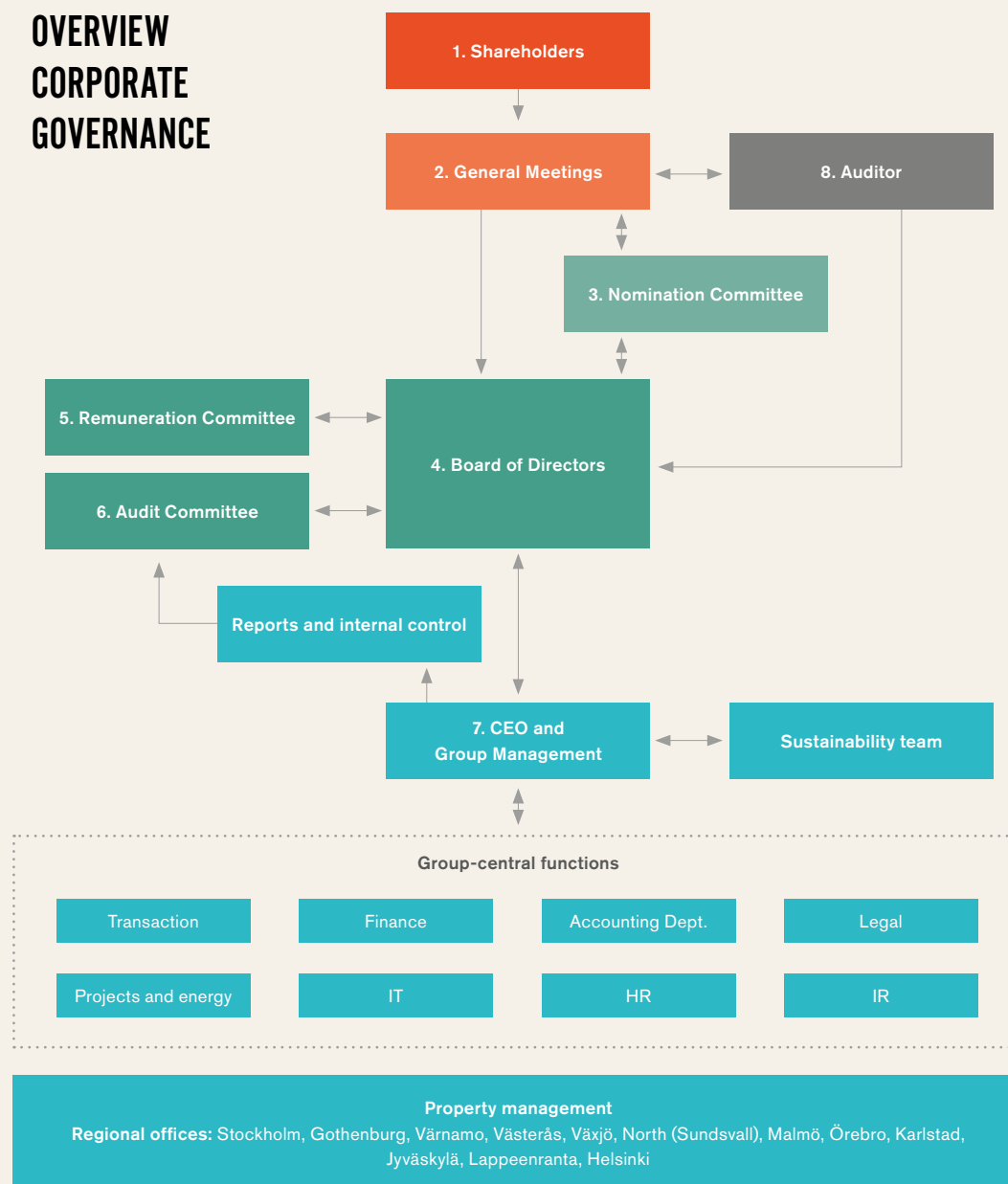


CORPORATE GOVERNANCE REPORT 2022

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. The Company also follows the Swedish Corporate Governance Code (the “Code”) and applied it without any deviations in 2022. This corporate governance report describes the governance of Nyfosa in 2022 unless otherwise stated.

A high level of corporate governance entails ensuring that Nyfosa conducts its operations sustainably, responsibly and as efficiently as possible. The overall goal is to increase value for shareholders to thus meet the requirements the owners have for their invested capital. The Board of Directors is responsible for the organization and the administration of the company's affairs. The CEO is responsible for ensuring that ongoing management of the company follows the Board's guidelines and instructions. The CEO, in dialogue with the Chairman of the Board, also compiles an agenda for Board meetings and is responsible for providing information and decision data to the Board.

OVERVIEW CORPORATE GOVERNANCE



1 Shareholders

The Nyfosa share is listed on the Large Cap segment of Nasdaq Stockholm. The company's largest shareholder is AB Sagax with a holding and voting share of 21.3 percent. The remaining 78.7 percent is owned by institutional investors and private individuals in Sweden and abroad. None of these other shareholders, directly or indirectly, hold shares that represent one tenth or more of the votes for all shares in the company.

According to Nyfosa's Articles of Association, the company is also permitted to issue Class D ordinary shares and preference shares. However, no such shares had been issued as of December 31, 2022. More information about Nyfosa shares and major shareholders is provided on pages 39–41 of this Annual Report.

2 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. General Meetings are held in Nacka or Stockholm. The Board is authorized to collect power of attorney according to the procedures stated in Chapter 7, Section 4, paragraph 2 of the Companies Act. The Board is also permitted, ahead of a General Meeting,

to decide that shareholders are to exercise their voting rights by post before the Meeting. 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. 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.

2022 Annual General Meeting

Several measures were approved on April 19, 2022, including the Board's proposed appropriation of profit, discharging the Board members and CEO from liability for the 2021 financial year, elections for the Board and auditor, remuneration of the Board and auditors, principles for appointing the Nomination Committee and introducing a long-term incentive program for employees in the Nyfosa Group ("LTIP 2022"). The 2022 AGM also resolved to amend the company's Articles of Association through the introduction of two new classes of shares, Class D ordinary shares and preference shares. All of the existing shares outstanding are Class A ordinary shares. The Meeting also authorized the Board to resolve to issue new Class A and Class D ordinary shares, as well as preference shares, on one or several occasions during the period up to the next AGM, to the extent that such a new issue can be made without amending the Articles of Association. For more information, refer to the company's website and the report from the AGM.

Extraordinary General Meeting in November 2022

On November 15, 2022, an Extraordinary General Meeting resolved to authorize the Board, on one or more occasions for the period until the end of the next Annual General Meeting, to resolve to acquire a maximum number of ordinary shares of Class A so that the company holds a maximum of 10 percent of all shares in the company at any time following the acquisition. For more information, refer to the company's website and the report from the AGM. On December 31, 2022, the Board had not resolved to exercise the authority granted and instead evaluates the conditions as and when necessary.

3 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 w For more information about the current instructions for the Nomination Committee, visit the company's website.

The Nomination Committee ahead of the 2023 AGM comprised David Mindus, representing AB Sagax (Chairman of the Nomination Committee); Johannes Wingborg, representing Länsförsäkringar Fondförvaltning AB; Lennart Francke, representing Swedbank Robur Funds; Tobias Kaj, representing Lannebo Fonder; Suzanne Sandler, representing Handelsbanken Fonder; and Johan Ericsson, Board Chairman of Nyfosa AB. Tobias Kaj was appointed a member of the Nomination Committee on December 13, 2022, after Lannebo Fonder became the fourth-largest shareholder in 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

NYFOSA'S 2023 ANNUAL GENERAL MEETING

Nyfosa's 2023 AGM will be held on April 25, 2023. More information about the AGM (including instructions on how to notify attendance) is available at www.nyfosa.se.

of Directors in respect of gender, age and nationality, as well as experience, professional background and lines of business. The Nomination Committee has proposed to the AGM to be held on April 25, 2023 that the Board comprise two women and five men, entailing that the share of women is less than the targets set by the Swedish Corporate Governance Board. The selection of Board candidates has taken place without discrimination regarding, for example, age, sexual orientation, gender or religious affiliation. The Nomination Committee is of the opinion that the proposed Board, with regard to Nyfosa's operations, development stage and other conditions, has an appropriate composition, characterized by diversity and breadth regarding the director's competence, experience and background. Thus, the Nomination Committee considers that the proposal meets the Code's requirements for diversity and

breadth. Additional information is available in the Nomination Committee's reasoned statement regarding the Nomination Committee's proposals to the 2023 AGM, published on the company's website.

4 Board of Directors

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 and sustainability developments, ensuring the quality of financial reporting and the internal control and evaluating the operations based on the established objectives and guidelines adopted by

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

| Board member | Board meetings | Audit Committee meetings | Remuneration Committee meetings |
|--|----------------|--------------------------|---------------------------------|
| Johan Ericsson ¹ (Chairman of the Board) | 23/24 | – | 4/4 |
| Marie Bucht Toresäter | 24/24 | 5/6 | – |
| Lisa Dominguez Flodin | 21/24 | 6/6 | – |
| Jens Engwall | 18/24 | 5/6 | – |
| Mats Andersson ³ | 12/24 | – | 2/4 |
| Per Lindblad | 24/24 | – | 3/4 |
| Jenny Wärmé ³ | 13/24 | 3/6 | – |
| Patrick Gylling ² | 11/24 | – | 2/4 |
| Claes Magnus Åkesson ² | 11/24 | 3/6 | – |

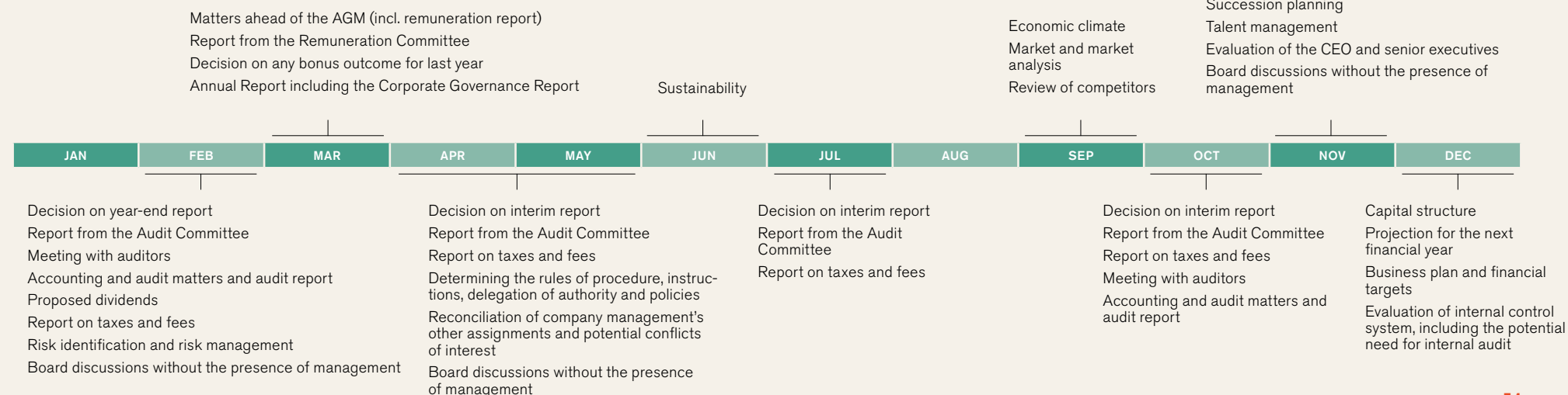
1) Was not permitted to participate in one of the meetings due to conflict of interest.

2) Elected to the Board at the AGM on April 19, 2022.

3) Stepped down from the Board at the AGM on April 19, 2022.

MEETING PLAN FOR THE BOARD'S WORK DURING THE YEAR

The work of the Board follows the adopted rules of procedure pertaining to the year's scheduled Board meetings illustrated alongside. The Board also regularly addresses such as major acquisitions, divestments, investments and the CEO report and finance report.



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 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.

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 19, 2022 reelected Jens Engwall, Johan Ericsson, Lisa Dominguez Flodin, Per Lindblad and Marie Bucht Toresäter as Board members, and Patrick Gylling and Claes Magnus Åkesson were newly elected as Board members. Mats Andersson and Jenny Wärmé declined reelection. Johan Ericsson was also reelected Chairman of the Board. Jens Engwall also had a consultancy agreement with the company during the year alongside his Board assignment. The consultancy agreement is to provide advisory services, in the first instance to the company's CEO, and also to continue to serve as the company's Board member in Söderport Property Investment AB and Torslanda Property Investment AB. The agreement came into effect on March 1, 2021 and expired on December 31, 2022. No other Board member has been or is employed in the Group. For more information about Nyfosa's Board members and information about their independence in relation to the company and management, refer to page 57. Information about the company's largest shareholders is provided on page 40.

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 meeting plan in the Board's rules of procedure. Refer to the description on page 54. Extra Board meetings can be convened when required. Nyfosa's Board held 24 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 54. 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.

Besides regular Board matters, including major acquisitions, divestments and investments, the Board addressed issues related to raising capital, financing, the organization and sustainability in 2022.

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. The evaluation was carried out as a questionnaire, individual interviews with the company's Board members, CEO and auditor and a collective group 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 annual 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.

Remuneration of Board of Directors

The AGM on April 19, 2022, resolved that the fees to the Board members be paid such that SEK 500,000 be paid to the Chairman of the Board and SEK 200,000 be paid to each of the Board members elected by the AGM who are not employed by the company. For work on the Audit Committee, fees were to be paid in the amount of SEK 70,000 to the Chairman of the Committee and SEK 35,000 to each of the other members of the Committee. For work on the Remuneration Committee, fees were to be paid in the amount of SEK 40,000 to the Chairman of the Committee and SEK 20,000 to each of the other members of the Committee.

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.

5 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 in 2022 comprised Board members Mats Andersson, Johan Ericsson (Chairman), Patrick Gylling and Per Lindblad. Mats Andersson stepped down as a member after he declined re-election at the Annual General Meeting on April 19, 2022. As a result, Patrick Gylling was newly elected as a member after the Board's statutory meeting on April 19, 2022. The Remuneration Committee held four meetings in 2022 that addressed matters including

remuneration of senior executives, the structure of incentive programs, the buyback of warrants, the structure of the remuneration report and the review of the company's guidelines for remuneration of senior executives. For information about attendance at these meetings, refer to the table on page 54.

6 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 in the financial reporting 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. The Audit Committee in 2022 comprised Board members Jens Engwall, Lisa Dominguez Flodin (Chairman), Marie Bucht Toresäter, Jenny Wärmé and Claes Magnus Åkesson. Jenny Wärmé stepped down as a member after she declined re-election at the Annual General Meeting on April 19, 2022. As a result, Claes Magnus Åkesson was newly elected as a member after the Board's statutory meeting on April 19, 2022. The Audit Committee held six meetings in 2022 and addressed matters on the company's internal control and governance, sustainability efforts and the handling of quarterly closing and interim reporting. For information about attendance at these meetings, refer to the table on page 54.

7 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, Head of Property Management 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. These guidelines apply until further notice, but not longer than until the 2024 AGM. No decision on adjusting the guidelines was made in 2022.

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 have a ceiling for a maximum outcome. 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 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.

The amount of remuneration paid in 2022 is presented in Note 6. The remuneration report for 2022 is published on the website.

8 Auditor

The auditor is an independent reviewer of the company's financial statements and is to determine whether they are essentially accurate and complete and provide true and fair view of the company and its financial position and earnings. The auditor is also to review the administration by the Board and CEO as well as the company's sustainability report. The auditor reports to the AGM.

At the AGM on April 19, 2022, KPMG AB was elected to serve as auditor until the end of the next AGM. Auditor-in-Charge Mattias Johansson is an Authorized Public Accountant and member of FAR (institute for the accountancy profession in Sweden). The auditors participated in two Board meetings to present KPMG AB's audit process to Nyfosa and to provide Board members the opportunity to ask questions without the presence of management. The auditors also participated in all meetings of the Audit Committee. To ensure the objectivity and independence of the auditor, they are evaluated annually by the Audit Committee. The auditor annually confirms their independence in the auditor's report.

In addition to the audit assignment, KPMG was engaged for additional services in 2022, primarily outsourcing and financial administration 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.

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 Solnaberg Property AB (publ) (and other board assignments in the Group), Chairman of Market Art Fair Intressenter AB (and other Board assignments in the Group), Fastighetsbolaget Emilshus AB and The Princess Estelle Cultural Foundation. Board member of Brinova Fastigheter AB (publ), AB Borudan Ett and Torekov By AB.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 65,000

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 Granitor (formerly Midroc), Board member of Cordim Europe AB (and other board assignments in the Group), Granitor Properties AB, LCF Financial Services AB and Flodin Kapital AB.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 7,500

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 Novier AB, Novi Real Estate AB, Nordier Property Group AB, Norvier Property Advisors AB and Board member of MVB Holding AB and Novier Leasing & Development AB.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 5,156

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 Kungsliden AB (1993–2006) and experience from the property sector through, inter alia, previous positions at Skanska AB.

Other ongoing assignments: Chairman of the property company Söderport Property Investment AB and (other Board assignments in the Group), Board member of Bonnier Fastigheter AB, Chengde Intressenter AB, Kveldhus AB, Nordic Mezzanine Capital I AB and Hemfosa Gård AB.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 4,903,915, of which 400,000 via companies

Not independent in relation to the company and Group Management. Independent in relation to 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, Chairman of Lyckås Aktiebolag and Board member of Dina Försäkring AB, Swedish Bankers' Association and Cooperatives Sweden.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 10,000

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



Claes Magnus Åkesson

Board member

Year of birth: 1959

Board member since:
April 19, 2022

Education and professional experience: Master of Business Administration at the Stockholm School of Economics and Advanced Management Program at INSEAD, in France. CFO and head of Investor Relations (1998–2021) and senior advisor (2022) at JM AB. Previous experience includes positions as Chief Controller Asia, CFO Malaysia and Regional Controller Asia in the Ericsson Group (1987–1998).

Other ongoing assignments: Chairman of the Board of JM @ Home AB and Board member of Concentric AB, CM Åkesson AB and VIE Kapital AB.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 2,500

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



Patrick Gylling

Board member

Year of birth: 1975

Board member since: April 19, 2022

Education and professional experience: Master of Economics at Hanken, Swedish School of Economics in Helsinki, Finland. Founder of the real estate company HGR Property Partners and the holding of key positions in Sveafastigheter, Morgan Stanley and Advium Corporate Finance.

Other ongoing assignments: Chairman of the Board of Cibus Nordic Real Estate AB (publ), CEO and co-founder of the real estate company Sirius Capital Partners, Board member of Livräntestalten Hereditas Ltd.

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 11,000

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

SENIOR EXECUTIVES



Stina Lindh Hög

CEO

Year of birth: 1973

Training and education:

Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm.

Other ongoing assignments: Board member of Fabège AB.

Background: Experience as Transaction Manager at Hemfosa Fastigheter AB (2010–2018) and of the property sector including at Atrium Ljungberg AB (2009–2010), Leimdörfer Fastighetsmarknad AB (2006–2008) and as head of property management at Fabège AB (2005).

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 74,210

Warrants in the company as of Dec 31, 2022: 241,000

Anders Albrektsson

Head of Property Management

Year of birth: 1974

Training and education:

Real Estate Economics and Finance, KTH, Stockholm

Other ongoing assignments: No other assignments

Background: Head of Property Management Sweden, Newsec Property Asset Management AB (2016–2020), Customer Manager, Folksamuppdraget, Newsec AM (2007–2015), and Property Manager, Newsec AM (2005–2006).

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 1,000

Warrants in the company as of Dec 31, 2022: 45,000

Johan Ejerhed

Head of Finance

Year of birth: 1976

Training and education:

Master of Engineering, international industrial economics (finance), Linköping University.

Other ongoing assignments: No other assignments

Background: Experience of project manager in structured real estate financing at SEB (2004–2018).

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 18,654

Warrants in the company as of Dec 31, 2022: 88,500

Ann-Sofie Lindroth

Head of Financial Control

Year of birth: 1976

Training and education:

Master of Science in Business Administration, Lund University

Other ongoing assignments: Board member of Söderport Property Investment AB (and other board assignments within the group) and Torslanda Property Investment AB (publ).

Background: Previous experience as Controller and Head of Finance at Hemfosa Fastigheter AB (2012–2018), auditor at EY Real Estate (2004–2012), and real estate agent at Svensk Fastighetsförmedling (1996–1999).

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 9,626

Warrants in the company as of Dec 31, 2022: 179,000

Josephine Björkman

Head of Transactions

Year of birth: 1975

Training and education:

M.Sc. International Business from the School of Business, Economics and Law at the University of Gothenburg.

Other ongoing assignments: Board member of One Publicus Fastighets AB (and other board assignments within the group) and Origa Care AB (publ)

Background: 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), analyst GE Capital London (1999–2001).

Shareholding in the company as of Dec 31, 2022 (incl. any shares held by related parties): 3,720

Warrants in the company as of Dec 31, 2022: 137,000

MODEL FOR INTERNAL CONTROL AND GOVERNANCE

Nyfosa's transaction-based operations and diversified property management requires well-established processes and controls to minimize the risk of error. It also requires a corporate culture that fosters a good control environment.

Nyfosa's model for internal control and governance consists of three parts, and each part is a line of defense with responsibility for its level of internal control and governance.

The Board is the third line of defense and is responsible for ensuring that there are processes to identify and define risks within operations and to measure and control risk-taking. 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.

The CEO and Group Management are the second line of defense for daily work on an overall level, ensuring effective governance and control.

The first line of defense is each manager at our property management office and the Group functions outlined in the image on page 52. These functions have roles with responsibilities for maintaining good internal control and governance in each of their respective areas.

Procedures and processes for internal control, governance and risk management are based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). This framework has five basic components: Control environment, Risk assessment, Control activities, Information & communication and Monitoring activities.

NYFOSA'S THREE LINES OF DEFENSE FOR INTERNAL CONTROL AND GOVERNANCE



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 authorization manual. 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 account-

ing policies applied by Nyfosa. In addition, Nyfosa provides an anonymous whistleblower function for all employees, business partners, tenants, suppliers and other external contracts that is regulated in separate guidelines and monitored by the Chairman of the Audit Committee.

Since the Group's ongoing reporting and the preparation of the quarterly and annual accounts, etc., have been partly outsourced to external service providers (Newsec Property Asset Management, PrimeQ, Colliers and TietoAkseli), Nyfosa's accounting manual also addresses the collaboration with these providers. 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 the organization, 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, Group Management performs a risk evaluation of strategic, financial and operational risks as well as sustainability and compliance risks. The risks identified as the most material are documented in a risk list that is evaluated and submitted to a risk owner. 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,

GROUP-WIDE POLICIES AND GOVERNING DOCUMENTS

Finance policy

Provides guidelines and regulations for conducting the finance operations of the company and its majority-owned subsidiaries. Also states the allocation of responsibilities and authorities, and contains strategies for how various financial risks are to be managed and stipulates risk mandates.

Risk management policy

Describes roles, responsibilities, processes and procedures related to risk management in the Group. The goal of Nyfosa's risk management is to systematically identify, evaluate and prioritize strategic and operational risks to thereafter make decisions about their management, and to also take advantage of opportunities that improve the likelihood of reaching business goals.

Information security policy

The aim is to raise awareness about security in everyday work with Nyfosa's information: a) to ensure that information is protected in accordance with its legal requirements, value and operational significance; and b) to prevent and avoid serious disruptions in operations and c) establish confidence for Nyfosa's brand.

Insider policy

Summarizes work to maintain good corporate governance and the general public and market's confidence in the company, describes the primarily legal regulations banning insider trading, etc.

Communication policy

Aims to ensure accurate, high-quality communication both internally and externally and compliance with laws, regulations and agreements.

Sustainability policy

Describes the framework for Nyfosa's responsibilities in the relationships created in operations and the impact on surroundings and provides guidelines for work within financial, environmental and social sustainability.

Policy for related-party transactions

Aims to minimize the risks of errors or improprieties due to related-party transactions and relationships.

IT Policy

Aims to maintain an appropriate and efficient IT function that is to support the achievement of the company's business goals, protect operations, employees and customers as well as to ensure compliance with laws and regulations. This policy constitutes a framework for the management of IT resources, both internal and external, and applies to all of the company's employees, consultants and partners.

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 Board annually. For a description of the Group's risks and risk management, refer to the section Risks and risk management on pages 42–51 in the Annual Report.

The Audit Committee is responsible for identifying and managing serious risks of error in the financial reporting. The outcome of the completed risk analysis and accompanying action plan for the financial reporting is presented to the Committee annually.

Control activities

Control activities are established based on identified risks, with the aim of ensuring 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, collaboration and principles for distribution of responsibility between Nyfosa and external service providers and a defined decision-making process. Key processes include activities and controls intended to manage and minimize identified risks. In addition to these key processes, 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. 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.

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. Group Management works daily within operations and are thus regularly updated on developments in all portions of the company's operations. 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.

Monitoring

The Board continuously evaluates the information provided by Group Management. The Group'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. Refer to the annual plan for the Board's meetings on page 54.

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