total borrowings |
|---|---|---|---|---|---|
| **Opening balance, Jan 1, 2024** | **980** | **1,109** | **758** | **43,485** | **46,333** |
| Capitalization of transaction costs | -16 | – | – | – | -16 |
| Transaction costs expensed during the year[1] | 10 | – | – | – | 10 |
| Repayments | – | – | -758 | -4,275 | -5,033 |
| Conversions | – | -1,179 | – | – | -1,179 |
| Capitalized interest expenses | – | 70 | – | 1,773 | 1,843 |
| Indexation and updated terms, IFRS16 | – | – | – | 1,894 | 1,894 |
| New financial liabilities according to IFRS 16 | – | – | – | 761 | 761 |
| Exchange rate differences | – | – | – | 772 | 772 |
| **Closing balance, Dec 31, 2024** | **974** | **0** | **0** | **44,411** | **45,386** |

[1] Refers to the year's reversal of capitalized costs.

In October 2024, the loan terms were renegotiated. The Group's external bank financing consists of a facility of SEK 3,250 million that matures on June 30, 2028, with an option to extend for up to one year. The facility consists of a fixed loan of SEK 1,000 million and two unused credit facilities totaling SEK 2,250 million. The interest rate payable is STIBOR or corresponding plus a margin of 2.25 to 2.70 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, quarterly, must fall within certain limits: 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.

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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 20A, cont.

### § 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 and as leases in the balance sheet. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Since January 1, 2019, the Group has applied IFRS 16 to lease agreements, which means that the majority of all former operating leases are recognized as lease liabilities. The implicit interest rate of the lessee as at January 1, 2025 was used for the calculation. The Group's incremental borrowing rate applied to these lease liabilities as of January 1, 2025 was between 7.03 and 10.83 percent. See Note 1 for the Group's weighted average incremental borrowing rate for discounting as at January 1, 2025.

## 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 revenue 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 exchange rate risk against their functional currency, the Group companies shall hedge their exchange rate 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, 31 percent (30) were in SEK, 29 percent (28) were in NOK and 40 percent (42) 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 can be 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.

| | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| **Interest-bearing borrowings by currency** | | |
| SEK, % | 100 | 100 |
| EUR, % | 0 | 0 |
| NOK, % | 0 | 0 |

### Sensitivity analysis

The carrying amount 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 carrying amount of liabilities to credit institutions as well as net debt.

| Sensitivity analysis for currencies | Change, % | Effect on net debt, SEK million, 2025 | Effect on net debt, SEK million, 2025 |
|---|---|---|---|
| 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 revenue 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 policy states that at least 25 percent of the borrowing should be at a fixed interest rate, and that the interest rate sensitivity to a 1-percentage point change should not exceed a maximum of SEK 10 million. Any deviations from the policy must be approved by the Board of Directors. 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 or interest rate caps. To hedge Scandic's exposure to interest rate fluctuations, interest rate swap contracts amounting to SEK 500 million have been entered into, under which variable interest is received and fixed interest is paid. This corresponds to 50% of the outstanding debt. The average maturity of these interest rate swaps is 2.5 years.

| | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| **Interest-bearing borrowings by fixed and variable interest** | | |
| Fixed interest, % | 0 | 0 |
| Variable interest, % | 100 | 100 |

About 50 percent of external interest-bearing borrowings with variable interest have been hedged with interest rate swaps.

| Sensitivity analysis for interest-rate hedges | Change, % | Effect on profit or loss, SEK million, 2025 | Effect on profit or loss, SEK million, 2024 |
|---|---|---|---|
| Interest expenses at the current fixed interest rate in the event of change in interest rates | +/– 1 | +/– 10 | +/– 10 |
| Interest expenses in the event of a change in the average interest rate level | +/– 1 | +/– 5 | +/– 4 |

### Credit risk

Credit risk refers to the risk that Scandic's counterparties cannot fulfill their obligations. Credit risk arises from cash and cash equivalents, derivative instruments and balances 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.

When invoicing Scandic's corporate customers, a risk assessment of the customer's creditworthiness is performed, taking into account their financial position, previous experience, and other relevant factors. The use of credit limits is monitored on a regular basis. Sales in Scandic's operations are settled in cash, by credit card or by invoicing. Provisions for bad debt losses as at December 31, 2025 amounted to SEK 9 million (11), see also Note 16.

**Maturity analysis for financial liabilities**

| Group, SEK million | <1 year | 1–3 years | 3–5 years | >5 years |
|---|---|---|---|---|
| **As at December 31, 2025** | | | | |
| Liabilities to credit institutions[1] | 50 | 1,060 | – | – |
| Derivative instruments[2] | 14 | – | – | – |
| Trade payables and other liabilities | 863 | – | – | – |

| Group, SEK million | <1 year | 1–3 years | 3–5 years | >5 years |
|---|---|---|---|---|
| **As at December 31, 2024** | | | | |
| Liabilities to credit institutions[1] | 50 | 1,049 | – | – |
| Derivative instruments[2] | 48 | – | – | – |
| Trade payables and other liabilities | 864 | – | – | – |

1) Liabilities to credit institutions comprises outstanding liabilities including future interest payments.
2) Market value as at December 31.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 20B, cont.

**Maturity analysis of lease liabilities according to IFRS 16**

| Group, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Years 1–3 | 8,809 | 8,881 |
| Years 3–5 | 8,322 | 8,168 |
| Years 5–10 | 17,908 | 17,717 |
| Years 10–15 | 12,521 | 12,337 |
| Years >15 | 9,105 | 10,212 |
| **Total payments** | **56,665** | **57,314** |
| Effect of discounted amounts | -12,973 | -15,557 |
| **Total liabilities according to balance sheet** | **43,692** | **41,757** |
| **Classification:** | | |
| Non-current liabilities | 41,024 | 41,757 |
| Current liabilities | 2,668 | 2,654 |

The above maturity analysis includes agreed undiscounted cash flows.

### 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, short-term investments and unused credit facilities is monitored and forecasted on a daily basis by Group Finance. The Group's liquidity reserve on December 31, 2025 was SEK 3,124 million (3,020).

### 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 2025, the ineffective part of the value change for electricity derivatives amounted to SEK 0 million (-0).

## 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 liabilities divided by equity. Interest-bearing net liabilities are calculated as liabilities to credit institutions and commercial papers less cash and cash equivalents.

| Group, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Total borrowings | 44,677 | 45,386 |
| Less: leases | -43,692 | -44,411 |
| Less: cash and cash equivalents | -950 | -846 |
| Interest-bearing net liabilities | 35 | 128 |
| Total equity | 2,968 | 3,372 |
| Debt/equity ratio | 0.1x | 0.4x |

| | Dec 31, 2025 | | Dec 31, 2024 | |
|---|---|---|---|---|
| Maturity dates, SEK million | Liabilities to credit institutions | Convertible loan | Liabilities to credit institutions | Convertible loan |
| **Liabilities due for payment** | | | | |
| – within 1 year | – | – | – | – |
| – between 1 and 5 years | 985 | – | 974 | – |
| – in more than 5 years | – | – | – | – |
| **Total** | **985** | **0** | **974** | **0** |

| Credit facilities, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Amount utilized | 76 | 76 |
| Amount not utilized | 2,174 | 2,174 |
| **Total credit facilities** | **2,250** | **2,250** |

## 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, earning of new premiums has been via Alecta rather than PRI.

**Defined benefit pension plans**

| Calculation of provision, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Present value of obligations | 579 | 620 |
| Fair value of plan assets | – | – |
| **Total provision for defined benefit pension plans** | **579** | **620** |

| Changes in provision during the year, SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Net liability, opening balance | 620 | 653 |
| Revaluations of net pension obligation reported in Other comprehensive income[1] | -51 | -38 |
| Net expense reported in the income statement | 20 | 15 |
| Pensions paid | -11 | -9 |
| Change in special employer contribution | 1 | -1 |
| **Net liability, closing balance[2]** | **579** | **620** |

1) In 2025, items reported in Other comprehensive income consisted of an actuarial loss of SEK -45 million (-35) due to changes in financial assumptions, a loss of SEK -6 million (-3) from experience-based adjustments and profit of SEK 0 million (0) from changes in demographic assumptions.
2) The weighted average duration of pension obligations is 18 years (19).

### Important estimates and assumptions

| Important actuarial assumptions, % | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Discount rate | 3.90 | 3.55 |
| 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.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 21, cont.

| Sensitivity analysis in actuarial assumptions | Change | Increase, % | Decrease, % |
|---|---|---|---|
| Discount rate | +/-0.5% | 11.2 (11.8) | -9.9 (-10.4) |
| Future annual pension increases (inflation) | +/-0.5% | -10.1 (-10.5) | 11.3 (11.9) |
| Life expectancy | +/-1 year | -3.9 (-3.9) | 3.8 (3.9) |

The above sensitivity analysis is based on a change in one 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**

| SEK million | Dec 31, 2025 | Dec 31, 2024 |
|---|---|---|
| Current service cost, defined benefit pension plans | 0 | – |
| Current service cost, defined contribution pension plans | -487 | -492 |
| **Total pension expenses included in employee benefits expenses** | **-487** | **-492** |
| Interest expenses for defined benefit pension plans | -22 | -21 |
| Latent payroll tax adjustment item, operating expense | 1 | 6 |
| Interest related to latent payroll tax | 1 | -1 |
| **Total expenses in the income statement** | **-507** | **-508** |

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

### Multi-employer defined benefit 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 individually 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 2025, the consolidation level was 167 percent (162 percent). Contributions to the plan that are payable in 2025 are estimated to be SEK 30 million (30).

### § 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 employee benefits expenses 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 flows.

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, SEK million | Dec 31, 2025 Provision for loyalty program | Dec 31, 2025 Other provisions | Dec 31, 2025 Total other provisions | Dec 31, 2024 Provision for loyalty program | Dec 31, 2024 Other provisions | Dec 31, 2024 Total other provisions |
|---|---|---|---|---|---|---|
| **Opening balance** | 291 | 0 | 291 | 249 | 0 | 249 |
| Transfer from current liabilities | 54 | 0 | 54 | 42 | 0 | 42 |
| **Closing balance** | 345 | 0 | 345 | 291 | 0 | 291 |

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 prepaid 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.

### § Accounting principles

**Provisions**

Provisions for 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 prepaid income.

| Total liability in respect of loyalty program | Dec 31, 2025 Non-current provision | Dec 31, 2025 Current liabilities | Dec 31, 2025 Total liability in respect of loyalty program | Dec 31, 2024 Non-current provision | Dec 31, 2024 Current liabilities | Dec 31, 2024 Total liability in respect of loyalty program |
|---|---|---|---|---|---|---|
| **Opening balance** | 291 | 194 | 485 | 249 | 166 | 415 |
| Transfer | 54 | 35 | 89 | 42 | 28 | 70 |
| **Closing balance** | 345 | 229 | 574 | 291 | 194 | 485 |

The assessed market value of free overnight stays used during the year amounted to SEK 574 million (485). For the current liability, see Note 24.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## 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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Dec 31, 2025 | | | | | | |
| **Distribution of deferred tax items by underlying balance sheet items and their changes during the year, SEK million** | **Pensions** | **Derivative instruments** | **Elimination of goodwill on acquired assets** | **Loss carry-forwards** | **Temporary differences** | **IFRS 16 Leasing** | **Total deferred tax assets** |
| **Deferred tax assets** | | | | | | | |
| **Opening balance, Jan 1, 2025** | **24** | **-2** | **3** | **403** | **24** | **1,018** | **1,470** |
| Reported in income statement | -2 | – | 0 | -63 | -18 | 107 | 24 |
| Reclassifications | – | – | – | 1 | – | – | 1 |
| Tax attributable to items in Other comprehensive income | -11 | 2 | – | – | – | – | -9 |
| Exchange rate differences | – | – | 0 | -24 | 3 | -45 | -72 |
| **Closing balance, Dec 31, 2025** | **11** | **0** | **3** | **318** | **4** | **1, 080** | **1,414** |
| *– of which receivables expected to be utilized within 12 months* | – | – | – | – | – | – | – |

| | **Intangible assets** | **Land and buildings** | **Accelerated amortization and depreciation** | **Hedge accounting** | **Total deferred tax liabilities** |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| **Opening balance, Jan 1, 2025** | **-782** | **-9** | **-50** | **12** | **-829** |
| Reported in income statement | -2 | 0 | -48 | 0 | -45 |
| Tax attributable to items in Other comprehensive income | – | 1 | – | -8 | -7 |
| Exchange rate differences | 0 | – | – | – | 0 |
| **Closing balance, Dec 31, 2025** | **-799** | **-8** | **-98** | **4** | **-881** |
| *– of which liabilities expected to be paid within 12 months* | – | – | – | – | – |

| | **Deferred tax assets, net** |
|---|---|
| **Deferred tax assets, net** | |
| **Opening balance, Jan 1, 2025** | **641** |
| Reported in income statement | -21 |
| Reclassifications | 1 |
| Tax attributable to items in Other comprehensive income | -16 |
| Exchange rate differences | -72 |
| **Closing balance, Dec 31, 2025** | **533** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 23, cont.

| Distribution of deferred tax items by underlying balance sheet items and their changes during the year, SEK million | Group Dec 31, 2024 Pensions | Derivative instruments | Elimination of goodwill on acquired assets | Loss carry-forwards | Temporary differences | Net of right-of-use assets and lease liability | Total deferred tax assets |
|---|---|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | | | |
| **Opening balance, Jan 1, 2024** | 38 | -5 | 4 | 475 | 38 | 895 | 1,445 |
| Reported in income statement | -6 | – | – | -78 | -17 | 109 | 8 |
| Tax attributable to items in Other comprehensive income | -8 | 3 | – | – | – | – | -5 |
| Exchange rate differences | – | – | -1 | 6 | 3 | 14 | 22 |
| **Closing balance, Dec 31, 2024** | 24 | -2 | 3 | 403 | 24 | 1,018 | 1,470 |
| *– of which receivables expected to be utilized within 12 months* | – | – | – | – | – | – | 0 |

| | Intangible assets | Land and buildings | Accelerated amortization and depreciation | Hedge accounting | Total deferred tax liabilities |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| **Opening balance, Jan 1, 2024** | -766 | -30 | -5 | 6 | -795 |
| Reported in income statement | -3 | 1 | -45 | – | -47 |
| Reclassifications | -13 | 20 | – | – | 7 |
| Tax attributable to items in Other comprehensive income | – | – | – | 6 | 6 |
| **Closing balance, Dec 31, 2024** | -782 | -9 | -50 | 12 | -829 |
| *– of which liabilities expected to be paid within 12 months* | – | – | – | – | – |

| | Deferred tax assets, net |
|---|---|
| **Deferred tax assets, net** | |
| **Opening balance, Jan 1, 2024** | 650 |
| Reported in income statement | -39 |
| Reclassifications | 7 |
| Tax attributable to items in Other comprehensive income | 1 |
| Exchange rate differences | 22 |
| **Closing balance, Dec 31, 2024** | 641 |

**Loss carry-forwards**

The Group has reported loss carry-forwards of SEK 1,509 million (1,928) mainly in Finland 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 SEK 318 million (436). The Group has assessed that it will be possible to offset these loss carry-forwards in the future, based on Group forecasts for the coming years. For 2025, non-recorded deficiencies totaled SEK 0 million (0).

### § 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 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 assets and liabilities for these entities through Group contributions in the consolidated financial statements.

## NOTE 24 ACCRUED EXPENSES AND PREPAID INCOME

| Distribution by type of cost, SEK million | Group Dec 31, 2025 | Group Dec 31, 2024 | Parent Company Dec 31, 2025 | Parent Company Dec 31, 2024 |
|---|---|---|---|---|
| Accrued rental costs | 388 | 378 | – | – |
| Accrued employee benefits expenses | 1,057 | 1,030 | 31 | 25 |
| Accrued interest expenses, leases | 149 | 148 | – | – |
| Accrued interest expenses, other | 27 | 5 | 27 | 5 |
| Accrued commission costs | 32 | 47 | – | – |
| Accrued bonus costs | 19 | 50 | 10 | 23 |
| Accrued energy costs | 65 | 68 | – | – |
| Deferred income, current portion of loyalty program | 230 | 194 | – | – |
| Prepaid income, bonus checks[1] | 18 | 21 | – | – |
| Other items | 375 | 391 | 0 | 1 |
| **Total** | **2,360** | **2,332** | **68** | **54** |

[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, SEK million | Group 2025 | Group 2024 | Parent Company 2025 | Parent Company 2024 |
|---|---|---|---|---|
| Amortization, depreciation and impairment | 3,996 | 3,884 | – | – |
| Change in accrued expenses/income and provisions | 67 | 88 | – | 18 |
| **Total** | **4,063** | **3,972** | **–** | **18** |

### § Accounting principles

The cash flow statement 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 and cash equivalents.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
• NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## NOTE 26 CASH FLOW STATEMENT

| | | | Non-cash items, 2025 | | | | | |
|---|---|---|---|---|---|---|---|---|
| SEK million | Opening balance, Jan 1, 2025 | Cash flow from financing activities | Transaction costs | Conversion of convertible loan | Exchange rate differences | Interest expenses | New financial liabilities under IFRS 16, net | Closing balance, Dec 31, 2025 |
| Liabilities to credit institutions | 974 | 0 | 10 | – | 0 | – | – | 985 |
| Lease liabilities | 44,411 | -4,358 | – | – | -1,927 | – | 5,565 | 43,692 |
| Accrued interest expenses, leases | 147 | 0 | – | – | -6 | 7 | – | 148 |
| Accrued interest expenses, other | 5 | 0 | – | – | 0 | 22 | – | 27 |
| **Subtotal** | **45,537** | **-4,358** | **10** | **0** | **-1,933** | **29** | **5,565** | **44,853** |
| Cash and cash equivalents | -846 | -48 | – | – | -56 | – | – | -950 |
| **Total** | **44,691** | **-4,406** | **10** | **0** | **-1,989** | **29** | **5,565** | **43,903** |

| | | | Non-cash items, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|
| SEK million | Opening balance, Jan 1, 2024 | Cash flow from financing activities | Transaction costs | Conversion of convertible loan | Exchange rate differences | Interest expenses | New financial liabilities under IFRS 16, net | Closing balance, Dec 31, 2024 |
| Liabilities to credit institutions | 980 | -15 | 9 | – | 0 | 0 | – | 974 |
| Convertible loan | 1,109 | 0 | – | -1,179 | – | 70 | – | 0 |
| Lease liabilities | 43,485 | -4,271 | – | – | 773 | – | 4,424 | 44,411 |
| Accrued interest expenses, leases | 139 | 0 | – | – | 2 | 6 | – | 147 |
| Accrued interest expenses, other | 61 | 0 | – | – | – | -56 | – | 5 |
| **Subtotal** | **45,774** | **-4,286** | **9** | **-1,179** | **775** | **20** | **4,424** | **45,537** |
| Cash and cash equivalents | -1,344 | 467 | – | – | 30 | – | – | -846 |
| **Total** | **44,430** | **-3,819** | **9** | **-1,179** | **805** | **20** | **4,424** | **44,691** |

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

## NOTE 28 PLEDGED ASSETS AND CONTINGENT LIABILITIES

| | Group | | Parent Company | |
|---|---|---|---|---|
| SEK million | Dec 31, 2025 | Dec 31, 2024 | Dec 31, 2025 | Dec 31, 2024 |
| **Assets pledged as security** | | | | |
| **Total assets pledged as security** | **0** | **0** | **0** | **0** |
| **Contingent liabilities** | | | | |
| Guarantee commitments, FPG/PRI | 10 | 10 | – | – |
| Bank guarantees | 53 | 57 | 0 | – |
| Travel guarantees | 3 | 3 | 0 | – |
| **Total contingent liabilities** | **66** | **70** | **0** | **0** |

Lease guarantees relate mainly to guarantees for lease agreements for premises in Scandic's Danish subsidiaries. These have remaining terms of up to 12 years. Fixed rental fees for the whole remaining term were reported above.

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 27 PARTICIPATIONS IN GROUP COMPANIES

| Changes during the year SEK million | Parent Company Dec 31, 2025 | Parent Company Dec 31, 2024 |
|---|---|---|
| Amortized cost, opening balance | 8,415 | 8,415 |
| **Amortized cost, closing balance** | **8,415** | **8,415** |

| Holdings on the reporting date | Corporate identity number | Registered address | Dec 31, 2025 Proportion of equity, % | Dec 31, 2024 Proportion of equity, % | Dec 31, 2025 Carrying amount | Dec 31, 2024 Carrying amount |
|---|---|---|---|---|---|---|
| **Scandic Hotels Holding AB** | **556723-5725** | **Stockholm** | **100** | **100** | **8,415** | **8,415** |
| Scandic Hotels AB | 556299-1009 | Stockholm | 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 | – | – |
| Scandic Hotels Ireland Limited | 803431 | Dublin, Ireland | 100 | – | – | – |
| **Total** | | | | | **8,415** | **8,415** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## NOTE 29 FINANCIAL ASSETS AND LIABILITIES

| Dec 31, 2025, SEK million | Financial assets/liabilities at amortized cost | Financial assets/liabilities at fair value through profit or loss | Total carrying amount |
|---|---|---|---|
| Financial investments | – | 6 | 6 |
| Trade receivables | 472 | – | 472 |
| Cash and cash equivalents | 950 | – | 950 |
| **Total financial assets** | **1,422** | **6** | **1,428** |
| Liabilities to credit institutions | 985 | – | 985 |
| Trade payables | 863 | – | 863 |
| Derivatives – electricity derivatives | – | 13 | 13 |
| Derivatives – interest rate swaps | – | 1 | 1 |
| Other current liabilities – share swap | 37 | – | 37 |
| **Total financial liabilities** | **1,885** | **14** | **1,898** |

| Dec 31, 2024, SEK million | Financial assets/liabilities at amortized cost | Financial assets/liabilities at fair value through profit or loss | Total carrying amount |
|---|---|---|---|
| Financial investments | – | 7 | 7 |
| Derivatives – interest rate swaps | – | 8 | 8 |
| Trade receivables | 533 | – | 533 |
| Cash and cash equivalents | 846 | – | 846 |
| **Total financial assets** | **1,379** | **15** | **1,394** |
| Liabilities to credit institutions | 974 | – | 974 |
| Trade payables | 864 | – | 864 |
| Derivatives – electricity derivatives | – | 56 | 56 |
| Other current liabilities – share swap | 24 | – | 24 |
| **Total financial liabilities** | **1,862** | **56** | **1,918** |

The Group has entered into a share swap agreement related to its 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 amount. 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, the carrying amount is the same as the fair value. Financial assets and liabilities measured at fair value refer to electricity derivatives and interest rate swaps.

| Dec 31, 2025, SEK million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Derivative instruments used for hedging | – | 14 | – | 14 |
| **Total financial liabilities** | **–** | **14** | **–** | **14** |

| Dec 31, 2024, SEK million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Derivative instruments used for hedging | – | 8 | – | 8 |
| **Total financial assets** | **–** | **8** | **–** | **8** |
| Derivative instruments used for hedging | – | 56 | – | 56 |
| **Total financial liabilities** | **–** | **56** | **–** | **56** |

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. The fair value of interest rate swaps is calculated as the present value of expected future cash flows based on observable yield curves. The fair value of electricity derivatives is calculated as the present value of expected future cash flows based on observable forward prices for electricity.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
• NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

Note 29, cont.

§ 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 financial income/expenses in the income statement.

**(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 carrying amount is not deemed to diverge materially from the fair value. See also Note 16, Trade receivables.

Financial liabilities are initially recognized at fair value, net of transaction costs incurred. They are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the term of the loan using the effective interest method.

Borrowings are presented at accrued amortized cost according to IFRS 9. The fair value is assessed to correspond to the carrying amount since all loans carry variable interest rates that are continuously repriced to market rates. The portion of the interest rate exposure that has been hedged through interest rate swaps constitutes cash flow hedges under IFRS 9, and the derivatives are measured separately at fair value. 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 carrying amount 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 Braganza AB Group is considered 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 | |
|---|---|---|---|---|
| SEK million | Dec 31, 2025 | Dec 31, 2024 | Dec 31, 2025 | Dec 31, 2024 |
| **Purchases of services** | | | | |
| Braganza AB[1] | – | – | – | – |
| **Total purchases of services** | **0** | **0** | **0** | **0** |
| **Sales of services** | | | | |
| Braganza AB[2] | 4 | 6 | – | – |
| Subsidiaries | – | – | 88 | 96 |
| **Total sales of services** | **4** | **6** | **88** | **96** |
| **Closing balances at year-end from purchases and sales of services** | | | | |
| **Receivables from related parties:** | | | | |
| Braganza AB | 0 | 0 | 0 | 0 |
| Subsidiaries | – | – | 2,933 | 2,687 |
| **Total receivables from related parties** | **0** | **0** | **2,933** | **2,687** |
| **Liabilities to related parties:** | | | | |
| Braganza AB | 0 | – | 0 | – |
| Subsidiaries | – | – | 4,244 | 4,002 |
| **Total liabilities to related parties** | **0** | **0** | **4,244** | **4,002** |
| **Loans to related parties** | | | | |
| Subsidiaries | | | | |
| **Opening balance** | **0** | **0** | **1,986** | **1,623** |
| Payments made or received during the year | – | – | -1,060 | 206 |
| Interest | – | – | 92 | 157 |
| **Closing balance** | **0** | **0** | **1,018** | **1,986** |

1) The purchases relate mainly to air travel.
2) Sales relate entirely to accommodation revenue.

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

For information on terms of employment and remuneration to senior executives, see note 5 and the Corporate Governance Report.

## NOTE 31 APPROPRIATION OF PROFITS AND DIVIDEND PER SHARE

In accordance with the Board's dividend policy adopted on October 29, 2024, Scandic aims to distribute at least 50 percent of its net profit. Dividends are based on net profits excluding the effects of IFRS 16. Decisions regarding dividend proposals are made taking into account the company's future profits, financial position, capital requirements and macroeconomic conditions.

**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 | 4,475,105,785 |
| Retained earnings | 3,362,646,114 |
| Profit/loss for the year | 40,035,253 |
| **Total** | **7,877,787,152** |
| be distributed as follows: | |
| **dividend to be paid to the shareholders, SEK 2.60 per share** | **559,330,980** |
| To be carried forward | 7,318,456,172 |
| **Total** | **7,877,787,152** |
| **Total, thousand SEK** | **7,877,787** |

The Board of Directors proposes that the dividend be divided into two payments of SEK 1.30 per share. The proposed record dates for the payment of dividends are May 7, 2026 and November 9, 2026. The Board believes that the proposed dividend is justified in relation to the requirements that come with the nature of the Group, the scope and risks of the Group's equity, as well as the Group's need for consolidation, liquidity and general position. The proposed dividend reduces the Group's solvency from 6 percent to 5 percent and that of the Parent Company from 60 percent to 56 percent, calculated as of December 31, 2025.

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 AGM on May 5, 2026 for adoption.

## NOTE 32 EVENTS AFTER THE REPORTING DATE

In January 2026, Scandic signed an agreement for a new Scandic Go hotel in Tromsø, Norway, with 170 rooms. The hotel, which is expected to open in 2028, complements Scandic's existing presence in the city, where the company already operates two hotels.

In February 2026, Scandic signed an agreement for a new Scandic Go hotel in Stavanger, Norway, with 152 rooms, which is expected to open in 2028.

In February 2026, Scandic had its climate targets approved by the Science Based Targets initiative. The targets include interim goals for 2033 as well as long-term ambition to achieve net-zero emissions by 2050.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# ADOPTION

The Annual and Sustainability report was approved by the Board of Directors and was signed the 8 April 2026. 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 uncertainties 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 AGM on May 5, 2026 for adoption.

**Stockholm, April 8, 2026**

**Per G. Braathen**
Chairman of the Board

**Gunilla Rudebjer**
Board member

**Frank Veenstra**
Board member

**Kristina Patek**
Board member

**Lars-Åke Bokenberger**
Board member

**Fredrik Wirdenius**
Board member

**Gisela Kilder**
Employee representative

**Jens Mathiesen**
CEO

Our auditor's report for the Annual and Sustainability report and our assurance report on the statutory sustainability report was presented on April 8, 2026
Öhrlings PricewaterhouseCoopers AB

**Helena Kaiser de Carolis**
Authorized Public Accountant
Auditor-in-Charge

**Jakob Frid**
Authorized Public Accountant

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
• AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# 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 2025 except for the corporate governance statement and the statutory sustainability statement on pages 38–102 respectively 103–113. The annual accounts and consolidated accounts of the company are included on pages 27–143 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 as of 31 December 2025 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 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 38–102 respectively 103–113. 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 audit committee in accordance with the Audit Regulation (537/2014/EU) 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/EU) 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 the Board of Directors and the Managing Director 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.

#### 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 judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. 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.

#### 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 1–26, 150–160 and the statutory sustainability statement on pages 38–102. The Board of Directors and the Managing Director are responsible for this other information.

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

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
• AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

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 Directors 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 Accounting Standards 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 Directors 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 Swedish Inspectorate of Auditors' 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 Directors and

#### Key Audit Matter

**Valuation of Goodwill and Other Intangible Assets with Indefinite Useful Lives.
We make reference to Note 12 Intangible Assets**

The group reports intangible assets with indefinite useful life amounting to MSEK 6,600 as of 31 December 2025, of which MSEK 3,818 pertains to goodwill. IFRS Accounting standards require that an annual impairment assessment is conducted. To assess the valuation of these assets, management has prepared financial models to ensure that the carrying amounts of the assets are not reported at values exceeding their recoverable amounts.

The assessment regarding impairment assessment was a key audit matter due to the monetary value of the assets and the judgments and assumptions applied by management to estimate factors such as future cash flows, growth rates, and discount rates.

#### How our audit addressed the Key Audit Matter

**Our audit included, amongst others, the following procedures:**

- Evaluated whether the group's classification of assets into cash-generating units is consistent with the group's operations and internal reporting;
- Evaluated the group's accounting policies, methods, significant assumptions, and underlying data used in conducting the impairment assessment in accordance with IAS 36;
- Assessed management's ability to estimate future cash flows by, on a sample basis, comparing past years' models against actual outcomes;
- Evaluated the group's sensitivity analysis regarding key assumptions and estimates that individually or collectively could result in an impairment requirement;
- Tested the mathematical accuracy of the financial models on a sample basis;
- Evaluated the presentation of notes and disclosures for consistency with IFRS Accounting standards.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

the Managing Director of Scandic Hotels Group AB (publ) for the year 2025 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 Directors 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 Directors 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's 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 Swedish Inspectorate of Auditors' 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 Scandic Hotels Group AB (publ) for the financial year 2025.

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 Directors 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
• AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

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 audit 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 have 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 103–113 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.

Öhrlings PricewaterhouseCoopers AB, Stockholm, was appointed auditor of Scandic Hotels Group AB (publ) by the general meeting of the shareholders on May 6, 2025 and has been the company's auditor since May 9, 2012.

Stockholm the 8 April 2026
Öhrlings PricewaterhouseCoopers AB

| | |
|---|---|
| Helena Kaiser de Carolis<br>Authorized Public Accountant<br>Auditor in charge | Jakob Frid<br>Authorized Public Accountant |

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

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# AUDITOR'S LIMITED ASSURANCE REPORT OF SCANDIC HOTELS GROUP AB (PUBL)'S STATUTORY SUSTAINABILITY STATEMENT

**TO THE GENERAL MEETING OF THE SHAREHOLDERS OF SCANDIC HOTELS GROUP AB (PUBL), CORPORATE IDENTITY NUMBER 556703-1702**

### Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Scandic Hotels Group AB (publ) for the financial year 2025. The sustainability statement is included on page 38–102 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 of the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

### Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

### Other matter

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 (the financial year) has therefore been performed.

### Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–37, 103–143 and 150–160. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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 Directors and the Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

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.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

**The review procedures primarily include:**
Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in IRO-1 of the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
  - Other procedures performed with respect to the Taxonomy Regulation disclosures.

**Inherent limitations in preparing the sustainability statement**
In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Scandic Hotels Group AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Scandic Hotels Group AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm the 8 April 2026
Öhrlings PricewaterhouseCoopers AB

Helena Kaiser de Carolis
Authorized Public Accountant
Auditor in charge

Jakob Frid
Authorized Public Accountant

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

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
• COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# COMPENSATION REPORT

## Introduction

At the 2024 Annual General Meeting, in accordance with the EU Shareholders' Directive, Scandic's guidelines for compensation to senior executives were updated. The previous guidelines had applied for a period of 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 Stock Market Self-Regulatory Committee's Rules on Remuneration of the Board and Executive Management and on Incentive Programs. A review was conducted this year to ensure that the Compensation Report is prepared in a clear and reader-friendly manner, and some adjustments have been made in Table 1 "CEO's total compensation in 2025" below.
A clarification on the values included is provided in the footnotes to the table. Further information on compensation to senior executives can be found in Note 05 on pages 128-130 in the 2025 Annual Report. Information about the work of the Compensation Committee in 2025 is presented in the Corporate Governance Report, which has been included on pages 103–109 of the 2025 Annual Report.

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 pages 128-130 in Scandic's 2025 Annual and Sustainability Report.

| The CEO's total compensation in 2025, SEK | |
|---|---|
| **Jens Mathiesen, CEO** | |
| **Fixed compensation** | |
| Basic salary | 10,801,748 |
| Fringe benefits | 308,003 |
| **Variable compensation** | |
| One-year variable[1] | 7,391,030 |
| Multi-year variable[2] | 12,792,201 |
| Extraordinary compensation | 0 |
| **Pension expense** | 3,127,495 |
| **Total compensation** | **34,420,477** |
| Proportion of fixed[3] and variable[4] compensation | 41 / 59% |

[1] Includes vacation pay amounting to SEK 1,562,960.
[2] Other benefits consist of housing, healthcare and meal benefits, as well as a car allowance.
[3] Short-term incentive program (STI) earned in 2025, with payment in 2026.
[4] Long-term variable remuneration is recognized to the extent that it vested during 2025 and is thereby considered earned. LTIP 2022 vested during 2025 and a share-based benefit of SEK 10,848,253 has been included. During 2025, a so-called retention bonus of SEK 7,000,000 was also paid out. The bonus was earned and recognized on an ongoing basis during the years 2022–2025, and the portion attributable to 2025 is included above.
[5] Pension premiums paid during the year.
[6] Fixed remuneration = fixed salary + pension cost (which in full relates to base salary and is defined contribution). Variable remuneration = variable remuneration + extraordinary remuneration.

| Share-based incentive program (CEO) | LTIP 2025 | LTIP 2024 | LTIP 2023 | LTIP 2022 |
|---|---|---|---|---|
| **Jens Mathiesen, CEO** | | | | |
| **THE MAIN CONDITIONS OF SHARE-BASED INCENTIVE PROGRAMS** | | | | |
| Specification of plan | LTIP 2025 | LTIP 2024 | LTIP 2023 | LTIP 2022 |
| Performance period | 2025–2028 | 2024–2027 | 2023–2026 | 2022–2025 |
| Award date | Jun 1, 2025 | Jun 11, 2024 | Jun 27, 2023 | Jun 20, 2022 |
| End of program period | Apr 15, 2028 | Apr 25, 2027 | Apr 24, 2026 | Apr 24, 2025 |
| End of holding period | Apr 15, 2028 | Apr 25, 2027 | Apr 24, 2026 | Apr 24, 2025 |
| **INFORMATION REGARDING THE REPORTED FINANCIAL YEAR** | | | | |
| **Opening balance** | | | | |
| Rights vested at the beginning of the year | 0 | 122,542 | 181,083 | 146,325 |
| **During the year** | | | | |
| Rights vested | 90,661 | 0 | 0 | 0 |
| Shares awarded[1] | 0 | 0 | 0 | 151,678[2] |
| **Closing balance** | | | | |
| Rights subject to performance criteria | 90,661 | 122,542 | 181,083 | 181,083 |
| Rights vested but not transferred | 90,661 | 122,542 | 181,083 | 0 |
| Shares subject to a holding period | 0 | 0 | 0 | 0 |

[1] During 2025, LTIP 2022 vested and 151,678 performance shares were transferred to the CEO. The number of shares transferred consists of 146,325 originally allocated shares and dividend compensation of 5,353 shares.
[2] Value: SEK 10,848,253, calculated as the market price at vesting multiplied by the number of shares.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
• COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## 2025 in brief

The CEO summarizes Scandic's financial year in his CEO statement on pages 5–6 of the 2025 Annual Report.

## The company's compensation guidelines: scope, purpose and compliance

Scandic shall offer compensation 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. The guidelines for compensation to senior executives are available on Scandic's website at www.scandichotelsgroup.com/governance/remuneration-guidelines/. No deviations have been made from the decision-making process that, according to the guidelines, must be applied to determine the compensation. The auditor's report on the company's compliance with the guidelines is available on Scandic's website. No compensation has been reclaimed. In addition to compensation covered by the compensation guidelines, the AGMs of the company have resolved to implement long-term share-based incentive programs, which are presented below.

## Short-term cash-based remuneration

In July 2025, Scandic entered into an agreement to acquire the hotel operations of Dalata Hotel Group plc. Considering the strategic importance of this transaction and considering that the individual made significant contributions beyond their ordinary duties to ensure the successful completion of the transaction, the Board of Directors resolved to award a one-off bonus to a member of Group Management corresponding to three months' salary.

Considering, among other things, this, the Board of Directors also resolved to grant the CEO an additional allocation corresponding to approximately four months' salary within the framework of the 2025 STI programme. The CEO's total remuneration under STI 2025 is presented in Table 1.

## 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

Between 2022 and 2025, new programs were launched – LTIP 2022, LTIP 2023, LTIP 2024 and LTIP 2025 – 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 shareholder return (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, 2026, 2027 and 2028 respectively. The company's CEO has been allotted 181,083 rights in the LTIP 2023, 122,542 rights in the LTIP 2024 and 90,661 rights in the LTIP 2025. These have been allotted free of charge and are conditional on three-year vesting periods and the CEO's continued permanent employment in the company. Allotment under LTIP2022 took place in 2025, and the outcome for the CEO is presented in the table below (number of shares) and in Table 1 (market value on the allocation date).

## Application of performance criteria

In 2025, a general short-term incentive (STI) program was launched with performance criteria linked to the company's financial results and guest experience as well as the social sustainability parameters of leadership and employee commitment. The criteria, target levels and assessment scales were prepared by the Compensation Committee and decided by Scandic's Board.

**Information on changes in compensation and company performance**

| | 2025 | 2025–2024 | 2024–2023 | 2023–2022 | 2022–2021 | 2021–2020 | 2020–2019 |
|---|---|---|---|---|---|---|---|
| The CEO's compensation, SEK [1] (changes between years are stated in SEK thousand) | 34,420,477 | 4,805 (16.2%) | 3,380 (12.9%) | 8,317 (46.4%) | 7,677 (75.0%) | -1,058 (-9.4%) | -73 (-0.6%) |
| Adjusted EBITDA for the Group, SEK million | 2,425 | -70 (-3.0%) | -71 (-2.8%) | 30 (1.2%) | 2,530 (42,166.7%) | 1,509 (100.4%) | -3,549 (-173.5%) |
| Profit/loss for the year, Group, SEK million | 624 | -28 (-4.3%) | 83 (14.6%) | 141 (32.9%) | 2,107 (125.5%) | 4,272 (71.8) | -6,676 (-920.8%) |
| Average compensation on a full-time equivalent [2] basis of employees, entire Group, thousand SEK | 553 | 0.6 (-0.0%) | 33 (6.5%) | 102 (24.7) | -34 (-7.6%) | -39 (-8.0%) | 47 (10.6%) |

1) The CEO's remuneration for 2025 includes a share-based benefit from LTIP 2025 that was earned during the year, as well as the recognized value of the retention bonus paid out in 2025.
2) Based on the Group's income statement.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
• RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# RECONCILIATIONS

Results including and excluding IFRS 16.

**Effects of IFRS 16**

Effect of IFRS 16 The Group has applied IFRS 16 Leases since January 1, 2019. The accounting policy means that leases 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 introduction of IFRS 16, reported EBITDA has increased significantly, as rental costs have fallen while depreciation of right-of-use assets and interest expenses for the lease liability have increased. Since Scandic's business model is to lease (rather than own) hotel properties, IFRS 16 will continue to have a significant impact on the Company's accounts. To help investors – with and without good knowledge of IFRS 16 – gain a good understanding of the Company's position, Scandic presents its performance 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 effects of IFRS 16. With the portfolio of leases that existed at the end of 2025, net profit after tax for 2026 is expected to be negatively impacted by approximately SEK -350 million (2025: 438). With an unchanged portfolio of leases and otherwise unchanged assumptions, the negative effect on profits is expected to diminish over time and affect the net profit positively from 2030. This is because interest expenses for the lease liability decrease over time as the liability is repaid regularly. The definition of adjusted EBITDA excludes the effect of IFRS 16. The tables below show the reconciliation between the reported outcome according to IFRS and the outcome excluding IFRS 16.

**INCOME STATEMENT INCLUDING and EXCLUDING IFRS 16**

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 |
| **Operating income** | **22,289** | **–** | **22,289** | **21,959** | **–** | **21,959** |
| Raw materials and consumables | -1,637 | – | -1,637 | -1,634 | – | -1,634 |
| Other external costs | -4,614 | – | -4,614 | -4,454 | – | -4,454 |
| Employee benefits expenses | -7,025 | – | -7,025 | -6,948 | – | -6,948 |
| Rental costs | -2,230 | -4,358 | -6,588 | -2,157 | -4,271 | -6,428 |
| Pre-opening costs | -75 | – | -75 | -28 | – | -28 |
| Items affecting comparability | -51 | – | -51 | -18 | – | -18 |
| Amortization, depreciation and impairment | -3,996 | 3,163 | -833 | -3,884 | 3,053 | -832 |
| **Total operating costs** | **-19,627** | **-1,195** | **-20,822** | **-19,123** | **1,218** | **-20,341** |
| **Operating profit/loss** | **2,661** | **-1,195** | **1,467** | **2,836** | **-1,218** | **1,618** |
| | | | | | | |
| Net financial items | -1,852 | 1,740 | -113 | -1,975 | 1,771 | -204 |
| **Profit/loss before tax** | **809** | **545** | **1,354** | **861** | **553** | **1,414** |
| Taxes | -185 | -107 | -293 | -209 | -107 | -316 |
| **Profit for year** | **624** | **438** | **1,061** | **652** | **446** | **1,098** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
• RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

**BALANCE SHEET INCLUDING and EXCLUDING IFRS 16**

| | Dec 31, 2025 | | | Dec 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 |
| **ASSETS** | | | | | | |
| Intangible assets | 6,825 | – | 6,825 | 7,101 | – | 7,101 |
| Land and buildings | 65 | – | 65 | 71 | – | 71 |
| Right-of-use assets | 38,659 | -38,659 | – | 39,707 | -39,707 | – |
| Furniture, fittings and equipment | 4,237 | – | 4,237 | 4,142 | – | 4,142 |
| Financial assets | 689 | -630 | 58 | 751 | -691 | 60 |
| **Total non-current assets** | **50,475** | **-39,289** | **11,185** | **51,772** | **-40,398** | **11,374** |
| | | | | | | |
| Current assets | 1,166 | 153 | 1,319 | 1,224 | 159 | 1,384 |
| Cash and cash equivalents | 950 | – | 950 | 846 | – | 846 |
| **Total current assets** | **2,115** | **153** | **2,269** | **2,070** | **159** | **2,230** |
| **TOTAL ASSETS** | **52,590** | **-39,136** | **13,454** | **53,842** | **-40,239** | **13,604** |
| | | | | | | |
| **EQUITY AND LIABILITIES** | | | | | | |
| Equity attributable to Parent Company shareholders | 2,896 | 4,254 | 7,150 | 3,265 | 3,993 | 7,258 |
| Non-controlling interests | 72 | – | 72 | 107 | – | 107 |
| **Total equity** | **2,968** | **4,254** | **7,222** | **3,372** | **3,993** | **7,365** |
| | | | | | | |
| Liabilities to credit institutions | 985 | – | 985 | 974 | – | 974 |
| Non-current liabilities | 41,025 | -41,025 | – | 41,757 | -41,757 | – |
| Other non-current liabilities | 1,053 | 449 | 1,502 | 1,028 | 325 | 1,353 |
| **Total non-current liabilities** | **43,062** | **-40,575** | **2,487** | **43,759** | **-41,432** | **2,327** |
| | | | | | | |
| **Convertible loan** | | | | | | |
| Current part of lease liabilities | 2,668 | -2,668 | – | 2,655 | -2,655 | – |
| Derivative instruments | 14 | – | 14 | 48 | – | 48 |
| Other current liabilities | 3,878 | -147 | 3,731 | 4,008 | -146 | 3,863 |
| **Total current liabilities** | **6,560** | **-2,815** | **3,745** | **6,711** | **-2,801** | **3,911** |
| **TOTAL EQUITY AND LIABILITIES** | **52,590** | **-39,136** | **13,454** | **53,842** | **-40,239** | **13,604** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
• RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

CASH FLOW STATEMENT INCLUDING and EXCLUDING IFRS 16

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 | Reported | Effects of IFRS 16 | Excl. effect IFRS 16 |
| **OPERATING ACTIVITIES** | | | | | | |
| Operating profit/loss | 2,661 | -1,195 | 1,467 | 2,836 | -1,218 | 1,618 |
| Amortization, depreciation and impairment | 3,996 | -3,163 | 833 | 3,884 | -3,053 | 831 |
| Items not included in cash flow | 67 | – | 67 | 88 | – | 88 |
| Taxes paid | -301 | – | -301 | -126 | – | -126 |
| Change in working capital | 36 | – | 36 | -293 | – | -293 |
| **Cash flow from operating activities** | **6,459** | **-4,358** | **2,101** | **6,389** | **-4,271** | **2,118** |
| | | | | | | |
| **INVESTING ACTIVITIES** | | | | | | |
| Net investments paid | -1,124 | – | -1,124 | -1,056 | – | -1,056 |
| **Cash flow from investing activities** | **-1,124** | **–** | **-1,124** | **-1,056** | **–** | **-1,056** |
| | | | | | | |
| **FINANCING ACTIVITIES** | | | | | | |
| Paid/received interest items | -63 | – | -63 | -152 | – | -152 |
| Interest paid, leases | -1,740 | 1,740 | – | -1,771 | 1,771 | – |
| Financing costs | – | – | – | -15 | – | -15 |
| Repurchase of own shares | -248 | – | -248 | -52 | – | -52 |
| Dividends | -585 | – | -585 | -544 | – | -544 |
| Dividend, share swap agreement | -33 | – | -33 | -7 | – | -7 |
| Net borrowing/amortization | – | – | – | -758 | – | -758 |
| Amortization, leases | -2,618 | 2,618 | – | -2,500 | 2,500 | – |
| **Cash flow from financing activities** | **-5,287** | **4,358** | **-929** | **-5,799** | **4,271** | **-1,528** |
| | | | | | | |
| **CASH FLOW FOR PERIOD** | **48** | | **48** | **-466** | **–** | **-466** |
| | | | | | | |
| Cash and cash equivalents at the beginning of the period | 846 | – | 846 | 1,344 | – | 1,344 |
| Translation differences in cash and cash equivalents | 56 | – | 56 | -32 | – | -32 |
| Cash and cash equivalents at end of period | 950 | – | 950 | 846 | – | 846 |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
● RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

## OTHER RECONCILIATIONS INCLUDING AND EXCLUDING IFRS 16

| SUMMARY OF REPORTED RENTAL COSTS INCLUDING and EXCLUDING IFRS 16 | 2025 | 2024 |
|---|---|---|
| **Rental costs** | | |
| Rental costs, reported | -2,230 | -2,157 |
| Effects of IFRS 16 | -4,358 | -4,271 |
| **Rental costs excl. IFRS 16** | **-6,588** | **-6,428** |
| – of which fixed rental costs | -4,567 | -4,500 |
| – of which variable rental costs | -2,021 | -1,928 |
| Fixed and guaranteed rental costs of net sales | -20.5% | -20.5% |
| Variable rental costs of net sales | -9.1% | -8.8% |
| **Total rental costs of net sales** | **-29.6%** | **-29.3%** |

| Financial items, reported vs cash flow | 2025 | 2024 |
|---|---|---|
| **Financial items, reported** | -1,852 | -1,975 |
| of which interest expenses, IFRS 16 | -1,740 | -1,771 |
| **Net financial expense, excl. IFRS 16** | **-113** | **-204** |
| **Adjustments to paid financial items** | | |
| Total adjustments | 50 | 29 |
| **Paid (-) / received (+) financial items, net** | **-63** | **-175** |

| SUMMARY OF OPERATING PROFIT/LOSS and ADJUSTED EBITDA | 2025 | 2024 |
|---|---|---|
| Operating profit/loss | 2,661 | 2,836 |
| Pre-opening costs | 75 | 28 |
| Items affecting comparability | 51 | 18 |
| Amortization, depreciation and impairment | 3,996 | 3,884 |
| Effects of IFRS 16 | -4,358 | -4,271 |
| **Adjusted EBITDA** | **2,425** | **2,495** |

| EARNINGS PER SHARE | 2025 | 2024 |
|---|---|---|
| Earnings per share, SEK | 2.90 | 3.19 |
| Effects of IFRS 16 | 2.03 | 2.04 |
| **Earnings per share, SEK, excl. IFRS 16** | **4.93** | **5.23** |
| **Average number of shares outstanding, after dilution** | **215,487,109** | **219,106,689** |

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
• SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# SHARE PRICE AND SHAREHOLDERS

### The share and shareholders

Scandic Hotels Group is listed on Nasdaq Stockholm, Large Cap segment. As of December 31, 2025, the company's share capital amounted to SEK 54.8 million (54.8), distributed across 215,127,300 shares, each with a nominal value of SEK 0.25 per share. Each share carries one vote. In December 2024, Scandic launched a share buyback program, and a total of 3,130,622 shares were repurchased in 2025. During the year, the number of shares declined by 4,030,622 due to early conversions of a convertible loan.

### Share price development and stock market value

The share price increased by approximately 41.6 percent during the year, while the OMXSPI total index rose by approximately 9.5 percent. As of December 31, 2025, Scandic's market capitalization (based on the last closing price) amounted to SEK 20.9 billion (15.1).

### Turnover

In 2025, a total of 340.3 million Scandic shares (313.2) were traded, with an average daily volume of 1.4 million shares (1.2). Of the total trading volume in the Scandic share, 38.8 percent (42.4) was carried out on Nasdaq Stockholm. The daily turnover in relation to Scandic's stock market value on Nasdaq Stockholm was 0.62 percent (0.62) compared with the average on the Mid Cap list of 0.32 percent (0.26).

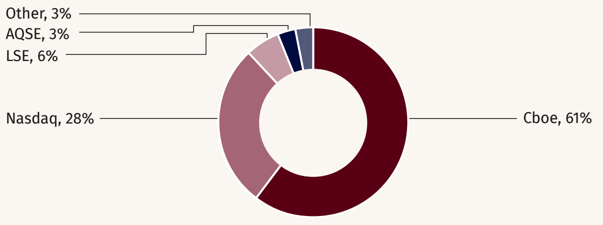
### Ownership structure

At year-end, the number of shareholders totaled 50,490 (53,461). The largest shareholder was AMF Pension & Fonder with holdings corresponding to 13.6 percent of the shares and votes. Stena Sessan was the second largest shareholder, holding 13.4 percent, followed by Eiendomsspar with 8.2 percent of ownership. Foreign ownership at year-end was 38.2 percent (41.7) of the share capital, and institutional ownership accounted for 50.3 percent (43.3) of the share capital. The largest foreign shareholding was in Norway, the US and Finland.

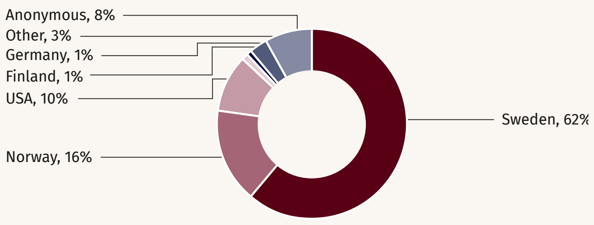
### Dividends

The Board of Directors has 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. For 2025, the Board of Directors proposes that the AGM resolve on a dividend of SEK 2.60 per share to be distributed in two equal payments on two occasions during the year. This corresponds to approximately 53 percent of profit for the year excluding the effects of IFRS 16.

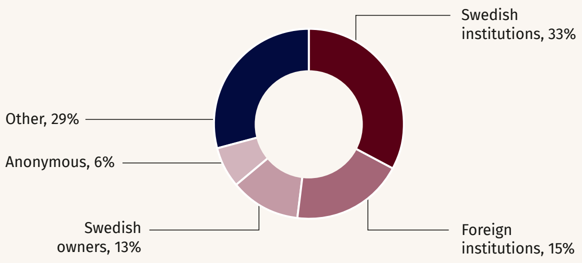
#### MARKETS WHERE SCANDIC SHARE WAS TRADED, 2025, %




#### GEOGRAPHIC DISTRIBUTION, %




#### SHARE OWNERSHIP, %




Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
• SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

| Analysts following Scandic | |
|---|---|
| Adela Dashian | Jefferies |
| Alice Beer | ABG Sundal Collier |
| André Juilliard | Deutsche Bank |
| Artem Prokopets | UBS |
| Jamie Rollo | Morgan Stanley |
| Karl-Johan Bonnevier | DNB Carnegie |

| Share data | |
|---|---|
| Ticket symbol | SHOT |
| ISIN | SE0007640156 |
| Trading lot | 1 share |
| List | Nasdaq Stockholm Nordic Large Cap list |
| Sector index | Travel & Leisure |

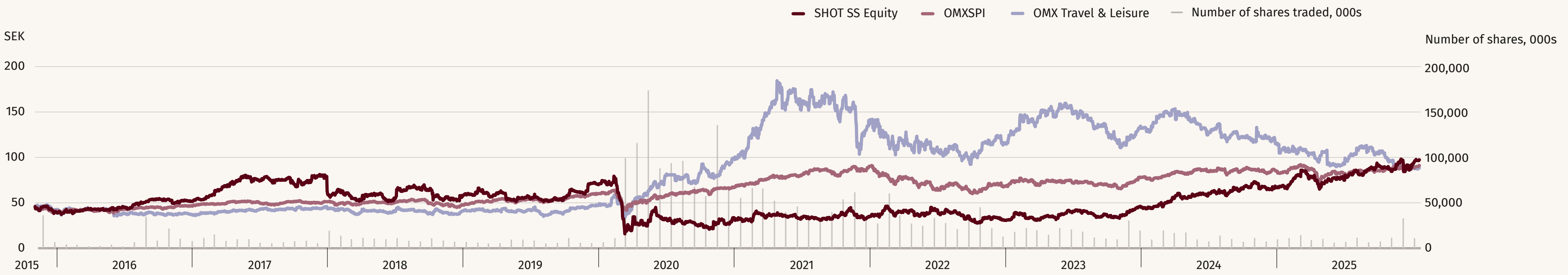
| 10 largest shareholders | Number of shares | Share of capital and votes, % |
|---|---|---|
| AMF Pension & Fonder | 29,261,762 | 13.60 |
| Stena Sessan AB | 28,894,295 | 13.43 |
| Eiendomsspar | 17,557,350 | 8.16 |
| Handelsbanken Fonder | 13,645,502 | 6.34 |
| Vanguard | 6,152,724 | 2.86 |
| Swedbank Robur Fonder | 5,678,980 | 2.64 |
| Svolder | 5,000,000 | 2.32 |
| Dimensional Fund Advisors | 3,538,108 | 1.64 |
| Unionen | 3,000,000 | 1.39 |
| BlackRock | 2,813,835 | 1.31 |
| **Total** | **115,542,556** | **53.7** |
| Other | 99,584,744 | 46.3 |
| **Total** | **215,127,300** | **100.00** |

Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

### Shareholder information

Scandic's website www.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 AND TURNOVER, DEC 2, 2015 – DEC 31, 2025[1)]**




1) Scandic's share price adjusted for new issue 2020.
Source: Bloomberg.

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
• DEFINITIONS
INFORMATION TO THE SHAREHOLDERS

# 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)**
Refers to 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**
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**
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 and 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**
Operating profit 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 sale 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 non-current assets as well as net of acquisition/sale of business.

**Working capital, net**
Total current assets, excluding derivative instruments and cash and cash equivalents, less total current liabilities, excluding derivative instruments and the current portion of lease liabilities.

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, commercial papers, convertible loans and other interest-bearing liabilities, 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/.

NORDIC SWAN ECOLABEL Printed matter 3041 0123
FSC www.fsc.org MIX Paper | Supporting responsible forestry FSC® C011209

**Production:** Scandic in cooperation with Hallvarsson & Halvarsson

THIS IS SCANDIC
MARKET AND STRATEGY
SUSTAINABLE BUSINESS
ADMINISTRATION AND GOVERNANCE
FINANCIAL REPORTS
FINANCIAL STATEMENTS – GROUP
FINANCIAL STATEMENTS – PARENT COMPANY
NOTES
ADOPTION
AUDITOR'S REPORT
COMPENSATION REPORT
RECONCILIATIONS
SHARE PRICE AND SHAREHOLDERS
DEFINITIONS
• INFORMATION TO THE SHAREHOLDERS



# INFORMATION TO THE SHAREHOLDERS

ANNUAL GENERAL MEETING

MAY 5, 2026

STOCKHOLM

### Annual General Meeting

The AGM of the shareholders in Scandic Hotels Group AB (publ) will be held at 10:00 a.m. CEST on Tuesday, May 5, 2026 at Vasateatern (Scandic Grand Central), Vasagatan 19, Stockholm. Registration will begin at 9:00 a.m.

### Notice and registration

Shareholders who wish to attend the meeting in person or by proxy must (i) be recorded in the share register kept by Euroclear Sweden AB on April 24, 2026 and (ii) by April 28, 2026 at the latest register by email to GeneralMeetingService@euroclear.com, by post to Scandic Hotels Group AB (publ), "Annual General Meeting 2026" c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, by phone at +46 8 402 92 48 or on the company's website at www.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 two). Shareholders represented by proxy are to provide a written and dated power of attorney. A power of attorney template is available on Scandic's website at www.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 are to be received by the company at the above address in good time before the meeting.

### Advance voting

Shareholders wishing to participate in the Annual General Meeting by postal voting must (i) be recorded in the share register kept by Euroclear Sweden AB on April 24, 2026 and (ii) by April 28, 2026 at the latest notify the company of their intention to participate in the meeting by postal voting according to the instructions below such that their postal 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 in the manner as described under "Attendance at the meeting room" above. This means that registration for postal voting alone will not suffice for any shareholder wishing to participate in the AGM in person.

A special form is to be used for postal voting. The postal voting form is available on Scandic's website at www.scandichotelsgroup.com. The completed form must be received by Euroclear Sweden AB no later than April 28, 2026. The completed form can be e-mailed to GeneralMeetingService@euroclear.com or sent by post to Scandic Hotels Group AB (publ), "Annual General Meeting 2026", c/o Euroclear Sweden, Box 191, 101 23 Stockholm. Shareholders may also cast postal votes electronically using BankID verification on Scandic's website at www.scandichotelsgroup.com. Shareholders may not add special instructions or conditions to their postal vote. If this occurs, the vote (meaning the postal vote in its entirety) is invalid. Further instructions and conditions are provided on the postal voting form. If a shareholder casts their postal vote by proxy, a written and dated power of attorney must be attached. A power of attorney template is available on Scandic's website at www.scandichotelsgroup.com. If the shareholder is a legal entity, a certificate of registration or other authorization documents must be attached to the form. If a shareholder has cast a postal vote and thereafter participates in the AGM in person or by proxy, the postal vote will remain valid to the extent that the shareholder does not participate in a vote during the meeting or otherwise revokes the postal vote cast. If, during the meeting, the shareholder chooses to participate in a vote, the vote cast will replace the previously submitted postal 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 2026

- Interim Report January–March 2026, April 22, 2026
- Annual General Meeting, May 5, 2026
- Interim Report January–June 2026, July 15, 2026
- Interim Report January–September 2026, October 28, 2026

Scandic Hotels Group
Box 6197
SE-102 33 Stockholm
ir@scandichotels.com

SCANDIC HOTELS GROUP | PO BOX 6197, SE-102 33 STOCKHOLM | IR@SCANDICHOTELS.COM