

Remuneration report 2023

Introduction

This remuneration report describes how the remuneration guidelines for senior executives of Genova Property Group AB (publ), first adopted by the Annual General Meeting 2021 and adjusted by the Annual General Meeting 2023, have been applied in 2023. 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 Stock Market Self-Regulation Committee (Sw. *Aktiemarknadens Självregleringskommitté*). 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 Annual Report 2023.

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 2023. No other remuneration has been paid to the Board members.

The Remuneration Committee's work

In 2023, the Remuneration Committee consisted of Mikael Borg (Chairman), Andreas Eneskjöld and Erika Olsén. Five meetings were held during the year. 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 2023 is set out in the corporate governance report, available on page 56 in the Annual Report 2023.

The company's development in 2023

The Chief Executive Officer summarizes the company's overall result in the statement on page 6 in the Annual Report 2023. The year 2023 was a challenging year that Genova overcame in a satisfactory manner with a strong operational work in both our property management and project development. We had a clear focus on ensuring good liquidity, managing bond maturities and reducing financial costs.

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 of the company 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.

Decisions on variable cash remuneration shall be reported to the Remuneration Committee of the Board and shall be based on extraordinary performances in relation to defined and measurable criteria and be maximized in relation to the fixed cash salary and be decided by the Chief Executive Officer in consultation with the Chairman of the Board. The defined and measurable criteria shall be designed 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 measurable criteria. The variable cash remuneration shall be based on (i) the outcome in relation to the company's adopted financial targets, and (ii) the fulfilment of set 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 2023, 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. A summary of the guidelines are presented on page 56 in the Annual Report. The full guidelines are available on Genova's webpage. The auditor's statement regarding the company's compliance with the guidelines will be available at <https://genova.se/investors/corporate-governance/> no later than three weeks before the Annual General Meeting 2024. No remuneration to senior executives has been reclaimed by the company.

Outstanding and during the year completed incentive programmes

Genova currently has two outstanding incentive programmes, one of which extends until and including June 2024 and the other until and including July 2026. The incentive programmes are 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 in the incentive programmes in the same way as other employees and consultants in the company. The incentive programmes were 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 were 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 the Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt & Transaktion. The company has subsidised 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.

Incentive programme 2023/2026: The Annual General Meeting 2023 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 85.90 per ordinary share during the period from and including 1 July 2026 up to and including 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, which in turn has transferred 396,000 warrants to employees and consultants of the company. 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 the Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt & Transaktion. The company has subsidised 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 68,000 warrants.

Name	The main conditions of the warrant programme				Financial year 2023			
					Opening balance	During the year		Closing balance
	Programme	Option premium and date of allotment	Subscription period	Subscription price	Warrants held at the beginning of the year	Allotted	Exercised	Warrants held at the end of the year
CEO Michael Moschewitz	2021/2024	SEK 2.76 2021-06-10	2024-06-20 until 2024-07-20	SEK 125.10	69,000	-	-	69,000
	2023/2026	SEK 2.36 2023-05-11	2026-07-01 up to and including 2026-07-31	SEK 85.90	0	68,000	-	68,000

Total remuneration of the CEO in 2023 (2022 in brackets)

MSEK	Fixed remuneration	Variable remuneration ¹	Other benefits ²	Pension benefit ³	Total remuneration	Proportion fixed/variable remuneration
CEO Michael Moschewitz	4.2 (4.0)	0 (0)	0 (0.1)	0.8 (0.7)	5.0 (4.8)	100/0 (100/0)

¹ Variable remuneration relates to cash bonus in connection with allotment of warrants.

² Car benefit and health care insurance benefit.

³ 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	2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
Remuneration to CEO ^{1,2}	5.0	+0.2 (+4%)	+0.9 (+23%)	-3.1 (-48%)	+3.2 (97%)	+1.5 (+83%)
Remuneration to former CEO	-	-	-	-	-	-
Income from property management	60.6	-60.2 (-49.8%)	+21.6 (22%)	+38.4 (+63%)	+20.0 (+49%)	+19.2 (+89%)
Profit before tax	-478.7	-802.9 (-247.6%)	-474.5 (-59%)	+324.6 (+69%)	-236.8 (-33%)	350.2 (+97%)
Average remuneration on a full time equivalent basis of employees in the group ³	0.6	+/-0	+10	+/-0	-13%	+6%

¹ Any gratuity is not included in the comparison.

² 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 vs 2019 and 2019 vs 2018. Any gratuity is not included in the comparison.

³ Excluding members of the senior executives.

Remuneration guidelines for senior executives 2024

The Board proposes that the remuneration guidelines for senior executives remain unchanged for 2024.

Stockholm in March 2024
Genova Property Group AB (publ)
The Board