

Scandic

ANNUAL GENERAL MEETING

6 MAY 2025

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1. The Board's statement pursuant to Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act

With regard to the Board's proposal for dividend and authorisation to acquire own shares, the Board of Directors submits the following statement in accordance with Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act (2005:551).

Nature, scope and risks of the operations

The nature and scope of the operations are set out in the articles of association and in the annual reports. The operations conducted by the company and the group do not entail risks beyond what occur or can be assumed to occur in the hotel industry or the risks that are generally associated with conducting business operations. The continued uncertain global situation has been taken into account in the assessment of the company's risks, financial position and prospects going forward. In addition, no events have occurred that adversely affect the company's ability to make value transfers to shareholders. Cyclical effects do not differ from what otherwise occurs in the hotel industry.

The financial position of the company and the group

The company's financial position as of 31 December 2024 is presented in the most recently submitted annual report. The annual report also describes the principles applied for the valuation of assets, provisions and liabilities.

As of 31 December 2024, the results of the company and other unrestricted equity amounted to a total of SEK 8,631,126,870. The proposed dividend corresponds to 6.6 percent of the company's unrestricted equity. The proposal to acquire own shares means that the Board of Directors is authorised to acquire up to a maximum number of shares such that the company's holdings of own shares do not exceed ten (10) percent of the total shares in the company at any given time. The ability to acquire own shares is limited by available unrestricted equity. Following the proposed dividend, the company's and the group's restricted equity will be fully covered. As of 31 December 2024 and according to the company's annual report for 2024, the equity ratio was 6.3 percent for the group (54.2 percent excluding effects of IFRS 16) and 62.9 percent for the parent company (62.9 percent excluding effects of IFRS 16) before the proposed dividend, and 5.2 percent for the group (50.0 percent excluding effects of IFRS 16) and 58.8 percent for the parent company after the proposed dividend is taken into account. As of 31 December 2024, cash and cash equivalents amounted to approximately SEK 708 million.

The company's dividend policy is to distribute at least 50 percent of net results. The dividend is based on net results excluding effects of IFRS 16. The proposed dividend corresponds to approximately 87.4 percent of the group's net results.

The company's financial position is satisfactory. The proposed dividend and authorisation to acquire own shares do not jeopardize the ability to make any necessary investments.

The proposed dividend and authorisation to acquire own shares do not affect the company's ability to meet current and anticipated payment obligations in a timely manner. The company's liquidity forecasts include preparedness to cope with variations in current payment obligations. The company's financial position does not entail any other assessment than that the company can continue its operations and that the company can be expected to fulfil its obligations in both the short and long term.

The Board of Directors assesses that the size of the company's equity as reported in the most recently submitted annual report is in reasonable proportion to the scope of the company's operations and associated risks, taking into account the now proposed dividend and authorisation to acquire own shares.

Soundness of the proposals

Against the above background and what has otherwise come to the attention of the Board of Directors, it is the assessment of the Board of Directors that the proposed dividend and authorisation to acquire own shares appears to be justified taking into consideration the requirements that the nature, scope and risks of the business (the company and the group) place on the size of the equity, and the company's and the group's need to strengthen their balance sheets, liquidity and financial position in general.

Stockholm in March 2025
Scandic Hotels Group AB (publ)
The Board of Directors

2. The Board's report in accordance with Chapter 20, section 13 of the Swedish Companies Act

Considering the Board of Directors' proposal that the Annual General Meeting on 6 May 2025 resolves on (A) reduction of the share capital by cancellation of repurchased shares and (B) increase of the share capital by bonus issue without issue of new shares, the Board of Directors hereby submits the following report in accordance with Chapter 20, section 13 of the Swedish Companies Act.

The Board of Directors has proposed that the company's share capital is reduced by SEK 1,007,655.50 by cancellation of 4,030,622 shares for allocation to unrestricted equity.

In order to achieve a time-efficient cancellation procedure without the need for permission from the Swedish Companies Registration Office or a general court, the Board of Directors has also proposed that the Annual General Meeting resolves to restore the company's share capital to its original level by increasing the share capital by SEK 1,007,655.50 through a bonus issue without issue of new shares. The amount shall be transferred from the company's unrestricted equity to the company's share capital.

Through the reduction of the share capital by cancellation of repurchased shares, the company's share capital will be reduced by SEK 1,007,655.50, and through the bonus issue, the company's share capital will increase by the same amount. Following the completion of the bonus issue, the company's restricted equity and share capital will thus remain unchanged.

After the reduction of the share capital and bonus issue, the number of outstanding shares in the company will be 215,127,300.

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