

Corporate governance report

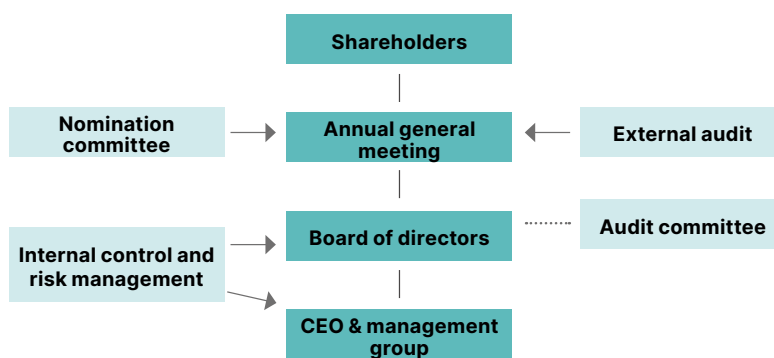
Corporate governance comprises various decision-making systems, through which the owners directly or indirectly govern the company. Governance, management and control of the company are shared between the board, CEO and other individuals in the company's management. Corporate governance is the framework that manages division of responsibility and reporting and sets out how risks in the operations are limited. Governance is based on external and internal regulations, which are subject to continuous development, change and improvement.

External regulations

- Swedish Companies Act
- Nasdaq Stockholm's Rules and Regulations for issuers
- Swedish Corporate Governance Code
- IFRS standard

Important internal regulations

- Articles of association
- Workplan for the board and CEO-instruction
- Authorised signatory and authorisation arrangement
- Policy for information and IR, insider policy, sustainability policy and policy for business ethics
- Financial policy, valuation policy
- Processes for internal control and risk management



Articles of association

The company's name is NP3 Fastigheter AB (publ). The company is to be based in Sundsvall. The object of the company's operations is to - directly or indirectly through wholly or partly owned companies or through procured services - own, develop and manage real estate and pursue other activities consistent with this. The company's properties are mainly located in North Sweden. Changes to the articles of association are made in accordance with the regulations in the Swedish Companies Act. The articles of association, which contain information such as share capital, number of board members and auditors as well as regulations on notice of and agenda for the annual general meeting, can be found in their entirety on the company's homepage, np3fastigheter.se.

Swedish Corporate Governance Code

Swedish Corporate Governance Code (code) is applicable to all companies whose shares are admitted for trading on Nasdaq Stockholm. The code is administered by the Swedish Corporate Governance Board and is available at www.bolagsstyrning.se. Companies are not required to follow all of the code's rules if there are grounds for not doing so and these can be explained. The board has decided not to set up a separate remuneration committee. Instead, the full board shall carry out the tasks such a

committee would have. The board believes that in all other respects, the company follows the code.

Shares and shareholders

NP3 has two classes of shares: common shares and preference shares. NP3's shares are registered for trading on Nasdaq Stockholm, Large Cap. At year-end, the total number of shares amounted to 92,445,419, of which 54,445,419 were common shares and 38,000,000 preference shares. Every common share has one (1) vote and every preference share has a tenth (1/10) of a vote, which means that the number of votes amounts to 58,245,419 votes in total. As of the balance sheet date, the company had about 12,000 shareholders. Of the total share capital, 14 percent was owned by foreign investors. Of the total number of shareholders, 95 percent were private individuals whose holdings amounted to 14 percent of the total share capital. The remaining 5 percent of owners were legal entities whose holdings amounted to 86 percent of all shares. NP3 has no directly registered shareholder with holdings exceeding ten percent. The share capital amounts to 323,558,966 SEK, the shares have a P/B ratio of 3.50 SEK each.

Every shareholder is entitled to vote for the full number of shares owned and represented by him/her at the company general meeting.

Preference shares entail preferential rights ahead of the common shares for 2.00 SEK annual dividend per preference share with quarterly payout of 0.50 SEK per preference share. If no dividend has been paid on preference shares in conjunction with a record day, or if dividend of less than 0.50 SEK has been paid, the preference shares, provided that the company general meeting decides on distribution of profit, bring the right to additionally to future preference dividends receive an amount corresponding to the difference between what should have been paid out and the amount paid out ("amount outstanding") before dividend on the common shares or other transfer of value according to chap. 17 § 1 Swedish Companies Act is paid out to holders of common shares. Amounts outstanding shall be projected by an annual interest rate of 10 percent, whereby projection shall take place starting with the quarterly date when payout has fallen below 0.50 SEK. The company general meeting in NP3 has the unilateral right, but no obligation, to redeem preference shares for 35.00 SEK per share, with addition for any amounts outstanding. If the company is dissolved, the preference shares shall carry a preferential right to receive from the company's equity an amount per share calculated as the sum of 30.00 SEK and any amounts outstanding before distribution takes place between the common shares (for more information see section Articles of association). Preference shares shall otherwise not carry any right to participate in the distributions.

There have been no own holdings of repurchased shares. Staff hold 613,014 warrants which is equivalent to 1.1 percent of the number of common shares outstanding in the company. There are no further warrants, convertibles or equivalent securities that can lead to additional shares in the company.

Company general meeting

The company's highest decision-making body is the annual general meeting (ordinary company general meeting), which is held in Sundsvall during the first six months of the year after the end of the financial year. Together with any extraordinary company general meetings, the meeting provides shareholders with the opportunity to govern via their decision-making rights. At the annual general meeting the board and the chairman of the board are appointed, and principles determined for both the nominating committee as well as for remuneration to senior executives. The meeting also appoints auditors for auditing the group's accounts and decides on changes in the articles of association and change in the share capital, among other things. In order to be able to participate in decisions, shareholders need to attend the meeting, either in person or through a representative. However, the board can decide that shareholders can exercise their voting rights at the annual general meeting by means of postal vote ahead of the annual general meeting in accordance with chapter 7 § 4 a Swedish Companies Act. It is further required that the shareholder is registered in the share register at a specific date before the meeting and that the company has been notified of attendance in a certain order. Decisions at the company general meeting are normally made by a simple majority. For certain issues, however, the Swedish Companies Act prescribes that proposals shall be approved by a majority of the shares represented at the meeting and votes submitted.

Annual general meeting 2021

The last annual general meeting took place on 4 May 2021 in Sundsvall. At the time of the annual general meeting, the total number of shares was 82,288,946 and the number of votes 57,133,946. At the annual general meeting, 48,166,638 shares and 41,793,077 votes were represented, equivalent to 58.5 percent of the total number of shares and 73.1 percent of the total number of votes. The annual general meeting adopted the accounting records for 2020 and discharged the board and CEO from liability for the administration for the year 2020. The following decisions were taken at the annual general meeting on 4 May:

Dividend of 3.60 SEK per common share for the 2020 financial year with two separate payments of 1.80 SEK each. The annual general meeting further decided on dividend to shareholders of 2.00 SEK per preference share with quarterly payment of 0.50 SEK per preference share.

Remuneration to the chairman of the board shall be paid at 330,000 SEK and to other board members at 165,000 SEK each. Remuneration to members of the audit committee shall amount to a further 150,000 SEK in total, to be distributed by the board between the members in the audit committee.

- That the board shall consist of five board members and no alternate.
- Re-election of board members Lars Göran Bäckvall, Åsa Bergström, Anders Nilsson, Mia Bäckvall Juhlin and Nils Styf. The board also decided to elect Nils Styf as new chairman of the board.
- Selection of KPMG AB as audit firm until the end of the next annual general meeting.
- To approve the remuneration report for the 2020 financial year.
- Introduction of incentive programme 2021/2024 by means of an issue of max. 260,000 warrants of series 2021/2024, with the maximum number of common shares to be added estimated to amount to max. 260,000, equivalent to approx. 0.5 percent of the total number of common shares in the company, subject to full subscription and full utilisation of all warrants.
- Mandate for the board to decide on new issue of shares for a total subscription settlement volume of max. 5,400 000 common shares and 15,000,000 preference shares in order to offer shares to investors in connection with the acquisition of properties.
- Acquisition of 100 percent of shares in Goldcup 26835 AB (unät. Borlänge Kalkylatorn 7 AB).
- Changing the articles of association, new adopted articles of association are available on the company's homepage.
- Authorising the CEO to make minor adjustments in the annual general meeting's decisions.
- Minutes from the annual general meeting on 4 May 2021 are available on the company's homepage.

Nominating committee ahead of the annual general meeting 2022

At NP3's annual general meeting on 4 May 2021, it was decided that the nominating committee ahead of the annual general meeting 2022 shall consist of the chairman of the

board and one representative for each of the three largest owner-registered shareholders as of the last banking day before the annual general meeting. In accordance with the decision, the three largest shareholders based on ownership on 31 August 2021 have been offered a place on NP3's nominating committee and the following nominating committee has been formed:

- Poularde AB has appointed Lars-Göran Bäckvall, CEO Poularde AB,
- AB Sagax has appointed David Mindus, CEO AB Sagax,
- The Fourth AP fund has appointed Olof Nyström, Senior portfolio manager, Fourth AP fund
- Nils Styf, chairman of the board for NP3.

David Mindus has been appointed chairman of the nominating committee by the nomination committee.

The nomination committee shall prepare and submit to the company general meeting proposals for chairman for the meeting, board members, chairman of the board, board fee to each of the board members, chairman of the board and other remuneration for board assignments, fee to the auditor and, if applicable, proposal for choice of auditor.

The nomination committee shall further prepare and submit a proposal to the annual general meeting for principles for the composition of the nomination committee. The composition of the nomination committee shall be announced no later than six months before the annual general meeting. The nomination committee's term of office lasts until a new nomination committee has been appointed. The chairman in the nomination committee shall, unless the members agree otherwise, be the member who represents the largest shareholder by number of votes. The nomination committee's work is carried out in accordance with the instructions that have been adopted and, as far as applicable, in line with the Code.

The nomination committee applies the code's regulations regarding the composition of the board and as diversity policy is to apply rule 4.1. in the code when preparing their proposal for election of board members.

Board of directors

The shareholders appoint the board of directors at the annual general meeting. According to the articles of association, the board shall consist of no less than 3 and no more than 13 members. No alternates shall be appointed. During 2021, the board consisted of five ordinary members with Nils Styf elected as new chairman at the annual general meeting in May 2021. The board works according to a formal workplan and the work is regulated by, among other things, the Swedish companies act, articles of association and Swedish Corporate Governance Code. The rules of the Swedish Companies Act apply to decisions in the board, meaning that both more than half of members present and more than a third of the total number of members must vote for the decision. If the vote is tied, the chairman has the casting vote. The long-term and strategic decisions for NP3 are made jointly by the board and management. The company's CEO Andreas Wahlén attends board meetings but is not included in the board. Remuneration is paid for board work as well as for members in the audit committee. Board members are not entitled to severance pay.

Responsibility of the board

According to the Swedish Companies Act and the board's formal work plan, the board's overall role is to on behalf of the owners manage the company's affairs in such a way that the interests of all owners are met in the best possible way. The board has ultimate responsibility for the operations. Against this background, the board is responsible for achieving set targets and strategies regarding the

Annual general meeting 2022

Before the annual general meeting on 4 May 2022, the board proposes;

- a dividend of 4.30 SEK per common share and that the annual general meeting also decides on dividend to shareholders of 2.00 SEK per preference share.
- that remuneration to the CEO shall consist of fixed salary, variable salary of max. 25 percent of the total fixed salary, share-based incentive programmes and other benefits plus pension. Remuneration to other senior management shall consist of fixed salary, variable performance-based salary of max. two monthly salaries, share-based incentive programmes and other benefits plus pension.
- that the annual general meeting authorise the board to, up to the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, against payment in cash or through set-off or capital contributed in kind decide on increasing the company's share capital by means of a new issue of common shares and/or preference shares. The authorization may not be used to a greater extent than that a total of 5,400,000 common shares and 15,000,000 preference shares are issued.
- that the annual general meeting decides to introduce an incentive programme 2022/2025 through a) issue of warrants to the subsidiary NP3 Förvaltning AB and b) approval of the transfer of warrants to employees of the company or its subsidiaries.

Before the annual general meeting, the nomination committee proposes:

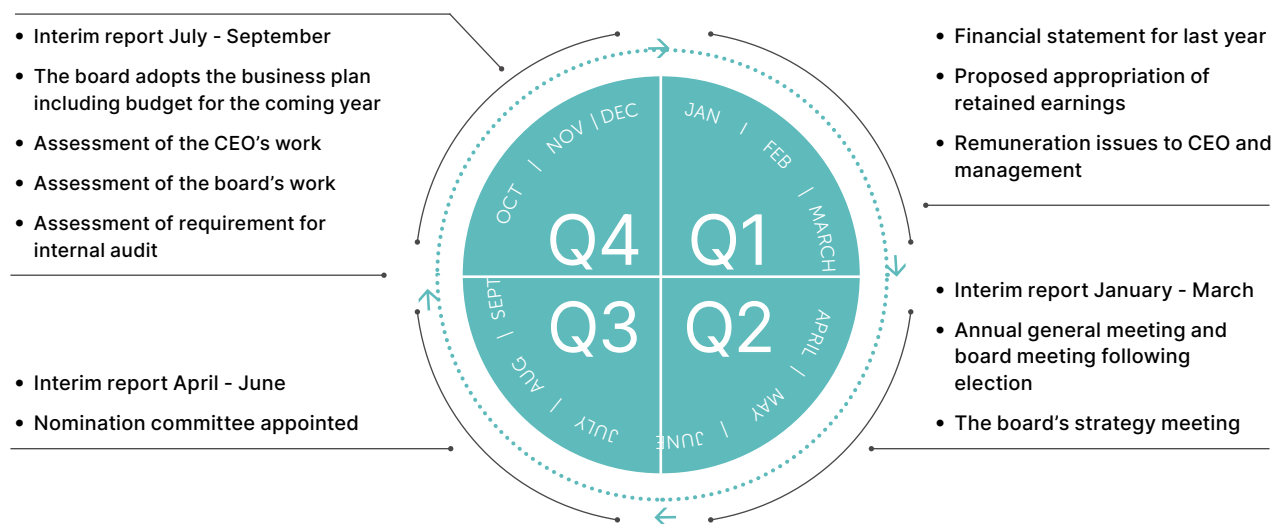
- re-election of board members Lars Göran Bäckvall, Åsa Bergström, Anders Nilsson, Mia Bäckvall Juhlin and Anders Nilsson as well as new election of Hans-Olov Blom. The nomination committee further proposes Nils Styf be reelected chairman of the board.
- that remuneration to board members is paid as follows: - chairman of the board: 360,000 SEK, - each of the other board members: 180,000 SEK, - remuneration to the audit committee shall be paid at 200,000 SEK in total.

The proposed total remuneration to board members, incl. remuneration for committee work, thus amounts to 1,460,000 SEK (1,140,000).

- that the number of board members elected at the company general meeting shall be 6 members (5).
- in accordance with the audit committee's recommendation, for the time up to the end of the next annual general meeting, re-election of the authorised audit firm KPMG AB as the company's auditor, with Peter Dahllöf being the new auditor in charge of the audit.
- that the meeting decides that the new nominating committee be appointed ahead of the 2022 annual general meeting according to unchanged principles.

The work of the board during the year

In addition to the points above, work on acquisitions and growth is ongoing all throughout the year.



company's operations. The board is further responsible for the company's business focus being subject to continuous review and that major changes in the business focus are discussed by the board. The responsibilities of the board include handling the company's organisation, among with appointing, assessing and, if required, dismissing the CEO and to determine salary and other remuneration for the same. The board determines the budget, business objective and strategies for the company's operations as well as makes decisions concerning acquisitions, investments and sales or restructuring of the property portfolio.

The board's formal workplan

Every year, the board determines a formal workplan for the board work. The formal work plan sets out the board's responsibilities and division of responsibility between the board and CEO. The formal work plan also sets out which affairs are to be discussed at the respective board meeting, and instructions regarding economic reporting to the board. The formal work plan also stipulates that the board shall have an audit committee. The full board makes up the remuneration committee. At each of the ordinary board meetings, issues of significant importance to the company such as acquisitions and divestments of properties as well as funding are discussed. Furthermore, the board is informed of the state of the market the rental and property market. Meetings in connection with the company's reporting discuss market valuation of the property portfolio and determine the profit/loss for the period or year, and financial position. Before the annual general meeting, the board submits a proposed appropriation of retained earnings. At the meeting following election the board shall, among other things, determine the company's signatory and appoint the audit committee and remuneration committee.

Chairman of the board

The chairman of the board shall have special responsibility in the board for the board's work to be well-organised and run efficiently and that the board completes its duties. The chairman shall be in continuous contact with and act as a discussion partner and support for the company's CEO.

The work of the board during 2021

NP3's board work during the year has to a great extent been characterised by the growth the company has undergone, which has involved several acquisition discussions. According to the current formal workplan, the board shall hold at least six ordinary board meetings per year and an additional meeting following election. During 2021, the board has held 18 board meetings, of which one meeting following election. Of these, nine were team meetings, one a telephone meeting, three per capsulam and one face-to-face meeting. During 2021, the board carried out an internal evaluation of its work.

Remuneration committee

The board has decided not to set up a special remuneration committee, but for the full board to instead carry out the duties such a committee shall have according to the code. With regard to remuneration matters, this means that the board shall:

- Prepare decisions in matters of remuneration principles, remunerations and other employment terms for company management.
- Follow and evaluate ongoing programmes and those completed during the year for variable remuneration to company management.

- Follow and evaluate the application of the guidelines for remuneration to senior executives that the annual general meeting has decided on, and with regard to remuneration structures and remuneration levels in the company.

Audit committee

The board's audit committee is appointed by the board once annually. Included in the audit committee for 2021 were board members Åsa Bergström and Nils Styf. The audit committee shall perform the duties stated in chap. 8 § 49 b of the Swedish Companies Act, which among other things involve:

- Overseeing the company's financial reporting.
- Overseeing the efficiency in the company's internal control, internal audit and risk management, with regard to financial reporting.
- Keeping up-to-date with the audit of the annual report and consolidated accounts.
- Examining and overseeing the auditors' impartiality and independence and thereby pay special attention to whether the auditor provides other services to the company than auditing services.
- Assist in preparing proposals for the company general meeting's decision on choice of auditor.

In addition, the audit committee shall prepare the board's decision in the aforementioned matters. Minutes are kept of the audit committee's meetings and the committee reports to the board. The audit committee's board members shall be appointed with special attention to competency and experience in accounting and auditing of listed companies. The majority of the committee's members shall be independent in relation to the company and company management. At least one of the members who is independent in relation to the company and company management shall also be independent in relation to the company's major owners. The committee's members must not be employees of the company. The audit committee also supports company management in accounting matters.

CEO

Andreas Wahlén has been NP3's CEO since the company was formed. The CEO is responsible for the company's ongoing management in accordance with the rules in the Swedish Companies Act and instructions for the CEO and for the financial reporting the board has adopted. According to the instruction, the CEO is responsible for the company's accounting and management of funds. The CEO shall further prepare delegation regulations for various officeholders in the company and employ, dismiss or set down terms and conditions for the company's staff. A mutual period of notice of 12 months applies to the CEO. There is no arrangement for severance pay with the CEO.

Management

The management group's composition at the start of 2021 was CEO, CFO, COO and Head of property management. Every person in the management group has their own area of responsibility. In management group meetings the overall strategy and operational issues are discussed. During the year, the management team has focused on the company's

growth, risks, supply of capital and sustainability work. The CEO is the lone board member in the respective subsidiary in the group and the COO is the alternate in the subsidiaries. A mutual period of notice of six months applies to the CFO, COO and Head of property management. The COO is entitled to six months' severance pay if given notice by the company. There is no arrangement for severance pay with the CEO and Head of property management.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives cover the members in the company's group management team, which currently consists of the company's CEO, CFO, COO and Head of property management. The guidelines shall be applied to remuneration that is contracted and changes that are made to remuneration already contracted, after the guidelines have been adopted. The guidelines adopted at the annual general meeting on 15 June 2020 apply until further notice. The guidelines do not cover remuneration decided by the company general meeting.

The guidelines' advancement of the company's business strategy, long-term interests and sustainability.

The company's business strategy in short is to create value in the property portfolio by means of local presence, creativity and good business acumen, and thus create conditions for continued good expansion and high reputation. The board is of the opinion that successful implementation of the company's business strategy and safeguarding the company's long-term interests, including its sustainability, requires the company to recruit and keep senior executives with the expertise and capacity to achieve set targets. This requires the company to offer competitive remuneration to motivate senior executives to do their utmost. These guidelines allow senior executives to be offered competitive total remuneration. The company has set up long-term, share-based incentive programmes. These have been decided by the company general meeting and are thus not covered by these guidelines. Variable cash remuneration covered by these guidelines shall aim to advance the company's business strategy and long-term interests, including its sustainability.

Forms of remuneration, etc.

Remuneration shall be in line with market conditions and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

Meeting the criteria for payment of variable cash remuneration must be measurable during a period of one or several years. The variable cash remuneration may amount to max 25 percent of the total fixed cash salary during the measuring period for such criteria. The variable cash remuneration shall be linked to predetermined and measurable criteria, which may be financial or non-financial. These can also consist of personalised quantitative or qualitative targets. The criteria shall be designed so that they advance the company's business strategy and long-term interests, including its sustainability, such as by being linked to the business strategy or being designed so that a higher level of mutual interest is achieved between senior executives and the company's shareholders. When the measuring period for meeting the criteria for a payment of variable

cash remuneration is completed, it shall be assessed/determined to what extent the criteria have been met. The board is responsible for the assessment as far as variable cash remuneration to the CEO is concerned. With regard to variable cash remuneration to other senior executives, the CEO is responsible for the assessment. As far as financial targets go, the assessment shall be based on the financial information most recently published by the company.

For the CEO, pension benefits including health insurance, shall be defined contribution plans. Variable cash remuneration shall not be pensionable. Pension contributions for defined contribution pension plans shall amount to max 30 percent of the fixed annual cash salary, but not more than 10 basic amounts. Four other senior executives pension benefits including health insurance shall be defined contribution plans, unless the office holder is covered by a defined contribution pension plan according to mandatory collective agreement provisions. Variable cash remuneration shall be pensionable to the extent that follows from mandatory collective agreement provisions that are applicable to the office holder. Pension contributions for defined contribution pension plans shall amount to max 30 percent of the fixed annual cash salary, but not more than 10 basic amounts.

Other benefits may include life insurance, healthcare insurance and car benefits. Such benefits may amount to max 15 percent in total of the fixed annual cash salary.

The company has a profit-sharing foundation, which covers all employees except for the CEO. Provisions for the profit-sharing foundation are based on the company's annually set and achieved targets and must not exceed a basic amount per year and employee.

Termination of employment

When notice of termination is given by the company, the period of notice can be max. 12 months. Fixed cash salary during the period of notice and severance pay must together not exceed an amount equivalent to the fixed cash salary for one year. When notice of termination is given by the senior executive, the period of notice can be max. six months, without the right to severance pay.

In addition to this, remuneration for committing to restriction on competition may also be paid. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the previous senior executive has no right to severance pay. The remuneration shall amount to max. 60 percent of the fixed cash salary at the time of notice of termination, unless otherwise set out in mandatory collective agreement provisions, and be paid during the time the commitment to restriction on competition applies, which shall be max. 12 months after the employment ends.

Consideration of current salary and employment terms for employees

When preparing the board's proposal for its remuneration guidelines, current salary and employment terms for the company's employees have been considered by information about employees' total remuneration, the components of the remuneration and the increase and rate of increase of the remuneration over time having constituted part of the board's decision basis when assessing the adequacy of the guidelines and the restrictions that follow from these. The

development of the difference between senior executives' remuneration and other employees' remuneration will be disclosed in the remuneration report before the next annual general meeting.

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

The board in full performs the compensation-related tasks that are typically the duty of a remuneration committee. These tasks include preparing proposals for guidelines for remuneration to senior executives. The board shall prepare proposals for new guidelines when the need arises for significant changes and submit the proposal to the annual general meeting to decide on, but at least every four years. The guidelines shall apply until new guidelines have been adopted by the company general meeting. The board shall also follow and evaluate programmes for variable remuneration to company management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels in the company. In order to avoid conflicts of interest, board members involved in discussing and making decisions concerning remuneration to senior executives shall be independent in relation to the company and company management. When the board discusses and makes decisions in issues relating to remuneration, the CEO or other individuals in company management shall not be present if they are affected by those issues. When preparing issues relating to remuneration, external consultation shall be used when assessed as necessary.

In case the board decides to set up a remuneration committee, what is said in these guidelines about the board in its capacity as the company's remuneration committee shall apply to the remuneration committee.

Departure from the guidelines

The board may decide to temporarily depart from the guidelines in full or in part, if in individual cases there are special reasons for this and departure is necessary to safeguard the company's long-term interests, including its sustainability, or in order to ensure the company's financial viability. If such departure takes place, it shall be disclosed in the remuneration report ahead of the next annual general meeting.

Description of significant changes in the guidelines and remuneration report 2021

As a result of the changes to the Swedish Companies Act that became effective on 1 July 2019, the company drew up new guidelines for remuneration to senior executives. The guidelines were adopted at the annual general meeting in June 2020. The review of the guidelines has not resulted in any significant change to the remuneration that has been paid. The guidelines for 2022 essentially correspond to the guidelines that were adopted at the annual general meeting in 2020, and the guidelines adopted at the annual general meeting in June 2020 thus apply until further notice. Chap. 8, § 53b Swedish Companies Act sets out that the board shall prepare a remuneration report. The remuneration report shall cover the remuneration governed by the guidelines adopted at the meeting. The remuneration report for 2021 will be presented at the annual general meeting in

May 2022, and will also be available on the company's homepage, np3fastigheter.se. For the guidelines that applied during 2021, see also note 6.

Auditing

The auditor shall review the company's annual report and accounting records as well as the board's and CEO's management. The auditor is appointed by the annual general meeting. The 2021 annual general meeting decided, in accordance with the nomination committee's proposal, to re-elect for the time up to the end of the next annual general meeting the authorised audit firm KPMG AB as the company's auditor. Mattias Johansson was appointed auditor in charge.

Internal control

According to the Swedish Companies Act, the board is responsible for internal control and governance of the company. In order to maintain and develop a well-functioning control environment, the board for NP3 has arranged a number of fundamental documents of significance to financial reporting. These include the board's formal workplan and the instructions for the CEO and economic reporting, insider policy, IR and information policy as well as finance policy. In addition to this, a functioning control environment also requires a developed structure with continuous review. The responsibility for the day-to-day work of maintaining the control environment primarily falls on the CEO. The CEO regularly reports to the board and submits, in addition to interim reports, economic and financial reports about the operations to the board on a continuous basis all throughout the year.

A fundamental element in designing the internal control is being aware of the risk for errors that can arise in the financial reporting and, based on these errors, adjust the processes and organisation. The internal control is designed so that control activities are routinely carried out with the purpose of preventing, identifying and correcting errors and deviations. These controls take place on several levels in the company. On an operational level they include reviewing and accepting supplier invoices, as well as ongoing analysis of the economic result on a property level. Review and follow-up by property and business area with the business managers in charge of operations takes place continuously during the year. On an overall group level, other types of controls are carried out such as analysing key ratios, reconciling completed transactions and so on.

Since 2017, the company has gradually implemented organisational change in the financial management. From having previously used an external provider for these processes, NP3 now handles the ongoing financial management internally using its own accounting function. The aim of this has been to leverage the proximity to the figures to achieve better control, greater commitment and cost efficiency. The work on developing the accounting department has continued during 2021. The annual accounts process already follows set checklists and schedules to ensure that all formal records and updates are implemented. Procedures and manuals with appropriate items are established for internal control. Preparing the consolidated accounts and financial statements is done by a centralised function.

When preparing the quarterly financial statement, the review and analysis is focused on the most essential income statement items and balance sheet items. The income

statement items include rental income and property costs but also interest expenses, which make up a significant item as well as changes in value which to a high degree depend on assessments. In the balance sheet, the focus is on reviewing and analysing investment properties, deferred tax and interest-bearing liabilities as well as on acquisitions of properties being correctly reported. Built-in checks between different reports and systems are continuously developed and improved. The company's auditors examine the financial reporting twice a year. Their observations and assessments are then reported to the audit committee. The board always reviews quarterly reports and annual report before publication.

Policy documents

The board has renewed or revised the below policies during 2021:

Financial policy

The financial policy sets out guidelines and rules for how to run the funding activities. The aim is to clarify governance, risk limitation, division of responsibilities and follow-up and oversight of fund management.

Dividend policy

The company shall distribute approx. 50 percent of the profit from property management after current tax to holders of preference shares and common shares. Preference share dividend is limited to max 20 percent of the profit from property management after current tax.

Valuation policy

The company assesses its investment properties at fair value. The valuation policy sets out guidelines for how the valuation process shall work and at what intervals the valuations shall be verified with valuations obtained externally.

Information and IR policy

The information policy sets out guidelines and rules in order to ensure that the company's dissemination of information to players in the stock market is fast, concurrent, correct, relevant and reliable. Information about the company is provided mainly in the form of press releases and financial reports.

Insider policy

The insider policy shall act as guidance for persons who are regarded as having insider information in the company. The insider policy supplements current insider legislation.

Sustainability policy and business ethics policy

The purpose of the sustainability policy is to ensure that the company is a respected employer and a reliable business partner for customers and suppliers, and thus also helps to maintain a high level of confidence in the company. The company is based on the environmental, social conditions/ staff and human rights reporting requirements, as well as anti-corruption reporting requirements set out in the Swedish Annual Accounts Act. It is also based on the UN's Global Compact principles.

In addition to the policy documents above, the board has also decided on environmental policy, integrity policy, IT policy, alcohol and drug policy, car policy, equality policy, salary policy and policy for SWEM (systematic work environment management).

Board of directors



NILS STYF

Chairman of the board since 2021.
Board member since 2019.
Born 1976.

MSc in Business and Economics,
Stockholm School of Economics.

Other commitments:

CEO in Hemsö Fastighets AB. Board member in all wholly- or partly-owned subsidiaries of Hemsö Fastighets AB. Board member in Mattssons Fastighetsutveckling i Stockholm AB.

Background:

Various positions in real estate companies, private equity and investment banker in London and Stockholm with a focus on the hotel and real estate sector.



ÅSA BERGSTRÖM

Board member since 2016.
Born 1964.

MSc in Business and Economics,
Uppsala University.

Other commitments:

CFO and Deputy CEO in Fabège AB, as well as deputy board member in all wholly-owned subsidiaries in the Fabège Group. Board member in Hemsö Fastighets AB, Svensk FastighetsFinansiering AB (publ).

Background:

Senior manager KPMG, finance manager positions in several real estate companies.



MIA BÄCKVALL JUHLIN

Board member since 2019.
Born 1974.

Registered Psychologist and registered Psychotherapist, Lund University.

Other commitments:

Board member in Poularde AB AB.

Background:

Active partner in Poularde AB. Psychologist with a focus on consulting assignments and individual contacts.



ANDERS NILSSON

Board member since 2010.
Chairman of the board 2017-2021.
Born 1951.

Civil engineer, KTH Royal Institute of Technology.

Other commitments:

Chairman of the board in SSG Standard Solutions Group AB, Castanum Förvaltning AB, Implementeringssystem i Sundsvall AB and board member in, i. a., Specialistläkarhuset AB, Frontit AB, Eurocon Consulting AB (publ), Polskenet Invest AB, InCoax Networks AB (publ).

Background:

Former CEO and group CEO for the IT-consulting firm Know It AB (publ) 2003-2011.



LARS GÖRAN BÄCKVALL

Board member since 2010.
Born 1946.

Civil engineer, Stockholm Technical Institute.

Other commitments:

Chairman of the board in Poularde AB. Board member in Knut Karlsson Invest AB, Norrlandspojkarna Utveckling AB, Frösö Park Fastighets AB, BBFV i Norrland AB and Fastighetsbolaget Emilshus AB

Background:

Active principal owner in Poularde AB. Solid background in the real estate sector and many years of experience as a contractor.

Comments by the chairman

I have had the privilege of leading the board work in NP3 in a year marked by global uncertainty. First through the Covid-19 pandemic and most recently the war in Ukraine. In a time marked by global uncertainty, it is reassuring to have a clear and simple business model where NP3's unique organization has created continued strong growth with high profitability.

NP3 has a relatively simple business model combined with strong local roots, but what makes the company truly unique is a corporate culture that combines commitment, entrepreneurship and a focus on creating shareholder value. This corporate culture is clear throughout the company, which of course includes the board and continues through management and the entire organization.

The board consists of five people who, through their experience and supplementing competence, support and challenge company management in its work. Discipline in matters relating to the business model as well as order in the company's affairs are important focus areas for the board, but even more important is that the board contributes to a culture of entrepreneurship with its strong commitment and business focus. My assessment is that the board has succeeded well in that task over the past year.

In a future that is characterized by increased competition and an uncertain world, it is important to create

conditions to further build on NP3's unique strengths. An entrepreneurial corporate culture and a disciplined attitude towards NP3's business model are the basis for creating long-term shareholder value. That attitude must be at the backbone of the board's work. I see it as an important task for me and the rest of the board to face the future together with NP3's employees.

I want to thank all shareholders for their trust and all employees for us together creating the culture that is so important for NP3's success.

Nils Styf

Chairman of the board

Member	Elected	Resigned	Independent in relation to		Participation in total number of meetings		Fee	Shareholdings as of 31/12/2021	
			Major shareholders	The company	Board meetings	Audit committee meetings		Common shares	Preference shares
Anders Nilsson	2011		Yes	Yes	18/18		165	153,500	-
Lars Göran Bäckvall	2010		No	Yes	17/18		165	14,140,579	2,974,207
Mia Bäckvall Juhlin	2019		No	Yes	17/18		165	44,909	22,110
Nils Styf (chrm.)	2019		Yes	Yes	18/18	5/5	405	17,506	-
Åsa Bergström	2016		Yes	Yes	18/18	5/5	240	11,000	700

Management

NP3's management group consisted of four persons during the financial year. Management is responsible for developing and managing the company in accordance with the strategy decided on. In addition to the management group, there are four other senior operations executives.

Shareholdings as of 31/12/2021.



ANDREAS WAHLÉN

CEO since 2008.
Born 1980.

Studies in economics with a focus on auditing and financing, Mid Sweden University.

Other commitments:

Board member in Jonels AB and Kinema AB.

Background:

CEO for Norrlandspojkarna Fastighets AB and the construction company Tre Jonsson Bygg AB.

Shareholdings in the company:

292,000 common shares (private and via company) and 83,578 warrants.



MATTIAS LYXELL

Head of property management since 2018.
Born 1969.

Other assignments: -

Background:

Several years experience of real estate, mainly in the segments operation, property management and construction projects. In previous positions worked with property optimisation in major operating and real estate companies.

Shareholdings in the company:

1,100 common shares, 100 preference shares and 12,576 warrants.

Other senior executives



MARKUS HÄGGBERG

Finance manager since 2020.
Born 1972.

Shareholdings in the company:

242 common shares and 19,106 warrants.



JENS LENNEFELDT

Business director South since 2020.
Business manager, Gävle since 2017.
Born 1984.

Shareholdings in the company:

7,240 common shares, 50 preference shares and 20,177 warrants.

**MARIE SELIN**

COO since 2017. Born 1961.

Studies in economics with a focus on auditing.

Other commitments:

Board member in Länsförsäkringar Västernorrland.

Background:

Has several years leadership experience from larger organisations in the real estate sector and energy sector. Previously worked as CEO for Mitthem AB and before that was in charge of operations in Finance & Accounting Services at Vattenfall.

Shareholdings in the company:

21,679 common shares and 49,734 warrants.

**HÅKAN WALLIN**

CFO since 2018. Born 1962.

Master of Business Administration at Stockholm University and Certified European Financial Analyst (CEFA) at Stockholm School of Economics.

Other commitments:

Board member in Cibola Holding AB and HWA Advisory & Capital AB.

Background:

Several years experience in financing, capital markets and accounting. Previous positions include business development manager at mid-cap listed Medivir AB, partner in the investment bank ABG Sundal Collier in corporate finance and executive positions at the audit firms Arthur Andersen and Ernst & Young.

Shareholdings in the company:

16,798 common shares and 42,288 warrants.

**MARIA PARINGER**

Business Manager North since 2018. Born 1974.

Shareholdings in the company:

560 common shares and 10,798 warrants.

**ANNA WIRTÉN**

Head of accounting since 2015. Born 1976.

Shareholdings in the company:

2,000 common shares and 21,094 warrants.