

The board of directors' of Stendörren Fastigheter AB (publ) proposal for a long-term incentive programme in the form of warrants

The board of directors proposes that the shareholders' meeting resolves to issue a maximum of 180,000 warrants as part of a long-term incentive programme to employees in accordance with the terms and conditions set out below ("LTI 2023"). In total, LTI 2023 is proposed to include no more than 65 employees within the Stendörren Fastigheter group, including all senior executives. The maximum number of employees eligible to participate in LTI 2023 includes both current and future employees within the Stendörren Fastigheter group.

The incentive programme offers employees, who have entered into agreements with, *inter alia*, pre-emption rights, with the company, the opportunity to acquire warrants at market value determined by using the Black & Scholes valuation formulae.

Each warrant entitles the holder, during a period of two weeks from the date of publication of the interim report for the period 1 January – 31 March 2028, to subscribe for one new ordinary share of class B in Stendörren Fastigheter AB (publ) at an exercise price of SEK 285.

The company and participants of LTI 2023 may enter into an agreement for the company to repurchase the participant's warrants in exchange for cash payment at the end of LTI 2023 instead of the participant exercising the warrants to subscribe for new class B ordinary shares in the company.

The warrants shall otherwise be subject to the terms and conditions determined by the board of directors and as set out in Appendix A and Appendix B.

Transfer of warrants

The right to subscribe for all warrants shall, with deviation from the shareholder's preferential right, accrue to Stendörren Fastigheter AB (publ). The warrants shall be issued free of charge to Stendörren Fastigheter AB (publ) and thereafter be transferred to the participants of LTI 2023. The following terms and conditions shall apply upon transfer of the warrants.

Transfer of the warrants to the participants shall be made to a price equivalent to the warrants' market value at the time of the transfer (the price per warrant) which shall be calculated using the Black & Scholes valuation formulae. The valuation of the warrants shall be carried out by an independent valuation institute or an accounting firm. In connection with the transfer of warrants to the participants the company and the participants shall enter into an agreement which, *inter alia*, regulates a so-called vesting model, meaning that five percent of each participant's warrants are vested each quarter from the day of the transfer of the warrants to the participant and that any remaining unvested warrants will be vested at the end of the vesting period. The agreement will also stipulate that the company reserves the right to repurchase warrants should the participant's employment or assignment for the Stendörren Fastigheter group end or if the participant wishes to transfer the warrants. The company's right to repurchase warrants will vary depending on whether or not the participant's warrants have been vested.

Distribution of warrants

A right to acquire warrants shall be granted to not more than 65 employees within the Stendörren Fastigheter group, including all senior executives, provided that they have entered into agreements

with, inter alia, pre-emption rights, with the company, up to the maximum number of warrants set out in the table below.

Category	Maximum number of employees	Maximum number of warrants per employee	Total maximum amount of warrants
CEO and deputy CEO	2	20,000	40,000
Senior executives and Head of Strategy	7	8,000	56,000
Other employees	56	1,500	84,000
Total	65	N/A	180,000

The members of the board of directors of the company shall not be included in LTI 2023.

The maximum number of employees that can be included in the programme also includes future employees within the Stendörren Fastigheter group. Warrants may therefore also be acquired by and allocated to future employees within the Stendörren Fastigheter group. Such acquisitions and allocations shall be subject to terms and conditions equivalent to those set out in this proposal.

Dilution and costs

Based on the number of shares and votes in the company as of the day of the notice of the shareholders' meeting, the proposed incentive programme will, upon exercise of all 180,000 warrants, correspond to a dilution per year of approximately 0.1 percent of the total number of shares and approximately 0.1 percent of the total number of votes in the company, and a dilution over the entire duration of the programme corresponding to approximately 0.6 percent of the total number of outstanding shares and approximately 0.4 percent of the total number of votes in the company. The terms of the company's other outstanding incentive programme ("**LTI 2020**") has the corresponding possibility for the company to repurchase participants' warrants as for LTI 2023. If LTI 2020 is included in the calculation, the maximum dilution, provided that the company does not repurchase warrants under either LTI 2020 or LTI 2023, amounts to approximately 1.5 percent of the total number of outstanding shares and approximately 0.9 percent of the total number of votes in the company after the programmes have lapsed.

Transfer of the warrants shall be made at a price equivalent to the market value of the warrants at the time of the transfer, which means that there shall be no social security costs for the group in connection with the issue and the transfer of the warrants.

The total costs of LTI 2023, including other costs such as fees to external advisors and costs of the administration of the programme, is calculated to amount to less than SEK one million over the duration of the programme.

If the warrants are repurchased at the end of the programme

In the event the company and the participants reach an agreement regarding repurchase of the participants warrants in exchange for cash payment by the end of LTI 2023 instead of the participants exercising the warrants to subscribe for shares in the company, the dilution effect is reduced correspondingly.

In the event that the company reaches an agreement with all participants to repurchase all of their warrants, LTI 2023 will not result in any dilution.

Any agreement regarding repurchase of warrants between the company and the participants will also affect the company's costs for the programme. The future cost for the company will depend on the development of the value of the company's share price and on the number of warrants repurchased by the company. Calculation examples based on the company's share price at the end of LTI 2023

are presented in the table below. The calculation examples below are based on the assumption that all 180,000 warrants are acquired by participants of LTI 2023 and that the company reaches agreements with all participants to repurchase all their warrants. The calculation examples also include a preliminary price per warrant of approximately SEK 37, in total SEK 6.7 million for all 180,000 warrants. The price per warrant has been calculated according to the Black & Scholes valuation formulae, based on a market value of the underlying share of SEK 203 and assuming a risk-free interest rate of 2.33 percent and a volatility of 30 percent.

The company's share price at the end of LTI 2023	Cost of repurchase LTI 2023 (net after deducting the option premium)
SEK 285	SEK 0 (The company receives an income corresponding to the option premium of a total of SEK 6.7 million)
SEK 325	SEK 0.5 million
SEK 350	SEK 5.0 million
SEK 375	SEK 9.5 million

Regardless of whether or not the company reaches agreements to repurchase the participants' warrants in exchange for cash at the end of LTI 2023 instead of the participants exercising the warrants to subscribe for shares in the company, LTI 2023 is expected to have a marginal impact on the Stendörren Fastigheter group's key figures.

The company is not planning to undertake any hedging measures in connection with the programme.

Background and motives

The board of directors' reasons for proposing LTI 2023 and the deviation from the shareholders' preferential rights is that a personal long-term ownership commitment among the employees can be expected to encourage an increased interest in the business and the development of results, increase motivation and a sense of belonging to the company as well as that the company will be able to keep and attract competent and committed employees.

In light of the terms and conditions, the size of the allocation and other circumstances, the board of directors considers LTI 2023 to be reasonable and beneficial for the company and its shareholders.

Preparation of the proposal

LTI 2023 has been prepared by the board of directors of the company and its remuneration committee in consultation with external advisors and has been prepared at board meetings at the end of 2022 and the beginning of 2023.

Other incentive programmes

Information regarding the company's other long-term incentive programmes is available in the company's annual report for 2022 as well as on the company's website, www.stendorren.se.

Majority requirement

A resolution in accordance with the proposal requires the approval of shareholders representing not less than nine-tenths (9/10) of both the votes cast and the shares represented at the shareholders' meeting.

Stockholm, April 2023
Stendörren Fastigheter AB (publ)

The board of directors

LTI 2023 – Resolution regarding issue of warrants

The board of directors proposes that the shareholders' meeting resolves to issue not more than 180,000 warrants.

1. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, be vested in Stendörren Fastigheter AB (publ). The company will then transfer the warrants to participants in LTI 2023.
2. Each warrant entitles the warrant holder during a period of two weeks from the date of publication of the interim report for the period 1 January – 31 March 2028 to subscribe for one new ordinary share of class B in Stendörren Fastigheter AB (publ) at an exercise price of SEK 285. The part of the exercise price exceeding the quota value (*Sw: kvotvärde*) of the shares shall be allocated to the free share premium reserve. The exercise price and the number ordinary shares of class B to which each warrant entitles the holder to subscribe shall be recalculated in the event of a split, merger, new issue of shares, etc., in accordance with the customary recalculation conditions. Upon full exercise of the warrants, the share capital will increase by SEK 108,000.
3. Subscription of warrants shall be carried out on a specific subscription list no later than 30 June 2023. However, the board of directors shall have the right to extend the subscription period.
4. The warrants shall be issued free of charge.
5. The warrants shall otherwise be subject to the terms and conditions set out in Appendix B.

It is further proposed that the CEO be authorised to make any minor adjustments to the resolution required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Oversubscription cannot occur.

The reason for the deviation from the shareholders' preferential rights is to implement an incentive programme for the Stendörren Fastigheter group's employees, including senior executives.

This proposal is a translation of a Swedish proposal and in case of any deviations between the both language versions, the Swedish version shall prevail.

[See separate appendix]