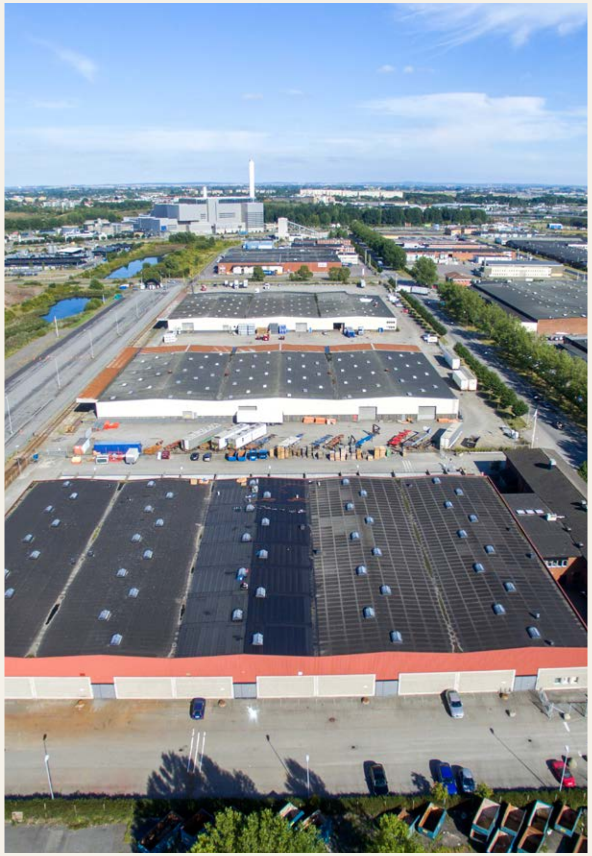
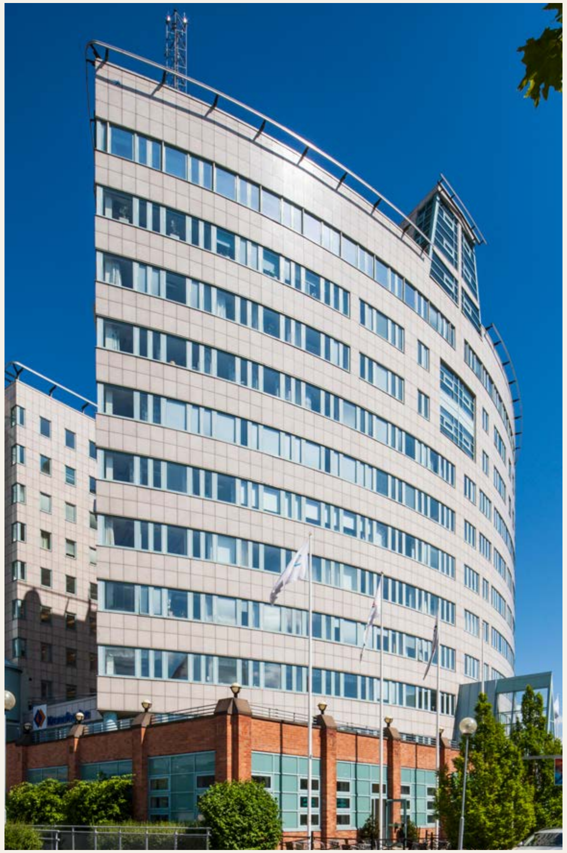
2023 ANNUAL REPORT

AT NYFOSA, WE DO THE BUSINESS WE BELIEVE IN, REGARDLESS OF CATEGORY OR GEOGRAPHY. WE KNOW THAT EACH PROPERTY IS UNIQUE AND COMES WITH ITS OWN POTENTIAL. WE BUILD A DIVERSIFIED PROPERTY PORTFOLIO, THEREBY CREATING AND DEVELOPING OPERATIONS THAT HAVE STRONG, SUSTAINABLE CASH FLOWS.





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Nyfosa 2023 Annual 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 2023 financial year. The Annual Report and the Sustainability Report are published in Swedish and English. The Swedish Annual Report is the original version.

The Board of Directors' Report (section marked with ■ in the Contents) as well as the Financial statements (section marked with ■ in the Contents) have been externally audited by the company's auditors.

Sustainability Report 2023

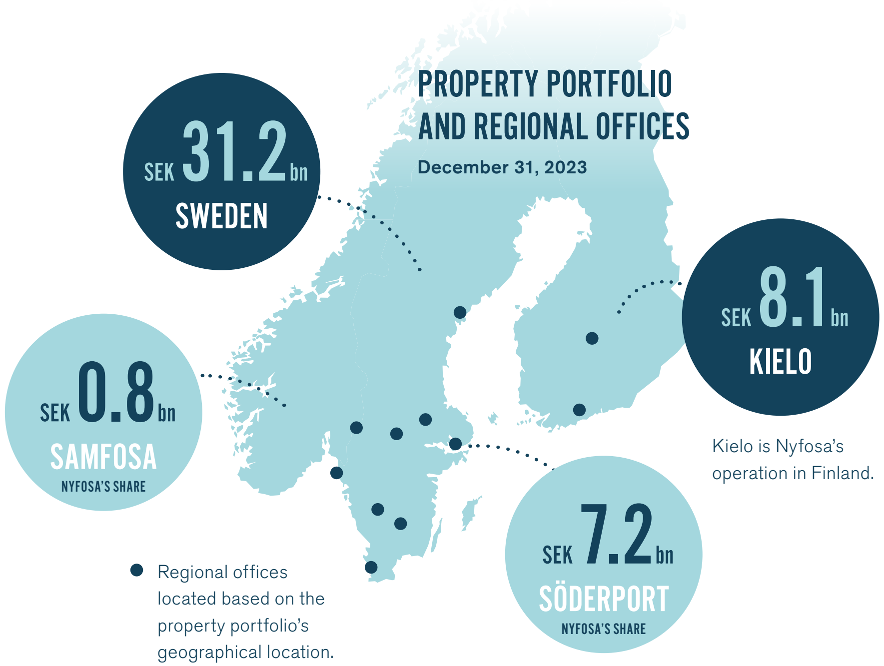
In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Nyfosa has decided to prepare the Statutory Sustainability Report as a separate report from the Annual Report. The sections marked with ■ in the Contents are Nyfosa's Sustainability Report and Statutory Sustainability Report. The Sustainability Report has been prepared in accordance with the GRI Standards and reviewed by the company's external sustainability auditors.

NYFOSA WILL BE THE SWEDISH PROPERTY COMPANY THAT IS THE BEST AT CREATING VALUE

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

PROPERTY PORTFOLIO AND REGIONAL OFFICES

December 31, 2023



+13 %
GROWTH IN INCOME
JAN–DEC 2023

+17 %
GROWTH IN NET OPERATING INCOME
JAN–DEC 2023

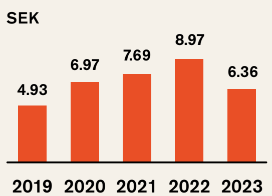
MSEK –8
NET LEASING
JAN–DEC 2023

SUMMARY OF KEY FIGURES

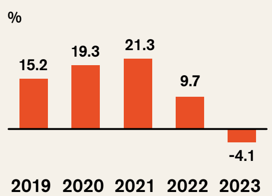
MSEK	2023	2022
Income	3,553	3,151
Net operating income	2,445	2,092
Surplus ratio, %	68.8	66.4
Profit from property management	1,239	1,533
Profit for the period	-639	1,694
Interest-coverage ratio, multiple	2.0	3.4
Net debt/EBITDA, multiple	9.4	10.2
Net loan-to-value ratio of properties on balance-sheet date, %	58.3	57.7
Operating cash flow	1,215	1,714
Property value on balance-sheet date	39,278	40,446
NAV on balance-sheet date	18,093	19,250
Key figures per share, SEK		
Profit from property management	6.15	7.80
Operating cash flow	6.36	8.97
Profit/loss after dilution	-3.67	8.61
NAV on balance-sheet date	94.72	100.78

For definitions of key figures, see pages 112–113.
For calculation of alternative performance measures, see pages 61–62.

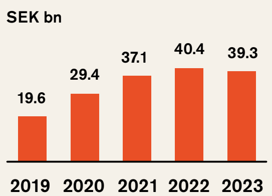
OPERATING CASH FLOW PER SHARE



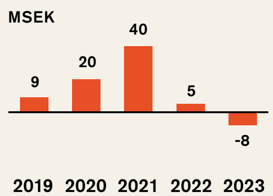
RETURN ON EQUITY



TREND IN PROPERTY PORTFOLIO



NET LEASING



FORECAST FOR 2024

For 2024, profit from property management with the current property portfolio, announced acquisitions and divestments and balance-sheet date exchange rates is expected to amount to MSEK 1,200 after interest on hybrid bonds.

MAJOR TRANSACTIONS 2023

ACQUISITIONS IN SWEDEN

Acquisition of 13 properties including grocery and discount stores, warehouses and light industrial buildings in Eskilstuna, Örebro, Linköping, Gävle and Örnsköldsvik.

Acquisition: MSEK 706
Rental value: MSEK 63
Area: 50 thousand sqm

DIVESTMENTS IN TWO TRANSACTIONS

Divestment of ten properties with warehouses and light industry in Helsingborg, Jönköping, Malmö and Österåker with a positive earnings effect before tax of MSEK 45.

Divestments: MSEK 543
Rental value: MSEK 40
Area: 55 thousand sqm

DIVESTMENTS IN SEVERAL SWEDISH MUNICIPALITIES

Divestment of nine properties, mainly comprising premises for warehousing and light industry in Burlöv, Gothenburg, Haninge, Huddinge and Härryda, with a positive earnings effect before tax of MSEK 44.

Divestments: MSEK 761
Rental value: MSEK 55
Area: 58 thousand sqm

DIVESTMENTS IN FOUR CITIES

Divestment of seven properties with warehouses and light industry in Falköping, Filipstad, Lidköping and Malmö with a positive earnings effect before tax of MSEK 30.

Divestments: MSEK 299
Rental value: MSEK 27
Area: 46 thousand sqm

COMMENTS FROM THE CEO

NYFOSA WILL NEVER STAND STILL

We have now concluded a cautious year on the property market, a year most notably characterized by rapid interest rate hikes. Nyfosa's rental income and net operating income rose, whilst the interest rate development negatively affected earnings. During the year, we completed a number of transactions, refinanced our bank debt, and repurchased bonds; all aimed at ensuring our financial position and enabling a higher cash flow per share. Due to the steep interest rate rises during the year and the need to ensure Nyfosa's financial strength and latitude in 2024, the Board of Directors proposes that no dividend be paid for the 2023 financial year.

Property management

Our property management continued its positive path in 2023. Income increased by 13 percent and net operating income increased by 17 percent compared with the previous year. Net leasing for the full year was negative at MSEK –8, with new leasings of MSEK 177, notice of termination of leases of MSEK 164 and bankruptcies of MSEK 21. At the year-end, almost half the premises made vacant due to bankruptcies had been leased once again. The fourth quarter ended with a positive net leasing of MSEK 10 and we continue to see stable demand for our premises, including the signing of agreements with public authorities and local health centers with lease terms of up to 15 years.

Throughout the year, we continued our property management work to create a more sustainable property portfolio. We are successively increasing our efforts aimed at lowering our energy consumption, both to reduce our negative impact on the climate through lower carbon dioxide emissions and to bring down our operating costs and create greater value within the property portfolio. We can see our efforts are paying off as energy use in the Swedish property portfolio has fallen by 9 percent since 2020, which means we are well on our way to achieving the goal of a 10 percent reduction by 2025. In Finland, ever since we first started doing business there, we have focused on taking over the management of a large number of properties in a short period of time, which has meant that the work on lowering energy use in the Finnish property portfolio began in 2023.

Kielo in Finland
Since 2021, Nyfosa has built up a property portfolio in Finland, which had a market value of just over SEK 8 billion at the year-end. The properties consist primarily of premises for offices, warehouses, light industry and big box retail located in university towns. In 2024, Nyfosa in Finland will gradually transition to operating under the Kielo brand. The brand was part of an acquisition made in 2021 and is already well-established on the Finnish market, and we view it as a solid base for our further development in Finland.

Property Valuations
Nyfosa's entire property portfolio is externally valued every quarter. In 2023, the market value of the properties continued to fall as a result of higher yield requirements. The required yield rose to 6.76 percent compared with 6.39 percent the previous year. As before, higher net operating income and project development have reduced the impact of the higher yield requirements. We have reported changes in value of properties of MSEK –1,352 for 2023, which corresponds to a drop of –3.3 percent.

Financing
In 2023, we carried out several measures to reduce our financing costs and ensure the continued stable financing of our operations. During the year, we refinanced bank debt of SEK 7.2 billion and reduced total bank debt by SEK 0.5 billion. In addition, bonds of MSEK 275 were redeemed early, which means we have no loans or bonds maturing in 2024.

As part of Nyfosa's ongoing development, we updated the company's finance policy during the year. One of the results of this is that we report the new key ratio net debt to EBITDA that is to be less than 12 times, which amounted to 9.5 times on the balance-sheet date. This change additionally meant that the limitation of a loan-to-value ratio of a maximum of 65 percent was replaced with a net loan-to-value ratio of a maximum of 60 percent. In addition, we have decided to create a maturity structure for the fixed capital and interest periods which is more even. As such, the long-term goal is to reach a level whereby 75 percent of interest-bearing liabilities are hedged evenly over a period of 4–5 years. In autumn 2023, we commenced our work to gradually increase the proportion of interest-hedged debt, which amounted to 52 percent on the balance-sheet date.

"Nyfosa will constantly develop to create the greatest possible value for its shareholders."

As a result of the above measures, as well as the fact that STIBOR and EURIBOR were essentially unchanged in the fourth quarter, our interest expenses decreased during the last quarter of the year, which, in turn, led to a 15-per-cent increase in earnings capacity compared to the previous quarter.

One effect of the rising interest rates during the year is that the interest coverage ratio for the full year 2023 has fallen to 2.0. Due to our new interest rate strategy and given that further interest rate hikes now appear unlikely, we forecast that the interest coverage ratio for 2024 will amount to a multiple of 2.1.

Outlook for 2024
To provide greater transparency and clarity concerning the market conditions for the company in the future, the Board of Directors has decided to issue a forecast for profit from property management, which will then be followed up and potentially revised on a quarterly basis. For 2024, profits from property management based on the current property portfolio, announced acquisitions and divestments, and balance-sheet day exchange rates are forecast to amount to MSEK 1,200 after interest on hybrid bonds.

Market
Nyfosa constantly assesses interesting potential transactions, and I am delighted we were able to complete a number of value-adding transactions during the year. In total, we acquired properties for MSEK 1,002 and sold properties for MSEK 1,558.

I believe 2024 will provide both buyers and sellers with better market conditions to do business and that the transaction market will pick up. As a transaction-oriented company, Nyfosa will continue to act aggressively in the property market on both the buy and sell sides, with a focus on strengthening our operating cash flow per share.

Nyfosa will constantly develop and evolve to create maximum value for its shareholders and create value in different ways. At the beginning of the year, we announced that Nyfosa has decided to evaluate the strategic alternatives, including a potential divestment, for our 50 percent ownership of the property company Söderport. This evaluation is based on Nyfosa's overall strategy to take full advantage of opportunities by continuously reviewing existing investments as well as new business opportunities presented.

Finally, I would like to extend a warm thank you to all of Nyfosa's employees who, through solid work and great commitment, contributed to Nyfosa's development through the year. In addition, I would like to thank our shareholders for your trust and for enabling Nyfosa's onward journey.

Nyfosa will never stand still, the company will never stop developing. I look forward to the year ahead and to continuing to make Nyfosa better.

Stina Lindh Hök, CEO

TARGETS AND DIVIDEND POLICY

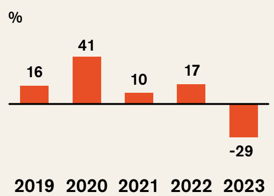
FINANCIAL TARGETS

Growth in operating cash flow per share
Annual growth in operating cash flow per share of 10 percent over time.

Average growth per year for 2019–2023

+7 %

Growth in operating cash flow per share

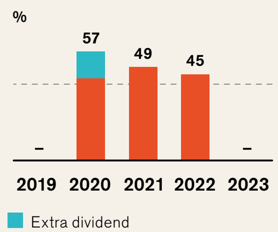


DIVIDEND PER SHARE

Dividend policy
At least 40 percent of the operating 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.

2023
The Board of Directors proposes that no dividend be paid for the 2023 financial year.

Dividend – share of operating cash flow



SUSTAINABILITY TARGETS 2025

Sustainability certification
By 2025, properties corresponding to 50 percent of the property value 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

Carbon emissions
Nyfosa will act to minimize the operation's carbon emissions.

KEY FIGURES[1]

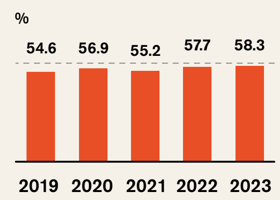
	Sweden	Kielo	Nyfosa			
Jan–Dec	2023	2023	2023	2022	2021	2020
Energy consumption, kWh per sqm	107.6	180.0				
Baseline for sustainability target, kWh per sqm	117.6	180.0				
Energy consumption, kWh per sqm reduction since 2020,[2] %	9	ET.				
Total energy consumption (GWh)	214	90	304	281	137	133
Total carbon emissions Scope 1, tons CO_2	284	561	845	522	118	117
Total carbon emissions Scope 2, tons CO_2	4,269	4,503	8,771	9,077	8,330	4,750
Total carbon emissions Scope 3, tons CO_2	657	540	1,197	4,009	715	541
Sustainability certification property value, MSEK	9,629	3,299	12,928	11,209	5,614	1,123
Sustainability certification property value, share, %	31	41	33	28	15	4

1) Accounting policies for sustainability data are available on page 105.

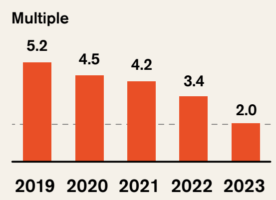
2) The reduction is calculated on the like-for-like property portfolio, which are properties that each segment managed for an entire financial year.

FINANCIAL RISK LIMITS

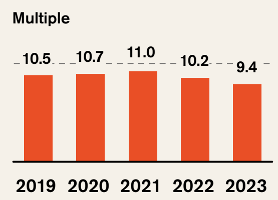
Net loan-to-value ratio
Not to exceed 60 percent.



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



Net debt/EBITDA
Not to exceed a multiple of 12.



BUSINESS MODEL

STABLE AND SUSTAINABLE CASH FLOWS

Building stable and sustainable cash flows is the foundation of Nyfosa's business concept. This is how resilient operations and long-term value are created for the company's shareholders. New business opportunities are evaluated constantly, regardless of geography or property category.

Broad investment strategy
Nyfosa is a Swedish listed property company that has a business model without restrictions in terms of geography or property categories. The overall objective is to create sound and sustainable cash flow growth while constantly evaluating opportunities in the market. Our broad investment strategy means that the company is always ready to capitalize on transactions that arise. The opportunity to make acquisitions that are on the periphery of what other property companies and investors are looking for offers the potential to do good business.

Evaluating many business opportunities
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.

Experienced management and business-centric organization
Nyfosa has a management team with experience of transactions and management that vary in nature and complexity. The market-centric organization has short decision-making paths and well-established processes. Sustainability is the starting point of property management and the development of the portfolio.

Development creates value
Nyfosa manages and develops 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 and reduce the environmental impact, Nyfosa continuously evaluates how we can best optimize each building, ranging from minor to large-scale actions. This involves a number of different initiatives, from refurbishment of properties and optimization of energy consumption to developing new zoning plans and building rights for projects.

VALUE-CREATING BUSINESS MODEL

Nyfosa's business model is based on taking an active role in the transaction market and continuously evaluating a large number of business opportunities. The property portfolio is managed and developed from the perspective that there is a link between sustainability and profitability.

VISION

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

BUSINESS CONCEPT

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

STRATEGY

Nyfosa's strategy is based on its business concept and comprises six parts, which work together to achieve the company's targets. Nyfosa's objective is to be a leading player within the property sector and a responsible partner for tenants and society. By continuing to build on Nyfosa's strengths and the organization's experience, the conditions are in place to generate value and growth.

TRANSACTIONS p.11

Active in the transaction market

Nyfosa works close to the transaction market to continuously evaluate new business opportunities. The company's broad local presence is the key to continued profitable business. 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 processes, this means that a large amount of business opportunities can be evaluated in parallel and transactions completed quickly. Business deals are currently being evaluated in Sweden, Finland and Norway.

PROPERTY PORTFOLIO p.15

Prioritize commercial properties in growth regions

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

PROPERTY MANAGEMENT p.20

With sustainability add value to the portfolio

Nyfosa manages, develops and enhances the property portfolio with the aim to increase the properties' cash flow and value. Property management is conducted in a professional, profitable and sustainable manner in close cooperation between Nyfosa's local organization, the central functions, and in close dialogue with tenants, society and other stakeholders.

TENANTS p.27

Act long term and close to the tenants

By being a responsible property owner and a reliable, locally established partner, Nyfosa contributes to building relationships and creating value in the markets where the company operates. A critical part of this involves optimizing opportunities for the tenants by thinking creatively, responding quickly to tenants who have questions and providing personalized service. Nyfosa will have local offices close to the tenants.

ORGANIZATION p.30

Attract and develop the best employees

Expertise, business acumen and a contact network is central to realizing Nyfosa's business concept and targets. 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.

FINANCING p.34

Financing primarily through banks

Nyfosa's principal financing comprises bank loans. Good relationships with creditors are important in establishing a long-term approach and a reduced refinancing risk. A small share of the company's financing is processed in the capital market. The company works to maintain as effective and profitable a capital structure as possible considering the given risk limits.

TRANSACTIONS

ACTIVE IN THE TRANSACTION MARKET

A market-centric organization and transaction-oriented employees guarantee the conditions necessary for the transaction-based business model. The approach is focused on strengthening cash flows and yield, regardless of market. In 2023, transactions were conducted in Sweden and Finland for nearly SEK 2.6 billion in the form of acquisitions and divestments.

Transactions key in creating cash flow growth and increasing the yield from the property portfolio. Nyfosa is equipped to evaluate a large number of potential acquisitions and divestments in parallel, thereby facilitating a wide selection of transactions. Proactive and reliable, the company is an attractive partner for property owners, banks, advisors, and other players in the industry. The company's bank relationships mean generally good opportunities for flexible financing, which is essential for transaction operations.

Acquisition strategy

Nyfosa's acquisition strategy focuses on completing transactions that contribute to the best possible return and risk level in order to realize our goal of cash flow growth. The acquisition strategy is not limited to a certain property category, geography spread or size of acquisition. The existing property portfolio is continuously evaluated and restructured to optimize the property portfolio and develop the composition based on market changes regarding returns and risks. The prevailing market determines the transaction volume and from time to time may entail an intensified focus on acquisitions or divestments when it is deemed advantageous.

The emphasis is on identifying business opportunities that lead to a diversified portfolio of properties that have good returns. Mixed property portfolio comprising different categories of properties or geographic spread suits Nyfosa well. Competition for such portfolio may be slightly lower since fewer companies have strategies that allow for a diversified property portfolio.

Close to the market

The transaction organization has the expertise, resources and creativity to identify and realize the business opportunities that arise. This geographic diversity in the portfolio provides a large contact network of potential property players and is the key to the transaction operations. This creates a solid basis on which to assess the market trend, identify business opportunities at an early stage and make well-founded decisions. Many transactions take place outside the open market through direct contact with a seller.

In the Finnish market, the transaction operations are conducted in Kielo, together with Brunswick Real Estate, which is also a minority owner in Kielo. Given its well-established position in the Finnish property market, Brunswick is a key element in the development of the operations in Finland. Investments in the Norwegian market are carried out in a joint venture, Samfosa AS, which is jointly owned with the property company Samfunnsbyggeren AS. There is excellent potential for leverage the company's interests with a partner that lends its immense knowledge of the Norwegian property market in combination with Samfosa's management organization. Refer to Note 12 for more information.

Established transaction process

The operations follow a well-established transaction process for implementing property transactions in a business-like and efficient manner. A considerable volume of business opportunities is constantly being evaluated and an acquisition or divestment process can take a few weeks or up to several years, depending on the complexity or other circumstances. Prior to a potential acquisition, the transaction is always analyzed based on its unique potential. Great emphasis is placed on identifying, analyzing and managing any risks associated with the property or the portfolio.

MARKET AND TRANSACTIONS 2023

Market[1]

In 2023, the market for property transactions was characterized by low activity, a trend that commenced in the second half of 2022. The transaction volume in all of Nyfosa's markets declined compared with the previous year. In Sweden, the transaction volume for property transactions exceeding MSEK 40 in 2023 amounted to SEK 104 billion compared to SEK 220 billion in 2022. In Finland, the equivalent transaction volume in 2023 totaled EUR 2.6 billion, compared with EUR 7.0 billion in 2022. In Norway, the corresponding transaction volume amounted to NOK 57 billion during the year, compared with NOK 102 billion in 2022. Most transactions were conducted in logistics, warehouse and light industry in Sweden and Finland, and in the office segment and other in Norway.

Nyfosa's transactions

The year's market situation entailed fewer properties for sale and price levels that failed to correspond to the company's yield requirement. With more opportunities for value-generating divestments than acquisitions, the volume of property sales increased during the year.

1) Market data from Newsec.

Acquired properties 2023

During the year, properties were acquired for MSEK 1,002 (4,394).

In January, closing took place on three office properties with an annual rental value of MSEK 14 and an occupancy rate of 100 percent in central Västervik. At the end of March, closing took place on a portfolio of 13 properties including grocery and discount stores, warehouses and light industrial buildings. The acquisition price amounted to MSEK 706, with an annual rental value of MSEK 63. The properties are fully leased. The tenants include Dagab, Ahlberg Dollarstore, Rusta and ICA. The properties are located in well-established locations, including Eskilstuna, Gävle, Linköping, Örebro and Örnsköldsvik.

During the year, closing also took place on a fully leased retail property in Borås with an annual rental value of MSEK 3, a fully leased industrial property in Porvoo with an annual rental value of MSEK 3, and a logistics/warehouse in Helsinki with an annual rental value of MSEK 5 and an occupancy rate of 98 percent.

Divested properties 2023

During the year, properties were divested for MSEK 1,558 (1,735).

In April, ten properties with warehouses and light industry were vacated in two different transactions. The properties are located in Helsingborg, Jönköping, Malmö and Österåker. The selling price amounted to MSEK 543 and the annual rental value is MSEK 40. The occupancy rate was 100 percent. In October, nine properties were vacated in Burlöv, Gothenburg, Haninge, Huddinge and Härryda, primarily comprising light-industrial and warehouse premises. The agreed property value amounted to MSEK 761. The annual rental value was MSEK 55, of which 25 percent was vacant. In November, seven properties were vacated in Falköping, Filipstad, Lidköping and Malmö. The leasable area of the properties comprised warehouse, industrial, retail and office premises. The selling price amounted to MSEK 299, with an annual rental value that was estimated at MSEK 27, of which 4 percent was vacant.

ACQUISITIONS IN 2023 BY REGION AND PROPERTY CATEGORY

MSEK	Offices	Logistics/ Warehouse	Retail	Industry	Other	Total
Mälardalen	–	–	383	32	–	416
Coast of Norrland	–	–	57	89	–	146
Stockholm	–	–	–	13	–	13
Southern Sweden, large cities	–	–	75	–	–	75
Sweden other	164	–	111	–	–	275
Helsinki and university cities in Finland	–	37	–	–	–	37
Finland other	–	–	–	40	–	40
Total	**164**	**37**	**626**	**175**	**–**	**1,002**

DIVESTMENTS IN 2023 BY REGION AND PROPERTY CATEGORY

MSEK	Offices	Logistics/ Warehouse	Retail	Industry	Other	Total
Karlstad	–	–	-4	–	–	-4
Malmö	-54	-327	–	–	–	-381
Stockholm	–	-271	–	-120	–	-392
Southern Sweden, large cities	–	-524	–	-19	–	-543
Sweden other	–	-241	–	–	–	-241
Total	**-54**	**-1,363**	**-4**	**-139**	**–**	**-1,558**

STRONG PRESENCE IN UNIVERSITY CITY OF JYVÄSKYLÄ

Since 2021, Nyfosa has built up a portfolio of commercial properties in Finland with a concentration to large growth cities, such as Helsinki, Jyväskylä, Tampere, Oulu and Turku. In Jyväskylä, located in southern Finland, Nyfosa has its largest property portfolio in the country, with modern properties and a high occupancy rate.

Property portfolio in Finland

Property value	Rental value	Area
MSEK 8,087	**MSEK 960**	**532 thousand sqm**

Geographic presence
Large cities mainly in southern Finland, including Helsinki, Jyväskylä, Tampere, Oulu and Turku. Two regional offices and local presence in all locations.

As a growing university city, Jyväskylä is characterized by a dynamic and vibrant atmosphere, with buildings beautifully located adjacent to one of Finland's largest lakes. The city's diversified business community extends between technology, biomedicine and IT to trade and service. Nyfosa's major tenants include aircraft manufacturer Airbus and service and software company Tietoevry.

"Jyväskylä is a good example of the type of major cities in southern Finland that Nyfosa is focusing on, with healthy population growth and a broad business sector," says Hanna Rauhala, CEO of the subsidiary Kielo.

ATTRACTIVE PREMISES WITH SERVICE CONCEPTS

The properties maintain a high quality and are located at some of the best addresses in the city, which has more than 140,000 inhabitants.

"We have an excellent mix in Jyväskylä. Nyfosa's properties offer modern and attractive premises with prime locations, which is noticeable in the generally good demand," says Hanna Rauhala.

The portfolio is diverse and comprises office premises and commercial areas along the city's pedestrian street and in an office area on the water, where the unique "Kontor+" service concept has proved popular. The rent for these premises includes reception service, cleaning, IT service and mail handling, which are provided by Nyfosa's personnel.

MODIFYING PREMISES FOR VOCATIONAL SCHOOL

In addition to properties with offices and retail, Nyfosa offers premises for schools and the university in Jyväskylä. During the year, a large expansion and renovation project at the Vasarakatu 27 property was completed for the Spesia vocational school that specializes in providing vocational training and coaching to students who need individual support. The school, which signed a 15-year lease, moved in during the second quarter of 2023. The school is located in an active business area, which creates good opportunities for students to undertake practical work in the local area. The final part of the project that remains is to install a solar cell facility on the school and an adjacent building, which is expected to produce 308 thousand kWh per year. This will mean a reduction in energy costs for the tenants, at the same time as Nyfosa can contribute to reduced carbon emissions.

SUSTAINABILITY CERTIFIED AND ENERGY-EFFICIENT BUILDINGS

Several of Nyfosa's properties in Jyväskylä comprise sustainability certified buildings that are highly energy efficient. Currently, 70 percent of the property value in Jyväskylä is sustainability certified. Nyfosa conducts ongoing energy efficiency projects in its property portfolio. For example, the modernization of ventilation and heating systems in one of the buildings took place during the year, which is expected to generate an energy saving of 15–20 percent.

"In Jyväskylä, we have created a property portfolio that is entirely in line with Nyfosa's business concept of diversified holdings with stable and sustainable cash flows. We regard this as a model for our work on further developing our Finnish property portfolio," concludes Hanna Rauhala.

NYFOSA BECOMES KIELO IN FINLAND

Nyfosa's operations in Finland will be conducted under the brand name Kielo in 2024, which is the Finnish word for Lilly of the valley – the national flower of Finland. This brand name, which was part of one of the acquisitions in 2021, is already an established name in the Finnish market.

PROPERTY PORTFOLIO

PRIORITIZING COMMERCIAL PROPERTIES IN HIGH-GROWTH REGIONS

There are no restrictions to the investment strategy, but commercial properties in high-growth regions in Sweden and Finland are prioritized. It is here that the company can leverage favorable trends such as a growing population and developments in the local business community.

Nyfosa has a diverse property portfolio due to the company's focus on cash flow rather than a specific property category, size or region.

These properties outside the central areas of the major cities have relatively low rent levels and even demand. Nyfosa has high diversification even in terms of property categories with its property portfolio comprising offices, warehouses/logistics, industry and retail properties, focusing on the big-box and discount sectors.

At year-end, the property portfolio comprised 497 properties (504) with a total property value of MSEK 39,278 (40,446) and an annual rental value of MSEK 3,897 (3,739) with a leasable area of 2,930 thousand sqm (3,012). For information on the year's value development is in Note 11.

Property portfolio in Sweden

The properties in Sweden represented at year-end 79 percent (80) of Nyfosa's total property value and 75 percent (75) of the rental value. The property portfolio comprised 404 properties (413) with a total property value of MSEK 31,192 (32,301) an annual rental value of MSEK 2,937 (2,812) and a total leasable area of 2,398 thousand sqm (2,489).

Property categories in Sweden

The office properties in Sweden are of high quality and mainly situated in regional cities, including Karlstad, Västerås, Malmö, Örnsköldsvik and Luleå. The logistics and warehouse premises are mostly situated in storage and industrial areas in or near to regional cities, such as Malmö, Haninge, Karlstad, Borås, Örebro and Växjö. The retail properties are primarily situated in expansive and popular big-box areas. Tenants include mainly established grocery, DIY and big-box retail. These commercial areas are primarily in Luleå, Borås, Västerås and Stockholm. The industrial properties focusing on light industry are situated in industrial locations close to towns such as Växjö and Värnamo. In Sweden, there is also a small number of properties, such as premises for hotel operations, schools, restaurants and healthcare. Properties in this category are located in municipalities and regions with population growth, such as Stockholm, Örebro and Malmö.

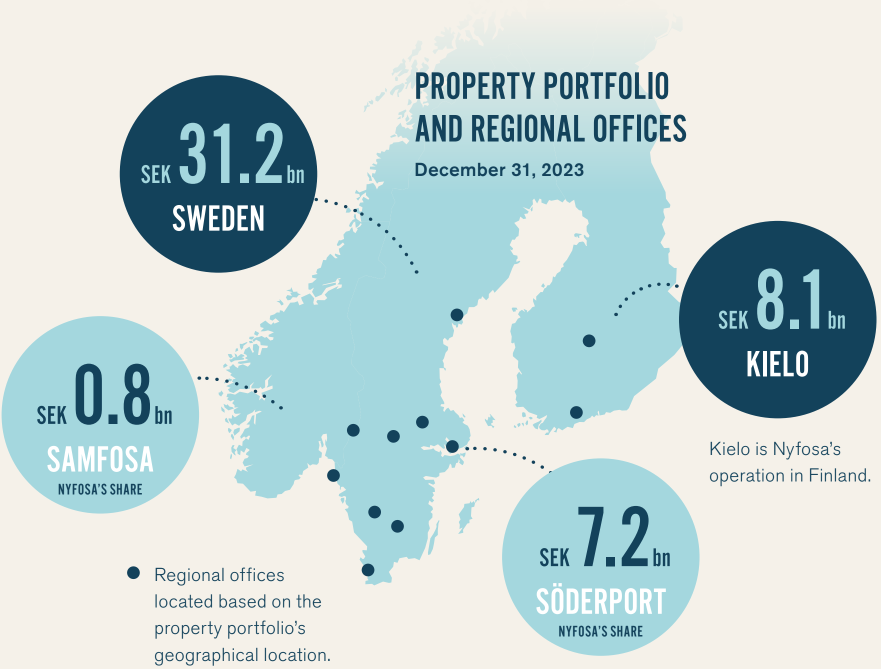
TOTAL PROPERTY PORTFOLIO

497	2,930 thousand sqm	SEK 13,404	SEK 1,330	91.5 %
NO. OF PROPERTIES	TOTAL LEASABLE AREA	PROPERTY VALUE PER SQM	RENTAL VALUE PER KVM	ECONOMIC OCCUPANCY RATE

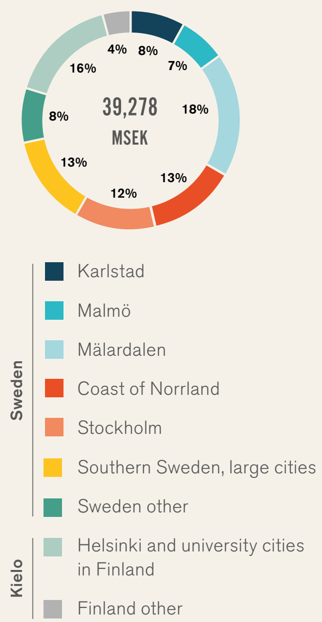
Property portfolio in Finland (Kielo)
Nyfosa's operations in Finland are conducted under the Kielo brand. Kielo's property portfolio represented 21 percent (20) of Nyfosa's total property value and 25 percent (25) of the rental value at year-end. The property portfolio comprised 93 properties (91) with a total property value of MSEK 8,087 (8,145) an annual rental value of MSEK 960 (927) and a total leasable area of 532 thousand sqm (523).

Property categories in Finland (Kielo)
The office properties in Finland are of high quality and most are centrally located in university cities in southern Finland, such as Jyväskylä and Tampere. The retail properties are primarily situated in expansive and popular big-box areas in Tampere, Oulu and Helsinki. Tenants include mainly established grocery and big-box retail. The industrial properties focusing on light industry are situated in industrial areas close to such cities as Tampere, Kuopio and Oulu. Kielo also has a small number of properties that have schools and healthcare. Properties in this category are located in regions with population growth, such as Jyväskylä.

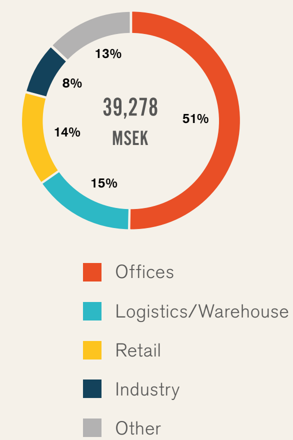
Joint ventures
In addition to the wholly owned property portfolio, Nyfosa owns 50 percent of the property companies Söderport in Sweden and Samfosa in Norway, for which Nyfosa's share of the property value amounts to a total of SEK 8.0 billion (7.9). Söderport's and Samfosa's properties are not included in the tables and diagrams for Nyfosa's wholly owned property portfolio. The portfolios of the joint ventures are presented separately on page 19.



PROPERTY VALUE BY REGION



PROPERTY VALUE BY CATEGORY



KEY FIGURES PER CATEGORY AND REGION

MSEK	Area, 000s sqm	Value	Value, SEK per sqm	Invest-ments	Acquisi-tions and divest-ments	Rental value	Rental value, SEK per sqm	Rental income	Economic occu-pancy rate, %	Lease term, years
Karlstad										
Offices	128	2,371	18,525	39	–	220	1,716	212	96.7	2.5
Logistics/ Warehouse	49	416	8,563	5	–	43	887	43	99.9	3.5
Retail	19	294	15,624	7	-4	30	1,576	28	96.2	3.6
Industry	–	–	–	–	–	–	–	–	–	–
Other	26	419	16,307	2	0	38	1,489	34	90.4	4.2
Total	**221**	**3,500**	**15,830**	**53**	**-4**	**331**	**1,495**	**317**	**96.3**	**2.9**
Malmö										
Offices	85	967	11,438	22	-54	95	1,121	87	92.0	3.0
Logistics/ Warehouse	96	843	8,789	20	-327	84	876	70	84.2	4.0
Retail	15	405	27,232	0	–	33	2,197	31	98.8	8.7
Industry	15	120	7,979	1	–	13	877	13	95.7	2.5
Other	18	342	19,493	13	–	30	1,689	29	98.1	5.7
Total	**228**	**2,677**	**11,747**	**56**	**-381**	**254**	**1,116**	**230**	**91.2**	**4.4**
Mälardalen										
Offices	203	3,206	15,777	41	1	282	1,386	253	90.4	3.0
Logistics/ Warehouse	118	996	8,419	9	0	85	718	81	96.6	4.0
Retail	72	921	12,726	5	382	93	1,280	88	96.0	4.2
Industry	31	332	10,665	2	31	29	942	27	92.3	3.9
Other	106	1,463	13,805	12	1	138	1,298	129	94.6	3.9
Total	**531**	**6,917**	**13,029**	**69**	**415**	**626**	**1,179**	**579**	**93.1**	**3.6**
Coast of Norrland										
Offices	238	3,861	16,223	203	0	358	1,503	323	90.3	4.0
Logistics/ Warehouse	29	211	7,261	2	–	24	835	23	96.0	2.8
Retail	64	652	10,224	5	57	68	1,069	67	98.6	5.1
Industry	64	355	5,520	9	89	53	832	52	96.8	2.6
Other	20	185	9,356	0	–	19	968	19	98.9	2.2
Total	**415**	**5,264**	**12,687**	**220**	**146**	**523**	**1,260**	**483**	**92.7**	**3.8**
Stockholm										
Offices	89	2,180	24,490	32	–	181	2,037	162	89.5	3.0
Logistics/ Warehouse	61	947	15,503	2	-271	77	1,268	66	86.1	4.5
Retail	24	406	16,695	4	–	38	1,559	30	83.7	4.3
Industry	3	51	16,959	–	-107	5	1,588	5	100.0	2.7
Other	33	1,076	32,976	4	–	75	2,305	71	96.5	5.7
Total	**210**	**4,660**	**22,184**	**41**	**-379**	**377**	**1,793**	**334**	**89.8**	**4.0**

MSEK	Area, 000s sqm	Value	Value, SEK per sqm	Invest-ments	Acquisi-tions and divest-ments	Rental value	Rental value, SEK per sqm	Rental income	Economic occu-pancy rate, %	Lease term, years
Southern Sweden, large cities										
Offices	137	2,189	15,954	47	0	203	1,483	192	94.4	3.9
Logistics/ Warehouse	211	1,576	7,479	18	-524	163	774	128	79.3	3.5
Retail	31	556	18,102	3	74	51	1,652	47	93.5	6.4
Industry	72	488	6,731	12	-19	56	772	54	97.5	2.7
Other	19	275	14,735	1	0	30	1,610	26	87.8	4.2
Total	**470**	**5,082**	**10,821**	**82**	**-468**	**503**	**1,071**	**446**	**89.4**	**3.9**
Sweden other										
Offices	84	1,122	13,370	9	164	121	1,445	114	93.8	2.6
Logistics/ Warehouse	105	717	6,804	17	-241	71	669	64	91.7	5.8
Retail	82	752	9,118	9	111	78	941	72	93.3	4.7
Industry	35	228	6,563	1	–	26	761	25	96.3	1.7
Other	17	269	15,874	13	–	28	1,636	27	98.8	3.5
Total	**324**	**3,089**	**9,547**	**49**	**34**	**324**	**1,000**	**303**	**93.8**	**3.8**
Helsinki and university cities in Finland										
Offices	130	3,426	26,346	44	-15	365	2,809	311	85.1	2.1
Logistics/ Warehouse	15	132	8,688	1	50	13	840	11	89.0	4.0
Retail	36	578	16,189	31	0	62	1,732	58	94.4	3.1
Industry	131	1,469	11,181	26	–	157	1,192	148	94.5	5.7
Other	61	747	12,231	48	2	109	1,793	104	95.1	3.6
Total	**373**	**6,352**	**17,012**	**150**	**37**	**706**	**1,891**	**632**	**89.6**	**3.3**
Finland other										
Offices	56	546	9,783	30	-4	109	1,957	85	78.0	1.3
Logistics/ Warehouse	–	–	–	–	–	–	–	–	–	–
Retail	74	797	10,714	7	–	100	1,348	97	97.0	3.0
Industry	23	223	9,615	0	46	25	1,099	25	97.1	6.0
Other	5	169	31,001	7	-2	19	3,423	18	98.5	6.2
Total	**159**	**1,734**	**10,921**	**44**	**41**	**254**	**1,597**	**225**	**88.9**	**2.9**
Nyfosa										
Offices	1,150	19,868	17,281	467	93	1,934	1,683	1,737	90.0	2.9
Logistics/ Warehouse	684	5,839	8,532	74	-1,312	560	819	487	87.7	4.1
Retail	417	5,360	12,843	71	620	551	1,321	518	95.0	4.5
Industry	375	3,266	8,703	51	41	365	973	349	95.6	4.2
Other	304	4,944	16,281	99	1	486	1,599	459	95.0	4.3
Total	**2,930**	**39,278**	**13,404**	**762**	**-557**	**3,897**	**1,330**	**3,550**	**91.5**	**3.6**

EARNINGS CAPACITY

MSEK	Jan 1, 2024	Jan 1, 2023
Rental value	3,897	3,739
Vacancy amount	-347	-280
Rental income	**3,550**	**3,459**
Other property income	25	0
Total income	**3,575**	**3,459**
Property expenses	-976	-907
Property administration	-133	-136
Net operating income	**2,466**	**2,416**
Central administration	-186	-133
Share in profit from property management of joint ventures	252	257
Financial expenses	-1,267	-913
Profit from property management	**1,265**	**1,627**
Interest on hybrid bonds	-66	-50
Earnings capacity	**1,199**	**1,577**
Earnings capacity per share, SEK	6.27	8.26

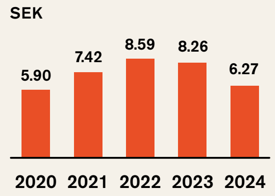
Earnings capacity is presented on a 12-month basis and is to be considered solely as a hypothetical instantaneous impression on a given date. It is presented only for illustrative purposes. The aim is to present annualized income and expenses, given the existing property portfolio, borrowing costs, capital 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. Information on earnings capacity must be considered together with other information in the Annual Report.

Documentation on earnings capacity

- Properties owned on the balance-sheet date are included, and agreed closing and vacancies thereafter are not taken into account.
- The rental value is based on annual contractual rental income from current leases on January 1, 2024 and January 1, 2023.
- The vacancy amount includes allocated rent discounts under current leases.
- Other property income reported on January 1, 2024, refers to services in the Kielo portfolio and is based on actual outcome for the most recent 12 months.
- Costs for operations (excluding rates-based costs), maintenance and property tax are based on the outcome for the most recent 12 months, adjusted for the holding period.
- Rates-based costs such as electricity, water and heating are based on the average outcome for the most recent 24 months, adjusted for the holding period.
- Costs for central and property administration are based on the outcome for the most recent 12 months, adjusted for salary development.
- Other operating income and expenses are not included in the earnings capacity.
- Share in profit from property management of joint ventures is calculated according to the same methodology as for Nyfosa.
- The earnings capacity does not include any financial income.
- Financial expenses have been calculated on the basis of the company's average interest rate of 5.2 percent on the balance-sheet date, plus allocated opening charges. The item also includes ground rent of MSEK 18.
- Interest on hybrid bonds has been calculated on the basis of the company's interest rate of 8.8 percent on the balance-sheet date.
- The exchange rates on the balance-sheet date of EUR/SEK 11.10 and NOK/SEK 0.99 were used to translate foreign operations. The exchange rates of EUR/SEK 11.13 and NOK/SEK 1.06 were used for the earnings capacity on January 1, 2023.

EARNINGS CAPACITY PER SHARE

January 1, 2024



KEY FIGURES EARNINGS CAPACITY

December 31	2023	2022
Property value on balance-sheet date, MSEK	39,278	40,466
Leasable area, 000s sqm	2,930	3,012
No. of properties on balance-sheet date	497	504

January 1	2024	2023
Rental value, MSEK	3,897	3,739
Economic occupancy rate, %	91.5	93.1
Remaining lease term, years	3.6	3.7
Surplus ratio, %	69.0	69.9
Yield, %	6.3	6.0
Yield, excl. property admin, %	6.6	6.3

	Jan–Dec	
Change in rental income, MSEK	**2023**	**2022**
Opening annual value	3,459	2,827
Acquired/divested annual value	-78	356
Change in existing property portfolio	172	216
Translation effect, currency	-2	59
Closing annual value	**3,550**	**3,459**

	Jan–Dec	
Change in vacancy amount, MSEK	**2023**	**2022**
Opening annual value	280	190
Acquired/divested annual value	-7	53
Change in existing property portfolio	74	31
Translation effect, currency	0	7
Closing annual value	**347**	**280**

JOINT VENTURES

In addition to the wholly owned portfolio, Nyfosa owns 50 percent of Söderport Property Investment AB and Samfosa AS. The holdings are classified as Participations in joint ventures and Nyfosa's share in the companies' earnings are recognized in profit after financial income and expenses. Of Nyfosa's NAV, these participations accounted for SEK 18.87 per share (19.33) on the balance-sheet date.

Söderport

Söderport is a Swedish property company owned in equal shares with AB Sagax.

The property portfolio primarily comprises industrial, warehouse and office properties, which essentially comprises a supplement to Nyfosa's wholly owned property portfolio. The focal point of the property portfolio is in the Stockholm and Gothenburg regions. The largest tenant is Volvo Personvagnar. Söderport has two employees and also procures property management and financial administration from Sagax. A small part of property management is procured from Nyfosa.

The carrying amount of the participations in Söderport amounted to MSEK 2,728 (2,881) on the balance-sheet date.

Samfosa

Samfosa is a Norwegian property company that is owned in equal shares with Samfunnsbyggeren AS.

The property portfolio is highly diverse with tenants conducting a wide variety of operations and a large number of leases. The property portfolio is situated in the Grenland district south-west of Oslo, and is managed by a separate management organization.

The participations in Samfosa were valued at MSEK 94 (137) on the balance-sheet date. In addition, Nyfosa issued a loan of MSEK 109 (29) to Samfosa. The terms of the loan are market-based and stipulated in a promissory note between the parties. Nyfosa also has a surety for liability of MNOK 278 (310) pertaining to a bank loan raised by Samfosa. Refer also to Note 12 for further information.

KEY FIGURES BY REGION

MSEK	Area, 000s sqm	Value	Value, SEK per sqm	Rental value	Rental value, SEK per sqm	Rental income	Economic occu-pancy rate, %	Lease term, years
Söderport, Stockholm	506	10,876	21,492	861	1,702	823	97.3	4.0
Söderport, Gothenburg	201	3,189	15,849	269	1,338	265	98.9	3.9
Söderport, rest of Sweden	66	353	5,346	33	499	33	100.0	4.4
Samfosa, Grenland	92	1,381	14,952	105	1,138	96	91.9	4.7
Samfosa, rest of Norway	7	172	26,054	10	1,478	10	98.8	7.6
Total	**872**	**15,970**	**18,311**	**1,278**	**1,466**	**1,227**	**97.3**	**4.1**

KEY FIGURES JOINT VENTURES

	Söderport		Samfosa	
Jan–Dec, MSEK	**2023**	**2022**	**2023**	**2022**
Rental income	1,025	907	105	103
Profit from property management	449	492	-7	15
Changes in value	-305	947	-89	142
Profit/loss for the year	48	1,227	-75	124
of which, Nyfosa's share	*24*	*611*	*-38*	*61*

	Söderport		Samfosa	
Dec 31, MSEK	**2023**	**2022**	**2023**	**2022**
Investment properties	14,418	14,197	1,553	1,627
Derivatives, net	-72	153	–	–
Cash and cash equivalents	223	273	28	32
Equity attributable to Parent Company shareholders	5,455	5,761	186	273
of which, Nyfosa's share	*2,728*	*2,881*	*93*	*137*
Interest-bearing liabilities	7,354	6,936	1,377	1,290
Deferred tax liabilities, net	1,473	1,465	18	37

PARTICIPATIONS IN JOINT VENTURES

	Söderport		Samfosa	
Dec 31, MSEK	**2023**	**2022**	**2023**	**2022**
Carrying amount at the beginning of the year	2,881	2,490	137	0
Dividends received	-180	-335	–	–
Share in profit of joint ventures	24	611	-38	61
Adjustment of last year's share in profit	3	–	3	–
Acquisitions/impairment for the year	–	115	–	77
Translation effect, currency	–	–	-8	-1
Carrying amount at end of the year	**2,728**	**2,881**	**94**	**137**

PROPERTY MANAGEMENT
WITH SUSTAINABILITY ADD VALUE TO THE PORTFOLIO

Nyfosa's property management creates value by adding value to a property portfolio, both big and small. The starting point is to optimize every property, meet the needs of the tenants and reduce the climate impact from Nyfosa's operations.

Value-creating investments
Nyfosa works actively to integrate more sustainable solutions in and around the buildings based on the sustainability targets. These measures successively improve the standard of the buildings and their surroundings.

The property portfolio offers many different development opportunities that are evaluated continuously—from minor investments to developing zoning plans. An investment often generates a lease with a longer lease term and higher rent levels. It is usually a matter of modifying the premises, creating more modern and functional areas in conjunction with moving in, or extending a lease. The investment can also be initiated by changing tenant needs.

Each building is analyzed to identify how it can be developed through conversion and extensions or by changing the area of use, which sometimes requires modifying zoning plans. This also involves making conscientious choices in terms of material for refurbishments and tenant-specific modifications, being able to see improvement potential, as well as protecting the local environment at and around our buildings. The transaction-based business model does not influence an investment decision in management of the portfolio. All property management decisions are made from a long-term perspective, regardless of whether the property may be divested.

In 2023, MSEK 762 (577) was invested in the property portfolio. The majority of investments were for tenant-specific modifications.

Technical property management
In property management, the buildings' energy use is optimized to maintain the right indoor climate at the lowest possible energy use. This may be achieved through investments in digitizing control, which means that heating, cooling and ventilation can be monitored. In addition, the installation of solar panel facilities and geothermal heating can contribute to more efficient and sustainable operations.
The business model means that the organization must periodically manage acquired property portfolio. With a high acquisition rate, it is imperative to have an effective process for the closing of properties so that the technical property management can begin its work on, for example, optimizing

MAJOR ONGOING INVESTMENTS

Segment	Municipality	Property	Type of premises	Area, 000s sqm	Changed rental income, MSEK	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Sweden	Karlstad	Barkassen 9	Healthcare premises	2	4	0	32	Q4 2025
Sweden	Malmö	Holmögadd 3	Office/Warehouse	11	3	8	31	Q2 2024
Kielo	Hyvinkää	Mäkikuumolantie 3	Retail	3	4	24	24	Q1 2024
Sweden	Växjö	Plåtslagaren 4	Industry	3	1	16	24	Q3 2024
Sweden	Luleå	Plogen 4	Offices	2	2	16	22	Q1 2024
Sweden	Malmö	Byrådirektören 3	Healthcare premises	1	3	10	20	Q2 2024
Kielo	Lappeenranta	Laserkatu 6	School	3	5	10	10	Q1 2024
Kielo	Jyväskylä	Ohjelmakaari 2&10	Offices	1	3	5	9	Q2 2024

energy consumption. Depending on the technical standard of the properties at the time of acquisition and the buildings' other conditions, optimization can take varying lengths of time.

Major projects in progress

The largest investments in progress are presented in the table on page 20. A major project began in Barkassen 9 in Karlstad to convert and modify the property into a new healthcare center for Region Värmland. A new 15-year lease was signed with occupancy scheduled for summer 2025. In Holmögadd 3 in Malmö, areas are being modified for Lantmännen, for which a new seven-year lease was signed. A major conversion and extension is being carried out at Plogen 4 in Luleå to make modifications for the existing tenant, Bravida, which has signed a new longer lease.

Finalized projects

At the end of the year, a complete renovation was finalized in Mården 11 in Luleå. The investment totaled MSEK 129 and a ten-year lease was signed, with annual rental income of MSEK 22. Occupation occurred in the fourth quarter.

A major expansion and renovation project of a school at Vasarakatu 27 in Jyväskylä was completed. The total investment was MSEK 89 and a 15-year lease was signed, with annual rental income of MSEK 12. The tenant moved in to the premises in the second quarter.

The renovation and modification of the premises in Norr 12:5 in Gävle was completed. The total investment was MSEK 60 and generates an annual rental income of MSEK 13.

REUSE PROJECT IN KARLSTAD

Nyfosa endeavors to reduce its climate impact. In Karlstad, a reuse project was initiated during the year in collaboration with Sola Byggåterbruk, an initiative by Karlstad Municipality, which accepts and sells used building materials and interior fittings.

The project comprised a number of the company's properties in the city that have undergone tenant-specific modifications or refurbishment in conjunction with new leases. The material deemed appropriate for reuse, such as kitchen and bathroom fittings, doors, window frames, fittings and roof tiles was marked by Sola Byggåterbruk on a visit to the premises. These were then dismantled by Nyfosa's contractors and retrieved by Sola Byggåterbruk for sale in its store to companies and private individuals. The reuse of building materials and interior fittings that have not reached their technical life expectancy contributes to reduced energy consumption, reduced transportation and lower use of natural resources.

"It can be difficult for us as a company to reuse all the material within our own property portfolio, since we need to meet our tenants' specific requests in adaptations. But by gaining access to a larger market, the possibility increases that these products and materials will continue to be of use," comments Henrik Brandin, Head of Technology and Sustainability at Nyfosa.

Nyfosa is satisfied with the result of the reuse management in Karlstad in 2023 and the aim is to apply reuse to a greater extent and in several regions. As larger volumes are achieved, the goal is to start systematic collection of data related to the reuse of material.

"Reuse benefits the climate and all parties involved. Through measures such as these, we hope to contribute to longer useful lives for large amounts of building materials and thus reduce the amount of waste from our properties, something that will ultimately reduce Nyfosa's carbon footprint," comments Henrik Brandin.

SUSTAINABILITY TARGETS AND OUTCOME

Nyfosa works toward three sustainability targets: sustainability certification of buildings, streamlined consumption and minimizing the operation's carbon emissions. The purpose of these targets is to focus on the areas that are currently deemed most material to reduce the climate footprint of the operations. Water and material consumption are other key areas in which Nyfosa works actively.

SUSTAINABILITY CERTIFICATION

Goal	Outcome 2023
By 2025, properties corresponding to 50 percent of the property value will have sustainability certification and 100 percent by 2030.	78 properties with a value of SEK 12.9 billion had sustainability certification, corresponding to 33 percent of the total property value.

STREAMLINED CONSUMPTION

Goal	Outcome 2023
By 2025, energy consumption per sqm will be reduced by 10 percent compared with 2020.	Energy consumption amounted to 107.6 kWh per sqm in Sweden's like-for-like property portfolio[1]. The reduction relative to the baseline in 2020 corresponds to 9 percent. Consumption in Kielo amounted to 180.0 kWh per sqm and comprised the baseline for the Finnish property portfolio.

CARBON EMISSIONS

Goal	Outcome 2023
Nyfosa will act to minimize the operation's carbon emissions.	The total carbon emissions amounted to 10,813 tons CO_2, which corresponded to a reduction of 21 percent during the year.

1) Like-for-like property portfolio refers to the properties that Nyfosa has owned during an entire financial year. Properties bought and sold during the year are excluded.

ENERGY-SAVING MEASURES MAKING A DIFFERENCE

Nyfosa works continuously with various projects to reduce the company's energy consumption and carbon emissions. Key areas for this are, for example, reviews of heating, cooling, lighting and ventilation based on the needs of the tenants and the properties, all of which may vary greatly from building to building and among individual tenants. During the year, most activities were completed with positive results.

In the Riksdalern 3 property in Karlstad, Nyfosa completed a project that reduces energy consumption by more than 500,000 kWh annually, corresponding to a reduction of more than 40 percent, at the same time as the property's energy class was improved. In the Rügen 50 property in Karlskrona, with the Swedish Prison and Probation Service and the Swedish Police as the largest tenants, installations that affect the control of heating, cooling and electricity were replaced, which contributed to an improved indoor climate and annual energy savings of 20 percent.

In November 2023, a large energy-saving project was completed in the Nuutisarankatu 15 property in Tampere in Finland. The project involved a modernization of the building's ventilation system and the installation of a centralized control system. This is expected to reduce energy consumption by 700,000 kWh per year, corresponding to a reduction of slightly more than 40 percent.

"By looking at each individual building's energy-related improvement potential, we can make a big difference. This can be seen clearly in the projects we executed in several regions during the year," says Henrik Brandin, Head of Technology and Sustainability at Nyfosa

Sustainability certification

During the year, the share of Nyfosa's property portfolio that has been certified as sustainable increased to 33 percent (28) of the total property value. The sustainability certifications used by Nyfosa are mainly BREEAM In-Use, LEED and Miljöbyggnad.

The purpose of sustainability certification is to generate competitive advantages in future leasing operations and to maintain the property portfolio's loanability. The review process ahead of a certification results in the well-documented environmental performance of the building. The sustainability target sets a clear focus for the organization.

During the year, 18 new properties were sustainability verified. A total of 78 properties with a value of SEK 12.9 billion had sustainability certification at year-end, corresponding to 33 percent of the total property value.

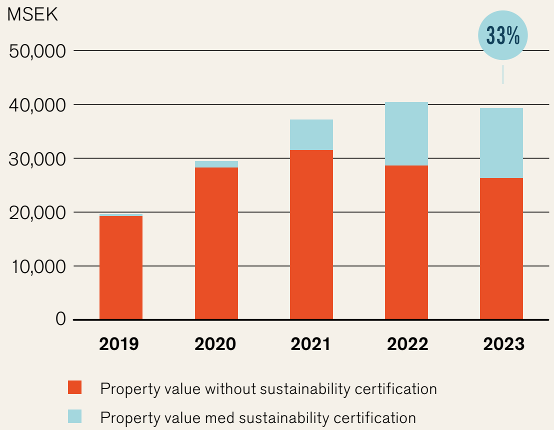
Streamlined consumption

Heating, cooling and ventilation of premises consumes a considerable amount of energy. Through the installation of new technical solutions and active control of existing technical installations, energy use decreases, which leads to lower operating expenses and reduced climate impact. Energy consumption can be followed up and reported for those properties where Nyfosa is the contract owner. Energy and water data from the buildings is compiled and followed up via an energy monitoring system. Energy audits of the property portfolio are performed regularly in order to identify energy-saving potential.

Since 2020, property management in Sweden has worked toward the target of reducing energy consumption by 10 percent by 2025 from the baseline in 2020. The outcome in Sweden in 2023 amounted to 107.6 kWh per sqm, which is a reduction of 9 percent compared with the baseline. Since establishment in Finland, property management in Kielo has focused on acquiring a large number of properties in a

SHARE OF PROPERTY VALUE WITH SUSTAINABILITY CERTIFICATION

December 31, 2023



ENERGY CONSUMPTION PER SQM

	Sweden	Kielo
kWh per sqm	**2023**	**2023**
Energy consumption	107.6	180.0
Baseline[1]	117.6	180.0
Decrease relative to baseline, %	9	ET.

1) Start year was 2020 for Sweden and 2023 for Kielo.

ENERGY CONSUMPTION, TOTAL

	Sweden	Kielo	Nyfosa			
GWh	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**
Electricity	82.4	34.4	116.8	117.6	52.2	48.1
District heating	126.6	55.7	182.3	158.3	81.3	81.7
District cooling	5.2	–	5.2	5.5	3.3	3.1
Total energy consumption (GWh)	**214.2**	**90.1**	**304.3**	**281.2**	**136.8**	**133.0**

ENERGY CLASS

	Sweden	Kielo	Nyfosa		
Property value, Dec 31, MSEK	**2023**	**2023**	**2023**	**2022**	**2021**
Energy class A	2,389	197	2,586	2,373	1,651
Energy class B	4,282	2,336	6,618	4,248	3,429

short space of time. The work to achieve the goal of reduced energy consumption commenced in 2023, entailing a baseline of 180.0 kWh per sqm for Kielo.

Energy consumption amounted to 304.3 GWh (281.2) for 2023. The energy consumption stated in the tables below is attributable to the properties owned during the entire financial year.

Energy classes

A building's energy class is summarized in an energy declaration that states how energy-efficient the building is. There are seven energy classes from A to G, with A denoting the most energy-efficient. Some buildings are exempt from the requirement for an energy declaration, which in Nyfosa's property portfolio mainly applies to buildings for industrial and engineering operations. 23 percent of the property value has energy class A or B.

Carbon emissions

Nyfosa works actively to reduce carbon emissions from operations through enhancing the efficient use of resources and investments in or purchase of renewable energy. Renewable electricity is purchased for the entire portfolio as of January 1, 2022. During 2023, Nyfosa continued to procure renewable district heating for properties in several locations in the country. The renewable district heating has environmental product declaration (EPD) or is marked Bra Miljöval in accordance with the Swedish Society for Nature Conservation's environmental requirements. Buying more renewable energy reduces Nyfosa's carbon footprint and the company's demand for environmentally adapted products contributes to incentivizing suppliers to continue to develop such products.

Of the energy purchased in 2023, 48 percent (51) derives from renewable energy sources.

Total carbon emissions decreased 21 percent in 2023. The reduction was mainly due to lower emission factors for renewable electricity that was purchased for the Finnish portfolio. The emission intensity for the year amounted to 3.71 kg per sqm (4.52). The tables below show the total carbon emissions distributed among Scope 1–3. Scope 1 relates to direct emissions that arise in the company's own operations from passenger transportation and coolants. Scope 2 relates to indirect emissions occurring through heating, cooling and hot water in the properties. Scope 3 relates to indirect emissions that are a result of the company's operations but that occur beyond the company's boundaries.

Materials use

The use of building materials and interior fittings in tenant-specific modifications or refurbishment of premises has a climate impact on several levels. Tenants may have

SCOPE 1

	Sweden	Kielo	Nyfosa			
Tons CO_2	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**
Passenger transport	40	–	40	43	29	112
Fossil fuels	75	320	395	258	0	5
Coolants	169	241	410	221	118	–
Total emissions	**284**	**561**	**845**	**522**	**118**	**117**

SCOPE 2

	Sweden	Kielo	Nyfosa			
Tons CO_2	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**
Heating	4,160	4,503	8,663	7,912	6,573	4,700
Cooling	108	–	108	1,165	161	50
Electricity	–	–	–	–	1,596	–
Total emissions	**4,269**	**4,503**	**8,771**	**9,077**	**8,330**	**4,750**

SCOPE 3

	Sweden	Kielo	Nyfosa			
Tons CO_2	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**
Electricity	649	540	1,189	4,004	712	538
Business travel	8	–	8	5	3	3
Total emissions	**657**	**540**	**1,197**	**4,009**	**715**	**541**

Source energy consumption: Mestro

WATER CONSUMPTION

	Sweden	Kielo	Nyfosa			
m^3/sqm	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**
Water consumption	0.20	0.15	0.19	0.31	0.21	0.18

specific requirements for the interior fittings and design of the premises, which in some cases restricts the company's ability to influence how the property is remodeled or the materials used. To increase the possibility of materials being put to further use, a test project on reuse was conducted during the year. Read more about the project on page 21.

To increase knowledge of material reuse, Nyfosa collects data on material use and waste for investments exceeding MSEK 2.

Water consumption

Making water usage more efficient contributes to lower costs and a smaller climate footprint. This is done through investments in technical systems and the choice of water-efficient products when replacing fittings. Green leases are one way of contributing, through collaboration and consulting services, to reduced water consumption in tenants' operations. To the extent that it is technically possible, the buildings' water meter was connected to a digital platform in order to efficiently monitor consumption systematically and remedy water leaks. The task of reading and collecting water consumption data in the buildings is still under development. A higher number of buildings in Sweden and Finland were connected to the water meter-reading system during the year. This meant that the completeness of the readings improved during the year.

Total water consumption in 2023 was measured to be 449 thousand cubic meters (671). Water consumption per sqm decreased from 0.31 cubic meters per sqm in 2022 to 0.19 cubic meters per sqm. The total decrease was primarily attributable to Nyfosa working actively with follow-up and implementing specific measures to reduce water consumption in the company's properties.

NYFOSA'S LARGEST SOLAR PANEL FACILITY

During the year, a solar panel facility was installed at the industrial property Kämparp 1:8 in Habo with an output of 500 kW, making it Nyfosa's largest solar panel facility. The solar panel project, which is being conducted on Nyfosa's initiative in collaboration with the tenant, results in the tenant receiving a predictable electricity expense at the same time as the carbon emissions from the property decrease. The facility's production capacity is such that the electricity consumption for all operations in the property's premises of 8,000 sqm is covered. Today, Nyfosa has solar panel facilities with an estimated production of a total of 3.4 GWh in its property portfolio.

SELECTION OF PROPERTY MANAGEMENT PROJECTS

ASSESSMENT OF WASTE MANAGEMENT

During the year, a central agreement was signed with a major recycling player regarding waste management at Nyfosa's properties in Sweden. The assignment pertains to an assessment of the waste at Nyfosa's properties to identify the possibility of reuse and recycling to a higher degree in order to reduce the company's climate impact and the costs of waste management. To date, the project has been conducted in 13 properties in Stockholm and Gothenburg and the assessment of waste management has resulted in a reduced amount of residual waste being sent for incineration. The assignment will be extended to more regions in 2024.

INCREASED SECURITY AND ENERGY SAVINGS THROUGH LIGHTING PROJECT

Lighting systems in Nyfosa's properties are continuously updated where the need exists and where potential energy-saving measures are identified. A major lighting project was completed in the Pentagonen 1 property in Huddinge. The purpose is to create a secure and pleasant environment in the garage and at the same time, reduce electricity consumption by installing new control systems that intensify the lighting upon motion. In addition to enhanced security for visitors, the project contributes to an annual energy saving of 154,000 kWh in the property.

ANALYSIS OF CLIMATE RISKS

Nyfosa works continuously on sustainability certification of its buildings, which resulted in properties corresponding to 33 percent of the property value having sustainability certification. For properties assessed to have an increased risk of impact from climate change, the certification can be supplemented by a climate risk analysis, something that Nyfosa completed for a property in Gothenburg during the year. The climate risk analysis is conducted on the basis of geographic risk data from the Swedish Civil Contingencies Agency. The purpose is to analyze how weather events such as precipitation and higher water levels could affect buildings and tenants, but also the economic consequences they can have and the measures that can be taken to reduce the risks. Nyfosa complies with the government agencies' data on risks from a changed climate and continuously evaluates the need for climate risk analyses for several of the company's properties going forward.

TENANTS

ACT LONG TERM AND CLOSE TO THE TENANTS

By being a responsible property owner and a reliable, locally established partner, Nyfosa builds relationships and creates value. A critical part of this involves optimizing opportunities for our tenants by thinking creatively, acting sustainably and providing tenants with personalized service.

Property management close to tenants
Nyfosa builds long-term relationships with its tenants by ensuring that they are satisfied and feel secure in carrying out their operations in the premises, regardless of the type of property, location or use. For Nyfosa, this means that we need to be accessible and ensure the quality of upkeep and maintenance. The property managers have a great deal of personal responsibility and a clear mandate to make decisions.

The tenants must be able to rely on the fact that the properties offer a work environment that is safe, accessible and healthy.

Stable demand
Despite the economic decline during the year, continued stable demand for Nyfosa's premises was noted. Income increased by 13 percent and net operating income by 17 percent compared with the preceding year. Net leasing totaled MSEK –8 for 2023. Net leasing comprises the annual rental value of new leases of MSEK 177, less annual rental value in terminated leases of MSEK 164 and confirmed tenant bankruptcies among tenants of MSEK 21. Terminations due to tenant bankruptcies were mainly attributable to a major bankruptcy in the third quarter that was equivalent to MSEK 9 in annual rent. The premises are once again leased.

Diversified tenant structure
The rental value on January 1, 2024, amounted to MSEK 3,897 (3,739), of which vacancy rent and discounts was MSEK 347 (280). Of Nyfosa's rental income, 91 percent (92) comprises index supplements. Nyfosa had 4,181 leases (6,575) and 2,258 leases (2,317) for garages and parking spaces. The average remaining lease term was 3.6 years (3.7). In the Swedish portfolio, the remaining lease term was 3.7 years (3.8) and in Kielo's portfolio 3.2 years (3.3). A large share of rental income in the Kielo portfolio refers to leases that run on a 12-month basis, which is a common form of agreement in Finland. The average lease term for these continuing leases was 6.4 years at year-end.

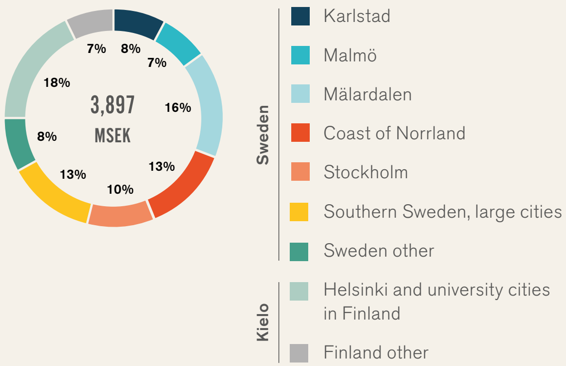
Rental income on January 1, 2024, amounted to MSEK 3,550 (3,459). The change of MSEK 91 for the year comprises the performance of the existing portfolio of MSEK 172, which is mainly an effect of lease indexation, changes attributable to acquisitions and divestments of MSEK –78 and currency translation effects of MSEK –2. The vacancy amount, comprising vacancy rent and rent discounts provided, amounted to MSEK 347 (280). Of the change of MSEK 67, MSEK 43 consists of adjustments to vacancy rents implemented earlier in the year. MSEK 31 arose in connection with terminations and bankruptcies, and MSEK –7 was attributable to acquisitions and divestments of properties.

Nyfosa has a highly diverse tenant structure featuring only a small number of dominant tenants. The ten largest tenants represent 12 percent (11) of total rental income and are distributed between 172 leases (171). The largest tenants include the Swedish Transport Agency, Hedin Automotive, Saab, City Gross, Telia, the Swedish Police, the Social Insurance Agency, K-Bygg Sverige, the Swedish Public Employment Service and the City of Helsinki.

Of total rental income, tax-financed rent represented 27 percent (26).

19 green appendices were added during the year when major new leases were signed or leases were renegotiated, and Nyfosa had a total of 226 green appendices on January 1, 2024, corresponding to an annual rental value of MSEK 417. The aim of these green appendices is to identify and follow up on various initiatives to reduce energy consumption in premises, such as more efficient heating/cooling, lighting and water consumption.

RENTAL VALUE BY REGION

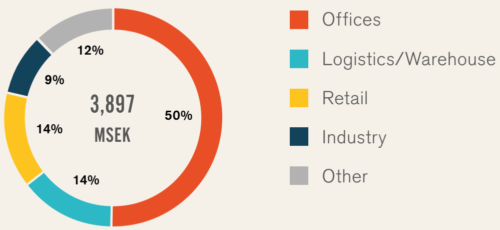


LEASE MATURITY STRUCTURE

Jan 1, 2024

Year of expiry	No. of	Area, thousand sqm	Rental income, MSEK	Share, %
2024	1,729	361	540	15
2025	916	501	718	20
2026	683	506	648	18
2027	449	322	493	14
2028	156	208	318	9
>2028	248	575	792	22
Subtotal	**4,181**	**2,473**	**3,510**	**99**
Parking spaces and garages	2,258	14	41	1
Total	**6,439**	**2,487**	**3,550**	**100**

RENTAL VALUE BY CATEGORY

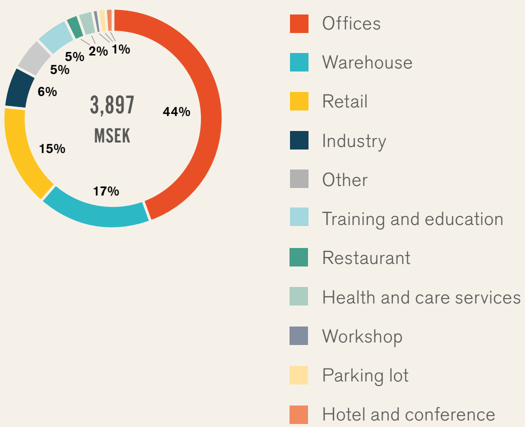


LARGEST TENANTS

Jan 1, 2024

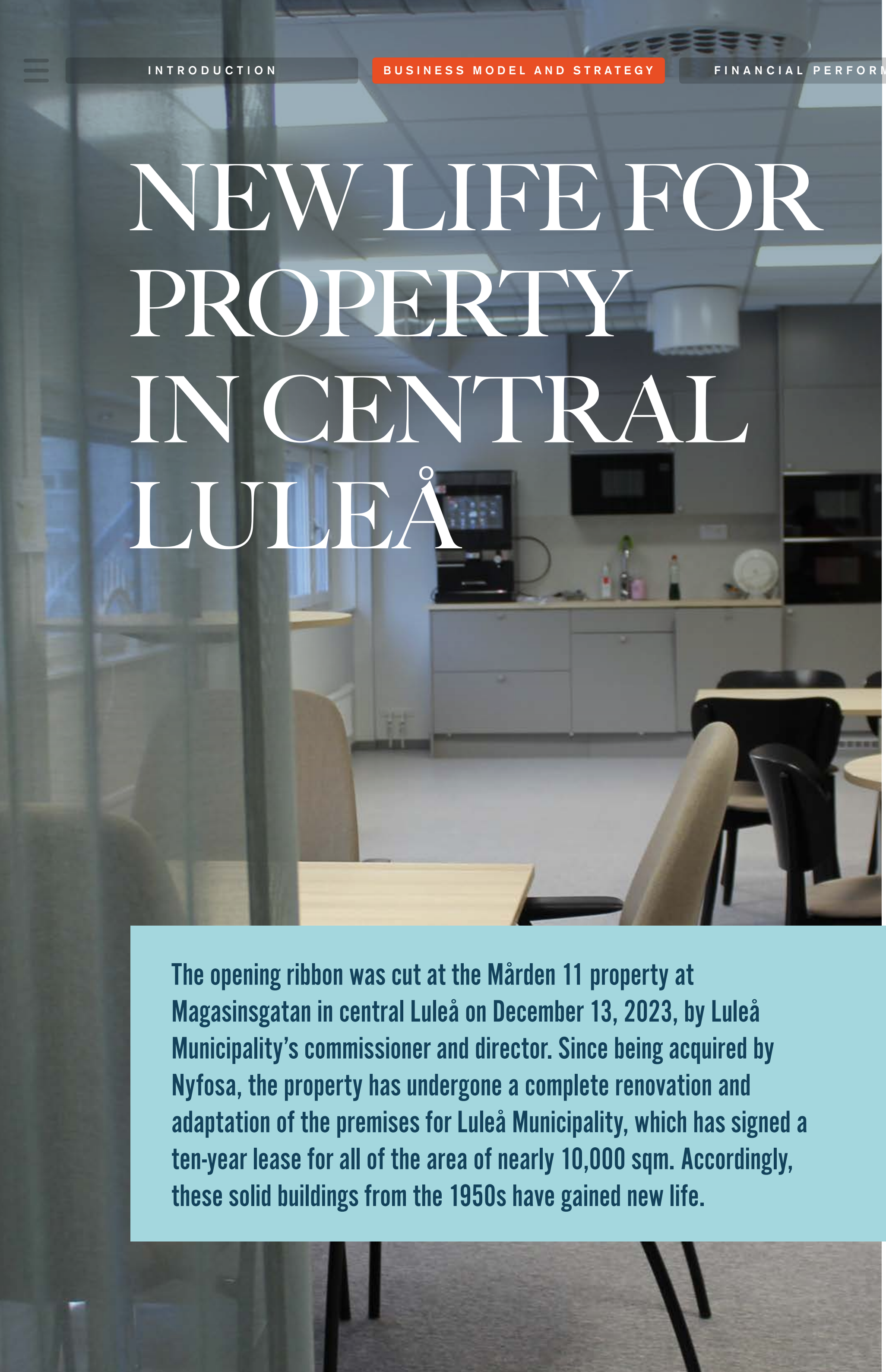
	Rental income, MSEK	Percentage of rental income, %	No. of leases	Average remaining term, years
10 largest tenants	410	12	172	5.4
Others, 3,309	3,140	88	6,267	3.4
Total	**3,550**	**100**	**6,439**	**3.6**

RENTAL VALUE BY PREMISES TYPE



10 largest tenants

- Swedish Public Employment Service
- City Gross Sverige AB
- Social Insurance Agency
- Hedin Automotive OY
- City of Helsinki
- K-Bygg Sverige AB
- Swedish Police
- Saab AB
- Telia Sverige AB
- Swedish Transport Agency



NEW LIFE FOR PROPERTY IN CENTRAL LULEÅ

CLOSE COLLABORATION WITH TENANT

Since the acquisition, the premises at the Mården 11 property in Luleå have been developed through a major project undertaken by Nyfosa in close cooperation with the tenant. In mid-October 2023, occupation commenced of the newly renovated and modern office premises, which are now well-adapted for the parts of Luleå Municipality's organization that will operate in the building: child and education, public employment and social services administration, as well as parts of the municipality staff.

"We are proud to welcome Luleå municipality to the best location in the city and to well-adapted and energy-efficient premises and in this way to be able to contribute to the development of the municipality going forward," comments Gerry Lenihan, regional manager Region North.

PREMISES FOR A MODERN WORK ENVIRONMENT

The property, which was formerly home to Vattenfall's operations, comprises an older and a newer part, with the project involving both parts. On the exterior, the walls, windows and roof were retained and renovated to their original state, while the floor plan was adapted to the tenant's need for a more modern work environment. Accordingly, in the interior, older materials were replaced, although several details were preserved; for example, the stairwell with its concrete details typical of the time and other high-quality materials.

ENERGY OPTIMIZATION CREATES VALUE

The refurbishment also included comprehensive modernization and efficiency enhancement of installations and facilities for ventilation, heating systems, district cooling, lighting and elevators, which resulted in a significantly improved operating finances for the property.

"The development of Mården is proceeding fully in line with Nyfosa's endeavor to add value to properties based on the tenants' needs. From a resource and sustainability perspective, it is important to take care of and develop existing buildings since a large number of resources are required for constructing new buildings. By upgrading to modern energy systems, we are able to achieve lower operating expenses, reduced climate footprint and a healthy indoor climate, something which creates value for both the tenant and us as the property owner," says Elin Flamand, project manager at Nyfosa.

The opening ribbon was cut at the Mården 11 property at Magasinsgatan in central Luleå on December 13, 2023, by Luleå Municipality's commissioner and director. Since being acquired by Nyfosa, the property has undergone a complete renovation and adaptation of the premises for Luleå Municipality, which has signed a ten-year lease for all of the area of nearly 10,000 sqm. Accordingly, these solid buildings from the 1950s have gained new life.

Mården 11 property, Luleå

Occupation
October 2023

Area
10,000 sqm
plus garage

ORGANIZATION

ATTRACT AND DEVELOP THE BEST EMPLOYEES

Nyfosa offers a creative, open and stimulating work environment with a focus on inclusion and personal development. The organization is decentralized, with short decision-making paths where employees have an awareness and understanding of the company's objectives and strategies.

Proximity to strategy and business decisions
Nyfosa's operations and organizational profile have grown rapidly in pace with a larger property portfolio. Even as a major player, Nyfosa endeavors to retain the hallmark of a smaller company in the sense that it should be close to business decision-making and its organization should be adaptable in the event of changes to the property portfolio. It is central to the company's strategy to achieve its business goals that employees understand the company's plan and how employees can contribute to it, as well as being able to influence decisions. Having as few steps as possible in control and clearly decentralized decision-making contributes further to participation and a stimulating work climate. Well-established processes and procedures to ensure quality, manage risks and create a secure environment for employees also form the basis of the work.

Organization that supports the business model
Nyfosa's transaction-based business model and geographically diversified portfolio require a flexible and market-centric organization. Using a model of close cooperation with external service providers, the business can be rapidly changed with high quality in pace with the development of the property portfolio. Employees have a sense of a security in knowing that they can adapt the operations in the event of rapid changes with the support of a network providing high-quality external expertise.

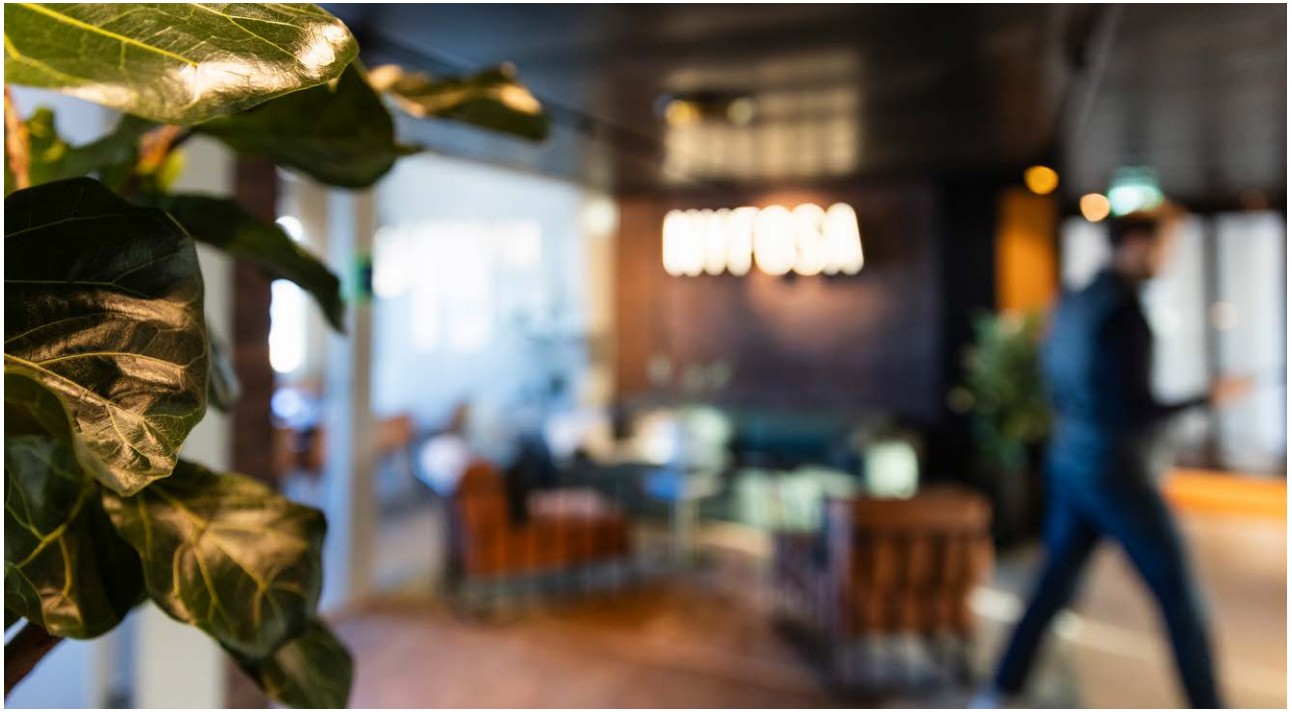
Selected local service providers for operation and maintenance are engaged where the properties are located. They have close cooperation with the organization's own regional office. In addition, Nyfosa supplements certain central functions with external expertise to enhance flexibility and retain a high level of quality in the event of rapid changes. With this combination of internal key skills and external service providers, Nyfosa has the ability and preparedness to manage a property portfolio distributed across many locations that can change over time.

Safe and stimulating work environment
Nyfosa works continuously to develop the organization to attract and retain motivated employees. Promoting good health and creating a stimulating and safe work environment is central to this work. The corporate culture is characterized by an open and stimulating work environment, with a large amount of trust and participation. The company regards having the conditions to influence your own situation and plan

your own work, for example, with the possibility of flexibility in the form of hybrid work, as a key to health and wellbeing. This also makes it possible for employees to combine parenthood with working life. The growth of the organization, as a result of acquisitions and new recruitment, requires constant work on developing and retaining the corporate culture.

Continuous development

The right expertise, business acumen and an established contact network are central to realizing Nyfosa's business concept and targets. Nyfosa regards knowledge as a prerequisite to achieving more, both in terms of the company and as employees. Continuous skills development and training for employees is therefore a natural part of Nyfosa's operations. The company constantly faces new challenges, not least as a result of rapid technological advances, and in this, benefits greatly from a learning organization in which knowledge is shared systematically and spontaneously. This is paired with external training courses in areas where skills need to be further strengthened.



INFORMATION ABOUT THE ORGANIZATION AND EMPLOYEES

Employees and gender equality

The average number of employees during 2023 was 84 (80), of whom 48 (47) are women. The management team comprises two men and four women. The Board comprises five men and two women.

Equality efforts are a natural part of Nyfosa's operations. The conditions, rights and development opportunities of men and women must be equal within the entire company. When recruiting new employees, Nyfosa has a structured process aimed at minimizing the risk of discriminatory selection.

Occupational health and safety

Nyfosa is to promote health, and create a healthy and safe work environment for all employees. Work environment efforts are conducted as both a natural part of day-to-day work and systematically with risk assessment and follow-up. At Nyfosa, all employees, partners and customers are to be treated with respect. No one is to feel violated, discriminated or uncomfortable on the grounds of gender, ethnicity, religion, sexual orientation, age, disability or transgender identity or expression. Nyfosa has zero tolerance for all forms of discrimination. The work against discrimination is steered by Nyfosa's sustainability policy, work environment manual and Code of Conduct for employees and suppliers. Nyfosa's employees are encouraged to report all forms of perceived discrimination to their immediate superior, HR manager or through the company's whistleblower function.

Nyfosa offers several health-promoting benefits including health checks, medical expenses insurance, preventive counseling and advice, as well as a fitness allowance.

Skills development

For Nyfosa, a distinct focus on expertise is the path to lasting business success. The operations require experience, networks of contacts and employee knowledge. Accordingly, Nyfosa works actively to ensure skills development and supply of resources. A key part is permitting employees to grow within the organization with gradually increasing responsibility. Nyfosa conducts regular internal training in relevant issues and during the year, courses were conducted on several topics, including IT security and rental and contract law. Moreover, processes to create consistent and effective work methods within the organization are constantly evaluated.

Business relationships and Code of Conduct for Suppliers

Nyfosa adopts a Code of Conduct for Suppliers to ensure that the working conditions at the companies that supply goods and services to the company fulfill the stipulated requirements in terms of work environment and ethical standards and that the assignment is conducted in an environmentally conscious manner. The Code of Conduct is based on Nyfosa's internal Code of Conduct and Sustainability Policy, and builds on internationally recognized conventions concerning human rights, labor and international environmental and anti-corruption regulations.

The Code of Conduct is included as an appendix to major contracting agreements and property management agreements. During the year, suppliers were asked to confirm the Code of Conduct on Nyfosa's website or the Code was

NYFOSA'S ORGANIZATION

The properties in Sweden are located in or close to major cities in the central and southern part of the country and in Norrland where the portfolio is mainly located along the E4 highway. The properties in Finland are concentrated in the southern part of the country.

Nine regional offices in Sweden and two in Finland manage the portfolio. There are also local offices in a number of places. Properties are primarily managed by the company's in-house personnel in key roles such as tenant relationships, technical management and leasing. In Finland, operations are conducted by Brunswick, a management organization headed by a country manager. Services that are performed to a high degree locally, such as operating technology, cleaning and repairs/refurbishment, as well as certain functions in financial administration, including invoice management, ongoing accountancy and closing, are managed by external suppliers.

With experienced employees and service providers well-known to Nyfosa, as well as a structured work method, the company is capable of effectively managing a property portfolio distributed in many locations. The number of employees at year-end was 82.

added as an appendix to new contracts with a purchase value corresponding to 27 percent (24) of total purchases. A regular analysis is performed of the company's largest suppliers to uncover sanctions and indications of money laundering and other infractions that would rule out continued collaborations.

Whistleblower function

Nyfosa's organization must always act credibly, honestly and transparently. There is an expectation that our employees, business partners and others with whom the company does business with, and who have concerns about fraud, corruption or other infractions within Nyfosa's operations, express their suspicions. Suspicions of irregularities can be reported anonymously through a whistleblower function, which is accessed via the company's website and intranet.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2023	2022	2021	2020	2019
New employee hires, number employees	10	8	26	24	14
Employee turnover, %	12	8	10	6	22

SICK LEAVE, EMPLOYEES

	2023	2022	2021	2020	2019
Total sick leave, %	2.70	2.05	2.32	0.92	0.94

AGE DISTRIBUTION

Age	2023	2022	2021	2020	2019
20–29	11	10	7	5	6
30–39	26	27	28	18	10
40–49	31	27	27	23	16
50–59	16	18	20	15	8
60–69	8	5	5	6	6

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	2023	2022	2021	2020	2019
No. of	0	0	0	0	0

PURCHASES FROM SUPPLIERS WHO HAVE ADOPTED THE CODE OF CONDUCT

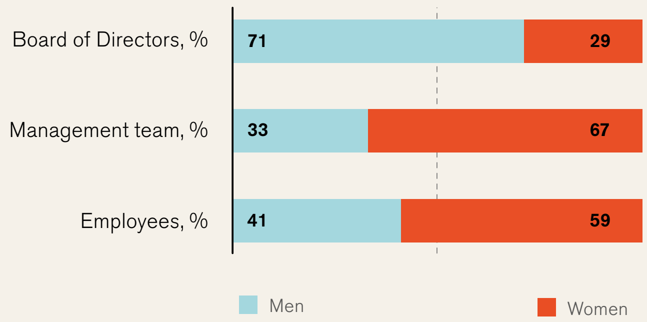
	2023	2022	2021
Percentage of total purchases, %	27	24	20

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

	2023	2022	2021
No. of	0	0	0

GENDER DISTRIBUTION EMPLOYEES AND BOARD OF DIRECTORS

2023



FINANCING

FINANCING PRIMARILY THROUGH BANKS

Nyfosa will primarily obtain financing through the bank market. Good relationships with creditors are important and establish a long-term approach and, accordingly, a lower refinancing risk. The company will continuously endeavor to maintain as effective a capital structure as possible considering the given risk limits. In addition, most of the interest-rate risk is to be systematically hedged to reduce interest-rate exposure.

Sources of financing

Nyfosa finances its assets through equity, liabilities to the Nordic banks and loan funds, and to a lesser extent using hybrid bonds and bonds issued in the Swedish capital market.

Equity

Equity attributable to the Parent Company's shareholders amounted to MSEK 16,883 (18,378) on the balance-sheet date, of which hybrid bonds were MSEK 758 (763). Hybrid bonds are described in more detail in Note 20 on page 94.

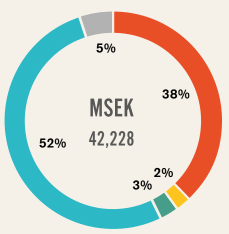
Interest-bearing liabilities

Interest-bearing liabilities excluding utilized overdraft facilities, lease liabilities and allocated arrangement fees amounted to MSEK 23,343 (24,033), of which liabilities pledged as collateral to banks and loan funds represented 94 percent (93). Senior unsecured bonds amounted to MSEK 1,350 (1,600) corresponding to 6 percent (7) of total interest-bearing liabilities.

The bonds were issued under a green finance framework prepared according to the Green Bond Principles published by the International Capital Markets Association (ICMA). This framework has been audited by an independent third party, CICERO Shades of Green, with the opinion Medium Green.

The net loan-to-value ratio in relation to the properties' carrying amounts was 58.3 percent (57.7).

SOURCES OF FINANCING



KEY FIGURES FOR INTEREST-BEARING LIABILITIES

MSEK	2023	2022
Pledged liabilities	21,993	22,433
- of which liabilities in EUR	*4,688*	*4,659*
Bonds	1,350	1,600
Loan-to-value ratio, properties, %	59.4	59.4
Net loan-to-value ratio, properties, %	58.3	57.7
Average interest[1], %	5.2	3.5
Average fixed-rate period, years	1.5	1.0
Average loan maturity, years	2.9	3.2
Interest-rate hedged portion of liabilities, %	52	42
Average interest-rate cap, %	1.6	1.6
Average interest swap, %	2.6	1.6
Fair value, derivatives with positive values	225	372
Fair value, derivatives with negative values	-148	–

1) Interest expense, excluding opening charges and ground rent.

CHANGE IN INTEREST-BEARING LIABILITIES

MSEK	2023	2022
Interest-bearing liabilities at the beginning of the year	24,033	21,045
Bank loans raised	8,147	9,751
Repayment of bank loans	-8,689	-6,770
Bonds issued	850	600
Bonds repurchased	-1,100	-873
Utilized credit facilities	94	–
Changes in borrowing fees	20	-13
Translation effect, currency	-15	292
Interest-bearing liabilities at end of the year	**23,340**	**24,033**

Credit facilities

To support liquidity, the company has three prearranged lines of credit with banks, which have not always been fully utilized. The scope in these revolving credit facilities can amount to a maximum of MSEK 2,332 (3,335). This means that, against collateral in existing properties, Nyfosa can rapidly increase its borrowing at predetermined terms to, for example, finance property acquisitions. After having 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. The granted amount on the balance-sheet date amounted to MSEK 1,260 (1,313), of which MSEK 790 (1,048) had been utilized and MSEK 470 (265) was unutilized. To utilize the remaining MSEK 1,072 (2,022) of the credit scope, acquired properties are to be pledged as collateral.

In addition to revolving credit facilities, the company has confirmed overdraft facilities totaling MSEK 350 (200) from three Swedish banks. Of this amount, MSEK 94 (0) had been utilized on the balance-sheet date.

Changes in interest-bearing liabilities

New bank loans of a MSEK 8,147 were raised during the year in connection with the closing of property acquisitions and refinancing of existing liabilities. Ongoing amortization and repayments of liabilities amounted to MSEK 8,689. This entails a reduction in liabilities pledged as collateral of MSEK 542 for the year. The company does not have any liabilities maturing in 2024.

Bonds of MSEK 825 were repurchased in connection with the issue of green bonds of MSEK 850 in April. The main terms for the green senior unsecured bonds issued were a three-year maturity with a rate of STIBOR 3M+550 basis points.

Early redemption of bonds of MSEK 275, with maturity in April 2024, took place in the fourth quarter. Accordingly, the company does not have any bonds maturing in 2024.

On the balance-sheet date, the company had outstanding bonds totaling MSEK 1,350, of which MSEK 500 matures in January 2025 and MSEK 850 in April 2026.

REVOLVING CREDIT FACILITIES

MSEK	Dec 31 2023	Dec 31 2022
Credit scope / framework	2,332	3,335
Amount granted	1,260	1,313
– of which amount utilized	*790*	*1,048*
– of which amount unutilized	*470*	*265*

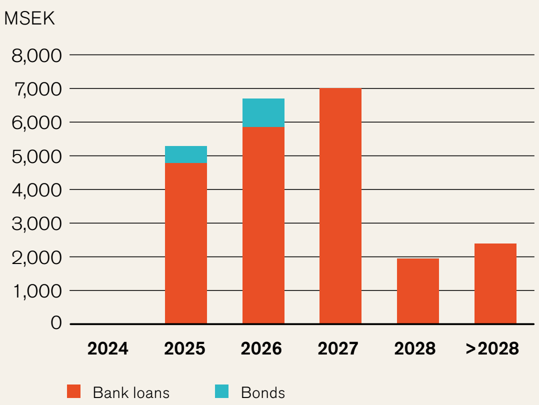
LOAN MATURITY AND FIXED-RATE PERIOD[1]

MSEK	Loan maturity						Fixed-rate period				
Year	Bank loans,	Bonds	Total interest-bearing liabilities	Share, %	Unutilized credit facilities	Total available credit facilities	Interest-rate swaps	Interest-rate cap	STIBOR 3M/ EURIBOR 6M	Fixed-rate period	Share, %
2024	–	–	–	–	256	256	500	2,725	9,272	12,497	54
2025	4,788	500	5,288	23	470	5,758	–	2,342	–	2,342	10
2026	5,849	850	6,699	29	–	6,699	2,354	1,083	–	3,437	15
2027	7,015	–	7,015	30	–	7,015	2,584	–	–	2,584	11
2028	1,950	–	1,950	8	–	1,950	1,533	–	–	1,533	7
>2028	2,390	–	2,390	10	–	2,390	950	–	–	950	4
Total	**21,993**	**1,350**	**23,343**	**100**	**726**	**24,069**	**7,921**	**6,150**	**9,272**	**23,343**	**100**

1) Total interest-bearing liabilities in the statement of financial position include utilized overdraft facilities and allocated arrangement fees, which is the reason for the deviation between the table and the statement of financial position.

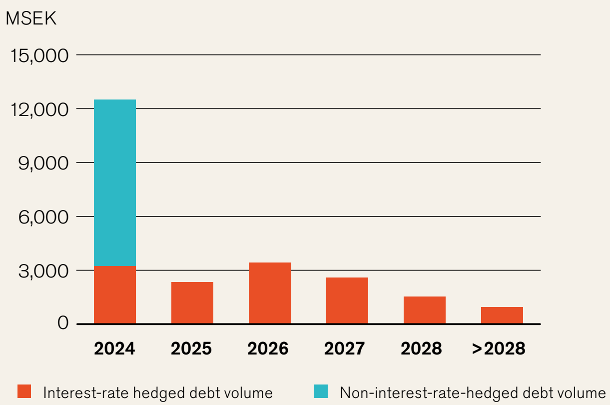
LOAN MATURITY

December 31, 2023



FIXED-RATE PERIOD

December 31, 2023



Fixed-rate periods and exposure to interest-rate changes
Exposure to increases in interest rates is managed by making use of derivative instruments, currently interest-rate caps and swaps. As per December 31, 2023, 52 percent (42) of the loan portfolio was hedged with derivatives, not including forward swaps that are included in the table on page 35.

Interest-rate caps provide the company with a maximum impact on total interest expenses if STIBOR 3M and EURIBOR 6M were to rise. However, interest rates that do not reach the interest-rate cap will have full impact on earnings. The interest-rate cap amounted to a nominal MSEK 6,150 (9,012) and the strike levels were 1.5–2.0 percent (1.5–2.0), and an average of 1.6 percent (1.6).

Interest-rate swaps provide the company with fixed interest during the term of the derivative. Interest-rate swaps amounted to a nominal MSEK 7,921 (1,120), of which MSEK 5,947 (1,120) were in effect on the balance-sheet date. For these active interest-rate swaps, Nyfosa paid a fixed annual rate of 2.6 percent (1.6). The remaining term of signed derivative agreements was 2.5 years (2.2) on the balance-sheet date.

The sensitivity analysis below shows that the estimated impact on earnings if STIBOR 3M and EURIBOR 6M increase by 1.0 percentage point is an increase of MSEK 107 (126) in interest expenses, given existing derivative agreements. A rise in market rates of 2.0 percentage points would charge earnings with MSEK 218 (269), given existing fixed-income derivative. In both examples, the fixed-income derivative means that the higher rate does not have a full impact on the statement of profit/loss.

Financial risk limits
Financing and interest-rate risk are managed by applying a number of restrictions and frameworks in the company's finance policy, which was revised during the year. A process has commenced to create a more even maturity structure for both loan maturity and fixed-rate periods. The new structure means that the proportion of interest-bearing liabilities with variable interest rates will be less than 25 percent and the remainder will be hedged with derivative instruments evenly distributed over 4-5 years in order to reduce interest rate exposure in the event of sharp interest rate fluctuation. The process involves gradually procuring additional fixed-income derivatives.

In addition, the limit of a maximum of 65 percent was replaced by a net loan-to-value ratio of a maximum of 60 percent.

The risk limits are the company's own and are not covenants in the Group's financing agreements. The company stays within the communicated risk limits with the exception of the proportion of interest rate hedged debt, which will be gradually adjusted as described above.

SENSITIVITY ANALYSIS, INTEREST-RATE EXPOSURE

Earnings effect of change in average interest on debt, MSEK[1]	Change	Dec 31, 2023
Assuming current fixed-rate periods and changed interest rates[2]	+/–2% points	-218/+220
Assuming current fixed-rate periods and changed interest rates[2]	+/–1% point	-107/+108
Assuming change in average interest rate[3]	+/–1% point	-233/+233
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/–1% point	+308/-308

1) Each variable in the table has been addressed individually and on the condition that the other variables remain constant. The analysis refers to liability against the wholly owned property portfolio and does not pretend to be exact. It is merely indicative and aims to show the most relevant, measurable factors in the specific context.

2) Taking into account existing fixed-income derivatives.

3) Average rate increases/decreases by 1 percentage point. Increase/decrease does not take into account eventual effects of the derivative portfolio.

FINANCE POLICY

	Risk limits	Dec 31, 2023
Financing risk		
Net loan-to-value ratio, %	<60	58
Unsecured debt, %	<15	6
Net debt/EBITDA, multiple	<12.0	9.4
Interest-rate risk		
Interest-coverage ratio, multiple	>2.0	2.0

FINANCIAL PERFORMANCE

CASH FLOW

Cash flow for the year

During the year, cash flow from operating activities amounted to MSEK 1,541 (1,638), of which MSEK 180 (335) was dividends received from participations in joint ventures.

Cash flow was charged with investing activities of MSEK –284 (–3,387). Taking possession of and vacating properties, both directly and indirectly via companies, impacted cash by a net MSEK 554 (–2,586). Investments in existing properties amounted to MSEK –762 (–577). Investments in participations in and lending to joint ventures amounted to MSEK –75 (–216).

Cash flow from financing activities amounted to MSEK –1,512 (1,889) and was attributable to a net decrease in interest-bearing liabilities of MSEK –849 (2,628) less borrowing costs, repurchases and new issue of warrants of MSEK –4 (–11), repurchases of hybrid bonds of MSEK –5 (–34), utilization of overdraft facilities MSEK 94 (–) and dividends to shareholders of MSEK –755 (–688).

Total cash flow for the year amounted to MSEK –255 (140).

Total cash flow, MSEK	2023	2022
Cash flow from operating activities	1,541	1,638
– of which operating cash flow	*1,215*	*1,714*
Cash flow from investing activities	-284	-3,387
Cash flow from financing activities	-1,512	1,889
Total cash flow	**-255**	**140**

Operating cash flow

The operating cash flow corresponds to cash flow from operating activities before changes in working capital and is based on profit before tax adjusted for non-cash items, such as revaluation effects and share in profit of joint ventures. Dividends received from participations in joint ventures, interest received and interest paid, interest paid on hybrid bonds and tax paid are included in the operating cash flow.

The former term “Distributable cash flow” has been renamed “Operating cash flow” from 2023. Operating cash flow has been adjusted to the presentation according to IAS 7, which includes interest received and interest paid instead of recognized interest. Comparison figures have been restated.

Growth in cash flow per share

The company’s target is to achieve growth in operating cash flow per share of 10 percent per year. Operating cash flow for the year amounted to SEK 6.36 per share (8.97).

Average growth per year for the 2019–2023 period was 7 percent.

OPERATING CASH FLOW

MSEK	2023	2022
Profit/loss before tax	-661	1,859
Adjustments for non-cash items	2,918	89
Dividends received from participations in joint ventures	180	335
Interest received	6	5
Interest paid	-1,104	-483
Interest paid on hybrid bonds	-60	-37
Income tax paid	-65	-54
Operating cash flow	**1,215**	**1,714**
– per share, SEK	6.36	8.97

TREND IN OPERATING CASH FLOW

	2023	2022	2021	2020	2019
Operating cash flow from the wholly owned property portfolio, MSEK	1,035	1,379	1,114	967	627
Dividends received from participations in joint ventures, MSEK	180	335	332	300	200
Operating cash flow, MSEK	**1,215**	**1,714**	**1,446**	**1,267**	**827**
– per share, SEK	6.36	8.97	7.69	6.97	4.93
Dividend paid per share during the period, SEK	3.95	3.60	3.24	–	–
Share of operating cash flow paid during the year, %	62	40	42	–	–

PROFIT

Income

Income increased 13 percent to MSEK 3,553 (3,151). Growth was mainly due to indexation of rental income and a weaker average SEK/EUR exchange rate. Income from like-for-like property portfolios, adjusted for exchange rate effects, increased MSEK 169, corresponding to 6 percent.

Income, like-for-like portfolio, MSEK	2023	2022
Total income	3,553	3,151
Acquisitions and divestments	-690	-484
Currency adjustment[1]	-28	–
Income, like-for-like portfolio	**2,836**	**2,667**

1) Current year restated using the same exchange rate as the comparative year.

Income is comprised of the categories of rental income and service income. Rental income is generated from the leases signed with tenants and includes indexation and supplements for investments and property tax. 91 percent (92) of rental income is indexed annually, and the majority of indexation includes the entire base rent and follows the CPI or equivalent index. Service income comprises supplements for electricity, heating, water, waste management and other operating expenses.

Occupancy rate and net leasing

The economic leasing rate at year-end was 91.5 percent (93.1). The vacancy amount was MSEK 347 (280).

Net leasing was negative at MSEK –8 (5), with new leases signed for MSEK 177 (139), terminations of MSEK 164 (132) and bankruptcies of MSEK 21 (2). The premises were re-let during the year. Demand for the company's premises remained generally stable.

Net leasing, MSEK	2023	2022
New leases signed	177	139
Leases terminated for moving	-164	-132
Bankruptcies	-21	-2
Net leasing for the year	**-8**	**5**

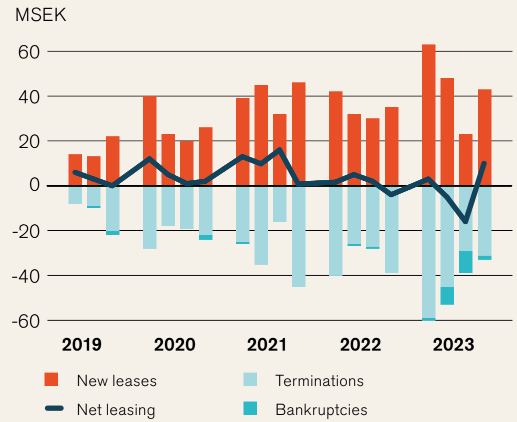
Property expenses and property administration

Of property expenses, operating expenses accounted for MSEK 661 (635), maintenance costs for MSEK 149 (143) and property tax for MSEK 166 (153). Costs for property administration amounted to MSEK 133 (129).

EARNINGS PER SEGMENT

	Sweden		Kielo		Undistributed items		Nyfosa	
MSEK	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Income	**2,652**	**2,491**	**902**	**660**	**–**	**–**	**3,553**	**3,151**
Property expenses	-714	-744	-262	-187	–	–	-976	-930
Property administration	-77	-74	-56	-54	–	–	-133	-129
Net operating income	**1,861**	**1,673**	**584**	**419**	**–**	**–**	**2,445**	**2,092**
Central administration	–	–	–	–	-186	-161	-186	-161
Other operating income	–	–	–	–	6	14	6	14
Share in profit of joint ventures	–	–	–	–	-8	672	-8	672
Financial income and expenses	–	–	–	–	-1,246	-664	-1,246	-664
Profit after financial income and expenses	**–**	**–**	**–**	**–**	**–**	**–**	**1,010**	**1,953**
- of which, profit from property management	**–**	**–**	**–**	**–**	**–**	**–**	**1,239**	**1,533**
Changes in value of properties	-1,046	-514	-306	74	–	–	-1,352	-439
Changes in value of financial instruments	–	–	–	–	-320	345	-320	345
Profit/loss before tax	**–**	**–**	**–**	**–**	**–**	**–**	**-661**	**1,859**
Tax	–	–	–	–	22	-165	22	-165
Profit/loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**-639**	**1,694**

NET LEASING



Operating expenses increased 4 percent. Operating expenses also include rates-based costs such as electricity, water and heating. Under the terms of certain leases, these rates-based costs for the leased premises are charged to the tenant. Tenants are usually charged on an ongoing basis following a standard model, with settlement compared with actual consumption taking place at a later date. Of total rates-based costs for the period, approximately 50 percent is charged to tenants.

Maintenance costs increased 4 percent on last year, mainly driven by inflation.

Costs for property administration, which include costs for leasing and personnel for ongoing property management, increased 3 percent compared with last year.

Net operating income

Net operating income increased 17 percent to MSEK 2,445 (2,092). The surplus ratio was 68.8 percent (66.4).

In the like-for-like property portfolio, net operating income increased 10 percent to MSEK 1,914 (1,746) adjusted for currency effects. The surplus ratio was 67.5 percent (65.5).

Net operating income, like-for-like portfolio, MSEK	**2023**	**2022**
Net operating income	2,445	2,092
Acquisitions and divestments	-512	-346
Currency adjustment[1]	-18	–
Net operating income, like-for-like portfolio	**1,914**	**1,746**

1) Current year restated using the same exchange rate as the comparative year.

Central administration

Central administration includes costs for Group Management, Group-wide functions, IT, IR, financial administration and auditing, and amounted to MSEK 186 (161), corresponding to 5 percent (5) of income. The increase is attributed primarily to growth in the portfolio during the second half of 2022.

Share in profit of joint ventures

Share in profit of joint ventures amounted to MSEK –8 (672), comprising profit from property management of MSEK 221 (252), changes in value and tax of MSEK –232 (381) and other income of MSEK 3 (38).

The lower profit was due to higher interest expenses and impairment of the market value of the properties.

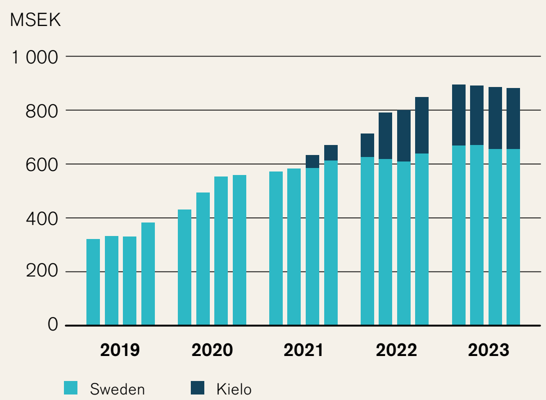
Financial income and expenses

Financial income and expenses amounted to MSEK –1,246 (–664). The increase in expenses was due to higher interest rates. Net debt amounted to MSEK 22,905 (23,342) on the balance-sheet date. The average interest rate, excluding opening charges, amounted to 5.2 percent (3.5) on the balance-sheet date.

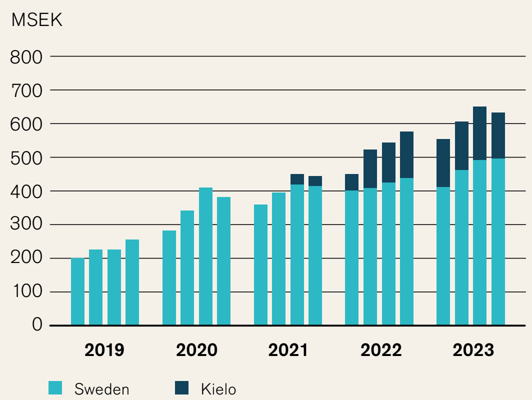
On the balance-sheet date, 52 percent (42) of the debt portfolio was hedged with interest-rate caps or swaps. The average interest-rate cap was 1.6 (1.6) percent and the average rate in interest-rate swaps was 2.6 (1.6) percent. The average remaining term of signed derivative agreements was 2.5 years (2.2) on the balance-sheet date.

The interest-coverage ratio for the year was a multiple of 2.0 (3.4).

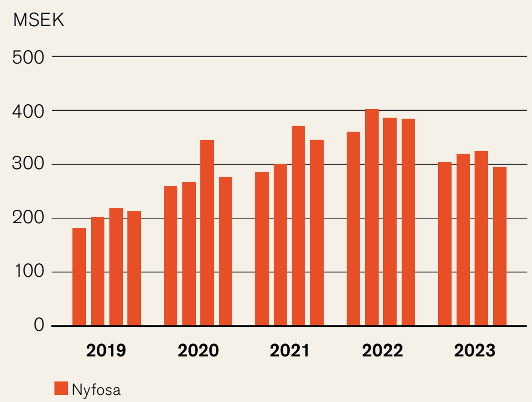
INCOME PER QUARTER



NET OPERATING INCOME PER QUARTER



PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



Profit from property management

Profit from property management declined 19 percent to MSEK 1,239 (1,533) or SEK 6.15 per share (7.80). The change was primarily due to the higher interest rates during the year that could be partly offset by rent indexation.

Changes in value

All properties are valued by an authorized property valuer from an independent appraiser at every quarterly closing, except for the properties that were closed on or divested in the past quarter. These properties are recognized at cost and the agreed selling price, respectively. Changes in values of properties amounted to MSEK –1,352 (–439).

During the year, appraisers raised the weighted yield requirement of their valuations to 6.76 percent. On December 31, 2022, the weighted yield requirement was 6.39 percent.

The negative valuation effect caused by the higher yield requirements was partly offset by the assumption regarding improved future net operating income and finalized projects.

Changes in value of financial instruments amounted to MSEK –320 (345), and refer to interest-rate caps and swaps.

Tax

Tax for the year was MSEK 22 (–165) corresponding to effective tax of –3.3 percent (8.9). The reasons for the deviation from the Parent Company's nominal tax rate of 20.6 percent were that non-deductible interest expenses resulted in higher taxable earnings than the recognized earnings in the Group companies, non-taxable sales of subsidiaries and the effect of the limitation rule for deferred tax on temporary differences.

Reconciliation of effective tax, MSEK	%	2023
Loss before tax		-661
Tax according to applicable tax rate for Parent Company	-20.6	136
Non-deductible costs and tax-exempt income	18.1	-120
Non-taxable sales of shares in subsidiaries	-10.5	70
Effect of limitation rule on temporary differences	9.9	-66
Profit from participations in joint ventures	0.3	-2
Other	-0.5	3
Recognized effective tax	**-3.3**	**22**

Profit for the year

Loss for the year was MSEK –639 (profit: 1,694). Earnings per share, less interest on hybrid bonds, amounted to SEK –3.67 per share (8.61) after dilution.

The translation difference from the operations conducted in foreign currency had an impact of MSEK –19 (269) on other comprehensive income. This item is attributable to operations in Finland.

Parent Company

For 2023, the Parent Company reported profit after tax of MSEK 800 (1,273). The Parent Company's fees for central and property administrative services from Group companies amounted to MSEK 132 (125). Profit for the year is the same as comprehensive income for the year. At December 31, 2023, the Parent Company's equity totaled MSEK 11,887 (11,924), of which restricted equity was MSEK 96 (96). Intra-Group liabilities amounted to MSEK 11,505 (7,794) and intra-Group receivables amounted to MSEK 25,028 (21,291).

Expectations concerning future development

The conditions for the property sector changed in 2023. Significantly higher key interest rates paired with a cautious capital market made financing both more costly and more difficult. Inflation and growing energy prices affected both the company and our tenants.

The assessment is that in 2024 there will be better conditions for buyers and sellers to do business, which creates the conditions for more activity in the transaction market. In the current weak economic climate, there is still a risk of doubtful rent receivables. Lower economic activity in society in the long term, or changed needs for premises among tenants, could also 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.

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, 2023
Share premium reserve	2,053,849,699
Hybrid bonds	757,500,000
Retained earnings	8,180,463,599
Profit for the year	799,862,842
Total unrestricted equity	**11,791,676,140**
The following funds are available for distribution by the AGM	
To be carried forward	11,791,676,140
- of which to Share premium reserve	*2,053,849,699*
- of which to hybrid bonds	*757,500,000*
Total	**11,791,676,140**

THE NYFOSA SHARE

Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since November 2018. On the last trading day, December 29, 2023, the closing rate of the share amounted to SEK 95.85, corresponding to a market capitalization of SEK 18.3 billion.

Share price trend and volume of trading

The volume weighted average price of the Nyfosa share for 2023 was SEK 71.69. The price of the share increased 15 percent during the year. During the same period, the OMX Stockholm PI index and the OMX Stockholm Real Estate Index both increased 13 percent. A total of 85 million Nyfosa shares were traded for a total value of SEK 6 billion in 2023. An average of 340,000 shares were traded on every trading day.

Share capital

On December 31, 2023, Nyfosa's share capital amounted to MSEK 96, distributed among 191,022,813 shares with a quotient value of SEK 0.50 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. The share capital in Nyfosa AB changed according to the table on page 42.

Dividend policy and dividend proposal

At least 40 percent of the operating 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. The Board of Directors proposes that no dividend be paid for the 2023 financial year. The dividend last year was SEK 4.00 per share with quarterly payment of SEK 1.00 per share, corresponding to MSEK 764.

Shareholder information

At the end of the year, Nyfosa had 17,574 shareholders, of which Swedish investors, institutions and private individuals owned 73 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders.

The ten largest owners jointly controlled 63 percent of the company's share capital and voting rights. The table at right presents Nyfosa's largest shareholders on December 31, 2023.

Warrants program

Nyfosa has three long-term incentive programs (LTIP 2021, LTIP 2022 and LTIP 2023) based on warrants. A description of the warrants programs is provided in Note 7 on page 79.

During the period, the Board offered to repurchase all outstanding warrants in the 2019/2023 warrants program for market-based consideration of SEK 27.10 per warrant. All holders decided to accept the offer that encompassed 240,000 warrants and proceeds of MSEK 7. Repurchases in other warrants programs was demanded when employment was terminated, in accordance with the terms of the warrants.

Furthermore, the Annual General Meeting's resolution to introduce a new long-term incentive program LTIP2023/2026 was carried out, meaning that 383,342 warrants were subscribed for.

The existing warrants program did not result in any dilution during the period.

SPECIFICATION OF SHAREHOLDERS

December 31, 2023

Shareholders	Number of shares	Percentage share: Capital, %	Percentage share: Votes, %
AB Sagax	44,500,000	23.30	23.30
Swedbank Robur Funds	18,666,494	9.77	9.77
Länsförsäkringar Funds	14,147,195	7.41	7.41
Lannebo Fonder	11,147,191	5.84	5.84
Vanguard	7,237,538	3.79	3.79
SEB Funds	6,769,860	3.54	3.54
BlackRock	6,396,842	3.35	3.35
Norges Bank	4,514,482	2.36	2.36
Jens Engwall	4,338,564	2.27	2.27
APG Asset Management	3,540,741	1.85	1.85
Total ten largest owners	**121,258,907**	**63.48**	**63.48**
Other shareholders	69,763,906	36.52	36.52
Total	**191,022,813**	**100.00**	**100.00**

Source: Modular Finance Monitor

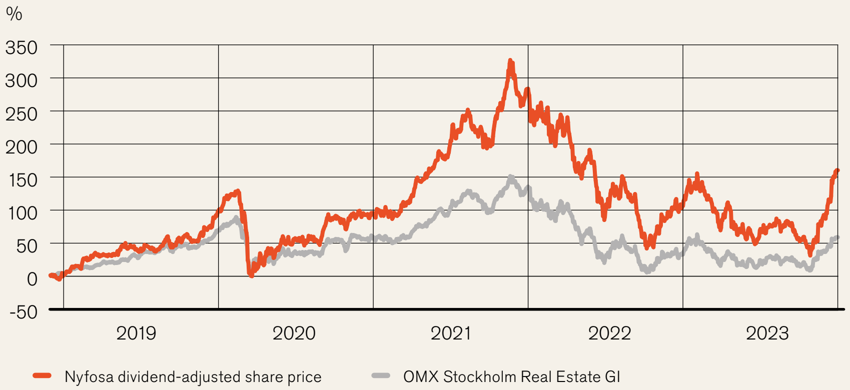
OWNERSHIP STRUCTURE BY SIZE

December 31, 2023

Ownership structure	No. of shareholders	Share, %
1 – 500	13,426	76.40
501 – 1,000	2,022	11.51
1,001 – 5,000	1,668	9.49
5,001 – 10,000	183	1.04
10,001 – 20,000	107	0.61
20,001 – 50,000	52	0.30
50,001 –	116	0.66
Total	**17,574**	**100.00**

Source: Modular Finance Monitor

SHARE PERFORMANCE



Source: Nasdaq Stockholm

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
June 9, 2021	New share issue	3,260,870.00	6,521,740	95,511,406.50	191,022,813

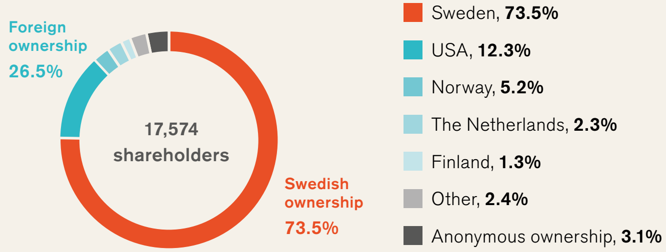
WARRANTS PROGRAMS (LTIP 2019, 2021, 2022, 2023)

December 31, 2023

Reconciliation of warrants	LTIP2019	LTIP2021 (I)	LTIP2021 (II)	LTIP2022	LTIP2023	Total
Warrants outstanding at beginning of year	240,000	325,241	325,241	422,150	–	1,312,632
Warrants subscribed	–	–	–	–	383,342	383,342
Warrants repurchased	-240,000	-7,000	-7,000	-29,000	–	-283,000
Warrants utilized	–	–	–	–	–	–
Warrants outstanding at year-end	**–**	**318,241**	**318,241**	**393,150**	**383,342**	**1,412,974**

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDING

December 31, 2023



RISKS AND RISK MANAGEMENT

Nyfosa is exposed to various risks, which could potentially impact the company's future operations, earnings and financial position. The organization is aware of the risks and through preventive actions the company endeavors to limit and manage risks wherever possible.

The major risks the company faces are largely related to the overall economic developments, inflation and market rates. The most material risks are presented below and divided into the categories of external environment, the environment, financing, acquisitions and investments, property management, and employees and organization. A model that assesses probability and consequences is used to clarify and evaluate risks. Risk probability is expressed in degrees: very improbable, improbable, possible, probable, highly possible. The consequences are evaluated as impact on the company's earnings and position, expressed in degrees: insignificant, minor, average, major and serious. The combination of likelihood and consequence determines how the risk is managed, either in the form of overall monitoring or as a focus area in cases if the likelihood and the consequences are both sufficiently high.

Risks for the Parent Company are indirectly the same for the Group, which means that any impact on the Parent Company has an effect on the entire Group.

RISKS AND RISK ASSESSMENT SUMMARY

Risk	Probability	Consequence	Management of risk	Change in management
EXTERNAL ENVIRONMENT				
Macro conditions	Probable	Major	Focus area	→
Regulations	Possible	Average	Focus area	↗
Tax	Improbable	Average	Monitor	→
ENVIRONMENT				
Climate impact on properties[1]	Possible	Average	Monitor	↘
Environmental footprint of the company's own operations[1]	Possible	Minor	Monitor	→
FINANCING				
Interest-rate risk	Highly possible	Major	Focus area	→
Financing and refinancing	Probable	Major	Focus area	→
Property valuation	Highly possible	Average	Focus area	→
Currency exposure	Possible	Minor	Monitor	→
ACQUISITIONS AND INVESTMENTS				
Property development	Probable	Minor	Monitor	→
Acquisitions and disposals of property	Improbable	Minor	Monitor	→
PROPERTY MANAGEMENT				
Rental income	Possible	Average	Focus area	→
Credit losses	Possible	Average	Focus area	→
Property expenses	Possible	Average	Focus area	→
EMPLOYEES AND ORGANIZATION				
Employees and expertise[1]	Possible	Average	Monitor	→
Occupational health and safety[1]	Possible	Minor	Monitor	→
Reporting and internal control[1]	Improbable	Average	Monitor	→
IT and infrastructure	Possible	Major	Monitor	→

1) Constitutes sustainability risks and comes under the sustainability report, but is not included in the Board of Directors' Report.

↗ = Increased monitoring
→ = Unchanged monitoring
↘ = Decreased monitoring

EXTERNAL ENVIRONMENT

With a structured and market-centric organization, Nyfosa works continuously to identify, monitor, prevent and address a rapidly changing external environment. The flexible and opportunistic business model means that the operations can rapidly adapt to new conditions.

Risk	Risk management	Exposure	Outcome
MACRO CONDITIONS Reduced demand. Inflation/deflation. Difficulties securing financing.	Market surveillance and business intelligence. Continuous dialogues with the capital and credit markets. Index-linked leases. Derivative instruments	A weak economy impacts the company's earnings and position.	Net leasing was MSEK –8 (+5). The interest-coverage ratio was a multiple of 2.0 (3.4).
REGULATIONS Changes in regulations that have negative impacts on the company's earnings and position.	Monitoring and established network of advisors.	Difficulties securing financing or higher costs for investments.	No impact from changes in regulations during the year.
TAX Changes in tax legislation or interpretation that have negative impacts on the company's earnings and position.	Monitoring of political trends. Adapting internal processes to regulatory changes. Partnerships with external experts. Continuous reconciliation of tax assessments.	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.	No companies are involved in tax disputes. No impact during the year.

ENVIRONMENT

Nyfosa works in a structured manner to manage, develop and add value to the existing property portfolio in close collaboration with tenants with the aim to increase the properties' earnings capacity and value. By focusing proactively on the properties, it is possible to meet the tenants' changing needs by finding smart solutions and sustainable investments. The identified risks and opportunities are probable in both the short and long term. The company's properties are managed from a long-term perspective to ensure as long a period of utilization as possible. Subsequently, climate-related risks and opportunities will in the long term have an impact on the company's assets.

Risk	Risk management	Exposure	Outcome
CLIMATE IMPACT ON PROPERTIES Negative impact on properties due to climate change and pollution.	Review of investments from a climate perspective. Insurance. Analysis of climate risks. Focus on environmental aspects during acquisitions and operations.	Damage to properties and increased costs.	No impact during the year.
ENVIRONMENTAL IMPACT FROM THE COMPANY'S OWN OPERATIONS Negative impact the environment due to inefficient resource management.	Sustainability goals. Certification of buildings. Energy efficiency.	Damage to social reputation and remediation costs.	Total carbon emissions decreased 21 percent. Of the total property value, properties with sustainability certification accounted for 33 percent (28). Energy consumption rose in the like-for-like portfolio by 9 percent (6) in Sweden compared with the start year of 2020. For Kielo, with a start year of 2023, the baseline was established at 180 kWh per sqm for future efficiency projects.

FINANCING

Nyfosa will primarily obtain financing through the bank market. Good relationships with creditors are important and establish a long-term approach and a reduced refinancing risk. The company will continuously endeavor to maintain as effective and profitable a capital structure as possible considering the given risk limits. In addition, most of the interest-rate risk is to be systematically hedged to reduce interest-rate exposure.

Risk	Risk management	Exposure	Outcome
INTEREST-RATE RISK Interest expenses climb to a level that means that the company breaches its financial risk limitation.	Interest-rate hedges with derivatives, such as interest-rate caps and interest-rate swaps.	Interest-bearing liabilities amounted to MSEK 24,343 (24,033). The average interest rate on the balance-sheet date was 5.2 percent (3.5).	The share of interest-hedged liabilities at the balance-sheet date was 52 percent (42).
FINANCING AND REFINANCING Difficulties securing financing and refinancing.	Primary sources of financing are the Nordic banks. Three prearranged credit facilities to use for future acquisitions. Policy for continuously monitoring loan maturities.	Interest-bearing liabilities amounted to MSEK 24,343 (24,033). No liabilities mature within 12 months.	Acquisitions of MSEK 1,002 (4,394) and refinancing of MSEK 7,167 (7,200) financed with equity and bank loans. Bonds of MSEK 825 (873) were repurchased in conjunction with a new issue of green bonds of MSEK 850 (600).
PROPERTY VALUE The value of the property portfolio is impacted by such factors as supply, demand and other property-specific and market-specific factors. Small changes in sub-components of the property valuations may have a relatively large impact on the company's earnings and financial position.	Diversified property portfolio. Focus on commercial properties in high-growth regions. Improvement and development of the properties.	A major negative change can result in the credit terms of the loan agreements including higher financing costs or repayments.	Negative change in values of properties amounted to MSEK 1,352 (439). The change in value did not impact existing loan agreements.
CURRENCY EXPOSURE Exposure to exchange rate risks due to investments and liabilities in EUR and NOK.	Debt financing in the same currency as the assets. Ongoing transactions in local currency.	Net assets in foreign currency amounted to MEUR 319 (336) and MNOK 198 (155).	A translation difference of MSEK –19 (269) is recognized in Other comprehensive income.

ACQUISITIONS AND INVESTMENTS

A market-centric organization and transaction-oriented employees guarantees what is necessary for Nyfosa's transaction-based business model. The approach is focused on strengthening cash flows and yield, regardless of market. In 2023, transactions were conducted for SEK 2.6 billion (6.1) in the form of acquisitions and divestments in Sweden and Finland.

Risk	Risk management	Exposure	Outcome
PROPERTY DEVELOPMENT Delays or increased costs when investing in the existing property portfolio, with potential impact on credit rating and long-term value.	Investments are often connected to tenant-specific modifications resulting from leases signed and require a credit assessment of the tenant. Assessment of the investment's impact on the property's long-term value. Purchasing policy that regulates procurement of suppliers for projects.	Rising costs and delays in investment projects.	Investments of MSEK 762 (577), primarily for tenant-specific modifications resulting from leases signed.
ACQUISITIONS AND DISPOSALS OF PROPERTY Misjudging the market, property potential or unethical behavior from the seller/buyer.	Clear transaction process and capacity for evaluating business opportunities. Broad geographic presence and an established contact network. Strong position in the transaction market.	Difficulty finding business opportunities.	Property transactions included acquisitions as well as divestments during the year and amounted to a total value of MSEK 2,560 (6,129).

PROPERTY MANAGEMENT

Nyfosa's property management creates value by adding value to a property portfolio, both big and small. The starting point is to optimize every property, satisfy the needs of the tenants and reduce the operation's climate impact. Nine regional offices in Sweden and two in Finland manage the portfolio. There are also local offices in a number of places, which work under the regional offices. Properties are primarily managed by the company's in-house personnel in key roles such as tenant relationships, technical management and leasing.

Risk	Risk management	Exposure	Outcome
RENTAL INCOME Reduced rental income.	Diversification of tenants and leases. Regional spread of the portfolio.	Lower rent levels or lower occupancy rate.	The number of leases at the balance-sheet date was 6,439 (6,575) and the occupancy rate was 91.5 percent (93.1).
CREDIT LOSSES Tenants being unable to make their payments according to the underlying lease.	Credit assessments of tenants for all new leases and continuously during the lease term. Supplementing the lease with surety, a deposit or a bank guarantee if necessary. Quarterly or monthly advance payments on rent. Close relationships with tenants. Continuous monitoring of the market. Minimal exposure to single tenants.	Bankruptcies among tenants and concentration among a few large tenants.	A highly diverse tenant list, where the ten largest tenants represent 12 percent (11) of total rental income. Of total rental income, the share of tax-financed rent represented 27 percent (26). Credit losses amounted to MSEK 18 (6), corresponding to 0.5 percent (0.2), of income.
PROPERTY EXPENSES Increased costs for electricity, water and heating.	Continuous contract negotiations, procurements with new suppliers and framework agreements with larger suppliers. Tenants pay for energy consumption at their premises, either through own subscriptions or through clearing and settlement according to the lease. The majority of settlements of tenants' own consumption is calculated annually with an index.	Around half of the subscriptions signed by Nyfosa for electricity, water and heating are paid by the tenants. The remainder is charged to the company's earnings. The price is affected by political decisions as well as supply and demand.	Operating expenses in like-for-like portfolios amounted to MSEK 539 (543), which is a decrease of 1 percent compared with the previous year and largely driven by lower electricity costs and electricity support as well as lower energy consumption.

EMPLOYEES AND ORGANIZATION

Nyfosa's transaction-based business model and geographically diversified portfolio require a flexible and market-centric organization. Using a model of close cooperation with external service providers, the business can be adapted, while maintaining high quality, in pace with changes in the property portfolio. For the employees, it is a security to be able to adapt the operations in the event of rapid changes using a high-quality external network of knowledge.

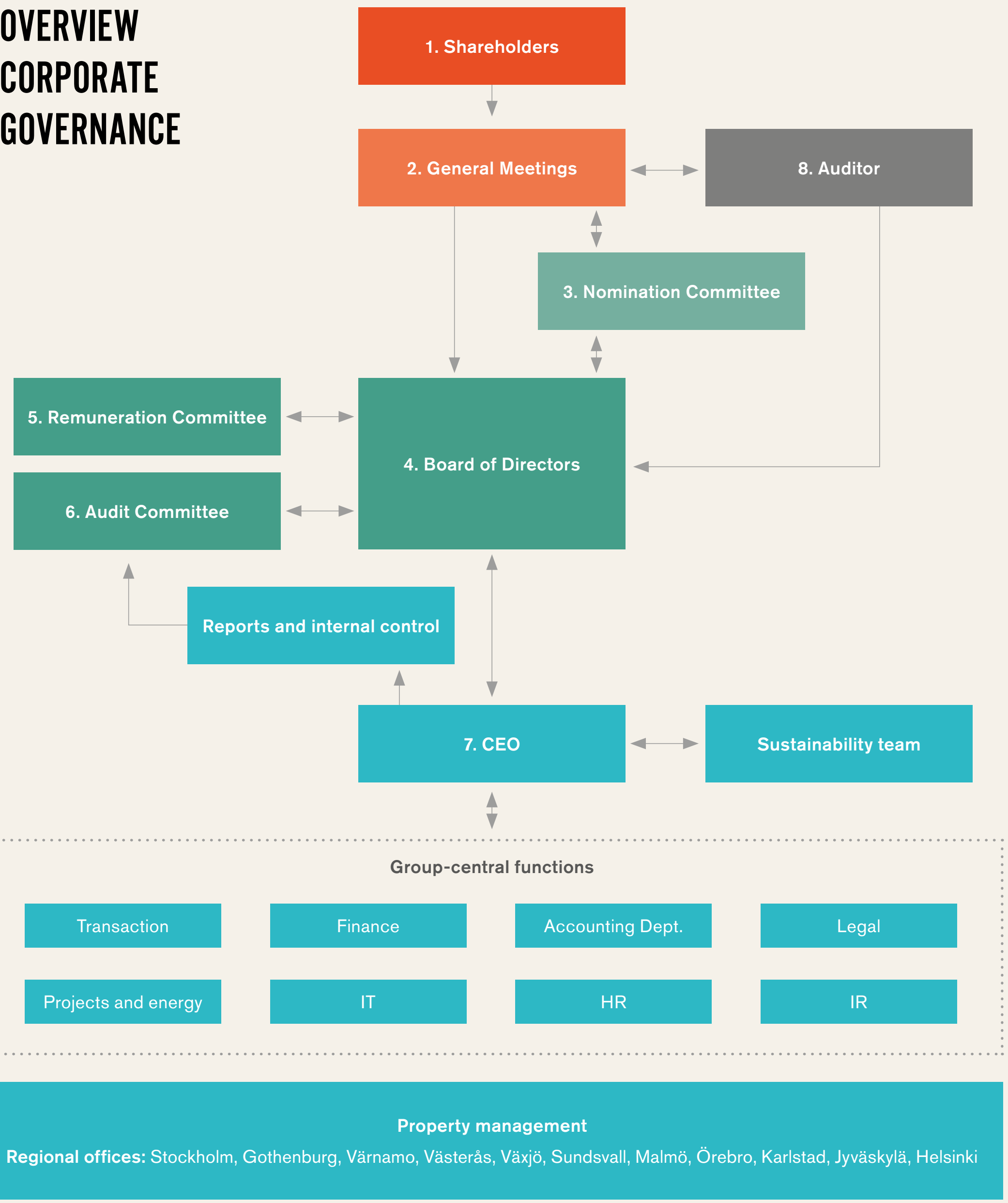
Risk	Risk management	Exposure	Outcome
EMPLOYEES AND EXPERTISE Dependence on individuals.	Continuous evaluation of competency needs to adapt the organization. Job descriptions and clear process maps. Long-term incentive programs.	Loss of key personnel.	Employee turnover was 12 percent (8).
OCCUPATIONAL HEALTH AND SAFETY Operations, earnings and the financial position can be negatively impacted by absence due to illness.	Preventive measures such as health checks and counseling. Health-promoting benefits including medical expenses insurance and fitness allowance. Flexible work arrangements with hybrid working. Systematic work environment efforts according to regulations.	Increased absence due to illness.	Absence due to illness was 2.70 percent (2.05).
REPORTING AND INTERNAL CONTROL Insufficient procedures, irregularities or internal/external events that lead to inaccurate financial reporting.	Well-functioning internal controls. Skilled employees for reporting. Continuous monitoring of changes in laws and regulations.	Errors or irregularities in the financial reporting.	Internal and external audits were carried out without any major observations.
IT AND INFRASTRUCTURE Insufficient physical or digital IT infrastructure, or unauthorized access.	Use of established external IT service providers. Regular dialogues about security. Information security policy Review of the continuity plan. Backup function. Employee training in IT security.	Disruptions to financial reporting.	No incidents or unauthorized access were reported in 2023.

CORPORATE GOVERNANCE REPORT 2023

Corporate governance at Nyfosa is based on Swedish law and good practice in the securities market as well as internal rules and guidelines. The Company also follows the Swedish Corporate Governance Code (the "Code"). This corporate governance report describes the governance of Nyfosa in 2023 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 generate attractive returns 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 23.3 percent. The remaining 76.7 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. No such shares had been issued as of December 31, 2023. More information about Nyfosa shares and major shareholders is provided on pages 41–42 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.

2023 Annual General Meeting

Several measures were approved on April 25, 2023, including the Board's proposed appropriation of profit, discharging the Board members and CEO from liability for the 2022 financial year, elections for the Board and auditor, remuneration of the Board and auditors and introducing a long-term incentive program for employees at Nyfosa ("LTIP 2023"). 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. The Meeting also resolved on a dividend for Class D ordinary shares and to authorize the Board to resolve on the acquisition of class A ordinary shares. For more information, refer to the company's website and the report from the AGM.

NYFOSA'S 2024 ANNUAL GENERAL MEETING

Nyfosa's 2024 AGM will be held on April 23, 2024. More information about the AGM (including instructions on how to notify attendance) is available at www.nyfosa.se.

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

The Nomination Committee ahead of the 2024 AGM comprised Johannes Wingborg, representing Länsförsäkringar Fondförvaltning (Chairman of the Nomination Committee); David Mindus, representing Sagax; Lennart Francke, representing Swedbank Robur Funds; Tobias Kaj, representing Lannebo 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 Nomination Committee has proposed to the AGM to be held on April 23, 2024 that the Board comprise two women and four 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 2024 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 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 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

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Board member	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Johan Ericsson (Chairman of the Board)	24/24	–	2/2
Marie Bucht Toresäter[1]	17/24	2/3	1/1
Lisa Dominguez Flodin	24/24	9/9	–
Jens Engwall	18/24	4/9	–
Patrick Gylling[2]	9/9	–	1/1
Per Lindblad	21/24	–	2/2
David Mindus[3]	15/15	6/6	–
Claes Magnus Åkesson	24/24	9/9	–

1) Stepped down from the Audit Committee and elected to the Remuneration Committee at the AGM on April 25, 2023.

2) Stepped down from the Board and Remuneration Committee at the AGM on April 25, 2023.

3) Elected to the Board and Audit Committee at the AGM on April 25, 2023.

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 below. The Board also regularly addresses such as major acquisitions, divestments, investments and the CEO report, finance report and sustainability at all scheduled Board meetings.

JAN–FEB
- Decision on year-end report
- Report from the Audit Committee
- Meeting with auditors
- Accounting and audit matters and audit report
- Proposed dividends
- Report on taxes and fees
- Risk identification and risk management
- Board discussions without the presence of management

MAR
- Matters ahead of the AGM (incl. remuneration report)
- Report from the Remuneration Committee
- Decision on any bonus outcome for last year
- Annual Report including the Corporate Governance Report

APR–MAY
- Decision on interim report
- Report from the Audit Committee
- Report on taxes and fees
- Determining the rules of procedure, instructions, delegation of authority and policies
- Election of members to Board Committees
- Reconciliation of company management's other assignments and potential conflicts of interest
- Board discussions without the presence of management

JUN
- Scheduled Board meetings

JUL
- Decision on interim report
- Report from the Audit Committee
- Report on taxes and fees

AUG

SEP
- Scheduled Board meetings

OCT
- Decision on interim report
- Report from the Audit Committee
- Report on taxes and fees
- Meeting with auditors
- Accounting and audit matters and audit report

NOV
- Preparation of business plan (incl. strategy, forecast, financial targets, risk limits and action plan) for the coming financial year
- Review of finance policy
- Evaluation of the Board
- Organization (incl. succession planning)
- Evaluation of the CEO and senior executives (without the presence of management)

DEC
- Adoption of business plan (incl. strategy, forecast, financial targets, risk limits and action plan) for the coming financial year
- Evaluation of internal control system, including the potential need for internal audit

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 25, 2023 reelected Jens Engwall, Johan Ericsson, Lisa Dominguez Flodin, Per Lindblad, Marie Bucht Toresäter and Claes Magnus Åkesson as Board members, and David Mindus was elected as a new Board member. 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 page 54. Information about the company's largest shareholders is provided on page 41.

The work of the Board

In addition to the statutory Board meeting, held immediately after the AGM, the Board meets at least ten 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 the previous page. 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 the previous page. 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 financing, the organization and sustainability in 2023.

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 25, 2023, resolved that the fees to the Board members be paid such that SEK 515,000 be paid to the Chairman of the Board and SEK 210,000 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 75,000 to the Chairman of the Committee and SEK 36,000 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 42,000 to the Chairman of the Committee and SEK 21,000 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 2023 comprised Board members Marie Bucht Toresäter (April-December), Johan Ericsson (Chairman), Patrick Gylling (January-April) and Per Lindblad. The Remuneration Committee held two meetings in 2023 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 the previous page.

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 2023 comprised Board members Marie Bucht Toresäter (January-April), Jens Engwall, Lisa Dominguez Flodin (Chairman), David Mindus (April-Dec) and Claes Magnus Åkesson.

The Committee is considered to meet the requirements of the Companies Act as regards its composition and accounting and auditing expertise. According to the Swedish Corporate Governance Code (the "Code"), the majority of the Committee's members are to be independent in relation to the company and management. Furthermore, at least one of the members who is independent in relation to the company and management must also be independent in relation to the company's major shareholders. In Nyfosa's case, half of the Committee members (Jens Engwall and David Mindus) are dependent in relation to the company and management, which is why Nyfosa deviates from the Code in this respect. However, the impendence requirement in relation to the company's major shareholders is met. The deviation from the Code is due to the fact that the Board has deemed the current composition to be the most suitable for effectively and thoroughly performing the tasks of the Audit Committee. The Code was applied without any other deviations in 2023. The Audit Committee held nine meetings during the year 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 the previous page.

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, the CFO, General Counsel, Head of Finance, Head of Property Management and Head of Transactions. 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 AGM on April 23, 2024. No decision on adjusting the guidelines was made in 2023.

Remuneration of senior executives may comprise a fixed and variable portion as well as pension benefits and other benefits. The fixed remuneration 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 2023 is presented in Note 7. The remuneration report for 2023 is published on the website, www.nyfosa.se.

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 25, 2023, 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 scheduled 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 2023, 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.

Other ongoing assignments: Chairman of Konstmässan Market AB, Fastighetsbolaget Emilshus AB and The Princess Estelle Cultural Foundation. Board member of Brinova Fastigheter AB (publ), AB Borudan Ett, Båstadtennis & Hotell AB and Torekov By AB.

Shareholding in the company: 65,000

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, Skanska ID, NCC Property Development Nordic AB and Newsec Advice AB.

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: 5,156

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, CEO of Cibus Nordic real Estate AB (publ) and Board member (including member of the Audit Committee) of NP3 Fastigheter AB (publ) as well from senior positions at Oscar Properties AB, Cityhold Property AB and NBP Group.

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: 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. Previous experience as the founder and CEO of Nyfosa AB and Hemfosa Fastigheter AB, CEO of Kungsleden AB and experience from the property sector through, inter alia, previous positions at Skanska AB.

Other ongoing assignments: Board member of Bonnier Fastigheter AB, Chengde Intressenter AB, Kveldhus AB, Nordic Mezzanine Capital I AB, Hemfosa Gård AB and Hemfosa Islandshästar AB.

Shareholding in the company: 4,338,564, of which 400,000 via companies

Dependent 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.

Other ongoing assignments: CEO of Landshypotek Bank Aktiebolag, Chairman of Lyckås Aktiebolag and Board member of Dina Försäkring AB, Swedish Bankers' Association and the Cooperatives Economic Association Sweden.

Shareholding in the company: 10,000

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

David Mindus

Board member

Year of birth: 1972

Board member since: April 25, 2023

Education and professional experience: Master in Business Administration, Stockholm University. CEO of AB Sagax since 2004.

Other ongoing assignments: CEO and Board member of AB Sagax. Board member of Hemsö Fastighets AB, Söderport Property Investment AB (including other group companies) and Mindustri AB (including other group companies).

Shareholding in the company: David Mindus owns 16.85 percent of the capital and 29.00 percent of the votes in AB Sagax, which in turn holds 44,500,000 shares in Nyfosa.

Dependent 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. Previous experiences as interim finance and finance director, senior advisor, CFO and head of Investor Relations at JM AB. Previous experience also includes positions as Chief Controller Asia, CFO Malaysia and Regional Controller Asia in the Ericsson Group.

Other ongoing assignments: CEO and Board member of Anders Bodin Fastigheter AB. Chairman of the Board of JM @ Home AB and a Board member of Concentric AB and CM Åkesson AB.

Shareholding in the company: 7,500

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

Shareholding in the company as of December 31, 2023 (incl. any shares held by related parties)

SENIOR EXECUTIVES

Ann-Sofie Lindroth

CFO

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).

Background: Previous experience as Controller and Head of Finance at Hemfosa Fastigheter AB, auditor at EY Real Estate, and real estate agent at Svensk Fastighetsförmedling.

Shareholding in the company: 31,626

Warrants in the company: 82,000

Linn Ejderhamn

General Counsel

Year of birth: 1986

Training and education: Master of Laws, Stockholm University.

Other ongoing assignments: No other assignments.

Background: Previous experience as lawyer at Cederquist and Baker McKenzie, as well as monitoring specialist at Company Monitoring Nasdaq Stockholm.

Shareholding in the company: 7,000

Warrants in the company: 47,000

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 as project manager in structured real estate financing at SEB.

Shareholding in the company: 18,654

Warrants in the company: 123,000

Stina Lindh Hök

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 Fabege AB and Söderport Property Investment AB (and other board assignments within the group).

Background: Previous experience as COO at Nyfosa AB, Transaction Manager at Hemfosa Fastigheter AB, Project Manager for transactions at Atrium Ljungberg AB and Leimdörfer Fastighetsmarknad AB as well as property manager at Fabege AB.

Shareholding in the company: 97,380

Warrants in the company: 171,000

Josephine Björkman

Head of Transactions

Year of birth: 1975

Training and education: M.Sc. International Business, University of Gothenburg School of Business, Economics and Law.

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

Background: Previous experience as Head of Transactions at Jernhusen AB, Business Development Manager at GE Real Estate Norden and Analyst at GE Capital London.

Shareholding in the company: 3,720

Warrants in the company: 160,000

Anders Albrektsson

Head of Property Management

Year of birth: 1974

Training and education: Real Estate Economics and Finance, Royal Institute of Technology, Stockholm.

Other ongoing assignments: No other assignments.

Background: Previous experience as Head of Property Management Sweden, Customer Manager and Property Manager, Newsec Property Asset Management AB.

Shareholding in the company: 2,500

Warrants in the company: 68,000

Shareholding in the company as of December 31, 2023 (incl. any shares held by related parties)

Warrants in the company as of Dec 31, 2023

MODEL FOR INTERNAL CONTROL AND GOVERNANCE

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

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

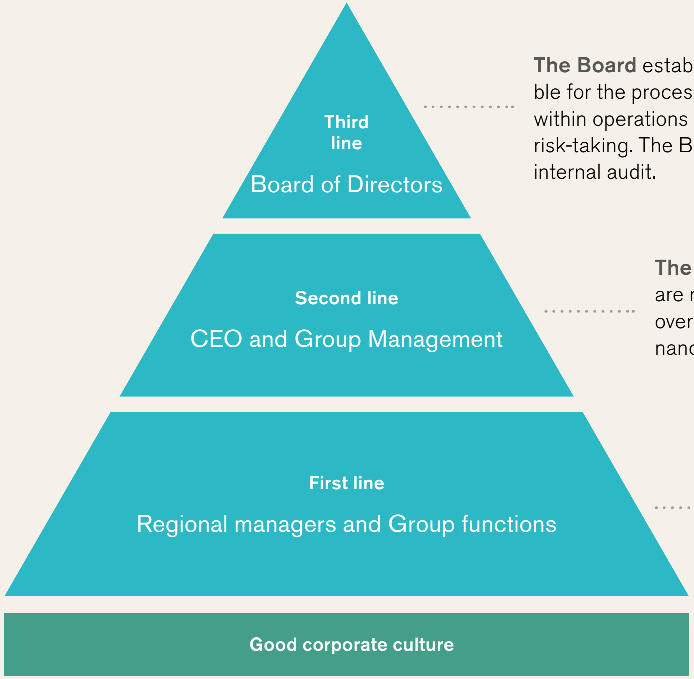
Nyfosa's model for internal control and governance consists of three lines of defense based on the model from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Each line of defense is responsible for its level of internal control and governance.

The Board 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 responsible for daily work on an overall level, ensuring effective governance and control.

The managers at the property management offices and Group functions are responsible for maintaining good internal control and governance in each of their respective areas.

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



The Board establishes policies and is responsible for the processes to identify and define risks within operations and to measure and control risk-taking. The Board makes decisions about the internal audit.

The CEO and Group Management are responsible for daily work on an overall level, ensuring effective governance and control.

Each manager at the regional offices and Group functions is responsible for maintaining good internal control in each of their respective functions.

Control environment

Nyfosa's control environment is founded on governing documents, processes and structures that describe 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 in the governing documents 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, 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 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, the risk-reducing measures that are in place and the level of

GROUP-WIDE POLICIES AND GOVERNING DOCUMENTS ADOPTED BY THE BOARD

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, the general public and market's confidence in the company and describes the primarily legal regulations banning insider trading, etc.

Communication policy

Aims to ensure accurate information in communication both internally and externally and compliance with laws, regulations and agreements.

Sustainability policy

Describes Nyfosa's responsibilities in its operations and the impact on surroundings and provides guidelines for work within economic, 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.

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 43–48 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 jointly followed up by the Board and Group Management once per year.

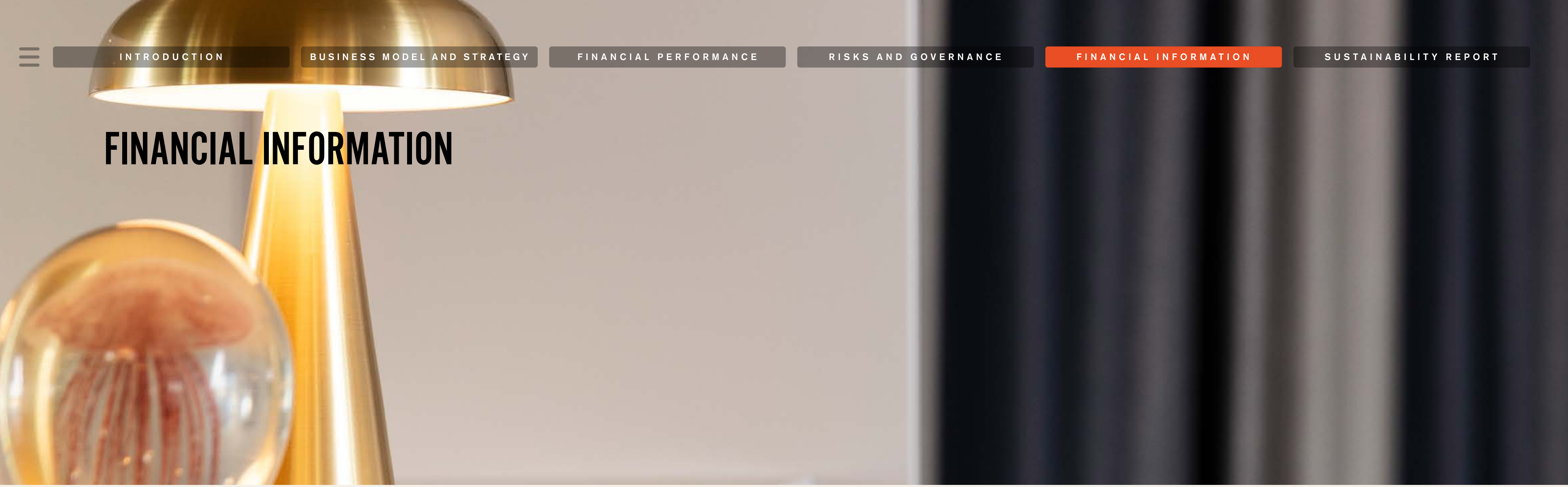
Monitoring

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 51.

Follow-ups and separate evaluations are continuously carried out at various levels at Nyfosa in accordance with an adopted risk management policy and accounting manual. 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.



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MULTI-YEAR OVERVIEW AND KEY FIGURES

Property-related key figures, MSEK	2023	2022	2021	2020	2019
Income	3,553	3,151	2,459	2,035	1,370
Economic occupancy rate at the end of the period, %	91.5	93.1	94.6	93.1	90.9
Property expenses	-976	-930	-717	-557	-415
Property administration	-133	-129	-91	-63	-50
Net operating income	2,445	2,092	1,651	1,415	905
Surplus ratio, %	68.8	66.4	67.1	69.5	66.0
Profit from property management	1,239	1,533	1,302	1,147	814
Property value on balance-sheet date	39,278	40,446	37,147	29,411	19,602
Yield requirement at the end of the period, %	6.3	6.0	5.4	5.4	5.5

Key figures per share, SEK	2023	2022	2021	2020	2019
Net operating income	12.80	10.95	8.64	7.67	5.40
Profit from property management	6.15	7.80	6.90	6.32	4.85
Profit/loss before dilution	-3.67	8.62	16.52	12.25	8.24
Profit/loss after dilution	-3.67	8.61	16.49	12.25	8.24
Operating cash flow[1]	6.36	8.97	7.69	6.97	4.93
Dividend paid to the Parent Company's shareholders	3.95	3.60	3.24	–	–
NAV on balance-sheet date	94.72	100.78	95.93	79.91	65.37
Adjusted NAV on balance-sheet date	90.92	93.63	89.76	75.33	60.11
Equity on balance-sheet date	84.42	92.22	86.04	72.27	58.32

1) The former term "Distributable cash flow" has been replaced by the term "Operating cash flow" from 2023. The difference means that interest received and interest paid have replaced recognized interest. Comparison figures have been adjusted.

Key financial data	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Return on equity, %	-4.1	9.7	21.3	19.3	15.2
Loan-to-value ratio, properties, %	59.4	59.4	56.7	58.0	57.6
Net loan-to-value ratio, properties, %	58.3	57.7	55.2	56.9	54.6
Net debt/EBITDA, multiple	9.4	10.2	11.0	10.7	10.5
Interest-coverage ratio, multiple	2.0	3.4	4.2	4.5	5.2
Equity/assets ratio, %	38.7	40.6	42.5	41.8	44.1

Presented above are the key figures that provide supplementary information to investors and the company's management in their assessment of the company's performance. Key figures not defined by IFRS have been supplemented with a reconciliation. Refer to the reconciliations on pages 61–62 and definitions of key figures on pages 112–113.

RECONCILIATION OF KEY FIGURES

RETURN ON EQUITY

MSEK	2023	2022	2021	2020	2019
Profit/loss LTM attributable to Parent Company shareholders	-639	1,689	3,112	2,225	1,382
Interest to hybrid bond holders LTM	-63	-43	-4	–	–
Adjusted profit/loss	**-702**	**1,646**	**3,107**	**2,225**	**1,382**
Average equity attributable to Parent Company shareholders	17,749	17,807	14,679	11,557	9,087
Average hybrid bonds	-762	-781	-96	–	–
Adjusted equity	**16,988**	**17,026**	**14,582**	**11,557**	**9,087**
Return on equity, %	**-4.1**	**9.7**	**21.3**	**19.3**	**15.2**

LOAN-TO-VALUE RATIO AND NET LOAN-TO-VALUE RATIO

	Dec 31				
MSEK	**2023**	**2022**	**2021**	**2020**	**2019**
Interest-bearing liabilities	23,340	24,033	21,045	17,055	11,282
Property value	39,278	40,446	37,147	29,411	19,602
Loan-to-value ratio, %	**59.4**	**59.4**	**56.7**	**58.0**	**57.6**
Cash and cash equivalents	435	691	534	312	588
Net loan-to-value ratio, %	**58.3**	**57.7**	**55.2**	**56.9**	**54.6**

YIELD

	Dec 31				
MSEK	**2023**	**2022**	**2021**	**2020**	**2019**
Net operating income according to earnings capacity	2,464	2,416	2,002	1,575	1,088
Property value	39,278	40,446	37,147	29,411	19,602
Yield according to earnings capacity, %	**6.3**	**6.0**	**5.4**	**5.4**	**5.5**

EBITDA

MSEK	2023	2022	2021	2020	2019
Net operating income	2,445	2,092	1,650	1,415	905
Central administration	-186	-161	-128	-132	-89
Depreciation of equipment	1	2	1	1	0
Other operating income and expenses	6	14	6	-26	-1
Dividends received from participations in joint ventures	180	335	332	300	200
EBITDA, MSEK	**2,445**	**2,282**	**1,861**	**1,558**	**1,016**

EQUITY PER SHARE

	Dec 31				
MSEK	**2023**	**2022**	**2021**	**2020**	**2019**
Equity attributable to the Parent Company's shareholders	16,883	18,378	17,236	13,333	9,781
Hybrid bonds	-758	-763	-800	–	–
Adjusted equity	**16,125**	**17,615**	**16,436**	**13,333**	**9,781**
Number of shares, millions	191	191	191	185	168
Equity per share, SEK	**84.42**	**92.22**	**86.04**	**72.27**	**58.32**

ECONOMIC OCCUPANCY RATE

	Dec 31				
MSEK	**2023**	**2022**	**2021**	**2020**	**2019**
Income according to earnings capacity	3,550	3,459	2,827	2,233	1,563
Reversal of rent discounts according to earnings capacity	17	22	26	36	24
Rental value according to earnings capacity	3,897	3,739	3,017	2,437	1,746
Economic occupancy rate, %	**91.5**	**93.1**	**94.6**	**93.1**	**90.9**

PROFIT FROM PROPERTY MANAGEMENT PER SHARE

MSEK	2023	2022	2021	2020	2019
Profit/loss before tax	-661	1,859	3,644	2,399	1,576
Reversal:					
-Changes in value of properties	1,352	439	-1,652	-1,063	-472
-Changes in value of financial instruments	320	-345	-19	-1	7
-Changes in value of tax and other items in share in profit of joint ventures	229	-420	-670	-187	-298
Profit from property management	**1,239**	**1,533**	**1,302**	**1,147**	**814**
Interest on hybrid bonds	-63	-43	-4	–	–
Adjusted profit from property management	**1,176**	**1,490**	**1,298**	**1,147**	**814**
Average number of shares, millions	191	191	188	182	168
Profit from property management per share, SEK	**6.15**	**7.80**	**6.90**	**6.32**	**4.85**

NAV PER SHARE

MSEK	2023	2022	2021	2020	2019
	Dec 31				
Equity attributable to Parent Company shareholders	16,883	18,378	17,236	13,333	9,781
Hybrid bonds	-758	-763	-800	–	–
Deferred tax	1,263	1,333	1,252	760	627
Derivatives	-77	-372	-22	-3	-2
Deferred tax in joint ventures, Nyfosa's share	746	751	596	544	454
Derivatives in joint ventures, Nyfosa's share	36	-76	62	110	104
NAV	**18,093**	**19,250**	**18,325**	**14,744**	**10,965**
Number of shares, millions	191	191	191	185	168
NAV per share, SEK	**94.72**	**100.78**	**95.93**	**79.91**	**65.37**
Equity attributable to Parent Company shareholders	16,883	18,378	17,236	13,333	9,781
Hybrid bonds	-758	-763	-800	–	–
Estimated actual deferred tax[1]	705	576	541	341	98
Derivatives	-77	-372	-22	-3	-2
Estimated actual deferred tax in joint ventures, Nyfosa's share[1]	579	142	126	119	100
Derivatives in joint ventures, Nyfosa's share	36	-76	62	110	104
Adjusted NAV	**17,368**	**17,885**	**17,144**	**13,900**	**10,082**
Number of shares, millions	191	191	191	185	168
Adjusted NAV per share, SEK	**90.92**	**93.63**	**89.76**	**75.33**	**60.11**

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 was 3 percent.

NET DEBT/EBITDA

MSEK	2023	2022	2021	2020	2019
	Dec 31				
EBITDA, rolling 12 months	2,445	2,282	1,861	1,558	1,016
Interest-bearing liabilities	23,340	24,033	21,045	17,055	11,282
Cash and cash equivalents	435	691	534	312	588
Net debt/EBITDA, multiple	**9.4**	**10.2**	**11.0**	**10.7**	**10.5**

OPERATING CASH FLOW PER SHARE

MSEK	2023	2022	2021	2020	2019
Profit/loss before tax	-661	1,859	3,644	2,399	1,576
Reversal:					
-Changes in value of properties	1,352	439	-1,652	-1,063	-472
-Changes in value of financial instruments	320	-345	-19	-1	7
-Share in profit of joint ventures	8	-672	-888	-404	-491
-Depreciation of equipment	1	2	1	1	0
-Interest income and interest expenses	1,183	596	383	318	173
-Allocated arrangement fees for loans	54	69	48	35	0
Dividends received from participations in joint ventures	180	335	332	300	200
Interest received	6	5	0	0	0
Interest paid	-1,104	-483	-373	-306	-140
Interest on hybrid bonds	-60	-37	–	–	–
Income tax paid	-65	-54	-29	-11	-27
Operating cash flow[2]	**1,215**	**1,714**	**1,446**	**1,267**	**827**
Average number of shares, millions	191	191	188	182	168
Operating cash flow per share, SEK	**6.36**	**8.97**	**7.69**	**6.97**	**4.93**

2) The former term "Distributable cash flow" has been replaced by the term "Operating cash flow" from 2023. The difference means that interest received and interest paid have replaced recognized interest. Comparison figures have been adjusted.

INTEREST-COVERAGE RATIO

MSEK	2023	2022	2021	2020	2019
Profit/loss before tax	-661	1,859	3,644	2,399	1,576
Dividends received from participations in joint ventures	180	335	332	300	200
Reversal:					
-Changes in value of properties	1,352	439	-1,652	-1,063	-472
-Changes in value of financial instruments	320	-345	-19	-1	7
-Share in profit of joint ventures	8	-672	-888	-404	-491
-Depreciation of equipment	1	2	1	1	0
-Financial expenses	1,261	678	446	357	195
Adjusted profit before tax	**2,460**	**2,296**	**1,864**	**1,587**	**1,016**
Interest-coverage ratio, multiple	**2.0**	**3.4**	**4.2**	**4.5**	**5.2**

EQUITY/ASSETS RATIO

MSEK	2023	2022	2021	2020	2019
	Dec 31				
Equity	16,921	18,416	17,268	13,333	9,781
Total assets	43,676	45,335	40,626	31,907	22,201
Equity/assets ratio, %	**38.7**	**40.6**	**42.5**	**41.8**	**44.1**

CONSOLIDATED STATEMENT OF PROFIT/LOSS

MSEK	Note	2023	2022
Rental income		3,242	2,853
Service income		311	297
Income	4, 5	**3,553**	**3,151**
Property expenses			
Operating expenses		-661	-635
Maintenance costs		-149	-143
Property tax		-166	-153
Property administration	2	-133	-129
Net operating income	4, 6	**2,445**	**2,092**
Central administration	2, 6, 7	-186	-161
Other operating income and expenses	6	6	14
Share in profit of joint ventures	12	-8	672
- Of which, profit from property management		*221*	*252*
- Of which, changes in value		*-197*	*542*
- Of which, tax		*-35*	*-161*
- Of which, other		*3*	*38*
Financial income	2, 8	15	14
Financial expenses	8, 14	-1,261	-678
Profit after financial income and expenses		**1,010**	**1,953**
- Of which, Profit from property management		***1,239***	***1,533***
Changes in value of properties, realized	4, 11	29	225
Changes in value of properties, unrealized	4, 11	-1,381	-664
Changes in value of financial instruments, unrealized		-320	345
Profit/loss before tax		**-661**	**1,859**
Current tax	9	-48	-96
Deferred tax	9	70	-70
Profit/loss for the year		**-639**	**1,694**

MSEK	Note	2023	2022
Statement of profit/loss and other comprehensive income			
Profit/loss for the year		**-639**	**1,694**
Other comprehensive income			
Items that have or could be transferred to profit for the year			
Translation of foreign operations		-19	269
Comprehensive income for the year		**-658**	**1,962**
Profit for the year attributable to:			
Parent Company shareholders		-639	1,689
Non-controlling interests		-1	5
Comprehensive income for the year attributable to:			
Parent Company shareholders		-657	1,955
Non-controlling interests		-0	7
Profit/loss for the year per share before dilution, SEK	10	-3.67	8.62
Profit/loss for the year per share after dilution, SEK	10	-3.67	8.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Investment properties	4, 11	39,278	40,446
Assets with right-of-use		529	501
Participations in joint ventures	12	2,822	3,018
Derivatives	3, 14, 16	167	372
Other assets	3	118	47
Total non-current assets		**42,915**	**44,385**
Current assets			
Derivatives	3, 14, 16	58	–
Rent receivables	3, 5, 16	26	32
Current receivables	3, 5, 16	243	228
Cash and cash equivalents	13, 16	435	691
Total current assets		**762**	**950**
TOTAL ASSETS		**43,676**	**45,335**

MSEK	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	20	96	96
Other contributed capital		3,760	3,760
Translation reserve		255	275
Hybrid bonds		758	763
Retained earnings including profit for the year		12,015	13,485
Equity attributable to Parent Company shareholders		**16,883**	**18,378**
Non-controlling interests		38	39
Total equity		**16,921**	**18,416**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	3, 14, 16	22,860	22,957
Liabilities attributable to right-of-use assets	14	512	484
Other non-current liabilities	14, 16	64	62
Derivatives	3, 14, 16	148	–
Deferred tax liabilities	15	1,263	1,333
Total non-current liabilities		*24,847*	*24,837*
Current liabilities			
Current interest-bearing liabilities	3, 14, 16	480	1,076
Other current liabilities	14, 16	1,429	1,006
Total current liabilities		*1,908*	*2,082*
Total liabilities		**26,756**	**26,919**
TOTAL EQUITY AND LIABILITIES		**43,676**	**45,335**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the Parent Company's shareholders							
MSEK	**Share capital**	**Other contributed capital**	**Translation reserve**	**Hybrid bonds**	**Retained earnings incl. profit for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening equity, Jan 1, 2022	**96**	**3,760**	**8**	**800**	**12,573**	**17,236**	**32**	**17,268**
Transactions with Parent Company shareholders								
Issue of warrants	–	–	–	–	4	4	–	4
Buyback of warrants	–	–	–	–	-14	-14	–	-14
Repurchase of hybrid bonds	–	–	–	-38	4	-34	–	-34
Interest and other expenses on hybrid bonds	–	–	–	–	-44	-44	–	-44
Dividends resolved	–	–	–	–	-726	-726	–	-726
Change in non-controlling interests	–	–	–	–	0	0	0	0
Total transactions with Parent Company shareholders	**–**	**–**	**–**	**-38**	**-776**	**-813**	**0**	**-813**
Profit/loss for the year	–	–	–	–	1,689	1,689	5	1,694
Other comprehensive income for the year	–	–	266	–	–	266	3	269
Comprehensive income for the year	**–**	**–**	**266**	**–**	**1,689**	**1,955**	**7**	**1,962**
Closing equity, Dec 31, 2022	**96**	**3,760**	**275**	**763**	**13,485**	**18,378**	**39**	**18,416**
Opening equity, Jan 1, 2023	**96**	**3,760**	**275**	**763**	**13,485**	**18,378**	**39**	**18,416**
Transactions with Parent Company shareholders								
Issue of warrants	–	–	–	–	2	2	–	2
Buyback of warrants	–	–	–	–	-7	-7	–	-7
Repurchase of hybrid bonds	–	–	–	-5	–	-5	–	-5
Interest and other expenses on hybrid bonds	–	–	–	–	-63	-63	–	-63
Dividends resolved	–	–	–	–	-764	-764	–	-764
Change in non-controlling interests	–	–	–	–	0	0	-1	-1
Total transactions with Parent Company shareholders	**–**	**–**	**–**	**-5**	**-832**	**-837**	**-1**	**-838**
Profit/loss for the year	–	–	–	–	-639	-639	-1	-639
Other comprehensive income for the year	–	–	-19	–	–	-19	0	-19
Comprehensive income for the year	**–**	**–**	**-19**	**–**	**-639**	**-657**	**0**	**-658**
Closing equity, Dec 31, 2023	**96**	**3,760**	**255**	**758**	**12,015**	**16,883**	**38**	**16,921**

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	2023	2022
Operating activities			
Profit/loss before tax		-661	1,859
Adjustments for non-cash items	17	2,918	89
Dividend received from joint ventures		180	335
Interest received		6	5
Interest paid		-1,104	-483
Interest paid to hybrid bond holders		-60	-37
Tax paid		-65	-54
Operating cash flow[1]		**1,215**	**1,714**
Increase (–)/decrease (+) in operating receivables		49	-49
Increase (+)/decrease (–) in operating liabilities		277	-26
Cash flow from operating activities		**1,541**	**1,638**
Investing activities			
Direct and indirect acquisitions of investment properties	17	-989	-4,313
Direct and indirect divestments of investment properties	17	1,544	1,726
Investments in existing investment properties		-762	-577
Investments in joint ventures		–	-192
Non-current receivables from joint ventures		-75	-24
Other		-1	-7
Cash flow from investing activities		**-284**	**-3,387**
New issue of warrants		2	4
Buyback of warrants		-7	-14
Repurchase of hybrid bonds		-5	-34
Dividends to shareholders		-755	-688
Loans raised	17	8,940	10,271
Repayment of loans	17	-9,789	-7,643
Utilized credit facilities	17	94	–
Change in non-controlling interests		-1	1
Other		8	-8
Cash flow from financing activities		**-1,512**	**1,889**
Cash flow for the year		**-255**	**140**
Cash and cash equivalents at the beginning of the period		691	534
Exchange differences in cash and cash equivalents		-1	16
Cash and cash equivalents at the end of the period		**435**	**691**

1) Cash flow from operating activities before changes in working capital. The former term "Distributable cash flow" has been replaced by the term "Operating cash flow" from 2023. Adjustments were also made to the presentation format according to IAS 7, with the inclusion of interest received and interest paid instead of recognized interest. Comparison figures have been adjusted.

PARENT COMPANY STATEMENT OF PROFIT/LOSS

MSEK	Note	2023	2022
Net sales		132	125
Other external costs	6	-59	-58
Personnel costs	7	-98	-93
Depreciation/amortization		0	0
Loss before financial income and expenses		**-25**	**-26**
Profit from participations in Group companies	8	699	1,215
Interest income and similar income items	8	307	166
Interest expenses and similar expense items	8	-144	-107
Unrealized changes in value of financial instruments	8	-71	–
Profit before appropriations		**766**	**1,248**
Appropriations			
Group contributions paid/received		20	25
Provision to tax allocation reserve		–	0
Profit/loss before tax		**786**	**1,273**
Current tax	9	–	–
Deferred tax	9	14	1
Profit for the year[1]		**800**	**1,273**

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

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

MSEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Financial non-current assets			
Participations in Group companies	18	0	0
Non-current receivables from Group companies		4,875	5,277
Deferred tax assets		14	–
Total financial non-current assets		**4,889**	**5,277**
Total non-current assets			
Derivatives		7	–
Current receivables from Group companies		20,153	16,014
Other current receivables		39	22
Cash and bank balances		71	258
Total current assets		**20,270**	**16,294**
TOTAL ASSETS		**25,159**	**21,571**

MSEK	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	20	96	96
Unrestricted equity			
Share premium reserve		2,054	2,058
Hybrid bonds		758	763
Retained earnings		8,180	7,734
Profit for the year		800	1,273
Equity		**11,887**	**11,924**
Liabilities			
Bonds		1,343	1,591
Derivatives		70	–
Other non-current liabilities		3	7
Total non-current liabilities		**1,416**	**1,598**
Current liabilities to Group companies		11,505	7,794
Other current liabilities		351	255
Total current liabilities		**11,856**	**8,049**
Total liabilities		**13,272**	**9,647**
TOTAL EQUITY AND LIABILITIES		**25,159**	**21,571**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Unrestricted equity			
MSEK	**Share capital**	**Share premium reserve**	**Hybrid bonds**	**Retained earnings incl. profit for the year**	**Total equity**
Opening equity, Jan 1, 2022	**96**	**2,069**	**800**	**8,500**	**11,464**
Transactions with the company's shareholders					
Issue of warrants	–	4	–	–	4
Buyback of warrants	–	-14	–	–	-14
Repurchase of hybrid bonds	–	–	-38	4	-34
Interest and other expenses on hybrid bonds	–	–	–	-44	-44
Dividends resolved	–	–	–	-726	-726
Total transactions with the company's shareholders	**–**	**-11**	**-38**	**-766**	**-814**
Profit/loss for the year	**–**	**–**	**–**	**1,273**	**1,273**
Closing equity, Dec 31, 2022	**96**	**2,058**	**763**	**9,007**	**11,924**
Opening equity, Jan 1, 2023	**96**	**2,058**	**763**	**9,007**	**11,924**
Transactions with the company's shareholders					
Issue of warrants	–	2	–	–	2
Buyback of warrants	–	-7	–	–	-7
Repurchase of hybrid bonds	–	–	-5	–	-5
Interest and other expenses on hybrid bonds	–	–	–	-63	-63
Dividends resolved	–	–	–	-764	-764
Total transactions with the company's shareholders	**–**	**-4**	**-5**	**-827**	**-837**
Profit/loss for the year	**–**	**–**	**–**	**800**	**800**
Closing equity, Dec 31, 2023	**96**	**2,054**	**758**	**8,980**	**11,887**

PARENT COMPANY STATEMENT OF CASH FLOWS

MSEK	Note	2023	2022
Operating activities			
Profit/loss before tax		786	1,273
Adjustments for non-cash items	17	-814	-1,299
Interest received		0	0
Interest paid		-106	-63
Interest paid to hybrid bond holders		-60	-37
Income tax paid		0	0
Cash flow from operating activities before changes in working capital[1]		**-193**	**-127**
Cash flow from changes in working capital			
Increase (–)/decrease (+) in operating receivables		8	-12
Increase (+)/decrease (–) in operating liabilities		-1	9
Cash flow from operating activities		**-186**	**-130**
Investing activities			
Change in loans to Group companies		-3,442	-4,080
Change in loans from Group companies		4,430	5,207
Cash flow from investing activities		**988**	**1,127**
Financing activities			
Issue of warrants		2	4
Buyback of warrants		-7	-14
Repurchase of hybrid bonds		-5	-34
Dividends to shareholders		-755	-688
Loans raised	17	836	1,286
Repayment of loans	17	-1,100	-1,573
Utilized credit facilities	17	38	–
Cash flow from financing activities		**-990**	**-1,018**
Cash flow for the year		**-187**	**-22**
Cash and cash equivalents at the beginning of the year		258	280
Cash and cash equivalents at the end of the year		**71**	**258**

1) From 2023, adjustments were made to the presentation format according to IAS 7. The difference is that interest received and interest paid are included instead of recognized interest. Comparison figures have been adjusted.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

General information
Nyfosa AB, Corporate Registration Number 559131-0833, is a public limited liability company with its registered office in Nacka. Operations are described in the Board of Directors' Report. The Annual Report and consolidated financial statement were approved for issue by the Board of Directors and the CEO on March 22, 2024 and will be submitted to the Annual General Meeting on April 23, 2024 for approval. The company's share has been traded on the Large Cap segment of Nasdaq Stockholm since November 23, 2018.

Compliance with standards and legislation
The consolidated financial statements were 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."

New and amended standards that came into effect in 2023
All amended accounting policies applied by the Group from January 1, 2023 are described below. Other new and amended standards and interpretations from the IFRS Interpretations Committee that entered into force did not have a material impact on Nyfosa's earnings or financial position.

An amendment was made to IAS 1 Presentation of Financial Statements, aimed at enhancing the usefulness of disclosures about applied accounting policies by encouraging only material policies to be described and that these descriptions explain how those policies were applied. Therefore, the descriptions of the accounting policies have been concentrated to material policies and are more focused on the application of the policies.

New standards and interpretations that come into effect in 2024 and beyond with relevance for Nyfosa
New and amended standards and interpretations from the IFRS Interpretations Committee, endorsed by the EU, with future application are not expected to have a material impact on Nyfosa's earnings or financial position. The same applies to Swedish regulations.

Changes to segment reporting
Following growth in Finland in recent years, Nyfosa now has two main markets: Sweden and Finland. In connection with this, the internal monitoring of the operations was reviewed, which means that from the fourth quarter of 2023 Nyfosa's operations are divided into two operating segments for Sweden and Finland, with Finland represented by the name Kielo. From this quarter, this division of segments corresponds to the Group's internal reporting to the company's CEO, who has been identified as the chief operating decision maker. Nyfosa's CEO monitors and analyzes net operating income and changes in value divided between these two geographic areas of operation. Comparison figures are presented for the two segments. For more information, refer to Operating segment reporting on page 72 and Note 4.

Functional currency and presentation currency
The functional currency for the Parent Company is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and the Group. 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. These judgements and assumptions are based on historical experience and other factors that are deemed to be reasonable under the prevailing circumstances. The actual outcome may deviate from these estimates and assessments if other assumptions are made or circumstances change. 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.

Measurement of investment properties
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 comprises the valuations performed by authorized property valuers from an independent appraiser, except for the properties that were closed on or divested after the most recent valuation was completed. These properties are recognized at cost and the agreed selling price, respectively. The external valuations are analyzed by the organization. There may be differing opinions regarding the fair value of a property. In such cases, the internal valuation is used.

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 occupancy 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 would have a negative impact on the Nyfosa's operations, financial position and earnings.

The valuation requires 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.

For significant assumptions and assessments affecting the valuations of Nyfosa's investment properties, refer to Note 11.

NOTE 1 cont.

Valuation of deferred tax

Deferred tax is recognized at nominal value for the Group, calculated at the applicable tax rate. Actual tax is lower due to the time factor as well as the fact that properties can be sold more tax-efficiently.

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 dialogs 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.

Classification of acquisitions

Acquisitions of companies can be classified either as business combinations or as asset purchases. An individual assessment of the character of the acquisition is required for each individual transaction. 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.

Acquisitions of subsidiaries thus far have been deemed to be acquisitions of net assets and the cost was allocated to the individual identifiable assets and liabilities based on their fair value on the acquisition date.

Profit from property management

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

Operating segment reporting

Nyfosa's operations are divided into two operating segments for Sweden and Finland, based on Nyfosa's two main markets, with Finland presented under the name Kielo. This division of segments corresponds to the Group's internal reporting to the company's CEO, who has been identified as the chief operating decision maker. Nyfosa's CEO monitors and analyzes net operating income and changes in value divided between these two geographic areas of operation. It is insignificant how much a specific property category or region in each segment contributes to earnings. The operating segments are consolidated according to the same policies as the Group as a whole. Income and expenses recognized for each operating segment are actual income and expenses and shared expenses are not allocated between the segments. The same applies to the balance-sheet items recognized in the Notes for the segments. Comparison figures are presented for the two segments.

Consolidated financial statements

The Group's statement of financial position includes all subsidiaries. Subsidiaries are companies over which controlling influence is exercised, which is 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 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. The Group includes, in addition to the Parent Company, the Group companies given in Note 18 and their associated sub-groups.

When acquisitions of subsidiaries entail an acquisition of net assets without significant processes, 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 for asset acquisitions. 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.

Joint ventures

The Group's share of the profit of joint ventures is recognized in the statement of profit/loss as "Share in profit of joint ventures," adjusted for any depreciation/amortization, impairment and dissolution of acquired values. In the statement of cash flows, the share in the profit of joint ventures is adjusted since the item does not constitute a cash flow and instead dividends received from participations in joint ventures are recognized.

Income

Rental income and service income

Income has been divided into rental income and service income. Rental income includes rent charged, including indexation according to the lease and additional charges for investments and property tax. Service income refers to additional charges for electricity, heating, cooling, water, waste management and so on. Service income is recognized in the period it was performed and delivered to the tenant. Income from operational leases is invoiced ahead of time and allocated on a straight-line basis over the term of the lease. Rent discounts provided are recognized as a decrease in rental income straight line over the lease term. Income is paid in advance and prepaid rent is recognized as prepaid rental income in the statement of financial position.

Other operating income

Other operating income refers to income from secondary transactions in the normal business operations such as insurance payments and damages received, exchange-rate gains on receivables and operating liabilities.

NOTE 1 cont.

Income from property sales
Income from the sale of properties or shares in property-owning companies are recognized in profit or loss 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. In the event of a sale subject to a tax discount, a negative change in value will arise, which matches in full or in part the tax discount provided. Income from property sales is recognized on the closing date, unless control has 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.

Financial expenses
Financial expenses refer to interest, fees and other expenses arising when Nyfosa takes up interest-bearing liabilities and ground rent. Financial expenses are charged to profit or loss for the period to which they are attributable. Borrowing costs are allocated over the term of the loan.

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.

Income tax
Actual tax is calculated based on applicable tax rates of 20.6 percent in Sweden and 20.0 percent in Finland.

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. The remeasurement of fair value gives rise to deferred tax in the Group.

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

Financial assets measured at amortized cost
This category includes cash and cash equivalents, rent receivables and other receivables. The Group’s credit loss reserves (loss allowance) are based on the company’s expectations of tenants’ payment capacity, which means that the loss allowance is valued at an amount corresponding to the full lifetime of expected credit losses. The Group uses a matrix for calculating the loss allowance with expected loss percentages divided by the number of days a receivable is late, as well as an individual assessment in the case of default or confirmed bankruptcy. For individual assessments, a receivable is recognized in the amount expected to be received. The loss percentages are based on past experience and specific circumstances and expectations as per the end of the reporting period. The loss allowance totals an insignificant amount due to the short terms of the receivables. Receivables in this category are considered to be financial instruments measured at amortized cost. The amortized cost provides a reasonable approximation of the fair value.

Financial liabilities measured at amortized cost
Financial liabilities in this category refer to loans, accounts payable and other liabilities. Interest expenses, exchange-rate gains and losses are recognized in profit or loss. Liabilities in this category are considered to be financial instruments measured at amortized cost. The amortized cost provides a reasonable approximation of the fair value.

Financial assets and liabilities measured at fair value through profit or loss
Derivative instruments are measured at fair value through profit or loss. Fixed-income derivatives have been signed to manage exposure to fluctuations in market interest rates. Holdings of fixed-income derivatives give rise to changes in value depending on fluctuations in market interest rates. Fixed-income derivatives are initially recognized in the statement of financial position at cost on the transaction date and are subsequently measured at fair value according to level 2 of the fair value hierarchy (amount based on observable market data) with changes in value in the statement of profit/loss.

Leases
Leases under which the lessor accounts for essentially all risks and benefits associated with ownership are classified as operating leases. This means that all leases attributable to the company’s investment properties are to be classified as operating leases. Refer to the policy on income and Note 5 for information on recognition of rental income according to leases.

Nyfosa is the lessee of passenger cars and site leaseholds. Site leasehold agreements are recognized as right-of-use assets and liabilities attributable to right-of-use assets in the statement of financial position, refer to Note 14. The ground rent is recognized as interest attributable to right-of-use assets among financial expenses in the statement of profit/loss, refer to Note 8. For other short-term leases (term of 12 months or less) or low-value leases, no right-of-use asset or liabilities attributable to right-of-use assets are recognized. Lease payments for these leases are recognized as an expense on a straight-line basis over the lease term. Payments of lease payments for passenger cards are expensed in profit or loss straight-line over the term. Other leases are deemed insignificant.

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 level 3 of the fair value hierarchy 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. 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. Value assumptions and descriptions of valuation methods are given in Note 11.

NOTE 1 cont.

Changes in value
Changes in value are recognized in profit or loss as unrealized or realized changes in value. Unrealized changes in value are calculated based on the value on the balance-sheet date compared with the year-earlier value or, if the property was acquired during the year, the value at acquisition, plus additional costs capitalized during the period. For properties sold during the year, unrealized changes in value are calculated based on valuation in the most recent interim report before the sale compared with the value at the end of the previous year, with adjustments for additional costs capitalized during the period. The calculation of realized changes in value is presented in the accounting policies for income from property sales.

Equity
Hybrid bonds
Hybrid bonds are classified as equity. This assessment is based on the lack of any contractual obligation to settle bonds through cash and cash equivalents or other financial assets. Nor are there any other conditions indicating that the bonds will be settled in cash and cash equivalents or other financial assets. Nyfosa has the right to delay interest payments for an indefinite amount of time and hybrid bond holders are subordinated to all other creditors.

Issue costs and tax attributable to issue costs and interest to the hybrid bond holders are recognized directly in equity.

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's shareholders, less interest on hybrid bonds, 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 share price difference, then the effect is greater.

Non-controlling interests
In non-wholly owned subsidiaries, non-controlling interests are recognized as external shareholders' share of the subsidiary's equity held as non-controlling interests. This item is included as part of Nyfosa's equity. The share in profit attributable to non-controlling interests is included in profit or loss and is provided as a separate disclosure in profit or loss. The effects of transactions with non-controlling interests are recognized in equity if they do not entail a change in the controlling interest.

Parent Company accounting policies
The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Financial Reporting Board for listed companies were also applied. RFR 2 entails that, in the Annual Report for the legal entity, the Parent Company is to apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with respect to the relationship between accounting and taxation. The recommendation states the exemptions from and the additions to IFRS that are to be made.

New and amended standards that came into effect in 2023
Unless otherwise stated below, the Parent Company's accounting policies were changed in 2023 in accordance with what is stated above for the Group.

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.

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.

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.

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.

NOTE 2

RELATED-PARTY TRANSACTIONS

Related-party transactions
The Group owns participations in joint ventures, refer to Note 12. Samfosa is managed by its own organization and some personnel from the part-owner Samfunnsbyggeren AS. Söderport is managed by AB Sagax, except for some parts of the property management which is handled by Nyfosa and Söderport. Property management fees between the companies are based on market terms. Nyfosa's fee totals MSEK 2 per year. The Group had receivables of MSEK 109 (29) from joint ventures on December 31, 2023, with interest income of MSEK 4 (5) for 2023. The terms of the loan are market-based and stipulated in a promissory note between the parties. Nyfosa also has a surety for liability of MNOK 278 (310) pertaining to an external bank loan with Samfosa.

Nyfosa has transactions with employees regarding incentive programs based on warrants. For more information, refer to Note 7.

Remuneration to Board members and senior executives for services performed is presented in Note 7. The Parent Company's related-party transactions pertain exclusively to transactions with companies within the Group.

NOTE 3

FINANCIAL RISKS AND RISK MANAGEMENT

Nyfosa has a central finance function for financial management, which is responsible for ensuring that the Group has sufficient financing through loans and credit lines, handling cash management and finance policy compliance.

The Group is exposed to various financial risks through its business activities, such as 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 financial risks, the following guidelines provide a framework for Nyfosa's finance policy:

- The net loan-to-value ratio for properties may not exceed 60 percent in the long term
- 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
- Unsecured interest-bearing liabilities may not exceed 15 percent of total interest-bearing liabilities
- Net debt/EBITDA may not exceed a multiple of 12
- A maximum of 25 percent of interest-bearing liabilities may carry interest at floating rates
- The liquidity ratio may not fall below 120 percent
- Currency exposure may not exceed 30 percent of the Group's equity

The risk limits are the company's own and are not covenants in the Group's financing agreements. The financial risk limits are continuously monitored by reports to the Board at least once every quarter.

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

NOTE 3 cont.

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 function'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 benchmark portfolio.

The benchmark 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 benchmark portfolio. The benchmark portfolio and interest-rate risk mandates are stipulated in the finance policy. The share of interest-bearing liabilities without interest rate hedges will be reduced to 25 percent by gradually procuring additional derivative instruments.

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 and interest-rate swaps recognized as the present value of the expected cash flows during the remaining maturity of the position. The estimated cash flows are calculated by viewing the strike level and forward rates of STIBOR 3M and EURIBOR 6M and their volatility. If the forward rates (or the volatility) decline, the value of the derivative will decrease.

Earnings effect of change in average interest on debt, MSEK[3]	Change	2023	2022
Assuming current fixed-rate periods and changed interest rates[1]	+/-2 % points	-218/+220	-269/+373
Assuming current fixed-rate periods and changed interest rates[1]	+/-1 % point	-107/+108	-126/+195
Assuming change in average interest rate[2]	+/-1 % point	-/+233	-/+241
Revaluation of fixed-income derivatives attributable to shift in i nterest rate curves	+/-1 % point	+/-308	+/-180

1) Taking into account existing derivative agreements.
2) Average rate increases/decreases by 1 percentage point. Increase/decrease does not take into account eventual effects of the derivative portfolio.
3) Each variable in the table has been addressed individually and on the condition that the other variables remain constant. The analysis refers to liability against the wholly owned property portfolio and does not pretend to be exact. It is merely indicative and aims to show the most relevant, measurable factors in the specific context.

NOTE 3 cont.

Fixed-rate periods

MSEK	Dec 31, 2023					Dec 31, 2022				
Year	Overdraft facilities[1]	Interest-rate swaps	Interest-rate cap	Fixed-rate period	Share, %	Overdraft facilities[1]	Interest-rate swap	Interest-rate cap	Fixed-rate period	Share, %
<1 year	9,272	500	2,725	12,497	54	14,018	–	1,575	15,593	65
1–2 years	–	–	2,342	2,342	10	–	–	4,008	4,008	17
2–3 years	–	2,354	1,083	3,437	15	–	–	2,342	2,342	10
3–4 years	–	2,584	–	2,584	11	–	508	1,086	1,594	7
4–5 years	–	1,533	–	1,533	7	–	612	–	612	3
>5 years	–	950	–	950	4	–	–	–	–	–
Total	**9,272**	**7,921**	**6,150**	**23,343**	**100**	**14,018**	**1,120**	**9,011**	**24,149**	**100**

1) The loans comprise undiscounted amounts with floating rates of STIBOR 3M and EURIBOR 6M. Total interest-bearing liabilities in the statement of financial position include utilized overdraft facilities and allocated arrangement fees that are not included in the table above.

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 on a weekly and quarterly basis.

The Group has overdraft facilities to ensure flexible liquidity management and to effectively deal with Nyfosa's 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 and forward-looking discussions to ensure that the necessary financing can be obtained in all situations.

Loan maturity

MSEK	Dec 31, 2023				Dec 31, 2022			
Year	Overdraft facilities[1]	Share, %	Unutilized credit facilities	Total available credit facilities	Overdraft facilities[1]	Share, %	Unutilized credit facilities	Total available credit facilities
<1 year	–	–	256	256	834	3	200	1,034
1–2 years	5,288[2]	23	470	5,758	8,193	34	265	8,458
2–3 years	6,699[3]	29	–	6,699	4,846	20	–	4,846
3–4 years	7,015	30	–	7,015	5,138	21	–	5,138
4–5 years	1,950	8	–	1,950	3,438	14	–	3,438
>5 years	2,390	10	–	2,390	1,701	7	–	1,701
Total	**23,343**	**100**	**726**	**24,069**	**24,149**	**100**	**465**	**24,615**

1) The credit facilities comprise undiscounted amounts and refer to final payment of the loan principal outstanding on the balance-sheet date, not including ongoing repayments. Total interest-bearing liabilities in the statement of financial position include utilized overdraft facilities and allocated arrangement fees that are not included in the table above.

2) Bonds of MSEK 500 mature in January 2025. The remaining liabilities pertain to bank loans.

3) Bonds of MSEK 850 mature in April 2026. The remaining liabilities pertain to bank loans.

In addition to the interest-bearing liabilities presented in the table above, Nyfosa holds 63 site leasehold agreements (63) whose annual ground rent amounts to MSEK 18 (13) undiscounted. These leases are considered to be perpetual by Nyfosa since Nyfosa does not have the right to terminate them. The site leasehold agreements are normally renegotiated at intervals of 10–20 years for the Swedish agreements. These renegotiations will have an effect on ground rents. For the maturity structure and future liquidity flows of interest-bearing liabilities and fixed-income derivatives, refer to Note 14.

Nyfosa has pledged assets for all loans from banks and credit institutions in the form of property mortgages and pledging of shares. In addition, the majority of the Group's credit agreements 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 all covenants in 2023 and 2022.

MSEK	Dec 31, 2023	Dec 31, 2022
Net loan-to-value ratio, properties, %	58.3	57.7
Remaining fixed-rate period, years	1.5	1.0
Remaining term for loans, years	2.9	3.2

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 ("netting").There was no netting as per the balance-sheet date.

MSEK	Financial assets		Financial liabilities	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Carrying amount in the statement of financial position	225	372	148	–
Amount encompassed by netting	–	–	–	–
Amount after netting	**225**	**372**	**148**	–

Currency risk

Nyfosa has invested in properties in the Finnish and, through a joint venture, Norwegian markets and is thus exposed to currency risk. The presentation currency is SEK and all balance-sheet items in other currencies are translated to SEK, which resulted in a translation difference of MSEK –19 (269) on the balance-sheet date that is recognized in Other comprehensive income. Translation differences may have a material impact on the Group's financial position and earnings in SEK. Currency risk is partly managed by financing acquisitions of assets in foreign currency raising borrowings in the same currency. Transaction exposure in the Group is partly managed by matching income and expenses in the same currency.

Currency exposure comprises net assets in EUR and the share of equity in joint ventures, including receivables from joint ventures in NOK. In accordance with IAS 21, exchange rate effects for foreign operations are recognized under the heading Other comprehensive income. Others exchange rate effects are recognized in profit or loss.

NOTE 3 cont.

Currency exposure	Dec 31, 2023	Dec 31, 2022
Net assets in Finland, MEUR	319	336
Share of equity incl. receivables from joint ventures in Norway, MNOK	198	155

Sensitivity analysis

Earnings effect of exchange rate fluctuations, MSEK	Change	Dec 31, 2023	Dec 31, 2022
EUR/SEK	+/–10%	+/–354	+/–374
NOK/SEK	+/–10%	+/–20	+/–17

Credit risk – rental income

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 based on a large number of leases, 6,439 (6,575). The company has a small number of dominant tenants, with the ten largest tenants representing 12 percent (11) of total rental income distributed between 172 leases (171). The largest tenant accounts for 1 percent (1) of rental income. This means that exposure to individual tenants is low. Rent receivables in the statement of financial position total MSEK 26 (32) pertaining to rent receivables for rent notices of MSEK 12 (18) and accounts receivable of MSEK 14 (14). Tenants are notified of rents and these are paid in advance, which means that all of Group's rent receivables have fallen due for payment.

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

MSEK	Dec 31, 2023	Dec 31, 2022
Non-current receivables	110	38
Rent receivables	26	32
Current receivables	16	14
Cash and cash equivalents	435	691
Total	**586**	**774**

NOTE 4

SEGMENT REPORTING

Following growth in Finland in recent years, Nyfosa now has two main markets: Sweden and Finland. During the year, the internal monitoring of the operations was reviewed, which meant that Nyfosa's operations were divided into two operating segments: Sweden and Finland. Finland is presented under the name Kielo. The division of segments that allocates the Group's net operating income, changes in the value of properties and property investments between Sweden and Kielo corresponds to the internal reporting to the CEO of the company. The minority shareholder in Kielo provides, among other things, the CEO, CFO, finance function, control function, property investments and sustainability. Nyfosa paid a fee of MEUR 3.5 (3.0) for these services.

Operating segments

	Kielo		Sweden		Undistributed items		Nyfosa	
MSEK	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Rental income	747	527	2,495	2,327	–	–	3,242	2,853
Service income	155	133	157	164	–	–	311	297
Income	**902**	**660**	**2,652**	**2,491**	**–**	**–**	**3,553**	**3,151**
Property expenses								
Operating expenses	*-186*	*-132*	*-475*	*-503*	–	–	*-661*	*-635*
Maintenance costs	*-29*	*-18*	*-120*	*-125*	–	–	*-149*	*-143*
Property tax	*-47*	*-36*	*-119*	*-117*	–	–	*-166*	*-153*
Property administration	-56	-54	-77	-74	–	–	-133	-129
Net operating income	**584**	**419**	**1,861**	**1,673**	**–**	**–**	**2,445**	**2,092**
Central administration	–	–	–	–	-186	-161	-186	-161
Other operating income and expenses	–	–	–	–	6	14	6	14
Share in profit of joint ventures	–	–	–	–	-8	672	-8	672
Financial income and expenses	–	–	–	–	-1,246	-664	-1,246	-664
Changes in value of properties	-306	74	-1,046	-514	–	–	-1,352	-439
Changes in value of financial instruments	–	–	–	–	-320	345	-320	345
Profit/loss before tax	**–**	**–**	**–**	**–**	**–**	**–**	**-661**	**1,859**
Property value, December 31	8,087	8,145	31,192	32,301	–	–	39,278	40,446
Net investments for the year	269	4,033	-64	-798	–	–	206	3,235

NOTE 5

INCOME

The majority of the leases expiring during the year ahead are expected to be extended with no changes to the terms. Contractual annual income expires as shown in the table below.

Maturity structure of contractual annual income

	Dec 31, 2023			Dec 31, 2022		
Maturity structure	**Rental income, MSEK**	**Share, %**	**No. of leases**	**Rental income, MSEK**	**Share, %**	**No. of leases**
<1 year	540	15	1,729	624	18	1,778
1–2 years	718	20	916	653	19	895
2–3 years	648	18	683	532	15	669
3–4 years	493	14	449	537	16	463
4–5 years	318	9	156	234	7	158
>5 years	792	22	248	839	24	295
Subtotal	**3,510**	**99**	**4,181**	**3,417**	**99**	**4,258**
Parking spaces and garages	41	1	2,258	41	1	2,317
Total	**3,550**	**100**	**6,439**	**3,459**	**100**	**6,575**

Contractual future annual income from existing leases

MSEK	Dec 31, 2023	Dec 31, 2022
Contractual income due for payment within one year	3,334	3,225
Contractual income due for payment between one and five years	7,041	6,910
Contractual income due for payment after five years	2,462	2,892

Rent receivables

Rent receivables in the statement of financial position total MSEK 26 (32) pertaining to rent receivables for rent notices of MSEK 12 (18) and accounts receivable of MSEK 14 (14). Tenants are notified of rents and these are paid in advance, which means that all of Group's rent receivables have fallen due for payment.

MSEK	Dec 31, 2023	Dec 31, 2022
Rent receivables	26	32
Other current receivables	92	92
Prepaid expenses and accrued income	151	135
Total current receivables	**269**	**259**

NOTE 6

COSTS

Operating expenses include expenses for such items as heating, water, electricity and property upkeep. Ongoing and planned maintenance costs arise in order to retain the condition and standard of the properties. Property tax in Sweden is currently 1.0 percent of the tax assessment value for non-residential properties and 0.5 percent of the tax assessment value for industrial properties. In Finland, the general property tax rate is 0.9-2.0 percent of the tax assessment value, depending on the municipality in which the property is located.

Other external costs include costs for external management of the Finnish operations, financial administration, audit, IT and financial reporting.

MSEK	2023	2022
Operating expenses	661	635
Maintenance costs	149	143
Property tax	166	153
Other external costs	210	185
Personnel costs such as salaries, pensions and social security contributions	105	98
Other personnel costs	3	4
Depreciation/amortization	1	2
Other operating expenses	0	1
Total operating expenses	**1,295**	**1,221**

Fees to auditors

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.

MSEK	2023	2022
KPMG		
Audit assignment	9	9
Auditing activities in addition to audit assignment	1	1
Tax consultancy	0	0
Other consultancy services	0	1
Other audit firm	–	0
Total fees and remuneration of auditors	**11**	**12**

NOTE 7

PERSONNEL COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Accounting policies
Employee benefits are recognized as services are rendered. Remuneration under the incentive program is paid as non-pensionable salary and is recognized over the duration of the program.

Defined-contribution pension plans
The Group only provides defined-contribution pension plans, which means obligations are limited to the contributions the company undertakes to pay. The employee's pension depends on the contributions that the company pays under the pension plan or to an insurance company and the return generated by the contribution. Consequently, it is the employee who bears the risk that pension remuneration can be lower than expected and that the invested assets may be insufficient for the expected future pension 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.

Incentive programs
Nyfosa has three long-term incentive programs based on warrants as per the balance-sheet date. The programs require that the participant is employed for the entire duration of the program. If employment ends, the company has the right to buy back the warrants at the lowest of market value and acquisition cost. The company subsidizes by paying a cash bonus portion of the participant's premium for the first three programs that the participant receives an offer to join. This subsidy corresponds to the amount that the participant decides to invest in each incentive program, up to a guaranteed level. However, no compensation is paid for the participant's tax expense, which means in practice that, through this premium subsidy, the company provides a cost cover contribution in each program that after tax paid corresponds to approximately 50 percent of the participant's acquisition costs. The subsidy is paid on two occasions, 50 percent each time, during the term of each program.

During the year, the Board offered to repurchase all outstanding warrants in the 2019/2023 warrants program for SEK 27.10 per warrant, corresponding to the externally assessed market value. All holders decided to accept the offer that encompassed 240,000 warrants and proceeds of MSEK 7. Repurchases in other warrants programs was demanded when the employment of one person was terminated, in accordance with the terms of the warrants.

Warrants programs (LTIP 2019, 2021, 2022, 2023)
December 31, 2023

Changes during the year, no.	LTIP 2019	LTIP 2021:1	LTIP 2021:2	LTIP 2022	LTIP 2023	Total
Warrants outstanding at the beginning of the year	240,000	325,241	325,241	422,150	–	1,312,632
Warrants subscribed	–	–	–	–	383,342	383,342
Buyback of warrants	-240,000	-7,000	-7,000	-29,000	–	-283,000
Warrants exercised	–	–	–	–	–	–
Warrants outstanding at year-end	**–**	**318,241**	**318,241**	**393,150**	**383,342**	**1,412,974**

LTIP 2021/2024
The warrants were transferred to the participants at a price that corresponded to the market value determined by an independent valuation agency, by applying a generally accepted valuation method.

Basis for the valuation:

Fair value at issuance, SEK	Series I: 4.87, Series II: 7.14
Average share price, SEK	101.32
Volatility, %	22.0 for the Nyfosa share, 13.3 for real estate index
Risk-free interest, %	Series I: −0.20, Series II: −0.25
Dividends, SEK	Series I: quarterly dividend of SEK 0.75–0.95 per share
Term, years	3.00

The warrant holders are entitled to subscribe for one new share for each warrant (regardless of Series) during a three-month period between April 15, 2024 and December 9, 2024.

The subscription price per share on exercise of the Series I warrants is linked to Nyfosa's future share price trend and is to amount to SEK 124.10, corresponding to 122.5 percent of the average price of the share on the issue date of the warrants.

The subscription price per share on exercise of the Series II warrants is an amount corresponding to the volume weighted average share price on the trading day that Nyfosa publishes the interim report for the period January-March 2024 reduced by an amount corresponding to the highest of:

(i) SEK 101.32 equivalent to the average share price on the issue date, which comprises the average closing rate for the period between April 22 and May 4, 2021, according to Nasdaq Stockholm's official share price list, multiplied by

a) the average total return index value for Nyfosa for the period between April 22 and May 4, 2021 (starting index value 100) in comparison with the index value for the trading day on which Nyfosa publishes the interim report for the period January–March 2024,

b) reduced by the trend in the average total return for the OMX Stockholm Real Estate GI ("SX-35GI") for the same period, and

(ii) SEK 0.

NOTE 7 cont.

LTIP 2022/2025
The warrants were transferred to the participants at a price that corresponded to the market value determined by an independent valuation agency, by applying a generally accepted valuation method. The fair value on issuance amounted to SEK 9.09 per warrant.

Basis for the valuation:

Fair value at issuance, SEK	9.09
Average share price, SEK	105.00
Volatility, %	22.0 for the Nyfosa share, 17.0 for real estate index
Risk-free interest, %	1.43
Term, years	3.00

The warrant holders are entitled to subscribe for one new share for each warrant during a three-month period between April 14, 2025 and December 5, 2025.

The subscription price per share on exercise warrants is an amount corresponding to the volume weighted average share price on the trading day that Nyfosa publishes the interim report for the period January–March 2025 reduced by an amount corresponding to the highest of:

(i) SEK 105.00 equivalent to the average share price on the issue date, which comprises the average closing rate for the period between April 20 and May 2, 2022, according to Nasdaq Stockholm's official share price list, multiplied by

a) the difference between the average total return index value for Nyfosa's share from April 20, 2022 until May 2, 2022 (initial amount) and the trading day when Nyfosa publishes the interim report for January–March 2025 (final amount),

b) reduced by the trend in the average total return for the OMX Stockholm Real Estate GI ("SX-35GI") for the same period, and

(ii) SEK 0.

LTIP 2023/2026
The warrants were transferred to the participants at a price that corresponded to the market value determined by an independent valuation agency, by applying a generally accepted valuation method. The fair value on issuance amounted to SEK 6.39 per warrant.

Basis for the valuation:

Fair value at issuance, SEK	6.39
Average share price, SEK	68.34
Volatility, %	27.0 for the Nyfosa share, 20.0 for real estate index
Risk-free interest, %	2.73
Term, years	3.00

The warrant holders are entitled to subscribe for one new share for each warrant during a two-week period between from the day after the publication of the interim report for January–March 2026, but not earlier than April 1, 2026 and not later than June 5, 2026.

The subscription price per share shall comprise the volume weighted average price of the ordinary share on the trading day on which the company publishes the interim report for January 1–March 31, 2026, reduced by an amount corresponding to the highest of:

(i) SEK 68.34 equivalent to the average share price on the issue date, which comprises the average closing rate for the period between April 26 and May 3, 2023, multiplied by

a) the difference between the average total return index value for the company's share from April 26, 2023 until May 3, 2023 and the trading day when the company publishes the interim report for January 1–March 31, 2026,

b) reduced by the trend in the average total return for the OMX Stockholm Real Estate GI ("SX-35GI") for the same period, and

(ii) SEK 0.

Salaries and other remuneration of senior executives
The 2020 AGM 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 2023. These guidelines include the fact that market-based and competitive forms of remuneration that are simple, long-term and measurable are to be applied. 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.

NOTE 7 cont.

Employee benefits

Group

MSEK	2023	2022
Management team		
Salaries and other remuneration, etc.	19	17
Pension costs, defined-contribution plans	3	3
Social security contributions	7	5
Of which, CEO		
Salaries and other remuneration, etc.	6	6
Pension costs, defined-contribution plans	1	1
Social security contributions	2	2
Other employees		
Salaries and other remuneration, etc.	53	51
Pension costs, defined-contribution plans	6	6
Social security contributions	18	17
Total costs for employee benefits	**105**	**98**

Key figures	2023	2022
Average number of employees	84	80
Of whom, women	48	47
Percentage, women, %	57	59
Percentage, women, senior executives, %	67	67
Highest remuneration in relation to average remuneration[1], multiple	7	7

Parent Company

MSEK	2023	2022
Management team		
Salaries and other remuneration, etc.	19	17
Pension costs, defined-contribution plans	3	3
Social security contributions	7	5
Of which, CEO		
Salaries and other remuneration, etc.	6	6
Pension costs, defined-contribution plans	1	1
Social security contributions	2	2
Other employees		
Salaries and other remuneration, etc.	44	45
Pension costs, defined-contribution plans	5	4
Social security contributions	17	16
Total costs for employee benefits	**95**	**92**

Key figures	2023	2022
Average number of employees	68	67
Of whom, women	34	34
Percentage, women, %	50	51

1) The CEO's remuneration is the highest remuneration and did not affect the average remuneration. The calculation includes only employees in Sweden.

NOTE 7 cont.

Remuneration of senior executives

	Basic salary/Board fee		Variable remuneration		Pension costs		Other remuneration		Total	
Remuneration from Parent Company, SEK thousand	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Mats Andersson *Board member*[4]	–	110	–	–	–	–	–	–	**–**	**110**
Marie Bucht Toresäter *Board member*	233	235	–	–	–	–	–	–	**233**	**235**
Lisa Dominguez Flodin *Board member*	278	270	–	–	–	–	–	–	**278**	**270**
Jens Engwall *Board member*	241	235	–	–	–	–	–	–	**241**	**235**
Johan Ericsson *Chairman of the Board*	549	540	–	–	–	–	–	–	**549**	**540**
Patrick Gylling *Board member*[2]	110	110	–	–	–	–	–	–	**110**	**110**
Stina Lindh Hök *CEO*	4,104	3,960	2,109	2,010	1,099	994	147	100	**7,459**	**7,065**
Per Lindblad *Board member*	226	220	–	–	–	–	–	–	**226**	**220**
David Mindus *Board member*[1]	123	–	–	–	–	–	–	–	**123**	**–**
Jenny Wärmé *Board member*[4]	–	118	–	–	–	–	–	–	**–**	**118**
Claes Magnus Åkesson *Board member*[3]	241	118	–	–	–	–	–	–	**241**	**118**
Other senior executives *(5 (4) individuals)*	8,505	7,193	3,310	3,680	2,023	1,726	507	371	**14,346**	**12,970**
Total	**14,608**	**13,108**	**5,419**	**6,280**	**3,122**	**2,721**	**654**	**471**	**23,803**	**21,991**

1) Elected to the Board at the AGM on April 25, 2023 2) Left the Board at the AGM on April 25, 2023 3) Elected to the Board at the AGM on April 19, 2022 4) Left the Board at the AGM on April 19, 2022.

NOTE 8

FINANCIAL INCOME AND EXPENSES

The Group's interest income is attributable to receivables measured at amortized cost. Of the Group's total interest expenses, MSEK 215 (5) refers to interest income and MSEK 32 (8) to interest expenses attributable to derivatives measured at fair value, while the remainder is attributable to liabilities measured at amortized cost. The Group's other financial expenses primarily refer to borrowing costs allocated over the term of the loan agreement.

The Parent Company's other financial expenses primarily refer to borrowing costs allocated over the term of the loan agreement.

Group

MSEK	**2023**	**2022**
Interest income	11	10
Exchange-rate gains	2	3
Other financial income	2	1
Financial income	**15**	**14**
Interest expenses	-1,184	-601
Interest related to right-of-use assets	-18	-13
Exchange-rate losses	-1	-4
Other financial expenses	-57	-61
Financial expenses	**-1,261**	**-678**
Net	**-1,246**	**-664**

NOTE 8 cont.

Parent Company

MSEK	2023	2022
Dividend from Group companies	699	1,215
Interest income	0	0
Interest income, Group	302	160
Other financial income	5	6
Financial income	**1,006**	**1,381**
Interest expenses	-123	-71
Interest expenses, Group	-12	-22
Other financial expenses	-9	-15
Unrealized changes in value of financial instruments	-71	–
Financial expenses	**-215**	**-107**
Net	**791**	**1,274**

NOTE 9

INCOME TAX

Group

Reconciliation of effective tax, MSEK	%	2023	%	2022
Profit/loss before tax		-661		1,859
Tax according to applicable tax rate for Parent Company	-20.6	136	-20.6	-383
Non-deductible costs	18.1	-120	-0.5	-9
Tax-exempt income	0.0	0	1.7	32
Profit/loss from participations in joint ventures	0.3	-2	7.4	138
Capitalization of loss carryforwards not capitalized in prior years	–	–	4.1	76
Non-taxable sales of shares in subsidiaries	-10.5	70	2.0	38
Effect of limitation rule on temporary differences	9.9	-66	-4.3	-80
Other	-0.5	3	1.1	21
Recognized effective tax	**-3.3**	**22**	**-8.9**	**-165**

NOTE 9 cont.

Current tax expense, MSEK	2023	2022
Current tax expense	-48	-96
Current tax expense	**-48**	**-96**

Deferred tax expense, MSEK	2023	2022
Deferred tax attributable to investment properties	70	-74
Deferred tax attributable to derivatives	64	-70
Deferred tax attributable to untaxed reserves	15	11
Deferred tax income attributable to the capitalized tax value of loss carryforwards during the year	–	76
Deferred tax expense due to utilization of previously capitalized loss carryforwards	-79	-12
Total deferred tax expense	**70**	**-70**
Total recognized tax	**22**	**-165**

Parent Company

Reconciliation of effective tax, MSEK		2023		2022
Profit/loss before tax		786		1,273
Tax according to applicable tax rate for Parent Company	-20.6%	-162	-20.6%	-262
Non-deductible costs	-0.1%	-1		0
Tax-exempt income	22.5%	177	20.7%	263
Other	0.0%	0		–
Recognized effective tax	**1.8%**	**14**	**0.1%**	**1**

NOTE 10

EARNINGS PER SHARE

	2023	2022
Profit for the year attributable to the Parent Company's shareholders, MSEK	-639	1,689
Interest on hybrid bonds, MSEK	-63	-43
Average weighted number of shares, millions	191	191
Average weighted number of shares after dilution, million	191	191
Earnings per share before dilution, SEK	-3.67	8.62
Earnings per share after dilution, SEK	-3.67	8.61

NOTE 11

INVESTMENT PROPERTIES

Changes in value of investment properties

	Kielo		Sweden		Nyfosa	
MSEK	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Property value at the beginning of the year	8,145	3,534	32,301	33,613	40,446	37,147
Acquired properties	78	3,940	924	454	1,002	4,394
Investments in existing properties	194	95	569	482	762	577
Divested properties	-2	-2	-1,557	-1,734	-1,558	-1,735
Realized changes in value	2	-13	27	238	29	225
Unrealized changes in value	-308	87	-1,073	-751	-1,381	-664
Translation effect, currency	-22	503	0	0	-22	503
Property value at end of the year	**8,087**	**8,145**	**31,192**	**32,301**	**39,278**	**40,446**

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

Determining fair value

Nyfosa engages three external independent 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 external valuations are analyzed by the company and if the company has a different opinion about the property value, the internal valuation is considered to comprise the fair value. The internal analysis resulted in total downward adjustments to values of –0.2 percent (–).

On December 31, 2023, all of the Group's properties had been valued externally and the total market value amounted to MSEK 39,278 (40,446). The Parent Company does not own any properties.

During the year, the investment property market was affected by macroeconomic uncertainty, higher inflation, rising interest rates and a cautious capital market. Combined with a decrease in activity in the property transaction market, this resulted in an increase in the yield requirements for properties. For Nyfosa's property portfolio, the negative valuation effect caused by the higher yield requirements was partly offset by the higher expected future net operating income and projects. The yield for the properties at the end of the year, according to the earnings capacity, was 6.3 percent (6.0) in relation to the market value. Unrealized changes in values of properties amounted to MSEK –1,381 (–664). The unrealized changes in value were primarily due to changed yield requirements, new leases, vacancies and renegotiations.

Investments

Investments of MSEK 762 (577) were made in the existing property portfolio in 2023. Nyfosa also has obligations to complete projects that have already started, where the remaining investment volume is expected to amount to MSEK 287 (403).

Valuation method

The valuations in Sweden were carried out in accordance with IVS and RICS valuation standards. The same applies to Nyfosa's properties in Finland. Each subject property is valued separately, without taking into account any portfolio effects, by appraisers that act independently and who are fully qualified and have market knowledge to perform this assignment.

The valuations were performed based on a combined location-price and yield method. The value of the properties has been assessed using a cash-flow estimate that analyzes simulated future income and expenses and the market's expectations of the subject property. 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 occupancy 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.

The valuation is based on a present-value calculation of the estimated cash flow and the present value of the estimated residual value, meaning the market value at the end of the calculation period. The residual value is calculated through continuous capitalization of the estimated cash flows after the final year of calculation by applying an individual yield requirement for the property. The present value of the cash flow and residual value are calculated by discounting the cash flow and residual value using the cost of capital.

Ongoing projects are measured according to the same policy but less the present value of the remaining investment. Zoning planned and assessed building rights are valued using the location-price method, taking into account geographical location and type of premises. The value of the building rights is added to the present value.

For each property, a cash flow forecast is prepared that extends at least five years into the future. The expected future cash flow of the properties in the valuation consists of rent payments less operating expenses, maintenance costs and investments. A ten-year calculation period is normally used, adapted where necessary for properties with longer leases. The basis for assessing future net operating income is an analysis of existing leases and an analysis of the current leasing market. The expected receipts match the terms of prevailing leases. 91 percent (92) of Nyfosa's rental income comprises index supplements, meaning that the rental income follows the trend in inflation. If outward rent is deemed to deviate from current market rent, it is adjusted to a market-based level. The market rent level of vacant floor space is assessed individually. The long-term vacancy and rent risk varies based on the property's size, type and location. The expected disbursements are estimated on the basis of historical property expenses, statistics, contract information and experience. On average, the property expenses

NOTE 11 cont.

for operation and maintenance are deemed to follow the inflation trend during the calculation period. Under the assignment agreements, the appraisers are to inspect each property at least once every three years. The purpose of the inspections is to assess the general standard and condition of the property, maintenance requirements, market position and attractiveness of the premises.

Nyfosa's property valuations in brief

Valuation date	Dec 31, 2023	Dec 31, 2022
Fair value, MSEK	39,278	40,446
Independent appraiser	Savills, Newsec and Cushman & Wakefield	Newsec and Cushman & Wakefield
Calculation period, years	Normally 10	Normally 10
Assumed inflation rate in 2024 (2023), %	2.0	4,0–4,4
Assumed inflation rate from 2025 onward (2024 onward), %	2.0	2.0
Long-term vacancy rate, %	1.0–25.0. Weighted average 5.9	1.0–24.5. Weighted average 5.9
Cost of capital, cash flow, %	5.3–13.2. Weighted average 8.7	4.8–13.4. Weighted average 8.5
Cost of capital, residual value, %	7.1–13.2. Weighted average 8.9	6.7–13.4. Weighted average 8.7
Yield requirement, %	5.0–11.2. Weighted average 6.8	4.5–11.2. Weighted average 6.4

Assumed net operating income when valued

The total net operating income calculated by the property appraisers for 2024 amounts to MSEK 2,587 (2,524) in the valuations. This net operating income can be compared with the net operating income, excluding property administration and adjusted for ground rent, of MSEK 2,581 (2,536) that Nyfosa reports in Current earnings capacity as of January 1, 2024. Consequently, the net operating income on which the appraisers based the assessed market values is reasonable when compared to the current earnings capacity at the end of the year.

	Offices		Logistics/Warehouse		Retail		Industry		Other		Total	
Input and key figures by category	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
No. of properties	181	179	105	120	80	73	77	76	54	56	497	504
Area, 000s sqm	1,150	1,135	684	829	417	379	375	367	304	302	2,930	3,012
Rental value, MSEK[1]	1,934	1,812	560	640	551	482	365	346	486	458	3,897	3,739
Rental income, MSEK[1]	1,737	1,644	487	586	518	458	349	334	459	437	3,550	3,459
Net operating income, MSEK[2]	1,224	1,176	374	452	390	334	260	247	340	315	2,587	2,524
Economic occupancy rate, %[1]	90.0	91.0	87.7	93.0	95.0	96.0	95.6	96.8	95.0	95.7	91.5	93.1
Long-term vacancy rate, weighted average, %[2]	6.0	5.9	6.3	6.2	5.8	6.3	5.6	6.0	5.8	5.5	5.9	5.9
Lease term, years[1]	2.9	2.7	4.1	4.1	4.5	4.9	4.2	4.8	4.3	4.5	3.6	3.7

1) According to earnings capacity.

2) Pertains to appraiser' assumptions in the valuations. The assumptions as per December 31, 2022 in the table above are excluding three acquired properties in Q4 2022 that were valued at the acquisition price.

Cost of capital and yield requirements

The yield requirement is the estimated return that the market expects for comparable properties. The yield requirements used in the estimates derive from sales of comparable properties and are affected by a large number of parameters such as city/town, location, lease term, rent level, type of tenant, type of premises and vacancy rate. Additional significant factors when selecting yield requirements 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 and investment needs.

The cost of capital and yield requirements are based on analyses of completed transactions and on individual assessments of the level of risk and the market position of each property. The cost of capital is set primarily based on the assessed yield requirement combined with the inflation assumption.

The inflation assumption on December 31, 2023 was 2.0 percent (4.0) in 2024 for the Swedish properties and 2.0 percent (4.4) for the Finnish properties. The inflation assumption for 2025 and onward was 2.0 percent (2.0) for both Sweden and Kielo.

NOTE 11 cont.

The average yield requirement on December 31, 2023 was 6.76 percent (6.39), corresponding to an increase of 0.37 of a percentage point. The weighted cost of capital for the present value calculation of cash flows and residual values was a nominal 8.68 percent (8.45) and 8.86 percent (8.66), respectively, which entails an increase of 0.37 percentage points for the yield requirement and 0.23 and 0.20 percentage points for the respective costs of capital. The higher yield requirements and costs of capital are reasonable when compared to, for example, the interest rate trend of a ten-year government bond in 2023. Changes in unobservable inputs in the market that are used in the valuations are analyzed by management at each balance-sheet date against internally available information, information from completed and planned transactions and information from the external appraisers.

Nyfosa's yield, excluding property administration and adjusted for ground rents, according to its earnings capacity on January 1, 2024 amounted to 6.6 percent (6.3) in relation to the market value, which is in line with the weighted yield requirements in the property valuations.

	Fair value, MSEK		Weighted average yield requirements[1], %		Interval, yield requirement[1], %		Weighted average cost of capital for cash flow[1], %		Interval, cost of capital for cash flow[1], %		Weighted average cost of capital for residual value[1], %		Interval, cost of capital for residual value[1], %	
Calculation assumptions per property category and segment	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Sweden														
Offices	15,896	15,999	6.5	6.0	5.3–10.0	4.9–7.6	8.3	8.0	5.3–12.2	4.8–10.0	8.6	8.3	7.4–12.2	7.1–10.0
Logistics/Warehouse	5,707	7,205	6.8	6.4	5.5–8.9	5.3–8.6	8.9	8.7	5.5–11.1	5.3–10.8	9.0	8.7	7.6–11.1	7.5–10.8
Retail	3,986	3,428	6.8	6.5	5.9–8.8	5.5–9.0	8.9	8.5	8.0–11.0	6.3–11.4	9.0	8.8	8.0–11.0	7.8–11.4
Industry	1,574	1,583	7.2	6.9	6.3–8.5	5.9–9.0	9.4	9.1	8.4–13.2	6.0–11.2	9.4	9.2	8.4–10.7	8.1–11.2
Other	4,029	4,086	6.4	6.0	5.0–8.1	4.5–10.0	8.1	7.9	5.5–12.9	5.0–10.5	8.5	8.3	7.1–10.2	5.0–10.5
Total Sweden	**31,192**	**32,301**	**6.6**	**6.2**	**5.0–10.0**	**4.5–10.0**	**8.5**	**8.2**	**5.3–13.2**	**4.8–11.4**	**8.7**	**8.5**	**7.1–12.2**	**5.0–11.4**
Kielo														
Offices	3,972	4,194	6.9	6.7	5.9–9.8	5.5–9.8	8.9	8.9	7.9–11.8	7.7–12.0	8.9	8.9	7.9–11.8	7.7–12.0
Logistics/Warehouse	132	50	6.9	7.4	6.3–7.4	7.4–7.4	8.9	9.6	8.3–9.4	9.6–9.6	8.9	9.6	8.3–9.4	9.6–9.6
Retail	1,375	1,342	7.8	7.8	7.2–11.2	6.8–11.2	9.8	10.0	9.2–13.2	9.0–13.4	9.8	10.0	9.2–13.2	9.0–13.4
Industry	1,692	1,690	7.8	7.7	6.4–9.7	7.0–9.7	9.7	9.8	8.4–10.8	9.2–11.0	9.8	9.9	8.4–11.7	9.2–11.9
Other	915	869	7.9	7.8	7.2–9.6	7.1–9.6	9.9	10.0	9.2–11.6	9.3–11.8	9.9	10.0	9.2–11.6	9.3–11.8
Total Kielo	**8,087**	**8,145**	**7.4**	**7.2**	**5.9–11.2**	**5.5–11.2**	**9.3**	**9.4**	**7.9–13.2**	**7.7–13.4**	**9.4**	**9.4**	**7.9–13.2**	**7.7–13.4**
Nyfosa														
Offices	19,868	20,192	6.5	6.1	5,3–10,0	4,9–9,8	8.4	8.2	5,3–12,2	4,8–12,0	8.6	8.4	7,4–12,2	7,1–12,0
Logistics/Warehouse	5,839	7,255	6.8	6.4	5,5–8,9	5,3–8,6	8.9	8.7	5,5–11,1	5,3–10,8	9.0	8.8	7,6–11,1	7,5–10,8
Retail	5,360	4,770	7.1	6.9	5,9–11,2	5,5–11,2	9.1	8.9	8,0–13,2	6,3–13,4	9.2	9.1	8,0–13,2	7,8,–13,4
Industry	3,266	3,273	7.5	7.3	6,3–9,7	5,9–9,7	9.6	9.4	8,4–13,2	6,0–11,2	9.6	9.5	8,4–11,7	8,1–11,9
Other	4,944	4,955	6.7	6.3	5,0–9,6	4,5–10,0	8.5	8.2	5,5–12,9	5,0–11,8	8.7	8.6	7,1–11,6	6,7–11,8
Total Nyfosa	**39,278**	**40,446**	**6.8**	**6.4**	**5,0–11,2**	**4.5–11.2**	**8.7**	**8.5**	**5,3–13,2**	**4,8–13,4**	**8.9**	**8.7**	**7,1–13,2**	**6,7–13,4**

1) Pertains to appraiser' assumptions in the valuations.

NOTE 11 cont.

Sensitivity analysis

Sensitivity analysis – impact on fair value

		Earnings effect, MSEK	
	Change	**2023**	**2022**
Change in net operating income[1], %	+/-5.00	+/-1,491	+/-1,493
Change in net operating income[1], %	+/-2.00	+/-596	+/-597
Change in yield requirement, % points	+/-0.25	+/-1,509	+/-1,640
Change in yield requirement, % points	+/-0.10	-/+590	-/+640
Change in discount rate, % points	+/-0.25	+/-1,165	+/-1,228
Change in discount rate, % points	+/-0.10	-/+458	-/+482
Change in long-term vacancy rate, % points	+/-1.00	-/+412	-/+403

1) Refers to the appraisers' assessed net operating income in the valuation.

The impact of investment properties on profit for the year in addition to revaluation effects

MSEK	2023	2022
Income	3,553	3,151
Direct costs for investment properties that generated income during the period	-895	-872
Direct costs for investment properties that did not generate income during the period	-81	-58

Deterioration in either a property or the market could cause the value of the properties to decline, which would have a negative impact on the Nyfosa's operations, financial position and earnings. Small changes in assumptions that affect the value of an individual property can have a major impact on the company's financial position. The sensitivity analysis shows an estimated earnings effect in the event of changes in net operating income, yield requirements, cost of capital and vacancy rates based on the specified changes. Nyfosa considers these to be the most significant assumptions regarding the sensitivity of the property valuations to changes in assumptions.

Both rental income and property expenses are affected by inflation. 91 percent (92) of Nyfosa's rental income comprises index supplements, meaning that the rental income follows the trend in inflation. On average, operating expenses and maintenance costs are deemed to follow the inflation trend. Operating expenses also include rates-based costs such as electricity, water and heating. Under the terms of some of the leases, these rates-based costs for the leased premises are charged to the tenant.

Each parameter in the sensitivity analysis is addressed individually and on the condition that the other parameters remain constant. The analysis includes the wholly owned property portfolio, the weighted average of yield requirements and costs of capital, and total net operating income and does not claim to be exact. It is merely indicative to show the most relevant, measurable factors in the specific context. Assumptions about future market developments affect both the yield requirement and cash flow, which means that a parameter rarely changes in isolation. Normally, the parameters do not correlate in the same direction.

An increase in net operating income has a positive impact on value and thus a positive earnings effect, while an increase in the yield requirement and a higher cost of capital has a negative impact on value and earnings effect. The negative valuation effect caused by the higher yield requirements in 2023 was partly offset by the higher expected future net operating income and completed projects.

If net operating income in the year ahead were to increase by 2 percentage points at the same time as the yield requirement increases by 0.1 of a percentage point, this would, according to the sensitivity analysis, result in a total earnings effect of MSEK +6, all else being equal.

NOTE 12

PARTICIPATIONS IN JOINT VENTURES

In addition to the wholly owned portfolio, Nyfosa also owns participations in other property companies.

	Söderport		Kanoten 10		Samfosa		Total	
MSEK	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Carrying amount at the beginning of the year	2,881	2,490	0	0	137	0	3,018	2,490
Dividends received	-180	-335	–	–	–	–	-180	-335
Share in profit of joint ventures	24	611	0	0	-38	61	-14	672
Adjustment of last year's share in profit	3	–	–	–	3	–	6	–
Acquisitions for the year	–	115	–	0	–	77	–	192
Translation effect, currency	–	–	–	–	-8	-1	-8	-1
Carrying amount at end of the year	**2,728**	**2,881**	**0**	**0**	**94**	**137**	**2,822**	**3,018**

				Carrying amount	
Joint ventures	**Corp. Reg. No.**	**Registered office**	**Share**	**Dec 31, 2023**	**Dec 31, 2022**
Söderport Property Investment AB	559194-8681	Stockholm	50%	2,728	2,881
RandNyf Kanoten 10 Projektutveckling AB	559262-0644	Stockholm	50%	0	0
Samfosa AS	926,769,170	Oslo	50%	94	137

Samfosa

Nyfosa owns 50 percent of the participations in the Norwegian property company Samfosa AS. The remaining participations are owned by Samfunnsbyggeren AS. The holding is classified as Participations in joint ventures and Nyfosa's share in the company's earnings are recognized in Nyfosa's profit after financial income and expenses.

The property company Bratsberg AS was acquired in 2022 from Samfosa, which took over Bratsberg's organization as part of the transaction. The property portfolio is concentrated to the Grenland district south-west of Oslo, and is managed by a separate management organization. The property portfolio is highly diverse with tenants conducting a wide variety of operations and a large number of leases. The largest tenants are Sats Vest and Memscap AS. At year-end, the value of the property portfolio was MSEK 1,553 (1,627). The rental value amounted to MSEK 115 (120) and leases had an average remaining term of 4.9 years (4.7). The occupancy rate was 92.5 percent (92.6).

Söderport

Nyfosa owns 50 percent of the shares in property company Söderport Property Investment AB. The remaining participations are owned by AB Sagax. The holding is classified as Participations in joint ventures and Nyfosa's share in Söderport's earnings are recognized in Nyfosa's profit after financial income and expenses.

Söderport's property portfolio primarily comprises industrial, warehouse and office properties, which essentially presents a supplement to Nyfosa's wholly owned property portfolio. The focal point of the property portfolio is in the Stockholm region. The largest tenant is Volvo Personvagnar. Söderport has two employees and also procures property management and financial administration from Sagax. A small part of property management is procured from Nyfosa.

At year-end, the value of the property portfolio was MSEK 14,418 (14,197). The rental value amounted to MSEK 1,164 (1,068) and leases had an average remaining term of 4.0 years (4.2). The occupancy rate was 97.8 percent (96.7).

	Söderport		Samfosa	
MSEK	**2023**	**2022**	**2023**	**2022**
Rental income	1,025	907	105	103
Profit from property management	449	492	-7	15
Changes in value of properties and derivatives	-305	947	-89	142
Profit	48	1,227	-75	124
of which, Nyfosa's share	*24*	*611*	*-38*	*61*

NOTE 12 cont.

MSEK	Söderport Dec 31, 2023	Söderport Dec 31, 2022	Samfosa Dec 31, 2023	Samfosa Dec 31, 2022
Average remaining lease term, years	4.0	4.2	4.9	4.7
Leasable area, 000s sqm	773	769	99	102
Economic occupancy rate, %	98	97	93	93
Rental value	1,164	1,068	115	120
Investment properties	14,418	14,197	1,553	1,627
Cash and cash equivalents	223	273	28	32
Equity attributable to Parent Company shareholders	5,455	5,761	186	273
of which, Nyfosa's share	2,728	2,881	93	137
Interest-bearing liabilities	7,354	6,936	1,377	1,290
Deferred tax liabilities, net	1,473	1,465	18	37
Derivative liabilities, net	72	-153	–	–

NOTE 13

CASH AND CASH EQUIVALENTS

MSEK	Dec 31, 2023	Dec 31, 2022
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	435	691

NOTE 14

LIABILITIES

Maturity structure, non-interest-bearing liabilities

The table includes non-interest-bearing financial liabilities in the statement of financial position in the rows Other non-current liabilities and Other current liabilities.

Year of expiry, MSEK	Dec 31, 2023	Dec 31, 2022
Less than 1 years after the balance-sheet date	793	583
1–5 years after the balance-sheet date	–	–
More than 5 years after the balance-sheet date	64	62
Total	**857**	**645**

NOTE 14 cont.

Other current liabilities according to the statement of financial position, MSEK	Dec 31, 2023	Dec 31, 2022
Accrued financial expenses	367	215
Prepaid rental income	508	355
Other accrued expenses and prepaid income	110	115
Accounts payable	83	41
Other current liabilities	362	281
Total other current liabilities	**1,429**	**1,006**

Future liquidity flows of interest-bearing liabilities and fixed-income derivatives

Future liquidity flows of interest-bearing liabilities and fixed-income derivatives are presented in the table below. The table includes non-interest-bearing liabilities in the statement of financial position in the rows Non-current interest-bearing liabilities and Current interest-bearing liabilities, excluding liabilities for utilized overdraft facilities of MSEK 94 (–). The interest-bearing liabilities pertain to covered bank loans and non-covered bonds. Liabilities attributable to right-of-use assets are not included. The amounts are undiscounted amounts for which repayment is based on current contractual debt maturity. The amortization rate may change over time, but in this table the current amortization rate at the balance-sheet date was used over the entire maturity of the credit facilities. When calculating interest flows for interest-bearing liabilities and for the variable component of the fixed-income derivative, STIBOR and EURIBOR rates were used over the term of the liabilities as quoted on the balance-sheet date. With the above assumptions, the total payment liability for contracted interest-bearing liabilities and fixed-income derivatives amounted to MSEK 26,998 (26,403).

MSEK	Dec 31, 2023					
Year	Opening liabilities	Repayment/ Amortization	Closing liabilities	Interest on credit facilities	Interest on derivatives	Total
<1 year	23,343	-373[1]	22,971	-1,415	208	-1,579
1-2 years	22,971	-5,529	17,441	-1,181	119	-6,592
2-3 years	17,441	-6,723	10,718	-868	92	-7,499
3-4 years	10,718	-6,679	4,039	-402	47	-7,034
4-5 years	4,039	-1,931	2,108	-164	25	-2,070
>5 years	2,108	-2,108	–	-124	7	-2,225
Total		**-23,343**		**-4,153**	**498**	**-26,998**

1) Amortization in its entirety. The company does not have any liabilities maturing in 2024.

MSEK	Dec 31, 2022					
Year	Opening liabilities	Repayment/ Amortization	Closing liabilities	Interest on credit facilities	Interest on derivatives	Total
<1 year	24,149	-1,056	23,094	-816	6	-1,865
1-2 years	23,094	-8,310	14,784	-668	0	-8,978
2-3 years	14,784	-4,921	9,863	-345	-11	-5,277
3-4 years	9,863	-4,991	4,872	-227	-13	-5,230
4-5 years	4,872	-3,214	1,658	-87	-2	-3,304
>5 years	1,658	-1,658	–	-91	–	-1,749
Total		**-24,149**		**-2,234**	**-20**	**-26,403**

NOTE 14 cont.

Changes in interest-bearing liabilities

MSEK	2023	2022
Interest-bearing liabilities at the beginning of the year	24,033	21,045
Bank loans raised	8,147	9,751
Repayment of bank loans	-8,689	-6,770
Bonds issued	850	600
Bonds repurchased	-1,100	-873
Utilized credit facilities	94	–
Changes in borrowing fees	20	-13
Translation effect, currency	-15	292
Interest-bearing liabilities at end of the year	**23,340**	**24,033**

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 a fixed return on the estimated market value. The ground rent is allocated over time and is normally renegotiated at intervals of ten to 20 years for the Swedish ground rent. In Finland, the ground rents are indexed annually until the leases expire. Nyfosa has 63 site leasehold agreements on the balance-sheet date, of which 24 will be renegotiated within the next five years.

The ground rent is recognized as interest attributable to right-of-use assets among financial expenses in the statement of profit/loss. For reconciliation of financial expenses, refer to Note 8.

Agreed ground rent

MSEK	Dec 31, 2023	Dec 31, 2022
Less than 1 years after the balance-sheet date	18	16
1–5 years after the balance-sheet date	61	53
More than 5 years after the balance-sheet date	200	186
Total	**279**	**255**
Effect of discounting with a discount rate of 3.25 percent	250	246
Total liabilities according to the statement of financial position	**529**	**501**
Of which non-current	512	484
Of which current	17	16

NOTE 15

DEFERRED TAX LIABILITIES/ASSETS

Nyfosa recognized deferred tax liabilities on the balance-sheet date of a net MSEK 1,263 (1,333). The amount is the net of deferred tax assets attributable to valued tax loss carryforwards and temporary differences attributable to derivatives, 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 18,492 (18,916) on December 31, 2023 and a total temporary difference of MSEK 14,303 (14,765) that is not included.

MSEK	Dec 31, 2023	Dec 31, 2022
Deferred tax assets		
Loss carryforwards		
At the beginning of the year	298	238
Recognized in profit or loss	-79	64
Acquired and divested assets	–	-4
At the end of the year	**219**	**298**
Derivatives		
At the beginning of the year	-76	-4
Recognized in profit or loss	64	-70
Acquired and divested assets	–	-1
At the end of the year	**-12**	**-76**
Deferred tax liabilities		
Properties		
At the beginning of the year	-1,555	-1,485
Recognized in profit or loss	85	-63
Acquired and divested assets	–	-7
At the end of the year	**-1,470**	**-1,555**
Deferred tax liabilities, net		
At the beginning of the year	-1,333	-1,252
Recognized in profit or loss	70	-70
Acquired and divested assets	–	-12
At the end of the year	**-1,263**	**-1,333**

NOTE 16

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	
MSEK	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Derivatives	225	372	–	–	–	–	225	372
Rent receivables	–	–	26	32	–	–	26	32
Current receivables	–	–	90	14	–	–	90	14
Cash and cash equivalents	–	–	435	691	–	–	435	691
Total financial assets	**225**	**372**	**551**	**736**	–	–	**776**	**1,108**
Liabilities to credit institutions	–	–	–	–	23,437	24,149	23,437	24,149
Derivatives	148	–	–	–	–	–	148	–
Accounts payable	–	–	–	–	83	41	83	41
Other liabilities	–	–	–	–	774	604	774	604
Total financial liabilities	**148**	–	–	–	**24,294**	**24,794**	**24,442**	**24,794**

Receivables and liabilities measured at amortized cost in the table above comprise a reasonable approximation of the fair value at year-end.

NOTE 17

SPECIFICATIONS FOR THE STATEMENT OF CASH FLOWS

Group

MSEK	2023	2022
Adjustments for non-cash items for operating activities		
Changes in value of properties	1,352	439
Changes in value of financial instruments	320	-345
Share in profit of joint ventures	8	-672
Interest income and interest expenses	1,183	596
Allocated borrowing fees for loans	54	69
Depreciation of tangible assets	1	2
Total non-cash items for operating activities	**2,918**	**89**

Direct and indirect acquisitions of investment properties

MSEK	2023	2022
Assets and liabilities acquired		
Investment properties	1,002	4,362
Operating receivables	8	23
Cash and cash equivalents	13	56
Total assets	**1,022**	**4,442**
Deferred tax liabilities	0	–
Current operating liabilities	20	73
Total liabilities	**20**	**73**
Purchase consideration paid	1,002	4,369
Impact on cash flow	**989**	**4,313**

NOTE 17 cont.

Direct and indirect divestments of investment properties

MSEK	2023	2022
Assets and liabilities divested		
Investment properties	1,558	1,735
Operating receivables	18	8
Deferred tax assets	–	2
Cash and cash equivalents	0	0
Total assets	**1,576**	**1,746**
Current operating liabilities	32	20
Total liabilities	**32**	**20**
Purchase consideration received	1,544	1,726
Impact on cash and cash equivalents	**1,544**	**1,726**

Reconciliation of liabilities deriving from financing activities

Changes in loan portfolio, MSEK	2023	2022
Liabilities at the beginning of the period	24,033	21,045
Repayment	-9,789	-7,643
Loans raised	8,940	10 271
Change in overdraft facilities	94	–
Other[1]	77	68
Translation effect, currency[1]	-15	292
Liabilities at the end of the period	**23,340**	**24,033**

1) The items “Other” and “Translation effect, currency” do not affect cash flow. “Other” consists of the difference between paid and booked arrangement fees in the statement of financial position.

Parent Company

MSEK	2023	2022
Adjustments for non-cash items for operating activities		
Dividend from subsidiaries	-699	-1,215
Changes in value of financial instruments	71	–
Interest income and interest expenses	-173	-73
Allocated borrowing fees for loans	7	14
Appropriations	-20	-25
Total non-cash items for operating activities	**-814**	**–1,299**

NOTE 17 cont.

Reconciliation of liabilities deriving from financing activities

Changes in loan portfolio, MSEK	2023	2022
Liabilities at the beginning of the period	1,591	1,864
Repayment	-1,100	-1,573
Loans raised	845	1,300
Change in overdraft facilities	38	–
Other[1]	7	–
Liabilities at the end of the period	**1,380**	**1,591**

1) “Other” is a non-cash item and consists of the difference between paid and booked arrangement fees in the statement of financial position.

NOTE 18

SHARES IN GROUP COMPANIES

SEK thousand	Dec 31, 2023	Dec 31, 2022
Accumulated cost at the beginning of the period	50	50
Carrying amount at the end of the year	**50**	**50**

Holdings in subsidiaries

Nyfosa AB’s directly and indirectly owned subsidiaries, which are owned by Nyfosa Holding AB, are presented below. Other companies in the Group are presented in the annual accounts of each indirectly owned company.

Directly owned subsidiaries

Company name	Corp. Reg. No.	Registered office	Number of shares/ participations	Share, %	Carrying amount, SEK thousand Dec 31, 2023
Nyfosa Holding AB	559134-9443	Nacka	500	100	50

NOTE 18 cont.

Indirectly owned subsidiaries

Company name	Corp. Reg. No.	Registered office	Number of shares/ participations	Share, %
Nyfosa LTIP AB	559168-5820	Nacka	50,000	100
Nyfosa NYAB 125 AB	559276-2446	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 164 AB	559428-5933	Nacka	25,000	100
Nyfosa NYAB 165 AB	559428-5941	Nacka	25,000	100
Nyfosa NYAB 166 AB	559428-5958	Nacka	25,000	100
Nyfosa NYAB 167 AB	559428-5966	Nacka	25,000	100
Nyfosa NYAB 168 AB	559428-5974	Nacka	25,000	100
Nyfosa NYAB 169 AB	559428-5982	Nacka	25,000	100
Nyfosa NYAB 170 AB	559428-5990	Nacka	25,000	100
Nyfosa NYAB 80 AB	559248-4314	Nacka	25,000	100
Nyfosa Finland Invest AB	559279-3698	Nacka	25,000	100
Nyfosa NYAB 145 AB	559276-2685	Nacka	25,000	100
Nyfosa Torlunda 1:278 HoldCo AB	556983-3634	Nacka	500	100
Nyfosa R Fastighets AB	559126-5771	Nacka	50,000	100
Nyfosa Sky AB	559428-5909	Nacka	25,000	100
Nyfosa Ada AB	559276-2438	Nacka	25,000	100
Nyfosa Polly TopCo AB	559279-3706	Nacka	25,000	100
Nyfosa Vega TopCo AB	559262-7482	Nacka	25,000	100
Nyfosa Henry TopCo AB	559276-2669	Nacka	25,000	100
Nyfosa BidCo Holding AB	559221-7748	Nacka	50,000	100
Nyfosa Nord TopCo AB	559221-7714	Nacka	50,000	100
Nyfosa Tetis AB	556847-5825	Nacka	11,700,000	100
Nyfosa Wera AB	556987-3945	Nacka	500	100
Nyfosa Svea Real Holding AB	559168-5911	Stockholm	50,000	100
Nyfosa Emelie AB	559196-0975	Nacka	500	100

NOTE 19

PLEDGED 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.

Group

MSEK	Dec 31, 2023	Dec 31, 2022
Pledged assets		
Property mortgages	29,052	29,347
Participations in Group companies	3,922	5,184
Contingent liabilities		
Sureties for liabilities in joint ventures	274	328

Parent Company

MSEK	Dec 31, 2023	Dec 31, 2022
Contingent liabilities		
Sureties for Group companies	23,213	24,327

NOTE 20

EQUITY

On December 31, 2023, Nyfosa's share capital amounted to MSEK 96, distributed among 191,022,813 shares with a quotient value of SEK 0.50 per share and each share entitles the holder to one vote. 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. The share capital in Nyfosa AB changed according to the table. No shares are held in treasury.

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	0.50	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
New share issue	June 9, 2021	6,521,740	0.50	3
Total		**191,022,813**	**0.50**	**96**

Hybrid bonds

Nyfosa has hybrid bonds outstanding of a total of MSEK 757.5 (762.5) under a framework of MSEK 2,000. Total issued hybrid bonds amounted to MSEK 800.0 (800.0) and repurchased hybrid bonds to MSEK 42.5 (37.5). Hybrid bonds of MSEK 5.0 (37.5) were repurchased during the year. The hybrid bonds are perpetual and Nyfosa governs the payment of interest and the principal of the instruments, which is why they are classified as equity instruments under IAS 32. Issue costs and tax attributable to issue costs and interest to the hybrid bond holders are recognized directly in equity. The interest rate is STIBOR 3M + 475 basis points per annum until the first call date of November 18, 2025.

Non-controlling interests

Nyfosa has issued put options to the minority shareholder in the Finnish group. These options give the minority owner the right to sell their participations to Nyfosa during a two-week period starting in 2026 and every two years thereafter for the carrying amount plus 10 percent of the realized or unrealized value trend in the properties less investments in the properties during the vesting period.

Dividends

The Board proposes that the Annual General Meeting resolve to not pay any dividends for the 2023 financial year.

The Board's proposed appropriation of profit

Unrestricted equity, MSEK	Dec 31, 2023
Share premium reserve	2,054
Hybrid bonds	758
Retained earnings	8,180
Profit/loss for the year	800
Total unrestricted equity	**11,792**
The following funds are available for distribution by the AGM	
To be carried forward	11,792
- of which to Share premium reserve	*2,054*
- of which to hybrid bonds	*758*
Total	**11,792**

NOTE 21

SIGNIFICANT EVENTS AFTER THE BALANCE-SHEET DATE

Nyfosa's Chairman of the Board, Johan Ericsson, has declined re-election. The Nomination Committee of Nyfosa unanimously proposed that the current Board member David Mindus be elected the new Chairman of Nyfosa's Board of Directors at the Annual General Meeting.

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 22, 2024
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

Per Lindblad
Board member

David Mindus
Board member

Claes Magnus Åkesson
Board member

Stina Lindh Hök
Chief Executive Officer

Our audit report was submitted on March 22, 2024

KPMG AB

Mattias Johansson
Authorized Public Accountant

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 2023, except for the corporate governance statement on pages 49-58. The annual accounts and consolidated accounts of the company are included on pages 9-10, 15-17, 19 and 27-95 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 49-58. 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 1 Significant accounting policies and Note 11 Investment property on pages 71 and 73-74 and 84-87 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 39,278 as per 31 December 2023.

The fair value of Investment properties as per 31 December 2023 has been determined based on valuations carried out by independent appraisers, except for those for which possession was taken during the fourth quarter 2023 or for those which a sales agreement is signed. In these cases, the agreed property value is used. The external valuations are reviewed by the group, and in the event of discrepancy, the internal valuations are taken into account.

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 independece of third party appraisers used and we have read the engagement letters of the idependent 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 market data from external sources, especially for yields, discount rates, rents and vacancies used. We have considered the impact on the valuations from the current macroeconomic conditions.

We have checked the accuracy of disclosures on Investment properties given by the group in notes 1 and 11 in the annual accounts and consolidated accounts, especially concerning elements of judgement and applied key assumptions.

Acquisitions and disposals of property

See Note 1 Significant accounting policies and Note 11 Investment property on pages 73-74 and 84-87 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 2023 amounted to MSEK 1,764 of which MSEK 1,002 were acquisitions. Disposals amounted to MSEK 1,558.

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 notes 1 and 11 in the annual accounts and consolidated accounts.

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 1-8, 11-14, 18, 20-26, 44, 48, 100-110 and 112-114. 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 Accounting Standards 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 an-

nual 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

Auditor's audit of the administration and the proposed appropriations of profit or loss

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 2023 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 whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Nyfosa AB (publ) for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nyfosa AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 49-58 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s 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 by the general meeting of the shareholders on the 25 April 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2017.

Stockholm March 22, 2024

KPMG AB

Mattias Johansson
Authorized Public Accountant

SUSTAINABILITY REPORT 2023

COMMENTS FROM THE CEO

Even with a constantly changing property portfolio, it is still possible to pilot a long-term sustainability agenda. With clear targets and a great dedication, as a company we assume the responsibility for contributing both to a sustainable future and sustained profitability.

In order to reduce the negative impact on the climate from our operations and value chain, we must work from a long-term perspective that fits Nyfosa's transaction-based operations. We therefore always manage our properties with the perspective that we will own them long-term. We shoulder our responsibility as a landlord, employer, business partner, lender as well as to our shareholders by taking a range of measures, which include following the Ten Principles of the UN Global Compact for corporate sustainability.

Throughout 2023, Nyfosa's property management continued in its efforts to reach its sustainability targets. This has produced tangible results in lowering the energy consumption in the property portfolio in Sweden. Since 2020, energy consumption per square meter has fallen by 9 percent in like-for-like portfolio and, as such, we are making clear progress toward the goal of a 10 percent reduction by 2025. Since establishing operations in Finland, we have focused on taking over the management of a large number of properties in a short period of time, which means that efforts to reduce energy consumption in the Finnish property portfolio began in 2023.

We put a great deal of energy and importance into identifying both the right measures to take and investments to make, whether for large or small projects, in order to strengthen our portfolio. These range from general optimizations of operations in the property portfolio to reusing materials and installing solar panel facilities. During the year, we increased production from our solar panel facilities to 3.4 GWh. We also continued to procure renewable district heating for properties in several locations in Sweden. In addition to reducing the carbon footprint from heating, our demand for environmentally adapted products also contributes to incentivizing suppliers to continue to develop such products. During the year, we also worked actively with follow-up and implementing specific measures to reduce water consumption in the company's properties.

The share of Nyfosa's property portfolio that was sustainability certified increased from 28 to 33 percent of the property value during the year. This platform additionally provides us with the prerequisites to raise the share of green financing within the context of our green finance framework.

Since it started operating in 2018, Nyfosa has maintained a strong focus on growth. Despite our relatively short history, we have managed to take major steps towards creating a sustainability agenda that adds value to our operations and, with the ever stronger talent within the organization, we are well-equipped to drive the agenda forward. We continue to build operations with a decreasing climate impact and to strengthen Nyfosa's position as a responsible and attractive employer and partner. This lays the foundations for strong, healthy growth and profitability as we advance further towards achieving our goals.

Stina Lindh Hök
CEO

NYFOSA'S SUSTAINABILITY WORK

Nyfosa is to conduct its operations with the aim of generating returns to the shareholders. Focus on profitability does not rule out sustainable business; rather it is a prerequisite to make the right decisions when choosing the direction forward.

For Nyfosa, sustainability is assuming responsibility in all relationships, as employer, landlord, lender and manager of shareholders' capital as well as for the environment and climate. Sustainability efforts are integrated in the entire organization and every part of the operations.

Overall standpoint
Operations are conducted in line with 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. Nyfosa's greatest impact is in six of the global goals, refer to page 104.

SUSTAINABILITY – GOVERNANCE

Based on stakeholder dialogues and materiality analyses, the Board of Directors has adopted the overall sustainability goals that are most relevant for the company to focus on: sustainability certification, reduced energy consumption and minimization of carbon emissions.

The Board also adopts and evaluates the company's sustainability and environmental policies. Sustainability targets are evaluated four times per year in connection with interim reports. Risks and risk management are discussed continuously, including evaluations of, among other matters, climate-related risks that are described on pages 44, 108–109. Furthermore, the Board governs the company's focus on sustainability issues through establishing sustainability bonus targets for the company's employees. The same goals apply to all employees in order to minimize the risk of conflicting interests in the company's resource planning.

The CEO has the overriding operational responsibility for the sustainability agenda and is in charge of follow up at management level. Policies are adopted by the Board and guidelines by Group Management, which are updated regularly and available to all employees via the intranet. The sustainability team—comprised of the Head of Property Management, Head of Finance, CFO and Head of Technology/Sustainability—leads strategic sustainability activities in the organization and prepares proposals for new sustainability targets. Continuous evaluation takes place in the management team and on the Board of how the sustainability agenda can make the best possible contribution to achieving the company's sustainability targets.

Sound business ethics
With a growth strategy and opportunistic business concept, it is necessary to continuously evaluate previously adopted policies and goals. The most important starting points are always sound business ethics and trusting relations both internally and in contacts with external parties. 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, 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, they are offered a safe channel for reporting and dialogue through a whistleblower function. The whistleblower function is also available for external parties.

Key sustainability areas
Stakeholder dialogue
In 2020, a large-scale stakeholder dialogue was conducted to ascertain what Nyfosa's stakeholders regard as the most important aspects for the company to focus on. 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. The stakeholders were asked to evaluate a selection of sustainability aspects based on their importance in terms of company focus. The compiled answers from the stakeholder dialogue confirmed that the stakeholders share the company's view concerning which aspects are important for the company. In other words, the stakeholders felt all aspects were important.

In addition to the large-scale stakeholder dialogue, the company has a constantly ongoing dialogue with creditors, shareholders, tenants and other stakeholders in sustainability-related issues. The ongoing dialogue has confirmed that the outcome from the stakeholder dialogue is still relevant to Nyfosa's sustainability efforts. Work began in 2023 to adapt monitoring and reporting to the forthcoming CSRD regulations.

Materiality analysis
Group Management and the company's sustainability team have identified 16 aspects in which the company has a direct or indirect impact on its surroundings, in terms of employees, the environment and the community. Together with external and internal parties, the aspects were evaluated to identify the most material initiatives. These are: a higher number of sustainability certifications, reduced energy consumption and minimized carbon emissions from the operations.

GOVERNANCE'S SUSTAINABILITY EFFORTS

Board of Directors: Adopts and evaluates the sustainability policy, the remuneration policy, the environmental policy and the sustainability goals.

CEO and Group Management: Follow up policies and goals.

Sustainability team: Leads the strategic sustainability efforts in the organization, proposes sustainability targets to the Board and defines internal sustainability targets within the framework of the goals adopted by the Board.

FROM THE SUSTAINABILITY POLICY

- Nyfosa is to be part of the driving force behind developing a sustainable society. Nyfosa considers the precautionary principle and society's requirements according to laws and ordinances as minimum requirements and strives continuously to improve in order to promote sustainable development.

To accomplish its sustainability agenda, Nyfosa will:

- Govern operations in line with:
  - the 2030 Agenda, the UN SDGs, and
  - the Ten Principles of the Global Compact, striving to reduce carbon emissions and combating global warming,
- continuously raise sustainability expertise through training and communication about sustainability topics, and
- regularly follow up, report and improve sustainability efforts.

FOR NYFOSA, SUSTAINABILITY IS ASSUMING RESPONSIBILITY

	Responsibility toward	Sustainability aspects	Initiatives	Governance	SDG's
SOCIAL SUSTAINABILITY Create a workplace for growth and a safe environment	EMPLOYEES	Health and safety Learning and development Gender equality Employment conditions	• Creative, open and stimulating work environment with a focus on inclusion and personal development. • Organization with short decision-making paths, where all employees have an awareness and understanding of the company's objectives and strategy. • All employees are offered a fitness allowance and health checks as well as medical expenses insurance, counseling and HR and health coaching to support good health. • The principles of equal treatment and gender equality in recruitment, terms of employment and development opportunities. • Parental salary and the opportunity for flexible office attendance, which simplifies parenthood and working life. • Individual training plans.	Code of Conduct Sustainability policy Whistleblower function Remuneration policies	
	TENANTS	Safety in and around buildings	• Efficient procedures and methods for handling safety in and around buildings. • Control of radon, legionella and moisture in buildings. • Training in the property management organization.	Code of Conduct	
ECONOMIC SUSTAINABILITY Conduct a sound and consistently profitable operation	CREDIT AND CAPITAL MARKET	Contractual terms Capital structure	• Financing in accordance with the risk limits defined by the finance policy. Refer to page 36. • Costs for debt financing limited in relation to earnings. • Compliance with covenants and the finance policy is regularly monitored and reported at every ordinary Board meeting.	Risk limits Finance policy	
	STOCK MARKET	Return Economic performance	• Investments in the properties will contribute to an optimized operating expense through lower energy consumption, longer leases, less vacancies and/or lower financing costs. • Yield requirements for investments. • Transparent reporting.	Internal control and governance Corporate Governance Code Good practice in the securities market	
	SUPPLIERS	Business ethics and anti-corruption Employment	• Encourage and make it easy for stakeholders to register any suspicions within the company. • Purchasing policy with guidelines for prioritizing suppliers. • Sustainability policy for purchasing and regular contact with suppliers related to managing the risk of money laundering and other irregularities. • The largest suppliers are to confirm and apply Nyfosa's Code of Conduct for Suppliers, which is published on the company's website.	Code of Conduct for Suppliers Sustainability policy Whistleblower function	
ENVIRONMENTAL SUSTAINABILITY Optimize existing properties	CLIMATE	Carbon emissions Energy consumption Materials use Surface water management Biodiversity	• Investments are made in buildings to reduce energy consumption. • Awareness of environmental risks at properties. • Environmental impact taken into consideration during conversions and initiatives to reduce it. • Purchase of renewable electricity and district heating.	Environmental policy Sustainability goals	

SUSTAINABILITY – ACCOUNTING POLICIES

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. The sections marked with a green color code in the Contents on page 3 refer to Nyfosa's Sustainability Report and Statutory Sustainability Report, and the contents refer to the Parent Company and all subsidiaries. The reporting period for sustainability reporting otherwise follows the Annual Report, which is the full-year 2023. This form of reporting takes place annually.

Nyfosa has selected to report parts of its sustainability agenda in accordance with the GRI Sustainability Reporting Standards 2021 (GRI Standards) prepared by the Global Sustainability Standards Boards (GSSB). The objective of GRI Standards is to create transparent reporting on how an organization contributes to a sustainable development and what has the greatest impact on profitability, the environment and humans, including human rights, and how the organization manages this. The reporting has been compiled in an index over GRI Standards on page 106.

Climate-related financial disclosures are presented according to the Task Force On Climate-Related Financial Disclosures (TCFD) on pages 108–110. The Sustainability Report has been subject to external audit, refer to page 111.

Contact person for the company's Sustainability Report is Ann-Sofie Lindroth, CFO.

Explanatory key – environmental data

Control means that Nyfosa has the possibility to exercise an influence on carbon emissions when, for example, choosing agreements or suppliers.

Area refers to heated floor area in the buildings and is collected from each building's energy declaration.

Start portfolio means the properties in the Sweden segment that were owned throughout the 2020 financial year and is the baseline value for the reduction of energy consumption per sqm. For the Kielo segment, 2023 was the start year.

Like-for-like property portfolio refers to the properties that Nyfosa has owned during an entire financial year. Properties bought and sold during the year are excluded.

Sustainability certification

A property that has sustainability certification is a property in which one or more buildings in the property have a sustainability certification.

Change in reporting

Starting in 2023, Nyfosa reports data for energy and water consumption as well as carbon emissions based on two segments: Sweden and Kielo, which includes Nyfosa's property portfolio in Finland.

Energy and water consumption

Nyfosa monitors and reports energy and water consumption in the properties where Nyfosa is the contract owner and has control over at least one of the media types: electricity, district heating, district cooling or water. Control can vary between energy classes and properties. For the report on 2023, this corresponds to 84 percent (78) of the total portfolio and encompasses both property energy and energy used in the operations. For the remaining properties, the tenant has the main subscription and control.

Energy consumption is reported as GWh in total values and as kWh per sqm area for intensity values.

Carbon emissions

Nyfosa's operations are transaction-based and since emissions are reported in actual values, emissions can vary considerably year to year. Nyfosa's emissions are reported in Scope 1, Scope 2 and Scope 3 in accordance with the GHG Protocol (Greenhouse Gas Protocol).

Reporting of carbon emissions related to heating, cooling and electricity refer to the properties where Nyfosa can follow up and report media consumption, which corresponds to 84 percent of the total area.

Reporting of passenger transportation pertains to company cars and service vehicles. Reporting of coolants pertains to equipment subject to reporting requirements in 2021 according to Swedish law. Reporting of fossil fuels pertains to the fuel used at Nyfosa's properties.

Reporting of business travel pertains to travel that Nyfosa's employees have carried out while on duty.

Employees

There is no breakdown by segment or region for all key figures related to employees due to the low number of employees. Gender distribution is reported for the total number of employees during the year and, for the same reason, there is no breakdown for forms of employment. The number of employees is reported as the total number of employees during the year. The same basic principle applies also for other key figures.

GRI CONTENT INDEX

Indicated by use: Nyfosa has reported in accordance with GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 used: GRI 1: Foundation 2021

GRI reference	Description	Page	Comment
GRI2 – GENERAL DISCLOSURES			
	The organization and its reporting practices		
2-1	Organizational details	3–4, 32	
2-2	Entities included in the organization's sustainability reporting	105	
2-3	Reporting period, frequency and contact point	105–106	
2-4	Restatements of information	105	
2-5	External assurance	111	
	Activities and workers		
2-6	Activities, value chain and other business relationships	4, 9–10, 20–26, 30–33	
2-7	Employees	32–33	Deviation from reporting the division of forms of employment due to too few employees.
2-8	Workers who are not employees	30–33	Deviation due to incomplete information.
	Governance		
2-9	Governance structure and composition	54–56	
2-10	Nomination and selection of Board members	50	
2-11	Chairman of the Board	51–52	
2-12	The Board's roll in sustainability-related efforts	102–103	
2-13	Delegation of responsibility for managing impacts	52–53, 105	
2-14	Role of the Board in sustainability reporting	102, 104	
2-15	Conflicts of interest	102, 104	
2-16	Communication to the Board of critical concerns	102, 104	
2-17	Collective knowledge of the Board	102, 104	
2-18	Evaluation of the performance of the Board	52	
2-19	Remuneration policies	52–53	
2-20	Process to determine remuneration	52–53	
2-21	Annual total compensation ratio	30–33,52–53, Note 7	
	Strategy, policies and practices		
2-22	Goals for sustainable development	101	
2-23	Policy commitments	32,102–103	
2-24	Embedding policy documents	32,102–103	
2-25	Processes to remediate negative impacts	102–104	
2-26	Mechanisms for seeking advice and raising concerns	32–33,103	
2-27	Compliance with laws and regulations	32	
2-28	Membership of associations	–	Not applicable for Nyfosa.
	Stakeholder engagement		
2-29	Approach to stakeholder engagement	103–104	
2-30	Collective bargaining agreements	–	Collective bargaining agreements have not been signed.
GRI3–MATERIAL TOPICS			
3-1	Process to determine material topics	103–104	
3-2	List of material topics	104	
3-3	Management of material topics	104	
SPECIFIC INFORMATION			
GRI201 – ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	107	
201-2	Financial implications and other risks and opportunities due to climate change	108–110	
GRI205 – ANTI-CORRUPTION			
205-3	Confirmed incidents of corruption and actions taken	33	
GRI300 - ENVIRONMENT			
302-1, 302-2	Energy consumption	23	
302-3	Energy intensity	23	
303-4	Reduction of energy consumption	23	
303-5	Water consumption	24–25	
305-1	Direct (Scope 1) GHG emissions	24	
305-2	Energy indirect (Scope 2) GHG emissions	24	
305-3	Other indirect (Scope 3) GHG emissions	24	
305-4	GHG emissions intensity	24	
GRI400 SOCIAL DISCLOSURES			
401-1	New employee hires and employee turnover	33	
403-2	Hazard identification, risk assessment, and incident investigation	33	
405-1	Diversity of governance bodies and employees	33	
Own indicator	Purchases from Suppliers who have adopted the Code of Conduct	33	
COMPANY-SPECIFIC DISCLOSURE – PRODUCT LIABILITY			
GRI C1	Product liability (properties with sustainability certification)	23	

Direct economic value generated and distributed

	2023	2022	2021	2020	2019
Economic value generated					
Rental and other revenue	3,569	3,165	2,462	2,065	1,371
Profit from property management in joint venture	221	252	888	404	491
Changes in value of properties and derivatives	-1,865	487	1,671	1,064	465
Total	**1,924**	**3,903**	**5,019**	**3,504**	**2,326**
Suppliers, etc.[1]	-1,777	-1,527	-1,194	-884	-657
Employees	-83	-80	-78	-66	-43
Creditors incl. hybrid bonds	-1,302	-703	-439	-357	-195
Society[2]	-709	-835	-442	-412	-245
Shareholders[3]	0	-764	-726	-738	0
Remaining in the company	-1,946	**-4**	**2,117**	**1,027**	**1,172**

1) Property expenses, excl. property tax, administration expenses excl. personnel-related costs and investments in existing properties.
2) Current and deferred tax, property tax, ground rent and social security costs.
3) Dividends resolved at the year's Annual General Meeting.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Reporting climate-related financial disclosure in accordance with the TCFD's recommendations is relatively new for Nyfosa. The report describes both the risks and opportunities that arise due to climate change and the initiatives taken to counter the changes.

Climate-related risks and opportunities are a part of the company's ordinary risk management. Some risks and opportunities already impact the company and these are managed. Other risks and opportunities do not have an impact on the company today but are expected to have in the future. The updated review of climate-related risks and opportunities was supplemented with an overall risk analysis of the probability of it occurring and what impact it would in that case have on the company's operations. The intention is to continue to work on a more in-depth risk analysis over the next few years.

Nyfosa works in a structured manner to manage, develop and add value to the existing property portfolio in close collaboration with tenants with the aim to increase the properties' earnings capacity and value. By focusing proactively on the properties, it is possible to meet the tenants' changing needs by finding smart solutions and sustainable investments. The identified risks and opportunities are probable in both the short and long term, where the long term perspective is five years.

Material climate-related risks and opportunities

Because Nyfosa's operations involves managing existing building and leasing premises in these buildings, climate-related risks and opportunities related to new construction are not considered in the risk analysis. Consequently, the most significant financial exposure to climate-related risks and opportunities in terms of carbon emissions and energy consumption stems from the management of and utilization of the premises in the buildings. District heating and electricity are primarily used to heat the premises, both of which produce various levels of carbon emissions depending on the energy source.

The greatest negative impact on the company's financial position is believed to be higher operating expenses in the case of higher costs for emissions rights increase or carbon taxes. Operating expenses for energy and water will then most probably increase. Another risk concerns higher insurance premiums in the future if the risk of damage to the company's buildings from, for example, high water levels and extreme weather conditions is assessed differently than today.

From a short-term perspective, there is a risk of higher operating expenses and investment needs in order to, in the long term, maintain or increase earnings by applying new technologies and energy-efficient installations.

Material climate-related risks and opportunities

1. Change in emissions-related taxes and regulations
2. Costs related to sudden weather conditions.
3. Opportunities related to new and improved technologies that reduce energy consumption.
4. Opportunities to invest in renewable energy.

Transition risks

This risk category includes risks related to the transition to lower carbon emissions from the operations. For the company, the transition will probably entail adapting to new regulations and investing in new technologies in the buildings.

Risks related to changes in regulations concerning emissions and emission allowances.

The cost of emission allowances is rising, which means that the company's energy costs will increase.

More reporting requirements concerning carbon emissions and energy consumption from our own operations places higher demands on the possibility of gathering data in a systematic manner. This will entail transition costs.

Higher insurance premiums on assets that do not reduce their energy consumption and GHG emissions.

Risks related to transitions to new installations to reduce energy consumption and risks of more costly technology to achieve this.

Adapting the buildings for lower energy consumption, and thereby lower GHG emissions, will in certain cases require investing in new technologies and installations in the buildings.

Replacing fully functioning technology with modern, more energy-efficient installations may entail higher GHG emissions to produce, transport and install. The destruction of existing installations will also have a climate impact.

A replacement installation necessitates advance depreciation of existing equipment and costs to install the new one.

Risks related to the impact on the company's reputation and demands from existing and future tenants should the company's buildings not meet the expected lessening of environmental impact.

The risks of losing the stock market's confidence should the company fail to meet the expected reduction in energy consumption and GHG emissions.

The result could be that capital is not available in the stock or capital market.

Physical climate risks
This risk category includes the risk of damages to the company's properties due to climate changes. The risks are divided into sudden and chronic risks.

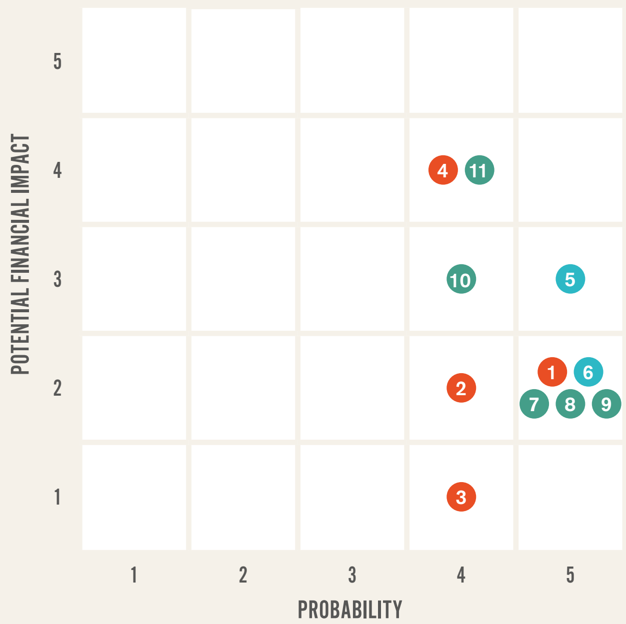
Sudden risks, such as damage to assets due to extreme weather conditions, can burden the company's financial position should the insurance not cover the damages.

The value of assets situated in future risk zones will drop. Chronic risks, such as warmer climate and higher water levels, could burden the company's financial position through higher costs for cooling the premises and higher insurance premiums in the event that the buildings are situated in flooding areas.

Climate-related opportunities

- More efficient energy and water usage: Greater focus on energy and water-conserving measures results in lower operating costs in the long term. An energy-efficient building can have a higher value.
- Energy sources: Using energy sources with low carbon emissions produces less exposure to future higher carbon prices. Greater opportunities in the capital market with a green profile.
- Resilience: Using energy from renewable energy sources and investing in renewable energy sources such as solar cell installations on the buildings to diversify the energy sources. Solar panel facilities are a part of the company's climate-related risks management.
- Green financing means lower financing costs and a broader investor base in the capital market.

RISK SCENARIO[1]



Financial impact
1 Insignificant
2 Minor
3 Average
4 Major
5 Serious

Probability
1 Highly improbable
2 Improbable
3 Possible
4 Probable
5 Highly probable

TRANSITION RISKS

1. Changes in regulations concerning emissions, emission allowances and CO_2 taxes
2. Higher costs for insurance
3. Costs for new installations
4. Reputation among tenants, creditors, stock and capital market

PHYSICAL CLIMATE RISKS

5. Torrential rain and flooding
6. Higher temperatures

CLIMATE-RELATED OPPORTUNITIES

7. More efficient energy and water usage
8. Greater percentage of renewable energy
9. Lower carbon emissions
10. Greater demand for properties with sustainability certification
11. Green financing means lower financing costs and more investors in the capital market

EXISTING PROCESSES AND FOCUS AREAS MOVING FORWARD

Governance	Strategy	Risk management	Indicators and goals
The Board's monitoring of climate-related risks and opportunities. Described on page 102 Sustainability – Governance.	**Climate-related risks and opportunities in the short, medium and long term.** Described in Risks and risk management on page 44 and TCFD on pages 108–109.	**Process to identify and assess climate-related risks.** Described in Risks and risk management on page 44 and TCFD on pages 108–109.	**Indicators to measure and control climate-related risks and opportunities.** Described in Risks and risk management on page 44 and TCFD on pages 108–109.
Group Management's role in the assessment and management of climate-related risks and opportunities. Described on page 102.	**Climate-related risks and opportunities impact on the company's operations, strategy and financing plan.** Described on pages 108–109, TCFD.	**Process to manage climate-related risks.** Described in Risks and risk management on page 44 and TCFD on pages 108–109.	**Reporting of Scope 1, 2 and 3 in accordance with the Greenhouse Gas Protocol.** Refer to carbon emissions on page 44 and Streamlined consumption and Energy consumption on page 23.
	Describe the resilience of the company's strategy taking into account various physical climate-related risks. Refer to Risks and risk management on page 44 and TCFD on pages 108–109.	**The processes integration in the organization's overall risk management.** Refer to Risks and risk management on page 44.	**Targets used to control climate-related risks and opportunities as well as the outcomes.** Sustainability goals and outcome described on page 22.

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 2023. The company has defined the scope of the Sustainability Report to pages 43–48 and 100–110 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 105 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 (revised) 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 ISQM 1 (International Standard on Quality Management 1), which requires the firm to design, implement and operate a system of quality management including policies or 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 March 22, 2024

KPMG AB

Mattias Johansson
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR

DEFINITIONS

Return on equity
Profit for the most recent 12-month period less interest on hybrid bonds in relation to average equity, attributable to the Parent Company's shareholders and adjusted for average hybrid bonds, during the same period.

Purpose: The performance measure shows the return generated on the capital attributable to shareholders.

Loan-to-value ratio, properties[1)]
Interest-bearing liabilities at the end of the period in relation to the fair value of the properties.

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.

Yield[1]
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.

Net operating income[1]
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.

EBITDA
Net operating income less costs for central administration excluding depreciation of equipment, other operating income and expenses and dividends received from participations in joint ventures for the most recent 12-month period.

Equity per share[1]
Equity, attributable to the Parent Company's shareholders less hybrid bonds in relation to the number of shares outstanding on the balance-sheet date.

Purpose: The performance measure shows how large a share of the company's recognized equity each share represents.

Economic occupancy rate[1]
Income before rent discounts as a percentage of the rental value directly after 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.

Property
Properties held under title or site leasehold.

Property value
The carrying amount of investment properties 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.

Profit from property management[1]
Profit from property management comprises profit before tax with reversal of changes in the value of properties and financial instruments in the Group and reversal of changes in value of tax and other items in share in profit of joint ventures.

Profit from property management[1] per share
Profit from property management less interest on hybrid bonds in relation to average number of shares outstanding.

Rental income
Rent charged including indexation and additional charges for investments 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.

Adjusted NAV[1]
Equity, attributable to the Parent Company's shareholders, less hybrid bonds and with reversal of derivatives and adjusted for actual deferred tax liabilities instead of nominal deferred tax in both the Group and Nyfosa's participations in joint ventures.

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.

Net loan-to-value ratio, properties[1]
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.

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.

1) Refers to alternative performance measures according to the European Securities and Markets Authority (ESMA).

Net investments[1]
Net of property acquisitions, investments in the existing property portfolio and property sales.

Purpose: Net investments describes the investment volume.

Net leasing
Signed new leases for the period less terminations and bankruptcies.

NET DEBT/EBITDA
Interest-bearing liabilities less cash and cash equivalents in relation to LTM EBITDA.

Operating cash flow[1]
Profit before tax excluding non-cash items in the earnings measure, such as changes in the value of properties and financial instruments, share in profit of joint ventures, depreciation of equipment, allocated opening charges for loans, interest income and expenses including dividends received from participations in joint ventures and tax paid, interest received, less interest paid and interest on hybrid bonds.

Purpose: The performance measure shows the amount of cash flow generated by the existing property portfolio under the company's management.

Earnings per share
Profit after tax attributable to the Parent Company's shareholders less interest on hybrid bonds in relation to average number of shares outstanding.

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.

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.

Interest-coverage ratio[1]
Profit before tax with reversal of depreciation/amortization, financial expenses, changes in the value of properties and financial instruments in the Group and share in profit of joint ventures, plus dividends received from participations in joint ventures, in relation to financial 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.

Service income
Fee charged for such services as electricity, heating, cooling, waste collection, snow clearing, water, etc.

Equity/assets ratio[1]
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.

NAV[1]
Equity, attributable to the Parent Company's shareholders, less hybrid bonds and with reversal of derivatives and deferred tax liabilities in both the Group and Nyfosa's participations in joint ventures.

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.

Leasable area
The total premises area that can potentially be leased.

Purpose: Shows the area that the company can potentially lease.

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.

Vacancy amount
The total of vacancy rent and rent discounts provided.

Purpose: The performance measure states the potential rental income when all floor space is fully leased without rent discounts provided.

Surplus ratio[1]
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.

1) Refers to alternative performance measures according to the European Securities and Markets Authority (ESMA).

FINANCIAL CALENDAR

Interim report January–March 2024	**April 22, 2024**
2024 Annual General Meeting	**April 23, 2024**
Interim report January–June 2024	**July 10, 2024**
Interim report January–September 2024	**October 23, 2024**
Year-end report January–December 2024	**20 February 2025**

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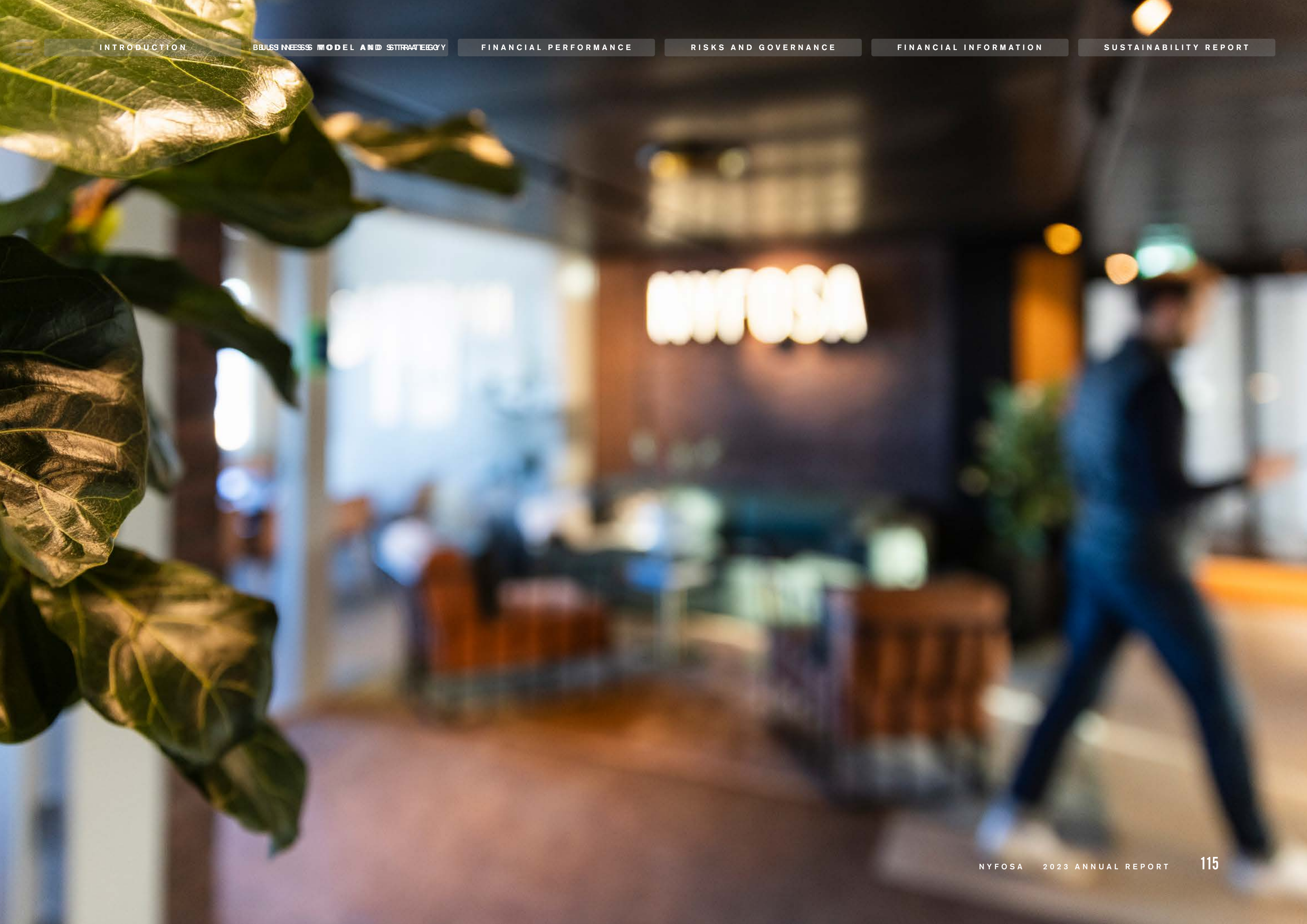

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