

## The Board of Directors' remuneration report for the financial year 2022

*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 2022, were implemented in 2022. 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 2022. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on page 104 in the annual report 2022. 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 2022.

### Key developments 2022

The CEO summarizes the company's overall performance in his statement on pages 6-8 in the annual report 2022.

### 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 premises in prime locations in selected markets in the Baltics and Poland. 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 pages 104-105 in the annual report 2022. During 2022, 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](http://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 2022 (EUR k)<sup>1</sup>

	1		2		3	4	5
	Fixed remuneration		Variable remuneration				
	Fixed salary <sup>2</sup>	Other benefits <sup>3</sup>	One-year variable	Multi-year variable <sup>4</sup>	Pension expenses <sup>5</sup>	Total remuneration	Proportion of fixed and variable remuneration
Executive management							
Kestutis Sasnauskas, CEO	247	7	112	-	85	451	75/25
Britt-Marie Nyman, deputy CEO	172	2	85	-	38	297	71/29
<b>Total</b>	<b>419</b>	<b>8</b>	<b>197</b>	<b>-</b>	<b>123</b>	<b>748</b>	<b>74/26</b>

Table 1 (b) – Total remuneration to executive management in 2021 (EUR k)<sup>1</sup>

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

<sup>1</sup> 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.

<sup>2</sup> Including holiday pay of EUR 8k (7).

<sup>3</sup> Refers to parking benefit, lunch benefit and health insurance.

<sup>4</sup> No share rights vested in 2022 as the performance period continued to run in all long-term incentive programs. In 2021, 27 450 shares rights were vested with a total value of EUR 410k. 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).

<sup>5</sup> 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 two ongoing long-term incentive programmes (LTIP) available to employees in the Group (LTIP 2020, LTIP 2021 and LTIP 2022).

#### 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, 15 employees are part of the programme. In aggregate, a maximum of 39,349 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, 16 employees are part of the programme. In aggregate, a maximum of 34,255 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 2021 - 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

**LTIP 2022**

The Annual General Meeting on 26 April 2022 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2022) for all staff employed by the Group on 1 May 2022. The incentive programme is divided into three categories: Category A (CEO and CFO), Category B (country managers 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 May 2022. 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 to 30 June 2025. In total, 19 employees are part of the programme. In aggregate, a maximum of 51,885 shares in the Company may be awarded to Participants.

### Criteria for performance shares

If the minimum level of a performance requirement is not reached, no Performance Shares under that performance requirement will be allotted. If the maximum level is reached, for requirement 1, 80 per cent of the maximum number of Performance Shares and, for Requirement 2, 20 per cent of the maximum number of Performance Shares under LTIP 2022 will be allotted.

**Requirement 1:** The development of the Company's return on equity, excluding the effect from Eastnine's holding in Melon Fashion Group (MFG), *i.e.* average profits/losses, excluding the profits/losses from MFG, related to the average shareholder's equity, excluding shareholder's equity relating to MFG, during the period 1 July 2022–30 June 2025.

- 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 2022 to 30 June 2025, in relation to a number of comparable companies, specifically 22 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)**

	The main conditions of share-related incentive programmes					Opening balance	Information regarding the reported financial year <sup>1</sup>				
	1	2	3	4	5	6	7	8	9	10	11
Executive management	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 2020	2020-2023	2020-06-30	2023-07-07	2023-07-07	11,055	0	0	11,055	11,055	0
	LTIP 2021	2021-2024	2021-06-30	2024-07-12	2024-07-12	9,490	0	0	9,490	9,490	0
	LTIP 2022	2022-2025	2022-06-30	2025-07-11	2025-07-11	0	12,009 <sup>2</sup>	0	12,009	12,009	0
<b>Total</b>						<b>20,545</b>	<b>12,009</b>	<b>0</b>	<b>32,554</b>	<b>32,554</b>	<b>0</b>

<sup>1</sup> No changes occurred regarding LTIP 2020 and LTIP 2021, where the CEO holds 20,545 performance share rights in total. In LTIP 2022, the CEO was awarded 12,009 performance share rights in 2022. Savings shares, in which the CEO has invested to become eligible to participate in the programmes, are not included in the table.

<sup>2</sup> Value: EUR 96k, calculated as the market price per share at the time of award of share rights (SEK 86.0) multiplied by the number of share rights (12,009). 1 EUR = 10.71 SEK on 30 June 2022 (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 <sup>1</sup>				
	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	2023-07-07	2023-07-07	5,896	0	0	5,896	5,896	0
	LTIP 2021	2021-2024	2021-06-30	2024-07-12	2024-07-12	5,163	0	0	5,163	5,163	0
	LTIP 2022	2022-2025	2022-06-30	2025-07-11	2025-07-11	0	8,169 <sup>2</sup>	0	8,169	8,169	0
<b>Total</b>						<b>11,059</b>	<b>8,169</b>	<b>0</b>	<b>19,228</b>	<b>19,228</b>	<b>0</b>

<sup>1</sup> No changes occurred regarding LTIP 2020 and LTIP 2021, where the deputy CEO holds 11,059 performance share rights in total. In LTIP 2022, the deputy CEO was awarded 8,169 performance shares in 2022. Savings shares, in which the deputy CEO has invested to become eligible to participate in the programmes, are not included in the table.

<sup>2</sup> Value: EUR 66k, calculated as the market price per share at the time of award of share rights (SEK 86.0) multiplied by the number of share rights (8,169) 1 EUR = 10.71 SEK on 30 June 2022 (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 2022 was 100% based on individual performance targets, and the outcome was as set out in table 3(a).

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	Relative weighting of the performance criteria	Outcome goals	Measured performance	Remuneration outcome, TEUR
Kestutis Sasnauskas, CEO	Profit from property management/share to increase by 25% <sup>1</sup>	40%	47%	100%	50
	Value of property portfolio to increase by 25%	40%	29%	100%	50
	Net promotor score to increase to 50%	10%	44%	0%	-
	Energy efficiency <sup>2</sup> to improve by 4% during 2022	10%	7%	100%	12
Britt-Marie Nyman, deputy CEO	Profit from property management/share to increase by 25% <sup>1</sup>	40%	47%	100%	34
	Value of property portfolio to increase by 25%	40%	29%	100%	34
	Green financing to increase compared to last year (in absolute terms)	20%	333%	100%	17

<sup>1</sup> Based on earnings capacity at the end of reporting period compared to start of the reporting period.

<sup>2</sup> Degree days adjusted. Excluding tenant electricity. Directly managed properties only. Comparison basis: entire property portfolio

**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
	<b>2022</b>	<b>2022 vs 2022</b>	<b>2021 vs 2020</b>	<b>2020 vs 2019</b>	<b>2019 vs 2018</b>	<b>2018 vs 2017</b>
Remuneration to the CEO <sup>1</sup>	451	-378 (-46%)	+426 (+106%)	+33 (+9%)	+1 (+0%)	-89 (-19%)
Remuneration to the deputy CEO <sup>2</sup>	297	+17 (+6%)	+2 (+1%)	-	-	-
Profit from property management <sup>3</sup>	13,413	+3,887 (+41%)	-484 (-5%)	+4,522 (+82%)	+2,309 (+73%)	+4,524 (2017 neg.)
Net profit	108,560	+36,226 (+50%)	+36,179 (+100%)	+889 (+3%)	+19,625 (+125%)	-1,444 (-18%)
Average remuneration on a full-time equivalent basis of employees <sup>4</sup> of the Group	91	-35 (-28%)	23 (+23%)	0 (0%)	-1 (-1%)	-17 (-14%)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Profit from property management for year 2017 and 2018 are pro-forma.

<sup>4</sup> Excluding members of the executive management.