

## **Remuneration report 2021**

### **Introduction**

This remuneration report describes how the remuneration guidelines for senior executives of Genova Property Group AB (publ), adopted by the Annual General Meeting 2021, have been applied in 2021. The report also provides details on the remuneration of the company's Chief Executive Officer. The remuneration report has been prepared in compliance 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 required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 10 in the company's Annual Report for 2021.

Remuneration of the Board is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is disclosed in note 10 in the Annual Report 2021. No other remuneration has been paid to the Board.

### **The Remuneration Committee's work**

In 2021, the Remuneration Committee consisted of Mikael Borg (Chairman), Andreas Eneskjöld and Erika Olsén. Six meetings were held. The minutes of the Remuneration Committee's meetings are made available to all of the Board members and the Chairman of the committee regularly reports to the Board. The Remuneration Committee prepares the Board's decisions on remuneration matters. Further information on the work of the Remuneration Committee in 2021 is set out in the corporate governance report, available on pages 82 – 89 in the Annual Report 2021.

### **The company's development in 2021**

The Chief Executive Officer summarizes the company's overall result in the statement on page 9 in the Annual Report 2021. In the financial year 2021, Genova has delivered an increased income from property management, growth in long-term net asset value per ordinary share, value growth of the property portfolio and the financial position of the company remains strong.

### **The company's remuneration guidelines: scope, purpose and derogations**

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 is able to recruit and retain qualified personnel. To this end, the company must offer remuneration and other terms of employment with the purpose of ensuring the company's access to senior executives with the competence that the company needs. The company's guidelines for remuneration to senior executives enable the company to offer the senior executives a competitive total remuneration. Under the remuneration guidelines, the remuneration to senior executives shall be on market terms and competitive. The remuneration to senior executives may consist of fixed cash salary, variable cash remuneration, pension and other benefits.

The variable cash remuneration shall be based on extraordinary performances in relation to defined and measurable criteria and be maximized in relation to the fixed cash salary and always be motivated through joint discussions in the Board. The aim of the defined and measurable criteria is to promote the company's business strategy, long-term interests and sustainability. As stated above, the outcome of the variable cash remuneration shall be based on (i) the outcome in relation to the company's financial targets and (ii) fulfilment of stated individual targets. The variable cash remuneration for each senior executive may amount to not more than 40 percent of the fixed cash

salary. According to the guidelines, the Chief Executive Officer shall not obtain any variable cash remuneration.

In 2021, the company has complied with the applicable remuneration guidelines adopted by the Annual General Meeting. No derogations from the guidelines and no derogations from the decision-making process, that according to the guidelines must be applied in order to set out the remuneration, have been made. The guidelines are presented on pages 86-87 in the annual report. The auditor's statement regarding the company's compliance with the guidelines will be available at <https://www.genova.se/investerare/bolagsstyrning> no later than three weeks before the Annual General Meeting 2022. No remuneration to senior executives has been reclaimed by the company.

### Outstanding and during the year completed incentive programmes

Genova currently has one outstanding incentive programme which will extend until June 2024. The incentive programme is based on warrants issued to the wholly-owned subsidiary Genova Fastigheter AB for transfer to employees and consultants of the company. Senior executives, including the Chief Executive Officer, have been offered to subscribe for warrants like the other employees and consultants of the company. The incentive programme was resolved on the Annual General Meeting of the company.

**Incentive programme 2021/2024:** The Annual General Meeting 2021 resolved to issue a maximum of 400,000 warrants. Each warrant entitles the holder to subscribe for one new ordinary share in the company for SEK 125.10 per ordinary share during the period from 20 June 2024 until the date that follows 30 calendar days thereafter. A total of 400,000 warrants were issued, which have been subscribed for by the company's subsidiary Genova Fastigheter AB. Genova Fastigheter AB has, in turn, transferred 400,000 of the warrants to employees and consultants of the company. In 2021, 4,250 of these warrants have been repurchased. All employees and consultants of the company have been offered to participate in the incentive programme. The price (option premium) has been determined on marketable grounds using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt & Transaktion. The company has subsidized the price of the warrants in form of a cash bonus by repaying the amount paid for the warrants by the participants.

The Chief Executive Officer was allotted 69,000 warrants.

Name	The main conditons of the programme				Financial year 2021			
					Opening balance	During the year		Closing balance
					Warrants held at the beginning of the year	Allotted	Exercised	Warrants held at the end of the year
CEO Michael Moschewitz	2021/2024	2,76 kr 2021-06-10	2024-06-20 until 2024-07-20	SEK 125.10	-	69,000	-	69,000

## TOTAL REMUNERATION OF THE CEO IN 2021 (2020 in brackets)

MSEK	Fixed remuneration	Variable remuneration <sup>1</sup>	Other benefits <sup>2</sup>	Pension benefit <sup>3</sup>	Total remuneration	Proportion fixed/variable remuneration
CEO Michael Moschewitz	3,2 (2,5)	0,2 (4,0)	0,1 (0,1)	0,6 (0,4)	3,9 (7,0)	100/0 (43/57)

<sup>1</sup> Variable remuneration relates to cash bonus in connection with allotment of warrants

<sup>2</sup> Car benefit and health care insurance benefit.

<sup>3</sup> Pension expense relates in its entirety to base salary and is premium defined.

## CHANGE OF REMUNERATION AND THE COMPANY'S INCOME FROM PROPERTY MANAGEMENT OVER THE LAST FIVE REPORTED FINANCIAL YEARS

MSEK	2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
Remuneration to CEO <sup>1,2</sup>	3,4	-3,1 (-48%)	+3,2 (97%)	+1,5 (+83%)	+0,7 (+59%)	+0,3 (+34%)
Remuneration to former CEO	-	-	-	-	-	+0,1 (+19%)
Income from property management	99,2	+38,4 (+63%)	+20,0 (+49%)	+19,2 (+89%)	-12,3 (-36%)	+19,6 (+132%)
Profit before tax	798,7	+324,6 (+69%)	-236,8 (-33%)	350,2 (+97%)	+307,5 (+588%)	-64,7 (-55%)
Average remuneration on a full time equivalent basis of employees in the group <sup>3</sup>	0,5	+/-0	-13%	+6%	+6%	-4%

<sup>1</sup>Michael Moschewitz assumed the position as CEO in 2017. Before that, Micael was the deputy CEO of the company. The change of remuneration for the preceding time is made against the remuneration Michael Moschewitz obtained before assuming the position as CEO. Possible gratuity is not included in the comparison.

<sup>2</sup>In 2019 and 2020 one-time compensations were paid to the CEO for achieved targets under the former CEO agreement, which affect the comparison figures 2020 versus 2019 and 2019 versus 2018. Any gratuity is not included in the comparison.

<sup>3</sup>Excluding members of the senior executives.

## Remuneration guidelines for senior executives 2022

The Board proposes that the remuneration guidelines for senior executives remain unchanged for 2022.

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Stockholm in March 2022  
Genova Property Group AB (publ)  
The Board