

# 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 Corporate

### The CEO's total compensation in 2024, SEK

Jens Mathiesen, CEO	
<b>Fixed compensation</b>	
Base salary	8,969,700
Fringe benefits	2,074,749
<b>Variable compensation</b>	
One-year variable <sup>1)</sup>	7,940,875
Multi-year variable <sup>2)</sup>	7,488,166
Extraordinary compensation	0
<b>Pension expense</b>	<b>3,141,600</b>
<b>Total compensation</b>	<b>29,615,090</b>
Proportion of fixed <sup>3)</sup> and variable <sup>4)</sup> compensation	48% / 52%

<sup>1)</sup> Short-term incentive programs (STI).

<sup>2)</sup> Book value of rights allotted in Long-Term Incentive Programs LTIP 2022, LTIP 2023 and LTIP 2024 and a retention bonus for a three-year period.

<sup>3)</sup> Fixed = fixed compensation + pension expense.

<sup>4)</sup> Variable = variable compensation + extraordinary compensation.

Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on compensation to senior executives can be found in Note 05 on pages 102–104 in the Annual Report 2024. Information about the work of the Compensation Committee in 2024 is described in the Corporate Governance Report, which has been included on page 78–87 of the Annual Report 2024.

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 102–104 in Scandic's Annual & Sustainability Report 2024.

## 2024 in brief

The CEO summarizes Scandic's financial year in his CEO statement on pages 5–6 of the Annual Report 2024.

## 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

Share-based incentive program (CEO)	LTIP 2024	LTIP 2023	LTIP 2022
<b>Jens Mathiesen, CEO</b>			
<b>THE MAIN CONDITIONS OF SHARE-BASED INCENTIVE PROGRAMS</b>			
Specification of plan	LTIP 2024	LTIP 2023	LTIP 2022
Performance period	2024–2026	2023–2025	2022–2024
Award date	June 1, 2024	June 28, 2023	June 20, 2022
End of program period	April 27, 2027	April 27, 2026	April 27, 2025
End of holding period	April 27, 2027	April 27, 2026	April 27, 2025
<b>INFORMATION REGARDING THE REPORTED FINANCIAL YEAR</b>			
<b>Opening balance</b>			
Rights vested at the beginning of the year	122,542	181,083	146,325
<b>During the year</b>			
Rights vested	0	0	0
Shares awarded	0	0	0
<b>Closing balance</b>			
Rights subject to performance criteria	122,542	181,083	146,325
Rights vested but not transferred	0	0	0
Shares subject to a holding period	0	0	0

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/corporate-governance/compensation-guidelines/](http://www.scandichotelsgroup.com/corporate-governance/compensation-guidelines/)

In 2022, the Board resolved to pay the CEO a retention bonus, which is described in more detail below. For 2024, the recorded value of the

retention bonus amounted to 3,944,496 SEK. This means that variable compensation for 2024 amounted to 132.5 percent of the fixed annual salary. As the guidelines for compensation to senior executives stipulate that variable cash compensation may not exceed 100 percent of the fixed annual salary, the CEO's variable compensation for 2024 deviates from the guidelines.

No deviations from the decision-making process that according to the guidelines must be applied to determine the compensation have been made. The auditor's report on the company's compliance with the guidelines is available on Scandic's website.

### Retention plan

In 2022, the Board resolved to pay the CEO variable remuneration in the form of a retention bonus over a three-year period that will be paid to the CEO in 2025, provided he remains employed within the company. This was based on the Board's assessment that it is business-critical for the company to ensure that the current CEO continues to lead Scandic during this period.

### Share-based compensation

The goal of long-term incentive programs is to create long-term commitment at Scandic, to attract and retain senior executives and other key personnel and to ensure the shareholder perspective.

Long-term incentive programs constitute a supplement to fixed and variable salary, with participants nominated based on skills and performance. The outcome depends on whether certain predetermined performance require-

ments are met. These requirements are set to ensure long-term and sustainable value creation for Scandic's stakeholder groups.

### Outstanding share-based incentive programs

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

In 2022, 2023 and 2024, new programs were launched, LTIP 2022, LTIP 2023 and LTIP 2024 respectively, which allow participants to receive a number of performance shares, free of charge, depending on the degree of fulfillment of certain performance criteria determined by the Board related to the total return on the company's shares (TSR). Performance shares will be allotted after the end of a vesting period until the date of publication of Scandic's interim report for the first quarters of 2025, 2026 and 2027 respectively.

The current CEO has been allotted 146,325 rights in the LTIP 2022, 181,083 rights in the LTIP 2023 and 122,542 rights in the LTIP 2024. These have been allotted free of charge and are conditional to three-year vesting periods and the CEO's continued permanent employment in the company.

### Application of performance criteria

In 2024, a general short-term incentive program (STI) was launched with performance criteria linked to the company's financial results, guest experience as well as leadership and commitment. The criteria, target levels and assessment scales were prepared by the Compensation Committee and decided by Scandics Board.

### Information on changes in compensation and company performance

	2024	2024–2023	2023–2022	2022–2021	2021–2020	2020–2019
The CEO's compensation, thousand SEK <sup>1)</sup>	29,615,090	3,380 (12.9%)	8,317 (46.4%)	7,677 (75.0%)	-1,058 (-9.4%)	-73 (-0.6%)
Adjusted EBITDA for the Group, million SEK	2,495	-67 (-2.6%)	30 (1.2%)	2,530 (42,166.7%)	1,509 (100.4%)	-3,549 (-173.5%)
Profit/loss for the year, Group, million SEK	652	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 basis of employees, entire Group, thousand SEK	549	33 (6.5%)	102 (24.7)	-34 (-7.6%)	-39 (-8.0%)	47 (10.6%)

<sup>1)</sup> The CEO's compensation includes share-related remuneration with the value of the shares allocated each year, respectively.