

Remuneration Report 2022

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Introduction

This Remuneration Report shows an overview of the total remuneration received by each member of the Company's Board of Directors (hereinafter referred to as "the Board of Directors") and the Executive Management (hereinafter referred to as "the Executive Board") of Park Street A/S (hereinafter referred to as "the Company") during the financial year 2022.

The remuneration policy was updated at the annual general meeting of the Company on the 22nd April 2021 to reflect the implementation of the Shareholders Rights Directive II into Danish legislation and available on the Company's website www.psnas.com.

The remuneration report 2021 was approved without comments on the general meeting held 25th April 2022.

The object of the Company's remuneration policy and guidelines for incentive pay is to ensure identity between the interests of the members of the board of directors and the members of executive board the interests of the shareholders of the Company.

The aim of this remuneration policy is to ensure that the remuneration paid is reasonable at all times compared to the results achieved and the Company's general situation.

Further, the object of the remuneration paid by the Company, including incentive-paid remuneration, is to attract and maintain the necessary management qualifications among members of the board of directors and members of the executive board and to promote management's incentive to carry out the Company's business strategy and goals and to create value in and for the Company.

Finally, the remuneration policy and its composition shall be structured to create alignment of the interests of the Company's executive board and those of the Company's shareholders. This includes promoting the strategy, external and internal long-term sustainability and value creation in the Company supporting the Company's long and short term objectives.

A revised remuneration policy will be proposed at the general meeting on the 28th of April, 2023. All amounts declared are gross and expressed in TDKK.

Financial Performance Overview

During the financial year, there were no matters concerning the Company's activities, results, operations and / or business terms or other significant decisions that had a significant influence on the remuneration of the Board of Directors and the Executive Board.

There have been no changes in the composition of the Executive Board. The composition of the Board of Directors has changed to comprise of four directors.

Remuneration of the Board of Directors

The remuneration of the board of directors is based on an annual fixed board fee based on the nature and the extent of the board duties and the number of meetings.

Efforts are made by the lead shareholder in the Company in consultation with the Chairman of the Board, by reviewing public information on board fee payments made by comparable real estate companies, to ensure that the remuneration of the board of directors is competitive compared to the remuneration paid in other comparable companies yet considering the need for ad-hoc duties outside the normal scope of board duties in special circumstances.

The chairman of the board of directors receives 2.5 x annual fixed basic board fee, and the deputy chairman receives 1.5 x annual fixed basic board fee.

In addition to the annual fixed basic board fee, an annual fixed committee fee is paid to the members of board committees. At present, the only board committee is an audit committee in which the chairman receives 0.75 x annual fixed committee fee and any other members of the audit committee receive 0.5 x annual fixed committee fee.

No incentive-based remuneration is paid to the board of directors, and the members of the board of directors are not offered any pension contribution or similar contributions.

The board members receive a fix monthly fee. The Chairman receives DKK 250,000 annually, the Vice Chairman of the Board receives DKK 150,000 annually, and other Board members receive DKK 100,000 annually. In addition, the Chairman of the Audit Committee receives DKK 75,000 annually and other members of the Audit Committee receive DKK 50,000 annually.

	2022			2021		
	Base Fee	Committee Fee	Total Remuneration	Base Fee	Committee Fee	Total Remuneration
Board members						
Pradeep Patten (CEO)	100	0	100	100	0	100
Anita Nassar (Chairman of the Board)	250	0	250	200	0	200
Ohene Kwapong (Chairman of the Audit Committee)	100	75	175	100	75	175
Claes Peter Rading (Member of the Audit Committee) (May-Dec 2021, Jan-Dec 2022)	100	50	150	77	0	77
Andrew LaTrobe (Member of the Audit Committee) (*Jan-Apr 2022)	33	17	50	183	0	183

Lars-Andreas Nilsen (Member of the Audit Committee) (**Jan-Apr 2021)	0	0	0	33	17	50
	583	142	725	693	92	785

(*) Not re-elected after Annual General Meeting held on April 25, 2022.

(**) Not re-elected after Annual General Meeting held on April 22, 2021.

Amounts in Fee Remuneration (split by fixed/variable as % of fee income)	2022	2021
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Pradeep Patten (CEO)	100 / 0	100 / 0
Board members		
Pradeep Patten (CEO)	100 / 0	100 / 0
Anita Nassar (Chairman of the Board)	100 / 0	100 / 0
Ohene Kwapong (Chairman of the Audit Committee)	100 / 0	100 / 0
Andrew LaTrobe (Member of the Audit Committee) (Jan-Apr 2022)	100 / 0	100 / 0
Claes Peter Rading (May-Dec 2021, Jan-Dec 2022)	100 / 0	-
Lars-Andreas Nilsen (Member of the Audit Committee) (Jan-Apr 2021)	100 / 0	100 / 0
	100 / 0	100 / 0

The disclosed remuneration for board members excludes reimbursed expenses that board members have incurred in connection with board meetings, such as travel and accommodation.

Remuneration of the Executive Board

Efforts are made by the lead shareholder of the Company and the Chairman of the Board, by reviewing public information on executive board remuneration paid by comparable real estate companies, to ensure that the remuneration of the executive board is at a competitive level considering the qualifications and efforts of each member of the executive board including the results achieved.

The remuneration of the executive board is based on both fixed and variable remuneration components.

In general, consideration has been made to the remuneration of the Company's other employees. Remuneration of the other employees follows the same overall principles and to a large degree also the different remuneration components described in this remuneration policy, especially in relation to the key employees of the Company. Thus, the Company does not only consider the remuneration level in comparable companies, but the Company also considers the remuneration level of other employees of the Company. This is also the case as regards to the general terms of employment of the executive board.

Amounts in DKK 1000s	2022	2021
Remuneration to the parent company's CEO (Pradeep Patten) comprises the following:		
Salary	2,760	2,760
Contribution-based pensions	0	0
Bonus	0	0
	2,760	2,760

Fixed annual remuneration

The fixed remuneration components focus on ensuring stability and continuous maintaining of qualified members of the Company's management. Thus, the fixed remuneration components contribute to the long-term sustainable development of the Company's

business and thus, the fixed remuneration creates value for the Company's shareholders.

The fixed annual remuneration components consist of a fixed annual basic fee. In addition it is agreed that it is possible that a company car, a company-paid phone, internet subscription, housing allowance newspaper subscription, and a pension contribution corresponding to 10% of the fixed annual basic fee are offered as part of the fixed annual basic fee.

The stated above benefits hasn't been used by the CEO in 2022.

Incentive-based remuneration

The variable remuneration components focus on ensuring targeted and motivated efforts that are executed in an efficient manner without accepting unreasonable risks. Further, the variable remuneration components focus on being in a reasonable proportion to the results achieved by each member of the executive board and the Company's situation in general.

Bonus scheme (cash based)

The variable remuneration components can consist of a bonus scheme that is based on specific objectives determined by the board of directors. Those objectives relate to the Company's earnings performance and a number of individual performance indicators.

Individual performance indicators typically relate to delivery of annual business results of the Company and its subsidiaries or the occurrence of a relevant event.

Variable remuneration awards are currently assessed against a contribution towards the following Company KPIs:

- Achievement of an EBVAT target of DKK 55 to 65 million as a means of creating a sustainable level of profitability and stability for the Company (result achieved in the financial year was below the KPI target);
- Disposal of 5 assets not core to the strategy (result achieved in the financial year was in line with the KPI target).

The above individual performance indicators contribute to the Company's business strategy, long-term interest and sustainability by maximizing alignment with shareholder value and financial sustainability for the Company.

Evaluation of the extent of fulfilment of the above made by the board of directors must be based on the facts and data in relevant published audited report(s), other announcements published by the Company and facts and data announced in statutory statements such as corporate governance reports, etc. available on the Company's website.

The maximum value of a bonus allocation according to the bonus scheme is 20% of the fixed annual basic fee, and it should be noted that no incentive-based remuneration has been awarded on the basis of the financial year results, given that the KPIs were only partially achieved.

Share-based remuneration

At present, the members of the executive board have no stock options or any other similar share-based incentive instruments.

The members of the executive board may be offered to participate in a long-term incentive plan (the "Plan") based on stock options in the Company if decided by the board of directors.

The stock options are offered to members of management who have been employed by the Company for at least a continuous period of 2 years at the time of the grant at the board of directors' sole discretion.

Each member who is offered to participate in the Plan must sign an individual grant letter in which the total number of stock options granted is included. The grant of stock options is free of charge.

According to the Plan, the stock options will vest on the fifth-year anniversary of the date when a member of management is offered to participate in the program.

Upon the vesting period, the stock options can be exercised during an exercise window following the publication of the Company's annual and quarterly reports.

Each of the stock options will represent a right to purchase 1 A-share in the Company of a nominal value of DKK 1 at an exercise price of DKK 0.1 per A-share.

The board of directors is entitled at the board's sole discretion to make, in whole or in part, cash settlement as an alternative to delivering A-shares in the Company. The cash settlement will be performed by payment to the member of the executive board of a cash amount equal to the difference between (a) the exercise price and (b) the share price, whereas the share price amounts to the simple average of the closing price of the Company's A-shares on Nasdaq Copenhagen for a period of [5 trading days running from the first day of the relevant exercise window / following the expiry of the relevant exercise window / prior to the relevant exercise window.

The board of directors is entitled at the board's sole discretion to make changes to the Plan and the terms contained in the Plan, as appropriate, in case of special circumstances including in the event of an exit of the Company or material structural changes in the Company such as capital increases, capital decreases, grant of warrants or convertible debt instruments, merger, demerger, delisting of the Company's A-shares, etc.

In case a member of the executive board breaches the terms of his/her employment contract during his/her employment or after termination of his/her employment while holding unexercised stock options, the stock options will be cancelled automatically and without compensation.

In case a member of the executive board ceases to be employed in the Company, the right to exercise the stock options will be affected depending on the termination situation as described in detail in the Plan.

A member of the executive board who is offered to participate in the Plan is not entitled to transfer the rights and obligations or to sell, pledge or in any other way transfer the rights to stock options except (i) to a company wholly owned and controlled by the member or (ii) as inheritance to the member's spouse or children according to the Danish Inheritance Act (*arveoven*) subject to the Company's prior written consent or (iii) as part of an exit of the Company.

The Plan, including the grant and exercise of stock options, is subject to statutory requirements and regulations which may result in postponement of initiation of a planned stock option program.

The terms of the Plan may be amended by the board of directors at the board's sole discretion, as appropriate, in accordance with applicable law with effect for all granted and vested or unvested stock options. In such case, the Company will inform the relevant members of the executive board in writing of any adjustments made.

Extraordinary remuneration

With the aim of achieving the objects of this remuneration policy, the board of directors may decide to award individual members of the executive board one-off discretionary remuneration for extraordinary performances, sign-on bonuses, hand-over bonuses in relation to termination of employment, or other types of extraordinary remuneration that are not comprised in the bonus scheme described above.

Such extraordinary remuneration will consist of cash-based remuneration, and the maximum value of the extraordinary remuneration is

20% of the annual fixed fee paid to the member of the executive board at the time of payment.

Evaluation of whether extraordinary performances entitle to payment of an extraordinary remuneration is made by the board of directors based on the facts and data in the relevant audited report(s), other announcements published by the Company, and facts and data announced in statutory statements such as corporate governance reports, etc. available on the Company's website.

Claw-back

Opportunities for claw-back apply in relation to the bonus scheme, the share-based remuneration and the extraordinary remuneration resulting in a right for the Company to require reclaim of remuneration already paid or stock options offered if it comes to light that the remuneration was paid/earned or that the stock options were offered on the basis of incorrect, misstated or wrong information.

The access to the right to reclaim remuneration or shares offered is limited in time, whereas a reclaim in relation to the bonus scheme and extraordinary remuneration can only take place within 1 year(s) from the granting of the cash bonus or an extraordinary remuneration and reclaim in relation to share-based remuneration can only take place within 2 year(s) from the granting of stock options.

Reclaim in full or in part is determined at the discretion of the board of directors, but the Company has not yet implemented any such claw-back of remuneration.

Termination and severance pay

The Company may terminate the employment of a member of the executive board by giving maximum 12 months' notice to the end of a calendar month. The members of the executive board may resign from the Company by giving at least 6 months' notice to the end of a calendar month.

The Company may pay severance pay corresponding to a maximum of 12 times the fixed monthly basic fee in the event of dismissal by the Company without breach of contract by the member of the executive board.

Remuneration, comparative information

Park Street A/S has chosen to include relevant comparative figures for 2021, 2020 and 2019 only in accordance with the transitional relief provided in the guidelines from the Danish Business Authority from November 2020.

Amounts in DKK 1000s	2022	Var.	2021	Var.	2020	Var.	2019
Profit before tax	85,499	-101,726	187,225	-534	187,759	41,738	146,021
Profit for the period	98,433	-47,026	145,459	138	145,321	30,268	115,053
Amounts in DKK 1000s	2022	Var.	2021	Var.	2020	Var.	2019
Pradeep Pattem (CEO)	2760	0	2,760	0	2,760	0	2,760
Pradeep Pattem (Board member, but also CEO)	100	0	100	0	100	0	100
Anita Nassar (Chairman of the Board, May-Dec 2021)	250	50	200	100	100	0	100
Ohene Kwapong (Chairman of the Audit Committee)	175	0	175	0	175	0	175
Andrew LaTrobe (Member of the Audit Committee) (*Jan-Jun 2022)	50	NA(*)	183	-67	250	0	250
Claes Peter Rading (Member of the Audit Committee) (May-Dec 2021, Jan-Dec 2022)	150	73	77	NA(**)	0	NA(**)	0
Lars-Andreas Nilsen (Member of the Audit Committee) (**Jan-Apr 2021)	0	NA(***)	50	NA(***)	150	NA(***)	150
Per Høpfner (****)	0	NA(****)	0	NA(****)	50	-25	75
Average Number of Employees (excl. Executive board)	26	1	25	0	25	-6	31
Average remuneration for Employees (FTE) incl. pension (excl. Executive Board)	529	-42	571	-5	576	40	536

(*) Not re-elected after Annual General Meeting held on April 25, 2022. (**) Elected after Annual General Meeting held on April 22, 2021. (***) Not re-elected after Annual General Meeting held on April 22, 2021. (****) Not re-elected after Annual General Meeting held on April 23, 2020. 2022 and 2021 figures based on annualized numbers for 2022 and 2021

No bonuses have been awarded to any board members in 2022.

Shareholding of the Board of Directors and Executive Board

The number of shares in the Company owned by Board members and the Executive Board:

The management of Park Street consist of the following:

- Board Directors
- Executive Board

	2022	Share buy in the year, number of shares	2021
Board of Directors			
Anita Nassar (Chairman of the Board)	0	0	0
Pradeep Patten (CEO)	6,722,484 ¹⁾	0	6,722,484 ¹⁾
Pradeep Patten (Board Member)	0	0	0
Ohene Kwapong (Chairman of the Audit Committee)	0	0	0
Andrew LaTrobe (Member of the Audit Committee)(*)	0	0	0
Claes Peter Rading (Board Member)	0	0	0

¹⁾ Acquired via Park Street Asset Management Ltd.

(*) Andrew LaTrobe has not been re-elected after the Annual General Meeting held on April 25, 2022

Compliance with Remuneration Policy

The remuneration of members of the Board and Executive Management for the 2022 is consistent with the scope of the remuneration policy. There has been no deviation or derogation from the framework provided by the remuneration policy.

Management Statement

Today, the Board of Directors has examined and approved the remuneration report for the financial year 2022 for the listed company Park Street A/S.

The remuneration report is made in accordance with Section 139b of the Danish Companies Act. The remuneration report is recommended for an indicative vote at the general meeting.

Copenhagen 5 April 2023

Management

Pradeep Patten
CEO

Board of Directors

Anita Nassar
Chairman

Pradeep Patten

Ohene Aku Kwabong

Claes Peter Rading

Independent auditor's opinion on the remuneration report

To the shareholders of Park Street A/S:

In accordance with Section 139b of the Danish Companies Act, management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the general meeting.

Our conclusion on auditing the consolidated financial statements and financial statements does not include the remuneration report, and we do not express any kind of conclusion with certainty about the remuneration report.

However, in connection with our audit of the consolidated financial statements and the financial statements for 2022, it is our responsibility under section 147 of the Danish Companies Act to make sure that information pursuant to Section 139 (b), point 3 of the Danish Companies Act is provided in the Company's remuneration report for 2022.

Hellerup, 5 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 3377 1231

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State Authorised Public Accountant
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