

PRESS RELEASE
October 29, 2024

Scandic updates net debt target and informs about upcoming share buyback program and proposal for extra dividend

The Board of Directors of Scandic Hotels Group AB (publ) ("Scandic" or the "Company") has decided on financial targets for the period 2025–2027. The target for net debt in relation to adjusted EBITDA is reduced from 2-3x to below 1x. The Company's financial targets for growth, profitability and dividends are clarified and maintained. Scandic further intends to, during the period 2024–2026 and in addition to ordinary dividend, distribute at least SEK 1,200 million to the shareholders. This considering among other things that the convertible loan issued by Scandic in 2021 now has been fully settled. As a first step, Scandic will (i) launch a share buyback program in December 2024 of approximately SEK 300 million that is expected to run until May 2025, and (ii) within short convene an Extraordinary General Meeting to be held in December 2024, to propose an extra dividend of approximately SEK 550 million. Scandic has further recently, in advance, repaid the entire debt of SEK 631 million for deferred VAT and employer contributions, connected to the pandemic years, to the Swedish Tax Agency.

Jens Mathiesen, Scandic President & CEO, comments:

- Scandic has established a strong commercial and financial position in recent years. We are well positioned for continued solid growth with good profitability and a more balanced risk profile, which is reflected in the financial targets. We also intend to return to ordinary dividends, and with the convertible loan behind us, we have freed-up capital that we now want to distribute to the shareholders.

Information about updated net debt target

Scandic has established a strong commercial and financial position. To reflect this, together with a positive outlook and a balanced risk profile, the Board of Directors has decided to reduce the target for net debt in relation to adjusted EBITDA from 2-3x to below 1x. The Company's financial targets for growth, profitability and dividend policy are clarified and maintained.

Information about upcoming share buyback program

The Board of Directors will use the mandate granted by the shareholders at the 2024 Annual General Meeting to launch a share buyback program in December 2024 worth approximately SEK 300 million. The program is expected to run until May 2025. The purpose of the buybacks is to adjust Scandic's capital structure and, accordingly, the Board of Directors intends to propose to the 2025 Annual General Meeting that the repurchased shares are cancelled. More information about the share buyback program will be published in connection with the launch of the program.

The Board of Directors has been granted a mandate to repurchase a maximum of ten percent of the Company's shares until the 2025 Annual General Meeting, and the Board of Directors intends to propose that the Annual General Meeting grants the Board of Directors a renewed authorization in 2025.

Information about upcoming proposal for extra dividend

The Board of Directors will within short convene an Extraordinary General Meeting to propose an extra dividend of SEK 2.50 per share, corresponding to approximately SEK 550 million. The Extraordinary General Meeting, and the proposed payment date, will occur in December 2024. More information about the Board's proposal will be included in the notice of the Extraordinary General Meeting.

About Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with a network of about 280 hotels with 58,000 rooms in operation and under development, in more than 130 destinations. The company is the leader when it comes to integrating sustainability in all operations and its award-winning Design for All concept ensures that Scandic hotels are accessible to everyone. Well loved by guests and employees, the Scandic Friends loyalty program is the largest in the Nordic hotel industry and the company is one of the most attractive employers in the region. Scandic is listed on Nasdaq Stockholm. www.scandichotelsgroup.com

The Company's capital allocation priorities are always based on what is deemed to create the best long-term shareholder value at each given time.

Financial targets and dividend policy 2025–2027

- **Organic growth:** Organic net sales growth of at least five percent per year.
Previous target: The group shall have organic growth, i.e. sales growth excluding acquisitions and adjusted for exchange rate fluctuations of at least 5 percent per year on average over a complete business cycle.
- **Profitability:** Adjusted EBITDA margin of at least eleven percent per year.
Previous target: The adjusted EBITDA margin of the Group shall be at least 11 percent on average over a complete business cycle.
- **Capital structure:** Net debt in relation to adjusted EBITDA shall be less than 1x.
Previous target: The Group shall have net debt in relation to adjusted EBITDA of 2 to 3x.
- **Dividends:** The dividend policy is to distribute at least 50 percent of net results. The dividend is based on net results excluding effects of IFRS 16.
Previous policy: The dividend policy is to distribute at least 50 percent of net profit for the year.

This information is information that Scandic Hotels Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 18:00 CET on October 29, 2024.

For more information, please contact:

Pär Christiansen, Chief Financial Officer, Scandic Hotels Group

Email: par.christiansen@scandichotel.com

Phone: +46 761 802 663

Rasmus Blomqvist, Director Investor Relations, Scandic Hotels Group

Email: rasmus.blomqvist@scandichotels.com

Phone: +46 702 335 367

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