

The Board of Directors' remuneration report for the financial year 2021

This is an unofficial translation of the Swedish remuneration report. In case of any discrepancies between the Swedish report and this English translation, the Swedish report shall prevail.

Introduction

This report describes how the guidelines for executive remuneration of Eastnine AB, adopted by the annual general meeting 2021, were implemented in 2021. The report also provides information on remuneration to executive management and a summary of the company's outstanding long-term share-related incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and *the rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 5 (Employees, staff expenses and executive management compensation) on pages 79-81 in the annual report 2021. The Board has not appointed a formal remuneration committee during the year, but a smaller group, consisting of Liselotte Hjorth, Peter Elam Håkansson and Ylva Sarby Westman, has set aside a specific time to prepare remuneration questions within the Company for the Board. For 2022, the Board has decided to establish a formal remuneration committee.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 5 on page 80 in the annual report 2021.

Key developments 2021

The CEO summarizes the company's overall performance in his statement on pages 6-7 in the annual report 2021.

The company's remuneration guidelines: scope, purpose and deviations

Eastnine's vision is to create and provide the best meeting places where ideas can flow, people can meet and successful business operations develop. The company's business concept is to be the leading, long-term supplier of modern and sustainable office and logistics properties in first-class locations in the Baltics. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial and/or non-financial criteria. They may be individualized quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on page 104 in the annual report 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. There have been no deviations from the guidelines and no derogations from the procedure for implementation of the guidelines. The

auditor's report regarding the company's compliance with the guidelines is available on www.eastnine.com/en/annual-general-meetings. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive programmes.

Remuneration to the CEO and deputy CEO

Table 1 (a) – Total remuneration to executive management in 2021 (EUR k)¹

Executive management	1		2		3	4	5
	Fixed remuneration		Variable remuneration				
	Fixed salary ²	Other benefits ³	One-year variable	Multi-year variable ⁴	Pension expenses ⁵	Total remuneration	Proportion of fixed and variable remuneration
Kestutis Sasnauskas, CEO	246	8	103	410	62	829	38/62
Britt-Marie Nyman, deputy CEO	171	0	70	-	38	280	75/25
Total	417	8	174	410	100	1 109	47/53

Table 1 (b) – Total remuneration to executive management in 2020 (EUR k)¹

Executive management	1		2		3	4	5
	Fixed remuneration		Variable remuneration				
	Fixed salary ²	Other benefits ³	One-year variable	Multi-year variable ⁴	Pension expenses ⁵	Total remuneration	Proportion of fixed and variable remuneration
Kestutis Sasnauskas, CEO	238	8	100	-	57	403	75/25
Britt-Marie Nyman, deputy CEO	163	0	79	-	36	278	71/29
Total	401	8	179	-	93	681	74/26

¹ Multi-year variable remuneration is reported if vested during the year. However, in note 5 of the annual report 2021, provision for long-term incentive programs is reported in accordance with IFRS 2.

² Including holiday pay of EUR 7k (8).

³ Refers to parking benefit and health insurance.

⁴ Vested share awards as set out in column 8 of Table 2 below. No share rights vested in 2020 as the performance period continued to run in all long-term incentive programs.

⁵ Pension expense (column 3), which in its entirety relates to Fixed salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

Outstanding share-related incentive programmes

Eastnine has introduced three long-term incentive programmes (LTIP) available to employees in the Group (LTIP 2018, LTIP 2020 and LTIP 2021). LTIP 2018 ended during the year, while the term of LTIP 2020 and 2021 continues.

LTIP 2018

Eastnine's 2018 Annual General Meeting decided to introduce a long-term incentive programme for all of the Company's employees (LTIP 2018). The duration of the programme was just over three years. At the end of this period, 10 November 2021, all of the conditions had been met and the Board decided on full allocation to the participants during the fourth quarter of 2021, a total of 58,685 shares. The weighted average share price at the time of the final allocation of shares on conclusion of the programme was SEK 152.71. Awards to the CEO are shown in Table 3(b).

LTIP 2020

The Annual General Meeting on 12 May 2020 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2020) for all staff employed by the Group on 1 January 2020. The incentive programme is divided into three categories: Category A (CEO), Category B (CFO and other management) and Category C (other employees). Participation required participants to hold shares in Eastnine equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 April 2020. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to acquire shares in the Company, provided that certain performance preconditions are fulfilled. In order to receive performance shares, the Participant must remain in employment with the Company and must also have held the participation shares throughout the vesting period. Performance shares will be awarded to the employees within 45 days of publication of the interim report for the period 1 January - 30 June 2023. In total, 16 employees are part of the programme. In aggregate, a maximum of 43,756 shares in the Company may be awarded to Participants.

Criteria for performance shares

Each performance criteria represents one third (1/3) of the total allocation of performance shares to LTIP 2020. If the minimum level of a performance criteria is not met, no performance shares relating to that criteria will be distributed. If the maximum level is reached, a third (1/3) of the maximum number of performance shares in LTIP 2020 will be awarded.

Requirement 1: The development of the Company's return on equity, i.e. the average earnings in relation to average equity, for the period 1 July 2020 - 30 June 2023.

- Maximum level: 12 per cent per year
- Minimum level: 8 per cent per year

Requirement 2: The size of the Company's profit from property management during the period 1 April 2023 - 30 June 2023.

- Maximum level: EUR 5.75m (corresponding to an annual amount of EUR 23m)
- Minimum level: EUR 5.00m (corresponding to an annual amount of EUR 20m)

Requirement 3: The percentile ranking of the Company's total return, i.e. the average share price development including dividends, for the period 1 April 2023 - 30 June 2023, in relation to a number of comparable companies, specifically 20 European real estate companies.

- Maximum level: Total return corresponding to the uppermost quartile in the reference group
- Minimum level: Total return corresponding to the median in the reference group

LTIP 2021

The Annual General Meeting on 5 May 2021 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2021) for all staff employed by the Group on 1 January 2020. The incentive programme is divided into three categories: Category A (CEO), Category B (CFO and other positions deemed to be business critical) and Category C (other employees). Participation required participants to hold shares in Eastnine equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 April 2021. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to acquire shares in the Company, provided that certain performance preconditions are fulfilled. In order to receive performance shares, the Participant must remain in employment with the Company and must also have held the participation shares throughout the vesting period. Performance shares will be awarded to the employees within 45 days of publication of the interim report for the period 1 January - 30 June 2024. In total, 17 employees are part of the programme. In aggregate, a maximum of 37,995 shares in the Company may be awarded to Participants.

Criteria for performance shares

Each performance criteria represents half (1/2) of the total allocation of performance shares to LTIP 2021. If the minimum level of a performance criteria is not met, no performance shares relating to that criteria will be distributed. If the maximum level is reached, half (1/2) of the maximum number of performance shares in LTIP 2021 will be awarded.

Requirement 1: The development of the Company's return on equity, i.e. the average earnings in relation to average equity, for the period 1 July 2021 - 30 June 2024.

- Maximum level: 12 per cent per year
- Minimum level: 10 per cent per year

Requirement 2: The percentile ranking of the Company's total return, i.e. the average share price development including dividends, for the period 1 July 2024 - 30 June 2024, in relation to a number of comparable companies, specifically 20 European real estate companies.

- Maximum level: Total return corresponding to the uppermost quartile in the reference group
- Minimum level: Total return corresponding to the median in the reference group

Table 2(a)– Share-related incentive programmes (CEO)

Executive management	The main conditions of share-related incentive programmes					Opening balance	Information regarding the reported financial year ¹				
	1	2	3	4	5	6	7	8	9	10	11
	Name of programme	Performance period	Award date	Vesting date	End of retention period	Share rights held at beginning of year	Awarded during the year	Vested during the year	Subject to performance requirement	Awarded and unvested at year end	Shares subject to retention period
Kestutis Sasnauskas, CEO	LTIP 2018	2018-2021	2018-06-30	2021-11-10	2021-11-10	27,450	0	27,450 ²	0	0	0
	LTIP 2020	2020-2023	2020-06-30	2023-07-14	2023-07-14	11,055	0	0	11,055	11,055	0
	LTIP 2021	2021–2024	2021-06-30	2024-07-12	2024-07-12	0	9,490 ³	0	9,490	9,490	0
Total						38,505	9,490	27,450	20,545	20,545	0

¹ LTIP 2018 ended during the year in which the CEO vested 27,450 shares. No changes occurred regarding LTIP 2020, where the CEO holds 11,055 performance share rights. In LTIP 2021, the CEO was awarded 9,490 performance share rights in 2021. Savings shares, in which the CEO has invested to become eligible to participate in the programmes, are not included in the table.

² Value: EUR 410k, calculated as the market price per share at the time of transferring of shares (SEK 153.0) multiplied by the number of shares (27,450). 1 EUR = 10.25 SEK on 1 Dec 2021 (source: Reuters).

³ Value: EUR 125k, calculated as the market price per share at the time of award of share rights (SEK 133.6) multiplied by the number of share rights (9,490). 1 EUR = 10.14 SEK on 30 June 2021 (source: Reuters).

Table 2(b) – Share-related incentive programmes (deputy CEO)

Executive management	The main conditions of share-related incentive programmes					Opening balance	Information regarding the reported financial year ¹				
	1	2	3	4	5	6	7	8	9	10	11
	Name of programme	Performance period	Award date	Vesting date	End of retention period	Share rights held at beginning of year	Awarded during the year	Vested during the year	Subject to performance requirement	Awarded and unvested at year end	Shares subject to retention period
Britt-Marie Nyman, deputy CEO	LTIP 2020	2020-2023	2020-06-30	2023-07-14	2023-07-14	5,896 ²	0	0	5,896	5,896	0
	LTIP 2021	2021–2024	2021-06-30	2024-07-12	2024-07-12	0	5,163 ²	0	5,163	5,163	0
Total						5,896	5,163	0	11,059	11,059	0

¹ No changes occurred regarding LTIP 2020, where the deputy CEO holds 5,896 performance share rights. In LTIP 2021, the deputy CEO was awarded 5,163 performance shares in 2021. Savings shares, in which the deputy CEO has invested to become eligible to participate in the programmes, are not included in the table.

² Value: EUR 68k, calculated as the market price per share at the time of award of share rights (SEK 133.6) multiplied by the number of share rights (5,163) 1 EUR = 10.14 SEK on 30 June 2021 (source: Reuters).

Application of performance criteria

The CEO and deputy CEO are entitled to a short-term incentive programme decided each year by the Board of Directors. The programme for 2021 was 100% based on individual performance targets, and the outcome was as set out in table 3(a). Individual performance targets for 2022 will be measurable and distributed as a percentage. The vesting period for LTIP 2018, in which the CEO had share rights, expired during the year. The outcome was as set out in table 3(b).

Table 3(a) – Performance of the CEO and deputy CEO in the reported financial year: variable cash remuneration

Executive management	Description of the criteria related to the remuneration component	Weighting	Measured performance	Remuneration outcome
Kestutis Sasnauskas, CEO	Individual performance targets in different areas such as streamlining of the company, customer satisfaction and growth, cash flow and project development.	100%	83.33%	EUR 103k
Britt-Marie Nyman, deputy CEO	Individual performance targets in different areas such as green financing, financial reporting and investor relations.	100%	83.33%	EUR 70k

Table 3(b) – Performance of the CEO in the reported financial year: share-based incentives paid

Executive management	LTIP 2018	Target	Outcome	Vested	Number of shares	Value ¹
Kestutis Sasnauskas, CEO	Matching shares	-	-	100%	4,575	EUR 68k
	Performance shares – requirement 1: Profit from property management in the Real Estate Direct segment for the period 1 October - 31 December 2020 shall amount to EUR 3.75m.	EUR 3.75m	EUR 3.95m	100%	11,438	EUR 171k
	Performance shares – requirement 2: The average annual return on equity in the Real Estate Direct segment during the period 1 July 2018 - 30 June 2021 shall exceed 13 percent.	>13%	14.6%	100%	11,437	EUR 171k
Total					27,450	EUR 410k

¹ calculated as the market price per share at the time of transferring of shares (SEK 153) multiplied by the number of shares. 1 EUR = 10.25 SEK on 1 Dec 2021 (source: Reuters).

Comparative information on the change of remuneration and company performance

Table 4 – Change of remuneration and company performance over the last five reported financial years (EUR k)

	1	2	3	4	5	6
	2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
Remuneration to the CEO ¹	829	+426 (+106%)	+33 (+9%)	+1 (+0%)	-89 (-19%)	+162 (+55%)
Remuneration to the deputy CEO ²	280	+2 (+1%)	-	-	-	-
Profit from property management ³	9,527	-484 (-5%)	+4,522 (+82%)	+2,309 (+73%)	+4,524 (2017 neg.)	N/A
Net profit	72,334	+36,179 (+100%)	+889 (+3%)	+19,625 (+125%)	-1,444 (-18%)	+3,782 (+28%)
Average remuneration on a full-time equivalent basis of employees ⁴ of the Group	126	23 (+23%)	0 (0%)	-1 (-1%)	-17 (-14%)	-2 (-2%)

¹ The current CEO started on July 3, 2017. The amount for 2017 is remuneration to the current CEO after this date and to the former CEO before that date.

² The current deputy CEO started on May 20, 2019. The group did not have a deputy CEO before that date. The comparison 2020 versus 2019 will therefore not be relevant.

³ Profit from property management for year 2017 and 2018 are pro-forma.

⁴ Excluding members of the executive management.