

2020 ANNUAL REPORT

NYFOSA





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IT'S VERY EASY TO DESCRIBE OUR WAY OF WORKING. IT IS ABOUT SEEING THINGS IN A NEW LIGHT. CHANGING PERSPECTIVE, DISCOVERING OPPORTUNITIES AND GETTING THE BEST OUT OF EACH INVESTMENT. IN PRACTICE, IT MEANS THAT WE DO THE BUSINESS WE BELIEVE IN, REGARDLESS OF CATEGORY AND WHERE THE PROPERTIES ARE IN SWEDEN. THIS ENABLES US TO CREATE AND DEVELOP A PROPERTY PORTFOLIO WITH STRONG CASH FLOWS AND INCREASING VALUES.



NYFOSA

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While every care has been taken in the translation of this report, readers are reminded that the original report, signed by the Board of Directors, is in Swedish.

NYFOSA 2020

NYFOSA IS A TRANSACTION-BASED AND OPPORTUNISTIC PROPERTY COMPANY IN WHICH BUSINESS ACTIVITIES ARE IN FOCUS. WE ACQUIRE, MANAGE, ADD VALUE TO AND SELL PROPERTIES THROUGHOUT SWEDEN.

SEK **29.4** billion

PROPERTY VALUE
EXCL. PARTICIPATIONS IN JOINT
VENTURES DECEMBER 31, 2020

SEK **12.2** billion

ACQUIRED
PROPERTIES
2020

SEK **1.3** billion

EARNINGS CAPACITY
PROFIT FROM PROPERTY
MANAGEMENT
DECEMBER 31, 2020

MAJOR TRANSACTIONS 2020

Q4 – DIVESTMENT OF RESIDENTIAL PROPERTIES FOR MSEK 445

One property comprising rental apartments of 9 thousand sqm and annual rental value of MSEK 18.5 as well as a project property with building permit for development of new apartments.

Q4 – ACQUISITION OF RETAIL PORTFOLIO FOR MSEK 175

Seven big-box retail properties outside Motala with a leasable area of 17 thousand sqm and annual rental value of MSEK 17.

Q4 – ACQUISITION OF PROPERTY PORTFOLIO FOR MSEK 870

22 properties, two of which are project properties, located in high-growth areas with a leasable area of approximately 94 thousand sqm and annual rental value of MSEK 78.

Q4 – ACQUISITION OF MIXED PORTFOLIO FOR APPROXIMATELY SEK 2.5 BILLION

16 properties in Stockholm, Karlstad and Eskilstuna with a leasable area of approximately 92 thousand sqm and annual rental value of MSEK 160.

Q3 – DIVESTMENT OF LOGISTICS PORTFOLIO FOR SEK 2.1 BILLION

Eight warehouse and logistics properties in Eskilstuna, Gothenburg, Haninge, Landskrona, Malmö, Trollhättan and Örebro with a leasable area of 200 thousand sqm and annual rental value of MSEK 127.

Q3 – DIVESTMENT OF OFFICES AND WAREHOUSES FOR SEK 1.0 BILLION

Two properties in Mölndal with leasable area of 78 thousand sqm and annual rental value of MSEK 106.

Q2 – ACQUISITION OF OFFICES PORTFOLIO WITH TAX-FINANCED TENANTS FOR SEK 4.9 BILLION

38 properties in Swedish high-growth regions with an area of 303 thousand sqm and annual rental value of MSEK 402.

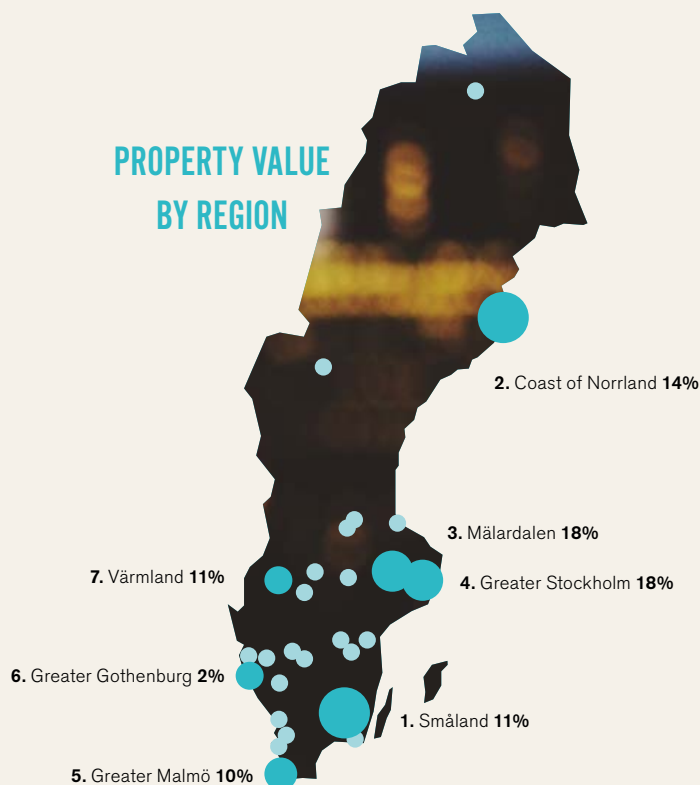
Q1 – POSSESSION OF OFFICES AND WAREHOUSE PORTFOLIO FOR SEK 4.2 BILLION

79 commercial properties primarily in Karlstad with an area of 286 thousand sqm and annual rental value of approximately MSEK 350.

KEY FIGURES

| | 2020 | 2019 |
|--|--------|--------|
| Income, MSEK | 2,035 | 1,370 |
| Net operating income, MSEK | 1,415 | 905 |
| Surplus ratio, % | 69.5 | 66.0 |
| Profit from property management, MSEK | 1,334 | 1,112 |
| – per share, SEK | 7.35 | 6.63 |
| Profit after tax, MSEK | 2,225 | 1,382 |
| – per share before and after dilution, SEK | 12.25 | 8.24 |
| Distributable cash flow, MSEK | 1,219 | 793 |
| – per share, SEK | 6.71 | 4.73 |
| Return on equity, % | 19.3 | 15.2 |
| Equity/assets ratio, % | 41.8 | 44.1 |
| EPRA NRV, MSEK | 14,744 | 10,965 |
| – per share, SEK | 79.91 | 65.37 |
| Net loan-to-value ratio, properties, % | 56.9 | 57.6 |

PROPERTY VALUE BY REGION



NYFOSA OWNS PROPERTIES IN HIGH-GROWTH MUNICIPALITIES AND TRANSPORT HUBS IN SWEDEN

Nyfosa's properties are located throughout Sweden, mainly in high-growth municipalities and at transportation hubs. On December 31, 2020, Nyfosa's property portfolio comprised 361 properties with a total property value of SEK 29.4 billion, a rental value of MSEK 2,451 and a leasable area of 2,380 thousand sqm.

We managed the effects of the pandemic well and increased the cash flow per share well beyond our target.

STINA LINDH HÖK, CEO

CEO COMMENTS

HIGHEST-EVER LEVEL OF ACTIVITY

At Nyfosa, doing good business is our passion. We demonstrated this in 2020 when our transaction activity was higher than ever before and growth in property value exceeded 50 percent. We managed the effects of the pandemic well and increased the cash flow per share well beyond our target. At the same time, we took important steps to accelerate Nyfosa's sustainability efforts. In 2021, we have our sights set on new transactions and foresee interesting opportunities moving forward. The ambition is to continue to build robust cash flows and a diversified, resilient property portfolio.

With a positive net leasing in each quarter and 42 percent growth in distributable cash flow per share, I have to say that I am pleased with 2020. This was a year that unfolded in ways none of us could have predicted. We have managed to brace ourselves against the effects of the pandemic by working closely with our tenants and finding customized solutions for the relatively few who needed support. We see a continued stable demand for our premises and it is our belief that we have good resilience for the future given Nyfosa's diversity in terms of property portfolio and leases.

Eying robust cash flows

At the same time, 2020 stood out as a strong transaction market with a limited supply of properties. Under these circumstances, we managed to complete sound acquisitions for just over SEK 12 billion and, at the close of the year, had a property portfolio valued at SEK 29.4 billion. A key factor to Nyfosa's success is the ability to be opportunistic, to do business where we see the right cash flows and potential, regardless of category, geography or size. Subsequently, we can complete certain transactions that few others have the capacity for within the framework of their business models. The three large portfolio acquisitions we completed during the year added mixed portfolios, stable cash flows and tenants nationwide, with emphasis on expansive regional cities. We have also acquired a small number of properties in the retail segment within establish big-box retail areas focusing on budget and grocery stores.

During the year, we demonstrated that we work actively to strength cash flows also by selling properties. This is something we do when the properties do not match our business model or simply because we are able to do good business. During the year, we sold low-yielding housing, a large office project outside Gothenburg and a logistics and industry portfolio. In doing so, we create scope for new acquisitions that better contribute to our target.

Alongside the major transactions, Nyfosa carries out many small ones that are also important, particularly when there is substantial upward pressure on prices for the large portfolios. These individual acquisitions contribute with generally solid yield levels, complementing our existing portfolio while we maintain valuable business relationships.

Sustainable progress

Sustainability efforts are a central parameter in the development of Nyfosa and the portfolio. In 2020, we have become more systematic and long term in our sustainability efforts. Among other things, we have established methods and targets that suit Nyfosa's transaction-based operations. We have evaluated large parts of the portfolio in regard to energy consumption and energy efficiency options, thereby generating the criteria to use various types of green financing in the future. We are convinced that sustainability and profitability go hand in hand, and adopt this attitude in our efforts.

Ready for new business

Throughout this extraordinary year, Nyfosa's talented and dedicated employees have kept their energy and delivered in an amazing way, and we are equally enthusiastic going into 2021. I am proud and honored to lead Nyfosa, and continue to develop the company together with this solid team. In two years, Nyfosa has evolved into a stable company that holds its very own and cutting-edge position in the Swedish property market. Backed by a favorable bank and capital market, and several attractive acquisitions in the pipeline, we forge on with Nyfosa's journey with the innovation and passion that we bring to what we do.

Stina Lindh Hök, CEO

BUSINESS MODEL AND STRATEGY

AGILE, CREATIVE AND MARKET-CENTRIC

Nyfosa is a transaction-based property company that continuously evaluates new business opportunities, regardless of region or category.

Our aim is to build stable cash flows and a sustainable business.

This opportunistic business model sets Nyfosa apart in the Swedish property market.

BUSINESS CONCEPT

With its opportunistic approach and its agile, market-centric and bold organization, Nyfosa will create value by accumulating sustainable cash flows and continuously evaluating new business opportunities.

VISION

Nyfosa will be the property company in Sweden that is the best at creating value.

An opportunistic property company

We view Nyfosa as Sweden's only listed property company with an opportunistic business model without being limited geographically or to specific categories. Our focus is to create value by accumulating sustainable cash flows and continuously evaluating new business opportunities.

The opportunity to make acquisitions that are on the periphery of what other operators are looking gives us the potential to do good business.

Broad strategy allows freedom of movement

Our broad investment strategy enables us to capitalize on business opportunities when they arise, and evaluate and implement numerous different transactions. This flexibility also provides us with the conditions to acquire properties that are exposed to less competition. One of our strengths is the ability to identify business opportunities that other operators perceive as too complex or too diversified. Few other players have the capacity to carry out some of our acquisitions due to the portfolios' mix of property categories spread over a wide geographical area.

High activity level in transactions

Nyfosa's business model is based on taking an active role in the transaction market, always with our ear to the ground and continuously evaluating a large number of business opportunities. By being perceived as an especially active

property company in terms of both acquisitions and divestments, Nyfosa will become a natural and attractive business partner for other property owners, transaction advisors and banks. These are important relationships in generating new business opportunities.

Nyfosa is a transaction-based property company that creates value by accumulating sustainable cash flows and continuously evaluating new business opportunities.

Experienced management and market-centric organization

Nyfosa has a management team with solid experience of transactions that vary in nature and complexity, and is highly skilled in identifying values, assessing potential and weighing risks. Nyfosa also has a market-centric organization with short decision-making paths and well-established processes in which most of the

employees have extensive experience of conducting value-creating and sustainable management and development.

Optimize the value of the property portfolio

We manage and develop the properties in close cooperation with the tenants and neighboring community from the perspective that sustainability and profitability are interlinked. As part of efforts to enhance the cash flows, Nyfosa continuously evaluates how we can best develop the existing property portfolio, ranging from minor to large-scale actions. This involves a number of different initiatives, from the refurbishment of properties, optimization of operations and sustainability certification to working on new zoning plans and building rights for projects where we anticipate a value.

“There’s something special about working for a company where everyone matters and feels appreciated. It doesn’t make any difference if you’re involved in transactions or management, if you’re young or experienced—we’re all part of the team and the business deals.”



– SABRINA CHAMOUNI,
PROPERTY MANAGEMENT
ASSISTANT, STOCKHOLM

TARGETS, STRATEGIES AND BUSINESS MODEL

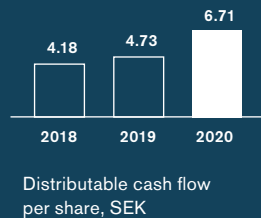
Nyfosa started working toward new financial targets and sustainability targets as of March 2020. During a highly transaction-intense year, Nyfosa's earnings and cash flows grew robustly with continued low financial risk. Meanwhile, we took important steps toward our sustainability targets in 2020.

FINANCIAL TARGETS

Annual growth in distributable cash flow per share of 10 percent.

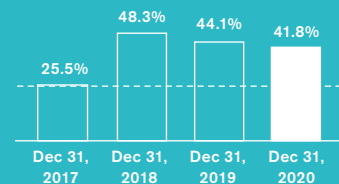
Outcome 2020:

+42%

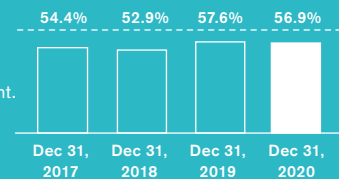


FINANCIAL RISK LIMITS

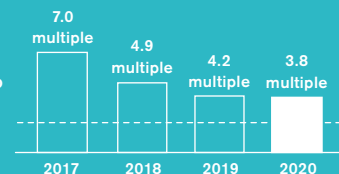
Equity/assets ratio
At least 25 percent in the long term.



Loan-to-value ratio
Not to exceed 65 percent.



Interest-coverage ratio
Long term at least a multiple of 2.



DIVIDEND POLICY

At least 40 percent of the distributable cash flow is to be distributed to the owners. Dividends are, on each occasion, to be considered in light of the company's business opportunities and may comprise a distribution in kind, buyback or cash dividend.

SUSTAINABILITY GOALS

TARGETS 2021

Supplier responsibility

In 2021, Nyfosa will adopt a code of conduct for suppliers and obtain the largest suppliers' commitment to the code of conduct.

Green appendix leases

In 2021, some 100 new or renegotiated leases will include a green appendix.

TARGETS 2025

Sustainability certification

By 2025, 50 percent of properties owned for the entire year will have sustainability certification and 100 percent by 2030.

Streamlined consumption

By 2025, energy consumption per sqm will be reduced by 10 percent compared with 2020.

LONG-TERM TARGETS

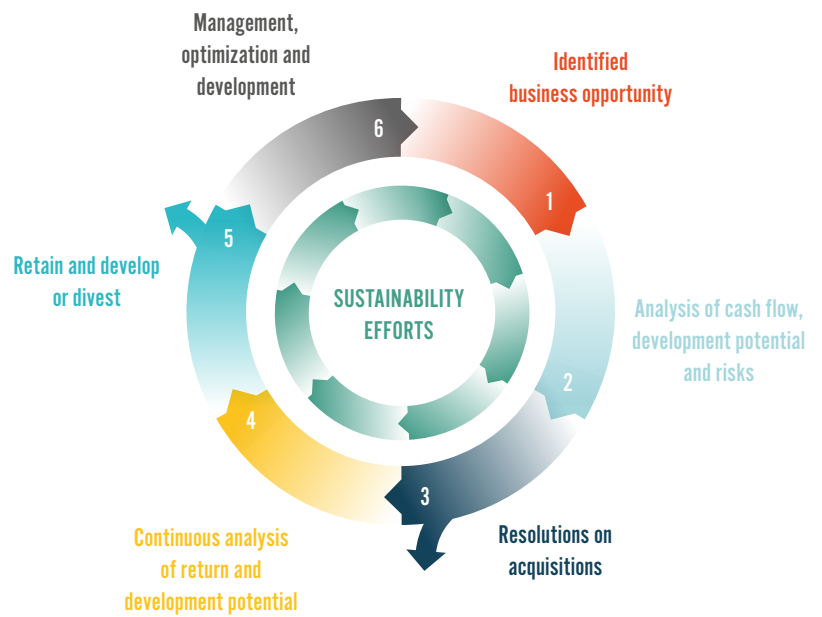
Gender equality

In the longer term, Nyfosa is to achieve equality in the property management organization with at least 40 percent of women and men in each professional group.

► Read more about Nyfosa's sustainability targets and outcomes in the Sustainability Report on pages 42–44.

BUSINESS MODEL FOR SUSTAINABLE VALUE CREATION

Nyfosa's business model is based on taking an active role in the transaction market and constantly evaluating a large number of business opportunities. We manage and develop the growing property portfolio from the perspective that there is a link between sustainability and profitability. In this way, we generate growing cash flows and a sustainable development of our operations.



NYFOSA'S LONG-TERM STRATEGY FOR ACHIEVING THE TARGETS

Nyfosa's strategy is based on its business concept and comprises five parts, all of which work together to achieve the company's targets, both financial and sustainable. Nyfosa's vision is to be the property company in Sweden that is the best at creating value. We believe that taking a long-term and sustainable approach is paramount to realizing our vision.

ATTRACT AND DEVELOP THE BEST EMPLOYEES

Solid expertise, business acumen and an established contact network is central to realizing our business concept and targets. By recruiting and developing motivated, creative and experienced employees Nyfosa creates an effective, well-adapted and market-centric organization. The company works actively to be an employer that offers a creative, open and stimulating work environment with a focus on proximity to business decisions, inclusion in business development and personal development for all employees.

ACTIVE IN THE TRANSACTION MARKET

Nyfosa works close to the transaction market to continuously evaluate new business opportunities. Our strong local presence and local knowledge is a key to continued growth. This creates a solid basis on which to assess the market trend, identify business opportunities at an early stage and make well-founded decisions. Combined with short and swift decision-making paths and well-established process, we are able to simultaneously evaluate a large amount of business opportunities and swiftly complete transactions.

PRIORITIZE COMMERCIAL PROPERTIES IN HIGH-GROWTH MUNICIPALITIES

Nyfosa focuses on cash flow and stable returns at limited risk, where the organization can add value through active management or follow-up transactions. The investment strategy has no restrictions in terms of property category, size or region, but it does have a pronounced priority for commercial properties in high-growth municipalities in Sweden. It is here that Nyfosa can leverage favorable trends such as a growing population and the local business community.

WITH SUSTAINABILITY ADD VALUE TO THE PORTFOLIO

Nyfosa manages, develops and enhances the property portfolio with the aim to increase the value of the properties and earnings capacity. This includes, among other activities, project development, planning, renegotiations, tenant-specific modifications, leasing and sales. This active approach to property management is carried out professionally, profitably and sustainably in close cooperation between Nyfosa's local organization and the central functions, and in close dialogue with tenants, society and other operators.

ACT LONG TERM AND CLOSE TO THE TENANTS

By being a responsible property owner and a reliable, receptive partner, we help to build relationships and create value in the markets where we are active. A critical part of this is to think creatively when developing new solutions for tenants, and to have a relatively small and local property management organization with a large and established contact network to be able to offer tenants rapid responses, personalized service and optimal conditions for their operations.

MARKET

MARKET PERFORMANCE AND TRENDS

Through its flexible investment strategy, Nyfosa's property portfolio evolves over time as the property market develops. In 2020, the portfolio grew substantially with a broad mix of geographic locations and property categories.

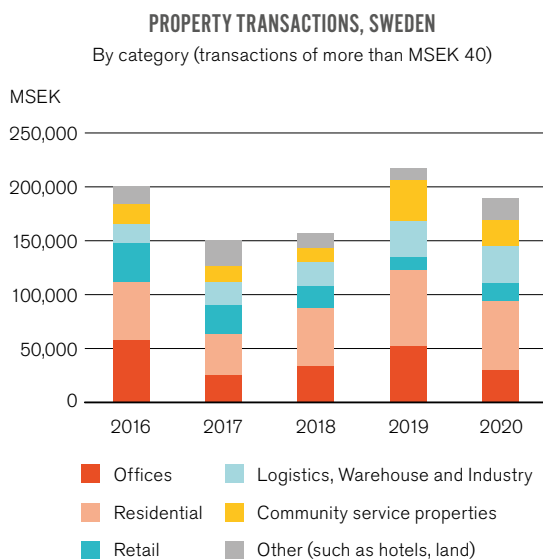
The Swedish property market, 2020

Despite a turbulent year of stunted economic growth, the Swedish property market remained strong. Many financing opportunities, an established low interest rate climate and strong access to capital looking for returns benefited the property market, and investments continued within the property sector in 2020. The total transaction volume for the full-year amounted to SEK 189 billion, slightly below the record-breaking years of 2019 and 2016.

International investors were highly active in the Swedish property market during the year, representing 26 percent of the total transaction volume. Geographically, Stockholm continued to account for the largest share at 37 percent. Malmö and Gothenburg accounted for approximately 8 percent

each, while Other large cities¹ again increased, representing 28 percent of the year's invested capital. This means that almost half of the capital was invested outside Sweden's three largest cities.

The warehouse, logistics and industry segment reached record-high levels during the year, both in terms of investment volumes and the share of total transaction volume. In total, investments within the segment amounted to approximately SEK 34 billion, corresponding to 18 percent of the total transaction volume. This means that the warehouse, logistics and industry segment was, for the first time, the second-most invested type of asset in the Swedish property market after the residential segment. During the year, the office segment's share declined to 16 percent of the total transaction volume from 24 percent in 2019. On the other hand, retail properties' share of the total transaction volume increased compared with 2019 from 6 percent to 9 percent. Community service properties consolidated its position as an investment alternative, and the transaction volume within the segment amounted to 13 percent of the year's transaction volume.



Market data from Newsec

¹ Other large cities are Borås, Gävle, Helsingborg, Jönköping, Karlstad, Linköping, Luleå, Norrköping, Sundsvall, Umeå, Uppsala, Västerås, Växjö, Örebro, Halmstad, Eskilstuna, Kalmar, Östersund and Lund.

Competitors

With a portfolio comprising largely offices, logistics and warehouse buildings as well as a small share of retail properties in several locations in Sweden, Nyfosa faces different competitors in each property category and region. Operators in the market include Swedish and international property funds, Swedish listed companies and privately owned property companies.

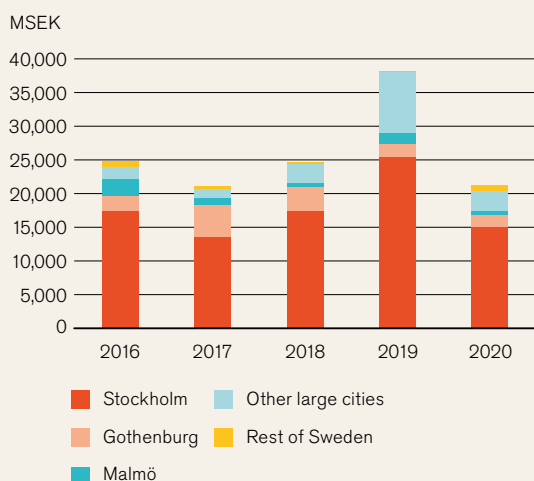
MARKET OFFICES

- 16 percent of the total transaction volume in Sweden 2020.
- Limited supply and strong demand.
- Marginal increase in vacancies.

Transactions

In total, the office segment represented about 16 percent of the total transaction volume in 2020, corresponding to almost SEK 30 billion. This made office the third-largest property segment in terms of transaction volume after the residential segment, and warehouse and logistics segment. Most of the large-scale, dedicated office transactions were completed before the coronavirus pandemic. During the second half of 2020, relatively few transactions were conducted within the segment despite a strong transaction market. This is attributed to the limited supply of objects on the market rather than to low demand. Of the transactions conducted, the price levels of the purchase considerations reflected the market before the outbreak of coronavirus, indicating a continued high investment appetite. Office properties are an attractive investment alternative for both domestic and international investors. International investors accounted for more than 30 percent of the total transaction volume in 2020. The yield requirement for office properties is mainly governed by the location of the property, its condition, cash flow and development potential. In recent years, the yield requirement in high-growth cities has declined, though the differences vary sharply between different geographies. In general, the yield requirement for office properties in large and small regional capitals is between 5.0 and 6.5 percent. In 2021, the interval for office premises in growth cities is expected to rise. The yield requirement for attractive offices is expected to continue to decline, while a slight increase is anticipated for less in-demand offices in more peripheral locations.

PROPERTY TRANSACTIONS – OFFICE
By region (transactions of more than MSEK 40)



Market data from Newsec

Performance and trends in 2020

After several years of positive growth, the office market experienced a slight slowdown during the year, dominated by the effects of the coronavirus pandemic. Service companies are still the main office tenants, with a normal lease term of about three years. The lease term is longer for new builds and refurbishments, generally including an interval of five to ten years. Due to the uncertainty regarding future needs for premises, demand is rising for flexible office solutions and shorter fixed-term periods in the office market, which became particularly tangible during the year.

The rent levels for office properties is determined by several parameters such as geographic location, condition and standard, the general market situation, the terms of the lease and the business structure in the area. A higher proportion of service companies creates a larger market for office premises, which in turn drives rent levels. Also, the selection of office premises in the area has a strong impact on the rent level, where a limited selection and high demand drives up the market rent for office premises. Despite greater uncertainty brought about by the coronavirus pandemic, relatively limited new builds and a continued strong service sector resulted in stability for office premises in large and small regional towns and cities. The vacancy rate increased marginally from historically low levels. Market rent is stable at unchanged annual levels though a certain downturn in top-level rents was noted.



MARKET

LOGISTICS AND WAREHOUSES

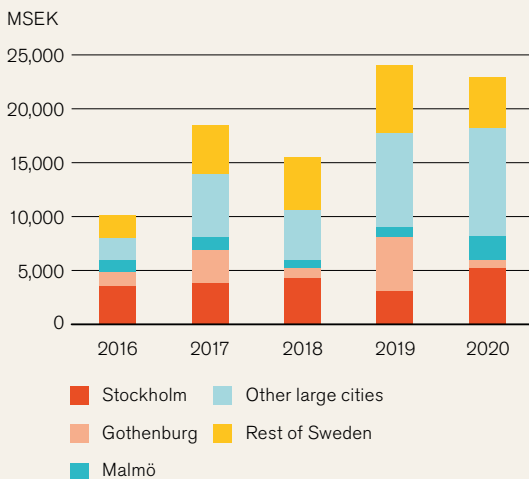
- **18 percent of the total transaction volume in Sweden 2020.**
- **Transactions at record levels.**
- **Trend toward more digitization and automation.**

Transactions

During the year, interest in investing was record high for warehouse, logistics and industrial properties with stable cash flows and a positive market outlook. The transaction volume reached historically high levels in terms of both investment volumes and share of total transaction volume. The year featured many large-scale transactions in the logistics segment that included a total of eight billion-krona transactions. In total, investments within warehouse, logistics and industrial properties amounted in 2020 to SEK 34 billion, corresponding to 18 percent of the total transaction volume. This made the segment the second-most invested type of asset in the Swedish property market for the first time, surpassing the previous record year of 2019. International investors were highly active within the segment in 2020, and foreign capital accounted in total for almost half of all investments in warehouse, logistics and industrial properties. This widespread investment interest within the segment has continued to put downward pressure on the yield requirement, although there is a vast difference between various objects. During the year, a yield requirement of 4.25–4.50 percent was noted for new-build or modern facilities in prime logistics locations with strong tenants and long leases.

PROPERTY TRANSACTIONS – WAREHOUSE, LOGISTICS AND INDUSTRY

By region (transactions of more than MSEK 40)



Market data from Newsec

Performance and trends in 2020

Logistics properties are identified as an attractive and long-term investment with tenants that have strong credit ratings, long-term leases and sustained high demand. Compared with other property segments, the lease terms are longer, normally within an interval of five to ten years. The rent level for warehouse and logistics properties is determined by several parameters, including terms of the lease, size, modernity and efficiency. There is also a strong correlation to the property's geographic location and its proximity to logistics clusters and transportation hubs. In general, rent levels for the segment have been very stable in recent years. Specific areas that have grown stronger over time and areas with newly built space show evidence of clear rent increases. Vacancies remain at low levels.

The coronavirus pandemic has accelerated some strong trends such as digitization and e-commerce growth. Demand for warehouse and logistics properties increases as consumption patterns change due to, among other factors, robustly growing e-commerce. At the same time, this has intensified competition and shrunk margins, leading to a greater price awareness concerning rent for premises. Furthermore, the total retail sector is not growing at the same rate as e-commerce, thereby limiting demand for additional warehouse space. Increasingly advanced demands are being made for more complex facilities, such as automated sorting and picking systems. Digitization, automation and AI are trends that can enhance the efficiency of warehouse management and thus impact demand for logistics space.



MARKET

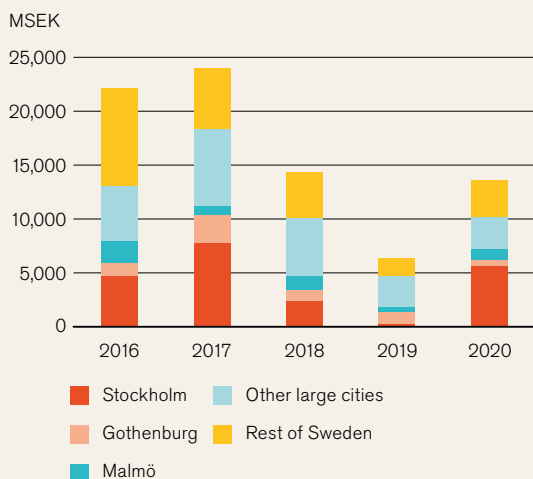
RETAIL

- **9 percent of the total transaction volume in Sweden 2020.**
- **Strong performance in big-box retail areas and grocery segment.**
- **Two-pronged market—wide distribution in vacancy and rent trend.**

Transactions

Investment volumes in retail properties skyrocketed in 2020 compared with previous years. The segment's total transaction volume amounted to approximately SEK 17 billion, corresponding to 9 percent of the total transaction volume compared with approximately SEK 12.5 billion in 2019. The year's transaction volume is primarily driven up by individual major investments as well as a higher investment volume in grocery and big-box retail areas. In total, the grocery and big-box retail areas accounted for more than half of the segment's total transaction volume during the year. The market's yield requirement differs greatly depending on the type of retail and the property's geographic location. In 2020, the yield requirement declined for properties located in big-box retail areas and for grocery stores leased to individual tenants holding long leases. The strong rent trend and good market conditions for these properties drives both growth and capital to this type of object. Meanwhile, the yield requirement in shopping malls and centers rose slightly during the year.

PROPERTY TRANSACTIONS – RETAIL
By region (transactions of more than MSEK 40)



Market data from Newsec

Performance and trends in 2020

The structural transition in the form of digitization and internationalization within retail is advancing. As the digital conversion in retail accelerates, growth is occurring primarily online with the development of new business models. Major structure changes in the retail market have presented difficulties for the physical retail segment, but there is a clear division within the retail segment that has been accentuated during the coronavirus pandemic. Household consumption declined in conjunction with the stagnant Swedish economy in 2020. On the other hand, e-commerce is capturing increasingly larger market shares and continues to be the driving factor behind sales growth in the retail industry. Even big-box retail areas have enjoyed a surge while shopping malls and centers have been hit hard. Big-box retail areas are propped up by grocery stores, outlets and stores selling durable goods, as well as budget and attractive chain stores in such segments as gardening, hardware (DIY), consumer electronics, sports and interior decorating that have thrived during the year. More floor space also allows better opportunities for physical distancing than in other types of retail.

The rent level for retail properties is primarily linked to the geographic location and type of retail. As a whole, rent levels for retail properties showed a negative trend during the year, with substantial differences between different types of retail properties and geographies. For big-box retail areas, rent levels remain unchanged or show a marginal increase depending on the areas of use and location. However, shopping malls and centers, which have continued to struggle during the year, reported a negative trend in rent levels.



IMPACT OF CORONAVIRUS PANDEMIC

The past year was dominated by the pandemic that severely impacted the global economy with closures, social distancing and a fight to stop the spread of the virus. Nyfosa's diversified lease portfolio of commercial premises throughout Sweden was mainly affected in terms of short-term payment difficulties. Net new leasing was positive for the full-year and we can now see a general slow recovery.

The overall low risk in the lease portfolio, based on low exposure to large tenants, geographic diversity in Sweden and a large number of leases with a low average rent level contributed to stable resilience during the pandemic.

Organization

Nyfosa has not needed to apply for the government's short-time working allowance, give notice of redundancies or terminate employment. Also, the company has not made use of liquidity reinforcement through its tax account but has received reimbursement for sick pay costs that is available to all employees.

Rent payments

Rents for forthcoming quarters are paid by tenants in advance, which means that rent receivables are normally insignificant amounts. During the year, we engaged in closer dialogue with tenants to discuss any difficulties that had arisen regarding paying rent on time.

To manage the situation, the method of making individual assessments was adopted in order to identify the best solution for the specific situation of each tenant. We rearranged quarterly payments to monthly payments, established payment plans, renegotiated leases that combined an extended lease term with an initial discount and provided rent discounts based on the government's rental discount aid. Nyfosa received total aid of MSEK 2.1 from government assistance, which is recognized as rental income in the statement of profit/loss.

Rent losses for the year were slightly above normal. 98 percent of rents invoiced for the first quarter of 2021 that fell due on December 31, 2020 had been paid at February 10, 2021, which does not deviate significantly from normal quarterly closing.

The overall low risk in the lease portfolio contributed to stable resilience during the pandemic.

At an overall level, Nyfosa's highly diversified tenant list has coped with the economic challenges presented by the pandemic in a relatively controlled manner.

Property values

Nyfosa engages two external appraisers that each value a part of the portfolio. All properties are valued every quarter, except for those for which possession was taken during the quarter or a sales agreement has been signed. In these cases, the agreed property value is used. The prevailing uncertain business environment did not have any significant impact on property values. The transaction volume at year-end was historically high. Given low interest rates, properties remain an attractive type of investment and the limited supply of properties on the market means that the yield requirements are unchanged.

Financing

Both the credit and capital markets shown a recovery to pre-pandemic levels. The fact that the capital market has picked up presents several financing opportunities for Nyfosa, even though the basis of the company's external financing is comprised of bank loans with Nordic banks.

Future risks

The assessment is that the pandemic will impact the company for some time ahead, albeit at a limited level. The risk of uncertain rent receivables will remain higher in the short term, particularly for tenants in the tourism industry that will need time to recover.

Lower economic activity in society in the long term could affect demand for the company's premises. This could lead to an increase in long-term vacancies, downward pressure on rent levels and property values and higher long-term financing costs.

“2020 has really been an intense year for Nyfosa with more transactions than ever. I feel that we have clearly demonstrated Nyfosa’s strength in carrying out a broad spectrum of transactions, from individual acquisitions to complex portfolios. On top of this, we managed to do it with sound financing in a turbulent market.”



– JOSEPHINE BJÖRKMAN,
HEAD OF TRANSACTIONS,
STOCKHOLM

TRANSACTIONS

HIGH ACTIVITY LEVEL IN TRANSACTIONS

Nyfosa has a market-centric organization with employees who have documented transaction know-how and long experience of assessing risks. This enables us to swiftly evaluate and complete a large amount of transactions. 2020 was a record year for Nyfosa involving several major acquisitions and 50 percent in property value growth.

High activity level

Transactions are the engine of Nyfosa's cash flow and property value growth, supplemented with improvements to existing properties. We are well-equipped to evaluate a large number of potential acquisitions in parallel, thereby facilitating a larger selection and increasing the chances of a positive conclusion. Proactive and reliable, Nyfosa is an attractive partner for property owners, banks, advisors, and other players in the industry. There is a great deal happening at Nyfosa and the market likes that. This in return, can generate business. Nyfosa has favorable opportunities for flexible financing which benefits us in transaction operations. A strong liquidity and financial position provide a solid platform for us to act quickly in an acquisition situation and the capacity to invest in value-creating projects in the existing portfolio to improve profitability.

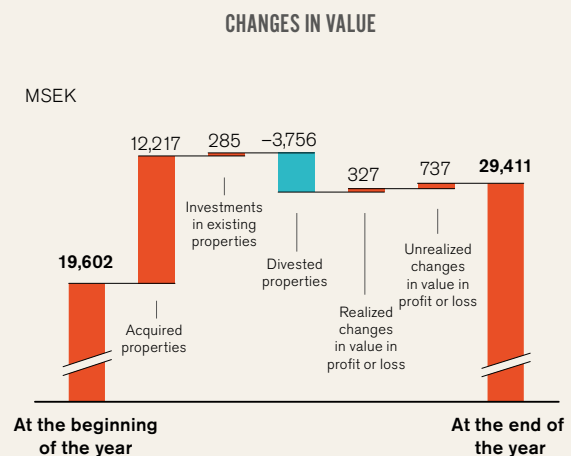
Broad strategy that opens up opportunities

We continuously evaluate and restructure Nyfosa's property portfolio to optimize the property portfolio and develop its composition. This creates the optimal yield and risk levels. Emphasis is on identifying business opportunities that lead to a diversified portfolio of properties that have stable cash flow and development potential. Mixed property portfolios comprising different categories of properties or geographic spread suits Nyfosa well. There is generally less competition for such portfolios since few corporate strategies allow for this type of acquisition. Instead, we see the opportunity to find value and stable cash flows at a limited risk.

PROPERTY PORTFOLIO TRENDS

SEK **12.2** billion
ACQUIRED
PROPERTIES

SEK **3.8** billion
DIVESTED
PROPERTIES



Local presence generates business

Nyfosa's transaction organization has the expertise, creativity and resources to identify and realize the business opportunities that arise. Transaction operations are largely based on a model whereby Nyfosa's transaction department and broad nationwide property management organization work closely together to identify interesting business opportunities. We rarely find the best deals in open-market transactions. Instead, many leads are often generated directly through our contacts. Nyfosa's broad nationwide presence is a key success factor in this regard.

Careful analysis and risk assessment

In our operations, we follow a well-established transaction process for implementing property transactions in a business-like and efficient manner. A considerable volume of business opportunities is always under review and an acquisition process can take from a few weeks to several years, depending on the complexity and other circumstances. Prior to a potential acquisition, we always analyze the transaction based on its unique potential. Great emphasis is placed on assessing its development potential

and on identifying, evaluating and managing any risks associated with the property and the portfolio. One particularly important factor that is given special consideration is the opportunity for Nyfosa to add further value.

Transactions 2020

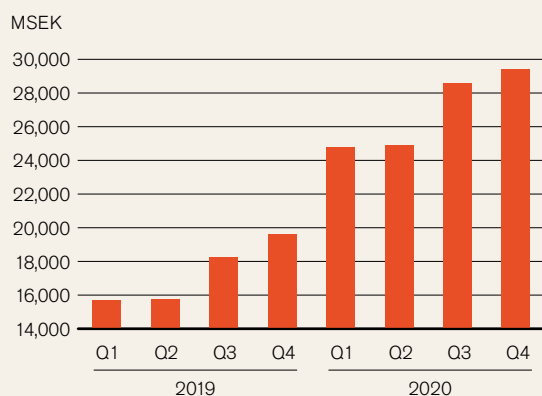
2020 was Nyfosa's most transaction-based year to date.

We carried out transactions for a value of approximately SEK 16 billion in total, of which divestments accounted for approximately SEK 3.8 billion, a volume that accounted for approximately 8 percent of all transactions in Sweden in 2020. This means that we increased our net property portfolio by approximately 90 percent since the listing in November 2018. The acquisitions comprise several major mixed portfolios

in terms of geography and category as well as individual acquisitions of properties within various categories. During the year, Nyfosa reduced its presence in the Warehouse/Logistics category through, among other things, the sale of a logistics portfolio at a value of approximately SEK 2.1 billion in July in order to realize profit and free up capital for acquisitions that will strengthen cash flows.

Nyfosa finds business in all markets—that is the very core of being opportunistic.

PROPERTY VALUE PER QUARTER



ACQUIRED PROPERTIES 2020

| Municipality | No. of properties | Category | Area, thousand sqm |
|---|-------------------|---------------------|--------------------|
| Karlstad, Västerås, Luleå and others | 63 | Offices | 418 |
| Karlstad, Malmö, Huddinge and others | 24 | Warehouse/logistics | 157 |
| Motala, Karlstad, Skara, Malmö and others | 18 | Retail | 56 |
| Uppsala, Karlstad, Malmö and others | 37 | Other | 155 |

DIVESTED PROPERTIES 2020

| Municipality | No. of properties | Category | Area, thousand sqm |
|---|-------------------|----------------------|--------------------|
| Landskrona, Gothenburg, Örebro and others | 8 | Warehouse/logistics | 203 |
| Eskilstuna | 2 | Residential/projects | 9 |
| Linköping | 1 | Retail | 4 |
| Mölnådal, Gothenburg | 3 | Offices | 99 |

NYFOSA IS EXPANDING IN

KARLSTAD

Through the acquisition of a major property portfolio comprised of properties mainly in Karlstad at the start of the year, Nyfosa added to its portfolio and became the largest commercial property owner in the city. Today, Nyfosa has a property management office in Karlstad that finds creative leasing solutions in the steadily growing regional property market.

PORTFOLIO ACQUISITION FACTS

Property value
MSEK 4,174

Annual rental value
MSEK 350

Area
286 thousand sqm

Closing date
March 4, 2020



TALENTED MANAGEMENT TEAM WITH CRITICAL LOCAL KNOWLEDGE

In March 2020, Nyfosa completed one of the year's largest acquisitions; a mixed property portfolio from Randviken for SEK 4.2 billion. The portfolio of 79 commercial properties in prime locations, mainly in Karlstad, but also in Uppsala, Stockholm, Norrköping and Malmö, primarily comprises offices and warehouses. In connection with the acquisition, Nyfosa offered employment at Nyfosa to the relevant employees in Randviken's management organization. The response was largely positive, thereby enabling Nyfosa to open a property management office in Karlstad and to supplement the property management organization in Stockholm, Västerås and Malmö.

"We reaped several rewards from the recruitments made in connection with the acquisition from Randviken. These skilled employees have been a complement to our property management organization. We've enhanced our overall local market knowledge. We've been able to assume daily management without any major disruptions, and maintain contact with tenants, which is so crucial to our operations. We now own a large and diverse portfolio in Karlstad and have a talented property management team on site. All combined, this gives us an excellent platform for our work moving forward," comments Stina Lindh Hök, CEO of Nyfosa.

During the year, further properties have been acquired in Karlstad, and Nyfosa manages a total of 47 properties in the city.



A STABLE GROWING MARKET

Karlstad is a stable growing city with a university, paper industry and consulting firms that contribute to relocation and growth.

"The city is close to the magic 100,000-residents mark and the trend is clearly pointing upward. We see relocation from the region's neighboring municipalities to Karlstad. The city has a positive outlook on the future and has become the region's engine," comments Jan Kasslert, Regional Manager Karlstad at Nyfosa.

Since the transfer of the acquired properties during the year, Nyfosa is the leading commercial property owner in Karlstad, which has many advantages. It contributes to making Nyfosa well-known among the tenant target group, a factor that provides good conditions for leasing activities.

"Nyfosa's large and diverse portfolio makes us flexible in dealing with our tenants. This means that we can work with businesses that are growing and develop new needs. The volume gives us greater opportunities to keep the tenant in the portfolio when they make changes, which makes us an attractive partner," says Jan Kasslert.

CREATIVE LEASING ACTIVITIES

Nyfosa sees several opportunities to develop the properties in Karlstad through tenant conversions or new areas of use, thereby generating value for both the tenants and increasing property value. One relevant example is Björnen 7, an office property in central Karlstad that is currently being converted for the tenant. The bank SEB, which already leases three floors for offices in the building, will take over a vacant retail space on the ground floor. Once the

conversion is completed, SEB will move into 700 sqm ground-floor premises and Nyfosa will free up office space in the bank's previous premises. In another property that has a vacant retail space, a real estate firm will take over.

"Win-win situations like the tenant conversion with SEB arise because we have a proactive leasing organization that is constantly value creation-oriented," comments Jan Kasslert, Regional Manager.

Nyfosa also has a good relationship with the municipality and is looking into, among other things, the potential for developing an area where the company owns industry and education premises through the addition of building rights for apartments—fully in line with Nyfosa's strategy of generating new value for existing properties.

LOCAL CONTACTS CULTIVATE ACQUISITION POTENTIAL

Strong, locally established property management offices that have far-reaching contacts in cities such as Karlstad cultivate

good conditions for identifying potential business that leads to acquisitions. For transaction-based Nyfosa, this is immensely valuable.

"There is a distinct dynamics between the transaction team and the property management organization that is a key factor for Nyfosa's success. Interaction between the departments, regions and head office makes it possible to complete more transactions, and most of our small acquisitions are generated out in the organization. The close collaboration that exists in Nyfosa's geographically outspread organization is both valuable and extremely rewarding," says Stina Lindh Hök.

"WE HAVE A LARGE AND DIVERSE PORTFOLIO IN KARLSTAD AND A TALENTED PROPERTY MANAGEMENT TEAM ON SITE."



Source: Statistics Sweden

“Karlstad is a growing market, and we are optimistic about the region’s future. Nyfosa is the largest private property owner in the city and has a position that allows for interesting development opportunities through, for example, developing our properties, partnerships and carrying out more acquisitions.”



– JAN KASSLERT,
REGIONAL MANAGER,
KARLSTAD

PROPERTY MANAGEMENT AND DEVELOPMENT

WE ADD VALUE TO PROPERTIES AND BUILD RELATIONSHIPS

There's always room to improve a good property. Nyfosa's property management team strives to create value by adding value to our property portfolio, both big and small. The starting point is the potential of each property and the needs of the tenants. Property management is also where a key part of our sustainability efforts takes place and where business opportunities are generated.

Nyfosa's management works in a structured manner to add value to the existing property portfolio in close collaboration with tenants. By focusing proactively on the properties, we can meet the tenants' changing needs by finding smart solutions and sustainable investments. Nyfosa's high acquisition rate makes an effective integration of new properties in the portfolio an important part of the management organization's work, as is the identification of local business opportunities. Collaboration with the transaction team is close, and many of our small acquisitions originate in the management team's local contacts.

Nyfosa's property portfolio offers many, exciting development opportunities that we regularly evaluate. The starting point is to assess how we best contribute in the long term to add value for the tenants and increase the value of our property portfolio—through everything from small investments to developing new zoning plans. Optimization of the properties from a sustainability perspective is a central part of the task of property management. We strive to reduce our climate impact and create good environments for our tenants by addressing, for example, energy consumption, material choices and waste management in which sustainability certification and green leases are key tools.

We are close to the tenants

Nyfosa can build long-term relationships with tenants by ensuring that they are satisfied and feel secure in carrying out their operations in Nyfosa's premises, regardless of the type of property, location or use. For us, this involves being accessible, providing the service expected at the agreed time and ensuring the quality of maintenance and upkeep. Nyfosa's property managers have a great deal of personal responsibility and a clear mandate to make decisions. This enables the local management organization to make swift decisions within its region, including investments up to a certain limit. This is something we believe leads to greater efficiency, wise decisions and good service for our tenants.

Property management also involves actively working close to the market to extend leases and lease vacant premises. Despite the special circumstances presented by the coronavirus pandemic, Nyfosa's management organization has been successful in its leasing activities during the year due to a strong presence throughout the country and a creative approach to the use of premises.

Nyfosa conducts its management operations using its own personnel in key roles and by purchasing external services as needed. Our own employees mainly work in the core areas of relationships with tenants, technical management and leasing. External resources are mainly used for property operations, maintenance, upkeep and development.

Nyfosa exists throughout the country

Nyfosa has a broad geographic presence in Sweden with properties in approximately 80 municipalities. We have our own property management office—currently nine offices—in key locations with a large property portfolio. In addition, we have an external organization that manages the portfolio in the coast of Norrland region. During the year, we opened a property management office in Karlstad after taking possession of a major property portfolio

comprised of properties mainly in the city. With many experienced employees in our property management organization and a structured management process, handling properties in many locations runs smoothly and we have close relationships with our tenants. We have sound knowledge of and a large contact network in many locations where it is represented. This increases the possibility of finding new tenants and areas of use for vacant spaces, or further transactions in the location.



PROJECTS – NYFOSA IDENTIFIES DEVELOPMENT OPPORTUNITIES

Nyfosa works continuously on adding value to the properties through renovations, streamlining operations and tenant-specific modifications. The aim is to create attractive premises, contribute to higher value and adapt the properties to our sustainability requirements. This work can also include drafting new zoning plans and building rights for projects where we foresee a value, regardless of whether we handle the project ourselves together with, for example, a partner, or if we divest it to another owner who takes over. Such development can contribute to a higher value for other adjacent properties that Nyfosa owns and to a favorable development in the local community.

Nyfosa is currently involved in planning activities to facilitate a number of future projects in locations such as Västerås, Luleå, Värnamo, Karlstad, Malmö, Lund and in the Stockholm region.



The premises in **Mården 11** in Luleå are undergoing complete renovation and modification for the Municipality of Luleå, which signed a ten-year lease and with occupancy scheduled for January 2022.

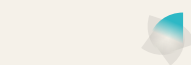
Luleå municipality will lease the entire property Mården 11 on Timmermansgatan 25 in Luleå. The property comprises a leasable area of approximately 10,000 square meters and MSEK 150 in total rental income. Office space is being created in the property that is a mix of cellular offices and an open-plan for approximately 550 people. Charging stations are being stalled for 10 cars and 20 bicycles. In connection with the complete renovation, measures are being taken toward

energy optimization and to secure sustainability certification for the building.

“We are very pleased to have signed a long lease with the Municipality of Luleå. We look forward to working with the Municipality in renovating the premises into a modern, functional and sustainable office,” says Ulf Boström, property manager at Nyfosa.

“With this lease, we take yet another step in the right direction toward providing our citizens with better service while we gather the departments under one roof and reduce our administrative office space,” says Helén Wiklund Wårell, Head of City Planning at the Municipality of Luleå.

NYFOSA ADDS VALUE IN SEVERAL WAYS



RENOVATE AND REFURBISH PROPERTIES

Nyfosa primarily acquires already constructed buildings. The property portfolio generally maintains a high level of quality, although there are some properties in need of renovation. We believe that upgrading an existing building is an effective way to reduce climate impact. An investment often generates a lease with a longer lease term and higher rent levels. It is usually a question of modifying the premises, creating more modern and functional areas for the tenant in conjunction with moving in, or extending a lease. At the same time, it presents opportunities for more efficient and sustainable operations. One relevant project is the vacant property in central Luleå where we are renovating office premises for the Municipality of Luleå, which signed a ten-year lease.



OPTIMIZE OPERATIONS

In 2019, Nyfosa embarked on a more systematic analysis of the property portfolio to identify the potential to optimize property operations. The task of carrying out initiatives started in 2020 and examples of measures to achieve more efficient operations include updating operations and heating systems as well as the installation of solar cell facilities and geothermal heating. In 2021, Nyfosa will continue its work, adding more initiatives based on the analysis and for the optimization of operations.



NEW ATTRACTIVE DISTRICTS IN A HISTORIC PART OF LUND

S:T LARS is an area just outside central Lund whose solid history creates exciting potential for new buildings in an interesting cultural-historical environment. Here, Nyfosa owns 22 thousand sqm office premises and 66,000 sqm land in what was once St. Lars Hospital, built in 1850 with inspiration from France and Germany.

The style of the buildings is neo-renaissance, with a bright plaster décor that contrasts with red, hand-cut brick. The buildings in the S:t Lars area are of high quality and have been very well maintained

over the years. Throughout, reputable architects have been commissioned and the area is home to buildings by several nationally renowned architects who are not otherwise represented in Lund. This means that the buildings in their entirety have a significant cultural-historical value.

In Nyfosa's proposal, the area is developed to add new, attractive housing and business districts together with a green cityscape in a historically important part of Lund. The unique character of the courtyard is preserved while supplementing it's

partially harsh openness with a new mix of buildings and a network of green and intimate urban spaces.

Nyfosa is working on a joint proposal together with the municipality of Lund with the ambition to start the project in 2024 at the earliest.



DEVELOP AND CHANGE PROPERTIES FOR NEW AREAS OF USE

In its leasing activities, Nyfosa analyzes the potential to change the properties' areas of use to create the best conditions for attracting new tenants. The appeal of a property lies largely in whether transportation links to the property is good and accessible. Therefore, location in relation to communication and transports is always weighed in the acquisition process. When a city changes over time or new forms of communication evolve, what was once an office hotel may be better suited for apartments or for a school. Nyfosa works to change the zoning plans and thereby facilitate such a change.



IDENTIFY AND CARRY OUT DEVELOPMENT PROJECTS RELATED TO EXISTING PROPERTIES

Nyfosa continuously analyzes how each property can be developed, for example by conversion and extensions. A project may originate in the fact that a tenant's business is growing and there is a need for larger and better suited premises. At that point, Nyfosa assesses whether a conversion or extension is an option. Nyfosa also has large projects that involve the development of entire districts. One such example is Karlstad where we are working with the municipality on a new zoning plan project to develop building rights for apartments in an area where we own office and warehouse buildings.



PROMOTE LONG-TERM SUSTAINABILITY

Nyfosa focuses on the management and development of properties that have a favorable influence on the immediate environment and community in which we operate, and that contribute to sustainability. We do this because we can see that it adds value at many different levels. In property management we work in vulnerable areas, for example, to find an approach that helps to cultivate safe, secure and attractive areas, such as the BID Model in the Malmö neighborhood Sofielund. In Värnamo, where Nyfosa owns several properties in the center of town, we work to create a vibrant, green oasis that offers housing next to the railway to provide easy access to sustainable travel.

“At Nyfosa, we are diligent in assessing and capitalizing on business opportunities throughout Sweden and do not limit ourselves in terms of size or category—a strategy that is rather unique in the Swedish property market.”



— JOHAN RYDBERG,
TRANSACTIONS,
STOCKHOLM

PROPERTY PORTFOLIO

BROAD PRESENCE GENERATES OPPORTUNITIES

Nyfosa acquires, manages, adds value to and sells different categories of properties throughout Sweden. The property portfolio comprises primarily commercial properties within offices and warehouse/logistics and a small share of retail properties in expansive areas. In addition, Nyfosa owns 50 percent of the property company Söderport that has office and industrial properties in the Greater Stockholm and Gothenburg regions.

Nyfosa's properties are broadly distributed in terms of both geography and different categories of properties. Geographically speaking, most properties are situated in high-growth municipalities and at strategic warehouse/logistics locations in Sweden. A presence in large parts of the country provides us with a broad contact network with potential tenants and property players, and thereby a key platform for identifying and carrying out property transactions. Moreover, the geographic diversity of the portfolio spreads risks favorably, at the same time as the company's rent and property valuation levels generally remain stable due to the location of most of the properties outside the central areas of the major cities. With a

property portfolio comprising both offices and warehouses/logistics and a certain degree of retail properties, Nyfosa has a broad span even in terms of property categories.

Nyfosa's property portfolio

At year-end, the property portfolio comprised 361 properties with a total property value of SEK 29.4 billion and a rental value of MSEK 2,451 with a leasable area of 2,380 thousand sqm. In addition to the wholly owned property portfolio, Nyfosa owns 50 percent of the property company Söderport. Söderport's properties are not included in the tables and diagrams below but are presented separately on pages 32–33.

TOTAL PROPERTY PORTFOLIO

361

NO. OF PROPERTIES

2,380 thousand sqm

TOTAL LEASABLE AREA

SEK 29.4 billion

PROPERTY VALUE

SEK 2.5 billion

RENTAL VALUE

93.1%

ECONOMIC LEASING RATE

Tenants and lease structure

The risk in Nyfosa's portfolio is limited due to the large number of tenants divided among 5,805 leases, including garages and parking spaces, and with no dependence on a single large tenant. On December 31, 2020, the ten largest tenants accounted for about 14 percent of Nyfosa's rental income, divided among 213 leases. The average remaining lease term in the portfolio was 3.7 years.

Rental income and property expenses

Nyfosa's rental income normally includes rent supplements, for example, for property tax, heating and electricity costs that are invoiced onward to tenants. Nyfosa's largest property expenses include operating expense items that pertain to heating, water, electricity and property upkeep. Other operating expenses mainly pertain to insurance, guard services and waste management. At Nyfosa, we work continuously on energy-saving operations and maintenance measures in the property portfolio to both reduce the costs and restrict the environmental impact of Nyfosa's and its tenants' operations. Another category of property expenses that are charged to operations is maintenance costs. Planned and ongoing maintenance is carried out continuously to retain the condition and standard of the properties. Property expenses also comprise the property tax imposed by the government, which

currently amounts to 1.0 percent of the tax assessment value for non-residential properties and 0.5 percent for industrial properties. Nyfosa's costs for property administration consist primarily of expenses for charging rent, leasing, project management and marketing.

NYFOSA'S LARGEST TENANTS

December 31, 2020

| | Rental income, MSEK | Percent- age of total rental income, % | Number of leases | Average remaining term, years |
|-----------------------------------|---------------------------|--|------------------------|-------------------------------------|
| Telia Sverige AB | 52 | 2 | 63 | 2.9 |
| Swedish Transport Agency | 43 | 2 | 8 | 1.4 |
| Saab AB | 37 | 2 | 12 | 11.1 |
| Försäkringskassan | 34 | 2 | 14 | 1.71 |
| Swedish Public Employment Service | 31 | 1 | 40 | 2.4 |
| Förlagssystem JAL AB | 26 | 1 | 1 | 5.0 |
| PostNord Sverige AB | 25 | 1 | 39 | 6.7 |
| Swedish Police | 23 | 1 | 21 | 3.5 |
| Tax Agency | 22 | 1 | 12 | 3.4 |
| City Gross Sverige AB | 22 | 1 | 3 | 4.4 |
| Other | 1,967 | 86 | 5,592 | 3.6 |
| Total | 2,282 | 100 | 5,805 | 3.7 |

5,805

LEASES
INCLUDING GARAGES
AND PARKING SPACES

14%

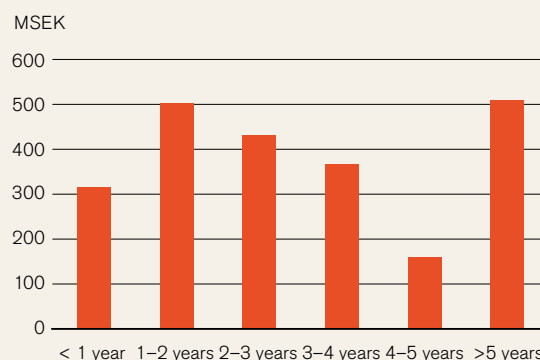
RENTAL INCOME
TEN LARGEST
TENANTS

3.7 YEARS

AVERAGE REMAINING
LEASE TERM

LEASE MATURITY STRUCTURE

December 31, 2020



Earnings capacity

Given the ambition of maintaining a high rate of growth, the company's earnings capacity is an important measure for presenting Nyfosa's estimated earnings. The earnings capacity is stated for a specific point in time and based on certain assumptions. It must not be confused with a forecast and only serves as a basis for gaining an impression of the company's future earnings based on the existing leases. Nyfosa's expected earnings capacity increased in 2020 from MSEK 989 to MSEK 1,347, and the earnings capacity per share rose from SEK 5.90 per share to SEK 7.30 per share.

GROUP'S EARNINGS CAPACITY

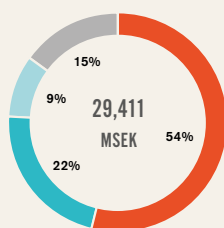
| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|--|--------------|--------------|
| Rental income | 2,233 | 1,563 |
| Property expenses | -595 | -437 |
| Property administration | -63 | -39 |
| Net operating income | 1,575 | 1,088 |
| Central administration | -95 | -75 |
| Share in profit of joint ventures | 237 | 208 |
| Financial expenses | -370 | -231 |
| of which ground rent | -5.3 | -4.9 |
| Profit from property management | 1,347 | 989 |
| Equity per share on balance-sheet date, SEK | 7.30 | 5.90 |

The company's current earnings capacity on a 12-month basis on December 31, 2020 is presented above. Current earnings capacity is to be considered solely as a hypothetical instantaneous impression and is presented only for illustrative purposes. The aim is to present annualized income and expenses based on the property portfolio, borrowing costs, capital structure

and organization at a given point in time. The earnings capacity does not include an assessment of future periods in respect of rents, vacancy rates, property expenses, interest rates, changes in value or other factors impacting earnings. The data does not include the possible effects of property transactions. The current earnings capacity must be considered together with other information in the year-end report. The following information is used as the basis for assessing current earnings capacity:

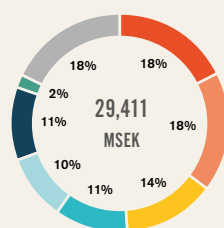
- Annual rental income (including supplements and taking rent discounts into account) for leases registered on the balance-sheet date, plus other property-related income based on current leases;
- Operating and maintenance costs consist of an assessment of operating expenses and maintenance measures during a standard year;
- Property tax has been calculated on the basis of the current tax assessment value of the properties. Ground rent paid is included in the amounts;
- Costs for central administration and marketing have been calculated on the basis of the existing organization and the current size of the property portfolio;
- Nyfosa's shares of profit from property management from joint ventures before changes in value, calculated using the same method as Nyfosa;
- The assessment of earnings capacity does not assume any financial income.
- Financial expenses have been calculated on the basis of the company's average interest rate on December 31, 2020, including allocated opening charges, a total of 2.13 percent. The item also includes ground rent.

PROPERTY VALUE
BY CATEGORY



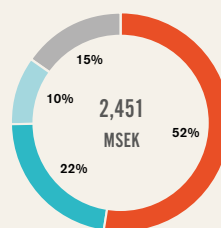
- Office, MSEK 16,018
- Logistics/Warehouse, MSEK 6,399
- Retail, MSEK 2,602
- Other, MSEK 4,393

PROPERTY VALUE
BY REGION¹



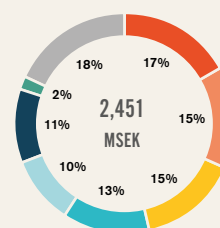
- Mälardalen, MSEK 5,263
- Greater Stockholm, SEK 5,218
- Coast of Norrland, MSEK 4,021
- Småland, MSEK 3,206
- Greater Malmö, MSEK 2,800
- Värmland, MSEK 3,273
- Greater Gothenburg, MSEK 473
- Other, MSEK 5,158

RENTAL VALUE
BY CATEGORY



- Offices, MSEK 1,278
- Logistics/Warehouse, MSEK 542
- Retail, MSEK 252
- Other, MSEK 379

RENTAL VALUE
BY REGION¹



- Mälardalen, MSEK 421
- Greater Stockholm, MSEK 364
- Coast of Norrland, MSEK 359
- Småland, MSEK 312
- Greater Malmö, MSEK 234
- Värmland, MSEK 267
- Greater Gothenburg, MSEK 43
- Other, MSEK 450

¹ The division of the metropolitan regions is consistent with Statistics Sweden's definition.

OFFICES



1. Styrmannen 5, Karlstad 2. Cirkeln 2, Huddinge 3. Forskarbyn 2, Örebro

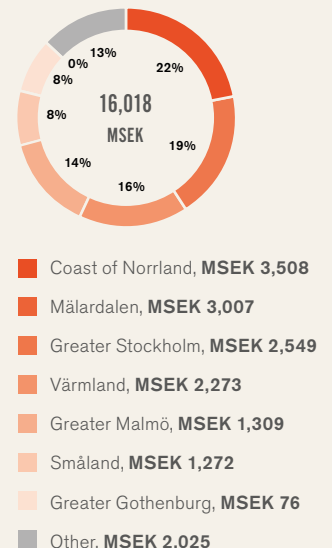
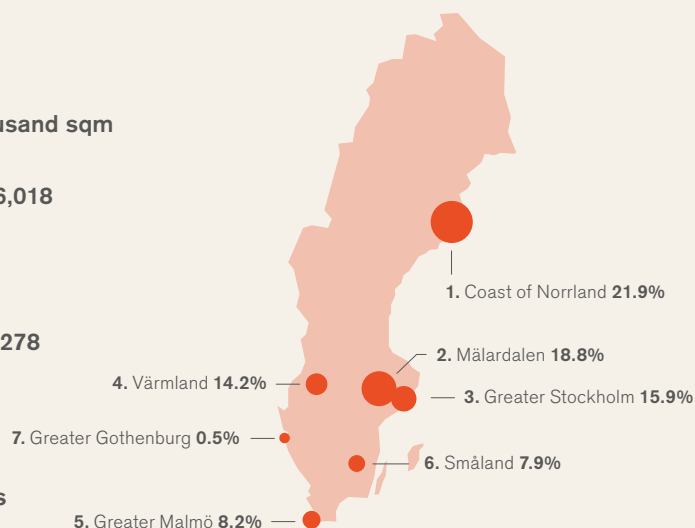
Nyfosa's office properties are situated in Swedish high-growth municipalities such as Karlstad, Örnköldsvik, Sundsvall, Västerås and Växjö. Most of the office properties are of a high quality in central locations in each town with a mix of large complexes and small individual properties. A large share of the tenants are long-term tenants that renew their leases to a high degree. These office properties are typically highly marketable, meaning that interest from other

players in acquiring this type of property is generally considerable, particularly among local property owners. Nyfosa also sees solid potential for adding value to the property portfolio and increasing the leasing rate. During the year, the office portfolio grew through acquisitions of offices in Karlstad, Stockholm and Västerås among other locations. We have not noticed a tangible downturn in demand for Nyfosa's office premises due to the ongoing pandemic.

KEY FIGURES FOR OFFICES

| | |
|------------------------------------|-------------------------|
| No. of properties | 148 |
| Total leasable area | 986 thousand sqm |
| Property value | MSEK 16,018 |
| Percentage of total property value | 54% |
| Rental value | MSEK 1,278 |
| Economic leasing rate | 93% |
| Average remaining lease term | 3.0 years |

PROPERTY VALUE FOR OFFICES BY REGION



LOGISTICS/WAREHOUSE



1. Hålsås 1:18, Härryda 2. Sprinten 1, Östersund 3. Sunnanå 6:4, Burlöv

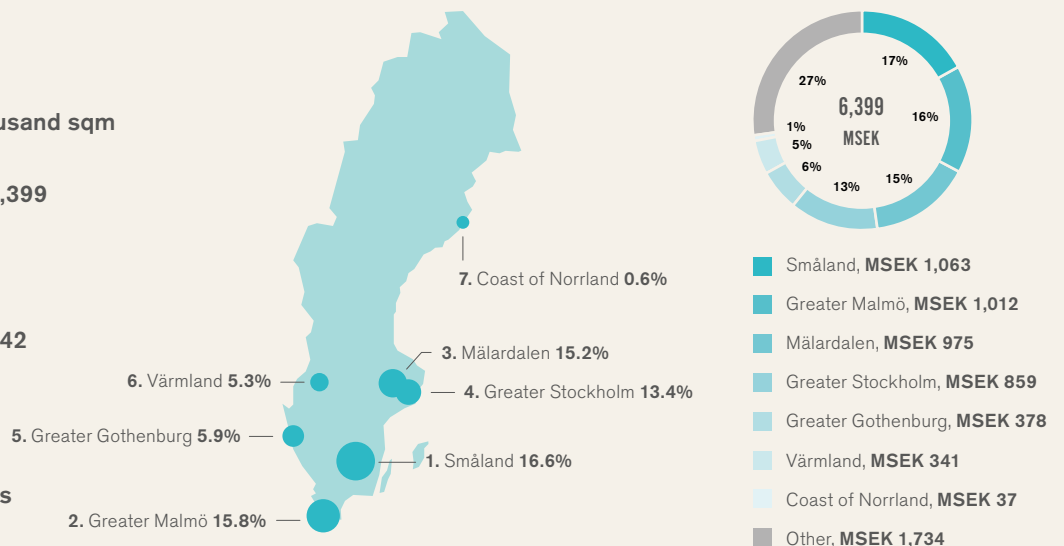
Nyfosa's logistics and warehouse premises are situated in towns that are strategic transportation locations in Sweden, such as Malmö, Hanninge, Karlstad, Borås and Växjö. A considerable share of the properties are located in local and regional logistics hubs that are prime warehousing areas, particularly for e-commerce companies. The properties are predominantly modern logistics buildings with a highly flexible range of applications. Modern logistics properties are optimized for logistics operations and the factors distinguishing them from

older properties include high ceilings, pillar systems that do not restrict operations and flexible loading docks and cargo ports where the height can be adjusted to accommodate different types of goods vehicles. The warehouse buildings are of normal standard and Nyfosa sees high potential for adding value to the portfolio of warehouse properties. During the year, warehouse/logistics properties were acquired in Linköping, Norrköping and Malmö among other locations. A major portfolio of warehouse/logistics properties was divested.

KEY FIGURES FOR LOGISTICS/WAREHOUSE

| | |
|------------------------------------|------------------|
| No. of properties | 96 |
| Total leasable area | 811 thousand sqm |
| Property value | MSEK 6,399 |
| Percentage of total property value | 22% |
| Rental value | MSEK 542 |
| Economic leasing rate | 91% |
| Average remaining lease term | 3.8 years |

PROPERTY VALUE FOR LOGISTICS/WAREHOUSE BY REGION



RETAIL



1. Mercurius 21, Karlstad 2. Hangaren 2, Malmö 3. Filtrét 6, Borås

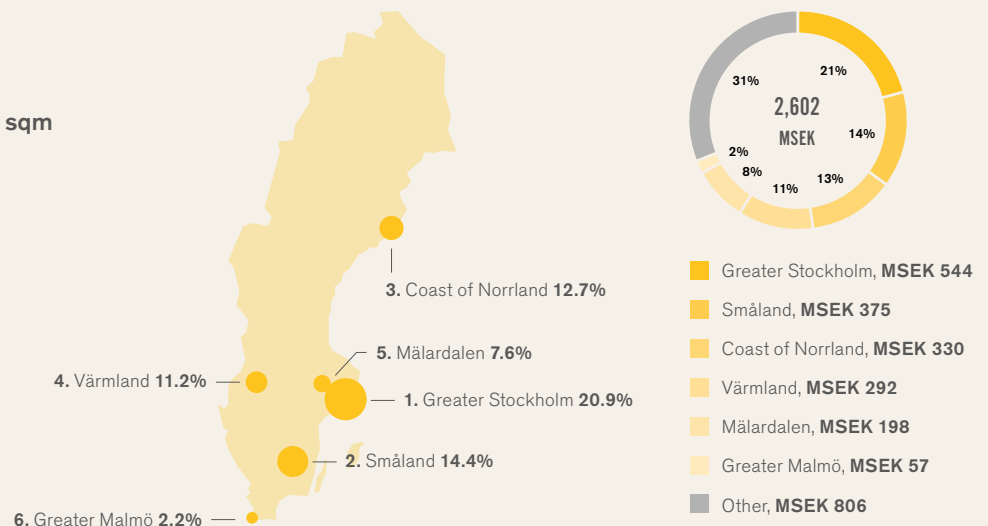
Most of Nyfosa's retail properties, which comprise a small part of the property portfolio, are situated in expansive and popular big-box retail areas in attractive locations close to good transportation links. These retail towns are primarily in Värnamo, Luleå, Borås, Västerås and Huddinge. Tenants include mainly established grocery, DIY and gardening chains. Nyfosa views select retail properties to be a good

complement to other property categories in the property portfolio. During the year, the division of markets was reinforced as external commerce and grocery increased while city-center retail and shopping malls continued to struggle. During the year, acquisitions of properties in a big-box retail area in Motala were completed.

KEY FIGURES FOR RETAIL

| | |
|------------------------------------|------------------|
| No. of properties | 38 |
| Total leasable area | 223 thousand sqm |
| Property value | MSEK 2,602 |
| Percentage of total property value | 9% |
| Rental value | MSEK 252 |
| Economic leasing rate | 95% |
| Average remaining lease term | 4.4 years |

PROPERTY VALUE RETAIL BY REGION



OTHER



1. Friberg 4:2,4:16, Enköping 2. Karossen 9, Örebro 3. Runö 7:147, Runö

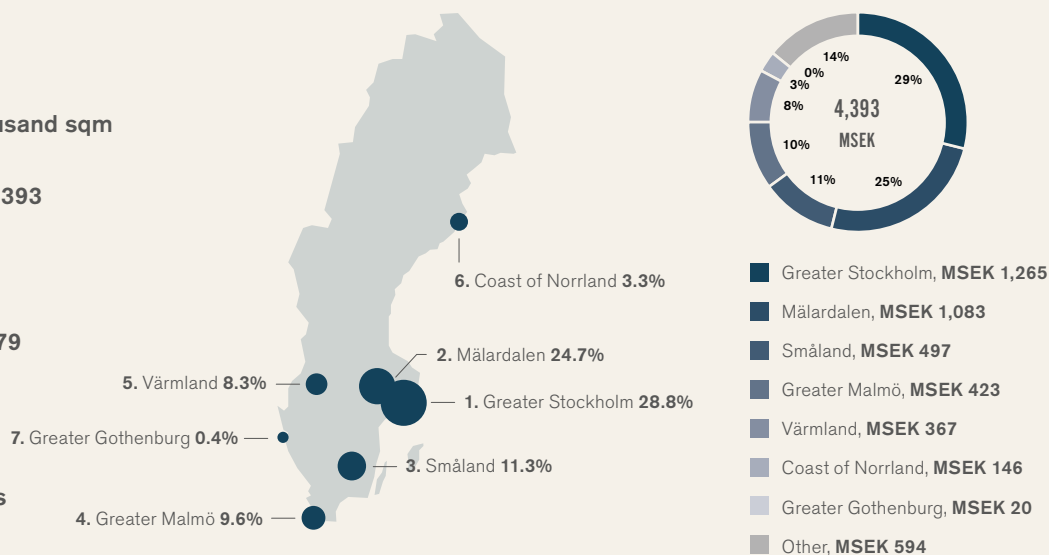
Nyfosa also owns a small number of properties in other categories, such as premises for hotel operations, light industry, schools and restaurants. The properties in this category are also located in towns where Nyfosa can capitalize on positive population growth and a local network of contacts that can generate business for the company. Examples of towns that

have properties within the Other category are Örebro, Växjö, Malmö, Värnamo and Uppsala. The Other category increased during the year from 9 percent to 15 percent of the total property value.

KEY FIGURES FOR OTHER

| | |
|------------------------------------|-------------------------|
| No. of properties | 79 |
| Total leasable area | 361 thousand sqm |
| Property value | MSEK 4,393 |
| Percentage of total property value | 15% |
| Rental value | MSEK 379 |
| Economic leasing rate | 95% |
| Average remaining lease term | 5.2 years |

PROPERTY VALUE FOR OTHER BY REGION



SÖDERPORT – JOINT VENTURE

In addition to the wholly owned property portfolio, Nyfosa holds shares in the property company Söderport Holding AB. Söderport is jointly owned with property company Sagax (50 percent holding each). Ownership is governed by long-term shareholders' agreements giving both owners equal power of decision, meaning that neither partner has a controlling influence. Söderport is thus a joint venture and Nyfosa's share in Söderport's profit is recognized in the Group's profit from property management.

Söderport's property portfolio primarily comprises industrial and warehouse properties as well as a small share of office properties. The focal point of the property portfolio is in the Stockholm and Gothenburg regions. Söderport does not have its own operational organization. Instead, it procures property management and financial administration from Sagax and a small part of property management is procured from Nyfosa.

The year's developments

The trend in Söderport's net operating income remained stable, increasing by 20 percent year-on-year. The impact of the coronavirus pandemic on Söderport's operations has been limited.

Söderport's property portfolio increased in value by SEK 1.1 billion in total in 2020, amounting to SEK 11.9 billion at the close of the year. The total rental value amounted to MSEK 857 (780) and leases have an average remaining term of 4.9 years (4.8).

Torslanda property investment

Söderport's participating interest in Torslanda Property Investment amounts to 78.4 percent and is a subsidiary to Söderport, consolidated in the financial statements.

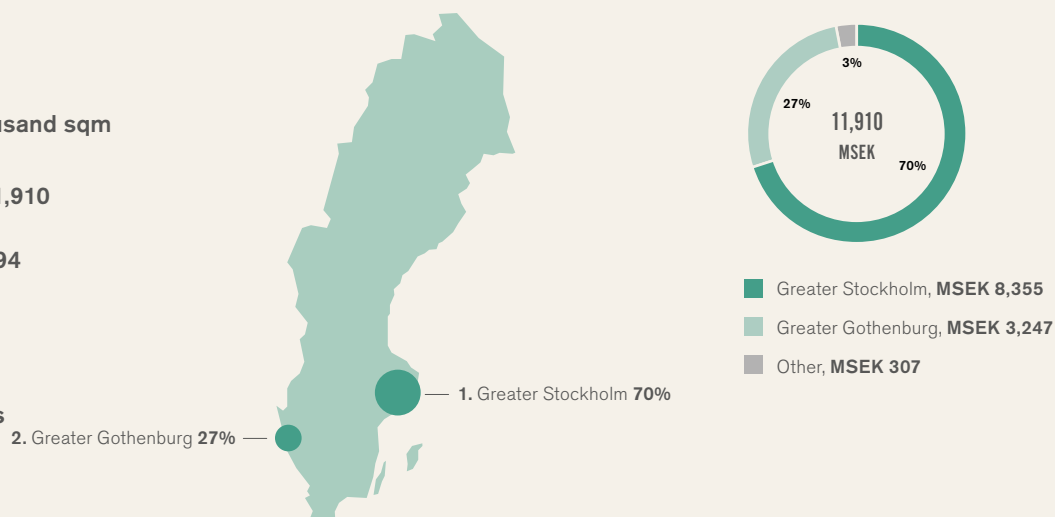
Torslanda Property Investment AB is a Swedish property company that owns, manages and leases properties in Gothenburg and Stockholm. The property portfolio, comprising a total of seven properties for a value of SEK 3.2 billion at year-end, is leased to 99.6 percent. The properties have a total leasable area of 226 thousand sqm and primarily comprise office premises with Volvo Cars as the dominant tenant. Torslanda Property Investment has a management agreement with Sagax and Nyfosa, which are responsible for financial administration and property management.

The Torslanda Property Investment share has been traded on Nasdaq First North Growth Market since January 2015. The last price paid on December 30, 2020 was SEK 15.00.

KEY FIGURES FOR SÖDERPORT

| | |
|-------------------------------|-------------------------|
| No. of properties: | 82 |
| Total leasable area | 778 thousand sqm |
| Property value | MSEK 11,910 |
| Rental value | MSEK 894 |
| Economic leasing rate | 94.3% |
| Average remaining lease term: | 4.7 years |

PROPERTY VALUE FOR SÖDERPORT BY REGION



SÖDERPORT'S LARGEST TENANTS

December 31, 2020

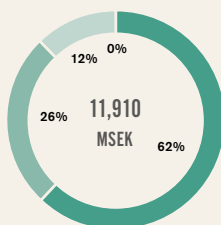
| | Rental income, MSEK ¹ | Share, % | Number of leases | Average weighted remaining lease term, years |
|----------------------------------|----------------------------------|------------|------------------|--|
| Volvo Personvagnar AB | 211 | 24 | 31 | 5.6 |
| Bring Cargo International AB | 23 | 3 | 2 | 0.9 |
| Bavaria Sverige Bil AB | 23 | 3 | 3 | 8.4 |
| Volvo Truck Center Sweden AB | 22 | 3 | 6 | 8.6 |
| Kakelspecialisten i Stockholm AB | 21 | 2 | 1 | 9.7 |
| Nya BrandFactory AB | 15 | 2 | 1 | 7.6 |
| Opus Bilprovning AB | 13 | 1 | 7 | 3.6 |
| Shiloh Industries AB | 12 | 1 | 1 | 8.0 |
| K.G.M. Datadistribution AB | 10 | 1 | 2 | 2.0 |
| Strukton Rail AB | 9 | 1 | 2 | 3.9 |
| Other | 505 | 58 | 1,140 | 3.9 |
| Total | 864 | 100 | 1,196 | 4.7 |

1) Rental income before rent discounts.



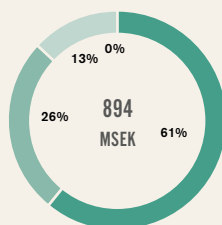
Asea 3, Västberga

PROPERTY VALUE



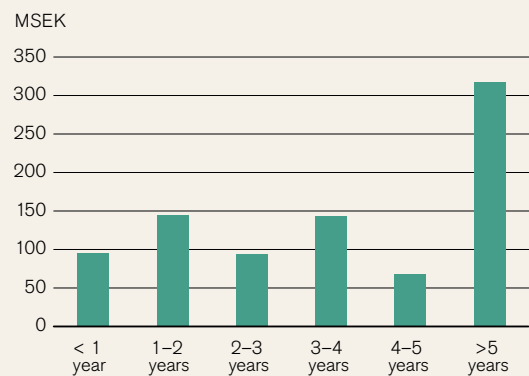
- Warehouse, MSEK 7,421
- Offices, MSEK 3,004
- Industry, MSEK 1,432
- Other, MSEK 12

RENTAL VALUE



- Warehouse, 553 MSEK
- Offices, MSEK 227
- Industry, MSEK 114
- Other, MSEK 1

LEASE EXPIRY FOR SÖDERPORT



PORTFOLIO ACQUISITION

WITH VALUABLE MIX

Transactions are the core of Nyfosa. Through these an attractive, diversified property portfolio is built. Despite a turbulent market, Nyfosa carried out several major acquisitions during the year that were spread over the country and in different categories, including two typical Nyfosa acquisitions of mixed portfolios.

PORTFOLIO SBB

Property value
SEK 4.9 billion

Annual rental value
MSEK 402

Area
303,000 sqm

Closing date
July 9, 2020



Nyfosa stands out from most other listed property companies by always being open to doing business, regardless of property category, region or size of the transaction. This allows Nyfosa to complete transactions and contribute through property investments and value creation throughout Sweden. In 2020, a large number of business opportunities were evaluated and many were completed, making this Nyfosa's most transaction-based year ever. Property value rose by 50 percent to SEK 29.4 billion.

THE YEAR'S LARGEST TRANSACTION LANDED DESPITE TURBULENT MARKET

Nyfosa's largest transaction during the year—a portfolio acquisition from SBB i Norden (SBB) at a value of SEK 4.9 billion—was completed in the summer of 2020 on the heels of a turbulent spring when the coronavirus pandemic affected the property market in many ways.

“After the financing conditions changed during the spring, we were very pleased to be able to complete negotiations in June with SBB for one of the year's largest transactions in Sweden. This portfolio is the perfect fit for us with its mix of geographic profile and stable tenants,” comments Josephine Björkman, Head of Transactions at Nyfosa.

Nyfosa strives to build a property portfolio that has a good mix of tenants, types of premises and high-growth regions in the country. This spreads the risks naturally. With the portfolio from SBB, which primarily comprises offices, Nyfosa expanded its list of tenants adding tax-financed tenants such as the Swedish Transport Agency, the Swedish National Board of Housing, and the

Swedish Police Authority as well as stable commercial tenants.

“The acquisition lets us create exactly what we want—growth with stable and secure cash flows. We are pleased that we were able to carry out a transaction of this size during the current pandemic—it involved strong teamwork from many,” continues Josephine Björkman.

The portfolio is originally from Hemfosa, the company that Nyfosa was hived off from in 2018, and has therefore already been evaluated by Nyfosa's CEO Stina Lindh Hök who was then a member of Hemfosa's management team.

“This enabled us to move swiftly. We also know what we want and we have a clear process that allows us to move quickly and effectively on acquisitions,” says Josephine Björkman.

“Compared with many other players, Nyfosa is better equipped to complete portfolio acquisitions of this size and with a broad diversity given our local property management organizations throughout the country. This is one of Nyfosa's strengths,” according to Stina Lindh Hök.

A MIXED PORTFOLIO WITH DEVELOPMENT POTENTIAL

In October, Nyfosa completed another major acquisition of a mixed property portfolio, this time from the property company Estea that sold properties in one of its investment funds for approximately SEK 2.5 billion. This portfolio is also highly diverse through-

out Sweden and in the types of premises, ranging from rental housing, schools, healthcare centers, offices and warehouse/logistics. The share of the rental value generated from stable tax-financed tenants is high, more than half, and there is interesting potential for development. Approximately 60 percent of the portfolio is located in the Stockholm regions, with the rest of the locations in cities such as Karlstad, where

Nyfosa already had a presence and local property management organization.

“The acquisition from Estea is a diverse portfolio and an example of an acquisition

that requires a good deal of work from us to complete. But our organization is built to handle challenging deals and with this type of more complex transactions, we have the opportunity to generate good value,” explains Josephine Björkman.

The portfolio also included several ongoing zoning plan processes with the potential to generate approximately 20,000 square meters GFA in residential building rights in the Stockholm region, a type of project that is not part of Nyfosa's main strategy to carry out.

“We saw good possibilities to divest these projects, and we were able to divest a residential property and a project property to Heimstaden for MSEK 445 in December. Through the divestment, we were able to free up capital for new acquisitions with higher yield and continue to grow,” Josephine Björkman says in conclusion.

“2020 WAS NYFOSA'S MOST TRANSACTION-BASED YEAR TO DATE.”

PORTFOLIO ESTEA

Property value
SEK 2.5 billion
Annual rental value
MSEK 160
Area
92,000 sqm
Closing date
November 16, 2020



FINANCING

FINANCING

Nyfosa finances its assets through equity, bank loans with Nordic banks and bonds issued in the Swedish capital market. The available liquidity and our stable financial position provide a solid platform to continue to grow.

Equity

At December 31, 2020, Nyfosa's equity totaled MSEK 13,331 (9,781), of which share capital was MSEK 92, equal to an equity/assets ratio of 41.4 percent (44.1).

Interest-bearing liabilities

Nyfosa's interest-bearing liabilities comprise bank loans with Nordic banks and bond loans issued in the Swedish capital market. Equity on the balance-sheet date amounted to MSEK 13,331 and total interest-bearing liabilities to MSEK 17,055,

of which bank loans with properties as collateral amounted to MSEK 15,555 and senior unsecured bond loans to MSEK 1,500. The total net loan-to-value ratio of the properties was 56.9 percent (54.6). To support growth, the company has three prearranged lines of credit with banks, which have not always been fully utilized. The total scope in these revolving credit facilities can amount to a maximum of MSEK 3,880. This means that, against collateral in existing properties, Nyfosa can rapidly increase its borrowing at fixed terms to, for example, finance new property acquisitions. After having

FINANCIAL RISK LIMITS

- Long term, the equity/assets ratio is to amount to at least 25 percent
- The loan-to-value ratio should not exceed 65 percent
- The interest-coverage ratio should not fall below a multiple of two

The key figures above do not represent financial objectives but rather risk limits, making it natural for Nyfosa to have a certain margin for these.

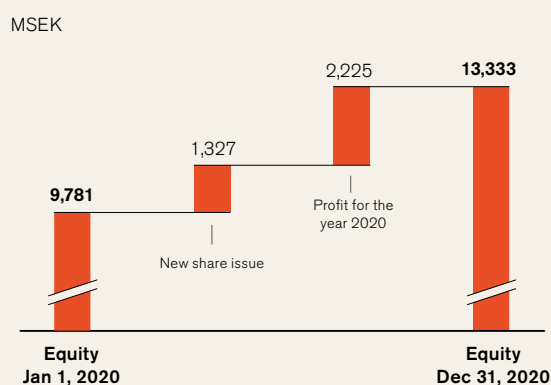
KEY FIGURES IN THE LOAN PORTFOLIO

December 31, 2020

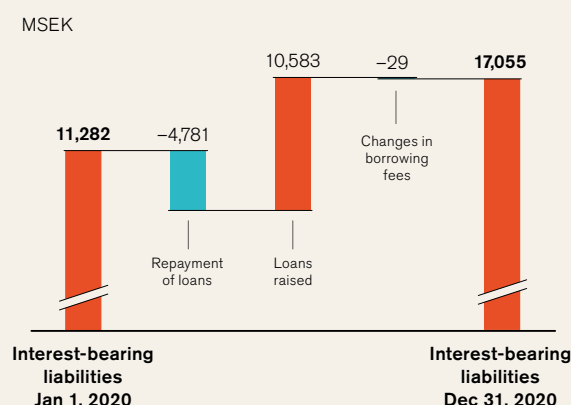
| | 2020 | 2019 |
|--|------|------|
| Equity/assets ratio, % | 41.8 | 44.1 |
| Loan-to-value ratio of properties on balance-sheet date, % | 58.0 | 57.6 |
| Net loan-to-value ratio of properties on balance-sheet date, % | 56.9 | 54.6 |
| Interest-coverage ratio, multiple | 3.8 | 4.2 |
| Average interest ¹ , % | 1.9 | 1.8 |
| Average remaining fixed-rate period, years | 1.6 | 1.2 |
| Average remaining loan maturity period, years | 2.9 | 2.7 |
| Interest-rate hedged portion of liabilities, % | 49.0 | 42.9 |
| Fair value of derivatives, MSEK | 3 | 2 |

¹) Interest expense excluding opening charges charged to earnings over the term of the loan.

CHANGES IN EQUITY IN 2020



CHANGES IN LOAN PORTFOLIO IN 2020



utilized the credit scope, the company has the opportunity to renegotiate credit facilities to a standard bank loan, at which point the unutilized portion of the facilities increases. On the balance-sheet date, the company had utilized MSEK 1,501 of the total amount granted of MSEK 2,397 against collateral in existing properties. To utilize the remaining MSEK 1,483 under this credit framework, recently acquired properties are firstly used as collateral. In addition to the revolving credit facilities, the company has unutilized overdraft facilities with banks totaling MSEK 200.

Combined, the available liquidity and strong financial position provide a solid platform to continue to grow and resilience to any negative effects from the business world. The company continuously monitors liquidity in the operations so that it can rapidly counter any negative impact.

Change in the loan portfolio

During the year, the company raised new fixed-term loans totaling MSEK 6,625 in connection with acquisitions and refinanced bank loans of SEK 2,138. The utilization of revolving credit facilities declined by MSEK 172. Ongoing repayments of MSEK 139 were made and repayments in connection with divestments amounted to MSEK 1,464.

Maturity structure

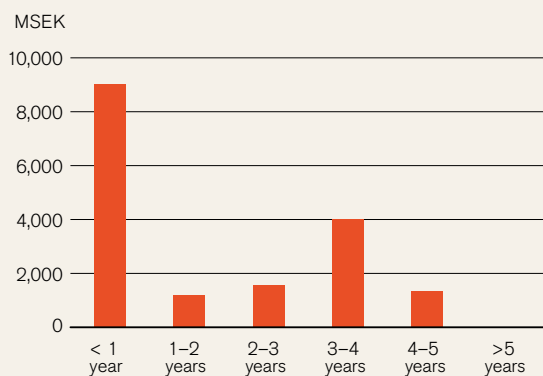
Bank loans of MSEK 695 fall due for payment in 2021. There are no indications that it will not be possible to refinance the liabilities with our Nordic relationship banks. Nyfosa maintains regular dialogue with mainly Nordic banks to secure its long-term refinancing requirements. In addition to favorable opportunities for refinancing loan maturity with new bank loans and/or by issuing debt or hybrid instruments on the capital market, the company has an unutilized overdraft facility and healthy cash flows from operating activities.

Impact of changes in interest rates

Nyfosa mainly works with floating interest rates in its loan agreements. Exposure to interest-rate risk is managed by making use of derivative instruments, currently exclusively interest-rate caps. The sensitivity analysis below presented the estimated impact on earnings if the market interest rate were to change and if the company's average interest rate were to change. Limiting interest-rate risk increases the predictability of profit from property management and changes in interest-rate levels in the market do not fully impact the company's interest expenses. The nominal volume of outstanding interest-rate caps amounted to MSEK 8,425 on the balance-sheet date, corresponding to 49 percent of interest-bearing liabilities.

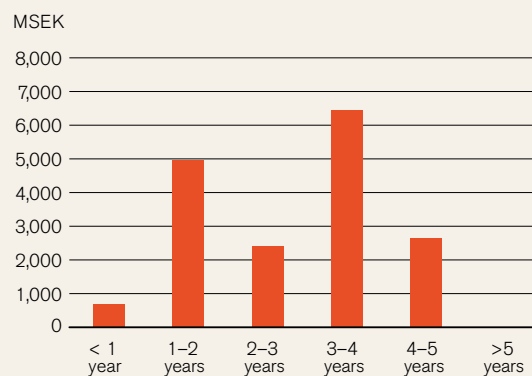
MATURITY STRUCTURE FIXED-RATE PERIODS

December 31, 2020



MATURITY STRUCTURE LOAN MATURITY

December 31, 2020



AVAILABLE LIQUIDITY

December 31, 2020

| MSEK | 2020 | 2019 |
|---|--------------|--------------|
| Cash and cash equivalents | 312 | 588 |
| Unutilized revolving credit facility ¹ | 896 | 1,105 |
| Unutilized overdraft facilities | 200 | 200 |
| Total | 1,408 | 1,893 |

¹ Unutilized and previously granted loans on the balance-sheet date with existing properties as collateral. The loans are available to the company at short notice.

SENSITIVITY ANALYSIS

December 31, 2020

| Earnings effect of change in average interest rate | Change, % | 2020 | 2019 |
|---|-----------|-----------|-----------|
| Interest expenses assuming current fixed-interest periods and changed interest rates ¹ | +/-1% | +149 /-15 | +100 /-16 |
| Interest expenses assuming change in average interest rate ² | +/-1% | +/-172 | +/-114 |
| Revaluation of fixed-income derivatives attributable to shift in interest rate curves | +/-1% | +/-7 | +/-4 |

¹ Taking into account derivative agreements.

² Today's average rate increases/decreases by 1 percentage point. Increase/decrease does not take into account eventual effects of the derivative portfolio.

SUSTAINABILITY REPORT

SIGHT SET ON A SUSTAINABLE BUSINESS

2020 was an active year for Nyfosa. We sold properties for almost SEK 4 billion, bought properties for more than SEK 12 billion and invested MSEK 285 in existing properties. In parallel, we concentrated on achieving our sustainability targets. I can see a great commitment to sustainability issues in the organization. We are a responsible company and as our climate footprint shrinks we can contribute to both a sustainable future and to sustained profitability.

Nyfosa's vision is to be the property company in Sweden that is the best at creating value. We believe systematic sustainability work creates the best conditions to do good business, just as a focus on the business contributes to sustainable property ownership. To reduce negative climate change, we must base our work on a long-term plan that can be used in our transaction-based operations. This means we shoulder our responsibility as landlord, employer, business partner, lender and to our shareholders by, among other things, following the Ten Principles of the UN Global Compact for corporate sustainability.

In 2020, we completed a concerted effort to form procedures, develop tools and to implement systems to efficiently collect sustainability data and to integrate sustainability into our transactions and our property management. We created new areas of responsibility within the organization to drive our sustainability agenda in both property management

and in development projects and to disseminate knowledge throughout the organization. We held training sessions and increased focus on providing a green appendix to new leases. We conducted an assessment of the entire portfolio in terms of energy consumption and the potential for consumption savings. We also created the conditions for various forms of green financing as one of several tools in our sustainability agenda that also supports the business.

Work begun in 2020 will continue, with our sights set on a reduction in climate impact and greater responsibility toward our employees, tenants, business partners and shareholders. We can see both challenges and opportunities. The journey is continuing toward a sustainable business.

Stina Lindh Hök
CEO

“To reduce negative climate change, we must base our work on a long-term plan that can be used in our transaction-based operations.”

STINA LINDH HÖK, CEO





SUSTAINABILITY INITIATIVES 2020

ATTRACTIVE WORKPLACE

At Nyfosa, we believe in knowledge as a driver to achieve more. If you have the right expertise, you make good decisions, which in turn lead to better business and more sustainable communities. Knowledge also enables us to change risks into business opportunities and ensure that our actions today make a positive contribution to the future.

We work actively to be an employer that offers a creative, open and stimulating work environment with a focus on proximity to business decisions, inclusion in business development and personal development for all employees. Our offering convinces people to remain and develop within the company, at the same time as we can attract new talented employees.

“Nyfosa has so many dedicated employees, so much energy and so many people within the organization who can develop further within the company through the projects we work with, and also through the education we are planning to focus on in the future,” says Stina Lindh Hök, Nyfosa’s CEO.

In this year’s Allbright Report, Nyfosa was again among the top listed companies in terms of equality. This time, Nyfosa heads the list of all listed companies in joint first place. The report highlights Nyfosa’s equality efforts on the Board, management team and in line management as a recipe for success.

But there is more to be done. In 2021, equality efforts will focus on the property

management organization to ensure that we are constantly striving toward a corporate culture of equality.



SUSTAINABILITY – GOVERNANCE AND RESPONSIBILITY

Nyfosa's target is that sustainability issues are to become a natural part of operations, and that the work will contribute to the financial targets the company is pursuing. The company is to achieve growth in the distributable cash flow per share of 10 percent per year. Growth will take place in a manner whereby the financial risks are kept at a manageable level. This means the company must not assume too much debt relative to the properties' value. Nor must the costs of debt financing become too high in relation to earnings from property management. Investments we make in the properties will, among other things, contribute to an optimized operating expense, more reliable earnings and/or lower financing costs through green financing.

Nyfosa complies with the main rule of the Swedish Companies Act as regards object and has therefore not stipulated any object in the Articles of Association other than to generate gains to be distributed to shareholders, refer to Chapter 3, Section 3 of the Swedish Companies Act. Nyfosa believes a focus on profitability does not rule out sustainable business, rather it is a prerequisite to make the right decisions when choosing the direction forward. Nyfosa is responsible in all of its relationships, as employer, landlord and lender, toward society and the climate and as manager of the shareholders' capital.

Pages 8–9 of the Annual Report include a presentation of the company's targets, strategies and business model. Sustainability is an integrated part of all of these aspects.

Sustainability policy

Every year, Nyfosa's Board adopts the company's sustainability policy and other related policies, see www.nyfosa.se.

The sustainability policy establishes how Nyfosa is to take environmental responsibility in transactions and property management, take social responsibility toward employees and tenants and to act with good business ethics, prevent money laundering and encourage all stakeholders in Nyfosa to come forward and report suspected misconduct at Nyfosa.

Continuous evaluation is taking place, in both the management team and on the Board, of how Nyfosa's sustainability agenda can make the best possible contribution to a sustainable society. With a growth strategy and opportunistic business concept, it is necessary to continuously return to, and reassess, previously adopted policies and goals.

Environmental responsibility

The company's environmental policy is established in the Sustainability policy, which offers guidance to the organization.

- Work actively to enhance the energy optimization of our buildings and premises
- Be aware of the environmental risks and environmental liabilities associated with the properties and, when taking actions, draw up long-term sustainable solutions
- Work with the tenants to achieve a healthy indoor environment
- Implement environmentally compatible conversions
- Subject our suppliers to environmental and sustainability requirements
- Raise the level of environmental and sustainability expertise and awareness among our employees

OVERALL STANDPOINT

Nyfosa works in accordance with Carbon Law and endorses the declaration of Fossil Free Sweden, which aims to halve carbon emissions from the construction and civil engineering sector between 2020 and 2030, halving them again between 2030 and 2040 to finally become climate neutral in 2045. Nyfosa subscribes to Agenda 2030 and the Ten Principles

of the UN Global Compact. The company's efforts are to contribute to sustainable development, both locally and globally. The aim of the 2030 Agenda's 17 Global Sustainable Development Goals is to eradicate extreme poverty, reduce inequality and injustice, promote peace and justice and solve the climate crisis.



The Sustainable Development Goals and the 2030 Agenda constitute an overriding structure for our sustainability agenda, how we measure our outcomes and what we should measure.



We subscribe to the Ten Principles of the UN Global Compact for corporate sustainability.



Nyfosa has endorsed the declaration of Fossil Free Sweden and the roadmap for the construction and civil engineering sector.

CARBON LAW

Nyfosa works in accordance with Carbon Law, which means a 50 percent reduction in carbon emissions every ten years.

Social Responsibility

Nyfosa is to offer a creative, open and stimulating work environment with a focus on inclusion and personal development. The company has decided to have a relatively small and efficient organization with short decision-making paths, where all employees have an awareness and understanding of the company's objectives and strategy.

Nyfosa is to promote health and create a healthy and secure work environment for all its employees. Equality efforts are to be a natural part of Nyfosa's operations. The conditions, rights and development opportunities of men and women must be equal within the entire company. Nyfosa is to help women and men to combine parenthood with working life. Of particular importance is that both women and men are given every opportunity to take parental leave or leave to care for children.

Nyfosa's tenants must always be able to rely on the fact that Nyfosa's properties offer a work environment that is safe, accessible and healthy. Nyfosa is to create, maintain and develop efficient procedures and methods for handling safety in and around buildings at Nyfosa's properties and to comply with prevailing requirements from public authorities.

Governance

Good business ethics and trusting relations are important starting points both internally and in contacts with external parties. Nyfosa's employees play a key role in alerting us if they suspect someone in operations is violating the company's ethical guidelines. Misconduct could include

economic irregularities and corruption, serious harassment or discrimination, safety risks in the workplace or suspected environmental crimes. Employees are encouraged to speak with their immediate supervisor first. If they prefer to be anonymous, we offer a safe channel for reporting and dialogue through a whistleblower function.

Sustainable Development Goals

Nyfosa has identified 12 Sustainable Development Goals on which the operations have a direct or indirect influence and that will lead sustainability efforts forward. On the basis of these 12 goals, Nyfosa has decided to prioritize two goals where we believe we have particular opportunity to influence: Gender Equality and Climate Action.

► You can read more about Nyfosa's governance and policies on the website, www.nyfosa.se



Nyfosa's focus in 2021



► Read more about Nyfosa's efforts with the UN Sustainable Development Goals on www.nyfosa.se

SUSTAINABILITY GOALS

Streamlined consumption

Goal: By 2025, energy consumption per sqm will have fallen by 10 percent compared with 2020.

Heating and cooling our premises uses a large amount of energy. We can reduce energy consumption in our properties through the installation of new technology or investments in other measures. The return on investments in reducing energy consumption is through lower operating expenses, and also lower carbon emissions.



Sustainability certification

Goal: By 2025, 50 percent of properties owned for the entire year will have sustainability certification and 100 percent by 2030.

By using different sustainability certifications in our buildings, we can ensure that sustainability issues are given a distinct focus in the organization. Certification facilitates green financing and provides a detailed documentation of the environmental performance of the building, during the time we own it and as part of a sales process.



Green appendix leases

Goal: In 2021, 100 new leases or renegotiated leases will include a green appendix.

Nyfosa offers a green appendix to its leases. The appendix is based on an agreement template for new and renegotiated leases issued by the Swedish Property Federation. A green appendix represents a way for the tenant and the property owner to work together to achieve more sustainable buildings.



Gender equality

Goal: In the longer term, Nyfosa is to achieve equality in the property management organization with at least 40 percent of women and men in each professional group.

Nyfosa's employee growth is a mixture of acquisition and recruitment. We have been successful in achieving equality in recruitment but must continue to strive to even out gender differences in each professional group. Accordingly, the "Equality in property management" project will be started to enable us to achieve our long-term goal to be gender equal in each professional group in property management.



Supplier responsibility

Goal: In 2021, Nyfosa will adopt a Code of Conduct for Suppliers and obtain confirmation of the Code of Conduct from the largest suppliers.

Nyfosa's suppliers are considered an extension of its own operations. The reason for adopting a Code of Conduct for Suppliers is to ensure that the working conditions at the companies that supply goods and services to the company fulfill Nyfosa's requirements in terms of work environment and ethical standards and that the assignment is conducted in an environmentally conscious manner.





SUSTAINABILITY INITIATIVES 2020

SUSTAINABILITY CERTIFICATION

In 2020, six properties in Värnamo were given an sustainability certification at the Good level of BREEAM In Use. It is expected that it will be possible for five of these to be upgraded to the Very Good level. The properties were identified as part of a review of environmental and energy potential of the property portfolio. In conjunction with the certifications, approximately 200 windows were replaced in the Gillet 1 property and in the Jungfrun 11 property facade roller blinds were fitted that are controlled by the sun and wind for our tenants with a large share of glass surfaces in the facades at the same time as ventilation fans were replaced. In Region North, work is in progress in parallel to prepare documentation to certify three properties in 2021 and with minor basic optimization another six properties can receive certification. The Mården 11 property in Luleå is undergoing a major tenant alterations with the aim to receive a certification at the Very Good level of BREEAM In Use in 2022.

Nyfosa works with sustainability certification, not only because it is good for the environment, but also to provide clear governance and significant impact. We see a potential to increase property value, increase demand from potential tenants

and increase net operating income. We also understand that sustainability certificates help to identify improvement measures, and ensure that these are implemented and followed up. In addition to the value of property, sustainability certification also helps to build confidence and increase documentation for green financing. Nyfosa's property portfolio currently includes 11 properties with sustainability certificates within SGBC's framework for environmental certification.

Nyfosa's target is that 50 percent of its properties owned for the entire year will have sustainability certification by 2025, and 100 percent by 2030.

"Sustainability certification provides confirmation that our work with the properties makes a difference. This in turn leads to a decrease in operating expenses and greater credibility towards our tenants," comments Jan Hultegård, Regional Manager, Värnamo.



**SWEDEN
GREEN BUILDING
COUNCIL**

Our operational activities are based on SGBC's framework for sustainability certification of properties.



RESULT 2020

Evidence-based climate targets

Target 2020: As of 2021, Nyfosa will have adopted specific and scientific targets for reducing emissions in the company's business plan.

Result 2020: Work was conducted in 2020 to map Nyfosa's climate footprint. The target is to adopt an evidence-based climate target in the company's business plan in 2021.



Consumption optimization

Target 2020: 100 percent of the properties (Like-for-like) will have been evaluated for unique energy consumption in 2020.

Result 2020: 100 percent of the properties (Like-for-like) has been evaluated for energy consumption. In addition to these, approximately 100 properties were assessed.



Green appendix leases

Target 2020: In 2020, 100 percent of all new leases, excluding parking spaces and garages, will include a green appendix.

Result 2020: A total 79 leases were signed during the year with green appendices, corresponding to 16 percent of new leases, excluding parking spaces and garages.



Material consumption and choice of materials

Target 2020: In 2020, procedures and systems for monitoring the use of materials and choice of materials in tenant-specific modifications, and for remodeling and new-builds, will be developed and implemented.

Result 2020: Systems to compile the choice of materials and material consumption in investment projects were implemented into the property management organization. Projects are in progress to implement LCAs.



Training and Education

Target 2020: 100 percent of the organization will have received training in occupational health and safety, property owner responsibility and contractor responsibility in 2020.

Result 2020: 100 percent of employees in charge of staff completed occupational health and safety training. 100 percent of relevant employees in the organization received training in contractor law and property ownership rights.





SUSTAINABILITY INITIATIVES 2020

STARTING FROM OUR PROPERTIES

The energy consumption in the office properties in Västerås declined by 7.1 percent per square meter in 2020 compared with the preceding year (pertains to like-for-like portfolio). Through the property management office’s continuous work, energy consumption changed from 6.9 GWh in 2019 to 6.4 GWh for 2020.

“We work constantly to identify ways to reduce energy consumption in our properties. Through our monitoring system, we can easily read and establish where consumption has increased or is

abnormally high. This enables us to take rapid action and find improvement potential. In several properties, we collaborated with our tenants to initiate large and small projects to optimize operations. In the Navhålet 2 property, we installed new FTX units, a new cooling unit and new solar protection to reduce radiant heat and reduce the need for cooling. In the Sågen 2 property, we replaced cooling units and in Antennen 10 and Tråden 11, we replaced the waterproofing sheets in the roof and the roof lanterns,” says Bert Ohlsson, technical

property manager and sustainability officer at Nyfosa’s property management office in Västerås.

During 2019, Nyfosa started work on an energy and environmental analysis throughout our property portfolio. This work continued in 2020 and is now conducted continuously in conjunction with acquisitions.



-8.7 kWh/m²

ELECTRICITY CONSUMPTION
SÅGEN 2

-3.9 kWh/m²

HEAT CONSUMPTION
SÅGEN 2

-11.3 %

ELECTRICITY CONSUMPTION
SÅGEN 2

-9.3 %

HEAT CONSUMPTION
SÅGEN 2



Consumption data is reported according to the Sustainability Accounting Standards Board (SASB), a nonprofit organization that sets financial reporting standards.

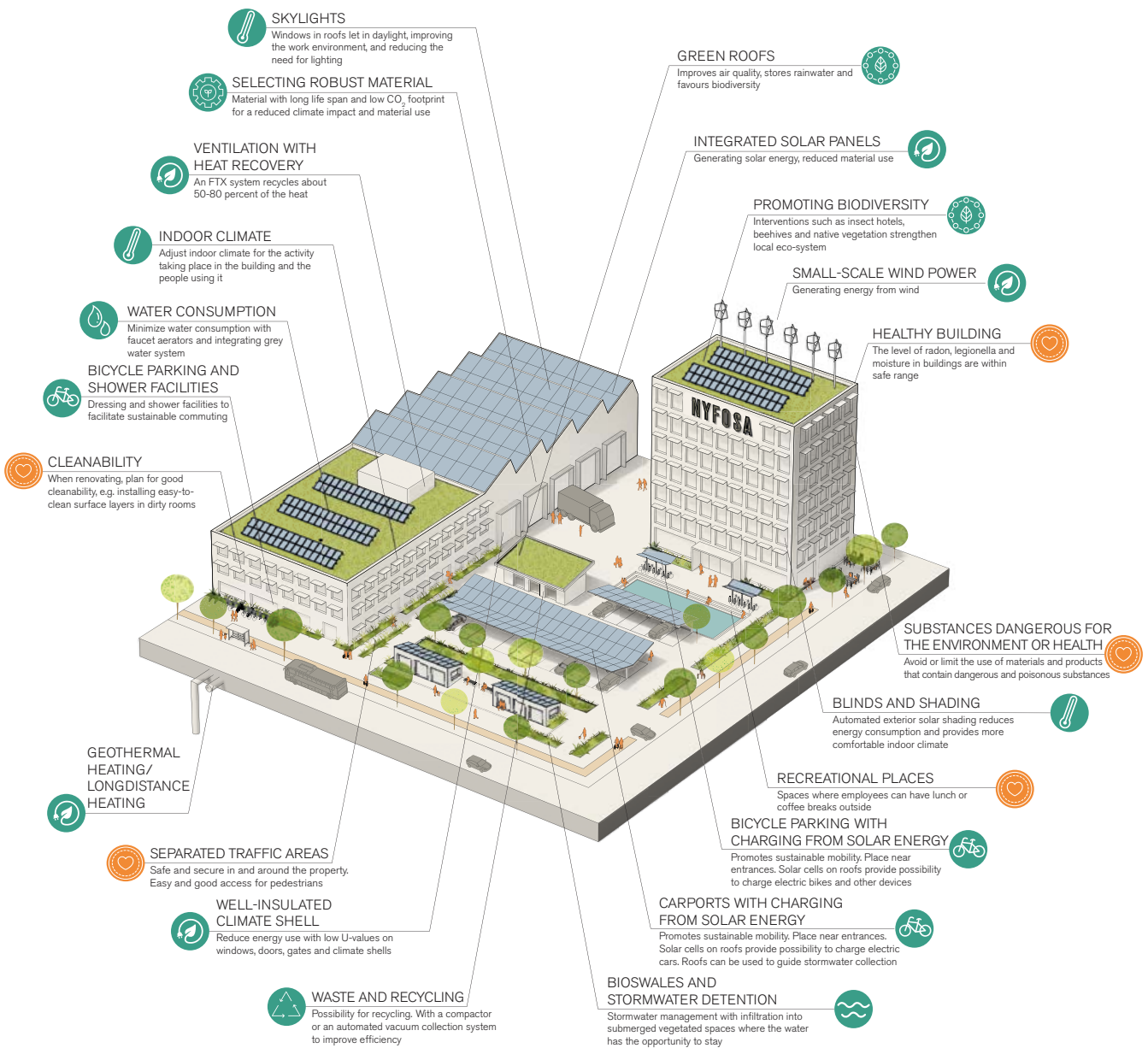
More comprehensive consumption data is reported on page 117–118.

Source: Mestro

POTENTIAL SUSTAINABILITY PROJECTS IN OUR PROPERTIES

Through our property management, we implement large and small initiatives that make a difference on an aggregated level. For example, this involves being thorough in the choice of the material we use for refurbishments and tenant-specific modifications, being able to see improvement potential in energy consumption and protecting the local environment at and around our buildings. In this manner, the conditions are created for sustainable property ownership, financially and environmentally.

These measures are based on the sustainability certifications BREEAM In-Use and Miljöbyggnad i Drift (Green Building In Use) and serve as guidelines and inspiration within the organization to integrate more sustainable solutions in our properties. The measures successively improve the standard of the building and its surroundings, and therefore also the level of sustainability certification. Read more on the next page about some of the sustainability projects we conducted during the year.



SUSTAINABILITY PROJECTS COMPLETED IN 2020



SUSTAINABLE ENERGY

District heating/Geothermal heating

Converting to district heating or geothermal heating from fossil fuel-fired heat sources such as oil furnaces not only results in a drastic reduction in operating costs, but also in environmental impact. It is important to check that the district heating does not come from the burning of fossil fuels in the region where the property is located. With geothermal heating, 60–80 percent of the energy comes directly from the sun. The energy in the form of electricity, which is needed to drive the heat pump, comprises only a small part of the energy emitted by the heat pump.

Examples of measures performed

In the Böttö 5 property, a new control system was installed, 267 thermostats were replaced and an inspection of the radiator circuit was conducted to ensure the flow. In Värnamo, the Filen 5 property was converted from electric heating to district heating. Geothermal heating units were installed in several properties, including the Vindrutan 1 property in Örebro. At the Knarrarnäs 3 property in Kista, Nyfosa replaced the subcenter for the district heating facility and the relevant control units.



SURFACE WATER MANAGEMENT

Sunken plantations and surface water retention

Sunken plantations retain and cleanse surface water at hardened surfaces, such as roads, car parks and buildings. By guiding the water to sunken plantations, ponds and green areas, better conditions are created to mitigate the effects of strong and extensive rain.

Examples of measures performed

At the Karossten 5 property in Örebro, we implemented the rerouting of surface water to a surface water pond. In all major development projects, assessments are made of the risk of flooding and the possibility of local surface water retention when designing landscape and outdoor environment projects.



HEALTHY BUILDING

Healthy building

Radon, legionella and moisture are factors that are investigated to ensure a healthy building. Excessive amounts of radon can result in lung damage, which could increase the risk of lung cancer. Moisture problems in buildings may cause health problems and affect the design function.

Examples of measures performed

Nyfosa works with emission measurements from building materials, radon measurements and PCB assessments, as well as annual checks of the hot water temperatures. In the Verkstaden 8 property in Västerås, emissions from construction materials were measured and radon measurements/PCB assessments were conducted at Karossten 5 in Örebro.



WATER USAGE

Water consumption

Several small measures can be used to reduce water consumption, such as ensuring that taps and toilets do not leak and that water-efficient fittings and toilets are selected when these are to be replaced. A water-efficient toilet, for example, uses a quarter of that used by a toilet from the 1970s.

Examples of measures performed

In Karlstad and Värnamo, Nyfosa has replaced toilets and mixer taps with more water-efficient products. In Stockholm, Nyfosa initiated collaboration in 2020 with Smartvatten to install automatic systems for readings and alarms, which saves both time and money and reduces the risk of moisture damage.



RECYCLING AND WASTE MANAGEMENT

Waste and recycling

To reduce tenant waste, it is important to ensure that there is sufficient space and enough containers to sort waste in a central location in the property. Apart from well-designed waste disposal rooms, a compressor may be an alternative for reducing the volumes of waste, freeing up space and reducing the need for transport, which is both cost-effective and good for the environment.

Examples of measures performed

The property management office in Örebro conducted an analysis of waste management in several properties aimed at improving options for tenants to sort their waste. At the Tyska Bryggaregården 6 property in Karlskrona, Nyfosa created a waste disposal room in 2020, giving office and residential tenants to good options to sort their waste at source.



INDOOR CLIMATE

Indoor climate

Indoor climate and thermal comfort are a key aspect of several sustainability certifications. Comfort during the winter depends on a combination of indoor temperature and drafts, while comfort during the summer involves a combination of sunlight, sun protection and the option of opening windows. The indoor climate should be adapted to the activity being conducted by those present in the building. Measures to improve the indoor climate could be to replace windows to achieve better U-values, review the heaters' size, location and output, as well as reviewing supply air flows and supply air temperature.

Examples of measures performed

Nyfosa offers a healthy and energy-efficient indoor climate. We conduct regular status inspections of the properties, replace windows and doors as required, update, control, follow up and optimize installations by logging temperatures and installing new cooling machines and window units where necessary. At the Formen 1 property in Umeå, we installed climate panels as the indoor ceiling to diminish the negative effects from temperature differences in cooling and heating.



BIODIVERSITY

Biodiversity

Planning for the benefit of biodiversity is an indicator within several sustainability certification programs. Nurturing flora and fauna that are naturally present in the region and creating environments with many local species makes them more stable and reduces the needs to manage green spaces. Small measures can make a difference, such as boxes for birds and bats, insect hotels and beekeeping, or cultivating plants that benefit insects.

Examples of measures performed

In 2020, the property management office in Gothenburg collaborated with BeePartners to sponsor a beehive with 30,000 honeybees at Södra Porten (Tulpanen 3 and Snödroppen 2, divested during 2020). At the end of the summer, the property management received locally produced honey that they were able to distribute to the tenants. Bee communities were also established on the rooftops of several properties in Örebro and Värnamo.



ROBUST CHOICE OF MATERIALS

Robust materials

Selecting robust material with a long lifetime often results in low climate impact from a lifecycle perspective. The climate impact of construction materials should always be regarded from a lifecycle perspective, with extraction, manufacturing and transport being taken into consideration, as well as the possibility for reuse or materials recovery. By selecting local materials that have a long lifetime for refurbishment and new building, not only is the climate footprint reduced through reduced materials use and transport, but also the maintenance costs of the building.

Examples of measures performed

In Malmö, Nyfosa is participating in a research project for building design with a lifecycle perspective in cooperation with, among others, IVL the Swedish Environmental Institute and the Swedish Energy Agency. The project involves providing players with the possibility to influence climate and cost perspectives, and energy use, at an early stage in the construction process. In 2021, case studies will be conducted, including within Nyfosa's portfolio in the Skåne region.



SUSTAINABLE INFRASTRUCTURE

Carparks and bike parks with charging and solar panels

Roofs are suitable for solar panels. Using spaces such as the roofs of carparks and bike parks for solar panels results in effective use of these spaces. Solar panels integrated in roofing serve as a waterproofing sheet and can thus also reduce materials costs. Offering charging for electric vehicles and e-bikes encourages less fossil fuel-driven transports. By installing these charging sites in the best locations, for example, close to the entrances, those who choose sustainable modes of transport are benefited.

Examples of measures performed

In Gothenburg, the initiative continued to promote sustainable travel to and from Södra Porten in Mölndal. Preparation of a new lockable bike garage was completed, as well as establishment of a bike hire station, establishment of a vehicle hire station and extension of the number of bike parking possibilities, with better and more secure stands in strategic places. In Region North, collaboration was initiated with Övik Energi in 2020 to equip carparks with solar panels and storage of solar energy.

► You can read more about completed projects on the website, www.nyfosa.se

NYFOSA'S SUSTAINABILITY REPORT 2020

Nyfosa's Sustainability Report follows the guidelines from the international organization Global Reporting Initiative (GRI) and is prepared in accordance with the GRI Standards for the Core option. Consumption data is reported according to the Sustainability Accounting Standards Board (SASB). In the GRI index on pages 114–115, there are further details on where to find information in the Annual Report and in the Sustainability Report. Risk and risk management are reported on pages 51–56.

The content of the report, in addition to the formal sections according to the GRI Standards, aims to provide the reader with a broader understanding of the focus within the company related to the two global sustainability targets on which Nyfosa has chosen to focus, Gender equality and Climate action, but also areas that have proven important following dialogue with our stakeholders.

Nyfosa follows the international standard for sustainability reporting and a new feature for this year is that the sustainability report is subject to external audit. This entails that we are now placing even higher demands on ourselves and further accelerating the pace of the company's sustainability efforts in 2021.

Stakeholder dialogue

In 2020, a stakeholder dialogue was conducted to gain an impression of what Nyfosa's stakeholders regard as the most important sustainability issues for the company. The dialogue was conducted using a web survey that was distributed to a selection of the company's tenants, creditors, partners and suppliers, shareholders and to all employees and Board members of the company. In addition, the company has a constantly ongoing dialogue with creditors, shareholders, tenants and other stakeholders in sustainability-related issues.

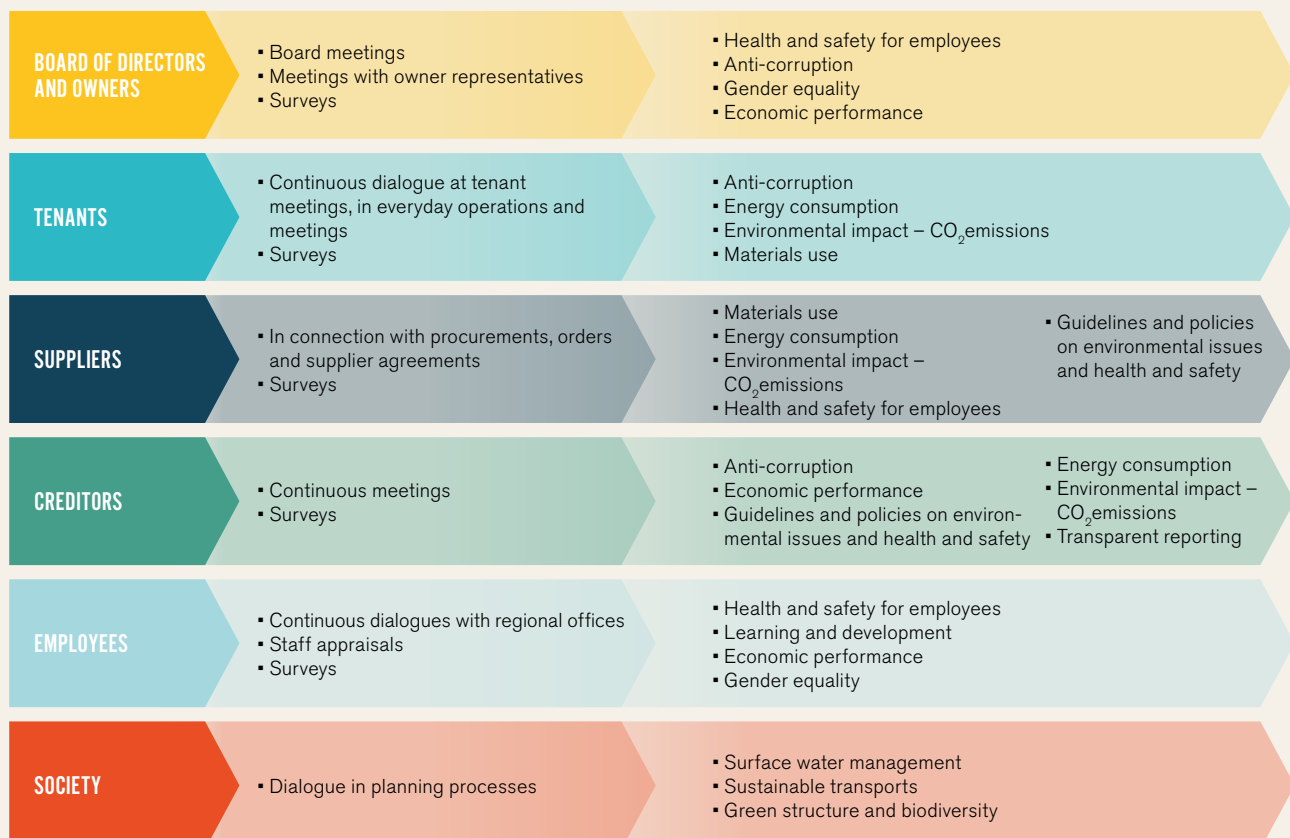
Materiality analysis

The survey and other dialogues during the year with the company's stakeholders have created an image of the sustainability areas that are most important for Nyfosa to address. The areas that stood out were anti-corruption, financial results, equality, health and safety, energy use and environmental impact. With this as a starting point, the materiality analysis confirms that Nyfosa is focusing on the right aspects in its sustainability work and related reporting.

Sustainability data for the most important sustainability areas according to the stakeholder analysis are presented in the GRI section on pages 114–122.

DIALOGUE FORM

KEY SUSTAINABILITY AREAS





SUSTAINABILITY INITIATIVES 2020

SUSTAINABLE STEPS IN THE NORTH

The property management office in Sundsvall manages 38 of Nyfosa's properties in Region North. In 2020, 16 green leases were signed and this work is continuing in 2021. During the year, the property management office also worked to improve ventilation and heat recovery in several properties. The focus was on upgrading units and control systems to increase optimization. In this way, a healthy indoor climate is created, at the same time as energy consumption and costs decline. Studies were also conducted to install Eco-pilot for automation and efficiency enhancement of heat, cooling and ventilation in the Formen 1 property. In the same property, two 60 kWh geothermal pumps were installed, at the same time as room regulation, the recirculated air function and pressure regulation were carried out. Consumption declined by 42 percent corresponding to approximately 600,000 kWh per year.

The management organization in the North works over a large area, with long distances between the properties. These conditions require good cooperation, digital tools and flexible work methods to

create efficient, profitable and sustainable management. The property management office in Region North cooperates with local suppliers who are present in each location. In this way, solid knowledge about the location and good accessibility and closeness to our tenants are ensured. In parallel, digital tools are used to monitor, for example, energy and water consumption to identify savings potential and uncover any deviations.



“Through many small and rapid steps, we can achieve very positive results, financial and environmental, in our management.”



– PAUL HEDBERG,
PROPERTY AND
SUSTAINABILITY MANAGER,
REGION NORTH

RISKS

RISKS AND RISK MANAGEMENT

Nyfosa is continuously exposed to various risks, which could be significant to the company's future operations, earnings and financial position. Nyfosa works systematically and continuously on managing these and other risks and uncertainties. The focus is on preventing risks and evaluating how risk management can be converted into opportunities.

Nyfosa divides relevant risks and uncertainties for the company into five categories.

| | |
|-----------------------------|--|
| STRATEGIC RISKS | Risks attributable to the business model |
| OPERATIONAL RISKS | Property owner risks |
| FINANCIAL RISKS | Risks attributable to external liabilities |
| SUSTAINABILITY RISKS | Environment-related risks, social responsibility and liability risks |
| EXTERNAL ENVIRONMENT | Risks that arise outside the company's operations |

| Risk by category | Consequence | Probability | Management of risk | Changes during the year |
|---------------------------------|-------------|-----------------|--------------------|-------------------------|
| STRATEGIC RISKS | | | | |
| Changes in value of properties | Major | Possible | Focus area | → |
| High transaction activity level | Minor | Improbable | Monitor | → |
| Property development | Average | Possible | Monitor | → |
| Employees and expertise | Minor | Possible | Monitor | → |
| OPERATIONAL RISKS | | | | |
| Rental income | Average | Possible | Focus area | ↗ |
| Property expenses | Minor | Improbable | Monitor | → |
| Tax | Average | Possible | Monitor | → |
| IT and infrastructure | Average | Possible | Monitor | → |
| FINANCIAL RISKS | | | | |
| Interest-rate risk | Major | Possible | Focus area | → |
| Financing and refinancing risk | Major | Possible | Focus area | → |
| SUSTAINABILITY RISKS | | | | |
| Occupational health and safety | Average | Possible | Focus area | → |
| Reputation | Major | Possible | Monitor | → |
| Internal processes and controls | Average | Possible | Monitor | → |
| Environmental impact | Average | Possible | Focus area | ↗ |
| Climate issues | Major | Possible | Focus area | → |
| EXTERNAL ENVIRONMENT | | | | |
| Macroeconomic | Average | Probable | Focus area | → |
| Crisis | Average | Probable | Focus area | ↗ |
| Regulatory changes | Minor | Highly possible | Monitor | → |
| Regulatory compliance | Minor | Possible | Monitor | → |

↗ = Increased monitoring
→ = Unchanged monitoring

STRATEGIC RISKS

Risk that the company's strategy, including a high transaction level and sustainable development of the existing portfolios, does not support the financial target that is an annual growth in distributable cash flow per share of 10 percent.

| Description of the risk | Risk management | Exposure and outcome |
|--|---|--|
| <p>CHANGES IN VALUE OF PROPERTIES</p> <p>The property portfolio's total value is the largest asset item in the statement of financial position. Small changes in components that affect the value of an individual property can in total have a major impact on the company's financial position.</p> <p>The value is affected not only by supply and demand in the market, but by several other factors that are both property specific and market specific. Because the value is based on several components with an element of assumption regarding future rent levels and leasing potential, there is a degree of subjectivity in the value ascribed to the object.</p> | <ul style="list-style-type: none"> Nyfosa owns a large number of properties that are geographically spread throughout the country, which results in a balanced risk profile. The prioritized property category is commercial properties in high-growth municipalities where we can see an increase in relocation and business. To minimize the risk of errors in the value of the property portfolio, the company engages external appraisers to value all properties ahead of each quarterly closing. The assignment is shared by two appraisers. | <p>A major negative change in value of the properties can result in the suspension of credit terms of the loan agreements. In the event of this, the company risks higher financing costs or, as a final measure, that the loan falls due for payment.</p> <p>Outcome</p> <p>The total value development in the property portfolio has been positive throughout the full-year. No credit terms have been suspended.</p> |
| <p>HIGH TRANSACTION ACTIVITY LEVEL</p> <p>The company's strategy is to be constantly active in the transaction market. This means that a large share of potential property acquisitions constantly need to be evaluated.</p> <p>There is a risk of misjudging the market, a property's potential or the development of a geographic area as well as risks linked to a seller who acts unethically.</p> | <ul style="list-style-type: none"> There is a well-defined acquisition process and extensive capacity in the company to evaluate potential business. With its broad geographic presence, the organization has an extensive contact network and is highly knowledgeable of the market's commercial property players. Nyfosa occupies a strong position in the transaction market, with unquestioned knowledge of complex portfolio transactions, which means that sellers often contact us. | <p>Difficulties finding transactions may affect the company's ability to achieve the financial target. Incorrect business decisions could constitute losses for the company.</p> <p>Outcome</p> <p>During the past 12-month period, transactions for approximately SEK 18 billion were carried out.</p> |
| <p>PROPERTY DEVELOPMENT</p> <p>Investments are continuously made in the existing property portfolio in the form of modifications and improvements.</p> <p>There is a risk that an investment decision will not generate the expected rent level after the investment, or that the investment is not considered value adding.</p> <p>Investment projects could be delayed or more expensive than assessed in conjunction with the investment decision.</p> | <ul style="list-style-type: none"> Investments are generally carried out as a tenant conversion in conjunction with renegotiations or new leases. Regardless of whether the investment is associated with renegotiations or new leases, the tenant's credit rating is evaluated. If an investment is made in the property's public space, a thorough assessment of the investment's impact on the property's long-term value is made. Those property development projects that are carried out are conducted together with established and experienced suppliers. | <p>Higher costs for investment projects adversely impact the company's cash flow. Delays of investment projects tie up capital longer than expected.</p> <p>Outcome</p> <p>No significantly higher costs or delays have been encountered during the year.</p> |
| <p>EMPLOYEES AND EXPERTISE</p> <p>Nyfosa's organization has been deliberately built up with a relatively small number of people in order to create flexibility and proximity to business, which could lead to dependency on existing key talent.</p> | <ul style="list-style-type: none"> Competency needs are evaluated continuously in order to adapt the organization to prevailing requirements, and active work is conducted to promote internal manager sourcing. To minimize the dependence on individuals, the company has documented job descriptions and clear process maps. | <p>Should Nyfosa fail to retain qualified staff and senior executives, or if they are frequently on sick leave, this could adversely affect Nyfosa's operations, financial position and earnings.</p> <p>Outcome</p> <p>Exceptionally low personnel turnover during the year.</p> |

OPERATIONAL RISK

The risk of not achieving the growth target for the organization's management of the existing property portfolio.

| Description of the risk | Risk management | Exposure and outcome |
|---|--|--|
| <p>RENTAL INCOME</p> <p>The leasing rate and level of rental income are largely dependent on the company's own actions, but are also affected by economic cycles.</p> <p>Both rent levels and the leasing rate are highly affected by overall growth in the Swedish economy but also growth at regional and local levels where Nyfosa conducts operations. The risk of loss of rent and vacancies is also related to the tenant and contractual structure. For example, a concentration of tenants to a small number of larger parties leads to increased exposure.</p> | <ul style="list-style-type: none"> Nyfosa's property portfolio is geographically diversified, with a large number of tenants with differentiated lease tenures. The risk of bad debts is managed by conducting credit assessments of tenants for all new leases and continuously during the lease term. If necessary, the lease may have to be supplemented with surety, a rental deposit or a bank guarantee. All rents are paid in advance on a quarterly or monthly basis. A certain level of vacancies may have a positive effect since it provides scope in the form of new leases and flexibility in relation to existing tenants. | <p>Lower rental income and/or lower leasing rates could adversely affect the operations, financial position and earnings. When a vacancy occurs, this could entail costs for customizing the premises for a new tenant, and a risk that the vacancy will be long-term.</p> <p>If tenants fail to fully meet their commitments in accordance with the lease, this may also lead to higher vacancy rates with a resulting reduction in property value.</p> <p>Outcome Rent losses increased in conjunction with the coronavirus pandemic, but on an overall level, the effect of the economic downturn on the company has been slight.</p> |
| <p>PROPERTY EXPENSES</p> <p>Risks of cost increases beyond what Nyfosa can compensate for through contractually agreed rents, index and surcharges for onward invoicing. The risks extend also to unforeseen expenses and extensive renovation needs.</p> | <ul style="list-style-type: none"> Property expense analyses are performed regularly during the year. Discrepancies are followed up. | <p>With the exception of interest expenses, costs such as electricity, water, heating, cooling and wastewater are, the largest expenses for the company.</p> <p>Prices for property expenses are governed by supply and demand alongside policy decisions, which could potentially change.</p> <p>The basis for calculating ground rent may be amended for future renegotiations.</p> <p>The basis for calculating property tax may be changed through policy decisions.</p> |
| <p>TAX</p> <p>Regulations governing the recognition of taxes and the application of these accounting regulations are complex fields. From time to time, Nyfosa has cases under review by, and ongoing dialogues with, the Swedish Tax Agency regarding individual taxation matters.</p> <p>Because it is possible to appeal Tax Agency's tax rulings and the judicial bodies' interpretation and reviews take place in many stages, it can take a long time to establish the correct application of legislation. This may adversely affect Nyfosa and investors' assessment of Nyfosa.</p> <p>The Swedish Tax Agency's tax rulings as well as court rulings may entail that actions taken or completed transactions that were previously considered permissible according to the regulatory framework may need to be reappraised at a later juncture.</p> <p>In the case of future audits or reviews, there is a risk that the Swedish Tax Agency could object to Nyfosa's assessment, for example, with respect to the deductibility of certain costs, opportunities for depreciation for tax purposes or the opportunity to deduct loss carryforwards from previous years.</p> | <ul style="list-style-type: none"> Nyfosa carefully follows political developments and continuously monitors developments in the regulatory area to identify proposals for regulatory changes at an early stage. This monitoring ensures that Nyfosa understands the effects of any regulatory changes well in advance and that Nyfosa is well prepared should new regulations require an adaptation of internal processes to ensure compliance with the new regulations. Nyfosa monitors the taxation laws and practices that are in effect whenever it files tax returns. To further safeguard the quality of both tax returns and financial statements, Nyfosa continuously checks its judgments of complex tax matters with external experts. Within Nyfosa, all functions work together through clear-cut processes to satisfy regulatory requirements for continuous reporting and payment of taxes and to identify and manage tax risks. | <p>Even if tenants are responsible for their share of the property taxes due at all times in the majority of Nyfosa's leases, changes to the property tax and other taxes such as corporation tax, VAT and other state levies and tax-related contributions could adversely affect Nyfosa's financial position and earnings.</p> <p>A future change in the tax situation for Nyfosa could have adversely impact the financial position and earnings.</p> <p>Nyfosa had loss carryforwards from prior years. The Tax Agency decided in a review decision in 2018 not to grant the company full deductions for these loss carryforwards. The loss carryforwards in question amount to MSEK 1,215. Unutilized loss carryforwards are valued at MSEK 221, corresponding to 20.6 percent, in the statement of financial position. Nyfosa has not remeasured this amount since it believes that it is overwhelmingly probable that the deduction claimed will be granted following a court ruling.</p> |
| <p>IT AND INFRASTRUCTURE</p> <p>Risks related to inadequate physical and digital IT infrastructure.</p> | <ul style="list-style-type: none"> Nyfosa has chosen an external IT service supplier. The supplier is well-established in Sweden and has a business area dedicated to the property sector that has built up expertise over many years. Nyfosa has regular dialogues and formal meetings at strategic and operational levels with the supplier. The company's Board adopts every year an information security policy. Management follows up every year that the accounting function's continuity plan is updated. | <p>Delayed financial reporting to the market.</p> <p>Outcome No faults in the infrastructure or disruptions in access to data were reported during the year. No delays in reporting to the market occurred during the year.</p> |

FINANCIAL RISKS

The risk of not achieving the long-term growth target due to shortcomings in financial covenants for current financing or that the company breaches the financial risk limits, equity/assets ratio >25%, loan-to-value ratio <65% and ICR >2.0.

| Description of the risk | Risk management | Exposure and outcome |
|--|--|---|
| <p>INTEREST-RATE RISK</p> <p>Interest-rate risk refers to the risk that changes in interest rates could affect interest expenses, which represent the company's single largest cost item.</p> | <ul style="list-style-type: none"> Nyfosa mainly works with floating interest rates in its loan agreements. Mainly interest-rate caps are used to reduce interest-rate risk, but occasionally these can be combined with other derivatives such as interest-rate swaps. Limiting interest-rate risk increases the predictability of Nyfosa's profit from property management and changes in interest-rate levels do not fully impact the Group's interest expenses. Interest-rate caps and swaps are entered into to adapt the company's fixed-rate periods to the decided finance policy and existing loan agreements. | <p>In the longer term, changes in interest rates have a material impact on earnings and cash flow.</p> <p>Outcome</p> <p>The interest-coverage ratio was a multiple of 3.8 during the year.</p> |
| <p>FINANCING AND REFINANCING RISK</p> <p>Nyfosa grows primarily through acquisitions, and the company finances growth through external capital and the accrued cash flow. A declining market or economic climate could adversely affect the company's growth opportunities if access to external capital is limited or is only possible at considerably higher costs.</p> <p>When existing bank loans and bonds are refinanced in the future, there is a risk that it will not be possible to secure new loans or renew loans, or only at less favorable terms.</p> | <ul style="list-style-type: none"> The company annually adopts a finance policy that stipulates, inter alia, general rules for the company's financing and how the risks associated with financing operations are to be limited. The company engages in continuous discussions with existing and prospective financiers to ensure that the necessary financing can be obtained in all situations. The assessment is that a stable financial position combined with a strong statement of financial position and a high credit rating provides continued favorable potential for growth. | <p>If raising loans becomes more difficult or more expensive, this would adversely impact the company's potential to acquire properties and implement investments and projects.</p> <p>Outcome</p> <p>Refinancing of existing bank loans and securing new bank loans in conjunction with acquisitions was carried out during the year at good terms for the company.</p> |

SUSTAINABILITY RISKS

Risks related to occupational health and safety, the company's market reputation, the quality of internal processes, the impact of the operations on the environment and climate changes that affect the company's assets. All sustainability risks could have a negative impact on the company's financial performance.

| Description of the risk | Risk management | Exposure and outcome |
|---|---|---|
| <p>OCCUPATIONAL HEALTH AND SAFETY</p> <p>A number of significant psychosocial stresses related to working life can be found in society. The construction and property industry in particular is also affected by a high number of work-place accidents. It is Nyfosa's responsibility to ensure a healthy work environment, both physically and psychosocially, for its employees and in its capacity as the client.</p> | <ul style="list-style-type: none"> Nyfosa applies occupational health and safety legislation and other regulations and requirements relevant to the company. A reasonability assessment is performed for tenders submitted in procurement processes for services from suppliers and partners. The company regularly monitors sick leave, long-term sick leave and work-place accidents. As part of efforts to prevent ill health, Nyfosa offers a health and well-being package and regular medical checkups to all employees, and all of Nyfosa's employees are covered by medical expenses insurance. The company has an anonymous whistleblower function that can be used to report any improprieties. | <p>A high level of sick leave could affect the progress of the operations.</p> <p>Outcome</p> <p>All managers received training in occupational health and safety in 2020. All property managers were also trained in property owner responsibility in connection with construction contracts and projects.</p> <p>Absence due to illness for the year was 0.92 percent.</p> |
| <p>REPUTATION</p> <p>Nyfosa is to be a responsible company and a modern property owner. If the company contravenes laws or regulations or otherwise acts unethically, it could result in damage to Nyfosa's brand.</p> | <ul style="list-style-type: none"> Nyfosa follows the Swedish Corporate Governance Code. The company has internal governing documents and policies that outline procedures and divisions of responsibility. The company has an anonymous whistleblower function that can be used to report any improprieties. Employees are continuously trained in occupational health and safety, property owner responsibility and contractor responsibility. Work is being conducted to ensure that larger suppliers meet the company's requirements. | <p>A tarnish reputation among tenants, employees and other stakeholders.</p> <p>Outcome</p> <p>No incidents were reported.</p> <p>No cases were reported using the whistleblower function.</p> |
| <p>INTERNAL PROCESSES AND CONTROLS</p> <p>Deficient procedures, irregularities or internal or external events could cause disruptions or damage to the operations. The company's business model is based on maintaining a relatively small organization. A large part of financial management is purchased from external service providers. There is the risk that internal processes and controls among these external service providers do not meet the requirements set by the company.</p> | <ul style="list-style-type: none"> The company complies with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for evaluating a company's internal control over financial reporting, which contains the following five components: control environment, risk assessment, control activities, information and communication, and monitoring. Policy documents and analyses are in place for all material processes in the company's operations. The Code of Conduct contains guidelines for the conduct of employees in certain situations and includes an established whistleblowing procedure. Process descriptions, procedures and control functions for processes carried out by external service providers are stipulated in agreements and governing documents. | <p>Errors in the financial reporting.</p> <p>Financial losses due to irregularities.</p> <p>Outcome</p> <p>No deficiencies were identified during the year.</p> |
| <p>ENVIRONMENTAL IMPACT</p> <p>The construction and property industry accounts for a significant share of society's total environmental impact. In addition, the industry contributes to emissions in other countries through the import of building and construction products.</p> | <ul style="list-style-type: none"> Nyfosa actively works to identify the areas in which the company can make the greatest difference. In 2019–2020 this included introducing green appendices and certifying properties. | <p>Outcome</p> <p>Six properties were certified in 2020. 79 new leases had a green appendix, corresponding to 16 percent of total new leases, excluding parking spaces and garages.</p> |
| <p>CLIMATE ISSUES</p> <p>The climate changes that have partly happened and that scientists predict will happen entail the risk of a negative impact on properties. Extreme weather conditions, rising sea levels and temporary flooding are examples of risks related to climate change.</p> | <ul style="list-style-type: none"> Analyzing risks is part of the acquisition process for new properties. Nyfosa works continuously to make an inventory of its property portfolio and takes measures as necessary. The company is monitoring developments in expertise to continuously keep this matter relevant and update procedures and work methods as necessary. | <p>These risks may lead to damage to properties and people, lower property values and higher insurance premiums.</p> <p>Outcome</p> <p>No impact was reported.</p> |

EXTERNAL ENVIRONMENT

Risk that crises in the external environment, such as a virus outbreak, recession and trade wars adversely affect the company's operations. Risk that regulatory changes adversely affect the company's operations, such as higher costs when transitioning to new regulatory compliance.

| Description of the risk | Risk management | Exposure and outcome |
|---|---|---|
| <p>MACROECONOMIC</p> <p>Macroeconomic risks pertain to risks related to general decline in demand in the economy, low inflation or deflation, or general difficulties securing financing, alternatively financing at high credit margins.</p> | <ul style="list-style-type: none"> Market surveillance. Due diligence and negotiations with tenants. Internal reporting model for local market conditions. Business intelligence in management and the Board. | <p>A weak economy adversely affects demand for premises, resulting in more vacancies, falling market rents and absence of indexation in existing agreements. Further, there is a greater risk that tenants will have trouble paying or declare bankruptcy, which has an immediate adverse effect on the cash flow.</p> <p>Limited access to capital inhibits the company's possibilities to conduct operations. Ultimately, a lower demand in the economy could cause property values to fall.</p> <p>Outcome</p> <p>At an overall level, the effect of the coronavirus pandemic has been limited. Nyfosa has low exposure to tenants.</p> |
| <p>CRISIS</p> <p>Crises can arise when something happens in the work or within the organization that Nyfosa is unable to influence or predict. This includes terrorist attacks, cyber-attacks, virus outbreaks, extreme weather conditions and environmental disasters, or intelligence leaks.</p> | <ul style="list-style-type: none"> Crisis management plan drafted by management and the Board, published on the intranet. Successions planning for senior executives. Insurance coverage for full value of properties. Guidelines for information security, and create understanding and awareness among users that information is an asset to be handled carefully. Continuity plan for IT. Expand investment in digitization throughout the operations. Increase knowledge about the impact of climate change on operations. | <p>Can lead to economic losses.</p> <p>Outcome</p> <p>At an overall level, the effect of the coronavirus pandemic has been limited.</p> |
| <p>REGULATORY CHANGES</p> <p>There is a risk of amendments in regulatory frameworks, such as tax and EU regulations, MAR or GDPR, which means higher costs and could necessitate changes in operations.</p> | <ul style="list-style-type: none"> Monitor updates and amendments in regulatory frameworks. Established network of advisors. | <p>Changes in regulatory frameworks could affect future opportunities to complete investments, or make these more expensive, leading to lower returns in future. New bank legislation may affect access to financing, the price on borrowed capital and trigger credit terms that also involve higher financing expenses.</p> <p>Amended tax levels and tax legislation, such as amendments to rules for depreciation deductions or bans on packaging of properties, could affect the company's tax expense in future.</p> <p>Outcome</p> <p>No effect on operations during the year.</p> |
| <p>REGULATORY COMPLIANCE</p> <p>Compliance with policies</p> | <ul style="list-style-type: none"> Market surveillance. Due diligence and negotiations with tenants. Internal reporting template within the organization pertaining to local market conditions. Network. Business intelligence in management and the Board. | <p>Can lead to fines and tarnished reputation.</p> <p>Risk that improprieties or unethical behavior takes place internally, or among customers or suppliers. Can lead to loss of reputation.</p> <p>Outcome</p> <p>Nothing to report for the year.</p> |

“The pandemic has presented quite a challenge to the otherwise extremely social role of property manager. Much of my work during the year has involved maintaining and managing properties, and we’ve had to rethink things to find new ways of networking. A much-appreciated initiative was our customer outdoor exercise event that we organized together with two tenants. It turns out that networking, exercising and sharing a laugh is outstanding customer relationship management.”



– SOFIA DAHL,
PROPERTY MANAGER, ÖREBRO

THE SHARE

THE NYFOSA SHARE

The Nyfosa share has been listed on the Large Cap segment of Nasdaq Stockholm since November 23, 2018. On the last day of trading in 2020, the price of the share amounted to SEK 81.95, corresponding to a market capitalization of MSEK 15,120.

Share price trend and volume of trading

The volume weighted average price on the last day of trading of the year, December 30, 2020, was SEK 81.70. The price of the Nyfosa share increased about 1.8 percent during the year. During the same period, the Nasdaq Stockholm PI index increased 10.8 percent, while the Carnegie Real Estate Index dropped 5.5 percent. A total of about 137.8 million Nyfosa shares were traded for a total value of SEK 9.4 billion in 2020. An average of 546,766 shares were traded on every day of trading.

Share capital

On December 31, 2020, Nyfosa's share capital amounted to MSEK 92.3, distributed among 184,501,073 shares with a quotient value of SEK 0.5 per share. According to the Articles of Association, the share capital shall amount to not less than MSEK 80 and not more than MSEK 320, distributed among not fewer than 160,000,000 shares and not more than 640,000,000 shares.

Warrants, convertibles or other share-based financial instruments

A long-term incentive program for employees of the Nyfosa Group, based on the issue of warrants, was implemented in accordance with the resolution of the Annual General Meeting on May 9, 2019. The aim of the incentive program is to help Nyfosa to recruit and retain personnel and to create joint objectives for shareholders, management and employees. The program supports the implementation of Nyfosa's growth and value-creation strategy and hones the focus of the company's employees. The program, which is targeted to all employees, is designed to reward overachievement. On full new subscription based on all warrants, 1,950,000 new shares may be issued, corresponding to dilution of approximately 1.07 percent of the total number of shares and the total number of votes in the company.

Directed share issue, February 2020

A directed share issue of 6,462,824 shares, based on the authorization granted by the AGM on May 9, 2019, took place at a price of SEK 93 per share in February 2020, which provided Nyfosa with proceeds of about MSEK 601 before issue costs. The new share issue entailed that the number of new

shares in Nyfosa increased 6,462,824, from 167,728,249 to 174,191,073.

Share capital increased SEK 3,231,412 from SEK 83,864,124.50 to SEK 87,095,536.50. The share issue entailed a dilution of approximately 3.7 percent, based on the total amount of shares in Nyfosa after the share issue.

Directed share issue, March 2020

Nyfosa carried out a directed share issue of 10,310,000 shares, based on the authorization granted by the AGM on May 9, 2019, at a price of SEK 71.20 per share in March 2020.

The shares were paid as part of the purchase consideration in connection with the acquisition of a property portfolio for a total value of SEK 4.2 billion.

Dividend policy and dividend proposal

The dividend policy that applied in 2019 stipulated that the profits generated would primarily be reinvested to leverage business opportunities and achieve the growth target of a total property value of SEK 25 billion, after which a significant portion of profit was to be paid to shareholders in the form of a dividend, redemption and/or repurchase of shares.

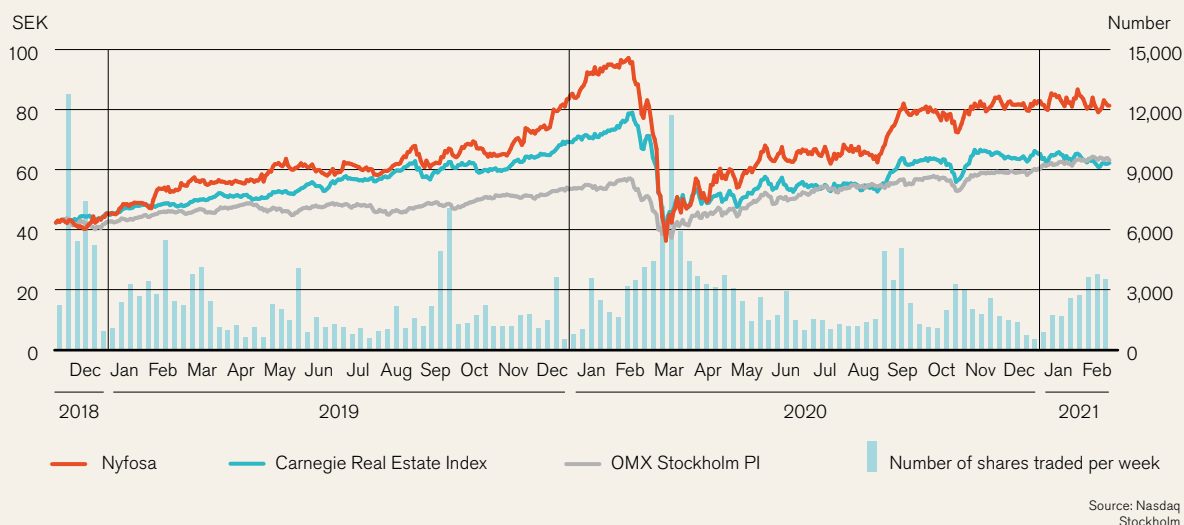
The growth target of a property value of SEK 25 billion was reached in the first quarter of 2020. Based on this, the Board resolved that at least 40 percent of the distributable cash flow is to be distributed to the owners in accordance with a new dividend policy. Dividends are, on each occasion, to be considered in light of the company's business opportunities and may comprise a distribution in kind, buyback or cash dividend.

For the 2020 financial year, the Board proposes that the AGM resolves that an ordinary dividend of SEK 3.00 per share with quarterly payment of SEK 0.75 per share, and an extra dividend of SEK 1.00 per share.

Shareholder information

On the final day of trading of the year, Nyfosa had 19,232 shareholders, of which Swedish investors, institutions and private individuals owned 63.8 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders. The ten largest owners jointly controlled 45.5 percent of the share capital and voting rights. The table below presents Nyfosa's largest shareholders on December 31, 2020, based on information from Modular Finance Monitor.

SHARE PERFORMANCE



THE COMPANY'S SHARE CAPITAL TREND

| Date | Event | Change in share capital (SEK) | Change in number of shares | Share capital after change (SEK) | Number of shares after change |
|-------------------|--------------------|-------------------------------|----------------------------|----------------------------------|-------------------------------|
| October 17, 2017 | New formation | – | – | 50,000.00 | 500 |
| May 21, 2018 | Division of shares | – | 99,500 | 50,000.00 | 100,000 |
| May 21, 2018 | New share issue | 78,814,124.50 | 157,628,249 | 78,864,124.50 | 157,728,249 |
| August 21, 2018 | New share issue | 5,000,000.00 | 10,000,000 | 83,864,124.50 | 167,728,249 |
| February 17, 2020 | New share issue | 3,231,412.00 | 6,462,824 | 87,095,536.50 | 174,191,073 |
| March 9, 2020 | New share issue | 5,155,000.00 | 10,310,000 | 92,250,536.50 | 184,501,073 |

SPECIFICATION OF SHAREHOLDERS

December 31, 2020

| Shareholders | Number of shares | Percentage share | |
|--------------------------------------|--------------------|------------------|-------------|
| | | Capital, % | Votes, % |
| Länsförsäkringar Funds | 15,717,792 | 8.5 | 8.5 |
| Swedbank Robur Funds | 12,424,228 | 6.7 | 6.7 |
| Handelsbanken Funds | 11,225,131 | 6.1 | 6.1 |
| AB Sagax | 8,725,000 | 4.7 | 4.7 |
| SEB Funds | 7,277,991 | 3.9 | 3.9 |
| BlackRock | 6,060,420 | 3.3 | 3.3 |
| Norges Bank | 5,970,860 | 3.2 | 3.2 |
| Fourth Swedish National Pension Fund | 5,968,408 | 3.2 | 3.2 |
| Vanguard | 5,654,446 | 3.1 | 3.1 |
| Jens Engwall | 5,243,857 | 2.8 | 2.8 |
| Total ten largest owners | 84,268,133 | 45.5 | 45.5 |
| Other shareholders | 100,232,940 | 54.3 | 54.3 |
| Total | 184,501,073 | 100 | 100 |

Source: Modular Finance Monitor

OWNERSHIP STRUCTURE BY SIZE

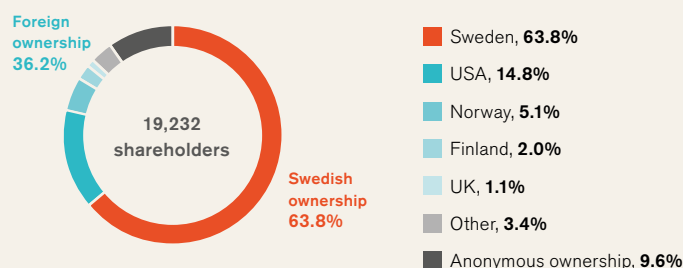
December 31, 2020

| Ownership structure | No. of shareholders | Share, % |
|---------------------|---------------------|--------------|
| 1 – 500 | 14,224 | 73.4 |
| 501 – 1,000 | 2,420 | 12.5 |
| 1,001 – 5,000 | 2,075 | 10.7 |
| 5,001 – 10,000 | 237 | 1.2 |
| 10,001 – 15,000 | 91 | 0.5 |
| 15,001 – 20,000 | 50 | 0.3 |
| 20,001 – | 275 | 1.4 |
| Total | 19,372 | 100.0 |

Source: Euroclear

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDING

December 31, 2020



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT 2020

Corporate governance at Nyfosa is based on Swedish law and other generally accepted good practice in the securities market as well as internal rules and guidelines. Nyfosa also follows the Swedish Corporate Governance Code (“the Code”) and applied it without any deviations in 2020.

General Meetings

The General Meeting is Nyfosa’s highest decision-making body, at which the shareholders exercise their voting rights. The Swedish Companies Act (2005:551) and the Articles of Association prescribe how notice of the Annual General Meeting (AGM) and Extraordinary General Meetings are to take place and who is entitled to participate in and vote at such Meetings. In addition to laws on a shareholder’s right to participate in a General Meeting, Nyfosa’s Articles of Association stipulate that shareholders must notify their intention to attend the General Meeting not later than the date indicated in the notice of the Meeting, and also give notification if they intend to be accompanied by an assistant. There are no restrictions on the number of votes that each shareholder may cast at the Meeting. Nyfosa’s General Meetings are held in Nacka or Stockholm. The company does not apply any special arrangements to the function of the General Meeting, either based on the provisions of the Articles of Association or any shareholders’ agreements known to the company.

NYFOSA’S 2021 ANNUAL GENERAL MEETING

Nyfosa’s 2021 AGM will be held on April 21, 2021. More information about the AGM (including instructions on how to notify attendance) is available at www.nyfosa.se.

Resolutions adopted at a General Meeting are announced after the Meeting in a press release, and the minutes from the Meeting are published on the company’s website. The AGM held on April 23, 2020 authorized the Board on one or more occasions for the period before the next AGM, by applying or disapplying shareholders’ preferential rights, to decide to issue new shares in the company, although not more than 20 percent of the total number of shares in Nyfosa on the date of the AGM.

The AGM held on April 23, 2020 also authorized the Board to, on one or more occasions for the period until the

THE WORK OF THE BOARD

The work of the Board follows the adopted rules of procedure pertaining to the year’s Board meetings in addition to regular Board matters including major acquisitions, divestments and investments and the CEO’s review.



end of the next AGM, resolve to acquire shares in the company so that, as a maximum, the company's holding following the acquisition does not exceed ten percent of all the shares in Nyfosa at any time. Further, the AGM authorized the Board to, on one or more occasions for the period until the end of the next AGM, resolve to transfer the company's shares. The number of shares to be transferred may not exceed the total number of shares held by Nyfosa at any time.

In addition, the 2020 AGM resolved to amend Section 1 of the Articles of Association so that Swedish word "firma" is replaced with "företagsnamn", and Section 9 so that the article, due to anticipated upcoming legislative changes, does not stipulate on which date the record date shall occur.

The share and shareholders

Information about Nyfosa shares and major shareholders is provided on pages 58–59 of this Annual Report. No shareholders, directly or indirectly, hold shares that represent one tenth or more of the votes for all shares in the company.

Nomination Committee

The AGM of Nyfosa on May 9, 2019 adopted instructions for the Nomination Committee's composition and work within the company. According to these instructions, which apply until further notice, the Nomination Committee is to comprise the Chairman of the Board and four members appointed by the four largest shareholders in the company in terms of voting rights on July 31. If any of the four largest shareholders in terms of voting rights does not exercise their right to appoint a member, this right to appoint such a committee member is transferred to the next largest shareholder who is not already entitled to appoint a member of the Nomination Committee. The chairman of the Nomination Committee is to be the member representing the largest shareholder in terms of voting rights, unless the members agree otherwise. The composition of the Nomination Committee is to be announced not later than six months before the AGM. If a Committee member leaves or major changes take place in the ownership structure, the composition of the Nomination Committee may

change to reflect this. Such a change will then be announced as soon as possible. The task of the Nomination Committee is to prepare proposals on the election of Board members and auditors, remuneration of the Board members and auditors, the election of the Chairman of the Meeting and any necessary amendments to the instructions for the Nomination Committee. For more information about the current instructions for the Nomination Committee, visit the company's website.

Nyfosa's Nomination Committee ahead of the 2021 AGM comprises Johannes Wingborg, Länsförsäkringar Fondförvaltning AB (Chairman of the Nomination Committee), Lennart Francke, Swedbank Robur Funds, Olof Nyström, Fourth Swedish National Pension Fund, Suzanne Sandler, Handelsbanken Fonder and Johan Ericsson, Board Chairman of Nyfosa.

The Nomination Committee applied the Code's rule 4.1 on diversity policy for its work. The aim of the diversity policy is to satisfy the importance of sufficient diversity on the Board of Directors in respect of gender, age and nationality, as well as experience, professional background and lines of business. The Board comprises three women and four men, meaning that the percentage of women is almost 43 percent, which was established to accord with the Swedish Corporate Governance Board's stated objective of about 40 percent for the least represented gender. Additional information is available in the Nomination Committee's reasoned statement regarding the Nomination Committee's proposals to the 2021 AGM.

Board of Directors

According to the Articles of Association, Nyfosa's Board of Directors is to comprise at least four and no more than ten members, with no deputy members. The Articles of Association contain no specific clauses governing the appointment or dismissal of Board members or regarding amendment of the Articles of Association. The members of the Board are elected by the AGM for the period until the end of the next AGM. The AGM held on April 23, 2020 reelected Johan Ericsson, Marie Bucht Toresäter, Lisa Dominguez Flodin, Jens Engwall, Per Lindblad, and Mats Andersson as Board members and Jenny Wärmé was elected as Board member.



Kristina Sawjani declined reelection. Johan Ericsson was also reelected Chairman of the Board. For more information about Nyfosa's Board members and information about their independence in relation to the company and management, refer to pages 62–63. Board member Jens Engwall served as CEO, and employee in the company until October 26, 2020. However, he was replaced as CEO by Stina Lindh Hök as of October 26, 2020, at which time his role as employee in the Group employee ceased. Jens Engwall remains as advisor to the company in a consultant capacity for a two-year period. No other Board member has been or is employed in the Group. Information about the company's largest shareholders is provided on page 59.

The Board is the company's highest administrative body, and its duties are regulated by the Swedish Companies Act, the Articles of Association and the Code. The Board of Directors is thus responsible for the company's organization and the administration of the company's affairs. The Board is also charged with monitoring financial developments, ensuring the quality of financial reporting and the internal control and evaluating the operations based on the established objectives and guidelines adopted by the Board. Furthermore, the Board decides on significant investments and major changes in the Group's organization and operations. This work is based on rules of procedure adopted by the Board every year that regulate the distribution of work and responsibilities between

BOARD OF DIRECTORS



Johan Ericsson

Chairman of the Board

Year of birth: 1951

Board member since: May 7, 2018

Education and professional experience: Master in Business Administration, Stockholm School of Economics. FRICS. Previous experience from senior positions and various roles in the Catella group (1993–2015).

Other ongoing assignments: CEO of Logistea AB (publ) with subsidiaries and Solnaberg Property AB (publ). Chairman of the board of SHH Bostad AB (publ), Aktiebolaget Oscar Robur, Market Art Fair Intressenter AB and other board assignments in the Group, Castar Europe AB and Fastighetsbolaget Emilshus AB, and other board assignments in the Group, as well as board member of Brinova Fastigheter AB (publ).

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 30,000

Independent in relation to the company, Group Management and the company's major shareholders.



Marie Bucht Toresäter

Board member

Year of birth: 1967

Board member since: May 7, 2018

Education and professional experience: Master in Business Administration, Uppsala University. Previous experience from senior positions at, inter alia, Headlight International AB (2015–2017), Skanska ID (2013–2015), NCC Property Development Nordic AB (2012–2013) and Newsec Advice AB (1999–2012).

Other ongoing assignments: CEO of Novi Real Estate AB and board member of MVB Holding AB.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 4,796

Independent in relation to the company, Group Management and the company's major shareholders.



Lisa Dominguez Flodin

Board member

Year of birth: 1972

Board member since: May 7, 2018

Education and professional experience: Bachelor's degree in accounting and auditing, Mid Sweden University, Östersund, and MBA, San Jose State University. Previous experience as, inter alia, CFO of Grön Bostad AB (2016–2021), CEO of Cibus Nordic real Estate AB (publ) (2018) and board member (including member of the audit committee) of NP3 Fastigheter AB (publ) (2014–2017) as well from senior positions at Oscar Properties AB (2017), Cityhold Property AB (2012–2016) and NBP Group (2011–2012).

Other ongoing assignments: CFO of Midroc, board member of LCF Financial Services AB and Flodin Kapital AB.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 7,500

Independent in relation to the company, Group Management and the company's major shareholders.



Jens Engwall

Board member

Year of birth: 1956

Board member since: November 15, 2017

Education and professional experience: Master of Engineering, Royal Institute of Technology, Stockholm. Experience as the founder and CEO of Nyfosa AB (2018–2020) and Hemfosa Fastigheter AB (2009–2018), CEO of Kungsleden AB (1993–2006) and experience from the property sector through, inter alia, previous positions at Skanska AB.

Other ongoing assignments: Chairman of the board of the property company Söderport Holding AB and other board assignments in the Söderport group, Chairman of the board of Torslanda Property Investment AB (publ), board member of Bonnier Fastigheter AB and Quantafuel AS.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 5,243,857, of which 503,900 via companies

Not independent in relation to the company and Group Management. Independent in relation to the company's major shareholders.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

| Board member | Board meetings | Audit Committee meetings | Remuneration Committee meetings |
|--|--------------------|--------------------------|---------------------------------|
| Johan Ericsson (Chairman of the Board) | 26/26 | – | 6/6 |
| Marie Bucht Toresäter | 25/26 | 6/6 | – |
| Lisa Dominguez Flodin | 26/26 | 6/6 | – |
| Jens Engwall | 25/26 | – | – |
| Mats Andersson | 26/26 | – | 6/6 |
| Per Lindblad | 24/26 | – | 6/6 |
| Jenny Wärmé | 14/15 ¹ | 3/3 ¹ | – |
| Kristina Sawjani | 11/11 ² | 3/3 ² | – |

1) Elected Board member at the AGM on April 23, 2020.

2) Stepped down at the AGM on April 23, 2020.



Mats Andersson

Board member

Year of birth: 1954

Board member since: May 9, 2019

Education and professional experience: Master in Business Administration, Stockholm University. Previous experience from inter alia Fourth Swedish National Pension Fund, where he was CEO for ten years, Third Swedish National Pension Fund as well as senior positions at Skandia Liv, Deutsche Bank, S.G. Warburg and Häggglöf & Ponsbach. Mats has been board member of several listed companies.

Other ongoing assignments: Vice Chairman of The Global Challenges Foundation, board member of Carneio, LMK Industri and Carnegie Fonder and a couple of advisory assignments.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 13,000

Independent in relation to the company, Group Management and the company's major shareholders.



Per Lindblad

Board member

Year of birth: 1962

Board member since: May 7, 2018

Education and professional experience: Master of Science in Agriculture Economics, Swedish University of Agricultural Sciences (SLU), Uppsala. Previous experience from inter alia senior positions at SEB (2008–2017).

Other ongoing assignments: CEO of Landshypotek Bank Aktiebolag and chairman of the board of Lyckås Aktiebolag.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 10,000

Independent in relation to the company, Group Management and the company's major shareholders.



Jenny Wärmé

Board member

Year of birth: 1978

Board member since: April 23, 2020

Education and professional experience: Master of Laws, Stockholm University. Previous experience as lawyer at Manheimer Swartling Advokatbyrå, Head of Legal and Corporate Affairs at Hemla (formerly D. Carnegie & Co AB), board member of Stendörren Fastigheter AB, board member of Amasten Fastighets AB (publ) and law clerk at the Norrtälje District Court.

Other ongoing assignments: Board member of Tre Kronor Property Investment AB. General Counsel and senior partner at Slättö Förförvaltning AB.

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 362

Independent in relation to the company, Group Management and the company's major shareholders.

the Board members and CEO. The Board also adopts a delegation of authority and instructions for financial reporting, the CEO and the Board's Committees, and decides on a number of general policies for the company's operations. These include an insider policy, finance policy, IT policy, information security policy, sustainability policy, communication policy and policy on related-party transactions. All of these internal governing documents are reviewed at least once annually and also regularly updated as necessary.

The work of the Board

In addition to the statutory Board meeting, elected held immediately after the AGM, the Board meets at least six times a year (scheduled Board meetings). The dates of meetings and the main standing items on the agenda to be discussed at the scheduled meetings follow a set plan in the Board's rules of procedure. Extra Board meetings can be convened when required. Nyfosa's Board held 26 meetings during the year, one of which was a statutory Board meeting. For information about attendance at these meetings, refer to the table on page 63. The secretary at the Board meetings is either the company's lawyer or Head of Legal. Prior to each meeting, the Board members receive an agenda and written material for the items to be discussed at the meeting. The agenda ahead of each scheduled Board meeting included a number of standing items: The CEO's review of the operations, acquisitions, divestments and investments as well as financial reporting.

In 2020, besides regular Board matters, including major acquisitions, divestments and investments, the Board addressed issues related to a new CEO, the organization, sustainability and digitization.

Evaluation of the Board and the CEO

Once annually, in accordance with the Board of Directors' rules of procedure, the Chairman of the Board initiates an evaluation of the Board's work. In 2020, the Chairman had in consultation with the Nomination Committee some separate contact with the members as part of this evaluation. The purpose of the evaluation is to assess the results of the Board's and the Committees' work, the effectiveness of the work method and how it can be improved. The evaluation also aims to identify the type of matters that the Board should be given more scope to address and the areas that could potentially require additional experience and expertise on the Board. The result of the evaluation was discussed by the Board and reported to the Nomination Committee by the Chairman. The Board also continuously evaluates the work of the CEO. An evaluation is carried out at least once a year without the CEO attending.

Board Committees

The Board has established two committees from within its ranks: an Audit Committee and a Remuneration Committee, which both follow instructions adopted by the Board. These committees are sub-committees that prepare matters for the Board and do not have any own power of decision.

The matters addressed at committee meetings are minuted and reported as necessary at the next Board meeting.

Audit Committee

The Audit Committee is to assist the Board in completing its supervisory role of audit matters. The Committee's main task is stipulated in the Companies Act. These include overseeing the company's financial reporting, risk management and the effectiveness of internal control and governance as well as maintaining contact with and evaluating the work, qualifications and independence of the external auditor. The Committee is also to assist in preparing proposals for the General Meeting to resolve on the election and remuneration of auditors. The results of the Committee's work in the form of observations, recommendations and proposals for decision or action are continuously reported to the Board. Until the AGM held on April 23, 2020, the Audit Committee comprised Board members Lisa Dominguez Flodin (Chairman), Kristina Sawjani and Marie Bucht Toresäter, after which newly elected Board member Jenny Wärmé replaced outgoing Board member Kristina Sawjani. The Audit Committee held six meetings in 2020, at which all members participated and matters were addressed regarding the company's internal control, sustainability efforts and quarterly reporting.

Remuneration Committee

The main tasks of the Remuneration Committee are to assist the Board by presenting proposals, providing advice and preparing matters regarding remuneration of and other terms of employment for the company's CEO and principles for remuneration of company management. Furthermore, the task of the committee is to monitor and evaluate the outcome of variable remuneration programs, and Nyfosa's compliance with the remuneration guidelines adopted by the General Meeting. The Remuneration Committee comprises Board members Johan Ericsson (Chair), Per Lindblad and Mats Andersson. In 2020, the Remuneration Committee held six meetings at which all members participated and matters were addressed regarding remuneration of senior executives including terms of employment for the CEO, the buyback of warrants and the design of new guidelines for remuneration of senior executives.

Remuneration of Board of Directors

The AGM on April 23, 2020 resolved that the fees to the Board members remain unchanged, meaning that until the next AGM an annual fee of SEK 170,000 was to be paid to each of the Board members who are not employed by the company and that SEK 425,000 was to be paid to the Chairman of the Board. It was also resolved that fees for Committee work amounting to SEK 60,000 were to be paid to the Chairman of the Audit Committee and SEK 30,000 to each of the other members of the Audit Committee and that fees of SEK 40,000 were to be paid to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

CEO and Group Management

The CEO is appointed by the Board and is responsible for the daily management of the company and the Group's activities in accordance with the Board's instructions. The CEO instruction states that the CEO is responsible for the administration of the Board and Board reporting as well as preparing matters that require a decision by the Board, for example, adopting the interim report and Annual Report, decisions on major acquisitions, sales or investments and raising large loans. The CEO has appointed a Group Management team that is responsible for different parts of the operations. Nyfosa's Group Management currently comprises the CEO, Head of Financial Control, Head of Transactions and Head of Finance. The CEO functions as chairman of Group Management and makes decisions in consultation with other members of Group Management. The work of Group Management follows an annual cycle of eight scheduled meetings. Extra meetings are convened as required.

Guidelines for remuneration of senior executives

The AGM on April 23, 2020 resolved on guidelines for the remuneration of Nyfosa's senior executives for the period until the 2021 AGM. These guidelines include the fact that Nyfosa is to apply market-based and competitive forms of remuneration that are simple, long-term and measurable. Remuneration may comprise a fixed and variable portion. The guidelines include requirements for the structure of remuneration and a cap on variable remuneration. The Board may deviate from the guidelines if there are special reasons to do so in an individual case. Such deviations are to be presented at the next AGM. The complete guidelines are available on the company's website. The amount of remuneration paid in 2020 is presented in Note 8. The proposed guidelines for remuneration of senior executives are available in the Annual Report on page 74 and on the company's website www.nyfosa.se.

SENIOR EXECUTIVES



Stina Lindh Hök

CEO

Year of birth: 1973

Education and professional experience: Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm. Experience as Transaction Manager at Hemfosa Fastigheter AB (2010–2018), COO at Nyfosa (2018–2020), project manager for transactions at Atrium Ljungberg AB (2009–2010) and Leimdörfer Fastighetsmarknad AB (2006–2008) and as head of property management at Fabega AB (2005).

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 74,210

Warrants in the company as of Dec 31, 2020: 120,000 warrants



Johan Ejerhed

Head of Finance

Year of birth: 1976

Education and professional experience: Master of Engineering, international industrial economics (finance), Linköping University. Experience of structured real estate financing at SEB (2004–2018).

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 2,000

Warrants in the company as of Dec 31, 2020: 145,000 warrants



Josephine Björkman

Head of Transactions

Year of birth: 1975

Education and professional experience: Master in Business and Economics from the School of Business, Economics and Law at the University of Gothenburg. Experience of Head of Transactions at Jernhusen (2011–2017), Business Developer Manager at GE Real Estate Norden (2004–2011), Master black belt GE Real Estate Norden (2001–2004) and analyst GE Capital London (1999–2001).

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 1,890

Warrants in the company as of Dec 31, 2020: –



Ann-Sofie Lindroth

Head of Financial Control

Year of birth: 1976

Education and professional experience: Master of Science in Business Administration, Lund University. Previous experience as Controller and Head of Finance at Hemfosa Fastigheter AB (2012–2018), auditor at EY Real Estate (2004–2012) at real estate agent at Svensk Fastighetsförmedling (1996–1999).

Shareholding in the company as of Dec 31, 2020 (incl. any shares held by related parties): 9,626

Warrants in the company as of Dec 31, 2020: 120,000 warrants

Jens Engwall and Anders Hörnqvist were CEO and Head of Property Management respectively, and members of the Nyfosa Group Management during parts of 2020.

AUDITOR

KPMG AB

Auditor-in-Charge **Mattias Johansson**, born in 1973, is an Authorized Public Accountant, partner of KPMG Sweden and member of FAR (institute for the accountancy profession in Sweden).

Auditor

At the AGM on April 23, 2020, KPMG AB was elected to serve as auditor until the end of the next AGM. Auditor-in-Charge Mattias Johansson was born in 1973 and is an Authorized Public Accountant and member of FAR (institute for the accountancy profession in Sweden).

The auditor examines the Annual Report, accounts and the administration by the Board and CEO. The auditor then reports to the AGM. In addition to the audit assignment, KPMG was engaged for additional services in 2020, primarily tax advice. Such services have always, and solely, been provided insofar as they are consistent with the regulations in the Swedish Auditing Act (1999:1079) and FAR's rules of professional conduct pertaining to the objectivity and independence of auditors.

Internal control and governance

The Board's responsibility for the internal control and governance is regulated by the Companies Act, the Annual Accounts Act (1995:1554) and the Code. Information about Nyfosa's system for internal control, governance, risk management and the Board's measures to monitor the effectiveness of the internal control and governance is to be included in the company's corporate governance report. The Board, which has ultimate responsibility, is to ensure, inter alia, that Nyfosa has effective internal control and formalized procedures to ensure compliance with established principles for financial reporting, internal control and governance. The Group's Head of Financial Control is responsible for implementing and maintaining the formalized procedures.

Nyfosa's procedures and processes for internal control, governance and risk management are based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). The process has been designed to ensure adequate risk management, including reliable financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements to be applied by companies listed on Nasdaq Stockholm. This work involves the Board, Group Management and other personnel.

Control environment

Nyfosa's control environment is founded on governing documents, processes and structures that set the basis for establishing internal control and governance in the organization. The Board monitors and ensures the quality of the internal control and governance in accordance with the Board's rules of procedure, the instructions for the CEO and the Committees and the associated delegation of authority and attestation ordinance. In addition, the Board has adopted a risk management policy that includes fundamental guidelines governing risk management, internal control and governance. These guidelines pertain to, for example, risk assessment, risk measures, control activities, action plans, evaluation and reporting. The internal control and governance activities are also presented in other governing documents, such as Nyfosa's accounting manual, sustainability policy and finance policy. These activities include regular checks and follow-ups of outcome compared with expectations and previous years, and supervision of, for example, the accounting policies applied by Nyfosa. In addition, Nyfosa provides an anonymous whistleblower function for all employees that is regulated in separate guidelines and monitored by the Chairman of the Audit Committee.

Since the Group's ongoing accounting activities and the preparation of the quarterly and annual accounts, etc. have been partly outsourced to an external service provider (Newsec Asset Management AB), Nyfosa's accounting manual also addresses the cooperation with this provider. The responsibility for maintaining an effective control environment and the continuous work on risk assessment and internal control and governance regarding the financial reporting is delegated to the CEO. However, the Board has ultimate responsibility. The Audit Committee is responsible for monitoring the efficiency of the company's internal control, governance and risk management regarding the financial reporting. Group Management regularly reports to the Board and the Audit Committee following established procedures. Responsibilities, authorities and governing documents comprise the control environment for Nyfosa, together with laws and regulations. All internal governing documents are regularly updated to include changes in, for example, legislation, accounting standards or listing requirements.

Risk assessment

Every year, Nyfosa's Group Management performs a risk evaluation of strategic, financial, operational and compliance risks in connection with the business planning process. The risks identified as the most material are documented in a risk list that is evaluated by Nyfosa's Group Management and a

risk owner is appointed for every risk to clarify the division of responsibilities and ownership. The risk analysis also includes an assessment of the control activities established throughout the operations to manage the risks. Taking into account these existing control activities, the probability of a risk occurring within a defined period of time is evaluated, as is its impact on established targets. The risk assessment provides insight into the consequences for the Group if no action is taken, the risk-reducing measures that are in place and the level of risk that the organization wants to achieve by taking further action. The outcome of the risk analysis and accompanying action plan is presented to the Audit Committee and Board.

Control activities

Nyfosa's control activities are established based on identified risks, with the aim of ensuring Nyfosa's internal control and governance over the company's financial reporting. Identified risks are managed by implementing well-defined key processes with integrated control activities, such as dividing and delegating responsibility, cooperation and principles for distribution of responsibility between Nyfosa and Newsec and a defined decision-making process. Nyfosa's key processes include activities and controls intended to manage and minimize identified risks. In addition to these key processes, Nyfosa's control activities comprise ongoing monitoring of financial results and financial position, company-wide controls and general IT controls.

Information and communication

Nyfosa has built an organization, procedures and systems for information and communication aimed at providing the market with relevant, reliable, correct and up-to-date information about the Group's performance and financial position and ensuring that the financial reporting is correct and effective. The internal governing documents clarify who is responsible for what, and the daily interaction between the officers concerned ensures that the necessary information and communication reaches all relevant parties. Every month, Group Management receives certain financial information about the company and its subsidiaries in respect of the development of leasing and other property management work, reviews and monitoring of ongoing and future investments and liquidity planning. The Board receives regular financial reports on the Group's financial position and earnings performance. In addition, the Board receives a report every year from Group Management on consolidated risks for the Group with an accompanying action plan, which in turn is followed up by the Board and Group Management once per year. For external

disclosure of information, a communications policy has been adopted by the Board, designed to ensure that the company complies with the requirements for disseminating correct information to the market at the right time.

Monitoring

The Board continuously evaluates the information provided by Group Management. Nyfosa's financial position, investments and operating activities are normally discussed at each Board meeting and Group Management meeting. The Board is also responsible for monitoring the internal control and governance. This work includes ensuring that measures are taken to address any shortcomings, and following up proposals to address issues highlighted in connection with the external audit.

Follow-ups and separate evaluations are continuously carried out in accordance with an adopted risk management policy and accounting manual at various levels within the Group. The risk owner appointed in the risk management policy is responsible for the management of a specific risk by regularly analyzing developments, monitoring risk measures and providing status reports to management. Approved measures and risk owners are also monitored based on the Board's and Group Management's annual follow-up of the action plan, at the same time as line managers are given the opportunity to highlight relevant risk information. The risk management process is in turn evaluated once a year to identify opportunities for improvement.

Internal audit

In light of Nyfosa's operations, organizational structure and the organization of the financial reporting, the Board has not found any reason to establish a separate internal audit function. Instead, the company's Group-wide controller function has been adapted to also manage the internal control activities. The matter of establishing a separate internal audit function is discussed by the Board every year.

FINANCIAL INFORMATION

“As landlord in a small city such as Växjö, close contacts and good local knowledge are crucial. We strive constantly to be sensitive, to keep our ear to the ground and to act on the needs of our tenants, an approach that has given us a good reputation in the market.”



– AGNETA HÖGSTEDT,
LANDLORD, VÄXJÖ



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MULTI-YEAR OVERVIEW AND KEY FIGURES

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------|--------|--------|--------|--------|
| Income, MSEK | 2,035 | 1,370 | 1,064 | 1,031 | 842 |
| <i>Property expenses</i> | | | | | |
| Operating expenses, MSEK | -324 | -251 | -184 | -146 | -145 |
| Maintenance costs, MSEK | -140 | -99 | -71 | -66 | -79 |
| Property tax, MSEK | -93 | -65 | -46 | -42 | -40 |
| Property administration, MSEK | -63 | -50 | -36 | -30 | -35 |
| Net operating income, MSEK | 1,415 | 905 | 728 | 746 | 544 |
| Surplus ratio, % | 69.5 | 66.0 | 68.4 | 72.4 | 64.6 |
| Economic leasing rate ¹ , % | 93 | 91 | 92 | 91 | 88 |
| Yield ² , % | 5.4 | 5.5 | 5.6 | 5.8 | n/a |
| Profit from property management per share, SEK | 7.35 | 6.63 | 5.47 | 6.04 | 4.30 |
| Profit from property management excluding changes in value and tax in joint ventures per share, SEK | 6.31 | 4.85 | 3.94 | 4.53 | 3.39 |
| Earnings per share, SEK | 12.25 | 8.24 | 9.63 | 7.24 | 6.89 |
| Property value, MSEK | 29,411 | 19,602 | 15,582 | 12,090 | 10,017 |
| Equity, MSEK | 13,333 | 9,781 | 8,392 | 3,479 | 2,924 |
| EPRA NRV per share, SEK | 79.91 | 65.37 | 55.36 | 25.64 | 21.42 |
| EPRA NTA per share ³ , SEK | 75.33 | 60.11 | | | |
| EPRA NDV per share, SEK | 72.27 | 58.32 | 50.03 | 20.74 | 17.43 |
| Return on equity, % | 19.3 | 15.2 | 27.2 | 37.9 | 46.4 |
| Equity/assets ratio, % | 41.8 | 44.1 | 48.3 | 25.5 | 25.8 |
| Loan-to-value ratio, properties, % | 58.0 | 57.6 | 52.9 | 54.4 | 52.8 |
| Net loan-to-value ratio, properties, % | 56.9 | 54.6 | 51.6 | 53.1 | 50.3 |
| Interest-coverage ratio, multiple | 3.8 | 4.2 | 4.9 | 7.0 | 5.5 |
| Distributable cash flow per share, SEK | 6.71 | 4.73 | 4.19 | 4.35 | 3.30 |

1) On balance-sheet date.

2) According to earnings capacity.

3) The performance measure was not restated as per December 31 for 2016-2018.

Share-related key figures

| | 2020 | 2019 |
|---|-------|-------|
| Profit from property management per share, SEK | 7.35 | 6.63 |
| Profit from property management excluding changes in value and tax in joint ventures per share, SEK | 6.31 | 4.85 |
| Profit after tax per share, SEK | 12.25 | 8.24 |
| EPRA NRV per share, SEK | 79.91 | 65.37 |
| EPRA NTA per share, SEK | 75.33 | 60.11 |
| EPRA NDV per share, SEK | 72.27 | 58.32 |
| Distributable cash flow per share, SEK | 6.71 | 3.89 |

Key financial data

| | 2020 | 2019 |
|--|------|------|
| Return on equity, % | 19.3 | 15.2 |
| Equity/assets ratio, % | 41.8 | 44.1 |
| Loan-to-value ratio, properties, % | 58.0 | 57.6 |
| Net loan-to-value ratio, properties, % | 56.9 | 54.6 |
| Debt/equity ratio, multiple | 1.3 | 1.1 |
| Interest-coverage ratio (Jan 1 – Dec 31), multiple | 3.8 | 4.2 |

Property-related key figures

| | 2020 | 2019 |
|--------------------------------|-------|-------|
| Rental value, MSEK | 2,451 | 1,740 |
| Leasable area, 000s sqm | 2,380 | 1,877 |
| No. of properties | 361 | 230 |
| Economic leasing rate, % | 93.1 | 90.9 |
| Remaining lease term, years | 3.7 | 4.1 |
| Surplus ratio ¹ , % | 70.5 | 69.6 |
| Yield ¹ , % | 5.4 | 5.5 |

1) According to earnings capacity on the balance-sheet date.

RECONCILIATION OF KEY FIGURES

| Net asset value | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| Equity, MSEK | 13,333 | 9,781 | 8,392 | 3,479 | 2,925 |
| Deferred tax, MSEK | 760 | 627 | 452 | 404 | 261 |
| Derivatives, MSEK | -3 | -2 | -9 | -4 | 3 |
| Deferred tax in joint ventures, 50%, MSEK | 544 | 454 | 339 | 257 | 192 |
| Derivatives in joint ventures, 50%, MSEK | 110 | 104 | 111 | 164 | 212 |
| Number of shares, millions | 185 | 168 | 168 | 168 | 168 |
| EPRA NRV per share, SEK | 79.91 | 65.37 | 55.36 | 25.64 | 21.42 |
| Estimated actual deferred tax, MSEK ¹ | -419 | -529 | | | |
| Estimated actual deferred tax in JV, Nyfosa's share, MSEK | -425 | -354 | | | |
| EPRA NTA per share², SEK | 75.33 | 60.11 | | | |
| Deferred tax, MSEK | -341 | -98 | -452 | -404 | -261 |
| Derivatives, MSEK | 3 | 2 | 9 | 4 | -3 |
| Deferred tax in JV, Nyfosa's share, MSEK | -118 | -100 | -339 | -257 | -192 |
| Derivatives in JV, Nyfosa's share, MSEK | -110 | -104 | -111 | -164 | -212 |
| EPRA NDV per share, SEK | 72.27 | 58.32 | 50.03 | 20.74 | 17.43 |

1) Assumptions include that loss carryforwards are expected to be used in the next five years with nominal tax of 20.6 percent. The property portfolio is expected to be realized over 50 years when the entire portfolio will be indirectly sold via companies and the purchaser's deduction for deferred tax is 7 percent. The discount rate amounted to 3 percent. Past key figures were not restated.

2) The performance measure was not restated as per December 31 for 2016-2018.

Net asset value is the total capital that the company manages on behalf of its owners and the value can be calculated in different ways depending on the time perspective and turnover rate in the property portfolio. EPRA NRV (Net Reinvestment Value) is based on the company never selling its assets and aims to reflect the value required for building up the operations again. Equity in the statement of financial position was adjusted for items that do not involve any payment in the near future, such as derivatives and deferred tax liabilities, both in Nyfosa's statement of financial position and Nyfosa's share of derivatives and deferred tax in joint

ventures' statement of financial position. EPRA NTA (Net Tangible Assets) assumes that the company will make property transactions and thus be liable to pay certain taxes. The performance measure comprises equity according to the statement of financial position adjusted for the portion of deferred tax, both in Nyfosa's statement of financial position and Nyfosa's share of deferred tax in joint ventures' statement of financial position, measured at market value taking into consideration how the company has carried out property transactions in the past few years. EPRA NDV (Net Disposal Value) comprises equity according to the statement of financial position.

| Equity/assets ratio | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Equity, MSEK | 13,333 | 9,781 | 8,392 | 3,479 | 2,924 |
| Total assets, MSEK | 31,907 | 22,201 | 17,355 | 13,632 | 11,351 |
| Equity/assets ratio, % | 41.8 | 44.1 | 48.3 | 25.5 | 25.8 |

The performance measure is calculated as equity as a percentage of total assets.

| Return on equity | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Profit for the year, MSEK | 2,225 | 1,382 | 1,615 | 1,215 | 1,155 |
| Average equity, MSEK | 11,557 | 9,087 | 5,936 | 3,202 | 2,492 |
| Return on equity, % | 19.3 | 15.2 | 27.2 | 37.9 | 46.4 |

The performance measure is calculated as profit for the year as a percentage of average equity for the year.

| Loan-to-value ratio and net loan-to-value ratio | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|
| Interest-bearing liabilities, MSEK | 17,055 | 11,282 | 8,240 | 6,583 | 5,291 |
| Property value, MSEK | 29,411 | 19,602 | 15,582 | 12,090 | 10,017 |
| Loan-to-value ratio, % | 58.0 | 57.6 | 52.9 | 54.4 | 52.8 |
| Cash and cash equivalents, MSEK | 312 | 588 | 192 | 160 | 253 |
| Net loan-to-value ratio, % | 56.9 | 54.6 | 51.6 | 53.1 | 50.3 |

The loan-to-value ratio is calculated by using interest-bearing liabilities, excluding liabilities for right-of-use assets, as a percentage of the value of the properties according to the statement of financial position. The net loan-to-value ratio is calculated by using net loans,

meaning interest-bearing liabilities less cash and cash equivalents, as a percentage of the value of the properties according to the statement of financial position.

| Interest-coverage ratio | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|
| Profit from property management, MSEK | 1,334 | 1,112 | 918 | 1,013 | 721 |
| Share in profit of joint ventures, MSEK | 404 | 491 | 412 | 380 | 287 |
| Depreciation/amortization, MSEK | -1 | 0 | 0 | 0 | 0 |
| Financial income and expenses, MSEK | -327 | -195 | -131 | -106 | -97 |
| Interest-coverage ratio, multiple | 3.8 | 4.2 | 4.9 | 7.0 | 5.5 |

The interest-coverage ratio is calculated by excluding shares in profit in joint ventures, depreciation/amortization and financial income and expenses from profit from property management. The performance

measure treats ground rent as a property expense, similar to previous calculations. This profit is then expressed as a percentage of financial income and expenses to calculate the interest-coverage ratio.

BOARD OF DIRECTORS' REPORT

The Board of Directors and CEO of Nyfosa AB (“Nyfosa”), postal address Box 4044, SE-131 04 Nacka, Sweden and Corp. Reg. No. 559131-0833, hereby submit the Annual Report and consolidated annual accounts for the 2020 financial year.

Comparative figures presented in parentheses refer to the preceding year. The financial statements are presented in millions of Swedish kronor (MSEK), meaning that rounding differences may occur.

Operations

Nyfosa is a transaction-based and opportunistic property company in which business activities are in focus. The company's business concept is based on active participation in the Swedish transaction market combined with an investment strategy that can be flexible to the property market, meaning it is not limited by property category, region, scope of the transaction nor holding period. A flexible investment strategy and an efficient and near-to-market organization with documented transaction know-how and experience from assessing and evaluating risks provide Nyfosa with a solid foundation for creating and completing investments in properties or property portfolios that are often on the peripheral in terms of the types of investments preferred by other operators. The emphasis is on identifying value and assessing the development potential to leverage business opportunities that may lead to a portfolio of high-yielding properties, primarily commercial. Nyfosa's method of conducting property transactions and developing and adding value to properties creates a property portfolio with the potential to generate high and stable return.

Business concept

With its opportunistic approach and its agile, market-centric and bold organization, Nyfosa will create value by accumulating sustainable cash flows and continuously evaluating new business opportunities.

Vision

Nyfosa will be the property company in Sweden that is the best at creating value.

Organization and employees

Nyfosa has a decentralized and relatively small organization, which creates the conditions for efficient and short decision-making paths where all employees have an

awareness and understanding of the company's objectives and strategies. The operational structure takes the form of Group Management, Group-wide functions and property management. In order to create flexibility that can be adapted to Nyfosa's development, the organizational structure is flat, in which the most vital functions are provided in-house. The more standardized functions are insourced from external service providers.

Group Management

Nyfosa's Group Management has extensive knowledge of the property market and long experience of conducting property transactions and value creating investments in the property portfolio. It comprises five people: the CEO, Head of Finance, Head of Financial Control, Head of Property Management and Head of Transactions.

Group-wide functions

Nyfosa has Group-wide functions for economy, finance, market/communication, legal issues and transactions. At year-end, a total of 11 employees worked in these functions (excluding members of Group Management).

Property management

The company's head office is located in Nacka, Stockholm, with local property management offices in Västerås, Örebro, Karlstad, Värnamo, Växjö, Gothenburg and Malmö. The average number of employees in the property management organization at year-end was 63 (excluding members of Group Management). The properties in Norrland are mainly managed by an external manager.

Employees

The number of employees in Nyfosa at year-end was 67. The percentage of women senior executives was about 60 percent.

The average number of employees in 2020 was 63 (39).

Corporate governance

A separate corporate governance report can be found on pages 60–67 of this Annual Report.

Guidelines for remuneration of and other terms of employment for senior executives

The Board proposes that the AGM resolve to adopt the following guidelines for remuneration of senior executives. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability and equality, is that the company is able to recruit and retain qualified personnel. The remuneration shall therefore apply market-based and competitive remuneration levels and employment conditions to recruit and retain highly skilled management team with the capacity to achieve established targets. The types of remuneration are to motivate senior executives to do their utmost to safeguard shareholders' interests. The types of remuneration are to be simple, long-term and measurable.

Remuneration of senior executives may comprise a fixed and variable portion as well as pension benefits and other benefits. The fixed salary for senior executives is to be market-aligned and based on expertise, responsibility and performance. Variable remuneration is to be paid to senior executives where the Board believes that it encourages the right behaviors and does not jeopardize long-term value creation. The variable remuneration is to reward target-related performance and improvements in simple and transparent structures, and is to be capped. Outcome is to be related to fulfillment of the company's financial targets and other measurable sustainability targets that support long-term shareholder value. Most established targets are to be the same for the senior executives but can, to less of an extent, refer to individual performance. Variable remuneration of senior executives must not exceed four months' salary and is not to be pensionable.

Senior executives may be offered incentive programs that are to primarily be share or share-price based to promote commitment to the development of the company and are to be implemented on market terms. For more information about outstanding incentive programs, visit the company's website.

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. Any derogation from the guidelines for remuneration of senior executives by the Board is to be included in the remuneration report at the next AGM.

Significant risks and uncertainties

All organizations encounter uncertainty and the challenge is to determine how much uncertainty can be accepted in the company's efforts to increase value for its stakeholders. Uncertainty presents both opportunities and risks with the potential to both increase and erode value. Company-wide risk management enables management to efficiently manage uncertainty and related opportunities and risks.

Risk management is an integrated part of the business planning process at Nyfosa. Critical success factors for achieving the growth and return objectives were identified in the company's long-term business plan. The main uncertainty factor is attributable to changes in value in the property portfolio. The value of the properties is affected not only by supply and demand in the market but also by a number of other factors, in part property-specific factors such as the leasing rate, rent level and operating expenses, and in part such market-specific factors as the yield requirement and the cost of capital, which are derived from comparable transactions in the property market. Deterioration in either a property or the market could cause the value of the properties to decline, which could have a negative impact on Nyfosa's operations, financial position and earnings.

For information on financial risks and financial risk management, see Note 3.

Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Nyfosa has decided to prepare the statutory sustainability report as a separate report from the Annual Report, found on pages 38–55 and 114–122.

Commentary on financial performance

Income

Income amounted to MSEK 2,035 (1,370), up MSEK 665 or 49 percent. The change was attributable to the larger portfolio, but also renegotiations and new leases in the like-for-like portfolio. The total leasable area on December 31, 2020 amounted to 2,380 thousand sqm (1,877) and the economic leasing rate was 93.1 percent (90.9).

Net operating income

Property expenses mainly refer to operating expenses such as heating, water, electricity and property upkeep and amounted to MSEK 557 (415). Costs for property administration amounted to MSEK 63 (50). Management of the portfolio yielded a surplus ratio of 69.5 percent (66).

Profit from property management

Costs for central administration amounted to MSEK 132 (89). The main reason for the increase was growth in the organization resulting from the larger property portfolio.

Profit from participations in joint ventures of MSEK 404 (491) comprised 50 percent of Söderport's profit after tax for the full-year, of which MSEK 233 (197) comprised profit from property management and MSEK 297 (416) changes in value of the property portfolio.

At the end of the year, the arbitral tribunal announced the award in the dispute that has been ongoing in one of the Group's subsidiaries since 2018. As described in the Nyfosa's listing prospectus in 2018, the dispute involved a

contractor that according to Nyfosa has engineered a project and performed sub-standard work at one of the company's logistics premises in Gothenburg. Nyfosa claimed compensation for the cost of rectifying the sub-standard work and lost rental income. The costs for repairs in the premises and legal expenses were charged to profit in the period in which they arose. The award of the arbitral tribunal was to Nyfosa's disadvantage which means that Nyfosa is fully responsible for paying the counterparty's legal expenses and the arbitration tribunal's fees. The payment amounts to MSEK 30, which was charged to profit for the year under Other operating income and expenses. The subsidiary that was Nyfosa's party in this dispute was divested during the year. No exposure remains for Nyfosa and there are no other ongoing disputes in the Group.

Financial income and expenses, including expenses for right-of-use assets, amounted to MSEK -327 (-195). The average interest rate, excluding allocated opening charges, amounted to 1.9 percent (1.8). The higher financial expense was mainly due to higher net debt.

Profit from property management amounted to MSEK 1,334 (1,112). Excluding revaluations and tax in joint ventures, profit from property management amounted to MSEK 1,145 (814).

Changes in value

The changes in value of properties amounted to MSEK 1,063 (472), of which unrealized changes in value totaled MSEK 737 (493). The unrealized changes in value were mainly attributable to negotiations or completion of taking possession of or vacating properties.

Tax

The tax expense for the period amounted to MSEK -174 (-195), of which MSEK -95 (-174) pertained to changes in deferred tax liabilities attributable to investment properties. The effective tax rate was 7.2 percent (12.3). The deviation from the nominal tax rate of 21.4 percent was mainly due to revaluation of deferred tax liabilities when properties were vacated and the fact that profit from participations in joint ventures comprised profit after tax, and thus did not constitute taxable income for Nyfosa. Deferred tax on temporary differences was valued at 20.6 percent.

Financing

In 2020, assets were financed through equity, bank loans with Nordic banks and bond loans issued in the Swedish capital market. Equity on the balance-sheet date amounted to MSEK 13,333 (9,781) and interest-bearing liabilities, excluding liabilities attributable to right-of-use assets, to MSEK 17,055 (11,282), of which bank loans with properties as collateral amounted to MSEK 15,555 (15,255) and senior unsecured bond loans to MSEK 1,500 (1,500). The loan-to-value ratio of the properties was 58.0 percent (57.6).

Interest-bearing liabilities

Interest-bearing liabilities, excluding liabilities attributable to right-of-use assets, increased MSEK 5,773 during the year. Bank loans totaling MSEK 10,583 were raised. Repayments for the year and redemption of bank loans in connection with maturity and vacating properties amounted to MSEK 4,781. Bank loans of MSEK 695 fall due for payment in 2021. There are no indications that it will not be possible to refinance the liabilities with our Nordic relationship banks.

Cash flow

During the year, operating activities contributed MSEK 1,232 (852) in positive cash flow, of which dividends on participations in joint ventures amounted to MSEK 300 (200). Taking possession of and vacating properties, both directly and indirectly via companies, impacted cash flow from investing activities by a net MSEK -8,323 (-3,287). Investments in existing properties were made in the amount of MSEK -285. Cash flow from financing activities made a positive contribution of MSEK 7,099 (3,056), primarily due to the bond loans issued during the year.

Parent Company

For 2020, the Parent Company reported profit after tax of MSEK 2,171 (605). The Parent Company's fees for central and property administrative services from Group companies amounted to MSEK 87 (60). Profit for the year is the same as comprehensive income for the year.

At December 31, 2020, the Parent Company's equity totaled MSEK 8,458 (4,960), of which restricted equity was MSEK 92 (84). Intra-Group liabilities amounted to MSEK 1,174 (2,483) and intra-Group receivables amounted to MSEK 5,239 (8,241).

The share

The Nyfosa share is listed on the Large Cap segment of Nasdaq Stockholm. At year-end, the share capital amounted to MSEK 92 (84). The number of shares on the balance-sheet date amounted to 184,501,073 with a quotient value of SEK 0.50 (0.50) each. Each share entitles the holder to one vote. The number of shareholders on the balance-sheet date was 19,232. For a list of the largest shareholders, refer to the section "The share" on pages 58-59 of this Annual Report.

| Share capital trend | Date | Change in number of shares | Quotient value, SEK | Share capital after change, MSEK |
|---------------------|-------------------|----------------------------|---------------------|----------------------------------|
| New formation | October 17, 2017 | 500 | 1.00 | 0 |
| Division of shares | May 21, 2018 | 99,500 | - | 0 |
| New share issue | May 21, 2018 | 157,628,249 | 0.50 | 79 |
| New share issue | August 21, 2018 | 10,000,000 | 0.50 | 5 |
| New share issue | February 17, 2020 | 6,462,824 | 0.50 | 3 |
| New share issue | March 9, 2020 | 10,310,000 | 0.50 | 5 |
| Total | | 184,501,073 | 0.50 | 92 |

Expectations concerning future development

Nyfosa does not provide a forecast on its future financial performance. In 2021, the company will continue its focused work on creating value by being transaction-based and capitalizing on the business opportunities that arise.

The assessment is that the coronavirus pandemic will impact the company for some time ahead, albeit at a limited level. The risk of doubtful rent receivables will remain higher in the short term, particularly for tenants in the tourism industry that will need time to recover.

Lower economic activity in society in the long term could affect demand for the company's premises. This could lead to an increase in long-term vacancies, downward pressure on rent levels and property values and higher long-term financing costs.

Despite the pandemic, Nyfosa continues to have a stable financial position, good liquidity and a strong cash flow. The property portfolio is well diversified with properties in a variety of categories, geographies and sizes, and tenants in a large number of different industries and few dominant tenants.

The Board's proposed appropriation of profit

The following funds in the Parent Company Nyfosa AB are available for distribution by the Annual General Meeting (amounts in SEK).

| | |
|--|----------------------|
| Unrestricted equity, SEK | Dec 31, 2020 |
| Share premium reserve | 1,325,883,918 |
| Retained earnings | 4,868,343,176 |
| Profit for the year | 2,171,131,412 |
| Total unrestricted equity | 8,365,358,506 |
| The following funds are available for distribution by the AGM | 8,365,358,506 |
| Ordinary dividend, SEK 3.00 per share | 553,503,219 |
| Extra dividend, SEK 1.00 per share | 184,501,073 |
| To be carried forward | 7,627,354,214 |
| Total | 8,365,358,506 |

For information regarding the company's earnings and financial position, refer to the following financial statements and the accompanying notes to the accounts.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT/LOSS

| MSEK | Note | 2020 | 2019 |
|---|-------------|--------------|--------------|
| Rental income | 5 | 2,001 | 1,359 |
| Other property income | 6 | 35 | 11 |
| Total income | | 2,035 | 1,370 |
| Property expenses | | | |
| Operating expenses | | -324 | -251 |
| Maintenance costs | | -140 | -99 |
| Property tax | | -93 | -65 |
| Property administration | 21 | -63 | -50 |
| Net operating income | 7 | 1,415 | 905 |
| Central administration | 7, 8, 9, 21 | -132 | -89 |
| Other operating income and expenses | 7 | -26 | -1 |
| Share in profit of joint ventures | 14 | 404 | 491 |
| Financial income | 10 | 29 | 0 |
| Financial expenses | 10 | -352 | -191 |
| Expenses related to right-of-use assets | | -5 | -4 |
| Profit from property management | | 1,334 | 1,112 |
| <i>Profit from property management excluding changes in value and tax in joint ventures</i> | | <i>1,145</i> | <i>814</i> |
| Changes in value of properties, realized | 13 | 327 | -22 |
| Changes in value of properties, unrealized | 13 | 737 | 493 |
| Changes in value of financial instruments, unrealized | | 1 | -7 |
| Profit before tax | | 2,399 | 1,576 |
| Current tax | 11 | -42 | -22 |
| Deferred tax | 11 | -132 | -172 |
| Profit for the year | | 2,225 | 1,382 |
| Statement of profit/loss and other comprehensive income | | | |
| Profit for the year | | 2,225 | 1,382 |
| Other comprehensive income | | | |
| Items that have or could be transferred to profit for the period | | - | - |
| Comprehensive income for the year | | 2,225 | 1,382 |
| Profit for the year attributable to: | | | |
| Parent Company shareholders | | 2,225 | 1,382 |
| Comprehensive income for the year attributable to: | | | |
| Parent Company shareholders | | 2,225 | 1,382 |
| Earnings per share for the year before and after dilution, SEK | 12 | 12.25 | 8.24 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| MSEK | Note | Dec 31, 2020 | Dec 31, 2019 |
|---|--------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | 13 | 29,411 | 19,602 |
| Assets with right-of-use | | 163 | 149 |
| Shares/participations in joint ventures | 14 | 1,916 | 1,812 |
| Derivatives | 3 | 3 | 2 |
| Other assets | | 2 | 2 |
| Total non-current assets | | 31,495 | 21,566 |
| Current assets | | | |
| Rent receivables | | 13 | 7 |
| Current receivables | 15 | 86 | 39 |
| Cash and cash equivalents | 16 | 312 | 588 |
| Total current assets | | 412 | 635 |
| TOTAL ASSETS | | 31,907 | 22,201 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 26 | 92 | 84 |
| Other contributed capital | | 3,760 | 3,760 |
| Retained earnings including profit for the year | | 9,481 | 5,937 |
| Total equity | | 13,333 | 9,781 |
| Liabilities | | | |
| <i>Non-current liabilities</i> | | | |
| Non-current interest-bearing liabilities | 17 | 16,127 | 11,149 |
| Liabilities attributable to right-of-use assets | | 158 | 144 |
| Other non-current liabilities | | 19 | 16 |
| Derivatives | 3 | – | – |
| Deferred tax liabilities | 18 | 760 | 627 |
| <i>Total non-current liabilities</i> | | <i>17,064</i> | <i>11,937</i> |
| <i>Current liabilities</i> | | | |
| Current interest-bearing liabilities | 17, 21 | 928 | 132 |
| Other current liabilities | 19, 21 | 582 | 350 |
| <i>Total current liabilities</i> | | <i>1,510</i> | <i>482</i> |
| Total liabilities | | 18,573 | 12,419 |
| TOTAL EQUITY AND LIABILITIES | | 31,907 | 22,201 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| MSEK | Share capital | Other contributed capital | Retained earnings incl. profit for the year | Total equity |
|---|---------------|---------------------------|---|---------------|
| Opening equity, Jan 1, 2019 | 84 | 3,760 | 4,548 | 8,392 |
| Transactions with Parent Company shareholders | | | | |
| Contributions from and distributions to shareholders | | | | |
| Issue of warrants | – | – | 8 | 8 |
| Total transactions with Parent Company shareholders | – | – | 8 | 8 |
| Profit for the year | – | – | 1,382 | 1,382 |
| Other comprehensive income for the year | – | – | – | – |
| Comprehensive income for the year | – | – | 1,382 | 1,382 |
| Closing equity, Dec 31, 2019 | 84 | 3,760 | 5,937 | 9,781 |
| Opening equity, Jan 1, 2020 | 84 | 3,760 | 5,937 | 9,781 |
| Transactions with Parent Company shareholders | | | | |
| Contributions from and distributions to shareholders | | | | |
| New share issue | 8 | – | 1,319 | 1,327 |
| Issue of warrants | – | – | 0 | 0 |
| Total transactions with Parent Company shareholders | 8 | – | 1,319 | 1,327 |
| Profit for the year | – | – | 2,225 | 2,225 |
| Other comprehensive income for the year | – | – | – | – |
| Comprehensive income for the year | – | – | 2,225 | 2,225 |
| Closing equity, Dec 31, 2020 | 92 | 3,760 | 9,481 | 13,333 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| MSEK | Note | 2020 | 2019 |
|--|------|---------------|---------------|
| Operating activities | | | |
| Profit from property management | | 1,334 | 1,112 |
| Adjustments for non-cash items | 22 | -404 | -491 |
| Dividend received from joint ventures | | 300 | 200 |
| Tax paid | | -11 | -27 |
| Cash flow from operating activities before changes in working capital | | 1,219 | 793 |
| Increase (-)/decrease(+) in operating receivables | | -8 | 27 |
| Increase (+)/decrease (-) in operating liabilities | | 21 | 32 |
| Cash flow from operating activities | | 1,232 | 852 |
| Investing activities | | | |
| Direct and indirect acquisitions of investment properties | 22 | -12,026 | -4,457 |
| Direct and indirect divestments of investment properties | 22 | 3,703 | 1,170 |
| Investments in existing investment properties | | -285 | -224 |
| Other | | | 0 |
| Cash flow from investing activities | | -8,608 | -3,311 |
| Financing activities | | | |
| New issue of shares/warrants | | 1,327 | 8 |
| Loans raised | 22 | 10,583 | 5,457 |
| Repayment of loans | 22 | -4,781 | -2,394 |
| Other | | -29 | -15 |
| Cash flow from financing activities | | 7,099 | 3,056 |
| Cash flow for the year | | -276 | 396 |
| Cash and cash equivalents at the beginning of the period | | 588 | 192 |
| Cash and cash equivalents at the end of the period | | 312 | 588 |

PARENT COMPANY STATEMENT OF PROFIT/LOSS

| MSEK | Note | 2020 | 2019 |
|--|------|--------------|------------|
| Net sales | | 87 | 60 |
| Other external costs | 9 | -42 | -43 |
| Personnel costs | 8 | -86 | -56 |
| Loss before financial income and expenses | | -42 | -39 |
| Profit from participations in joint ventures | | 300 | 200 |
| Profit from participations in Group companies | 10 | 1,850 | 400 |
| Interest income and similar income items | | 82 | 2 |
| Interest expenses and similar expense items | | -62 | -24 |
| Profit before appropriations | | 2,128 | 538 |
| Appropriations | | | |
| Group contributions paid/received | | 35 | 78 |
| Provision to tax allocation reserve | | 7 | -7 |
| Profit before tax | | 2,170 | 609 |
| Current tax | 11 | - | -5 |
| Deferred tax | 11 | 1 | - |
| Profit for the year¹ | | 2,171 | 605 |

1) Other comprehensive income is the same as profit for the year.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

| MSEK | Note | Dec 31, 2020 | Dec 31, 2019 |
|--|------|---------------|--------------|
| ASSETS | | | |
| Financial non-current assets | | | |
| Shares in Group companies | 24 | 0 | 0 |
| Non-current receivables from Group companies | | 5,377 | 90 |
| Participations in joint ventures | 14 | 412 | 412 |
| Deferred tax assets | | 1 | – |
| Total financial non-current assets | | 5,790 | 503 |
| Total non-current assets | | | 503 |
| Current receivables from Group companies | | 5,239 | 8,241 |
| Other current receivables | | 8 | 11 |
| Cash and bank balances | | 145 | 236 |
| Total current assets | | 5,391 | 8,488 |
| TOTAL ASSETS | | 11,181 | 8,990 |
| EQUITY AND LIABILITIES | | | |
| Restricted equity | | | |
| Share capital | 26 | 92 | 84 |
| Unrestricted equity | | | |
| Retained earnings | | 6,194 | 4,271 |
| Profit for the year | | 2,171 | 605 |
| Equity | | 8,458 | 4,960 |
| Untaxed reserves | | | |
| | | – | 7 |
| Liabilities | | | |
| Bonds | | 1,491 | 1,486 |
| Other non-current liabilities | | 3 | 9 |
| Total non-current liabilities | | 1,495 | 1,495 |
| Current liabilities to Group companies | | 1,174 | 2,483 |
| Other current liabilities | | 55 | 46 |
| Total current liabilities | | 1,229 | 2,529 |
| Total liabilities | | 2,724 | 4,031 |
| TOTAL EQUITY AND LIABILITIES | | 11,181 | 8,990 |

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

| MSEK | Restricted equity | Unrestricted equity | | Total equity |
|---|-------------------|-----------------------|---|--------------|
| | Share capital | Share premium reserve | Retained earnings incl. profit for the year | |
| Opening equity, Jan 1, 2019 | 84 | – | 4,263 | 4,347 |
| Transactions with the company's shareholders | | | | |
| Issue of warrants | – | 8 | – | 8 |
| Total transactions with the company's shareholders | – | 8 | – | 8 |
| Profit for the year Jan–Dec 2019 | – | – | 605 | 605 |
| Closing equity, Dec 31, 2019 | 84 | 8 | 4,868 | 4,960 |
| Opening equity, Jan 1, 2020 | 84 | 8 | 4,868 | 4,960 |
| Transactions with the company's shareholders | | | | |
| New share issue | 8 | 1,327 | – | 1,335 |
| Offsetting of transaction costs | | –8 | | |
| Buyback of warrants | | | | |
| Total transactions with the company's shareholders | 8 | 1,318 | – | 1,327 |
| Profit for the year Jan–Dec 2020 | – | – | 2,171 | 2,171 |
| Closing equity, Dec 31, 2020 | 92 | 1,326 | 7,039 | 8,458 |

PARENT COMPANY STATEMENT OF CASH FLOWS

| MSEK | Note | 2020 | 2019 |
|--|------|---------------|---------------|
| Operating activities | | | |
| Profit before appropriations | | 2,128 | 538 |
| Adjustments for non-cash items | 22 | -1,850 | -400 |
| Income tax paid | | | |
| Cash flow from operating activities before changes in working capital | | 278 | 138 |
| Cash flow from changes in working capital | | | |
| Change in operating receivables | | 3 | -5 |
| Change in operating liabilities | | 4 | -15 |
| Cash flow from operating activities | | 285 | -118 |
| Investing activities | | | |
| Acquisition of participations in joint ventures | | - | - |
| Deposits and lending to Group companies | | -1,708 | -1,380 |
| Cash flow from investing activities | | -1,708 | -1,380 |
| Financing activities | | | |
| Paid in share capital | | - | - |
| New issue of shares/warrants | | 1,327 | 8 |
| Issue of bond loans | | - | 1,486 |
| Cash flow from financing activities | | 1,332 | 1,494 |
| Cash flow for the year | | -91 | 232 |
| Cash and cash equivalents at the beginning of the year | | 236 | 4 |
| Cash and cash equivalents at the end of the year | | 145 | 236 |

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

GENERAL INFORMATION

Nyfosa AB, Corporate Registration Number 559131-0833, is a public limited liability company with its registered office in Nacka. The company's share has been traded on the Large Cap segment of Nasdaq Stockholm since November 23, 2018. The Annual Report and consolidated financial statement were approved for issue by the Board of Directors and the CEO on March 15, 2021. The consolidated statement of profit/loss, statement of profit/loss and other comprehensive income and statement of financial position as well as the Parent Company statement of profit/loss and statement of financial position will be adopted at the Annual General Meeting on April 21, 2021.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

Compliance with standards and legislation

The consolidated financial statement have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied. The Parent Company applies the same accounting policies as the Group except for the cases stated below in the section "Parent Company accounting policies."

Accounting policies for the combined financial statements

Nyfosa AB was registered with the Swedish Companies Registration Office on October 27, 2017 and was dormant until December 2017. Nyfosa AB acquired 122 companies (indirectly) at carrying amount from various subsidiaries of Hemfosa Fastigheter AB between December 2017 and May 2018. The acquired companies are primarily property-owning companies, but also holding companies. Since the operations have not historically formed a Group according to the IFRS definition, there are no consolidated financial statements for the periods prior to May 2018. Accordingly, the historical financial information for the periods prior to December 31, 2017 have been prepared as combined financial statements for Nyfosa AB and its subsidiaries. The accounting policies for the combined financial statements are presented in Note 2 Significant accounting policies on page F-37 of the prospectus "Admission to trading of the shares in Nyfosa AB on Nasdaq Stockholm."

Measurement basis applied to the preparation of the financial statements

Assets and liabilities are recognized at historical cost, except for fixed-income derivative instruments and investment properties that are measured at fair value.

Functional currency and reporting currency

The functional currency is Swedish kronor (SEK), which is also the reporting currency. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million.

Judgements and estimates in the financial statements

The preparation of the financial statements in accordance with IFRS requires that company management make judgements and estimates, and make assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, income and expenses recognized. The actual outcome may deviate from these judgements and estimates. Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects the period in question and future periods. Judgements made by company management in the application of IFRS that have a significant impact on the financial statements and estimates made that may entail significant adjustments in the following year's financial statements are described in more detail in Note 23.

Significant accounting policies applied

The accounting policies described below were applied consistently to all periods presented in the consolidated financial statements. The Group's accounting policies were also consistently applied by the Group's companies.

New accounting policies and new revised standards approved by the EU**New standards that came into effect in 2020**

From 2020, the IASB adopted an amendment to IFRS 3 that addresses the difference between business combinations and asset purchases, by issuing a new definition of business. In practice, the new definition means that if the purchase consideration for assets in a business acquisition is essentially attributable to the market value of acquired properties, the acquisition comprises an asset acquisition. Simplified, this means that the entire surplus is allocated to properties and thus no goodwill arises.

New standards and interpretations that come into effect in 2021 and beyond

Other new and amended standards and interpretations from the IFRS Interpretations Committee are not currently deemed to have a material impact on Nyfosa's earnings or financial position.

Classification etc.

Non-current assets and non-current liabilities essentially comprise amounts expected to be recovered or paid more than 12 months after the balance-sheet date. Virtually all significant current assets and current liabilities in the Parent Company and Group consist of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

Operating segment reporting

Nyfosa's operations comprise one operating segment, that is to say, the operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's chief operating decision maker as a basis for monitoring earnings and allocating resources.

Consolidation principles**Subsidiaries**

Subsidiaries are companies that are under the controlling influence of Nyfosa. Controlling influence is achieved when Nyfosa has control over the investment object, is exposed or entitled to a variable return from its holding in the company and can exercise control over

NOTE 2 cont.

the investment to influence the return. When assessing whether controlling influence exists, potential vote-carrying shares are taken into account, as is whether the company has de facto control. Acquisitions of companies can be classified either as business combinations or as asset purchases according to IFRS 3. This is an individual assessment that is made for each individual acquisition. Should the corporate acquisition essentially only comprise property(ies) and not significant processes, the acquisition is classified as an asset purchase. Other corporate acquisitions are classified as business combinations and thus include strategic processes associated with the operation. In the case of an asset purchase, deferred tax attributable to the property acquisition is not recognized. Instead, a possible discount for non-tax-deductible cost reduces the property's cost. During subsequent measurement of an acquired property at fair value, the tax discount will be replaced in full or in part by a recognized change in value of the property. When selling an asset subject to a tax discount, a negative change in value will arise, which matches in full or in part the tax discount provided. Acquisitions conducted to date have been assessed as constituting asset purchases. When acquisitions of subsidiaries entail an acquisition of net assets that do not constitute an operation, the cost is allocated to the individual identifiable assets and liabilities based on their fair value on the acquisition date. Transaction costs are added to the cost of the acquired net assets. Non-controlling interests arise if the acquisition is not for 100 percent of the subsidiary. Non-controlling interests can be recognized in two ways. These two alternatives are recognizing the non-controlling interests' proportionate share of net assets or measuring the non-controlling interests at fair value, meaning that the non-controlling interests have a share of goodwill. The choice between the two options for recognizing non-controlling interests is made on a case-by-case basis.

Joint ventures

For accounting purposes, joint ventures are defined as companies in which the Group has common control through cooperation agreements with one or more partners, whereby the Group is entitled to the net assets rather than a direct right to assets and commitments pertaining to liabilities. In the consolidated financial statements, holdings in joint ventures are consolidated in accordance with the equity method. The equity method entails that the carrying amount of the share in joint ventures recognized in the consolidated financial statements corresponds to the Group's share of the joint ventures' equity as well as consolidated goodwill and any other remaining consolidated surpluses or deficits. The Group's share of the profit of joint ventures adjusted for any depreciation/amortization, impairment and dissolution of acquired surpluses or deficits is recognized in the Group's profit for the year as "Share in profit of joint ventures." These shares in profit less dividends received from joint ventures comprise the main change in the carrying amount of participations in joint ventures. The Group's share of other comprehensive income in joint ventures is recognized on a separate line in the Group's other comprehensive income. Any differences arising from the acquisition between the cost of the holding and the owner company's share of the net fair value of the joint venture's identifiable assets and liabilities are recognized in accordance with the same policies as for acquisitions of subsidiaries. Transaction costs that arise are included in cost. When the Group's share of recognized losses in joint ventures exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also deducted against non-current financial balances without collateral, which in terms of the economic significance comprise part of the owner company's net investment in joint ventures. Continued losses are not recognized unless the Group has provided guarantees to cover losses arising in joint ventures. The equity method is applied until the date on which the significant influence ceases.

Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and expenses, and unrealized gains or losses arising from transactions between Group companies are eliminated in their entirety when the consolidated financial statements are prepared. Unrealized gains arising from transactions with joint ventures are eliminated to the extent corresponding to the Group's participating interest in the company. Unrealized losses are eliminated in the same manner as unrealized gains, but only insofar as no impairment is required.

Rental income

Rental income encompass all types of rental income including such additions as property tax, heating, etc. Rental income is recognized straight line in profit or loss based on the conditions of the agreement. The total cost for rent discounts provided are recognized as a decrease in rental income straight line over the lease term. Leases are classified as operating leases.

Other property income

Other property income comprises onward invoiced costs, insurance compensation received and damages and compensation received from the government's rental discount scheme during the year.

Gains/losses from property sales

Gains/losses from the sale of properties and shares and participations in property-owning companies are recognized under the heading "Changes in value of properties, realized" and correspond to the difference between the obtained selling price less selling expenses and the most recent carrying amount, plus investments implemented following the latest value date. Income from property sales is recognized on the date of taking possession, unless the risks and benefits have been transferred to the buyer on an earlier occasion. If the risks and benefits have been transferred, the property sale is recognized at the earlier date. In assessing the date of revenue recognition, agreements between the parties governing risks and benefits, as well as involvement in ongoing management, are taken into account.

Circumstances beyond the control of the seller and/or buyer that could affect completion of the transaction are also taken into consideration. Any provisions for such items as non-invoiced selling expenses or other remaining costs attributable to the transaction conducted are made on the sales date.

Other operating income

Other operating income refers to income from secondary activities in the normal business operations such as capital gains on tangible assets, exchange-rate gains on receivables and operating liabilities.

Financial income and expenses

Financial income comprises interest income on invested funds. Interest income is recognized at the rate in which it is earned. Financial expenses refer to interest, fees and other expenses arising when Nyfosa takes up interest-bearing liabilities. From 2019, this also includes lease expenses and ground rent. Financial expenses are charged to profit or loss for the period to which they are attributable. Derivatives are utilized to financially hedge the risks of interest-rate exposure to which the Group is exposed. Interest payments regarding fixed-income derivatives are recognized as interest expenses in the period to which they refer. Other changes in the fair value of fixed-income derivatives are recognized on a separate line in profit or loss.

NOTE 2 cont.

Taxes

Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except when the underlying transaction is recognized in other comprehensive income or in equity.

Current tax is tax that is to be paid or received in the current year, with the application of the tax rates that have been decided or are decided in practice on the balance-sheet date. Current tax also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. Temporary differences are not recognized for differences arising on initial reporting of assets and liabilities that are not business combinations that, at the time of the transaction, affect neither recognized nor taxable earnings. Temporary differences attributable to participations in subsidiaries and joint ventures that are not expected to be reversed in the foreseeable future are also not taken into consideration. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated with the application of the tax rates and tax rules established or decided in practice on the balance-sheet date. Deferred tax assets on deductible temporary differences and loss carryforwards are only recognized to the extent that it is likely that it will be possible to utilize these. Changes in the deferred tax asset/tax liability are recognized in profit or loss as deferred tax. Deferred tax assets and tax liabilities are offset where they relate to income tax levied by the same authority and where the Group intends to settle the tax in a net amount.

Financial instruments

Financial instruments recognized in the statement of financial position include such assets as cash and cash equivalents, rent and accounts receivables and derivatives. Liabilities include accounts payable, loans and notes payable, as well as derivatives.

Recognition in and derecognition from the statement of financial position

A financial asset or financial liability is recognized in the statement of financial position when the company becomes party to it in accordance with the instrument's contractual conditions. A receivable is recognized when the Group has performed and a contractual obligation for the counterparty to pay exists, even if an invoice has not been sent. Accounts receivable are recognized in the statement of financial position when an invoice has been sent. A liability is recognized when the counterparty has performed and a contractual obligation for the company to pay exists, even if an invoice has not yet been received. Accounts payable are recognized when the invoice has been received. A financial asset is derecognized from the statement of financial position when the rights in the contract are realized, have matured or the company loses control over them. The same applies to portions of a financial asset. A financial liability is derecognized from the statement of financial position when the obligation in the contract is met or eliminated in another manner. The same applies to a portion of a financial liability. A financial asset and a financial liability are offset and recognized in a net amount in the statement of financial position only when a legal right exists to offset the amounts and there is an intention to settle the item in a net amount or to simultaneously realize the asset and settle the liability. Acquisitions and divestments of financial assets are recognized on the date of transaction, meaning the date on which the company undertakes to acquire or divest the asset.

Classification and measurement

Financial instruments, which are not derivatives, are initially recognized at cost, corresponding to the fair value of the instrument plus transaction costs. Derivatives are initially measured at fair value

without additions or deductions for transaction costs; transaction costs are recognized in profit or loss. The Group's financial instruments have been classified and measured as described below.

Financial assets measured at amortized cost

This category primarily includes cash and cash equivalents, rent receivables and other receivables. The business model comprises generating value by receiving contractual payments. Measurement is carried out at amortized cost by applying the effective interest method. The Group's credit loss reserves (loss allowance) are based on the company's expectations of tenants' payment capacity. The loss allowance totals an insignificant amount due to the short terms of the receivables.

Financial liabilities measured at amortized cost

Financial liabilities in this category primarily refer to loans, accounts payable and other liabilities. Other financial liabilities are measured at amortized cost by applying the effective interest method. Interest expenses and exchange-rate gains and losses are recognized in profit or loss.

Financial assets and liabilities measured at fair value through profit or loss

Derivative instruments are measured at fair value through profit or loss. Hedge accounting is not applied to fixed-income derivatives.

Leases

Leases under which the lessor accounts for essentially all risks and benefits associated with ownership are classified as operating leases. All leases attributable to investment properties are to be considered operating leases. Refer to the policy on income for information on recognition of these leases.

From January 1, 2019, Nyfosa recognizes right-of-use assets and lease liabilities in accordance with IFRS 16 for most leases, except for leases that are deemed to be immaterial.

Tangible assets

Tangible assets comprise equipment that has been recognized at cost less accumulated depreciation and any impairment. Cost includes the purchase price and costs directly attributable to transport the asset to the correct site and to prepare it for the manner intended by the acquisition. Depreciation takes place straight line over the estimated useful life of the asset. The estimated useful lives are: Equipment 5–10 years. The asset is depreciated from the acquisition date. The useful life is the period during which the asset is expected to be available for use in the Group.

Investment properties

Investment properties are properties held for the purpose of receiving rental income or an increase in value or a combination of the two. Properties under construction and conversion intended to be used as investment properties when the work is completed are also classified as investment properties.

Measurement

Investment properties are initially recognized at cost, which includes expenses directly attributable to the acquisition such as expenses for land registration and taking out mortgage deeds. Investment properties are measured at fair value in the statement of financial position. Fair value is based on the valuations of independent appraisers with recognized qualifications and satisfactory expertise in the valuation of properties of this type and in the relevant locations. All properties are valued every quarter. The properties are also inspected if they have not been visited by the appraisers

NOTE 2 cont.

for the last two years. Fair value is based on market value, which is the amount estimated to be received in a transaction at the time of valuation between knowledgeable parties who are independent of each other and who have an interest in the transaction being carried out after customary marketing in which both parties are assumed to have acted with insight, common sense and without coercion. Additional expenses are capitalized only when it is probable that the Group will receive future financial benefits associated with the asset and the expenses can be reliably determined. All other additional expenses are recognized as a cost in the period in which they arise. Critical to the assessment when an additional expense is added to the carrying amount is whether the expense refers to the replacement of identified components, or parts thereof, in which case such expenses are capitalized. Borrowing costs directly attributable to the purchase, construction or production of assets that take a considerable amount of time to complete for their intended use or sale are included in cost. For the Nyfosa Group, this is mainly the case in conjunction with the construction of or major conversion projects for investment properties. Borrowing costs are calculated based on the financial requirements of the project and the Group's borrowing costs. Borrowing costs comprise interest and other expenses arising when a company borrows money. Other repair and maintenance costs are expensed in the period in which they occur. Both unrealized and realized changes in value are recognized in profit or loss, after profit from property management. Rental income and income from property sales are recognized in accordance with the policies described in the section on revenue recognition. A description of the measurement method applied, material input data in value measurements and the level in the fair value hierarchy that applies to the various components of the property portfolio is presented in Note 13.

Dividends

Dividends are recognized as a liability after the Annual General Meeting has approved the dividend.

Earnings per share

The calculation of earnings per share before dilution is based on profit for the year in the Group attributable to the Parent Company shareholders in relation to the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the weighted average number of shares is increased if the subscription price of the options in the Group's incentive program during the reporting period have been lower than the average share price for the period. If there is a small difference between the subscription price and the average share price for the period, the dilutive effect is small. If there is a large difference in price, then the effect is greater.

Employee benefits*Defined-contribution pension plans*

The Nyfosa Group has only defined-contribution pension plans. Defined-contribution pension plans are those plans in which the company's obligation is limited to the contributions the company undertakes to pay. In such cases, the amount of the employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the return generated by the contribution. Consequently, it is the employee who bears the actuarial risk (that remuneration can be lower than expected) and the investment risk (that the invested assets may be insufficient for the expected remuneration). The company's obligations regarding contributions to defined-contribution plans are recognized as an expense in profit or loss at the rate in which they are earned by employees performing services for the company during a period.

Short-term remuneration

Short-term remuneration such as salaries to employees is calculated without discounting and is recognized as an expense when the related services are received. A provision is recognized for the anticipated cost of bonus payments and when the Group has a valid legal or informal duty to make such payments as a result of services received from employees and when the obligation can be reliably calculated.

Severance pay

A liability and expenses for severance pay are recognized at the earliest of the following times:

- When the company can no longer withdraw the offer of such remuneration
- When the company recognizes restructuring expenses that are within the scope of IAS 37 and encompass employee benefits.

When remuneration is provided to employees due to the employee having accepted an offer of remuneration in exchange for terminating employment, the time at which the company can no longer withdraw the offer of remuneration is the earliest of the following times:

- When the employee accepts the offer, meaning signs a contract.
- When a limit to the company's ability to withdraw the offer comes into effect.

Incentive program

Employees have acquired warrants at fair value under the framework of an incentive program. These warrants entitle the holder to purchase shares in Nyfosa at a certain subscription price.

If the holder remains employed at the company two and four years after the start of the program, a bonus is received on each occasion that corresponds to half of the amount paid by the employee. The warrants program itself is deemed to comprise an equity-based, share-based remuneration for which no expenses are recognized since fair value has been paid. Disclosures are provided on the share-based remuneration. Since the bonus amount is not dependent on the value of the share – but instead on the amount paid – an expense is recognized for long-term employee benefits, allocating the expected final amount to be paid over two and four years.

Provisions

A provision differs from other liabilities since there is uncertainty regarding the date of payment and the amount for settling the provision. A provision is recognized in the statement of financial position when there is an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The provision is posted in an amount that represents the best estimate of what will be required to settle the existing obligation on the balance-sheet date. Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability.

NOTE 2 cont.**Contingent liabilities**

A contingent liability is recognized when there is a possible commitment originating from events that have occurred and whose occurrence will be confirmed only by one or several uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is probable that an outflow of resources will be required.

Parent Company accounting policies

A statement of profit/loss and a statement of profit/loss and other comprehensive income are presented for the Parent Company. For the Group, these two statements jointly comprise the statement of profit/loss and other comprehensive income. The Parent Company statement of profit/loss and statement of financial position have been prepared in accordance with the format stated in the Annual Accounts Act, while the statement of profit/loss and other comprehensive income, statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Differences between the Group's and the Parent Company's accounting policies

The differences between the Group's and the Parent Company's accounting policies are described below.

Future changes to accounting policies

Unless otherwise stated below, the Parent Company's accounting policies were changed in 2020 in accordance with what is stated above for the Group.

Classification and measurement of financial instruments

The Parent Company has chosen not to apply IFRS 9 to financial instruments. However, some of the principles in IFRS 9 are applicable, such as impairment, recognition/derecognition and the effective interest method for interest income and interest expenses.

In the Parent Company, financial non-current assets are measured at cost less any impairment and financial current assets according to the lowest value principle. The IFRS 9 impairment rules are applied to financial assets measured at amortized cost. Impairment of unlisted shareholdings that are not holdings in subsidiaries or joint ventures is recognized if the present value of expected future cash flows are lower than the carrying amount. The Parent Company does not have any listed shares.

Classification and presentation format

The Parent Company statement of profit/loss and statement of financial position have been prepared in accordance with the format stated in the Annual Accounts Act, while the consolidated statement of profit/loss, statement of profit/loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences compared with the consolidated financial statements that appear in the Parent Company statement of profit/loss and statement of financial position primarily relate to the recognition of non-current assets and equity.

Subsidiaries

Participations in subsidiaries are recognized in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount for holdings in subsidiaries. Conditional purchase considerations are measured based on the probability of the purchase consideration being paid. Any changes to the provision/receivable adjust the cost.

Borrowing costs

In the Parent Company, borrowing costs are charged to profit or loss for the period to which they are attributable.

Group contributions

Group contributions that the Parent Company receives from subsidiaries or pays to subsidiaries are recognized as appropriations in the statement of profit/loss.

Financial guarantees

The Parent Company's financial guarantees primarily comprise guarantees for subsidiaries. Financial guarantees entail that the company has a commitment to reimburse the holder of a debt instrument for losses incurred by the holder due to a named debtor not making payment when due according to the contractual terms. The Parent Company applies an exception rule, compared with the IFRS 9 rules, for the recognition of financial guarantees, as approved by the Financial Reporting Board. This exception rule refers to financial guarantees issued for subsidiaries. The Parent Company recognizes financial guarantees as provisions in the statement of financial position when the company has a commitment for which payment will probably be required to settle it.

Leases

The principles for leases under IFRS 16 are not applied by the Parent Company. The Parent Company applies the exemption in RFR 2, which means that the Parent Company recognizes existing leases in the same manner as in prior years.

Participations in joint ventures

The Parent Company holds participations in joint ventures. The amount in the statement of financial position corresponds to the expense for acquiring the participations. The cost includes expenses that are directly attributable to the acquisition, in addition to the purchase price.

NOTE 3

FINANCIAL RISKS AND RISK MANAGEMENT

The Group is exposed to various financial risks through its business activities. These are market, liquidity and credit risk attributable to financial instruments.

The company's finance policy states the mandate and guidelines for managing financial risks and capital management.

In order to minimize interest-rate and funding risks, the bullet points below act as guidelines for Nyfosa's finance policy:

- The company's total loan-to-value ratio may not exceed 65 percent
- The company's interest-payment capacity may not be lower than an interest-coverage multiple of 2
- The company must have at least four main creditors
- Not more than 25 percent of the loan liability may fall due for renegotiation during the same 12-month period
- The average term for the loans may not be shorter than 1.5 years.

The basis for the company's choice of strategy for managing interest-rate risk comprises the choice of an interest-rate maturity strategy for the loans combined with a selection of derivative instruments to alter the interest-rate risk.

The financial risk limits are continuously monitored by quarterly reports to the Board.

Surplus liquidity is to be invested in low-risk liquid assets until such time as the funds can be used for investments. Liquidity is only to be used for accelerated amortization if no investments or acquisitions are planned for the foreseeable future.

None of the companies in the Group itself are under any external capital requirements.

Interest-rate risk

Variations in market interest rates have a material impact on Nyfosa's earnings, meaning that managing interest-rate risk is a key part of the finance department's work.

For Nyfosa, interest-rate risk primarily pertains to the risk of excessively high interest expenses and thus lower earnings due to market interest rates. Interest-rate risk refers to the risk of choosing too high a percentage of fixed-rate periods in a scenario of falling rates or sustained low variable rates.

The basis for the company's choice of strategy for managing interest-rate risk comprises the choice of an interest-rate maturity strategy for the loans combined with a selection of derivative instruments to alter the interest-rate risk.

The maturity structure of the loan portfolio, including derivative instruments, is to be a balance between short and long fixed-rate periods. Expected interest expenses and risks as well as the company's prospects and financial trend are assessed in order to determine the strategy for managing interest-rate risk. The strategy chosen is to be described in the normal portfolio.

The normal portfolio is the maturity structure of the fixed-rate periods that has been chosen as a benchmark, taking into consideration the company's economic and financial position and risk appetite. The finance function continuously monitors the outcome of the company's actual loan portfolio in relation to the normal portfolio. The normal portfolio and intervals for maximum deviations and interest-rate risk mandates are stipulated in the finance policy.

Derivative instruments

In its risk management, Nyfosa may use derivative instruments linked to the underlying loan portfolio. Derivative instruments are used only as a tool for risk management.

The derivatives comprise interest-rate caps recognized as the present value of the expected flows during the remaining maturity of the position. The estimated flows are calculated by viewing the strike level and forward rates of 3-month STIBOR and their volatility. If the forward rates (or the volatility) decline, the value of the derivative will decrease.

| MSEK | Change | 2020 | 2019 |
|--|--------|---------|----------|
| Interest expenses assuming changed interest rates with current fixed-rate periods ¹ | +/-1% | +149/-5 | +100/-16 |
| Interest expenses assuming change in average interest rate ² | +/-1% | +/-172 | +/-114 |
| Revaluation of fixed-income derivatives attributable to shift in interest rate curves | +/-1% | +/-7 | +/-4 |

1) Taking into account derivative agreements.

2) Today's average rate, taking into account derivative agreements, increases/decreases by 1% Increase/decrease does not take into account eventual effects of the derivative portfolio.

Fixed-rate periods

| MSEK | Dec 31, 2020 | | | | Dec 31, 2019 | | | |
|--------------|-----------------------------------|-------------------|---------------|------------|-----------------------------------|-------------------|---------------|------------|
| | Overdraft facilities ¹ | Interest-rate cap | Amount | Share, % | Overdraft facilities ¹ | Interest-rate cap | Amount | Share, % |
| <1 year | 17,154 | -8,125 | 9,029 | 53 | 11,352 | -4,687 | 6,666 | 59 |
| 1-2 years | 0 | 1,200 | 1,200 | 7 | 0 | 1,610 | 1,610 | 14 |
| 2-3 years | 0 | 1,575 | 1,575 | 9 | 0 | 1,200 | 1,200 | 11 |
| 3-4 years | 0 | 4,008 | 4,008 | 23 | 0 | 1,275 | 1,275 | 11 |
| >4 years | 0 | 1,342 | 1,342 | 8 | 0 | 602 | 602 | 5 |
| Total | 17,154 | 0 | 17,154 | 100 | 11,352 | 0 | 11,352 | 100 |

1) The loans comprise undiscounted amounts. The interest-bearing liabilities in the statement of financial position include arrangement fees.

Liquidity and refinancing risk

Liquidity risk is the risk of not having sufficient payment capacity in the short and the long term to honor the Group's payment obligations. The finance department provides short-term liquidity forecasts on a week-by-week basis and also long-term rolling 12-month liquidity forecasts. The forecasts are updated continuously on a weekly and quarterly basis.

The Group has overdraft facilities to ensure flexible cash management and to effectively deal with peaks and troughs in payment streams.

Refinancing risk is the risk that financing or refinancing of the company's liabilities or operations cannot be obtained to the same extent or can only be obtained at a significantly higher cost. According to the finance policy, existing and prospective financiers are engaged in continuous discussions to ensure that the necessary financing can be obtained in all situations.

NOTE 3 cont.

Maturity structure, interest-bearing liabilities

| MSEK | Dec 31, 2020 | | | Dec 31, 2019 | | |
|--------------|---------------|------------|-----------------|---------------|------------|-----------------|
| | Loan maturity | Share, % | Interest, loans | Loan maturity | Share, % | Interest, loans |
| <1 year | 695 | 4 | 323 | 0 | 0 | 209 |
| 1–2 years | 4,948 | 29 | 266 | 3,309 | 29 | 176 |
| 2–3 years | 2,419 | 14 | 204 | 4,337 | 38 | 111 |
| 3–4 years | 6,435 | 38 | 140 | 2,704 | 24 | 51 |
| >4 years | 2,658 | 15 | 13 | 1,002 | 9 | 9 |
| Total | 17,154 | 100 | 946 | 11,352 | 100 | 556 |

1) The loans comprise undiscounted amounts. The interest-bearing liabilities in the statement of financial position include arrangement fees.

2) Refers to final payment of outstanding principal loan amounts on the balance-sheet date, not including ongoing repayments.

In addition to the financial liabilities whose undiscounted cash flows are presented in the table above, Nyfosa holds 20 site leasehold agreements whose annual ground rent amounts to SEK 7 undiscounted. These leases are considered to be perpetual by Nyfosa since Nyfosa does not have the right to terminate them. All site leasehold agreements will be renegotiated within a period of 10–20 years, which will have an effect on the amount of ground rent.

Credit risk

Credit risk is the risk that a counterparty may be unable to fulfill its commitments, thus resulting in a loss. Nyfosa has a wide spread of risks in its contract portfolio based on a large number of leases (5,805). The company has a small number of dominant tenants, with the ten largest tenants representing 14 percent of total rental income distributed between 213 leases. This means that exposure to the credit risk of individual tenants is very low. Tenants are notified of rents and these are paid in advance, which means that all of Group's rent receivables of MSEK 13 (7) have fallen due for payment.

Cash and cash equivalents are only deposited in accounts with Nordic banks and credit institutions that have a credit rating of at least A- (S&P) or A3 (Moody's).

Items in the statement of financial position corresponding to the amount of credit risk

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---------------------------|--------------|--------------|
| Rent receivables | 13 | 7 |
| Current receivables | 37 | 12 |
| Cash and cash equivalents | 312 | 588 |
| Total | 362 | 607 |

Offsetting of financial instruments

To limit counterparty risk, Nyfosa has entered into standardized netting agreements (ISDA agreements) with all derivative counterparties, which entails that in the event of the counterparty becoming insolvent or another incident arising Nyfosa can offset outstanding derivatives with positive and negative values.

| MSEK | Financial assets | | Financial liabilities | |
|--|------------------|--------------|-----------------------|--------------|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Carrying amount in the statement of financial position | 3 | 2 | – | – |
| Amount encompassed by netting | – | – | – | – |
| Amount after netting | 3 | 2 | – | – |

NOTE 4

OPERATING SEGMENTS

Nyfosa's operations comprise one operating segment, that is to say, Nyfosa's operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's management and Board as a basis for monitoring earnings and allocating resources. No one tenant accounts for more than 10 percent of rental income.

NOTE 5

LEASES

The Group as lessor

The total rental value amounted to MSEK 2,451, of which vacancy rent was MSEK 169. The share of rental income connected to the consumer price index (CPI) corresponded to 89 percent of total rental income. On December 31, 2020, Nyfosa had 5,805 leases including a total of 2,493 leases for garages and parking spaces. Nyfosa has only a small number of dominant tenants. The ten largest tenants represent only 14 percent of total rental income and are distributed between 213 leases, which means that Nyfosa's exposure to the credit risk of individual tenants is very low.

Tenants are notified of rents and these are paid in advance, which means that all of Group's rent receivables of MSEK 13 (7) have fallen due for payment.

Nyfosa leases out its investment properties under operating leases. The average remaining lease term at year-end 2020 was 3.7 years (4.1). Leases expiring during the year ahead are expected to be renegotiated at corresponding rent levels. Contractual rental income expires as shown in the table below.

Maturity structure of contractual leases

| Year of expiry | Dec 31, 2020 | | | Dec 31, 2019 | | |
|----------------|-------------------------|------------|--------------------------|-------------------------|------------|--------------------------|
| | Contractual annual rent | Share, % | No. of leases | Contractual annual rent | Share, % | No. of leases |
| <1 year | 315 | 14 | 2,909 | 237 | 15 | 1,366 |
| 1–2 years | 503 | 22 | 1,088 | 258 | 16 | 708 |
| 2–3 years | 430 | 19 | 889 | 250 | 16 | 459 |
| 3–4 years | 366 | 16 | 563 | 239 | 15 | 359 |
| 4–5 years | 159 | 7 | 122 | 129 | 8 | 80 |
| >5 years | 510 | 22 | 234 | 467 | 30 | 151 |
| Total | 2,282 | 100 | 5,805¹ | 1,581 | 100 | 3,123¹ |

1) Including a total of 2,493 leases (1,095) for garages and parking spaces.

Contractual future rental income from existing leases

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---|--------------|--------------|
| Contractual income due for payment within one year | 1,938 | 1,361 |
| Contractual income due for payment between one and five years | 4,096 | 3,218 |
| Contractual income due for payment after five years | 1,568 | 1,334 |

The Group's rental income includes service income of MSEK 86 (70), corresponding to 6.4 percent (6.6) of rental income.

The Group as lessee

Nyfosa is the lessee of passenger cars and site leaseholds. Payments of lease payments for passenger cards are expensed in profit or loss straight-line over the term.

Ground rent

Ground rent pertains to the annual fee that the owner of a building on municipally owned land has to pay to the municipality. The charge

for these leaseholds is currently calculated so that the municipality receives real interest on the estimated market value. The ground rent is allocated over time and is renegotiated at intervals of ten to 20 years. Nyfosa has 20 site leasehold agreements, of which 12 will be renegotiated within the next five years. Ground rent costs in 2020 totaled MSEK 7 (5).

On the balance-sheet date, Nyfosa had a total lease liability of MSEK 163, based on interest of 3.25 percent. Refer to Note 20 for the maturity of the lease liability.

Agreed ground rent

| MSEK | 2020 | 2019 |
|----------------------------|-----------|-----------|
| Within 1 year | 5 | 5 |
| Between one and five years | 14 | 18 |
| Longer than five years | 4 | 10 |
| Total | 23 | 33 |

NOTE 6

OTHER PROPERTY INCOME

Other property income comprises onward invoiced costs, insurance compensation received and damages.

NOTE 7

OPERATING EXPENSES
SPECIFIED BY COST TYPE

| MSEK | 2020 | 2019 |
|---------------------------------|------------|------------|
| Operating expenses | 324 | 251 |
| Maintenance costs | 140 | 99 |
| Property tax | 93 | 65 |
| Other external costs | 108 | 82 |
| Personnel costs | 86 | 57 |
| Depreciation/amortization | 1 | 0 |
| Damages | 30 | – |
| Listing costs | – | 1 |
| Total operating expenses | 783 | 555 |

NOTE 8

EMPLOYEES, PERSONNEL COSTS AND REMUNERATION OF SENIOR EXECUTIVES

| Group | | | Parent Company | | |
|---|-------------|-------------|--|-------------|-------------|
| MSEK | 2020 | 2019 | MSEK | 2020 | 2019 |
| Management | | | Management | | |
| Salaries and other remuneration, etc. | 17 | 16 | Salaries and other remuneration, etc. | 17 | 16 |
| Pension costs, defined-contribution plans | 3 | 2 | Pension costs, defined-contribution plans | 3 | 2 |
| Social security contributions | 6 | 7 | Social security contributions | 6 | 7 |
| Of which, CEO | | | Of which, CEO | | |
| Salaries and other remuneration, etc. | 4 | 5 | Salaries and other remuneration, etc. | 4 | 5 |
| Pension costs, defined-contribution plans | 1 | 1 | Pension costs, defined-contribution plans | 1 | 1 |
| Social security contributions | 2 | 2 | Social security contributions | 2 | 2 |
| Other employees | | | Other employees | | |
| Salaries and other remuneration, etc. | 42 | 21 | Salaries and other remuneration, etc. | 42 | 21 |
| Pension costs, defined-contribution plans | 4 | 3 | Pension costs, defined-contribution plans | 4 | 3 |
| Social security contributions | 14 | 8 | Social security contributions | 14 | 8 |
| Total costs for employee benefits | 85 | 56 | Total costs for employee benefits | 85 | 56 |
| <i>Average number of employees</i> | | | <i>Average number of employees, Parent Company</i> | | |
| Average number of employees | 2020 | 2019 | Average number of employees | 2020 | 2019 |
| Average number of employees | 63 | 39 | Average number of employees | 63 | 39 |
| Of whom, women | 30 | 23 | Of whom, women | 30 | 23 |
| Percentage, women | 48% | 60% | Percentage, women | 48% | 60% |

Salaries and other remuneration of senior executives

The 2020 AGM adopted guidelines for the remuneration of senior executives for the period until the 2021 AGM. These guidelines include the fact that market-based and competitive forms of remuneration are to be applied that are simple, long-term and measur-

able. Remuneration may comprise a fixed and variable portion. The guidelines include requirements for the form of remuneration and a cap on variable remuneration. The Board may deviate from the guidelines if there are special reasons to do so in an individual case. Refer to the company's website for complete information.

Parent Company

| (SEK thousand) | Basic salary/ Board fee | | Variable remuneration | | Pension costs | | Other remuneration | | Total | |
|--|----------------------------|---------------|--------------------------|--------------|---------------|--------------|-----------------------|------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Johan Ericsson <i>Chairman of the Board</i> | | | | | | | | | | |
| Remuneration from Parent Company | 465 | 368 | – | – | – | – | – | – | 465 | 368 |
| Stina Lindh Hök <i>CEO</i> | | | | | | | | | | |
| Remuneration from Parent Company | 700 | – | – | – | 75 | – | 17 | – | 793 | – |
| Jens Engwall <i>Board member and former CEO</i> | | | | | | | | | | |
| Remuneration from Parent Company | 2,967 | 4,121 | – | 405 | 683 | 663 | 192 | 216 | 3,842 | 5,405 |
| Lisa Dominguez Flodin <i>Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 230 | 223 | – | – | – | – | – | – | 230 | 223 |
| Marie Bucht Toresäter <i>Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 200 | 195 | – | – | – | – | – | – | 200 | 195 |
| Mats Andersson <i>Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 190 | 127 | – | – | – | – | – | – | 190 | 127 |
| Per Lindblad <i>Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 190 | 185 | – | – | – | – | – | – | 190 | 185 |
| Jenny Wärmé <i>Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 133 | – | – | – | – | – | – | – | 133 | – |
| Bengt Kjell <i>former Chairman of the Board</i> | | | | | | | | | | |
| Remuneration from Parent Company | – | 133 | – | – | – | – | – | – | – | 133 |
| Kristina Sawjani <i>former Board member</i> | | | | | | | | | | |
| Remuneration from Parent Company | 67 | 195 | – | – | – | – | – | – | 67 | 195 |
| Other senior executives (5 (5) individuals) | | | | | | | | | | |
| Remuneration from Parent Company | 9,173 | 8,223 | 3,184 | 2,981 | 1,765 | 1,435 | 353 | 329 | 14,474 | 12,968 |
| Total | 14,315 | 13,770 | 3,184 | 3,386 | 2,523 | 2,098 | 563 | 545 | 20,585 | 19,799 |

NOTE 9

FEES AND REMUNERATION OF AUDITORS

| MSEK | 2020 | 2019 |
|---|----------|----------|
| Audit assignment | 6 | 4 |
| Auditing activities in addition to audit assignment | 0 | 0 |
| Tax consultancy | 1 | 1 |
| Other consultancy services | 0 | 0 |
| Total fees and remuneration of auditors | 8 | 6 |

Audit assignments are defined as the statutory auditing of the annual report and consolidated financial statement, as well as the administration of the Board of Directors and the CEO, and the audit and other review conducted in accordance with contracts or agreements.

This includes other assignments that are the responsibility of the company's auditors, as well as guidance and assistance occasioned by observations made in conjunction with such reviews or the completion of such other work assignments. Other consultancy services refers to consultancy services in connection with the IPO.

NOTE 10

FINANCIAL INCOME AND EXPENSES

Group

| MSEK | 2020 | 2019 |
|-------------------------------------|-------------|-------------|
| Financial income | 29 | 0 |
| Interest expenses | -314 | -169 |
| Expenses related to site leaseholds | -5 | -5 |
| Other financial expenses | -37 | -22 |
| Financial expenses | -357 | -195 |
| Net | -327 | -195 |

Parent Company

| MSEK | 2020 | 2019 |
|---|--------------|------------|
| Dividend from Group companies | 1,850 | 400 |
| Dividends from participations in joint ventures | 300 | 200 |
| Interest income | 82 | 2 |
| Financial income | 2,232 | 602 |
| Interest expenses | -55 | -20 |
| Other financial expenses | -8 | -4 |
| Financial expenses | -62 | -24 |
| Net | 2,170 | 578 |

Of the Group's interest expenses, MSEK 308 (159) refer to interest attributable to liabilities measured at amortized cost. Other financial expenses primarily refer to borrowing costs allocated over the term of the loan agreement.

The figure for the Parent Company's interest expenses amounted to MSEK 55 (20). Other financial expenses primarily refer to borrowing costs allocated over the term of the loan agreement.

NOTE 11

INCOME TAX

Recognized tax amounted to MSEK 174 (194), of which MSEK 42 (22) was current tax. Current tax is calculated based on a nominal tax rate of 21.4 percent and deferred tax based on the lower tax rate that applies for Sweden from 2021 (20.6). Current tax is based on taxable profit for the year, which is lower than recognized profit. The deviation from the nominal tax rate of 21.4 percent was mainly due to revaluation of deferred tax liabilities when properties were vacated and the fact that profit from participations in joint ventures comprised profit after tax, and thus did not constitute taxable income for Nyfosa.

Swedish accounting legislation does not permit measuring properties at fair value in legal entities, which is why the change in value of properties only takes place at Group level and thus does not impact taxation.

Group

| Reconciliation of effective tax, MSEK | 2020 | | 2019 | |
|---|--------------|-------------|---------------|-------------|
| Profit before tax | | 2,399 | | 1,576 |
| Tax according to applicable tax rate for Parent Company | -21.4% | -513 | -21.4% | -337 |
| Non-deductible costs | -1.8% | -44 | -0.6% | -9 |
| Tax-exempt income | 1.5% | 36 | 0.6% | 10 |
| Profit from participations in joint ventures | 3.6% | 87 | 6.7% | 105 |
| Capitalization of loss carryforwards not capitalized in prior years | 0.4% | 10 | 0.0% | 1 |
| Non-taxable sales of properties | 11.4% | 274 | 2.5% | 40 |
| Tax attributable to prior years | -0.1% | -2 | 0.7% | 11 |
| Other | -0.8% | -20 | -1.4% | -22 |
| Recognized effective tax | -7.2% | -174 | -12.3% | -194 |

| Current tax expense | 2020 | 2019 |
|---|------------|------------|
| Current tax expense | -39 | -22 |
| Adjustment of tax attributable to prior years | -2 | 0 |
| Current tax expense | -42 | -22 |

| Deferred tax expense | 2020 | 2019 |
|---|-------------|-------------|
| Deferred tax attributable to investment properties | -88 | -171 |
| Deferred tax attributable to derivatives | 0 | 1 |
| Deferred tax attributable to untaxed reserves | -7 | -3 |
| Deferred tax income attributable to the capitalized tax value of loss carryforwards during the year | 13 | 0 |
| Deferred tax expense due to utilization of previously capitalized loss carryforwards | -49 | 0 |
| Total deferred tax expense | -132 | -172 |
| Total recognized tax | -174 | 194 |

Parent Company

| Reconciliation of effective tax | 2020 | | 2019 | |
|---|-------------|----------|--------------|-----------|
| Profit before tax | | 2,170 | | 609 |
| Tax according to applicable tax rate for Parent Company | -21.4% | -464 | -21.4% | -130 |
| Non-deductible costs | | 0 | -0.5% | -2 |
| Tax-exempt income | 21.4% | 464 | 21.1% | 128 |
| Other | 0.1% | 2 | - | - |
| Recognized effective tax | 0.1% | 1 | -0.7% | -5 |

NOTE 12

EARNINGS PER SHARE

A long-term incentive program for employees of the Nyfosa Group was implemented in accordance with the resolution of the Annual General Meeting in May 2019. To establish the program, the Meeting resolved on a directed issue of a maximum of 1,950,000 warrants. Each warrant entitles the holder to subscribe for one new share in Nyfosa AB.

The subscription price per share is based on the average share price at the time of the issue of the warrants with an increase or decrease calculated according to Carnegie's Real Estate Index (CREX) until September 2022, when it will be finally set. Subscription of shares in accordance with the terms and conditions for the warrants may be exercised during a two-week period from the day following the disclosure of the company's interim report for the period July–September, 2022, the company's year-end report for 2022 and the interim report for the period January–March, 2023, although not later than June 10, 2023.

1,514,300 of the issued warrants were subscribed for, and the remainder are held by a company in the Group. The estimated dilution for the year amounted to 0.02 percent.

New shares were issued on two occasions during the first quarter of the year. On both occasions the subscription price totaled an amount close to the current price of the share. Accordingly, the dilution effect was low and past key figures were not restated.

| | 2020 | 2019 |
|---|-------|-------|
| Profit for the year attributable to Parent Company shareholders, MSEK | 2,225 | 1,382 |
| Average weighted number of shares, millions | 182 | 168 |
| Earnings per share before dilution, SEK | 12.25 | 8.24 |
| Earnings per share after dilution, SEK | 12.25 | 8.24 |

NOTE 13

INVESTMENT PROPERTIES

Investment properties are recognized according to the fair value method. The table below shows the change in value in each financial year.

Changes in value of investment properties

| MSEK | Total | |
|--|---------------|---------------|
| | Dec 31, 2020 | Dec 31, 2019 |
| Fair value at the beginning of the year | 19,602 | 15,582 |
| Cost of investment properties, asset purchase | 12,217 | 4,516 |
| Investments in existing properties | 285 | 224 |
| Divestment of investment properties | -3,756 | -1,193 |
| Realized changes in value of divested properties | 327 | -22 |
| Unrealized changes in value of properties | 737 | 493 |
| Fair value at the end of the year | 29,411 | 19,602 |

Realized and unrealized changes in value are recognized after profit from property management in profit or loss. The measurement of fair value for all investment properties is classified at Level 3 of the fair value hierarchy.

Determining fair value

Nyfosa engages two external appraisers that each value a part of the portfolio. All properties are valued every quarter, except for those for which possession was taken during the most recent quarter or a sales agreement has been signed. In these cases, the

agreed property value is used. The uncertain business environment did not have any significant impact on property values. Under the assignment agreements, the appraisers are to inspect each priority every three years.

Valuation techniques

The value of the properties has been assessed based on a market-adapted cash-flow estimate. The yield requirement used in the estimate derives from sales of comparable properties. The valuation was performed based on a combined location-price method, using reported benchmark purchases and the yield method, meaning a transaction-based method.

Significant factors when selecting required returns include an assessment of the object's future rent trend, changes in value and any development potential as well as the maintenance condition of the property. Key value parameters are location and rent level, as well as vacancy rates. For each property, a cash flow forecast is prepared that extends at least five years into the future. The expected receipts match the terms of prevailing leases. For vacant spaces, an estimate is performed by individually assessing each property. The expected disbursements are estimated on the basis of historical property expenses. The inflation assumption in the valuation models on December 31, 2020 was 2.0 percent (2.0) for 2021 and the years ahead. The valuation is based on a present-value calculation of the estimated cash flow and the present value of the market value at the end of the calculation period. Ongoing projects have been measured according to the same policy but less the remaining investment.

| | Fair value, MSEK | | Net operating income, MSEK | | Yield, % | | Interval, yield requirement, % | | Discount rate for cash flow, % | | Discount rate for residual value, % | |
|-------------------------|------------------|---------------|----------------------------|--------------|--------------|--------------|--------------------------------|--------------|--------------------------------|--------------|-------------------------------------|--------------|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Offices | 16,018 | 9,531 | 809 | 496 | 5.1 | 5.2 | 4.5–8.0 | 4.60–8.0 | 4.0–10.1 | 4.5–10.1 | 6.4–10.1 | 6.7–10.1 |
| Logistics/ Warehouse | 6,399 | 6,275 | 350 | 363 | 5.5 | 5.8 | 5.2–11.5 | 5.25–9.0 | 4.8–10.6 | 5.0–11.2 | 7.2–10.6 | 7.3–11.2 |
| Retail | 2,602 | 2,059 | 158 | 120 | 6.1 | 5.8 | 5.65–8.5 | 5.52–8.5 | 7.55–10.6 | 6.3–10.6 | 7.55–10.6 | 7.6–10.6 |
| Other | 4,393 | 1,736 | 257 | 110 | 5.9 | 6.3 | 5.0–11.5 | 5.69–8.0 | 4.0–13.4 | 5.5–9.8 | 7.0–13.4 | 7.8–10.1 |
| Total | 29,411 | 19,602 | 1,575 | 1,088 | 5.4 | 5.6 | 6.03 | 6.29 | 7.70 | 8.22 | 8.02 | 8.39 |

NOTE 13 cont.

Sensitivity analysis – impact on fair value

| | Change | Earnings effect, MSEK | |
|--------------------------------|----------|-----------------------|--------|
| | | 2020 | 2019 |
| Change in net operating income | +/-5.00% | +/-1,020 | +/-659 |
| Change in yield requirement | +/-0.25% | +/-1,272 | +/-812 |
| Change in growth assumptions | +/-0.50% | +/-127 | +/-82 |
| Change in discount rate | +/-0.25% | +/-987 | +/-615 |

Impact on profit for the period apart from changes in value

| | 2020 | 2019 |
|--|-------|-------|
| Rental income | 2,001 | 1,359 |
| Direct costs for investment properties that generated rental income during the period | -512 | -378 |
| Direct costs for investment properties that did not generate rental income during the period | -45 | -37 |

NOTE 14

PARTICIPATIONS IN JOINT VENTURES

Nyfosa owns 50 percent of the shares in the property company Söderport Holding AB. Söderport is jointly owned with AB Sagax (50 percent holding each), and ownership is governed by shareholders' agreements giving both owners equal power of decision, meaning that neither partner has a controlling influence. The holding is a joint venture and Nyfosa's share in profit of Söderport is recognized in the Group's profit from property management.

Nyfosa owns 50 percent of the shares in RandNyf Kanoten 10 Projektutveckling AB. The company is owned jointly with Randviken Fastigheter. None of the parties have control of the company, which is why the asset is classified as a joint venture.

| MSEK | Söderport | | Kanoten 10 | | Total | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Carrying amount at the beginning of the year | 1,812 | 1,520 | - | - | 1,812 | 1,520 |
| Dividends received | -300 | -200 | - | - | -300 | -200 |
| Share in profit of joint ventures | 404 | 491 | - | - | 404 | 491 |
| Acquisitions for the year | - | - | 0 | - | 0 | - |
| Carrying amount at end of the year | 1,916 | 1,812 | 0 | - | 1,916 | 1,812 |

Söderport Holding AB

Söderport is jointly owned with property company Sagax (50 percent holding each). Ownership is governed by shareholders' agreements giving both owners equal power of decision, meaning that neither partner has a controlling influence. Söderport is thus a joint venture and Nyfosa's share in Söderport's profit is recognized in the Group's profit from property management. Söderport's property portfolio primarily comprises industrial, warehouse and office properties, presenting a suitable supplement to Nyfosa's wholly owned property portfolio. The focal point of the property portfolio is in the Stockholm and Gothenburg regions. Söderport does not have its own operational organization. Instead, it procures property management and financial administration from Sagax and a small part of property management is procured from Nyfosa.

Söderport Holding AB

| MSEK | 2020 | 2019 |
|---------------------------------|------|------|
| Rental income | 818 | 708 |
| Net operating income | 679 | 566 |
| Net interest income | -185 | -165 |
| Profit from property management | 466 | 393 |
| Changes in value of properties | 606 | 819 |
| Changes in value, derivatives | -11 | 12 |
| Tax | -217 | -237 |
| Profit | 844 | 989 |
| <i>of which, Nyfosa's share</i> | 404 | 491 |

Torslanda Property Investment

78.4 percent of the company Torslanda Property Investment AB ("TPI") is owned and is thus consolidated with Söderport's statement of profit/loss and statement of financial position below. The minority share in TPI, corresponding to 21.6 percent, is the reason that Nyfosa's participation does not correspond to 50 percent of Söderport's earnings and equity.

TPI is a Swedish property company that owns, manages and leases properties in Gothenburg and Stockholm. The property portfolio, comprising a total of eight properties at a value of SEK 3.2 billion at year-end, is 99.6 percent leased. The properties have a total leasable area of 226 thousand sqm and primarily comprise office premises with Volvo Cars as the dominant tenant. Torslanda Property Investment has a management agreement with Sagax and Nyfosa, which are responsible for financial administration and property management.

| | Dec 31, 2020 | Dec 31, 2019 |
|---|--------------|--------------|
| Investment properties | 11,910 | 10,853 |
| Current assets | 228 | 327 |
| Equity | 4,136 | 3,905 |
| <i>of which, Nyfosa's share</i> | 1,916 | 1,812 |
| Non-current liabilities | 7,923 | 7,180 |
| <i>of which, deferred tax liabilities</i> | 1,087 | 909 |
| <i>of which, derivatives</i> | 221 | 208 |
| Current liabilities | 351 | 356 |
| No. of properties | 82 | 80 |
| Leasable area, 000s of sqm | 778 | 761 |

Parent Company

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---|--------------|--------------|
| Accumulated cost | 412 | 412 |
| Acquisitions | - | - |
| Carrying amount at the end of the year | 412 | 412 |

NOTE 15**CURRENT RECEIVABLES**

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|-------------------------------------|-----------------|-----------------|
| Current receivables | 37 | 12 |
| Prepaid expenses and accrued income | 49 | 28 |
| Total current receivables | 86 | 39 |

NOTE 16**CASH AND CASH EQUIVALENTS**

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---|-----------------|-----------------|
| <i>The following subcomponents are included in cash and cash equivalents:</i> | | |
| Cash and bank balances | 312 | 588 |

NOTE 17**LIABILITIES**

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---|-----------------|-----------------|
| Non-interest-bearing liabilities falling due within one year after the balance-sheet date | 582 | 348 |
| Non-interest-bearing loans falling due to more than five years after the balance-sheet date | 19 | 16 |
| Interest-bearing loans falling due within one year after the balance-sheet date | 695 | – |
| Between 1–5 years after the balance-sheet date | 16,360 | 11,282 |
| <i>More than 5 years after the balance-sheet date</i> | – | – |
| Total liabilities, excl. deferred tax liabilities and lease liabilities | 17,656 | 11,646 |

Nyfosa has pledged assets for all loans in the form of property mortgages. In addition, the majority of the Group's credit agreements with creditors contain covenants concerning either a specific loan-to-value ratio and/or a specific interest-coverage ratio. Certain credit agreements contain covenants that pertain solely to the company raising the loan and its subsidiaries, while other credit agreements include covenants linked to the Nyfosa Group's earnings and/or financial position. The Group met the covenants included in the loan agreements for 2020 and 2019.

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|-----------------------------|-----------------|-----------------|
| Net loan-to-value ratio, % | 56.9 | 54.6 |
| Remaining fixed-rate period | 1.6 years | 1.2 years |
| Remaining term for loans | 2.9 years | 2.7 years |

NOTE 18**DEFERRED TAX LIABILITIES/ASSETS**

Nyfosa recognized deferred tax liabilities in 2020 totaling a net MSEK 760 (627). The amount is the net of deferred tax assets attributable to valued tax loss carryforwards and deferred tax liabilities attributable to temporary differences between carrying amounts and taxable values of the investment properties.

Deferred tax is recognized for temporary differences between the tax values and the accounting values. The deferred tax that existed in connection with asset purchases is, however, not to be recognized in the statement of financial position on the acquisition date according to applicable rules, known as the initial recognition exemption.

The residual value of investment properties for tax purposes totaled MSEK 12,720 (8,896) on December 31, 2020.

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|--------------------------------------|-----------------|-----------------|
| Deferred tax assets | | |
| <i>Loss carryforwards</i> | | |
| At the beginning of the year | 304 | 304 |
| Recognized in profit or loss | –36 | 0 |
| Acquired and divested assets | 0 | 0 |
| At the end of the year | 268 | 304 |
| <i>Derivatives</i> | | |
| At the beginning of the year | 0 | –2 |
| Recognized in profit or loss | 0 | 2 |
| At the end of the year | –1 | 0 |
| Deferred tax liabilities | | |
| <i>Properties</i> | | |
| At the beginning of the year | –931 | –754 |
| Recognized in profit or loss | –95 | –174 |
| Acquired and divested assets | –1 | –3 |
| At the end of the year | –1,028 | –931 |
| Deferred tax liabilities, net | | |
| At the beginning of the year | –627 | –452 |
| Recognized in profit or loss | –132 | –172 |
| Acquired and divested assets | –1 | –3 |
| At the end of the year | –760 | –627 |

NOTE 19**OTHER CURRENT LIABILITIES**

| MSEK | Dec 31, 2020 | Dec 31, 2019 |
|---|-----------------|-----------------|
| Accrued financial expenses | 67 | 54 |
| Prepaid rental income | 323 | 199 |
| Other accrued expenses and prepaid income | 45 | 19 |
| Accounts payable | 37 | 33 |
| Other current liabilities | 110 | 40 |
| Total other current liabilities | 582 | 343 |

NOTE 20

FINANCIAL ASSETS AND LIABILITIES – BY CATEGORY AND FAIR VALUE

| | Financial assets/ liabilities measured at fair value through profit or loss | | Financial assets measured at amortized cost | | Financial liabilities measured at amortized cost | | Total carrying amount | |
|------------------------------------|--|-----------------|---|-----------------|--|-----------------|--------------------------|-----------------|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| MSEK | | | | | | | | |
| Derivatives | 3 | 2 | – | – | – | – | 3 | 2 |
| Rent receivables | – | – | 13 | 7 | – | – | 13 | 7 |
| Current receivables | – | – | 86 | 39 | – | – | 86 | 39 |
| Cash and cash equivalents | – | – | 312 | 588 | – | – | 312 | 588 |
| Total financial assets | 3 | 2 | 411 | 635 | – | – | 414 | 637 |
| Liabilities to credit institutions | – | – | – | – | 17,154 | 11,352 | 17,154 | 11,352 |
| Accounts payable | – | – | – | – | 37 | 33 | 37 | 33 |
| Other liabilities | – | – | – | – | 19 | 16 | 19 | 16 |
| Total financial liabilities | – | – | – | – | 17,210 | 11,401 | 17,210 | 11,401 |

The carrying amount of all financial instruments is a reasonable estimate of the fair value. This is because receivables and liabilities that are interest-bearing have short fixed-rate periods and, on the balance-sheet date, the level of interest rates, including margins, for the loans matched the terms in the loan agreements. Receivables and liabilities that do not bear interest have short maturities.

NOTE 21

RELATED-PARTY TRANSACTIONS

Related-party transactions

The Group owns participations in joint ventures, refer to Note 14. Söderport is managed by AB Sagax, except for property management which is managed by Nyfosa.

Property management fees between the companies are based on market terms. Nyfosa's fee totals MSEK 3 per year. The Group had no receivables from joint ventures on December 31, 2020.

NOTE 22

SPECIFICATIONS FOR THE STATEMENT OF CASH FLOWS

Group

| MSEK | 2020 | 2019 |
|--|-------------|-------------|
| Adjustments for non-cash items for operating activities | | |
| Share in profit of joint ventures | -404 | -491 |
| Total non-cash items for operating activities | -404 | -491 |

Direct and indirect acquisitions of investment properties

| MSEK | 2020 | 2019 |
|--|---------------|--------------|
| <i>Assets and liabilities acquired</i> | | |
| Investment properties | 12,182 | 4,409 |
| Loss carryforwards | - | - |
| Operating receivables | 69 | 25 |
| Cash and cash equivalents | 195 | 16 |
| Total assets | 12,447 | 4,450 |
| Deferred tax liabilities | 2 | 3 |
| Current operating liabilities | 260 | 81 |
| Total liabilities | 262 | 84 |
| Purchase consideration paid | 12,186 | 4,366 |
| Impact on cash and cash equivalents | 11,991 | 4,350 |

Direct and indirect divestments of investment properties

| MSEK | 2020 | 2019 |
|--|--------------|--------------|
| <i>Assets and liabilities acquired</i> | | |
| Investment properties | 3,775 | 1,194 |
| Operating receivables | 24 | 2 |
| Cash and cash equivalents | 3 | 0 |
| Total assets | 3,802 | 1,196 |
| Deferred tax liabilities | -1 | - |
| Current operating liabilities | 76 | 25 |
| Total liabilities | 76 | 25 |
| Purchase consideration received | 3,725 | 1,171 |
| Impact on cash and cash equivalents | 3,723 | 1,171 |

Reconciliation of liabilities deriving from financing activities

| Changes in loan portfolio, MSEK | 2020 | 2019 |
|---|---------------|---------------|
| Liabilities at the beginning of the period | 11,282 | 8,240 |
| Amortization | -4,781 | -2,394 |
| Loans raised | 10,583 | 5,457 |
| Other ¹ | -29 | -21 |
| Liabilities at the end of the period | 17,055 | 11,282 |

1) The item of "Other" does not affect cash flow.

Parent Company

| MSEK | 2020 | 2019 |
|--|--------------|------------|
| Adjustments for non-cash items for operating activities | | |
| Dividend from subsidiaries | 1,850 | 400 |
| Dividend from joint ventures | 300 | 200 |
| Total non-cash items for operating activities | 2,150 | 600 |

NOTE 23

SIGNIFICANT ESTIMATES AND ASSESSMENTS

Measurement of investment properties

For significant assumptions and assessments affecting the measurement of Nyfosa's investment properties, refer to Note 13. Nyfosa's property portfolio is recognized in the statement of financial position at fair value, and the changes in value are recognized in profit or loss. The fair value is based on internal valuations that are performed continuously and the properties are also valued every quarter by an external independent appraiser. The value of the properties is affected not only by supply and demand in the market but also by a number of other factors, in part property-specific factors such as the leasing rate, rent level and operating expenses, and in part such market-specific factors as the yield requirement and the cost of capital, which are derived from comparable transactions in the property market. Deterioration in either a property or the market could cause the value of the company's properties to decline, which could have a negative impact on the Nyfosa's operations, financial position and earnings.

Valuations require assessments of and assumptions about future cash flows and determination of the discount factor (yield requirement). An uncertainty interval of +/- 5-10 percent is usually applied to property valuations to reflect the uncertainty of assumptions and assessments made.

Measurement of loss carryforwards

The regulatory framework governing taxation of the type of business operated by Nyfosa is complex and comprehensive in terms of both income tax and VAT/property taxation. Moreover, interpretation and application of these regulations by courts of law can change over time. Changes in these regulations, or in their interpretation by judicial bodies, could impact Nyfosa's earnings and position either positively or negatively. From time to time, Nyfosa has cases under review by, and ongoing dialogues with, the Swedish Tax Agency regarding individual taxation matters. The Tax Agency makes tax rulings that can be appealed and reviewed in administrative courts of appeal. The regulations governing the recognition of taxes, and the property sector's application of these accounting regulations, are also complex. The regulatory framework is complex, the Tax Agency's review possibilities are comprehensive and the judicial bodies' interpretation and reviews take place in many stages, which means that it can take a long time to establish the correct application of legislation in complex taxation matters. This may entail that actions taken or completed transactions that were previously considered permissible according to the regulatory framework may need to be reappraised at a later juncture. Nyfosa monitors the taxation laws and practices that are in effect whenever it files tax returns. Nyfosa's assessments and calculations in the tax area, and the accounting of these matters, are reassessed at the end of each reporting period.

Nyfosa had loss carryforwards from prior years. The Tax Agency decided in a review decision in 2018 not to grant the company full deductions for these loss carryforwards. The loss carryforwards that are the subject of these proceedings have been valued at MSEK 250 in this report, corresponding to 20.6 percent of the total disputed loss carryforwards of MSEK 1,215. Nyfosa has not reserved this amount since Nyfosa believes that it is overwhelmingly probable that the deduction claimed will be granted following a court ruling.

Classification of acquisitions

The IFRS 3 accounting standard states that acquisitions must be classified as business combinations or asset purchases. An individual assessment of the character of the acquisition is required for each individual transaction. Nyfosa's corporate acquisitions in 2020 encompass only properties and no material processes, which is why the transactions are deemed to be asset purchases.

NOTE 24

SHARES IN GROUP COMPANIES

| (SEK thousand) | Dec 31, 2020 | Dec 31, 2019 |
|---|--------------|--------------|
| Accumulated cost | | |
| At the beginning of the year | 50 | 50 |
| Carrying amount at the end of the year | 50 | 50 |

Holdings in subsidiaries

Nyfosa AB's directly and indirectly owned subsidiaries are presented below.

Directly owned subsidiaries

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % | Carrying amount, SEK thousand Dec 31, 2020 |
|-------------------|----------------|-------------------|-------------------------------------|----------|--|
| Nyfosa Holding AB | 559134-9443 | Nacka | 500 | 100 | 50 |

Indirectly owned companies

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|---|----------------|-------------------|-------------------------------------|----------|
| Fastighetsbolaget Flygledaren Handelsbolag | 916762-2035 | Nacka | 100 | 100 |
| Nyfosa Alkotten 2 Fastighets AB | 559009-6631 | Nacka | 500 | 100 |
| Nyfosa Antennhuset AB | 556742-5946 | Nacka | 100,000 | 100 |
| Nyfosa Armaturen 1 Fastighets AB | 556372-6933 | Nacka | 1,000 | 100 |
| Nyfosa Armaturen 10 Fastighets AB | 559100-8205 | Nacka | 500 | 100 |
| Nyfosa Aske 1:2 Fastighets AB | 559032-4082 | Nacka | 500 | 100 |
| Nyfosa Aspen 10 Fastighets AB | 559199-3182 | Nacka | 500 | 100 |
| Nyfosa Axethuset AB | 556742-6027 | Nacka | 100,000 | 100 |
| Nyfosa Bagaren 10 Fastighets AB | 556738-6270 | Nacka | 1,000 | 100 |
| Nyfosa Bandsågen 1 Fastighets AB | 559199-3174 | Nacka | 500 | 100 |
| Nyfosa Barkassen 7 Fastighets AB | 559224-3660 | Nacka | 50,000 | 100 |
| Nyfosa Barkassen 9 Fastighets AB | 556397-9771 | Nacka | 200 | 100 |
| Nyfosa Barkenlund Oxbacken Kommanditbolag | 969695-6771 | Nacka | 100 | 100 |
| Nyfosa BidCo AB | 559221-7730 | Nacka | 50,000 | 100 |
| Nyfosa BidCo Holding AB | 559221-7748 | Nacka | 50,000 | 100 |
| Nyfosa Björnen 12 AB | 559239-4919 | Nacka | 500 | 100 |
| Nyfosa Björnen 12 Fastighets Kommanditbolag | 969675-0588 | Nacka | 100 | 100 |
| Nyfosa Björnen 13 Fastighets AB | 559222-2912 | Nacka | 50,000 | 100 |
| Nyfosa Björnen 7 Fastighets AB | 559224-3686 | Nacka | 50,000 | 100 |
| Nyfosa Bladbaggen 1 Fastighets AB | 556606-3656 | Nacka | 1,000 | 100 |
| Nyfosa Blocket 1 AB | 556742-5938 | Nacka | 100,000 | 100 |
| Nyfosa Blåbäret 2 Fastighets AB | 556957-3362 | Nacka | 500 | 100 |
| Nyfosa Blåbäret 4 Fastighets AB | 556874-5011 | Nacka | 50,000 | 100 |
| Nyfosa Blåsten 3 Fastighets AB | 559224-3694 | Nacka | 50,000 | 100 |
| Nyfosa Blåsten 4 Fastighets AB | 559224-3702 | Nacka | 50,000 | 100 |
| Nyfosa Bocken 1 Fastighets AB | 556708-2754 | Nacka | 100,000 | 100 |
| Nyfosa Boländerna 5:2 Fastighets Kommanditbolag | 969682-6743 | Nacka | 100 | 100 |
| Nyfosa Botulf 4 Fastighets AB | 559260-1859 | Nacka | 25,000 | 100 |
| Nyfosa Brisen 4 Fastighets AB | 559224-3710 | Nacka | 50,000 | 100 |
| Nyfosa Bromsen 1 Fastighets AB | 559224-3728 | Nacka | 50,000 | 100 |
| Nyfosa Bromsen 6 Fastighets AB | 559222-2920 | Nacka | 50,000 | 100 |
| Nyfosa Bromsen 7 Fastighets AB | 559110-6140 | Nacka | 500 | 100 |
| Nyfosa Bronsdolken 26 Fastighets AB | 556677-1472 | Nacka | 10,000 | 100 |
| Nyfosa Bronskragen 3 Fastighets AB | 556851-4441 | Nacka | 50,000 | 100 |
| Nyfosa Bronskragen 4 Fastighets AB | 556955-4701 | Nacka | 50,000 | 100 |
| Nyfosa Brudbuketten 11 Fastighets AB | 559176-9798 | Nacka | 50,000 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|--|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Bryggeriet 2 Fastighets AB | 559111-6404 | Nacka | 500 | 100 |
| Nyfosa BTCS First Shopping AB | 556689-1007 | Kungälv | 1,000 | 100 |
| Nyfosa Byrådirektören 3 Fastighets AB | 556044-1031 | Nacka | 50,000 | 100 |
| Nyfosa Bälgen 10 Fastighets AB | 559224-3736 | Nacka | 50,000 | 100 |
| Nyfosa Bälgen 9 Fastighets AB | 559101-4500 | Nacka | 500 | 100 |
| Nyfosa Böthuset AB | 556742-3537 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset 10 AB | 556742-4576 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset 4 AB | 556742-7363 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset 5 AB | 556742-5573 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset 7 AB | 556742-4642 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset 9 AB | 556742-5961 | Nacka | 100,000 | 100 |
| Nyfosa Cementhuset AB | 556742-3511 | Nacka | 100,000 | 100 |
| Nyfosa Centrum 20:1 Fastighets AB | 556670-3509 | Nacka | 1,000 | 100 |
| Nyfosa Cirkeln 2 Fastighets AB | 559001-2059 | Nacka | 1,000 | 100 |
| Nyfosa Cirkelsågen 2 Fastighets AB | 559200-1217 | Nacka | 500 | 100 |
| Nyfosa Dahlberg Fastighets AB | 556721-0942 | Nacka | 100,000 | 100 |
| Nyfosa Danmarks Säby 10:2 Fastighets AB | 556983-3709 | Nacka | 500 | 100 |
| Nyfosa Danvikscenter Fastighets AB | 556822-0684 | Nacka | 500 | 100 |
| Nyfosa Domkraften 5 Fastighets AB | 556740-9155 | Nacka | 1,000 | 100 |
| Nyfosa Drivhjulet 3 Fastighets AB | 556866-8098 | Nacka | 500 | 100 |
| Nyfosa Druvan 13 Fastighets AB | 559224-3744 | Nacka | 50,000 | 100 |
| Nyfosa Ekorren 11 Fastighets AB | 559222-2938 | Nacka | 50,000 | 100 |
| Nyfosa Ekstaven 3 Fastighets AB | 559249-9056 | Nacka | 250 | 100 |
| Nyfosa Eldaren 1 Fastighets AB | 559106-8043 | Nacka | 500 | 100 |
| Nyfosa Elektrikern 5 Fastighets AB | 556634-6754 | Nacka | 1,000 | 100 |
| Nyfosa Emelie AB | 559196-0975 | Nacka | 500 | 100 |
| Nyfosa Emelie HoldCo 1 AB | 559168-5762 | Nacka | 50,000 | 100 |
| Nyfosa Emelie HoldCo 2 AB | 559221-7656 | Nacka | 50,000 | 100 |
| Nyfosa Emelie HoldCo 3 AB | 559138-6775 | Nacka | 1,000 | 100 |
| Nyfosa Emelie Holdco Rcf 3 AB | 556990-6547 | Nacka | 500 | 100 |
| Nyfosa Falköping Alunskiffen 1 Fastighets AB | 556728-7395 | Nacka | 100 | 100 |
| Nyfosa Fastighetsaktiebolaget Asienhuset | 556742-5995 | Nacka | 100,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Brudbuketten | 556742-3495 | Nacka | 100,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Gröna Lagret | 556490-8191 | Nacka | 50,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Sprintern | 556742-7736 | Nacka | 100,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Storbådan | 556742-3479 | Nacka | 100,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Träskruven | 556742-5532 | Nacka | 100,000 | 100 |
| Nyfosa Fastighetsaktiebolaget Valbrevet | 556742-6019 | Nacka | 100,000 | 100 |
| Nyfosa Filen 2 Fastighets AB | 556818-4443 | Nacka | 500 | 100 |
| Nyfosa Filtret 6 Fastighets AB | 556790-5525 | Nacka | 1,000 | 100 |
| Nyfosa Firman 2 Fastighets AB | 559200-8592 | Nacka | 500 | 100 |
| Nyfosa Firman 4 Fastighets AB | 559068-9567 | Nacka | 500 | 100 |
| Nyfosa Fjädern 14 Fastighets AB | 559224-3751 | Nacka | 50,000 | 100 |
| Nyfosa Fjädern 16 Fastighets AB | 559224-3769 | Nacka | 50,000 | 100 |
| Nyfosa Flintkärnan 2 Fastighets AB | 556734-0111 | Nacka | 1,000 | 100 |
| Nyfosa Flundran 4 Fastighets AB | 556713-1866 | Nacka | 1,000 | 100 |
| Nyfosa Flygkameran 2 Fastighets AB | 559156-2565 | Nacka | 50,000 | 100 |
| Nyfosa Fläkten 7 Fastighets AB | 556818-4450 | Nacka | 500 | 100 |
| Nyfosa Forskarbyn 2 Fastighets AB | 559124-8918 | Nacka | 50,000 | 100 |
| Nyfosa Freja 13 Fastighets AB | 559224-3777 | Nacka | 50,000 | 100 |
| Nyfosa Friberg 4:16 Fastighets AB | 559032-4074 | Nacka | 500 | 100 |
| Nyfosa Furudal 7 Fastighets AB | 559136-0077 | Nacka | 500 | 100 |
| Nyfosa Fåraherden 2 Fastighets AB | 559124-8884 | Nacka | 50,000 | 100 |
| Nyfosa Fängelset 5 Fastighets AB | 556608-9339 | Nacka | 100 | 100 |
| Nyfosa Förrådet 9 Fastighets AB | 556770-3334 | Nacka | 1,000 | 100 |
| Nyfosa Försäljaren 9 Fastighets AB | 556866-8072 | Nacka | 500 | 100 |
| Nyfosa Genetikern 2 Fastighets AB | 556715-7770 | Nacka | 1,000 | 100 |
| Nyfosa Getingen 5 Fastighets AB | 559148-3291 | Nacka | 50,000 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|--|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Gillet 1 Fastighets AB | 556881-0583 | Nacka | 500 | 100 |
| Nyfosa Gjutaren 3 Fastighets AB | 559110-6231 | Nacka | 500 | 100 |
| Nyfosa Gjutformen 1 Fastighets AB | 559005-7039 | Nacka | 1,000 | 100 |
| Nyfosa Golväggaren 2 Fastighets AB | 556561-0788 | Nacka | 1,000 | 100 |
| Nyfosa Grophuset 3 | 556982-0524 | Nacka | 50,000 | 100 |
| Nyfosa Grästegen 2 Fastighets AB | 559224-3785 | Nacka | 50,000 | 100 |
| Nyfosa Grävmaskinen 1 Fastighets AB | 556937-3896 | Nacka | 500 | 100 |
| Nyfosa Grönsta 2:52 Fastighets AB | 556822-4983 | Nacka | 500 | 100 |
| Nyfosa Gumsen 45 Fastighets AB | 556244-9818 | Nacka | 1,000 | 100 |
| Nyfosa Gyllehemmet 1 Fastighets AB | 556746-1206 | Nacka | 100,000 | 100 |
| Nyfosa Gångjärnet 2 Fastighets AB | 559224-3793 | Nacka | 50,000 | 100 |
| Nyfosa Gävle Norr 12:5 Fastighets AB | 556866-3776 | Nacka | 500 | 100 |
| Nyfosa Halvmänen 3 Fastighets AB | 556892-9623 | Nacka | 1,000 | 100 |
| Nyfosa Hammaren 21 Fastighets AB | 559224-3801 | Nacka | 50,000 | 100 |
| Nyfosa Handformaren 2 Fastighets AB | 559099-8174 | Nacka | 50,000 | 100 |
| Nyfosa Hangaren 2 Fastighets AB | 559163-3762 | Nacka | 100,000 | 100 |
| Nyfosa Hantverkaren 1 AB | 556742-7686 | Nacka | 100,000 | 100 |
| Nyfosa Hedenstorp 2:1 Fastighets AB | 556869-5125 | Nacka | 500 | 100 |
| Nyfosa Henrika AB | 559171-8738 | Nacka | 50,000 | 100 |
| Nyfosa Henry Holdco 1 AB | 556506-9837 | Nacka | 150 | 100 |
| Nyfosa Henry Holdco 2 AB | 559068-8387 | Nacka | 1,000 | 100 |
| Nyfosa Henry Holdco AB | 559276-2677 | Nacka | 25,000 | 100 |
| Nyfosa Henry Topco AB | 559276-2669 | Nacka | 25,000 | 100 |
| Nyfosa Hermelinen 15 Fastighets Handelsbolag | 969687-0253 | Stockholm | 100 | 100 |
| Nyfosa Herrhagen 1:10 Fastighets AB | 559224-3819 | Nacka | 50,000 | 100 |
| Nyfosa Holmögadhuset 3 AB | 556742-3446 | Nacka | 100,000 | 100 |
| Nyfosa Holmögadhuset 4 AB | 556742-3453 | Nacka | 100,000 | 100 |
| Nyfosa Hvitfeldt 22 Fastighets AB | 556862-9884 | Nacka | 500 | 100 |
| Nyfosa Hybelejen 17 Fastighets AB | 559224-3843 | Nacka | 50,000 | 100 |
| Nyfosa Håltås 1:18 Fastighets AB | 556748-0537 | Nacka | 1,000 | 100 |
| Nyfosa i Värnamo Fastigheter AB | 556101-5107 | Nacka | 80,000 | 100 |
| Nyfosa i Växjö Fastigheter AB | 556192-5305 | Nacka | 1,000 | 100 |
| Nyfosa Idaho AB | 556811-5298 | Nacka | 100,000 | 100 |
| Nyfosa Idaho BidCo AB | 559226-9863 | Nacka | 50,000 | 100 |
| Nyfosa Idaho Holdco 1 AB | 559260-1875 | Nacka | 25,000 | 100 |
| Nyfosa Idaho Holdco 2 AB | 556858-1267 | Nacka | 500 | 100 |
| Nyfosa Idaho Holdco 3 AB | 556971-2945 | Nacka | 500 | 100 |
| Nyfosa Idaho Holding AB | 559226-9871 | Nacka | 50,000 | 100 |
| Nyfosa Importören 2 Fastighets AB | 556737-7618 | Nacka | 1,000 | 100 |
| Nyfosa Industrihuset 17 AB | 556742-7009 | Nacka | 100,000 | 100 |
| Nyfosa i-parken i Lund Aktiebolag | 556263-8394 | Nacka | 550,000 | 100 |
| Nyfosa Iput Förvaltning AB | 556862-9876 | Nacka | 500 | 100 |
| Nyfosa Jakobsberg 2:2583 Fastighets AB | 556637-7320 | Nacka | 1,000 | 100 |
| Nyfosa Jordbrohuset AB | 556742-5599 | Nacka | 100,000 | 100 |
| Nyfosa Jungfrun 11 Fastighets AB | 556911-2914 | Nacka | 500 | 100 |
| Nyfosa Kanoten 10 Fastighets AB | 559222-2946 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 10 AB | 559224-3637 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 11 AB | 559224-3645 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 12 AB | 559224-3678 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 4 AB | 559224-3827 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 5 AB | 559224-3835 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 6 AB | 559224-3595 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 7 AB | 559224-3603 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 8 AB | 559224-3611 | Nacka | 50,000 | 100 |
| Nyfosa Karlstad Holdco 9 AB | 559224-3629 | Nacka | 50,000 | 100 |
| Nyfosa Karossen 5 Fastighets AB | 556992-6230 | Nacka | 50,000 | 100 |
| Nyfosa Karossen Fastighets AB | 559012-8186 | Nacka | 500 | 100 |
| Nyfosa Kassetten 1 Fastighets AB | 559191-4808 | Nacka | 500 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|---|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Klingberget 6 Fastighets AB | 559122-1501 | Nacka | 500 | 100 |
| Nyfosa Knarranäs 8 Fastighets AB | 559083-6002 | Nacka | 500 | 100 |
| Nyfosa Knarranäs 10 Fastighets AB | 559158-5491 | Nacka | 500 | 100 |
| Nyfosa Kobbegården 6:136 Fastighets AB | 559059-2613 | Nacka | 50,000 | 100 |
| Nyfosa Koch 7 Fastighets AB | 556519-3108 | Nacka | 21,000 | 100 |
| Nyfosa Kraften 4 Fastighets AB | 559110-6215 | Nacka | 500 | 100 |
| Nyfosa Kraften 4 HoldCo AB | 559138-8532 | Nacka | 500 | 100 |
| Nyfosa Kronfastigheter AB | 556950-1744 | Nacka | 50,000 | 100 |
| Nyfosa Kronfastigheter Holding AB | 556950-1736 | Nacka | 50,000 | 100 |
| Nyfosa Kulingen 4 Fastighets AB | 559224-3850 | Nacka | 50,000 | 100 |
| Nyfosa Kumla 8:13 Fastighets AB | 559078-0721 | Nacka | 500 | 100 |
| Nyfosa Kungsängen 12 Fastighets AB | 556676-6464 | Nacka | 1,000 | 100 |
| Nyfosa Köpmannen 1 Fastighets AB | 559075-0419 | Nacka | 500 | 100 |
| Nyfosa Köpstaden 26 Fastighets AB | 559209-4410 | Nacka | 50,000 | 100 |
| Nyfosa Körunda 1:3 Fastighets AB | 556988-9180 | Nacka | 500 | 100 |
| Nyfosa Lagunen Fastighets AB | 556176-1874 | Nacka | 50,000 | 100 |
| Nyfosa Lantmannen 2 Kommanditbolag | 969651-1998 | Nacka | 100 | 100 |
| Nyfosa Lejonet 11 Fastighets AB | 556942-6413 | Nacka | 500 | 100 |
| Nyfosa Lillgrund 5 Fastighets AB | 559018-0823 | Nacka | 50,000 | 100 |
| Nyfosa Linden 1 Fastighets AB | 556827-3493 | Nacka | 500 | 100 |
| Nyfosa Lingonet 2 Fastighets AB | 559013-7617 | Nacka | 500 | 100 |
| Nyfosa Lingonet 3 Fastighets AB | 556927-3856 | Nacka | 500 | 100 |
| Nyfosa Ljungby Vagnen 6 Fastighets AB | 556790-5962 | Nacka | 1,000 | 100 |
| Nyfosa LTIP AB | 559168-5820 | Nacka | 50,000 | 100 |
| Nyfosa Luleå Fastighets AB | 556672-2632 | Nacka | 1,000 | 100 |
| Nyfosa Luleå Porsön 1:403 Fastighets AB | 556541-4546 | Nacka | 40,000 | 100 |
| Nyfosa Lärkan 10 Fastighets Handelsbolag | 969687-0287 | Stockholm | 100 | 100 |
| Nyfosa Lärkan 21 Fastighets AB | 559006-8853 | Nacka | 500 | 100 |
| Nyfosa Malax 3 Fastighets AB | 559083-5996 | Nacka | 500 | 100 |
| Nyfosa Malmö Kamaxeln 7 Fastighets AB | 556458-1485 | Nacka | 1,000 | 100 |
| Nyfosa Marianne AB | 559207-1376 | Nacka | 50,000 | 100 |
| Nyfosa Marianne HoldCo 1 AB | 559207-1392 | Nacka | 50,000 | 100 |
| Nyfosa Marianne HoldCo 2 AB | 559207-1400 | Nacka | 50,000 | 100 |
| Nyfosa Marianne HoldCo AB | 559207-1384 | Nacka | 50,000 | 100 |
| Nyfosa Mattläggaren 1 Fastighets AB | 556743-8022 | Nacka | 1,000 | 100 |
| Nyfosa Mejeriet Fastighets AB | 559101-4518 | Nacka | 500 | 100 |
| Nyfosa Mercurius 21 Fastighets AB | 559022-7327 | Nacka | 50,000 | 100 |
| Nyfosa Mercurius 3 Fastighets AB | 559224-3868 | Nacka | 50,000 | 100 |
| Nyfosa Mon 13 Fastighets AB | 559132-9791 | Nacka | 50,000 | 100 |
| Nyfosa Monitorn 9 Fastighets AB | 559224-3876 | Nacka | 50,000 | 100 |
| Nyfosa Murängen 2 Fastighets AB | 559101-4484 | Nacka | 500 | 100 |
| Nyfosa Måseskär 6 Fastighets AB | 559168-5770 | Nacka | 50,000 | 100 |
| Nyfosa Möllan 1 Fastighets Kommanditbolag | 916613-1905 | Nacka | 100 | 100 |
| Nyfosa Möllebacken 15 AB | 559138-8466 | Nacka | 500 | 100 |
| Nyfosa Nedre Gruvriset 33:278 Fastighets AB | 556983-3642 | Nacka | 500 | 100 |
| Nyfosa Nolby 3:40 Fastighets AB | 559062-8474 | Nacka | 500 | 100 |
| Nyfosa Nord AB | 559196-1163 | Nacka | 500 | 100 |
| Nyfosa Nord HoldCo 1 AB | 559168-5796 | Nacka | 50,000 | 100 |
| Nyfosa Nord HoldCo 2 AB | 559209-4386 | Nacka | 50,000 | 100 |
| Nyfosa Nord HoldCo 2 Rcf AB | 556471-9291 | Nacka | 4,000 | 100 |
| Nyfosa Nord HoldCo 3 AB | 559221-7706 | Nacka | 50,000 | 100 |
| Nyfosa Nord HoldCo AB | 556929-8440 | Nacka | 500 | 100 |
| Nyfosa Nord HoldCo RCF 1 AB | 559226-9855 | Nacka | 50,000 | 100 |
| Nyfosa Nord KomD AB | 559209-4485 | Nacka | 50,000 | 100 |
| Nyfosa Nord TL AB | 559221-7698 | Nacka | 50,000 | 100 |
| Nyfosa Nord TopCo AB | 559221-7714 | Nacka | 50,000 | 100 |
| Nyfosa Norden AB | 556710-6892 | Nacka | 5,000,000 | 100 |
| Nyfosa Norr 25:5 Fastighets AB | 559080-3234 | Nacka | 50,000 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|--|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Norrmalm 4:6 Fastighets AB | 556653-2247 | Nacka | 1,000 | 100 |
| Nyfosa NYAB 55 AB | 559226-9848 | Nacka | 50,000 | 100 |
| Nyfosa NYAB 71 AB | 559248-4223 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 73 AB | 559248-4249 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 79 AB | 559248-4306 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 80 AB | 559248-4314 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 111 AB | 559262-7466 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 114 AB | 559262-7490 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 115 AB | 559262-7508 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 116 AB | 559276-2602 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 117 AB | 559276-2610 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 118 AB | 559276-2628 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 119 AB | 559276-2636 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 120 AB | 559276-2396 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 121 AB | 559276-2404 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 122 AB | 559276-2412 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 123 AB | 559276-2420 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 124 AB | 559276-2438 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 125 AB | 559276-2446 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 126 AB | 559276-2453 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 127 AB | 559276-2461 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 128 AB | 559276-2479 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 129 AB | 559276-2487 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 130 AB | 559276-2495 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 131 AB | 559276-2503 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 132 AB | 559276-2511 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 133 AB | 559276-2529 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 134 AB | 559276-2537 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 135 AB | 559276-2545 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 136 AB | 559276-2552 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 137 AB | 559276-2560 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 138 AB | 559276-2578 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 139 AB | 559276-2586 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 140 AB | 559276-2594 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 141 AB | 559276-2644 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 142 AB | 559276-2651 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 145 AB | 559276-2685 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 146 AB | 559279-3698 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 148 AB | 559279-3714 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 149 AB | 559279-3722 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 150 AB | 559279-3730 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 151 AB | 559279-3748 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 152 AB | 559279-3763 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 153 AB | 559279-3771 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 154 AB | 559279-3789 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 155 AB | 559279-3797 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 156 AB | 559279-3805 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 157 AB | 559279-3813 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 158 AB | 559279-3821 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 159 AB | 559279-3839 | Nacka | 25,000 | 100 |
| Nyfosa NYAB 160 AB | 559279-3847 | Nacka | 25,000 | 100 |
| Nyfosa Nyckelharpan 6 Fastighets AB | 559199-3166 | Nacka | 500 | 100 |
| Nyfosa Olsgård 5 Fastighets AB | 556857-6556 | Nacka | 50,000 | 100 |
| Nyfosa Orren 2 Fastighets AB | 556533-3746 | Nacka | 5,000 | 100 |
| Nyfosa Orren 2 Holdco AB | 556851-2106 | Nacka | 100 | 100 |
| Nyfosa Passadvinden 3 Fastighets AB | 559224-3884 | Nacka | 50,000 | 100 |
| Nyfosa Pedalen Fastighets Kommanditbolag | 969690-3971 | Nacka | 100 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|---|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Pigan 1 Kommanditbolag | 969651-3747 | Nacka | 100 | 100 |
| Nyfosa Pinassen 2 Fastighets AB | 559068-5326 | Nacka | 50,000 | 100 |
| Nyfosa Plogen 4 Fastighets AB | 559168-5879 | Nacka | 50,000 | 100 |
| Nyfosa Plåtslagaren 1 Fastighets AB | 556720-6510 | Nacka | 1,000 | 100 |
| Nyfosa Plåtslagaren 6 Fastighets AB | 559168-5812 | Nacka | 50,000 | 100 |
| Nyfosa Polly Topco AB | 559279-3706 | Nacka | 25,000 | 100 |
| Nyfosa Prästgårdsängen 2 Fastighets AB | 559079-8459 | Nacka | 50,000 | 100 |
| Nyfosa Raseborg 1 Fastighets AB | 559110-7403 | Nacka | 50,000 | 100 |
| Nyfosa Regnvinden 1 Fastighets AB | 559224-3892 | Nacka | 50,000 | 100 |
| Nyfosa Respiten 1 Fastighets AB | 559118-5441 | Nacka | 500 | 100 |
| Nyfosa Ribby 1:451 Fastighets AB | 559248-8190 | Nacka | 25,000 | 100 |
| Nyfosa Ribby 1:451 Holdco AB | 559249-9593 | Nacka | 500 | 100 |
| Nyfosa Riksdalern 3 Fastighets AB | 556858-5458 | Nacka | 50,000 | 100 |
| Nyfosa Rosenbuketten AB | 556742-7652 | Nacka | 100,000 | 100 |
| Nyfosa Rudan 6 Fastighets AB | 556954-1542 | Nacka | 1,000 | 100 |
| Nyfosa Runstenen 16 Fastighets AB | 556690-0873 | Nacka | 1,000 | 100 |
| Nyfosa Runö 7:12 Fastighets AB | 559126-1796 | Nacka | 50,000 | 100 |
| Nyfosa Runö 7:120 Fastighets AB | 556342-2079 | Nacka | 1,000 | 100 |
| Nyfosa Runö 7:140 Fastighets AB | 559126-1804 | Nacka | 50,000 | 100 |
| Nyfosa Runö 7:147 Fastighets AB | 559126-1812 | Nacka | 50,000 | 100 |
| Nyfosa Runö 7:165 Fastighets AB | 559126-1820 | Nacka | 50,000 | 100 |
| Nyfosa Rutan 1 Fastighets AB | 559076-5912 | Nacka | 500 | 100 |
| Nyfosa Rydterminalen AB | 556679-8723 | Nacka | 1,000 | 100 |
| Nyfosa Rydterminalen III AB | 556696-6841 | Nacka | 1,000 | 100 |
| Nyfosa Samuel 1 Fastighets AB | 556676-6449 | Nacka | 1,000 | 100 |
| Nyfosa Saturnus 29 Fastighets AB | 556961-5429 | Nacka | 1,000,000 | 100 |
| Nyfosa Saturnus 7 Handelsbolag | 969687-0279 | Nacka | 1,000 | 100 |
| Nyfosa Sigvald 6 Fastighets AB | 556909-4757 | Nacka | 500 | 100 |
| Nyfosa Sjöbocka AB | 556652-3501 | Nacka | 1,000 | 100 |
| Nyfosa Skepparen 15 Fastighets AB | 559224-3900 | Nacka | 50,000 | 100 |
| Nyfosa Skjutsstallslyckan 3 Fastighets AB | 559018-0914 | Nacka | 50,000 | 100 |
| Nyfosa Skogskarlen 3 Fastighets AB | 559126-5771 | Nacka | 25,000 | 100 |
| Nyfosa Skruven 3 Fastighets AB | 556866-8312 | Nacka | 500 | 100 |
| Nyfosa Skåne 7 AB | 559194-9713 | Nacka | 500 | 100 |
| Nyfosa Slånbäret 1 Fastighets AB | 556858-1614 | Nacka | 1,000 | 100 |
| Nyfosa Slånbäret 2 Fastighets AB | 559052-4426 | Nacka | 500 | 100 |
| Nyfosa Släggan 13 Fastighets AB | 559224-3918 | Nacka | 50,000 | 100 |
| Nyfosa Småland Fastighets AB | 556818-4666 | Nacka | 500 | 100 |
| Nyfosa Smörbollshuset AB | 556742-3461 | Nacka | 100,000 | 100 |
| Nyfosa Snickaren 12 Fastighets AB | 556974-7875 | Nacka | 500 | 100 |
| Nyfosa Snickeriet Fastighets AB | 559018-0435 | Nacka | 500 | 100 |
| Nyfosa Solbacken 10 Fastighets AB | 556866-8320 | Nacka | 500 | 100 |
| Nyfosa Speditionshuset 1 AB | 556742-4568 | Nacka | 100,000 | 100 |
| Nyfosa Spindeln 2 Fastighets AB | 556930-8173 | Nacka | 500 | 100 |
| Nyfosa Spolaren 4 Fastighets AB | 556837-2246 | Nacka | 500 | 100 |
| Nyfosa Spårren 7 Fastighets AB | 559224-3926 | Nacka | 50,000 | 100 |
| Nyfosa Stensholm 1:754 Fastighets AB | 556971-2929 | Nacka | 500 | 100 |
| Nyfosa Stensholm 1:755 Fastighets AB | 556971-2895 | Nacka | 500 | 100 |
| Nyfosa Stoby 24:9 Fastighets AB | 559003-5357 | Nacka | 1,000 | 100 |
| Nyfosa Stolpen 1 Fastighets AB | 559224-3934 | Nacka | 50,000 | 100 |
| Nyfosa Stolpen 6 Fastighets AB | 559224-3942 | Nacka | 50,000 | 100 |
| Nyfosa Stora Mans 1 Fastighets AB | 556849-7704 | Nacka | 50,000 | 100 |
| Nyfosa Storheden Fastighets AB | 559042-3678 | Nacka | 500 | 100 |
| Nyfosa Stranden AB | 556942-4640 | Nacka | 100 | 100 |
| Nyfosa Styrmannen 5 Fastighets AB | 559224-3959 | Nacka | 50,000 | 100 |
| Nyfosa Sun Holdco AB | 559212-9091 | Nacka | 50,000 | 100 |
| Nyfosa Sunaman 5 Fastighets AB | 559124-9056 | Nacka | 50,000 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|---|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Sundsvall Fastighets AB | 556676-6415 | Nacka | 1,000 | 100 |
| Nyfosa Sunnanå 12 33 Fastighets AB | 556536-4717 | Nacka | 1,000 | 100 |
| Nyfosa Sunnanå 6:40 Fastighets AB | 556936-1867 | Nacka | 50,000 | 100 |
| Nyfosa Svartmunken 2 Handelsbolag | 916552-7582 | Nacka | 1,000 | 100 |
| Nyfosa Svavelhuset AB | 556742-3487 | Nacka | 100,000 | 100 |
| Nyfosa Svea Real Holding AB | 559168-5911 | Nacka | 50,000 | 100 |
| Nyfosa SveaReal AB | 556736-5415 | Nacka | 1,100,000 | 100 |
| Nyfosa Svedjan 2 Fastighets AB | 559028-6935 | Nacka | 500 | 100 |
| Nyfosa Sågen 1 Fastighets AB | 559224-3967 | Nacka | 50,000 | 100 |
| Nyfosa Sågen 2 AB | 559138-8425 | Nacka | 500 | 100 |
| Nyfosa Sågen 2 Fastighets AB | 559224-3975 | Nacka | 50,000 | 100 |
| Nyfosa Sågen 6 AB | 559138-8433 | Nacka | 500 | 100 |
| Nyfosa Sågen 9 Fastighets AB | 559224-3983 | Nacka | 50,000 | 100 |
| Nyfosa Sågklingen 10 Fastighets AB | 556906-5757 | Nacka | 500 | 100 |
| Nyfosa Sämjehuset AB | 556742-7678 | Nacka | 100,000 | 100 |
| Nyfosa Söder 18:19 Fastighets AB | 556545-7024 | Nacka | 1,000 | 100 |
| Nyfosa Tackan 9 Fastighets AB | 556797-3051 | Nacka | 1,000 | 100 |
| Nyfosa Takläggaren 4 Fastighets AB | 556378-6267 | Nacka | 2,000 | 100 |
| Nyfosa Takläggaren 8 Fastighets AB | 556625-5658 | Nacka | 1,000 | 100 |
| Nyfosa Tankstället 4 Fastighets AB | 556857-6861 | Nacka | 50,000 | 100 |
| Nyfosa Tellus 4 Fastighets AB | 556925-8741 | Nacka | 500 | 100 |
| Nyfosa Tellus 4 HoldCo AB | 556925-8808 | Nacka | 500 | 100 |
| Nyfosa Terminalen 1 Fastighets AB | 556782-8420 | Nacka | 100,000 | 100 |
| Nyfosa Tetis AB | 556847-5825 | Nacka | 11,700,000 | 100 |
| Nyfosa Torbornahögen 3 Fastighets AB | 556796-5909 | Nacka | 1,000 | 100 |
| Nyfosa Torlunda 1:278 HoldCo AB | 556983-3634 | Nacka | 1,000 | 100 |
| Nyfosa Tornadon 2 Fastighets Kommanditbolag | 916572-9667 | Nacka | 100 | 100 |
| Nyfosa Tornadon Holding AB | 559224-3652 | Nacka | 50,000 | 100 |
| Nyfosa Totte Holdco 1 AB | 559231-4735 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco 2 AB | 559231-4743 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco 3 AB | 559231-4750 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco 4 AB | 559231-4768 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco 5 AB | 559231-4719 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco 6 AB | 559231-4727 | Nacka | 500 | 100 |
| Nyfosa Totte Holdco AB | 559231-4701 | Nacka | 500 | 100 |
| Nyfosa Tranbäret 3 Fastighets AB | 559015-2343 | Nacka | 500 | 100 |
| Nyfosa Tranbäret 4 Fastighets AB | 556840-3926 | Nacka | 1,000 | 100 |
| Nyfosa Transistorn 1 Fastighets AB | 559209-4428 | Nacka | 50,000 | 100 |
| Nyfosa Trasten 12 Fastighets AB | 556866-3909 | Nacka | 500 | 100 |
| Nyfosa Tuve 85:9 Fastighets Kommanditbolag | 916834-9596 | Nacka | 100 | 100 |
| Nyfosa Tyra Fastighets AB | 559070-4549 | Nacka | 50,000 | 100 |
| Nyfosa Tyska Bryggaregården AB | 559138-8458 | Nacka | 500 | 100 |
| Nyfosa Tången 15 Fastighets AB | 559224-3991 | Nacka | 50,000 | 100 |
| Nyfosa Uddevalla 1 AB | 556694-7841 | Nacka | 1,000 | 100 |
| Nyfosa Ugnen 1 Fastighets AB | 559224-4007 | Nacka | 50,000 | 100 |
| Nyfosa Ugnen 5 Fastighets AB | 556923-1425 | Nacka | 500 | 100 |
| Nyfosa Umeå Fastighets AB | 556676-6423 | Nacka | 1,000 | 100 |
| Nyfosa Unaman 8 Fastighets AB | 556911-2906 | Nacka | 500 | 100 |
| Nyfosa Uroxen 15 Fastighets AB | 559260-1867 | Nacka | 25,000 | 100 |
| Nyfosa Vagnmakaren 8 Fastighets AB | 556970-6129 | Nacka | 500 | 100 |
| Nyfosa Valhalla 1:6 Fastighets AB | 556983-3626 | Nacka | 500 | 100 |
| Nyfosa Valsta 3:29 AB | 556800-2884 | Nacka | 1,000 | 100 |
| Nyfosa Vega AB | 559262-7474 | Nacka | 25,000 | 100 |
| Nyfosa Vega Holdco 1 AB | 559034-1540 | Nacka | 1,000 | 100 |
| Nyfosa Vega Holdco 2 AB | 559239-2962 | Nacka | 500 | 100 |
| Nyfosa Vega Holdco 3 AB | 559034-1557 | Nacka | 1,000 | 100 |

NOTE 24 cont.

| Company name | Corp. Reg. No. | Registered office | Number of shares/ participations | Share, % |
|--|----------------|-------------------|-------------------------------------|----------|
| Nyfosa Vega Holdco AB | 559011-4418 | Nacka | 20,000 | 100 |
| Nyfosa Vega Topco AB | 559262-7482 | Nacka | 25,000 | 100 |
| Nyfosa Wera AB | 556987-3945 | Nacka | 500 | 100 |
| Nyfosa Wera HoldCo 1 AB | 559132-9734 | Nacka | 500 | 100 |
| Nyfosa Wera HoldCo 2 AB | 559132-9742 | Nacka | 500 | 100 |
| Nyfosa Wera HoldCo 3 AB | 559138-8524 | Nacka | 50,000 | 100 |
| Nyfosa Wera HoldCo 4 AB | 559138-8516 | Nacka | 500 | 100 |
| Nyfosa Wera HoldCo 5 AB | 559138-8581 | Nacka | 50,000 | 100 |
| Nyfosa Wera HoldCo 6 AB | 559138-8540 | Nacka | 500 | 100 |
| Nyfosa Wera Holdco 7 AB | 559196-1106 | Nacka | 500 | 100 |
| Nyfosa Wera HoldCo 8 AB | 559209-4394 | Nacka | 50,000 | 100 |
| Nyfosa Wera HoldCo 9 AB | 559221-7664 | Nacka | 50,000 | 100 |
| Nyfosa Verkstaden 8 AB | 559138-8441 | Nacka | 500 | 100 |
| Nyfosa Verkstadshuset 6 AB | 556742-7710 | Nacka | 100,000 | 100 |
| Nyfosa Viljan 2 Fastighets AB | 556866-3818 | Nacka | 500 | 100 |
| Nyfosa Vilunda 6:59 Fastighets AB | 556814-7952 | Nacka | 500 | 100 |
| Nyfosa Vindhjulet Kommanditbolag | 969633-4367 | Nacka | 100 | 100 |
| Nyfosa Vindrutan 1 Fastighets AB | 556822-2284 | Nacka | 500 | 100 |
| Nyfosa Vindtunneln 1 Fastighets AB | 556712-3558 | Nacka | 1,000 | 100 |
| Nyfosa Vinga 5 Fastighets AB | 556894-7369 | Nacka | 50,000 | 100 |
| Nyfosa Vinkelhaken 5 Fastighets AB | 556970-6111 | Nacka | 500 | 100 |
| Nyfosa VXJ HoldCo AB | 556942-6504 | Nacka | 500 | 100 |
| Nyfosa Vågenhuset AB | 556742-7264 | Nacka | 100,000 | 100 |
| Nyfosa Åby 20:3 Fastighets AB | 559063-6758 | Nacka | 50,000 | 100 |
| Nyfosa Ånsta 20:262 Fastighets AB | 556704-3368 | Nacka | 1,000 | 100 |
| Nyfosa Årsta 68:4 Fastighets AB | 556803-3525 | Nacka | 500 | 100 |
| Nyfosa Åttersta 6:28 Fastighets AB | 559101-4492 | Nacka | 500 | 100 |
| Nyfosa Öjebyn 119:1 Fastighets AB | 556846-4928 | Nacka | 50,000 | 100 |
| Nyfosa Örebro Kitteln 11 Fastighets AB | 556799-6870 | Nacka | 100,000 | 100 |

NOTE 25

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Nyfosa regularly pledges assets for its external liabilities include pledges of properties, pledges of shares as well as pledges in internal promissory notes.

| MSEK | 2020 | 2019 |
|--|--------|--------|
| Pledged assets | | |
| Property mortgages | 17,920 | 12,552 |
| Participations in Group companies | 3,371 | 3,429 |
| Contingent liabilities | | |
| Sureties for liabilities in joint ventures | – | – |

NOTE 26

EQUITY

| Share capital trend | Date | Change number of shares | Quotient value, SEK | Change in share capital, MSEK |
|---------------------|-------------------|----------------------------|------------------------|----------------------------------|
| New formation | October 17, 2017 | 500 | 100.00 | 0 |
| Division of shares | May 21, 2018 | 99,500 | – | 0 |
| New share issue | May 21, 2018 | 157,628,249 | 0.5 | 79 |
| New share issue | August 21, 2018 | 10,000,000 | 0.5 | 5 |
| New share issue | February 17, 2020 | 6,462,824 | 0.5 | 3 |
| New share issue | March 9, 2020 | 10,310,000 | 0.5 | 5 |
| Total | | 184,501,073 | 0.5 | 92 |

Each share entitles the holder to one vote.

The Board's proposed appropriation of profit

Dividends

For the 2020 financial year, the Board proposes that the Annual General Meeting resolve on an ordinary dividend of SEK 3.00 per share with quarterly payments of SEK 0.75 per share, and an extra dividend of SEK 1.00 per share.

| Unrestricted equity, MSEK | Dec 31, 2020 |
|----------------------------------|-----------------|
| Retained earnings | 4,868 |
| Share premium reserve | 1,326 |
| Profit for the year | 2,171 |
| Total unrestricted equity | 8,365 |

| The following funds are available for distribution by the AGM | 8,365 |
|---|--------------|
| Dividends to shareholders | 738 |
| To be carried forward | 7,627 |
| Total | 8,365 |

NOTE 27

SIGNIFICANT EVENTS AFTER THE BALANCE-SHEET DATE

Nyfosa signed an agreement to divest a property centrally located in Södertälje for an underlying property value of MSEK 220 to Tingsön Fastigheter AB.

THE BOARD'S ASSURANCE

The Board of Directors and CEO give their assurance that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international accounting standards stipulated in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards.

The Annual Report and the consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and earnings. The Board of Directors' Report for the Parent Company and the Group provides a fair review of the performance of the Parent Company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Nacka, March 18, 2021
Nyfosa AB
(Corp. Reg. No. 559131-0833)

Johan Ericsson
Chairman of the Board

Marie Bucht Toresäter
Board member

Lisa Dominguez Flodin
Board member

Jens Engwall
Board member

Mats Andersson
Board member

Per Lindblad
Board member

Jenny Wärmé
Board member

Stina Lindh Hök
Chief Executive Officer

Our audit report was submitted on March 18, 2021

KPMG AB

Mattias Johansson
Authorized Public Accountant

AUDITOR'S REPORT

AUDITOR'S REPORT

To the general meeting of the shareholders of Nyfosa AB (publ), corp. id 559131-0833

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Nyfosa AB (publ) for the year 2020, except for the corporate governance statement on pages 60–67. The annual accounts and consolidated accounts of the company are included on pages 60–67 and 73–109 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 60–67. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment property

See Note 2 Significant accounting policies, Note 13 Investment property and Note 23 Important estimates and judgments on pages 85–86, 95–96 and 99 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Investment properties are held at fair value in the group's financial statements. The carrying value of these properties is MSEK 29,411 as per 31 December 2020.

The fair value of Investment properties as per 31 December 2020 has been determined based on valuations carried out by independent appraisers, except for those for which possession was taken during the fourth quarter 2020 or for those which a sales agreement is signed. In these cases, the agreed property value is used.

Given investment properties significant share of the group's total assets and the inherent elements of significant judgment and estimates required in the valuation process, valuation of Investment properties is a Key Audit Matter.

The risk is that the carrying value of Investment properties could be over- or underestimated and that deviations would directly influence profit for the year.

Response in the audit

We have evaluated if the valuation methodology used is reasonable by comparing it to our experience of methods applied by other real estate companies and independent third party appraisers and which assumptions that are normal when valuing comparable objects.

We have assessed the competence and independence of third party appraisers used and we have read the engagement letters of the independent third party appraisers with the aim to evaluate if there where contractual terms that could influence scope or focus of the independent third party appraisers' engagement.

We have tested the controls established by the group to ensure that input data provided to the independent third party appraisers are accurate and complete.

We have, on a sample basis, tested individual valuations. When doing so, we made use of available current market data from external sources, especially for yields, discount rates, rents and vacancies used. We have considered potential impact from Covid-19 on cash flows as well as on yields.

We have checked the accuracy of disclosures on Investment properties given by the group in notes 2, 13 and 23 in the annual accounts and consolidated accounts, especially concerning elements of judgement and applied key assumptions.

Acquisitions and disposals of property

See Note 2 Significant accounting policies, Note 13 Investment property and Note 23 Important estimates and judgments on pages 85–86, 95–96 and 99 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The group's total investment in properties in 2020 amounted to MSEK 12,502 of which MSEK 12,217 were acquisitions. Disposals amounted to MSEK 3,756.

The risks in relation to acquisitions and disposals primarily relates to the period in which a transaction is recognized, and if specific conditions in the specific transactions have not properly accounted for, which could have significant impact on the group's reported profit and financial position.

Response in the audit

We have evaluated the processes for acquisitions and disposals of properties. For significant transactions, we have examined contracts, evaluating the period of recognition, agreed the purchase price and, where applicable, evaluated that any specific conditions have been accounted for properly.

We have evaluated the accuracy of the disclosures related to transactions given by the group in note 2, 13 and 23 in the annual accounts and consolidated accounts.

Valuation of deferred tax assets

See Note 2 Significant accounting policies, Note 11 Income taxes, Note 18 Deferred tax liabilities/assets and Note 23 Important estimates and judgments on pages 87, 94, 97 and 99 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The group reported deferred tax assets of MSEK 268 as per 31 December 2020 related to tax loss carried forwards, expected to offset future profits.

The accounting of deferred tax assets is based on the group's assumptions of the size and timing of future taxable profits as well as interpretation of tax regulations.

The value of the deferred tax assets may vary significantly if other assumptions than those used by the group is applied when forecasting future profits and evaluating the possibility to use the tax loss carry forward.

The risk is that the carrying value of the deferred tax assets is over- or understated and that every adjustment of the value will have a direct impact on the reported profit and effective tax rate.

Response in the audit

Our audit procedures within this area included evaluation of policies applied and the integrity of the group's model to forecast future taxable profits. We have compared key assumptions in the assessment to earnings capacity and we have considered the group's ability to previously achieve these plans.

We have involved KPMG's tax specialists when evaluating the group's assessments and interpretations of tax regulations and the reasonableness in the group's assumptions of the ability to offset tax loss carry forwards against future profits.

We have also evaluated if the disclosures in note 18 and 23 fulfill the requisits in related accounting standards.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–59, 68–71 and 109–132. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nyfosa AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 60–67 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Nyfosa AB (publ) by the general meeting of the shareholders on the 23 April 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2017.

Stockholm 18 March 2021

KPMG AB

Mattias Johansson
Authorized Public Accountant

SUSTAINABILITY REPORT

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ECONOMIC RESPONSIBILITY



201-1, DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The prerequisite for achieving Nyfosa's financial objective of generating 10-percent annual growth in distributable cash flow per share and being able to meet our stakeholders' economic expectations is that we assume economic responsibility and have sound finances.

Boundaries

Reporting covers the economic value generated within Nyfosa and its joint venture, Söderport.

Governance and monitoring

The Board of Directors has overall responsibility for ensuring that the business is governed towards the financial objectives within the framework of what is permitted by the company's policies. The outcome is evaluated quarterly in connection with interim reports.

Outcome

The generated economic value amounted to MSEK 3,533 (2,327) in 2020 and comprised rental and interest income, profit from property management from participations in joint ventures and value changes in the Group and joint ventures.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

| MSEK | 2020 | 2019 |
|---|--------------|--------------|
| Economic value generated | | |
| Rental and other revenue | 2,065 | 1,371 |
| Profit from property management in joint ventures | 404 | 491 |
| Changes in value | 1,064 | 465 |
| Total | 3,533 | 2,327 |
| Economic value distributed | | |
| Operating costs | -692 | -498 |
| Salaries and employee benefits | -86 | -57 |
| Interest to creditors | -357 | -195 |
| Tax to society | -361 | -210 |
| Dividends to shareholders | - | - |
| Remaining in the company | 2,037 | 1,367 |



205-3, CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

Nyfosa's organization must always act credibly, honestly and transparently. We expect that our employees, business partners and others with whom the Group has contact or does business with, and who have serious concerns about fraud, corruption or similar action within the Group's operations, come forward and voice their concerns.

Boundaries

Reporting only comprises the number of confirmed incidents of corruption and actions taken within Nyfosa AB and its subsidiaries.

Governance and monitoring

Nyfosa's sustainability policy and whistleblower function are examples of tools that the Board uses to promote good business ethics and to counter all forms of corrupt behavior.

Suspicious of irregularities can be reported anonymously through a whistleblower function, which is accessed via the company's website and intranet. Reported suspicions may either be investigated internally or handed over to the police.

You can read more about the anonymous whistleblower function on Nyfosa's website, www.nyfosa.se.

Outcome

No suspicions of fraud or corruption were reported in 2020.

ENVIRONMENTAL RESPONSIBILITY

Explanatory key

Control means that Nyfosa has the possibility to exercise an influence when, for example, choosing agreements or suppliers. Atemp refers to heated floor area in the buildings. Like-for-like portfolio refers to properties that were owned during two entire fiscal years as per December 31, 2020 and December 31, 2019, respectively, and over which Nyfosa has control of at least one type of energy: electricity, district heating or district cooling. Accordingly, there are two partly different portfolios whose outcome is reported in the tables below. For information on the properties included in the portfolio as per December 31, 2020, refer to the list of properties on pages 124–133.

LIKE-FOR-LIKE PORTFOLIO

| | Dec 31, 2020 | | Dec 31, 2019 | |
|---------------------|-------------------|----------------|-------------------|----------------|
| | No. of properties | Area, 000s sqm | No. of properties | Area, 000s sqm |
| Offices | 63 | 603 | 56 | 567 |
| Logistics/Warehouse | 45 | 562 | 22 | 227 |
| Retail | 16 | 128 | 16 | 118 |
| Other | 10 | 88 | 11 | 96 |
| Total | 134 | 1,381 | 105 | 1,008 |



301-1, MATERIALS USED BY WEIGHT OR VOLUME

Nyfosa's target is to recycle and reuse as much material as possible in order to benefit from an environmental and economic perspective. Ahead of every remodeling and tenant conversion, we investigate the potential to minimize the undertaking and to reuse construction materials and products.

Governance and monitoring

By implementing systems for documenting materials used in remodeling and tenant-specific modifications in our premises, we can focus on how we use materials and establish goals for reduced consumption.

Outcome

Follow-up systems will be deployed in the organization in 2021; for that reason, no outcomes are available for 2020. During 2021, continuous reporting will occur with the aim of creating a foundation for establishing a base year for reporting the indicator in forthcoming years.



302-1, ENERGY CONSUMPTION WITHIN THE ORGANIZATION

CRE1, BUILDING ENERGY INTENSITY

Nyfosa strives to improve the energy performance of its properties. This increases the value of our property portfolio and reduces negative climate impact.

Boundaries

Nyfosa can influence energy consumption in those buildings whose consumption goes via Nyfosa's main subscription. Reporting pertains to a like-for-like portfolio in which each specific building that has been owned by Nyfosa during the two most recent calendar years is measured over this period, as well as the main subscription that gives Nyfosa control over at least one of the following energy classes: electricity, district heating or district cooling. Control can vary between energy classes and properties. For the report on 2020, this corresponds to 42 percent of the total portfolio and encompasses both property energy and energy used in the operations. Consumption data is reported in accordance with SASB.

Governance and monitoring

The Board of Directors has set a goal that energy consumption will be reduced by 10 percent per sqm between 2020 and 2025. Monitoring occurs annually in conjunction with the annual report and sustainability report. Nyfosa purchases electricity from Vattenfall, which is 100 percent eco-labeled and renewable, and thus has low carbon

emissions. The tenants that sign green leases with us contribute, for example, in that we jointly map energy consumption in the building, and use eco-friendly materials in remodeling and cleaning.

Nyfosa continuously performs energy and environmental audits of its property portfolio in order to identify energy-saving potential. Energy, water and environmental data from our properties is monitored continuously via an energy monitoring system.

ENERGY PERFORMANCE

| kWh/sqm | Like-for-like portfolio Dec 31, 2020 ¹ | | Like-for-like portfolio Dec 31, 2019 | |
|---------------------|---|------------|--------------------------------------|------------|
| | 2020 | 2019 | 2019 | 2018 |
| Offices | 114 | 128 | 138 | 151 |
| Logistics/Warehouse | 68 | 68 | 52 | 51 |
| Retail | 142 | 147 | 149 | 147 |
| Other | 78 | 85 | 87 | 91 |
| Total | 101 | 109 | 125 | 101 |

¹) See definition of like-for-like portfolio under Explanatory key.

Outcome

Energy consumption per sqm in the like-for-like portfolio as per December 31, 2020 amounted to 101 kWh per sqm (109), corresponding to a decrease of 7 percent.

Total energy consumption in the like-for-like portfolio as per December 31, 2020 amounted to 104.0 GWh (99.0). The increase was due to the fact that the total data collection in the portfolio was higher in 2020 than in 2019.

ENERGY CONSUMPTION, LIKE-FOR-LIKE PORTFOLIO

| GWh, Dec 31, 2020 | Offices | | Logistics/Warehouse | | Retail | | Other | | Total | |
|-------------------|-------------|-------------|---------------------|-------------|-------------|-------------|------------|------------|--------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Electricity | 21.2 | 20.2 | 10.3 | 9.3 | 4.3 | 4.0 | 2.0 | 2.1 | 37.8 | 35.6 |
| District heating | 37.8 | 34.9 | 14.6 | 13.5 | 8.3 | 8.5 | 3.9 | 4.8 | 64.6 | 61.7 |
| District cooling | 1.0 | 1.2 | 0.0 | 0.0 | 0.5 | 0.6 | 0.0 | 0.0 | 1.6 | 1.7 |
| Total | 60.0 | 56.3 | 24.9 | 22.8 | 13.1 | 13.0 | 5.9 | 6.9 | 104.0 | 99.0 |

| GWh, Dec 31, 2019 | Offices | | Logistics/Warehouse | | Retail | | Other | | Total | |
|-------------------|-------------|-------------|---------------------|------------|-------------|-------------|------------|------------|-------------|-------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Electricity | 27.7 | 29.0 | 1.3 | 1.3 | 3.4 | 3.3 | 2.5 | 2.7 | 34.9 | 36.3 |
| District heating | 32.2 | 34.0 | 4.6 | 4.8 | 8.0 | 7.6 | 5.1 | 5.4 | 49.9 | 51.8 |
| District cooling | 1.2 | 1.7 | 0.0 | 0.0 | 0.6 | 0.6 | 0.0 | 0.0 | 1.7 | 2.3 |
| Total | 61.1 | 64.7 | 5.9 | 6.0 | 12.0 | 11.6 | 7.5 | 8.1 | 86.5 | 90.3 |



303-1, INTERACTIONS WITH WATER AS A SHARED RESOURCE CRE2, BUILDING WATER INTENSITY

Nyfosa owns properties throughout Sweden. In several parts of the country, ground water levels have been low in recent years. Consequently, water consumption has been of major importance for contributing to a sustainable infrastructure.

Boundaries

Nyfosa is able to influence water consumption in its building through investments in technical systems and new water fittings. The report covers the total water consumption in all documented properties in the like-for-like portfolio for 2020 and 2019, which accounts for 40 percent of the total portfolio, and with an average per sqm. It does not cover water usage where the tenant is the subscriber. Consumption data is reported in accordance with SASB.

Governance and monitoring

Nyfosa has set a goal that 100 percent of the properties owned for the entire year will have sustainability certification by 2030. Low water consumption is a prerequisite for green certification of the buildings with a high score, which puts the focus on consumption. Nyfosa offers its tenants green leases, which provide a starting point for jointly reducing water consumption in both the buildings and in the tenants' operations. Monitoring occurs annually in conjunction with the annual report and sustainability report.

Nyfosa continuously monitors the energy, water and environmental data from its properties via an energy monitoring system.

Outcome

Total water consumption in the like-for-like portfolio as per December 31, 2020 amounted to 238 thousand cubic meters (241).

Water intensity amounted to 0.25 cubic meters per sqm (0.25).

INTERACTIONS WITH WATER AS A SHARED RESOURCE

| m ³ /sqm | Like-for-like portfolio Dec 31, 2020 | | Like-for-like portfolio Dec 31, 2019 | |
|-------------------------|---|-------------|---|-------------|
| | 2020 | 2019 | 2019 | 2018 |
| Offices | 0.40 | 0.39 | 0.26 | 0.26 |
| Logistics/ Warehouse | 0.10 | 0.08 | 0.05 | 0.08 |
| Retail | 0.22 | 0.22 | 0.22 | 0.22 |
| Other | 0.15 | 0.20 | 0.19 | 0.16 |
| Total | 0.25 | 0.25 | 0.22 | 0.21 |



305-1, DIRECT (SCOPE 1) GHG EMISSIONS

305-2, ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

305-3, OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

CRE3, GREENHOUSE GAS EMISSIONS INTENSITY FROM BUILDINGS

A large part of Nyfosa's environmental impact stems from emissions of greenhouse gases from heating and cooling, as well as energy usage in our buildings.

Boundaries

The report focuses on direct emissions from passenger transport, coolants and fossil fuels (Scope 1), indirect emissions occurring through heating, cooling and hot water in the properties (Scope 2) and renewable electricity, business travel, commuter travel and waste from tenants (Scope 3). Reporting of carbon emissions connected to heating, cooling and electricity refers to all documented properties in the total portfolio where Nyfosa has control over the subscription, which corresponds to 81 percent (76) of the total portfolio. Reporting of passenger transport pertains to company cars and service vehicles. Reporting of coolants pertains to equipment subject to reporting requirements according to Swedish law. Reporting of fossil fuels pertains to incineration at any of Nyfosa's properties. Reporting of business travel pertains to travel that Nyfosa's employees have carried out while on duty.

Governance and monitoring

The Board of Directors has set goals for reduced energy consumption and for sustainability certification of our buildings. The assessment is that both of these goals will result in a reduction in carbon emissions. Monitoring occurs in conjunction with the annual report and sustainability report.

Nyfosa continuously performs energy and environmental audits of its property portfolio in order to identify energy-saving potential. Energy, water and environmental data from our properties is monitored continuously via an energy monitoring system.

Coolants, fossil fuels and waste from tenants are reported annually by the respective suppliers. Business travel is monitored annually through reports from the company's supplier of company cars. Nyfosa climate compensates for air travel and travel by car.

The Board has also set a goal to increase the number of green leases. The tenants that have signed a green lease with us contribute to an increased focus on reducing carbon emissions by focusing on reduced electricity consumption, a high proportion of renewable electricity and ensuring that waste is managed efficiently and safely.

Outcome

The estimates are from the energy monitoring system Mestro and are based on standard estimates. CO₂ emissions from electricity production are based on Nyfosa's electricity supply contract with Vattenfall, based on the lifecycle for electricity production, 8.45g

per kWh (8.30). CO₂ emissions from district heating are based on the energy companies' own figures, which are compiled annually by the organization Swedenergy and have not been adjusted. When the report is published in the middle of the year, the environmental values for district heating lag behind by one year. For district cooling, the emission factor for Swedish average district cooling is used, which is 19.96 g per kWh (14.0). Emission factors from Tricorona are used for all travel.

Passenger transport and fossil fuels are reported in Scope 1, with 2020 representing the first measurement year. Reported quantity of fossil fuels pertains to energy requirements for back-up power.

Within Scope 2, the sum total of emissions has increased by 30 percent, which is explained by a larger property portfolio. Emission intensity (kg/sqm) has been reduced from 3.5 to 2.9, corresponding to 17 percent.

Within Scope 3, emissions from electricity consumption increased by 41 percent, which is explained by a larger property portfolio. Emission intensity (kg/sqm) has been reduced from 0.29 to 0.27, corresponding to 7 percent. For business travel, 2020 is the first measurement year.

SCOPE 1

| Tons CO ₂ | 2020 | 2019 | 2018 |
|----------------------|------------|----------|----------|
| Passenger transport | 112 | – | – |
| Fossil fuels | 5 | – | – |
| Total | 117 | – | – |

SCOPE 2

| Tons CO ₂ | 2020 | 2019 | 2018 |
|----------------------|--------------|--------------|--------------|
| Heating | 4,700 | 3,614 | 2,347 |
| Cooling | 50 | 21 | 27 |
| Total | 4,750 | 3,635 | 2,374 |

SCOPE 3

| Tons CO ₂ | 2020 | 2019 | 2018 |
|----------------------|------------|------------|------------|
| Electricity | 538 | 382 | 302 |
| Business travel | 3 | – | – |
| Total | 541 | 382 | 302 |

Source energy consumption: Mestro



306-2, WASTE BY TYPE AND DISPOSAL METHOD

To reduce tenant waste, it is important to ensure that there is sufficient space and enough containers to sort waste in a central location in the property. The national target for waste entails that actions be taken so that 70 percent of the weight of all non-hazardous building and demolition waste will be recycled or reused.

Boundaries

The report focuses on waste from tenants, broken down into hazardous waste, recycled waste and waste for incineration in the properties in which Nyfosa has control over waste management. At present, not all waste management suppliers are able to report quantities and type of waste. In a number of cases, Nyfosa is not able to switch supplier. The report is limited to available data, which corresponds to 768 thousand sqm or 32 percent of the total portfolio for sorted waste, 149 thousand sqm or 6 percent of the total portfolio for residual waste and 84 thousand sqm or 4 percent of the total portfolio for hazardous waste.

Governance and monitoring

To be able to set tangible goals, an initiative is under way in 2021 to enable reporting of waste management.

The tenants who have currently signed green leases with us contribute to a greater focus on waste management and the use of materials. In the event that Nyfosa is responsible for agreements with the supplier, it is Nyfosa's responsibility to make sure that there are possibilities for recycling and efficient waste management. It

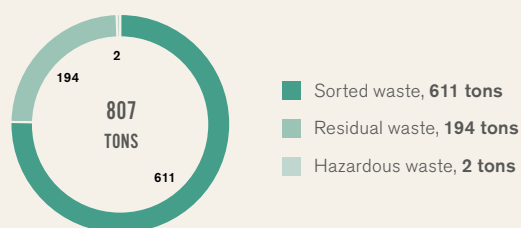
is also Nyfosa's responsibility to ensure that the spaces for waste management maintain a good standard. Monitoring of work pertaining to this indicator occurs annually in conjunction with the annual report and sustainability report.

Outcome

The outcome is based on reports from Nyfosa's suppliers. Reported waste during 2020 consisted of 611 tons of sorted waste, 194 tons of residual waste and 2 tons of hazardous waste.

Sorted waste corresponded to 0.8 kg per sqm, residual waste to 1.3 kg per sqm and hazardous waste to 0.03 kg per sqm.

WASTE WEIGHT BY TYPE



CRE8, PROPERTIES WITH SUSTAINABILITY CERTIFICATION

By using different sustainability certifications in our buildings, we can ensure that sustainability issues are given a distinct focus in the organization. Certification facilitates green financing and provides a detailed documentation of the environmental performance of the building, during the time we own it and as part of a sales process.

Governance and monitoring

The Board of Directors has set a goal for sustainability certification of our buildings. Monitoring occurs annually in conjunction with the annual report and sustainability report.

Goal

By 2025, 50 percent of properties owned for the entire year will have sustainability certification and 100 percent by 2030.

Nyfosa continuously examines the possibility to secure sustainability certification for its buildings, which sustainability certification systems are relevant and at which level certification can be achieved for each building.

Outcome

During 2020, the number of properties with sustainability certification amounted to 11 in the total portfolio and nine in the like-for-like portfolio, corresponding to 6 percent.

BREEAM In-Use at level Good

The Bodarna 2, Gillet 1, Jungfrun 11, Vindruvan 15, Vindruvan 4 and Lejonet 11 properties

Green Building

The Tackan 9 and Högom 3:178 properties

LEED level Gold

The Stensholm 1:754 property

SGBC Levels Bronze and Silver, respectively

The Byrådirektören 3 and Söder 18:19 properties

SOCIAL RESPONSIBILITY



OWN INDICATOR, ACCIDENTS AND ABSENCE DUE TO ILLNESS

Nyfosa wants to promote good health and create a healthy and secure work environment for all its employees.

Boundaries

Reporting covers absence due to illness and accidents involving people employed by Nyfosa and the accidents reported at our workplaces. Because the number of employees within the organization is low (67), only total absence due to illness is reported and is not presented according to gender or occupation category.

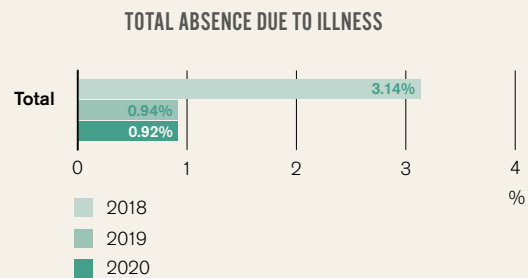
Governance and monitoring

The Employee Handbook, which is available on the company's intranet, summarizes the health-promoting benefits that are offered to personnel, including health checks, and what is offered in the form of rehabilitation in connection with illness. All Nyfosa employees are covered by health insurance.

Monitoring of absence due to illness and long-term absence is performed monthly and over a rolling 12-month period. The number of work accidents is followed up annually.

Outcome

Total absence due to illness in 2020 amounted to 0.92 percent (0.94). In 2020, one accident (–) was reported among Nyfosa's employees.



404-1, AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Nyfosa works actively to be an employer that offers a creative, open and stimulating work environment with a focus on proximity to business decisions, inclusion in business development and personal development for all employees. To a significant extent, Nyfosa can influence its employees' personal development through, for instance performance reviews and hours of training.

Boundaries

The report encompasses all employees in Nyfosa.

Governance and monitoring

Nyfosa does not have a policy decision stipulating that regular performance and career development reviews should be held within the organization. All employees who wish to receive performance and career development reviews are to be given an opportunity to do so. The need for performance and career development reviews is assessed and monitored by the particular manager.

Outcome

In 2020, 100 percent of the employees who in their professional role deal with matters involving investments in existing properties and tenant relations underwent training in construction law and property owner responsibility.



404-3, PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS



405-1, DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Nyfosa's ambition is that gender equality efforts will be a natural part of our operations. The conditions, rights and development opportunities of men and women must be equal within the entire company and not related to gender or origin. During 2020, the number of employees averaged 63 (27). All employees are permanent employees. 3 percent are employed part time, all of whom are women who have themselves requested part-time employment.

Nyfosa has chosen to outsource the majority of financial management to an external service provider. Property upkeep is largely outsourced to a number of local service providers.

Boundaries

Reporting covers only people employed at Nyfosa.

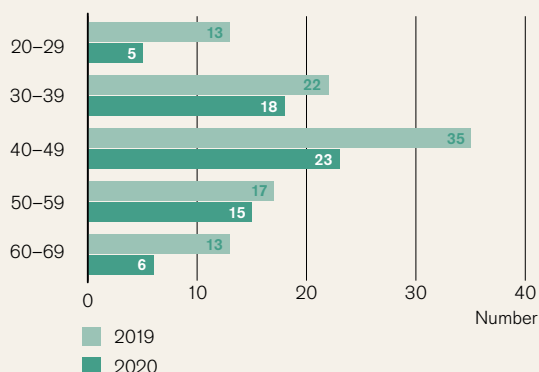
Governance and monitoring

The Nomination Committee is responsible for ensuring that the Board of Directors has an even gender distribution in terms of members. The company's management is responsible for equality work within the company and annually monitors statistics concerning age and gender distribution. If cases of discrimination are uncovered, employees are urged to report this to their immediate superior, HR Manager or to Nyfosa's whistleblower function.

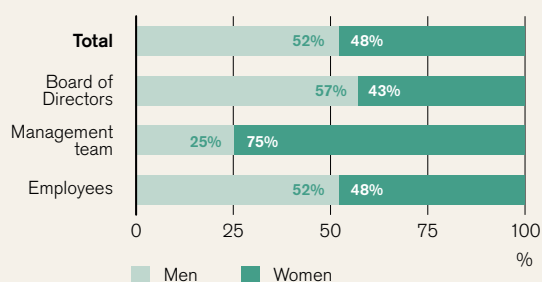
Outcome

The percentage of women was 43 percent (43) on the Board of Directors, 75 percent (50) in the Executive Management Team and 48 percent (52) among the employees.

AGE DISTRIBUTION



GENDER DISTRIBUTION



406-1, INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

At Nyfosa, all employees, partners and customers will be treated with respect and no one is to feel violated, discriminated or uncomfortable on the grounds of gender, ethnicity, religion, sexual orientation or age. Nyfosa has zero tolerance for harassment or bullying of any kind.

Boundaries

Nyfosa can influence the impact that occurs internally in the organization. The report pertains to incidents that take place within the organization.

Governance and monitoring

Nyfosa has zero tolerance for all forms of discrimination. Anti-discrimination efforts are governed through Nyfosa's whistleblower function and Code of Conduct. In 2021, the governance structure will be supplemented with a Code of Conduct for Suppliers and the largest suppliers will be asked to confirm their compliance with the code.

Employees of the in-house organization are urged to report all forms of perceived discrimination to their immediate superior, HR Manager or via the whistleblower function.

Outcome

In 2020, no incidents of discrimination (–) were reported.



414-1, NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

Nyfosa purchases a large amount of materials and services from various suppliers, of which electricity, district heating, water and property upkeep and repairs account for a significant share. Financial property management is performed primarily by an external service provider based in Gothenburg and property upkeep is performed by a number of local service providers. Operating costs for materials and services totaled MSEK 692; see GRI 201-1. The assignments of the external service providers increase as the property portfolio grows. The suppliers are considered an extension of the company's own operations. The reason for adopting a Code of Conduct for Suppliers is to ensure that the working conditions at the companies that supply goods and services to the company fulfill

Nyfosa's requirements in terms of work environment and ethical standards and that the assignment is conducted in an environmentally conscious manner.

Governance and monitoring

The Board of Directors has set a goal for 2021 that the Code of Conduct for Suppliers will be adopted and that the largest suppliers will confirm their compliance with it. Monitoring occurs annually in conjunction with the annual report and sustainability report.

Outcome

No outcome to report for 2020.



OWN INDICATOR, MEASURES TAKEN TO MAINTAIN A HIGH LEVEL OF SAFETY AND SECURITY IN AND AROUND THE PROPERTIES

Nyfosa's tenants must always be able to rely on the fact that Nyfosa's properties offer a work environment that is safe, accessible and healthy. Feeling safe and secure is a prerequisite in and around all our properties. Examples of important safety features include handling icicles and snow falling from roofs, fire safety and electricity audits.

Governance and outcome

In 2020, 100 percent of the employees who in their professional role deal with matters involving investments in existing properties and tenant relations underwent training in construction law and property owner responsibility.

AUDITOR'S LIMITED ASSURANCE REPORT ON NYFOSA AB'S SUSTAINABILITY REPORT AND STATEMENT REGARDING THE STATUTORY SUSTAINABILITY REPORT

To Nyfosa AB corporate ID 559131-0833

Introduction

We have been engaged by the Board of Directors of Nyfosa AB to undertake a limited assurance engagement of Nyfosa AB's Sustainability Report for the year 2020. The company has defined the scope of the Sustainability Report to pages 38-55 and 114-122 in this document, which also constitutes the Statutory Sustainability Report.

Responsibilities of the Board of Directors and the Group Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 49 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that Nyfosa AB has developed. This responsibility also includes the internal control relevant to the preparation of Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Nyfosa AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 18 March 2021

KPMG AB

Mattias Johansson
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR

PROPERTY LISTING

PROPERTY LISTING

OFFICES

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|-----------------------------------|---|-------------------------|------------|------------------|--------------------|-----------|
| Borlänge Boktryckaren 17 | Bygatan 35 | | 1990 | | 1,829 | |
| Borlänge Torkel 3 | Borganäsvägen 12 | | 1986 | | 2,883 | |
| Borlänge Tyra 13-14 | Hagavägen 2-6, Jussi Björlings Väg 19-23, Vasagatan 24 | | 1983 | | 6,469 | |
| Enköping Centrum 20:1 | Källgatan 6, Eriksgatan 23, Kryddgårdsgatan 22-24 | LfL | 1981 | 2008 | 3,947 | |
| Eskilstuna Vagnmakaren 8 | J A Selanders Gata 1 | | 1967 | 2016 | 3,410 | |
| Eskilstuna Viljan 2 | Careliigatan 8 | | 1976 | | 9,162 | |
| Eskilstuna Vinkelhaken 5 | Fristadstorget 4 | | 1954 | 2000 | 2,866 | |
| Gnosjö Marås 1:12 | Maråsliden 7 | | 1960 | | 1,140 | |
| Gävle Norr 12:5 | Nygatan 13 | LfL | 1978 | | 15,848 | |
| Gävle Norr 25:5 | Hattmakargatan. 7-9, Drottninggatan 29-31, Norra Kopparslagargatan. 8-10, Nygatan 30-32 | LfL | 1929 | 1950, 2003 | 8,910 | |
| Gävle Söder 18:19 | Slottstorget 3, Västra Islands-gatan 2, Källgränd 2 | LfL | 1964 | 2001 | 4,869 | |
| Halmstad Klingberget 6 | Brogatan 1 | LfL | 1929 | 1960, 2003, 2011 | 10,996 | |
| Halmstad Rudan 6 | Bredgatan 1 | LfL | 1906 | 2014, 2016 | 838 | |
| Halmstad Svartmunken 2 | Karl XI:s väg 61 | LfL | 1986 | 2012, 2015 | 5,147 | |
| Helsingborg Asien 20 | Kvarnstensgatan 11, Verkstadsgatan 2 | LfL | 1972 | 1989 | 2,548 | |
| Helsingborg Köpingetrakten 1 | Trintegatan 9 | | 1990 | 2005 | 905 | |
| Huddinge Cirkeln 2 | Ellipsvägen 12 | | 1990 | | 3,559 | |
| Härnösand Lärkan 21 | Artillerigatan 2, Tullportsgatan 2 | | 1969 | 1978 | 7,062 | |
| Härnösand Rådmanen 6 | Backgränd 9 | | 1981 | | 4,546 | |
| Härnösand Torsvik 5 | Järnvägsgatan 2, Nattviksgatan 6-8 | | 1993 | | 8,586 | |
| Järfälla Jakobsberg 2:2583 | Järfällavägen 100-106 | | 1982 | | 22,168 | |
| Jönköping Stensholm 1:754 | Stensholmsvägen 20 | | 2017 | | 8,500 | |
| Karlskrona Möllebacken 15 | Högabergsgatan 3-5, etc. | LfL | 1929 | 1969 | 7,201 | |
| Karlskrona Sparre 3 | Drottninggatan 18 A-F | | 1920 | | 11,454 | |
| Karlskrona Stumholmen 2:1,2:21 | Bastionsgatan 18 | | 1750 | | 4,103 | |
| Karlskrona Tyska Bryggaregården 6 | Saltsjöbadsvägen 1A, etc. | LfL | 1929 | 1993, 2001 | 6,847 | |
| Karlstad Barkassen 7 | Lagergrens gata 2-4 | | 1990 | | 12,338 | |
| Karlstad Barkassen 9 | Lagergrens gata 8a-b | | 1991 | | 7,045 | |
| Karlstad Björnen 13 | Fredsgatan 10/Älvgatan 5 | | 1906 | 1953, 1962 | 7,483 | |
| Karlstad Blåsten 4 | Stormgatan 8 | | 1975 | | 2,416 | |
| Karlstad Brisen 4 | Stormgatan 18 | | 1973 | | 1,045 | |
| Karlstad Bälgen 9, 10, 11 | Sågverksgatan 35, 37 | | 1968 | | 2,822 | |
| Karlstad Druvan 13 | Tingvallagatan 17 | | 1947 | | 4,241 | |
| Karlstad Ekorren 11 | Malmorgsgatan 4 | | 1929 | 1959 | 6,638 | |
| Karlstad Fjädern 16 | Bromsgatan 4 | | 1991 | | 4,330 | |
| Karlstad Freja 13 | Drottninggatan 6 | | 1965 | | 7,098 | |
| Karlstad Grästegen 2 | Strågatan 3 | | 1990 | | 2,523 | |
| Karlstad Hybelejen 17 | Verkstadsgatan 20 | | 1929 | | 2,921 | |
| Karlstad Kanoten 10 | Lagergrens gata 7 | | 1989 | | 10,072 | |

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|-----------------------------|---|-------------------------|-----------------|-----------------|--------------------|-----------|
| Karlstad Monitorn 9 | Östra torggatan 2 | | 1993 | | 3,429 | |
| Karlstad Pinassen 2 | Gustav Lovens Gata 17 | | 2017 | | 14,308 | |
| Karlstad Regnvinden 1 | Bidevindsgatan 7 | | 1990 | | 9,983 | |
| Karlstad Spärren 7 | Rattgatan 6 | | 1968 | | 1,908 | |
| Karlstad Stolpen 1 | Ventilgatan 5a | | 1964 | | 4,122 | |
| Karlstad Stolpen 6 | Ventilgatan 1a | | 1991 | | 598 | |
| Karlstad Styrmannen 5 | Hamntorget 1-3 | | 1991 | | 7,388 | |
| Karlstad Sågen 1 | Industrigatan 1 | | 1986 | | 3,213 | L |
| Karlstad Sågen 2 | Faktorigatan 15 | | 1988 | | 1,611 | |
| Karlstad Sågen 9 | Lantvärnsgatan 8 | | 1972 | | 2,301 | |
| Karlstad Tången 15 | Gjuterigatan 28 | | 1991 | | 1,974 | |
| Kiruna Grävmaskinen 1 | Lastvägen 18 | LfL | 1991 | | 3,419 | |
| Kristianstad Hundena 12 | Götgatan 6 | | 1944 | | 6,001 | |
| Kristianstad Södra Kasern 2 | S kaserngatan 7 | | 1793/1981 | | 26,206 | |
| Kristinehamn Uroxen 15 | Kungsgatan 30 | | 1975 | | 6,950 | |
| Kungälv Skruven 3 | Bultgatan 40 | LfL | 1990 | | 8,041 | |
| Köping Botulf 4 | Hultgrensgatan 4 | | 1960 | | 3,065 | |
| Luleå Haren 15 | Kungsgatan 31 | | 1970 | | 9,598 | |
| Luleå Hermelinen 15 | Kungsgatan 29 | | 1952 | | 7,562 | |
| Luleå Mården 11 | Skeppsbrogatan 21, Magasinsgatan 6 | LfL | 1950 | 1985, 1995 | 9,735 | |
| Luleå Ploggen 4 | Depåvägen 6 | LfL | 1966 | 2008 | 5,295 | |
| Luleå Porsön 1:403 | Laboratoriegränd 11 | | 1976/8/90/97/98 | | 9,556 | |
| Luleå Spiggen 4 | Kungsgatan 5-7 | | 1981 | | 6,506 | |
| Lund Hunnerup 1 | St Lars Väg 41-55 | LfL | 1920 | | 19,003 | |
| Malmö Brudbuketten 10 | Russgatan 6 | LfL | 1988 | | 750 | |
| Malmö Brudbuketten 11 | Derbyvägen 24 | | 1988 | | 1,346 | |
| Malmö Brudbuketten 13 | Derbyvägen 20 | LfL | 1988 | | 1,063 | |
| Malmö Bryggeriet 2 | Jespersgatan 23 | LfL | 1950 | 1978 | 25,750 | |
| Malmö Byrådirektören 3 | Von troils väg 1 | | 1972-1974 | | 13,910 | L |
| Malmö Böttö 5 | Kosterögatan 5, Öckerögatan 2 | LfL | 1964 | 1980 | 11,666 | |
| Malmö Domkraften 5 | Lockarpvägen 6A, 6B | | 2019 | | 4,751 | |
| Malmö Flygkameran 2 | Höjdrodergatan 7 | | 1991 | | 1,429 | |
| Malmö Rosenbuketten 4 | Höjagatan 1 | LfL | 1987 | 1990 | 4,322 | |
| Malmö Spindeln 2 | Singelgatan 2D | | 1961 | 2001 | 7,232 | L |
| Malmö Sämjan 2 | Sofielundsvägen 55, Rolfsgatan 5 | LfL | 1850-1950 | | 9,437 | |
| Malmö Vårsången 7 | Gånglätsvägen 87-89 | LfL | 1963 | | 1,544 | L |
| Motala Kassetten 1 | Medevivägen 63 | | 1988 | | 5,558 | |
| Motala Läraren 6 | Långbackagatan 1 | | 1983 | | 2,660 | |
| Motala Telegrafan 2 | Poppelgatan 3 | | 1900 | | 996 | |
| Nacka Sicklaön 358:1 | Hästholmsvägen 26-32 | LfL | 1987 | | 16,681 | |
| Norrköping Spolaren 4 | Linnegatan 28 | | 1961 | | 6,335 | |
| Norrköping Förrådet 9 | Diamantgatan 10 / Rubingatan 2 | | 2010 | | 3,177 | |
| Norrköping Orren 2 & 3 | Roslagsgatan 6 | | 1970 | | 1,551 | |
| Nynäshamn Alkotten 2 | Lövlundsvägen 3 | | 1984 | | 4,126 | |
| Oskarshamn Snickeriet 14 | Förrädsgatan 6 | | 1977 | 2002 | 2,198 | |
| Skellefteå Lärkan 10 | Storgatan 50 | | 1975/1984 | | 5,407 | |
| Sollentuna Tackan 9 | Bygdevägen 16,18 | | 1979 | | 5,938 | |
| Solna Skogskarlen 3 | Pipers väg 2a-c | | 1971 | | 9,092 | |
| Stockholm Knarrarnäs 8 | Knarrarnäsgatan 13 | LfL | 1984 | | 3,087 | L |
| Stockholm Malax 3 | Raseborgsgatan 9 | LfL | 1988 | | 6,658 | L |
| Stockholm Prästgårdsången 2 | Solberga Ängsväg 1-3, Götalandsvägen 216-218 | LfL | 1986 | | 6,595 | L |
| Sundsvall Granlo 3:220 | Kalmarvägen 48 | LfL | 1960 | 1995 | 539 | |
| Sundsvall Högom 3:178 | Mejselvägen 9-14 | LfL | 1970 | 2002 | 5,264 | |
| Sundsvall Köpstaden 24 | Bultgatan 14 | LfL | 1986 | 2011 | 1,420 | |
| Sundsvall Köpstaden 25 | Bultgatan 10 | LfL | 1975 | 2002 | 9,713 | |
| Sundsvall Köpstaden 26 | Bultgatan 8 | LfL | 1965 | 1998 | 1,855 | |
| Sundsvall Ljusta 7:2 | Antennvägen 2 | LfL | 1980 | 2013 | 9,035 | |

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|-----------------------------|--|-------------------------|------------|---------------------------|--------------------|-----------|
| Sundsvall Norrmalm 4:6 | Heffnersvägen 22 | LfL | 1970 | 1989 | 1,974 | L |
| Sundsvall Saturnus 7 | Bankgatan 13 | LfL | 1912 | 2014 | 9,202 | |
| Sundsvall Öskaret 10 | Skepparegatan 3 | LfL | 1989 | 2004 | 11,915 | |
| Södertälje Halvmånen 3 | Morabergsvägen 33 A | | 2018 | | 10,095 | |
| Uddevalla Hvitfeldt 22 | Norr tullsgatan, Bagges gränd, Lilla norrgatan, Västerlånggatan 20-22, | | 1980 | | 10,071 | |
| Uddevalla Solbacken 10 | Silentzvägen 6 | | 1980 | | 1,790 | |
| Umeå Formen 1 | Formvägen 5 | LfL | 1986 | 2004 | 7,513 | |
| Umeå Tyr 8 | Östra Esplanaden 3, Storgatan 69 | LfL | 1997 | 2014, 2019 | 8,627 | |
| Upplands Väsby Vilunda 6:59 | Dragonvägen 86 | | 1972 | | 5,658 | |
| Uppsala Boländerna 5:2 | Bolandsgatan 16 | | 1973 | | 8,475 | |
| Värnamo Bodarna 2 | Myntgatan 8- 10 | LfL | 1934 | 1991 | 1,773 | |
| Värnamo Bokbindaren 20 | Västbovägen 56 | LfL | 1975 | 1991 | 2,561 | |
| Värnamo Gamla Gåsen 4 | Boagatan 1, Myntgatan | | 1907 | | 200 | |
| Värnamo Gillet 1 | Flanaden 3-5 | LfL | 1974 | 2003 | 5,228 | |
| Värnamo Lejonet 11 | Lasarettsgatan 1-5, Storgatsbacken 23 | LfL | 1961 | 1987, 2005 | 5,014 | |
| Värnamo Mon 13 | Karlsdalsgatan 2 | | 1982 | | 1,976 | |
| Värnamo Plattläggaren 1 | Silkesvägen 18 | LfL | 1989 | 2014 | 1,798 | |
| Värnamo Rågen 1 | Expovägen 6 | LfL | 1965 | 1990, 2011 | 4,828 | |
| Värnamo Vindruvan 15 | Storgatsbacken 12 | LfL | 1989 | | 1,990 | |
| Värnamo Värnamo 14:11 | Jönköpingsvägen 41-43 | LfL | 1917 | 1940, 1966, 1982, 2012 | 4,030 | |
| Västerås Kungsängen 12 | Pilgatan 8 | | 1990 | | 12,250 | |
| Västerås Lea 15 | Stora gatan 58 | | 1971 | | 23,427 | |
| Västerås Samuel 1 | Sigurds gatan | | 1920 | | 6,735 | |
| Västerås Sigurd 5 | Sigurds gatan 21 | | 1991 | | 13,264 | |
| Västerås Sigvald 6 | Sigurds gatan 7 | | 1875/1936 | | 3,643 | |
| Västerås Sågen 2 | Ångsgårdsgatan 4 | LfL | 1992 | | 3,458 | |
| Västerås Sågen 6 | Ångsgårdsgatan 12a | LfL | 1987 | | 6,046 | |
| Västerås Sägklingan 10 | Ångsgårdsgatan 13 | LfL | 1990 | | 1,709 | |
| Västerås Verkstaden 6 | Glödargränd 1-3, Metallverks- gatan 2-10, Varmvals vägen 1-3 | LfL | 1866 | 2006 | 16,492 | |
| Västerås Verkstaden 8 | Östra Ringvägen 2 | LfL | 1936 | 1951, 1977 | 20,008 | |
| Växjö Bagaren 10 | Ljungadalsgatan 2, Hejaregatan 10 | LfL | 1987 | 2015 | 29,928 | |
| Växjö Båken 1 | Systratorpsvägen 16 | LfL | 1983 | | 1,496 | |
| Växjö Garvaren 4 | Hjalmar Petris väg 32 | LfL | 1981 | 2010 | 2,570 | |
| Växjö Glasmästaren 1 | Arabygatan 80 | LfL | 1966, 1988 | 2005 | 6,199 | |
| Växjö Illern 5 | Isbjörnsvägen 11-13 | LfL | 1987 | 2014 | 2,146 | |
| Växjö Plåtslagaren 4 | Verkstadsgatan 5 | LfL | 1967, 1988 | 2013 | 5,602 | |
| Växjö Sotaren 4 | Arabygatan 82 | LfL | 1992 | | 2,979 | |
| Växjö Svea 8 | Lineborgsplan 3 | LfL | 1982 | 2014 | 2,160 | |
| Växjö Unaman 8 | Klostergatan 6, Kungsgatan 3, Sandgårdsgatan 6-8 | LfL | 1969 | 2009 | 5,609 | |
| Växjö Ödman 15 | Storgatan 29 | LfL | 1972 | 2015 | 4,321 | |
| Örebro Barkenlund 11 | Vasastrand 11 | | 1934 | 1989 | 2,819 | |
| Örebro Forskarbyn 2 | Forskarvägen 1-3 | | 1998 | | 5,535 | |
| Örebro Fåraherden 1 | Riagatan 1-3 | | 1992 | | 2,948 | |
| Örebro Karossen 5 | Bettorps gatan 12 B-C | | 2004 | 2009 | 5,127 | |
| Örebro Oxbacken 7 | Krontorps gatan 1 | | 1981 | 1988 | 2,942 | |
| Örebro Pigan 1 | Riagatan 53 | | 1992 | | 931 | |
| Örebro Vindhjulet 3 | Tunnlandsgatan 1-5 | | 1970 | | 19,415 | |
| Örebro Vindtunneln 1 | Skäpplandsgatan 1A-C | | 1989 | | 3,369 | |
| Örnsköldsvik Handformaren 2 | Sjögatan 4 | LfL | 1969 | 1998 | 16,596 | |
| Örnsköldsvik Kraften 4 | Sjögatan 1 | LfL | 1958, 1969 | 2009, 2016 | 11,830 | |
| Örnsköldsvik Köpmannen 1 | Trädgårdsgatan 1 | | 1968 | 1989, 2016, 2017 | 6,369 | |
| Örnsköldsvik Strandkajen 7 | Järnvägs gatan 3 | LfL | 1991 | 1993, 2003 | 28,684 | |

WAREHOUSE/LOGISTICS

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|------------------------------|----------------------------------|-------------------------|------------------------|------------------|--------------------|-----------|
| Borås Bockasjö 1 | Bockasjögatan 12 | LfL | 1987 | | 23,841 | |
| Borås Rydahög 1 | Almenäsvägen 7, 10 | LfL | 1962 | 2006 | 39,652 | |
| Borås Rydaslätt 1 | Almenäsvägen 16 | LfL | 1986 | | 13,767 | |
| Borås Tråskruven 1 | Sandlidsgatan 6 | LfL | 1973 | | 15,539 | |
| Botkyrka Genetikern 2 | Alfred Nobels Alle 109 | | 2001, 2011 | 2019 | 7,444 | |
| Botkyrka Hantverkaren 1 | Segersbyvägen 2-4 | LfL | 1974 | | 9,120 | L |
| Burlöv Sunnanå 12:33 | Terminalgatan 5-7 | | 2020 | | 6,094 | |
| Burlöv Sunnanå 6:40 | Terminalgatan 5-7 | | 2015 | | 1,401 | |
| Eskilstuna Grönsta 2:52 | Svista Lagerväg 8 | | 2006 | | 13,780 | |
| Eskilstuna Valhalla 1:6 | Bredängsgatan 55-57 | LfL | 1976, 1984, 1991, 2009 | | 9,016 | |
| Falköping Alunskiffen 1 | Agnestadsgatan 2 | | 2012 | | 12,015 | |
| Falköping Eldaren 1 | Energigatan 6 | LfL | 2018 | | 5,148 | |
| Falun Nedre Gruvriset 33:278 | Tunavägen 90 | | 2010 | 2012 | 44,312 | |
| Göteborg Kobbegården 6:136 | Datavägen 25 | | 1980 | | 13,605 | |
| Haninge Jordbromalm 6:16 | Lagervägen 28 | LfL | 1977 | 2003 | 7,121 | |
| Haninge Jordbromalm 6:60 | Rörvägen 4-8 | LfL | 1983 | | 6,605 | |
| Haninge Åby 1:152 | Rörvägen 62 | LfL | 1989 | 1991, 2003 | 4,255 | |
| Helsingborg Dolken 3 | Mörsaregatan 12 | | 1995 | | 3,845 | |
| Helsingborg Kniven 9 | Mörsaregatan 21 | LfL | 1988 | 2004, 2015, 2016 | 7,583 | |
| Helsingborg Revolvern 1 | Mörsaregatan 25 | LfL | 1988 | 2008 | 3,360 | |
| Helsingborg Torbornahögen 3 | Stenbrovägen 15 | LfL | 1981 | 1987, 2000 | 12,839 | |
| Huddinge Cirkelsågen 2 | Slipstensvägen 16 | | 2011 | | 6,725 | |
| Huddinge Gjutformen 1 | Betongvägen 10 | | 2015 | | 4,528 | |
| Härryda Håltås 1:18 | Kurirvägen 1 | | 2010 | | 13,316 | |
| Hässleholm Stoby 24:9 | Krossgatan 1, 26, 28, 30A-F & 32 | | 2018 | | 5,466 | |
| Jönköping Hedenstorp 2:1 | Mogölsvägen 14 | | 2011 | | 9,000 | |
| Jönköping Stensholm 1:755 | Stensholmsvägen 24 | | 2015 | | 3,100 | |
| Karlstad Blåsten 3 | Stormgatan 6 | | 1975 | | 2,088 | |
| Karlstad Bromsen 6 | Ramgatan 7 | | 1967 | 1973 | 3,606 | |
| Karlstad Gångjärnet 2 | Blockgatan 29 | | 1964 | | 3,069 | L |
| Karlstad Hammaren 21 | Gjuterigatan 27-29 | | 1990 | | 1,946 | |
| Karlstad Kulingen 4 | Östanvindsgatan 17 | | 1976 | | 8,165 | |
| Karlstad Passadvinden 3 | Regnvindsgatan 17 | | 1990 | | 3,684 | |
| Karlstad Regnvinden 14 | Regnvindsgatan 8 | LfL | 1991 | | 9,129 | |
| Karlstad Släggan 13 | Sågverksgatan 20 | | 1981 | | 1,750 | |
| Karlstad Tornadon 2 | Blekegatan 9 | | 1975 | | 13,226 | |
| Karlstad Ugnen 1 | Sågverksgatan 32 | | 1989 | | 1,687 | |
| Kumla Oxen 11 | Västra Drottninggatan 40 | | 1972 | | 2,451 | |
| Kungälv Försäljaren 9 | Filaregatan 17-19 | LfL | 1974 | | 8,525 | |
| Lidköping Axet 1 | Skogsvaktarevägen 2 | | 1962 | 2000 | 22,655 | |
| Linköping Antennen 10 | Alkagatan 2 | LfL | 1948 | | 7,375 | |
| Linköping Glasberget 5 | Roxtorpsgatan 13 | | 1974 | 1985 | 8,400 | |
| Linköping Gumsen 45 | Floragatan 13 | | 1946 | 2005 | 3,410 | |
| Linköping Navhälet 2 | Låsblecksgatan 3 | LfL | 1992 | | 7,513 | |
| Ljungby Vagnen 6 | Långgatan 20 | | 1972 | | 2,340 | |
| Lund Saturnus 29 | Tellusgatan 15 | | 2000 | | 3,487 | |
| Malmö Eggegrund 6 | Hemsögatan 10 | LfL | 1983 | | 7,586 | |
| Malmö Firman 2 | Firmagatan 2, 4, 6 | | 2016 | | 2,263 | |
| Malmö Firman 4 | Firmagatan 8 | | 2019 | | 1,090 | |
| Malmö Flygledaren 7 | Höjdrodergatan 22 | | 1991 | | 1,971 | |
| Malmö Getingen 5 | Sallerupsvägen 90 | | 1962 | | 8,335 | L |
| Malmö Grophuset 3 | Långhusgatan 5B | | 2019 | | 3,610 | |
| Malmö Holmögadd 3 | Bjurögatan 26 | LfL | 1970 | 2000, 2009 | 11,360 | |
| Malmö Holmögadd 4 | Bjurögatan 28, Flintränegatan 24 | LfL | 1970 | 1999 | 14,165 | |

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|----------------------------|-------------------------------------|-------------------------|------------|------------------------|--------------------|-----------|
| Malmö Kamaxeln 7 | Vevaxelgatan 17 | | 2006 | | 1,920 | |
| Malmö Lillgrund 5 | Borrgatan 31 | | 1952 | 2005 | 4,430 | |
| Malmö Måseskär 6 | Kosterögatan 6A-C, Väderögatan 5A-C | | 1964 | | 13,333 | |
| Malmö Olsgård 5 | Olsgårdsgatan 13A-13E | | 2019 | | 5,464 | |
| Malmö Sadelknappen 1 | Galoppsgatan 5 | | 1979 | | 2,000 | |
| Malmö Sadelknappen 4 | Galoppsgatan 8 | | 1988 | | 1,505 | |
| Malmö Speditionen 1 | Lodgatan 19-23 | LfL | 1993 | | 5,189 | L |
| Malmö Storbådan 2 | Hemsögatan 22, Ulvögatan 10 | LfL | 1972 | 1992 | 3,248 | |
| Malmö Storbådan 4 | Hemsögatan 18 | | 1974 | 1990, 2011 | 2,590 | |
| Malmö Storbådan 5 | Hemsögatan 14-16 | LfL | 1978 | 1992 | 12,606 | |
| Malmö Stångbettet 1 | Skrittgatan 11 | | 1989 | | 1,643 | |
| Malmö Svinbådan 4 | Brännögatan 9A-9B, Tärnögatan 1 | LfL | 1961 | 1992, 2012 | 1,597 | |
| Malmö Svinbådan 5 | Tärnögatan 3, Flintränegatan 10 | LfL | 1963 | 2010 | 2,656 | |
| Motala Vägen 8 | Vintergatan 1, 7 | LfL | 1960 | | 12,195 | |
| Norrköping Industrien 17 | Exportgatan 28 - 30 | LfL | 1965 | | 5,863 | |
| Norrköping Tråden 11 | Malmgatan 5 | LfL | 1967 | | 19,772 | |
| Nässjö Svedjan 2 | Svedjegatan 2, Vallgatan 2 | | 1975 | 1987 | 6,878 | |
| Oskarshamn Blåbäret 4 | Sörviksvägen 11 | LfL | 1964 | | 15,234 | |
| Stockholm Furudal 7 | Fagerstagatan 16 | | 1986 | | 3,989 | L |
| Stockholm Raseborg 1 | Malaxgatan 1 | | 1991 | | 6,976 | |
| Södertälje Hantverkaren 1 | Hantverkarsvägen 1 | LfL | 1977 | | 10,630 | |
| Uppsala Danmarks-Säby 10:2 | Åkaregatan 8-10 | LfL | 2010 | 2012 | 10,355 | |
| Vimmerby Plåtslagaren 1 | Äläragatan 4-6 | | 2008 | | 10,259 | |
| Värnamo Armaturen 1 | Armaturgatan 2 | LfL | 1987 | | 18,370 | |
| Värnamo Rödspättan 1 | Runemovägen 10 | LfL | 1973 | | 4,705 | |
| Värnamo Rödspättan 4 | Runemovägen 4 | LfL | 1980 | 2000 | 2,960 | |
| Värnamo Sandskäddan 4 | Margretelundsvägen 7-9 | LfL | 1982 | | 2,780 | |
| Värnamo Sjötungan 3 | Margretelundsvägen 6 | LfL | 1989 | | 2,570 | |
| Värnamo Takläggaren 4 | Rörläggarevägen 8, Silkesvägen 39 | LfL | 1991 | 2000 | 9,067 | |
| Värnamo Yxan 4 | Fabriksgatan 10-12 | LfL | 1975 | 2006, 2008 | 5,595 | |
| Värnamo Yxan 6 | Fabriksgatan 4 | LfL | 1978 | 1990, 2009 | 1,477 | |
| Västerås Energin 7 | Omformargatan 18A | LfL | 1990 | 2013 | 3,444 | |
| Växjö Plåtslagaren 6 | Mörners väg 116 | | 2004 | | 5,592 | |
| Växjö Snickaren 12 | Smedjegatan 10-20 | LfL | 1976, 1989 | 2001 | 24,010 | |
| Växjö Terminalen 1 | Öjaby Nylanda 1 | LfL | 2010 | | 21,662 | |
| Örebro Elektrikern 5 | Bistagatan 8-10 | | 1967 | 1970, 1976, 1982, 2019 | 47,293 | |
| Örebro Importören 2 | Skvadronvägen 5 | | 1970 | | 2,565 | |
| Örebro Karossen 32 | Bettorpsgatan 10 | | 2018 | | 2,530 | |
| Örebro Ånsta 20:262 | Lastgatan 2 | | 2006 | | 15,976 | |
| Örnsköldsvik Bromsen 7 | Bromsvägen 1 | LfL | 1971 | | 4,160 | |
| Örnsköldsvik Gjutaren 3 | Sjögatan 5 | LfL | 1962 | | 5,308 | |
| Östersund Sprinten 1 | Trådvägen 6 | LfL | 1974 | | 2,928 | |

RETAIL

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|-------------------------|---|-------------------------|------------------------|------------------------|--------------------|-----------|
| Borås Filtret 6 | Göteborgsvägen 181-187, 181A, 183A | | 2011 | 2013 | 16,605 | |
| Filipstad Trasten 12 | Stora Torget 4 B | LfL | 1980 | | 1,891 | |
| Gislaved Filen 5 | Mårtensgatan 23a | LfL | 1973 | | 1,643 | |
| Huddinge Pentagonalen 1 | Gamla Södertäljevägen 216, Smista Allé 3 | LfL | 2008 | | 11,945 | |
| Karlstad Björnen 7 | Drottninggatan 24 | | 1965 | | 3,324 | |
| Karlstad Bromsen 1 | Blockgatan 6A | | 1967 | | 1,220 | |
| Karlstad Fjäders 14 | Bromsgatan 2 | | 1966 | | 3,901 | |
| Karlstad Mercurius 21 | Drottninggatan | | 1929 | | 1,057 | |
| Karlstad Mercurius 3 | Västra torggatan 10-12 | | 1929 | | 2,961 | |
| Karlstad Riksdalern 3 | Ullebergsleden 8-10 | LfL | 2001 | | 6,723 | |
| Linköping Valbrevet 1 | Norrmalmsvägen 11 | | 1983 | 1997 | 1,650 | |
| Ljungby Gänget 14 | Fabriksgatan 7 | LfL | 1974 | | 2,639 | |
| Luleå Storheden 1:37 | Storhedsvägen 1-3, Besiktningvägen 14 | | 1975, 1993, 2000, 2017 | | 26,451 | |
| Malmö Fibulan 1 | Hornyxegatan 4 | | 1973 | | 1,945 | L |
| Malmö Hangaren 2 | Flygplansgatan 1-3 | | 1975 | | 2,177 | L |
| Motala Blåbäret 2 | Moränvägen 3 | | 2008 | | 1,288 | |
| Motala Lingonet 2 | Mineralvägen 1, 3 | | 2007 | | 3,318 | |
| Motala Lingonet 3 | Mineralvägen 5 | | 2007 | | 1,500 | |
| Motala Slånbäret 1 | Moränvägen 1, Mineralvägen 13 | | 2012 | | 2,000 | |
| Motala Slånbäret 2 | Mineralvägen 9 | | 2016 | | 3,000 | |
| Motala Tranbäret 3 | Mineralvägen 16 | | 2011 | | 2,360 | |
| Motala Tranbäret 4 | Mineralvägen 12, 14 | | 2012 | | 3,536 | |
| Norrköping Ugnen 5 | Skarphagensgatan 29 | | 1962 | | 2,727 | L |
| Norrköping Åby 20:3 | Norrköpingsvägen 28-30 | | 1994 | | 1,522 | |
| Sigtuna Valsta 3:29 | Valstavägen 2 | | 1972 | | 6,137 | |
| Skara Bocken 1 | Munkartorpsgatan 1, Smedstorpsgatan 6A-D | | 1974, 2018 | 2019, 2020 | 12,383 | |
| Södertälje Tellus 4 | Köpmangatan 5, Gästgivaregatan 14, etc. | LfL | 1968 | 1999 | 12,616 | |
| Uddevalla Koch 7 | Kochska Gränden 1-7, Kungsgatan 2-8 | LfL | 1977 | 1984, 2008 | 8,980 | |
| Värnamo Almen 9 | Malmövägen 12-14 | LfL | 1957 | 1989, 2009 | 12,058 | |
| Värnamo Filen 2 | Fabriksgatan 3 | LfL | 1966 | 1997, 2003 | 4,915 | |
| Värnamo Golvläggaren 2 | Silkesvägen 30 | LfL | 1991 | 2008, 2010 | 11,164 | |
| Värnamo Jungfrun 11 | Köpmansgatan 3-7, Luddögatan 1 | LfL | 1982 | 2001 | 4,970 | |
| Värnamo Karpen 3 | Jönköpingsvägen 105-107 | LfL | 1956 | 1990 | 2,670 | |
| Värnamo Linden 1 | Malmövägen 3, Växjövägen 24-26 | LfL | 1961 | 1975, 1979, 1990, 2012 | 6,289 | |
| Värnamo Ljuset 8 | Nydalavägen 1-9 | LfL | 2003 | | 2,600 | |
| Värnamo Mattläggaren 2 | Silkesvägen 24 | LfL | 1991 | 2008, 2012 | 3,133 | |
| Värnamo Vindruvan 4 | Storgatsbacken 14-16 | LfL | 1982 | 2001 | 4,001 | |
| Västerås Bladbaggen 1 | Glasvingegatan 3-7, Kranbyggargatan 8-12, Ringborregatan 11 | | 2004 | | 23,774 | |

OTHER

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|------------------------------------|---|-------------------------|------------------|-----------------|--------------------|-----------|
| Arboga Bälgen 9 | Skandiagatan 11 | | 2006 | | 18,983 | |
| Borlänge Gyllehemmet 1 | Gyllehemsvägen 10 | | 1930 | | 5,232 | |
| Enköping Friberg 4:2, 4:16 | Kulla Fribergs Herrgård 1-4 | | 1700-1980 | 2009 | 4,500 | |
| Falkenberg Mekanikern 2 | Åkarevägen 12 | | 1984 | 2003 | 764 | |
| Filipstad Mejeriet 17 | Tinghusgatan 10B | | Land | | 0 | |
| Filipstad Mejeriet 18 | Tinghusgatan 10A | | Land | | 0 | |
| Göteborg Tuve 85:9 | Hilledalsgatan 28C | | 1976 | 2017 | 1,276 | |
| Halmstad Kuggen 2 | Kristinehedsvägen 22-24 | | 1975 | 2002 | 1,675 | |
| Haninge Ribby 1:451 | Klockargatan 13-27 | | 1981 | | 6,951 | |
| Helsingborg Bandsågen 1 | Depågatan 85 | | 1986 | 2012, 2015 | 883 | |
| Hultsfred Hultåsa 1:18 | Lindenvägen 1 | | Land | | 0 | |
| Hässleholm Ekstaven 3 | Industrigatan 10 | | 1959 | 1966 | 4,932 | |
| Karlskrona Dahlberg 31-33,52,60-61 | Högabergsgatan | | Land | | 0 | |
| Karlskrona Rügen 50 | Västra Vittusgatan 4 | | 1992 | | 10,764 | |
| Karlstad Björnen 12 | Drottninggatan 26-28 | | 1977 | 1999 | 3,686 | |
| Karlstad Herrhagen 1:10 | Hamnpirsgatan 2 | | 1986 | | 1,515 | L |
| Karlstad Skepparen 15 | Orrholmsgatan 4 | | 1982 | | 22,041 | |
| Kristianstad Fängelset 5 | Fästningsgatan 3 | | 1952 | | 5,777 | |
| Kungsör Armaturen 10 | Granlidsvägen 3, Kungsgatan 6 | | 1967 | 2000 | 11,288 | |
| Ludvika Aspen 10 | Gonäsvägen 8 | | 1987 | | 142 | |
| Malmö Bronsdolken 26 | Stenyxegatan 25 | | 1995 | | 5,644 | |
| Malmö Bronskragen 3 | Bronsåldersgatan 18 | | 2014 | | 372 | |
| Malmö Bronskragen 4 | Bronsåldersgatan 10-16 | | 2015, 2017, 2019 | | 3,628 | |
| Malmö Bronsyxan 9 | Agnesfridsvägen 185 | | 1974 | | 688 | L |
| Malmö Flintkärnan 2 | Agnesfridsvägen 194 | | 1972 | | 4,748 | |
| Malmö Runstenen 16 | Käglingevägen 39 | | 1979 | | 3,068 | |
| Malmö Skjutstallslyckan 3 | Lundavägen 62 | | 1958 | | 3,096 | |
| Malmö Skogholm 5 | Kantyxegatan 17 | | 1977 | | 3,354 | |
| Malmö Tankstället 4 | Ollebovägen 2 | | 2016 | | 410 | |
| Malmö Vinga 5 | Brännögatan 2-6, Hanögatan 14, Ockerögatan 1-7 | | 1950, 2017 | 1991 | 7,486 | |
| Motala Eken 12 | Långbackagatan 2 | | 1925, 1945, 1969 | | 3,553 | |
| Norrköping Nyckelharpan 6 | Moa Martinsson gata 34 | | 1995 | 2000, 2005 | 3,544 | |
| Norrköping Skarphagen 1:40 | Skarphagensgatan 29 | | Land | | 0 | |
| Norrköping Skarphagen 1:41 | Skarphagensgatan 29 | | Land | | 0 | |
| Norrköping Åby 20:2 | Norrköpingsvägen 28-30 | | 1970 | | 2,306 | |
| Nynäshamn Körunda 1:3 | Körunda 31 | | 1987 | | 2,908 | |
| Oskarshamn Ratten 18 | Primovägen 1, Väderumsvägen 12 | | 1988 | | 1,615 | |
| Oskarshamn Snickeriet 4 | Be-Ge:s Väg 20, Förrådsgatan 8 | | 1976 | 1982, 2013 | 5,939 | |
| Piteå Öjebyn 119:1 | Skylvägen 1 | | 1956 | | 19,816 | |
| Sandviken Murängen 2 | Hammarbyvägen 4 | | 1971 | | 9,553 | |
| Sandviken Åttersta 6:28 | Bultvägen 1, Persbackavägen 29, Persbackavägen 33 | | 1953 | 1970 | 11,695 | |
| Skellefteå Transistorn 1 | Svedjevägen 12 | LfL | 1968 | 1985 | 9,320 | |
| Sollentuna Respiten 1 | Kappetorpsvägen 3 | | Land | | 0 | |
| Sollentuna Rutan 1 & 5 | Kappetorpsvägen 3 | | Land | | 1,612 | |

| Property | Address | Like-for-like portfolio | Year built | Conversion year | Leasable area, sqm | Leasehold |
|-----------------------------|---|-------------------------|------------|------------------------|--------------------|-----------|
| Stockholm Knarranäs 10 | Isafjordsgatan 7 | | 1987 | | 4,795 | L |
| Stockholm Möllan 1 | Rinkebysvägen 70 | | 1991 | | 12,202 | |
| Stockholm Stora Mans 1 | Johan Skyttes väg 11, Stora Mans väg 11 | | 1900 | | 7,602 | |
| Sundsvall Nolby 3:40 | Rönnvägen 10-12 | | 1950 | | 1,449 | |
| Trollhättan Drivhjulet 3 | Kardanvägen 65 | LfL | 1989 | 1999 | 1,680 | |
| Upplands-Bro Aske 1:2 | Aske Alle 2 | | 1970 | | 5,155 | |
| Uppsala Danmarks Kumla 8:12 | Grafikgatan 28, etc. | | 2019 | | 2,582 | |
| Uppsala Danmarks Kumla 8:13 | Grafikgatan 28, etc. | | 2019 | | 4,590 | |
| Uppsala Årsta 68:4 | Fyrislundsgatan 81 | LfL | 1985 | | 3,014 | |
| Varberg Pedalen 2 | Motorstigen 3 | | 1976 | 2003 | 1,018 | |
| Värnamo Bleckslagaren 1 | Repslagarevägen 5 | | Land | | 0 | |
| Värnamo Flundran 4 | Runemovägen 1 | LfL | 1963 | 1992, 2008 | 11,416 | |
| Värnamo Mattläggaren 1 | Silkesvägen 24 | LfL | 1997 | 2000 | 2,700 | |
| Värnamo Posten 4 | Postgatan 3-5 | LfL | 1929 | 1940, 1968, 1989, 2015 | 4,174 | |
| Värnamo Takläggaren 8 | Silkesvägen 43 | LfL | 1999 | 2008 | 6,995 | |
| Värnamo Värnamo 14:86 | Myntgatan 6 | | Land | | 0 | |
| Västerås Gaslyset 2 | Lysgränd 1 | | 1990 | | 2,573 | |
| Västerås Sigvald 5 | Sigurdsgränd 21 | | Land | | 0 | |
| Västerås Västerås 1:199 | Norra Källgatan | | Land | | 0 | L |
| Växjö Fläkten 7 | Lantmannavägen 3 | LfL | 1957, 1959 | 1963, 1993 | 7,773 | |
| Växjö Isbjörnen 4 | Isbjörnsvägen 6 | LfL | 1993 | 2014 | 10,933 | |
| Växjö Sjömärket 3 | Annavägen 3 | LfL | 1989 | 2000 | 9,495 | |
| Växjö Sunaman 5 | Storgatan 10 | | 1965 | | 7,826 | |
| Örebro Karossen 15 | Bettorpsgränd 16 | | 1973 | 1999, 2005, 2012 | 1,672 | |
| Örebro Karossen 16 | Bettorpsgränd 24A | | 1987 | 1998, 2011, 2014 | 1,160 | |
| Örebro Karossen 19 | Bettorpsgränd 10 | | 1975 | 2006 | 12,760 | |
| Örebro Karossen 22 | Bettorpsgränd 14B | | 1950 | 1965, 1977 | 894 | |
| Örebro Kitteln 11 | Stortorget 7 | | 1965 | | 13,620 | |
| Örebro Lantmannen 2 | Radiatorvägen 7, Skvadronvägen 2 | | 1972 | 1974 | 10,480 | |
| Örebro Vindrutan 1 | Västthagagatan 3 | | 1975 | 1992 | 1,315 | |
| Österåker Runö 7:12 | Rallarvägen 19 | | 1947 | | 137 | |
| Österåker Runö 7:120 | Rallarvägen 19 | | 1988 | | 708 | |
| Österåker Runö 7:140 | Rallarvägen 21 | | 2003 | | 425 | |
| Österåker Runö 7:147 | Rallarvägen 14 | | 1991 | | 1,178 | |
| Österåker Runö 7:165 | Rallarvägen 23 | | 2005 | | 3,012 | |

JOINT VENTURES – JOINTLY OWNED WITH SAGAX

| Property | Subcategory | Address | Municipality | Year built | Conversion year | Leasable area, sqm | Leasehold |
|--------------------|-------------|------------------------------|--------------|------------------------------|-----------------|--------------------|-----------|
| Vindbryggan 3 | Industry | Borgens gata 20 | Alingsås | 1990 | 0 | 1,439 | |
| Botvidsgymnasiet 3 | Warehouse | Fågelviksvägen 9 | Botkyrka | 1991 | 0 | 56,487 | |
| Bulten 1 | Warehouse | Danderydsvägen 142 | Danderyd | 2015 | 0 | 7,200 | |
| Bulten 10 | Warehouse | Ryttarvägen 2 | Danderyd | 2004 | 2019 | 2,800 | |
| Bulten 2 | Other | Danderydsvägen 144 | Danderyd | 1750 | 2006 | 850 | |
| Bulten 4 | Warehouse | Ryttarvägen 5 | Danderyd | 1996 | 2018 | 1,237 | |
| Bulten 5 | Warehouse | Ryttarvägen 4 | Danderyd | 1973, 2015, 2020 | 2000 | 7,910 | |
| Bulten 6 | Warehouse | Rinkebyvägen 9 | Danderyd | 2000 | 2010 | 1,700 | |
| Kobbegården 6:249 | Industry | Datavägen 27 | Gothenburg | 1976, 1977, 1985, 2000, 2003 | 0 | 8,283 | |
| Sörred 7:31 | Offices | Volvo Jakobs väg 17 | Gothenburg | 2017 | 0 | 41,081 | |
| Sörred 7:32 | Industry | Gustaf Larsons väg 12-26 | Gothenburg | 1966 | 0 | 12,934 | |
| Sörred 7:33 | Industry | Assar Gabrielssons väg 6 | Gothenburg | 1971 | 0 | 2,706 | |
| Sörred 8:10 | Industry | Pressvägen | Gothenburg | 1964 | 0 | 23,243 | |
| Sörred 8:4 | Offices | Gustaf Larsons väg 15 | Gothenburg | 1967-2017 | 0 | 48,908 | |
| Sörred 8:6 | Offices | Assar Gabrielssons väg, etc. | Gothenburg | 1967-2017 | 0 | 87,651 | |
| Östergårde 31:1 | Industry | Örnekulans väg 2 | Gothenburg | 1986 | 0 | 7,175 | |
| Jordbromalm 1:11 | Industry | Jordbrotorpsvägen 2 | Haninge | 1964 | 1975 | 900 | |
| Jordbromalm 6:23 | Industry | Dåntorpsvägen 11 | Haninge | 1980 | 2008 | 1,776 | |
| Köpingehill 1 | Industry | Trintegatan 2 | Helsingborg | 1991 | 0 | 7,125 | |
| Linjen 1 | Offices | Pyramidbacken 3 | Huddinge | 1989 | 0 | 2,150 | |
| Kamaxeln 6 | Industry | Truckgatan 20 | Kungälv | 1976 | 0 | 1,942 | |
| Haken 15 | Industry | Vinkelgatan 1 | Malmö | 1968 | 0 | 7,187 | |
| Görla 8:60 | Industry | Görlavägen 1 | Norrtälje | 2012 | 0 | 2,900 | |
| Görla 9:40 | Industry | Abborrvägen 4 | Norrtälje | 2009 | 2014 | 870 | |
| Holje 116:116 | Industry | Västra Storgatan 2B | Olofström | 1949 | 1970 | 51,631 | |
| Lexby 2:25 | Warehouse | Brodalsvägen 13 A | Partille | 2005 | 0 | 6,646 | |
| Märsta 14:1 | Warehouse | Industrigatan 2 | Sigtuna | 1967 | 1980 | 3,261 | |
| Märsta 15:6 | Industry | Industrigatan 10 | Sigtuna | 1972 | 0 | 1,056 | |
| Kansliet 1 | Offices | Signalistgatan 9 | Solna | 1940 | 2015 | 2,200 | |
| Administratören 1 | Warehouse | Partihandlarvägen 2 | Stockholm | 1993 | 0 | 2,961 | |
| Elementet 8 | Warehouse | Ulvundavägen 108 | Stockholm | 1938 | 2002 | 6,714 | |
| Filmkameran 3 | Industry | Selaövägen 13 | Stockholm | 1970 | 0 | 3,261 | |
| Frukthallen 1 | Warehouse | Brunnbyvägen 10 | Stockholm | 1967 | 0 | 7,075 | |
| Förrådet 5 | Industry | Skattegårdsvägen 122 | Stockholm | 1970 | 0 | 2,175 | |
| Glödlampan 3 | Warehouse | Ranhammarsvägen 3 | Stockholm | 2002 | 0 | 2,259 | |
| Görväl 2 | Warehouse | Bränningevägen 10 | Stockholm | 1963 | 0 | 7,279 | |
| Hällsättra 4 | Warehouse | Stensättravägen 9 | Stockholm | 1975 | 1985 | 13,895 | |
| Importhallen 1 | Industry | Importörvägen 23 & 26 | Stockholm | 1962 | 0 | 4,371 | |
| Lagerhuset 3 | Warehouse | Upplagsvägen 21 | Stockholm | 1929 | 1954, 1985 | 10,662 | |
| Lagret 1 | Warehouse | Upplagsvägen 13 | Stockholm | 1969 | 0 | 8,860 | |
| Mörtö 9 | Warehouse | Frykdalsbacken 38 | Stockholm | 1978 | 1983 | 3,688 | |
| Nattskiftet 6 | Warehouse | Elektravägen 5 | Stockholm | 1951 | 0 | 5,714 | |
| Ostmästaren 1 | Warehouse | Ostmästargränd 2 | Stockholm | 1980 | 0 | 15,287 | |
| Ostmästaren 3 | Warehouse | Ostmästargränd 6 | Stockholm | 1983 | 0 | 19,676 | |

| Property | Subcategory | Address | Municipality | Year built | Conversion year | Leasable area, sqm | Leasehold |
|--------------------|-------------|-----------------------------------|--------------|------------|------------------------|--------------------|-----------|
| Ostmästaren 4 | Warehouse | Byängsgränd 4 | Stockholm | 1983 | 1985 | 37,954 | |
| Ostmästaren 5 | Offices | Ostmästargränd 5 | Stockholm | 1990 | 0 | 10,265 | |
| Ostmästaren 6 | Offices | Byängsgränd 22 | Stockholm | 1991 | 0 | 8,542 | |
| Particentralen 1 | Warehouse | Brunnbyvägen 15 | Stockholm | 1962 | 0 | 2,510 | |
| Particentralen 2 | Warehouse | Brunnbyvägen 11 | Stockholm | 1962 | 0 | 2,768 | |
| Particentralen 5 | Warehouse | Partihandlarvägen 1 | Stockholm | 1983 | 0 | 1,228 | |
| Particentralen 6 | Warehouse | Brunnbyvägen 7 | Stockholm | 1962 | 0 | 2,442 | |
| Partihallen 1 | Warehouse | Brunnbyvägen 12 | Stockholm | 1968 | 0 | 20,636 | |
| Solkraften 17 & 18 | Offices | Vattenkraftsvägen 8 | Stockholm | 1989, 1991 | 0 | 2,001 | |
| Stensåtra 2 | Warehouse | Strömsåtravägen 14 | Stockholm | 1970 | 0 | 5,325 | |
| Tjockö 1 | Warehouse | Fryksdalsbacken 40-42 | Stockholm | 1980 | 0 | 11,675 | |
| Varubalen 3 | Warehouse | Upplagsvägen 2-10 | Stockholm | 1964 | 0 | 10,259 | |
| Varuhissen 1 | Warehouse | Upplagsvägen 1 | Stockholm | 1987 | 1990 | 14,992 | |
| Vreten 23 | Warehouse | Vretensborgsvägen 8 | Stockholm | 1984 | 0 | 1,590 | |
| Vreten 24 | Warehouse | Vretensborgsvägen 6 | Stockholm | 1945 | 1974 | 1,870 | |
| Västberga Gård 2 | Warehouse | Västberga Gårdsväg 36 | Stockholm | 1970 | 0 | 4,178 | |
| Arbetsbasen 2 | Warehouse | Elektravägen 64 | Stockholm | 1945 | 1965 | 1,797 | |
| Asea 3 | Warehouse | Västberga allé 60 | Stockholm | 1929 | 1980, 1994 | 64,880 | |
| Dikesrenen 11 | Warehouse | Vretensborgsvägen 15 | Stockholm | 1947 | 1970 | 2,004 | |
| Maden 6 | Industry | Madenvägen 11 | Sundbyberg | 2002 | 0 | 1,590 | |
| Grävmaskinen 11 | Industry | Morabergsvägen 3 | Södertälje | 1970 | 0 | 1,711 | |
| Traktorn 1 | Industry | Morabergsvägen 21 | Södertälje | 1971 | 0 | 4,154 | |
| Bagaren 9 | Warehouse | Radiovägen 7-11 | Tyresö | 1984 | 1990 | 2,300 | |
| Fotografen 1 | Warehouse | Mediavägen 1-5 | Tyresö | 1976 | 0 | 3,948 | |
| Kopparen 12 | Offices | Vintervägen 6 | Tyresö | 1982 | 0 | 1,900 | |
| Kopparen 14 | Warehouse | Vintervägen 8-72, 8K | Tyresö | 1963 | 1979, 1980, 1988, 1999 | 10,630 | |
| Kopparen 15 | Warehouse | Vintervägen 2 B | Tyresö | 1999 | 2002 | 1,238 | |
| Kopparen 8 | Warehouse | Vintervägen 4 | Tyresö | 1970 | 2001 | 3,847 | |
| Kopparen 9 | Warehouse | Vintervägen 2A, Björkbacksvägen 6 | Tyresö | 1978 | 0 | 2,382 | |
| Mälaren 1 | Warehouse | Studiovägen 6 | Tyresö | 1990 | 1995 | 2,400 | |
| Olhamra 1:82 | Industry | Okvistavägen 30 | Vallentuna | 2005 | 0 | 1,258 | |
| Runö 7:109 | Warehouse | Rallarvägen 7 | Österåker | 1986 | 0 | 1,512 | |
| Runö 7:111 | Warehouse | Rallarvägen 10 | Österåker | 1986 | 0 | 1,435 | |
| Runö 7:124 | Warehouse | Rallarvägen 9 | Österåker | 1990 | 0 | 1,992 | |
| Runö 7:129 | Warehouse | Rallarvägen 39 | Österåker | 2004 | 0 | 410 | |
| Runö 7:133 | Warehouse | Rallarvägen 45 | Österåker | 1989 | 0 | 1,845 | |
| Runö 7:164 | Warehouse | Näsvägen 19 | Österåker | 2008 | 0 | 1,450 | |

GLOSSARY

GLOSSARY

Debt/equity ratio, multiple¹

Interest-bearing liabilities as a percentage of equity.

Purpose: The debt/equity ratio is a measure of financial risk that shows the company's capital structure and sensitivity to movements in interest rates.

Distributable cash flow¹

Profit from property management excluding non-cash items in the earnings measure, such as share in profit of joint ventures and depreciation of equipment, including dividends received from holdings in joint ventures and tax paid.

Purpose: The performance measure shows the amount of cash flow generated by the existing property portfolio under the company's management and the company's dividend capacity.

Economic leasing rate

Rental income before rent discounts as a percentage of the rental value at the end of the period.

Purpose: The performance measure facilitates the assessment of rental income in relation to the total value of the leased and unleased floor space.

EPRA NDV¹

Equity according to the statement of financial position.

Purpose: The performance measure shows how large a share of the company's recognized equity each share represents.

EPRA NRV¹

Equity plus derivatives and deferred tax liabilities according to the statement of financial position.

Purpose: To show the fair value of net assets from a long-term perspective. Accordingly, assets and liabilities in the statement of financial position that are not adjudged to be realized, such as the fair value of derivatives and deferred taxes, are excluded. The corresponding items in the company's participations in joint ventures are also excluded from the performance measure.

EPRA NTA¹

Equity plus derivatives and adjusted for actual deferred tax liabilities instead of nominal deferred tax.

Purpose: To show the fair value of net assets from a long-term perspective but under the assumption that assets are traded. Accordingly, assets and liabilities in the statement of financial position that are not adjudged to be realized, such as the fair value of derivatives, are excluded but the market value of deferred tax is included. The corresponding items in the company's participations in joint ventures are also excluded from the performance measure.

Equity/assets ratio¹

Equity as a percentage of total assets.

Purpose: To show how large a share of the company's assets is financed by equity and has been included to enable investors to be able to assess the company's capital structure.

Fair value of properties

The recognized property value according to the statement of financial position at the end of the period.

Purpose: The performance measure facilitates better understanding of the value development in the property portfolio and the company's statement of financial position.

Interest-coverage ratio¹

Profit from property management before financial income and expenses, depreciation/amortization and shares in profit in joint ventures as a percentage of financial income and expenses.

Purpose: The interest-coverage ratio is a measure of financial risk that shows how many times the company can pay its interest charges with its profit from operational activities.

Interest-rate cap

An interest hedging instrument whereby the lender pays a variable interest up to a predetermined interest-rate level. The aim of interest-rate caps is to reduce interest-rate risk.

Leasable area

The total premises area that can potentially be leased.

Purpose: Shows the total area that the company can potentially lease.

Loan-to-value ratio, properties¹

Interest-bearing liabilities at the end of the period in relation to the value of the properties (in the statement of financial position).

Purpose: The loan-to-value ratio is a measure of risk that indicates the degree to which the operation is encumbered with interest-bearing liabilities. The performance measure provides comparability with other property companies.

Net loan-to-value ratio, properties¹

The net of interest-bearing liabilities and cash and cash equivalents at the end of the period as a percentage of the fair value of the properties in the statement of financial position.

Purpose: The net loan-to-value ratio is a measure of financial risk that indicates the degree to which the operation is encumbered with interest-bearing liabilities, but taking into account bank balances. The performance measure provides comparability with other property companies.

Net leasing

Signed new leases for the period less terminations.

Net operating income¹

Net operating income comprises the income and expense directly connected to the property, meaning rental income and the expenses required to keep the property in operation, such as operating expenses, maintenance costs and personnel costs for those who take care of the property and tenant contacts.

Purpose: The measure is used to provide comparability with other property companies, but also to illustrate operational performance.

Profit from property management¹

Profit from property management comprises net operating income plus property management and administration expenses as well as financial income and expenses. This earnings measure does not include effects of changes in the value of wholly owned investment properties and derivatives. These are reported separately in the statement of profit/loss. However, it includes changes in value and tax in share in profit of joint ventures in profit from property management.

Property

Properties held under title or site leasehold.

Rental income

Rents charged including supplements for heating and property tax.

Rental value

Rental income before rent discounts for leased areas and assessed market rent for the vacant floor space.

Purpose: The performance measure facilitates assessment of the total potential rental income since the assessed market rent for vacant floor space is added to the rental income charged.

Return on equity

Profit/loss for the most recent 12-month period in relation to average equity during the same period

Purpose: The performance measure shows the return generated on the capital attributable to shareholders.

Revolving credit facility

An agreement between a lender and a borrower that gives the borrower the right to use funds for a certain period of time and up to a certain amount, and repay at its own discretion before a certain date.

Surplus ratio*

Net operating income for the period as a percentage of total income.

Purpose: The surplus ratio shows the percentage of each Swedish krona earned that the company can keep. The performance measure is an indication of efficiency that is comparable over time and among property companies.

Vacancy rent

Assessed market rent for vacant floor space.

Purpose: The performance measure states the potential rental income when all floor space is fully leased.

Yield¹

Net operating income according to earnings capacity in relation to the fair value of the properties on the balance-sheet date.

Purpose: The performance measure indicates the yield from operational activities in relation to the properties' value.

¹) Refers to alternative performance measures according to the European Securities and Markets Authority (ESMA).

INFORMATION TO SHAREHOLDERS

INFORMATION TO SHAREHOLDERS REGARDING THE ANNUAL GENERAL MEETING

Annual General Meeting

The Annual General Meeting of Nyfosa AB will be held on Wednesday April 21, 2021. Due to the Covid-19 pandemic, the meeting will be carried out only through advance postal voting pursuant to temporary legislation. It will not be possible to attend the Meeting in person or by proxy.

Right to attend

Those wishing to attend the meeting shall be entered as shareholder in the share register kept by Euroclear Sweden AB on Tuesday April 13, 2021, shall give notice of attendance to the company no later than Tuesday April 20, 2021 (the weekday before the Annual General Meeting) by casting their postal vote in accordance with the instructions under the heading "Postal voting" below, so that the postal voting form is received by Euroclear Sweden AB no later than Tuesday April 20, 2021.

Nominee-registered shares

To be entitled to attend the meeting, shareholders whose shares are nominee-registered must, in addition to giving notice of attendance to the company by casting their postal vote, register such shares in their own names so that the shareholder is recorded in the share register as of April 13, 2021. Such registration may be temporary (so-called voting right registration) and requests for such registration shall be made to the nominee in accordance with the nominee's routines in such time in advance as decided by the nominee. Voting right registrations effected no later than the second banking day after April 13, 2021 will be considered in the preparation of the share register.

Postal voting

The shareholders may exercise their voting rights at the meeting only by voting in advance, through so-called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A designated form shall be used for postal voting. The form is available on Nyfosa's website, www.nyfosa.se. The postal voting form applies as the notification of participation at the meeting.

The completed voting form must be received by Euroclear Sweden AB (being the administrator of the forms for Nyfosa) no later than Tuesday April 20, 2021. The completed form shall be sent to Nyfosa AB, "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. The completed form may alternatively be submitted electronically either through BankID signing as per instructions available on <https://anmalan.vpc.se/euroclearproxy> or by sending the completed voting form by e-mail to GeneralMeetingService@euroclear.com (with reference "Nyfosa Annual General Meeting 2021"). If a shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. The proxy form is available at www.nyfosa.se. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed with the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

FINANCIAL CALENDAR

| | |
|---|------------------|
| Annual General Meeting 2021 | April 21, 2021 |
| Interim Report for January 1 – March 31, 2021 | April 21, 2021 |
| Interim Report for January 1 – June 30, 2021 | July 13, 2021 |
| Interim Report for January 1 – September 30, 2021 | October 21, 2021 |

CONTACT INFORMATION

NYFOSA AB

Street address: Hästholmsvägen 28

Postal address: Box 4044, SE-131 04 Nacka, Sweden

Tel: +46 (0)8 406 64 00

E-mail: info@nyfosa.se

IR CONTACT

Stina Lindh Hök, CEO

Tel: +46 (0)70 577 18 85

E-mail: stina.lindh.hok@nyfosa.se

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