

COMPENSATION REPORT 2022

INTRODUCTION

At the 2020 AGM, Scandic's guidelines for compensation to senior executives were adopted. These guidelines remained unchanged in 2022. This Compensation Report describes how these guidelines were implemented.

It also provides information on compensation to the CEO and a summary of the company's share-based incentive program. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on compensation to senior executives can be found in Note 05 on pages 101–103 in the Annual Report 2022. Information about the work of the

Compensation Committee in 2022 is described in the Corporate Governance Report, which has been included in the Annual Report 2022 on pages 78–87.

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 101–103 in Scandic's Annual & Sustainability Report 2022.

2022 IN BRIEF

The CEO summarizes Scandic's financial year in his CEO statement on pages 4–5 of the Annual Report 2022.

THE COMPANY'S COMPENSATION GUIDELINES: SCOPE, PURPOSE AND COMPLIANCE

Scandic shall offer terms that are in line with market conditions and enable the company to recruit and retain the managers required to meet its short and long-term targets. Compensation to senior executives may consist of a fixed salary, variable salary, pension and other benefits. In addition, the AGM may resolve, among other things, on long-term share 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 under [Rules on Remuneration of the Board and Executive Management and on Incentive Programmes](#)

No deviations from the guidelines have been made. No deviations from the decision-making process that according to the guidelines must be applied to determine the compensation have been made. The auditor's report on the company's compliance with the guidelines is available at [Remuneration guidelines and compensation reports | Scandic Hotels Group AB](#). No compensation has been claimed back.

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 that 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.

SHARE-BASED COMPENSATION

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

Long-term incentive programs constitute a supplement to fixed and variable salary, with participants nominated based on skills and performance. The outcome depends on whether certain predetermined performance requirements are met. These requirements are set to ensure long-term and sustainable value creation for Scandic's stakeholder groups.

OUTSTANDING SHARE-BASED INCENTIVE PROGRAMS

From the IPO in 2015 until 2019, the AGM resolved every year to launch a share-based Long-Term Incentive Program (LTIP). In 2020 and 2021, no LTIP was launched. The program implemented in 2019 (LTIP 2019) expired on April 27, 2022, the day that Scandic published its interim report for the first quarter 2022.

In 2022, a new program was launched, LTIP 2022, in which participants may 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). Matching shares and performance shares will be allotted after the end of a vesting period that runs until the

The CEO's total compensation in 2022 (in SEK)

Jens Mathiesen, CEO

Fixed compensation

Base salary	7,604,304
Fringe benefits	315,579

Variable compensation

One-year variable ¹⁾	5,677,880
Multi-year variable ²⁾	1,645,090

Pension costs

	2,674,794
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Total compensation **17,917,647**

Proportion of fixed³⁾ and variable⁴⁾ compensation 59% / 41%

¹⁾ Short-term incentive programs (STI). Read more on page 127.

²⁾ The value of shares allotted in the LTIP that expired in 2022 (LTIP 2019) + the book value of rights allotted in the LTIP 2022 and the Retention Bonus Plan. Read more in the Compensation Report on this page under Retention Plan.

³⁾ Fixed = fixed compensation + pension expense.

⁴⁾ Variable = variable compensation + extraordinary compensation.

date of publication of Scandic's interim report for the first quarter 2025 subject to the participant remaining a permanent employee within the Group during the entire vesting period.

The current CEO has received 146,325 performance shares in the LTIP 2022. 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 2022, 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 Scandic's Board.

Share-based incentive program (CEO)	LTIP 2022	LTIP 2019
Jens Mathiesen, CEO		
The main conditions of share-based incentive programs		
Specification of plan	LTIP 2022	LTIP 2019
Performance period	2022–2024	2019–2021
Award date	June 20, 2022	June 14, 2019
End of program period	April 27, 2025	April 27, 2022
End of holding period	April 27, 2025	April 27, 2022
Information regarding the reported financial year		
Opening balance		
Rights vested at the beginning of the year	146,325	35,184
During the year		
Rights vested	0	0
Shares awarded ¹⁾	0	2,932
Closing balance		
Rights subject to performance criteria	146,325	0
Rights vested but not transferred	0	0
Shares subject to a holding period	0	0

¹⁾In the LTIP 2019, 2,932 matching shares without performance criteria valued at SEK 171,418 were allotted. No performance shares were allotted in the LTIP 2019.

Information on changes in compensation and company performance

Year	2022	2022–2021	2021–2020	2020–2019	2019–2018	2018–2017 ¹⁾
The CEO's compensation, thousand SEK ²⁾	17,917,647	7,677 (74.97%)	-1,058 (-9.4%)	-73 (-0.6%)	3,280 (40.5%)	-4,883 (-37.6%)
Adjusted EBITDA for the Group, million SEK	2,536	2,530 (42166.67%)	1,509 (100.4%)	-3,549 (-173.5%)	89 (4.5%)	384 (24.4%)
Profit/loss for the year, Group, million SEK	428	2,107 (125.5%)	4,272 (71.78%)	-6,676 (-920.8%)	47 (6.9%)	-33 (-4.6%)
Average compensation on a full-time equivalent basis of employees, entire Group, thousand SEK	414	-33.9 (-7.58%)	-39.1 (-8.0%)	46.6 (10.6%)	9 (2.0%)	4 (1.0%)

¹⁾ In 2017, there was a change of CEO. Here, the compensation consists of the total compensation for both CEOs for each period, respectively.

²⁾ The CEO's compensation includes share-related compensation equal to the value of the shares allotted each year, respectively.