

## REMUNERATION REPORT 2023



Samhällsbyggnadsbolaget

### Samhällsbyggnadsbolaget i Norden AB (publ)

#### Introduction

This remuneration report provides an overview of how Samhällsbyggnadsbolaget i Norden AB (publ) (the "**Company**" and "**SBB**", respectively) guidelines for remuneration to senior executives, which were adopted by the Annual General Meeting 2020 (the "**Remuneration Guidelines**"), have been applied during 2023. This remuneration report also provides details on remuneration to the CEO and the deputy CEOs as well as a summary of the Company's outstanding share-related and share price-related incentive programs. The remuneration report has been prepared in accordance with the Swedish Companies Act and rules on remuneration to the board and executive management and on incentive programs issued by the Swedish Corporate Governance Board and administered by the Stock Market Self-Regulation Committee (ASK).

Further information on remuneration to senior executives is available in note 8 (Employees and personnel costs) on page 87-88 in the annual report for the financial year 2023 (the "**Annual Report**"). Information on the remuneration committee's work during the financial year 2023 is available in the corporate governance report on pages 71-74 in the Annual Report.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is disclosed in note 8 in the Annual Report.

#### Key developments

The CEO summarizes the Company's development in his statement on pages 6-7 in the Annual Report.

#### **SBB's Remuneration Guidelines: scope, purpose and deviations**

The Board of Directors regards it as critical for the successful implementation of the Company's business strategy and safeguarding of the Company's long-term interests, including its sustainability, that the Company can recruit and retain senior executives with the competence and capacity to achieve set goals. To this end, it is necessary that the Company can offer competitive remuneration to motivate senior executives to do their utmost. SBB's Remuneration Guidelines enable the Company to offer senior executives a competitive total remuneration. According to SBB's Remuneration Guidelines, remuneration to senior executives shall be based on market terms and may consist of the following remuneration components: fixed base salary, variable remuneration, pension and certain other benefits. Variable remuneration covered by the Remuneration Guidelines shall be based on criteria that aim at promoting the Company's business strategy and safeguarding its long-term interests, including its sustainability.

The total remuneration to the CEO and the deputy CEOs during 2023 has followed the Company's Remuneration Guidelines.

The Remuneration Guidelines, which were adopted by the Annual General Meeting 2020, are available on page 73 in the Annual Report. No deviations from the Remuneration Guidelines have been decided and no exemptions from its decisionmaking process have been made. The auditor's report regarding whether the Remuneration Guidelines have been followed is available on the Company's website, [www.sbbnorden.se](http://www.sbbnorden.se). No remuneration to senior executives covered by the remuneration report has been paid from another undertaking within the same corporate group and no remuneration has been recouped. In addition to remuneration covered by the Remuneration Guidelines, the Annual General Meeting of SBB has resolved on fees to the Board of Directors.

**Table 1**

**Total remuneration to the CEO and the deputy CEOs during the financial year 2023 (KSEK)**

Name (Position)	Financial year	Fixed remuneration		Variable remuneration		Extraordinary Remunera- tion 6)	Pension 3)	Total remuneration	Fixed and variable remunera- tion as a proportion of total remunera- tion 4)
		Fixed base salary 1)	Other benefits 2)	Short- term incentive programs	Long- term incentive programs				
Leiv Synnes (CEO) 7)	2023	3,153	46	-	-	-	505 (whereof 0 refers to variable remuneration)	3,704	100%/0%
Ilija Batljan <sup>5)</sup>	2023	1,875	74	-	-	648	929 (whereof 0 refers to variable remuneration)	3,526	100%/0%
Krister Karlsson (Deputy CEO)	2023	2,379	73	-	-	-	1,069 whereof 0 refers to variable remuneration)	3,474	100%/0%
Eva-Lotta Stridh (Deputy CEO) <sup>5)</sup>	2023	2,074	6	-	-	561	864 (whereof 0 refers to variable remuneration)	3,504	100%/0%
Annika Ekström (Deputy CEO)	2023	2,448	219	-	-	-	1,069 (whereof 0 refers to variable remuneration)	3,735	100%/0%

1) Including holiday pay.

2) Other benefits refer to car benefit and wellness allowance.

3) Pension refers to a pension benefit that is a defined-contribution on pensionable fixed and variable remuneration.

4) Fixed and variable remuneration as a proportion of total remuneration is calculated as follows. Fixed remuneration as a proportion of total remuneration = (fixed base salary + other benefits + fixed pension / total remuneration) x 100. Variable remuneration as a proportion of total remuneration = variable remuneration + extraordinary remuneration + variable pension / total remuneration) x 100.

5) Compensation refers to the period until the employment's termination date.

6) Other benefits refer mainly to paid saved vacation by end of employment.

7) From and including commencement of taking office as CEO as of 5 June 2023.

## Long-term incentive program (Long-term incentive LTI)

### Warrant program series 2021/2024

SBB has an incentive programme for the company's employees that started in 2021. The incentive program was introduced in order to create a personal long-term ownership commitment among the employees and to stimulate an increased interest in the business and profit development. In addition, the incentive program was introduced in order to increase the motivation of the employees and to create a sense of connection between them and the Company. The incentive program is based on warrants which was acquired by the participants on market terms at a market price which was established based on a calculated market value of the warrants, applying the Black & Scholes valuation model calculated by an independent valuation institute. Each warrant entitled to subscription for one ordinary class B share in the Company. Subscription of class B shares on the basis of warrants may take place during the period from and including 1 March 2024 until and including 31 March 2024. The subscription price for new class B shares corresponded to 130 percent of the company's class B shares' volume-weighted average price during the 10 trading days after 23 February 2021. The subscription price per share was finally determined to SEK 34.125 per share. After recalculation made in February 2023, each warrant entitles the holder to subscribe for 1.12 shares at a exercise price of SEK 30.37 per share. Subscription of shares with support from warrants could be made during the period from and including 1 March 2024 until and including 31 March 2024. As the subscription price exceeded the share price at the time of subscription, no subscription with support from warrants was made.

**Table 2**

### Long-term incentive program directed to the CEO and the deputy CEOs during the financial year 2023

Name (Position)	The main conditions for share-related programs				Information regarding 2023				
	Program	Allotment date	Exercise period	Exercise price per share (SEK)	Opening balance	During the year		Closing balance	
					Number of warrants held	Number of warrants allotted	Number of warrants exercised	Number of warrants allotted but not vested	Number of warrants subject to retention obligation for a certain period of time
Ilija Batljan (CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	5,000,000	-	-	5,000,000	-
Krister Karlsson (Deputy CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	1,500,000	-	-	1,500,000	-
Lars Thagesson (Deputy CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	2,000,000	-	-	2,000,000	-
Eva-Lotta Stridh (Deputy CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	1,500,000	-	-	1,500,000	-
Oscar Lekander (Deputy CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	2,000 000	-	-	2,000,000	-
Annika Ekström (Deputy CEO)	Warrant program series 2021/2024	2021-04-23 — 2021-05-03	2024-03-01 — 2024-03-31	30.37	2,000,000	-	-	2,000,000	-

### **Short-term incentive program (Short-term incentive STI) – annual performance-based remuneration**

The Company has a short-term incentive program where the remuneration shall consist of three parts, each of which shall entitle to one third of the maximum amount of remuneration. Two of the parts are determined by certain performance targets for the Company being achieved, while the remaining part is determined by individual targets being achieved. In order for the remuneration to be paid out, it is required that the individual performance targets are achieved and that at least one of the parts linked to performance targets for the Company is achieved. The criteria that is to be applied regarding performance targets for the Company are NAV growth, i.e. growth of net share value for shares in the Company according to the adopted annual report, and net operating income, i.e. the Company group's rental income subtracted by property cost according to the adopted annual report. The criterion that is to be applied regarding individual performance targets shall be established before the end of the first quarter of the financial year to which the remuneration relates and must be as specific as the criteria regarding performance targets for the Company. The criteria are designed with the intent to promote the Company's business strategy, long-term interests and sustainability, and thus the Company's long-term value creation. Any payment of remuneration shall be made in conjunction with the salary payment that falls closest to the general meeting during which the Company's annual report is adopted regarding the qualifying year. The remuneration can amount to a maximum of 50 percent of the fixed base salary and, at full outcome, up to a maximum of 40 percent of total remuneration excluding LTI. The variable remuneration grants the right to pension benefits and constitutes grounds for holiday pay. The Company has no contractual right to reclaim the remuneration.

The board has decided to pause this program from and for the financial year 2022 and until further notice. SBB has not paid out any remuneration during the financial year 2023.

### **Application of the Remuneration Guidelines and the performance criteria**

After completing an evaluation of the Remuneration Guidelines as well as its application, it can be concluded that the Remuneration Guidelines have enabled the Company to recruit and retain senior executives with the right competence and the capacity required to achieve set goals, which provide the Company with the right conditions for long-term value creation. The Remuneration Guidelines have also contributed to keeping the remuneration to the CEO and other senior executives well balanced. The Remuneration Guidelines have been applied correctly and without deviations and have fulfilled their purpose. Current remuneration structures and remuneration levels for the CEO and other senior executives are reasonable. Since the Company's short-term incentive program have been paused until further notice, no performance criteria have been applied.

### Information on shareholders' voting

At the Annual General Meeting 2023, the remuneration report regarding the financial year 2022 was submitted for approval. The remuneration report regarding the financial year 2022 was approved. No opinions from the shareholders were expressed when the general meeting addressed the remuneration report regarding the financial year 2022. Thus, no review of the guidelines for remuneration to senior executives has been conducted based on opinions from shareholders.

**Table 3**

#### **Change in remuneration and the Company's performance during the recent financial year (KSEK) (Change in KSEK; Change in percentage)**

	Information regarding 2023	Information regarding 2022	Information regarding 2021	Information regarding 2020
Remuneration to senior executives				
Leiv Synnes (CEO)	3,704 (N/A)	-	-	-
Ilija Batljan <sup>3)</sup> (CEO)	3,526 (-5,605; -73 %)	9,309 (+1,758; +23%)	7,551 (+1,980; +35%)	5,571 (+681; +14%)
Lars Thagesson (Deputy CEO)	-	-	5,078 (+1,118; +28%)	3,780 (+608; +19%)
Krister Karlsson (Deputy CEO)	3,474 (-518; -13 %)	3,992 (+894; +29%)	3,098 (+799; +35%)	2,299 (+410; +22%)
Eva-Lotta Stridh <sup>3)</sup> (Deputy CEO)	3,504 (-234; -6 %)	3,738 (+990; +36%)	2,748 (N/A)	-
Annika Ekström (Deputy CEO)	3,735 (-382; -9 %)	4,117 (+1,542; +63%)	2,575 (N/A)	-
The Company's performance				
Profit from property management (MSEK)	2,227 (-2,115; -48%)	4,382 (-1,190; -21%)	5,572 (+3,256; +141%)	2,316 (+1,762; +318%)
Average total remuneration based on number of full-time equivalent employees in the Company <sup>1)</sup>				
	957 (-5; -1%)	962 (-304; -24 %)	1,266 (+314; +33%)	931 (+839; +11%)

- 1) Average total remuneration is calculated as total remuneration for the employees / average number of employees. Fees to the Board of Directors are excluded.

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Board of Directors