

THE BOARD OF DIRECTORS' REMUNERATION REPORT FOR 2020

INTRODUCTION

This remuneration report provides an outline of how Nyfosa's guidelines for remuneration to senior executives (the "**remuneration guidelines**"), adopted by the Annual General Meeting 2020, have been implemented in 2020. The report also provides details on the remuneration to Nyfosa's CEO as well as remuneration to directors of the board in 2020, in addition to the ordinary board fee resolved by the Annual General Meeting. Furthermore, the report contains a summary description of Nyfosa's existing share and share-price related incentive plans.

OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES IN 2020

The remuneration committee monitors and evaluates programs for variable remuneration, both ongoing and those that have been completed during the year, for the CEO and the actual and expected outcome of such have been reported to the board of directors and discussed at meetings with the board of directors.

Based on the remuneration committee's evaluation of the CEO's remuneration, the board of directors has determined that the current remuneration structure and remuneration level is appropriate, reflects market practice and is competitive and suitable for achieving Nyfosa's targets. Both the remuneration committee and the auditor have, after evaluation, concluded that Nyfosa has complied with current remuneration guidelines and no deviations or derogations from the remuneration guidelines or from the decision-making process, that according to the remuneration guidelines must be applied to determine remuneration, have been made during 2020.

The remuneration guidelines do not currently contain any provisions on the right to reclaim remuneration, so-called clawback provisions, and the board of directors has made the assessment that such provisions are not currently justified. Based on the conclusions after following and evaluating programs for variable remuneration, how the remuneration guidelines have been applied, and after evaluating the current remuneration structures and remuneration levels in Nyfosa, the board of directors has decided that the remuneration guidelines shall remain unchanged.

According to Nyfosa's remuneration guidelines, remuneration to senior executives must be adapted to market conditions and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to the remuneration covered by the remuneration guidelines, the Annual General Meeting of Nyfosa may decide on the implementation of long-term share-based incentive plans and on remuneration to the board of directors.

Total remuneration to the CEO

The table below sets out the total remuneration (SEK) paid to Nyfosa's CEO during 2020 and to the directors of the board who have received remuneration in addition to the ordinary board fee resolved by the Annual General Meeting.

Name, position (during the start/end of the period)	Financial year	1 Fixed remuneration		2	3	4	5	6
		Base salary (SEK)	Other benefits (SEK)	Variable remuneration - One-year variable (SEK)	Extraordinary items (SEK)	Pension expenses (SEK)	Total remuneration (SEK)	Proportion of fixed and variable remuneration
Stina Lindh Hök (CEO) ¹	2020	700,274	17,156	0 ¹	0	75,494	792,924	100% fixed
Jens Engwall (former CEO, senior advisor, Director) ²	2020	3,684,000	238,846	0	0	847,432	4,770,278	100% fixed

Application of performance criteria

According to the company's guidelines for remuneration, variable remuneration shall reward target-related results and improvements in simple and transparent structures and shall be maximized. Any outcome must relate to the fulfilment of the company's financial targets and other measurable performances related to sustainability which will support long-term shareholder value. Established performances shall mainly be common to senior executives, but may also, to a lesser extent, refer to individual performance. As a general rule, the measurement period for variable remuneration is based on performance for a period of approximately twelve months.

The performance criteria for variable cash remuneration to the CEO Stina Lindh Hök in 2020 were as a starting point based on her previous position as COO of the company and were mainly related to the fulfilment of the company's financial target of an annual growth in the distributable cash flow per share of at least 10 percent per year. Growth in the distributable cash flow per share amounted to 42 percent in 2020 in comparison with 2019. Stina Lindh Hök is considered to have met the performance criteria in full. To a lesser extent, the performance criteria refers to Stina Lindh Hök's individual performance in terms of transaction activity as well as development of and stability within the company's organization. When assessing the latter performance criteria, her responsibility in connection with her succeeding Jens Engwall as CEO in 2020 has also been taken into account. Stina Lindh Hök is considered to have met the performance criteria in full.

Outstanding share and share-price related incentive plans

The board of directors presented a proposal to the Annual General Meeting 2019 to introduce a warrant plan for all employees in Nyfosa (LTIP 2019), which was adopted by the Annual General Meeting. LTIP 2019 is based on warrants where allocation to employees takes place according to set categories. The warrants have been transferred to the participants on market terms at a price (premium) determined on

¹ Stina Lindh Hök took up her position as CEO on October 26, 2020. The remuneration presented in the table refers to her remuneration as CEO. Prior to that, she was COO of the company and has been awarded a bonus for the year 2020, which is attributable to her position as COO. The bonus will be paid out in 2021 together with other bonus payments to employees of the company.

² Jens Engwall resigned as CEO on October 26, 2020. Thereafter, he has been employed as a Senior Advisor in the company and has received a salary of SEK 300,000 per month plus benefits.

the basis of an estimated market value of the warrants. The company subsidizes through a cash bonus up to 100 percent of the participant's cost of acquiring the warrants. The bonus consists of two payments, each of 50 percent, during the term of the warrants. A participant's entitlement to bonus requires that the participant at the time of payment of the bonus is still employed by the company, has not resigned or been terminated and that he or she has not transferred his or her warrants. The subscription price per share when exercising the warrant is based on the average share price at the time of the issue of the warrants and thereafter follows Carnegie's Real Estate Index (CREX) up until September 2022. The warrants will thus be valuable, ("in the money"), if Nyfosa's price development exceeds the average for the listed real estate companies during the term. The average price of the Nyfosa share at the time of the issue of the warrants amounted to SEK 60.46.

Each warrant entitles the holder to subscribe for one (1) new share in the company. Subscription of shares in accordance with the terms of the warrants may take place over a two-week period from the day after publication of the interim report for January-September 2022, the year-end report for 2022 and the interim report for January-March 2023, however no later than June 10, 2023. The current CEO, Stina Lindh Hök, has acquired 120,000 warrants and the former CEO, Jens Engwall, has acquired 250,000 warrants in LTIP 2019 (all allotted on 28 May 2019).

Additional information on outstanding share and share price-related incentive plans can be found in note 12 in the annual report for 2020, available at Nyfosa's website, www.nyfosa.se/en/investor-relations/finansiella-rapporter-eng/.

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND NYFOSA'S PERFORMANCE

Change of remuneration and company performance over the last two reported financial years (RFY)³

Annual change	2020 vs 2019	(Information regarding 2020)
Remuneration		
CEO	+ TSEK 158 (+3%)	Total remuneration to CEO in 2020 amounted to SEK 5,563,202
The company's performance		
Profit from property management	+ MSEK 222 (+20%)	
Profit from property management excluding changes in value and tax in joint ventures	+ MSEK 331 (+41%)	
Distributable cash flow	+ MSEK 426 (+54%)	
Average remuneration on a full time equivalent basis of employees⁴		
Per employee in the company	- TSEK 525 (-34%)	Average number of employees has increased from 27.0 (2019) to 63.31 (2020)

³ Nyfosa was listed on Nasdaq Stockholm on November 23, 2018, following distribution of the shares in Nyfosa to the holders of ordinary shares in Hemfosa Fastigheter AB. 2019 is therefore the first full financial year in which the CEO has been employed by Nyfosa.

⁴ The average remuneration for employees includes the following components: base salary, other benefits, variable remuneration and pension expenses.

ADDITIONAL INFORMATION IS AVAILABLE IN THE 2020 ANNUAL REPORT OR AT NYFOSA'S WEBSITE

Nyfosa's remuneration guidelines, which were adopted at the Annual General Meeting 2020, are available on Nyfosa's website www.nyfosa.se/en/about-nyfosa/corporate-governance/remuneration/. Nyfosa's website also contains a statement by the auditor on whether Nyfosa have complied with the adopted guidelines, www.nyfosa.se/en/annual-general-meeting-2021/.

Further information on Nyfosa's remuneration during 2020 that is not covered by this report is available in the annual report for 2020. The information can be found at:

Page 63-64	The remuneration committee's work during 2020.
Note 8 on page 93	Such information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554), including detailed information regarding remuneration to other senior executives covered by the remuneration guidelines adopted at the Annual General Meeting 2020 and information regarding Nyfosa's share and share-price related incentive plans.
Note 8 on page 93	Remuneration to the board of directors.

Nacka in March 2021
Nyfosa AB (publ)
The Board of Directors