

THE BOARD'S PROPOSALS AND REPORT FOR THE ANNUAL GENERAL MEETING

THURSDAY APRIL 23, 2020

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A large, illuminated sign spelling "NYFOSA" in a stylized, blocky font is positioned in the center of the image. The sign is set against a backdrop of a city skyline at sunset. The sun is low on the horizon, creating a warm, orange glow that fills the sky. The city buildings are silhouetted against the bright light of the setting sun. The overall scene is a composite image used for a corporate document cover.

NYFOSA

THE BOARD'S PROPOSAL FOR AGENDA

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination of whether the meeting has been duly convened
7. Presentation by the CEO
8. Presentation of the annual report and the auditor's report and the consolidated financial statements and the audit report on the consolidated financial statements
9. Resolutions on:
 - a) adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet,
 - b) disposition of the company's earnings in accordance with the adopted balance sheet, and
 - c) discharge from liability for the Board members and the CEO for the financial year 2019
10. Resolution on number of Board members
11. Resolution on number of auditors
12. Resolution on remuneration to the Board members
13. Resolution on remuneration to the auditor
14. Election of Board members and chairman of the Board
15. Election of auditor
16. Resolution on adoption of guidelines for remuneration to senior executives
17. Resolution on authorisation for the Board to resolve to issue new shares
18. Resolution on authorisation for the Board to resolve on acquisition and transfer of shares in the company
19. Resolution on amendments to the articles of association
20. Closing of the meeting

THE BOARD'S PROPOSAL REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The Board proposes that the general meeting resolves to adopt the following guidelines for remuneration payable to senior executives:

Nyfosa AB has established principles and forms of remuneration to senior executives. The Board resolves, after the remuneration committee's preparation, on the size and forms of remuneration structures and remuneration payable to senior executives. The term "senior executives" means the Chief Executive Officer (CEO) and other members of the company's management. The Board proposes that the following guidelines for remuneration to the company's senior executives are adopted by the general meeting to apply until further notice, although not longer than until the 2024 Annual General Meeting. These guidelines apply to agreements concluded after the 2020 Annual General Meeting's resolution and where amendments are made to existing agreements after that time. These guidelines do not apply to any remuneration resolved upon by the general meeting.

The guideline's promotion of the company's business strategy, long-term interests and sustainability

On March 13, 2020, Nyfosa announced a new financial target and a new dividend policy as well as an updated business concept and vision, see the company's website www.nyfosa.se. A prerequisite for a successful implementation of the company's 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. To be able to recruit and retain a highly competent management with capacity to achieve set targets, the company shall apply competitive compensation levels and employment terms in line with market practice. The forms of remuneration shall motivate senior executives to do their utmost to ensure the shareholders' interests. The forms of remuneration shall also be simple, long-term and measurable.

Types of remuneration, etc.

The remuneration to senior executives may comprise a fixed and a variable part and pension benefits and other benefits. The fixed salary for senior executives shall be adapted to market conditions and be based on competence, responsibility and performance.

Variable remuneration may be awarded to the senior executives when the Board considers that it encourages the accurate behavior and does not jeopardize long-term value creation. The variable remuneration shall reward target-related results and improvements in simple and transparent structures and shall be maximized. Any outcome must relate to the fulfilment of the company's financial targets and other measurable performances related to sustainability which will support long-term shareholder value. Established performances shall mainly be common to senior executives, but may also, to a lesser extent, refer to individual performance. As a general rule, the measurement period for variable remuneration is based on performance for a period of approximately twelve months. Variable remuneration to each senior executive may not exceed six months' salary and shall not entitle to pension benefits.

Senior executives' non-monetary benefits shall facilitate the work of senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive operates. Premiums and other costs relating to such benefits may amount to not more than five percent of the fixed annual cash salary.

Senior executives may be offered incentive plans which shall primarily be share-based or share price-related. Any incentive plan must aim to improve the participants' commitment to the company's development and be implemented on market terms. Share-based and share price-related incentive plans shall be resolved by the general meeting and are therefore exempted from these guidelines. The company shall be able to pay cash remuneration linked to senior executives' acquisition of shares or share-related instruments. Such cash remuneration shall not generally exceed 15 percent of the fixed annual cash salary. For more information regarding outstanding incentive plans, see the company's website www.nyfosa.se.

The terms for pension benefits for senior executives shall be based on defined contribution pension plans and comply with or correspond to, and thereby be limited to, general pension plans, the ITP plan in Sweden.

Termination of employment

Salary during the period of notice and severance pay for a senior executive may together not exceed an amount equivalent to 18 months' salary, if notice of termination is made by the company, and six months' salary when notice of termination is made by the senior executive.

Salary and employment conditions for employees

Nyfosa has a de-centralised and relatively small organisation. The most vital functions for the company are provided in-house and other more standardised functions are insourced from external service providers.

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Remuneration to the Board in addition to fees to the Board resolved by the general meeting

In special cases, Board members elected by the general meeting should be able to receive fees and other remuneration for work carried out on the company's behalf, alongside their Board work. Fees at market rates, to be approved by the Board, may be payable for such services. These guidelines are applicable on such remuneration.

The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives as well as any deviation from the guidelines. The Board shall prepare a proposal for new guidelines at least every fourth year and present the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate plans for variable remuneration to the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent from the company and its executive management. In the Boards' work regarding remuneration-related matters, the CEO of the company and the other members of the executive management are not present in so far as the questions concern their own remuneration.

Deviation from the guidelines

The Board may temporarily resolve to deviate, in whole or in part, from the guidelines for remuneration to senior executives set out above, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. If the Board deviates from the guidelines for remuneration to senior executives this shall be reported in the remuneration report before the upcoming Annual General Meeting.

Nacka in March 2020

Nyfosa AB (publ)

The Board of Directors

THE BOARD'S PROPOSAL REGARDING AUTHORISATION FOR THE BOARD TO RESOLVE TO ISSUE NEW SHARES

The Board proposes that the general meeting resolves on issue authorisation in accordance with the following.

The Board shall be authorised to resolve to issue new shares on one or several occasions for the period up to the next Annual General Meeting, to the extent that such new issue can be made without amending the articles of association. An issue may be made with or without deviation from the shareholders' preferential rights. Based on the authorisation, the Board may resolve to issue a number of new shares corresponding to a maximum of twenty percent of the total number of outstanding shares in the company.

The Board shall be authorised to resolve on issue where payment is made in cash, by contribution in kind or by way of set-off, or otherwise on such conditions as referred to in Chapter 2, section 5, second paragraph, items 1-3 and 5 of the Swedish Companies Act.

A cash issue or issue by way of set-off that takes place with deviation from the shareholders' preferential rights shall be in line with market terms.

The purpose of the authorisation and the reasons for the deviation from the shareholders' preferential rights are that the Board shall be able to resolve on issue of shares in order to finance acquisitions of real property or real property companies, or part of real property or real property companies, or in order to finance investments in new or existing real properties.

The CEO, or anyone appointed by the CEO, shall be authorised to make the minor adjustments in the general meeting's resolution that may be required in connection with registration at the Swedish Companies Registration Office or due to other formal requirements.

A resolution in accordance with this item is valid when supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

Nacka in March 2020
Nyfosa AB (publ)
The Board of Directors

THE BOARD'S PROPOSAL REGARDING AUTHORISATION FOR THE BOARD TO RESOLVE ON ACQUISITION AND TRANSFER OF SHARES IN THE COMPANY

The Board proposes that the general meeting resolves on repurchase and transfer authorisation in accordance with the following.

The Board shall be authorised to, on one or more occasions for the period until the end of the next Annual General Meeting, acquire shares in the company so that, as a maximum, the company's holding following the acquisition does not exceed 10 percent of all the shares in Nyfosa at any time. Acquisitions may only be conducted at Nasdaq Stockholm and at a price that is within the registered range for the share price prevailing at any time, that is, the range between the highest bid price and the lowest ask price. In the event that acquisitions are effected by a stock broker assigned by the company, the price for the shares may, however, correspond to the volume weighted average price during the time period within which the shares were acquired, even if the volume weighted average price on the day of delivery to Nyfosa falls outside the price range. Payment for the shares shall be made in cash.

The Board further proposes that the general meeting resolves to authorise the Board to, on one or more occasions for the period until the end of the next Annual General Meeting, resolve upon transfer of the company's shares. The number of shares to be transferred may not exceed the total number of shares held by the company at any time. Transfers may be conducted on or outside Nasdaq Stockholm, including a right to resolve upon deviations from the shareholders' pre-emption right. Transfer of shares on Nasdaq Stockholm shall be conducted at a price within the from time to time registered price range. Transfers of shares outside Nasdaq Stockholm shall be conducted at a price in cash or value in property that corresponds to the, at the time of the transfer, current market share price of the shares in Nyfosa that are transferred, with such deviation that the Board considers appropriate in each case.

The purpose of the authorisations is to provide the Board with greater flexibility to adapt the company's capital structure to the capital needs from time to time as well as to enable the financing of acquisitions of real property or real property companies, or part of real property or real property companies in a cost efficient way through payment with the company's shares.

The CEO, or anyone appointed by the CEO, shall be authorised to make the minor adjustments in the general meeting's resolution that may be required in connection with registration at the Swedish Companies Registration Office or due to other formal requirements.

A resolution in accordance with this item is valid when supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

Nacka in March 2020
Nyfosa AB (publ)
The Board of Directors

PROPOSED ARTICLES OF ASSOCIATION

§ 1 Company name

The company's name shall be Nyfosa AB. The company shall be a public limited liability company (publ).

§ 2 Operations

The object of the company's operations is to, directly or indirectly, own and manage properties and property-related assets and engage in associated activities.

§ 3 Registered office

The registered office of the company's board of directors shall be in the Municipality of Nacka, Sweden.

§ 4 Share capital

The company's share capital shall amount to not less than SEK 80,000,000 and not more than SEK 320,000,000.

§ 5 Number of shares

The number of shares in the company may not be fewer than 160,000,000 and not exceed 640,000,000.

§ 6 Board of directors

The board of directors shall comprise not fewer than four, and not more than ten, members, with no deputies. The board members shall be elected annually at the company's annual general meeting for the period until the end of the next annual general meeting.

§ 7 Auditor

The company shall have not less than one and not more than two auditors with not more than two deputy auditors. An authorised public accountant or registered auditing firm shall be appointed as auditor and, where applicable, as deputy auditor. The auditors shall examine the company's annual report and accounts, and the administration of the board and CEO. If the company is a parent company, the auditors shall also examine the consolidated financial statements and the relationships between Group companies.

§ 8 Notice of meeting

The general meeting of shareholders shall be convened through a notice in Post- och Inrikes Tidningar (Swedish Official Gazette) and on the company's website. An announcement that notice to attend has been issued shall be published in Svenska Dagbladet. Should the nationwide distribution of Svenska Dagbladet be discontinued, the announcement shall be published in Dagens Nyheter instead. The notice to attend shall be issued within such time stipulated by the Swedish Companies Act (2005:551).

§ 9 Notification of attendance and right to participate in general meeting

Shareholders wishing to participate in the general meeting shall notify the company of their intention to attend not later than the day stated in the notice to attend the meeting.

At a general meeting, shareholders may be accompanied by one or two assistants, although only if the shareholder has given notification of this as specified in the previous paragraph.

§ 10 General meetings

A general meeting is to be held at the location where the board of directors has its registered office or in Stockholm. An annual general meeting of shareholders shall be held within six months of the close of each financial year. At the annual general meeting, the following items shall be addressed:

- 1) Election of chairman of the meeting.
- 2) Preparation and approval of the voting list
- 3) Approval of the agenda.
- 4) Election of one or two persons to verify the minutes.
- 5) Determination of whether the meeting has been duly convened.
- 6) Presentation of the annual report and the auditor's report and, if applicable, the consolidated financial statements and the audit report on the consolidated financial statements.
- 7) Resolutions on
 - a. adoption of the income statement and balance sheet and, where appropriate, consolidated income statement and consolidated balance sheet,
 - b. appropriation of the company's earnings in accordance with the adopted balance sheet, and
 - c. discharge from liability for the members of the board and the CEO.
- 8) Determination of the number of board members, the number of auditors and, if applicable, the deputy auditors.
- 9) Determination of fees to be paid to the members of the board and auditors.
- 10) Election of members of the board and auditors as well as any deputy auditors.
- 11) Other business to be addressed by the meeting in accordance with the Swedish Companies Act or the articles of association.

§ 11 Financial year

The company's financial year shall be 1 January – 31 December.

§ 12 Record date provision

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

THE REASONED STATEMENT OF THE BOARD PURSUANT TO CHAPTER 19 SECTION 22 OF THE SWEDISH COMPANIES ACT

With reference to the Board's proposal to authorise the Board to resolve on acquisition of shares in the company, the Board hereby submits the following reasoned statement pursuant to Chapter 19, Section 22, of the Swedish Companies Act (2005:551).

Nature, scope and risks of the business

The nature and scope of the business are specified in the articles of association and in the submitted annual reports. The business conducted by the company and the group does not entail any risks other than those that arise, or can be anticipated to arise, within the industry concerned, or those risks that are generally associated with operating a business. In addition, no events have occurred which have negatively affected the company's ability to distribute funds to the shareholders. The company's dependency on economic conditions does not deviate from what is otherwise prevalent in the industry concerned.

The financial position of the company and the group

The financial position of the company and the group as of December 31, 2019 is described in the latest submitted annual report. The annual report also specifies which accounting principles that are applied in the valuation of assets, provisions and liabilities.

The Board has proposed that the Annual General Meeting authorises the Board to, on one or more occasions for the period until the end of the next Annual General Meeting, resolve on acquisition of shares in the company so that, as a maximum, the company's holding following the acquisition does not exceed 10 percent of all the shares in Nyfosa at any time.

The company's equity/asset ratio as of December 31, 2019 is 55 percent and the group's equity/asset ratio is 44 percent. SEK 0 million of the parent company's equity as of December 31, 2019, depends on assets and liabilities being valued at fair value in accordance with Chapter 4, Section 14 (a) of the Annual Accounts Act.

Including committed lines of credit, the company has access to considerable liquid funds.

The proposed authorisation for the Board to resolve on acquisition of shares in the company do not jeopardize fulfillment of the investment deemed necessary. It is assessed that the authorisation for the Board to resolve on acquisition of shares in the company does not affect the company's and the group's ability to meet its payment obligations in a timely manner.

The justification of the proposal on authorisation for the Board to resolve on acquisition of shares in the company

With reference to the above and to other information that has been brought to the Board's attention, the Board considers that the company's and the group's financial position entails that the proposed authorisation for the Board to resolve on acquisition of shares in the company is justified in view of the requirements that the nature, scope and risks of the business, including effects of the general financial situation, place on the size of company's and the group's equity as well as the company's and the group's funding requirements, liquidity and position in general.

Nacka in March 2020

Nyfosa AB (publ)

The Board of Directors

REPORT BY THE BOARD ON THE REMUNERATION COMMITTEE'S EVALUATION OF REMUNERATION TO SENIOR EXECUTIVES

The Board has previously established a remuneration committee, which prepares the resolutions of the Board on issues concerning size and forms of structures for remuneration to senior executives. The term "senior executives" means the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and other members of the company's management. The remuneration committee's tasks include to prepare the Board's proposal for guidelines for remuneration to senior executives.

The remuneration committee is also during the year entrusted with the task of monitoring and evaluating the outcome of programmes for variable remuneration, the application of the guidelines for remuneration to senior executives that the general meeting has adopted as well as the current remuneration structures and remuneration levels in the company.

Pursuant to Section 10.3 of the Swedish Corporate Governance Code, the Board hereby presents the following report on the result of the remuneration committee's evaluation.

Evaluation of programme for variable remuneration to senior executives

According to current guidelines for remuneration to senior executives, the variable part of the remuneration shall reward target-related results and improvements in simple and transparent constructions as well as being maximized. An outcome shall be related to the fulfilment of targets regarding earnings, result, cash flow, growth, value increase, individually measurable goals and qualitative targets. Variable remuneration to each senior executive shall not exceed four months' salary and shall not entitle to pension benefits. The company's cost for the variable remuneration for the entire group of senior executives in the group can annually amount to a maximum of MSEK 4 (excluding costs for social security contribution). The remuneration committee has evaluated the set targets for the variable remuneration and the outcome for 2019 and is of the opinion that the variable remuneration is still well balanced and is in line with the shareholders' interests and that the variable remuneration is important to motivate and retain senior executives. The remuneration committee considers that the targets set are effective.

At the Annual General Meeting held on May 9, 2019 a decision was made to establish a long-term, share based, incentive plan. The plan includes the Chief Executive Officer, other members of the company's management and other employees in the company. The plan is based on warrants. Taking into account that the company has an explicit growth strategy, an incentive plan related to the development of the share price and index has been assessed as an appropriate way of promote employees performance and the plan is thereby distinctly linked to the company's long term value creation, including its sustainability. For more information regarding the incentive plan, including the criteria which the outcome depends on, please see Nyfosa's website www.nyfosa.se.

The application of the guidelines for remuneration to senior executives and current remuneration structures and remuneration levels

According to current guidelines for remuneration to senior executives, the company shall apply the remuneration levels and employment terms that are required in order to recruit and retain senior executives with high competence and capacity to reach specified objectives. The remuneration committee is of the opinion that the guidelines follow their purpose to motivate senior executives to do

their utmost to secure the shareholders' interest as well as to promote the company's long-term value creation. The evaluation of the remuneration committee has also shown that the guidelines have been applied and that the outcome has been based on set targets being achieved to full extent. The auditor of the company has given a statement to the Board stating that Nyfosa has not deviated from the guidelines for remuneration to senior executives that were resolved upon by the shareholders at the Annual General Meeting on May 9, 2019.

The remuneration committee has, based on conducted market surveys, determined that the remuneration structures and remuneration levels of the company are on market terms.

Nacka in March 2020

Nyfosa AB (publ)

The Board of Directors