

THE BOARD OF DIRECTORS' REPORT ON REMUNERATIONS AND INCENTIVE PROGRAMS FOR 2023

INTRODUCTION

This remuneration report provides an outline of Nyfosa's guidelines for remuneration to senior executives (the "**remuneration guidelines**"), adopted by the Annual General Meeting 2020 to apply until further notice, but no longer than until the Annual General Meeting 2024, and which have been applied during 2023. The report also provides details on the remuneration to Nyfosa's CEO as well as remuneration to directors of the board in 2023 that is in addition to the ordinary board fee resolved by the Annual General Meeting. Furthermore, the report contains a summary description of Nyfosa's existing share and share-price related incentive plans.

OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES IN 2023

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

Based on the remuneration committee's evaluation of the CEO's remuneration, the board of directors has determined that the current remuneration structure and remuneration level is appropriate, reflects market practice and is competitive and suitable for achieving Nyfosa's targets. Both the remuneration committee and the auditor have, after evaluation, concluded that Nyfosa has complied with current remuneration guidelines and no deviations or derogations from the remuneration guidelines or from the decision-making process, that according to the remuneration guidelines must be applied to determine remuneration, have been made during 2023.

The remuneration guidelines do not currently contain any provisions on the right to reclaim remuneration, so-called clawback provisions, and the board of directors has made the assessment that such provisions are not currently justified. As the current remuneration guidelines were adopted at the 2020 Annual General Meeting to apply until further notice, although no longer than until the 2024 Annual General Meeting, new guidelines are to be proposed and adopted at the 2024 Annual General Meeting. After monitoring and evaluating Nyfosa's programs for variable remuneration, how the remuneration guidelines have been applied, the evaluation of the current remuneration structures and remuneration levels in Nyfosa, as well as a general review of the guideline's design, the board of directors has decided to propose that the remuneration guidelines shall be updated at the 2024 Annual General Meeting. A description of all significant changes is available in the board of directors' complete proposal for new guidelines.

According to Nyfosa's remuneration guidelines, remuneration to senior executives must be adapted to market conditions and may consist of the following components: fixed salary, variable remuneration, pension and other benefits. The guidelines do not apply to any incentive programmes and remuneration to the board of directors that Nyfosa's general meeting has or may resolve upon.

Total remuneration to the CEO

The table below sets out the total remuneration (SEK) paid to Nyfosa's CEO during 2023.

Name, position	Financial year	1 Fixed remuneration		2	3	4	5	6
		Base salary	Other benefits	Variable remuneration - One-year variable	Extraordi- nary items	Pension expenses	Total remuneration	Proportion of fixed and variable remunerati on
Stina Lindh Hök, CEO	2023	4,104,000	146,737	2,109,190	0	1,099,013	7,458,940	72/28

Application of performance criteria

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

The performance criteria for variable cash remuneration to the CEO Stina Lindh Hök in 2023 were principally divided in three different parts. The first part has been based on the company's share price development in relation to other real estate companies. During the period December 30, 2022 (the last trading day in 2022) up until and including December 29, 2023 (the last trading day in 2023), Nyfosa's share price increased by 18.9 percent, compared to Carnegie's real estate index (CREX) 16.0 percent. Stina Lindh Hök is considered to have met the performance criteria in full. The second part has been related to the fulfilment of the company's financial target of an annual growth in the operative cash flow per share of at least 10 percent per year. Growth in the operative cash flow per share amounted to -29.2 percent in 2023 in comparison with 2022. Stina Lindh Hök is considered to not have met the performance criteria. The third part refers to a number of different internal targets where, for example, sustainability, Nyfosa's financial strategies and financial reporting as well as a positive net leasing have been considered. Stina Lindh Hök is considered to have met the performance criteria by 50 percent.

Outstanding share and share-price related incentive plans

The company has three ongoing warrant plans for all employees in Nyfosa (LTIP 2021/2024, LTIP 2022/2025 and LTIP 2023/2026), all of which have been adopted by the Annual General Meeting. All three plans are based on warrants where allocation to employees is made according to established categories. The warrants have been transferred to the participants on market terms at a price (premium) corresponding to the market value of the warrants determined by applying a generally accepted valuation model and calculated by an independent valuation institute. Under LTIP 2021/2024, warrants of two different series have been allocated to the employees, while only one series has been allocated under the other two plans. Each warrant, regardless of series or warrant plan, entitles to one (1) ordinary share of series A in the company. In the plans LTIP 2021/2024 and LTIP 2022/2025, participants have the possibility to request the application of an alternative exercise model, whereby the subscription price

for each ordinary share shall correspond to the quota value of the ordinary share and the warrants entitle to a recalculated, as a general rule lower, number of ordinary shares. Under LTIP 2023/2026, such recalculation is mandatory. In all plans, the company subsidises a part of the premium for certain participants through a cash bonus. If a participant is entitled to a bonus, it is paid out on two occasions with 50 percent each during the term of each warrant. The table below shows the main terms and conditions and the participants who are entitled to a subsidy under each plan.

Plan	Warrant series	Subscription price/share	Exercise period	Conditions for subsidy	CEO's holdings
LTIP 2021/2024	TO2 (S.I)	SEK 124.10 (corresponding to 122.5 percent of the calculated volume-weighted average price paid for Nyfosa's share on Nasdaq Stockholm during the period of 2021-04-22 - 2021-05-04)	Subscription of shares can be made during a two-week period from the day after publication of the interim report for: (i) Jan-Mar 2024; (ii) Jan-Jun 2024; and (iii) Jan-Sep 2024, but no later than 2024-12-09	At the time of payment, the participant shall (i) be employed by the company (ii) has not resigned or been dismissed; and (iii) have not transferred their warrants	38,000 TO2
LTIP 2021/2024	TO3 (S.II)	Initially SEK 101.32, recalculated using the average price development of the listed property companies on Nasdaq Stockholm according to the total return index SX35GI	Subscription of shares can be made during a two-week period from the day after publication of the interim report for: (i) Jan-Mar 2024; (ii) Jan-Jun 2024; and (iii) Jan-Sep 2024, but no later than 2024-12-09	At the time of payment, the participant shall (i) be employed by the company (ii) has not resigned or been dismissed; and (iii) have not transferred their warrants	38,000 TO3
LTIP 2022/2025	TO4	Initially SEK 108.69, with conversion of the average price development for the listed property companies on Nasdaq Stockholm according to the total return index SX35GI	Subscription of shares can be made during a two-week period from the day after publication of the interim report for: (i) Jan-Mar 2025; (ii) Jan-Jun 2025; and (iii) Jan-Sep 2025, but no later than 2025-12-05	At the time of payment, the participant shall (i) be employed by the company (ii) has not resigned or been dismissed; and (iii) have not transferred their warrants	45,000 TO4
LTIP 2023/2026	TO5	Initially SEK 68.34, with conversion of the average price development for the listed property companies on Nasdaq Stockholm according to the total return index SX35GI	Subscription of shares can take place during a two-week period from the day after the publication of the interim report for Jan-Mar 2026, but no earlier than 2026-04-01 and no later than 2026-06-05	a) That it is one of the first three times that the employee is offered to participate in a warrant plan in the company, and b) at the time of payment, the participant must: (i) be an employee of the company (ii) not have resigned or been dismissed, and (iii) have not transferred their warrants	50,000 TO5

Additional information on outstanding incentive plans can be found in note 7 in the annual report for 2023, available at Nyfosa's website, www.nyfosa.se/en/investor-relations/finansiella-rapporter-eng/.

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

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

Annual change	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	Information regarding 2023
Remuneration, TSEK					
CEO	+394 (+6%)	+305 (+5%)	-194 (-3%)	+158 (+3%)	7,459
The company's performance, MSEK					
Profit from property management ¹	-294 (-19%)	+231 (+18%)	+157 (+14%)	+331 (+41%)	1,239
Operating cash flow ²	-500 (-29%)	+269 (+19%)	+179 (+14%)	+440 (+53%)	1,215
Average remuneration on a full time equivalent basis of employees³, TSEK					
Per employee in the company	-14 (-1%)	-151 (-14%)	+40 (+3%)	- 525 (-34%)	The average number of employees 84 (80)

ADDITIONAL INFORMATION AVAILABLE IN THE 2023 ANNUAL REPORT OR AT NYFOSA'S WEBSITE

Nyfosa's remuneration guidelines, which were adopted at the Annual General Meeting 2020, are available on Nyfosa's website www.nyfosa.se/en/about-nyfosa/corporate-governance/remuneration/. Nyfosa's website also contains a statement by the auditor on whether Nyfosa have complied with the adopted guidelines, www.nyfosa.se/en/annual-general-meeting-2024/.

Further information on Nyfosa's remuneration during 2023 that is not covered by this report is available in the annual report for 2023. The information can be found at:

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The remuneration committee's work during 2023.

Note 7 on page 79-81

Such information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554), including detailed information regarding remuneration to other senior executives covered by the remuneration guidelines adopted at the Annual General Meeting 2020 and information regarding Nyfosa's share and share-price related incentive plans.

Note 7 on page 82

Remuneration to the board of directors.

¹ Profit from property management comprises profit before tax with add-back of changes in the value of properties and financial instruments and add back of changes in value of tax and other items in share in profit of joint ventures.

² As at December 31, 2023, the cash flow statement was adjusted by including interest paid and received in the operating cash flow statement. The comparative period has been restated. See complete statement in the company's annual report on page 66.

³ The average remuneration for employees includes the following components: fixed remuneration, variable remuneration and pension expenses and other benefits.

Nacka in March 2024
Nyfosa AB
The board of directors