

NYFOSA

YEAR-END REPORT **JANUARY-DECEMBER 2023**

FULL-YEAR

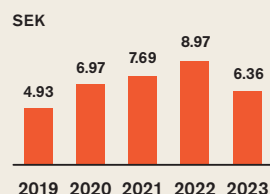
January–December 2023

- Income increased 13 percent to MSEK 3,553 (3,151).
- Net operating income increased 17 percent to MSEK 2,445 (2,092) or SEK 12.80 per share (10.95).
- Profit from property management declined 19 percent to MSEK 1,239 (1,533) or SEK 6.15 per share (7.80).
- Changes in the value of properties had an impact of MSEK –1,352 (–439) on earnings.
- Loss for the year amounted to MSEK –639 (profit: 1,694). Earnings per share, less interest on hybrid bonds, amounted to SEK –3.67 per share after dilution (8.61).
- Operating cash flow declined 29 percent to MSEK 1,215 (1,714) or SEK 6.36 per share (8.97).
- Net leasing was MSEK –8 (5).
- The Board 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.

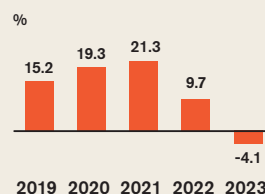
FORECAST

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

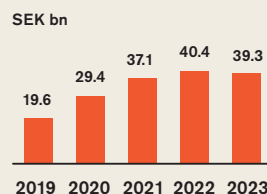
OPERATING CASH FLOW PER SHARE



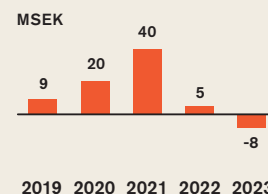
RETURN ON EQUITY



TREND IN PROPERTY PORTFOLIO



NET LEASING



THE QUARTER

October–December 2023

- Income increased 4 percent to MSEK 882 (848).
- Net operating income increased 10 percent to MSEK 632 (576) or SEK 3.31 per share (3.01).
- Profit from property management declined 24 percent to MSEK 293 (384) or SEK 1.45 per share (1.95).
- Changes in the value of properties had an impact of MSEK –598 (–1,491) on earnings.
- Loss for the quarter amounted to MSEK –688 (–882). Earnings per share, less interest on hybrid bonds, amounted to SEK –3.69 per share after dilution (–4.68).
- Operating cash flow declined 49 percent to MSEK 247 (487) or SEK 1.29 per share (2.55).
- Net leasing was MSEK 10 (–4).

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+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

	Jan–Dec		Oct–Dec	
	2023	2022	2023	2022
Income, MSEK	3,553	3,151	882	848
Net operating income, MSEK	2,445	2,092	632	576
Surplus ratio, %	68.8	66.4	71.7	67.9
Profit from property management, MSEK	1,239	1,533	293	384
Profit/loss for the period, MSEK	-639	1,694	-688	-882
Interest-coverage ratio, multiple	2.0	3.4	1.7	2.9
Net debt/EBITDA rolling 12 months, multiple	9.4	10.2	9.4	10.2
Net loan-to-value ratio of properties on balance-sheet date, %	58.3	57.7	58.3	57.7
Operating cash flow ¹ , MSEK	1,215	1,714	247	487
Property value on balance-sheet date, MSEK	39,278	40,446	39,278	40,446
NAV on balance-sheet date, MSEK	18,093	19,250	18,093	19,250
Key figures per share				
Profit from property management, SEK	6.15	7.80	1.45	1.95
Operating cash flow, SEK	6.36	8.97	1.29	2.55
Profit/loss after dilution, SEK	-3.67	8.61	-3.69	-4.68
NAV on balance-sheet date, SEK	94.72	100.78	94.72	100.78

1) The former key ratio "distributable cash flow" has been renamed "operating cash flow" from the Year-end Report 2023. Definitions of key figures are presented on pages 34–35. Calculation of alternative performance measures is found on pages 32–33.

SIGNIFICANT EVENTS DURING THE QUARTER

- Nine light-industrial and warehouse properties in Sweden were divested for MSEK 761. The annual rental value was estimated to amount to MSEK 55, of which 25 percent was vacant.
- Early redemption of bonds for a nominal amount of MSEK 275 and maturity in 2024. Following the transaction, the company does not have any bonds that mature in 2024.
- Seven properties with premises for warehouses, industry, retail and offices in Sweden were divested for MSEK 299. The annual rental value amounted to MSEK 27, of which 4 percent was vacant.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- 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.



NYFOSA BECOMES KIELO IN FINLAND

Nyfosa has had a portfolio of commercial properties in Finland since 2021 concentrated in large cities such as Helsinki, Jyväskylä, Tampere, Oulu and Turku. At the end of the year, the portfolio in Finland had a market value of MSEK 8,087 over 532 thousand sqm.

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.

In Nyfosa's financial reporting, the Finnish operations will continue to comprise a separate segment under the name Kielo.



COMMENTS FROM THE CEO

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 interest rates negatively affected earnings. During the fourth quarter, we completed a number of value-adding transactions, refinanced bank debt, and repurchased bonds; all aimed at ensuring our financial stability and enabling a higher cash flow per share. Due to the steep interest rate rises during the year, as well as the need to ensure Nyfosa's financial strength and increase the company's scope and latitude to do business 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 development in the fourth quarter and net operating income increased by 10 percent compared with the fourth quarter of the previous year. We signed new leases with a total value of MSEK 43 and received notice of termination of leases for MSEK 31 and bankruptcies for MSEK 2, which resulted in positive net leasing of MSEK 10 for the quarter. We continue to see a stable demand for our premises, including the signing of leases with public authorities and local health centers with lease terms of up to 15 years.

Property valuations

The market value of the properties continued to fall during the quarter as a result of higher yield requirements. The yield requirement for the portfolio 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 property valuations of MSEK -598 for the fourth quarter and MSEK -1,352 in total for 2023, which corresponds to -3.3 percent for the year.

Financing

During the fourth quarter, we reduced bank debt by SEK 1 billion, in addition, bonds of MSEK 275 were redeemed early. In 2024, we have no further loans maturing. During the quarter, we continued working to gradually increase the proportion of interest-hedged debt, which amounted to 52 percent at the year-end. The average interest rate on swaps carried out during the quarter was 2.42 percent and an average maturity of 4.5 years. The above measures taken, together with essentially an unchanged STIBOR since the third quarter, have resulted in lower interest expenses, which, in turn, has led to an increase in operating cash flow of 15 percent compared with the previous quarter.

One effect of the interest rate hikes witnessed during 2023 is a lower interest-coverage ratio of 2.0 for the year as a whole. Due to our new interest rate strategy and given further interest rate hikes appear unlikely, we expect the interest-coverage ratio to amount to 2.1 for 2024.

During the quarter, we made another adjustment in our finance policy, which meant that the limit of a maximum loan-to-value ratio of 65 percent was replaced with a maximum net loan-to-value ratio of 60 percent.

Forecast

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

Kielo in Finland

Since 2021, Nyfosa has built up a property portfolio in Finland that currently consists of high-quality properties containing offices, warehouses, light industry, and big-box retail, primarily located in growth regions. In 2024, Nyfosa 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.

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. In the fourth quarter, we divested properties for MSEK 1,060, which was 6.4 percent above book value.

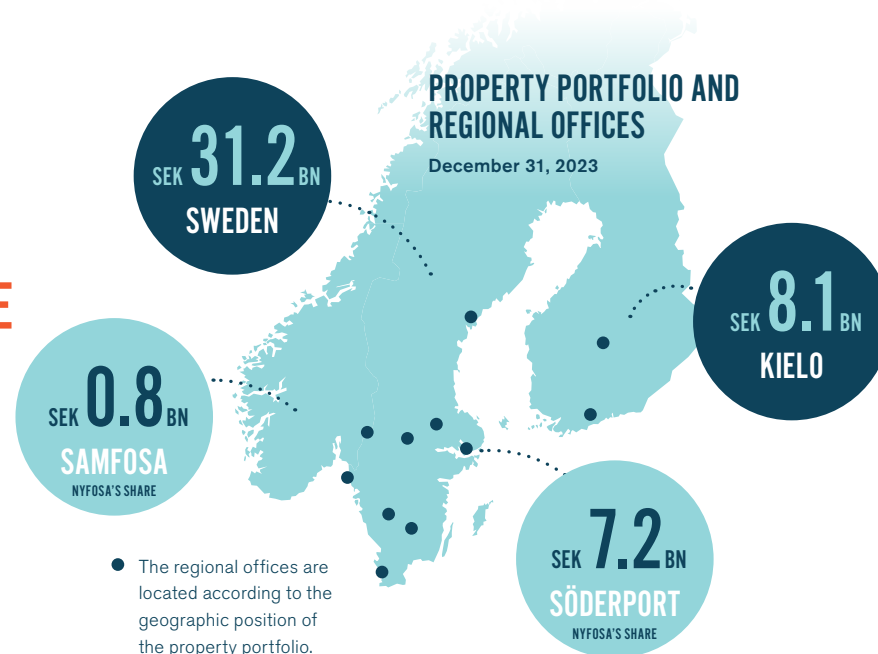
I believe 2024 will provide both buyers and sellers with better market conditions to do business and that the transaction market will pick up. As a transaction-oriented company, Nyfosa will continue to act on the offensive in the property market on both the buy and sell sides, with a focus on strengthening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

Stina Lindh Hök, CEO

“As a transaction-oriented company, Nyfosa will continue to act on the offensive in the property market, with a focus on strengthening our operating cash flow per share.”

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.



REGIONAL PRESENCE

The properties in Sweden are situated in or close to large cities in the central and southern parts of the country. In Norrland, the portfolio is located along the E4 highway. The Finnish portfolio is concentrated to 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, 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. The operations in Kielo are conducted by a management organization led by a country manager.

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

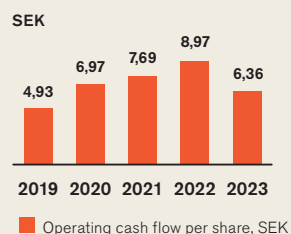
FINANCIAL TARGET

Growth in cash flow per share

Annual growth in operating cash flow per share of 10 percent per year.

Average growth per year for 2019–2023

+7%

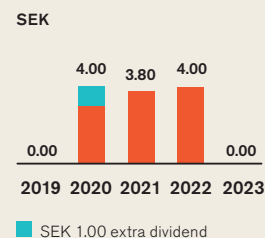


DIVIDEND PER SHARE

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.

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



SUSTAINABILITY TARGETS

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.

Carbon emissions

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

For information on sustainability at the company, refer to page 22.

PROFIT

JANUARY–DECEMBER 2023

Amounts in parentheses refer to the corresponding period in the preceding financial year.

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	Jan–Dec	
	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 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

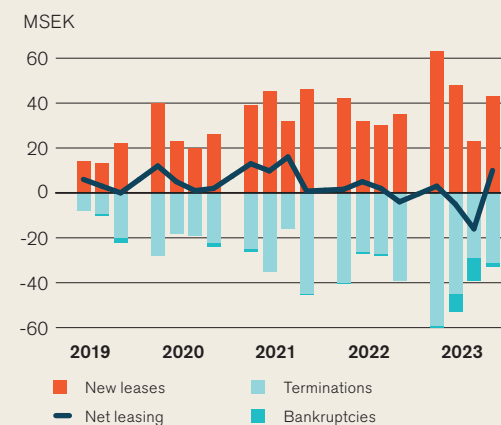
The economic leasing rate at year-end was 91.5 percent (93.1). The vacancy amount was MSEK 347 (280).

Net leasing for the fourth quarter was positive and amounted to MSEK 10 (–4), but for the full-year was negative at MSEK –8 (5) with new leases signed for MSEK 177 (139), terminations of MSEK 164 (132) and bankruptcies of MSEK

EARNINGS PER SHARE

January–December, MSEK	Sweden		Kielo		Undistributed items		Nyfosa	
	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



21 (2). Terminations due to tenants' bankruptcies were mainly attributable to a major bankruptcy in the third quarter that was equivalent to MSEK 9 in annual rent. The premises have now been leased to a new tenant. Demand for the company's premises generally remained stable.

Net leasing, MSEK	Jan-Dec	
	2023	2022
New leases signed	177	139
Terminated leases	-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).

Operating expenses increased 4 percent. 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. 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	Jan-Dec	
	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.

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 MSEK 3 (38).

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, 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 percent (1.6) and the average interest-rate swap was 2.6 percent (1.6). 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).

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. In the most recent valuation on September 30, 2023, the weighted yield requirement was 6.65 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, finalized projects, and divestments.

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	%	Jan-Dec
		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/loss 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 amounted to 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 Kielo's operations in Finland.

OCTOBER-DECEMBER 2023

Income for the quarter increased 4 percent to MSEK 882 (848). Net operating income increased 10 percent to MSEK 632 (576). The surplus ratio for the quarter was 71.7 percent (67.9). Net leasing was positive and amounted to MSEK 10 (-4), with new leases signed for MSEK 43 (35), terminations amounted to MSEK 31 (39) and confirmed tenant bankruptcies amounted to MSEK 2 (0).

Costs for central administration amounted to MSEK 50 (47). Participations in joint ventures contributed a share in profit of MSEK -121 (57). Financial income and expenses amounted to MSEK -336 (-217).

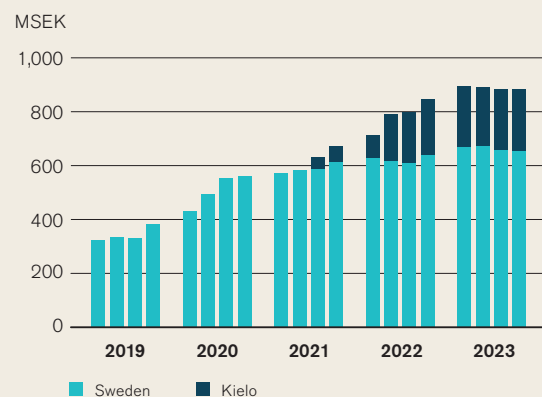
Profit from property management declined 24 percent to MSEK 293 (384) or SEK 1.45 per share (1.95). The effect of revaluation of properties amounted to MSEK -598 (-1,491).

Revaluations of financial instruments impacted profit by MSEK -274 (6).

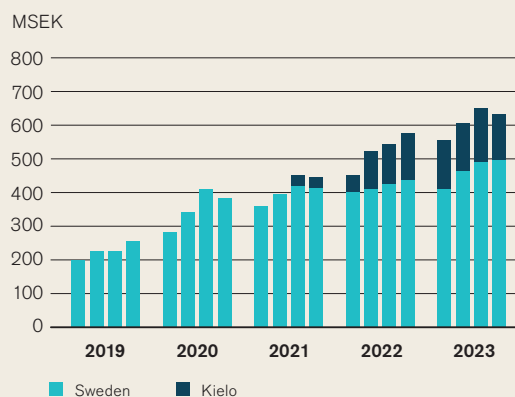
Tax amounted to MSEK 62 (228). The effective tax rate was 8.2 percent (20.5).

Loss for the quarter amounted to MSEK -688 (-882). Earnings per share, less interest on hybrid bonds, amounted to SEK -3.69 per share (-4.68) after dilution.

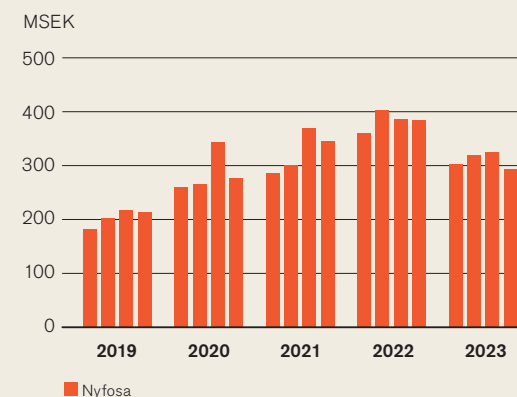
INCOME PER QUARTER



NET OPERATING INCOME PER QUARTER



PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



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).

Total cash flow, MSEK	Jan-Dec	
	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

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).

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 the Year-end Report 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 annual 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	Jan-Dec		Oct-Dec	
	2023	2022	2023	2022
Profit/loss before tax	-661	1,859	-750	-1,110
Adjustments for non-cash items	2,918	89	1,325	1,646
Dividends received from participations in joint ventures	180	335	–	110
Interest received	6	5	4	5
Interest paid	-1,104	-483	-299	-152
Interest paid on hybrid bonds	-60	-37	-13	-12
Income tax paid	-65	-54	-21	0
Operating cash flow	1,215	1,714	247	487
– per share, SEK	6.36	8.97	1.29	2.55

TREND IN OPERATING CASH FLOW

MSEK	Jan-Dec				
	2023	2022	2021	2020	2019
Operating cash flow from the wholly owned property portfolio	1,035	1,379	1,114	967	627
Dividends received from participations in joint ventures	180	335	332	300	200
Operating cash flow	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	–	–

EARNINGS CAPACITY

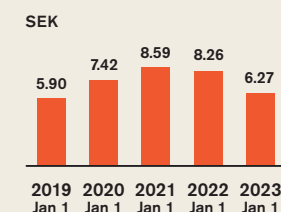
MSEK	Jan 1, 2024	Jan 1, 2023
Rental value	3,897	3,739
Vacancy amount	-347	-280
Rental income	3,550	3,459
Other property income	25	0
Total income	3,575	3,459
Property expenses	-976	-907
Property administration	-133	-136
Net operating income	2,466	2,416
Central administration	-186	-133
Share in profit 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 based on the 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. The earnings capacity must be considered together with other information in the year-end report.

Basis for earnings capacity

- Properties owned on the balance-sheet date are included, and agreed closing and vacancies thereafter are not taken into account;
- rental value is based on annual contractual rental income from current lease on January 1, 2024 and October 1, 2023;
- the vacancy amount also includes allocated rent discounts under current leases;
- other property income refers to services in the Kielo portfolio that are managed separately from the leases and are based on actual outcome for the most recent 12 months, adjusted for the holding period;
- 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; and
- 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 October 1, 2023.

EARNINGS CAPACITY PER SHARE



KEY FIGURES EARNINGS CAPACITY

Properties	Dec 31 2023	Dec 31 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

Net operating income	Jan 1, 2024	Jan 1, 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 amount	3,459	2,827
Acquired/divested amount	-78	356
Change in existing property portfolio	172	216
Translation effect, currency	-2	59
Closing amount	3,550	3,459

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

FINANCING

Sources of financing

Nyfosa finances its assets through equity, loans with 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 6 on page 29.

Interest-bearing liabilities

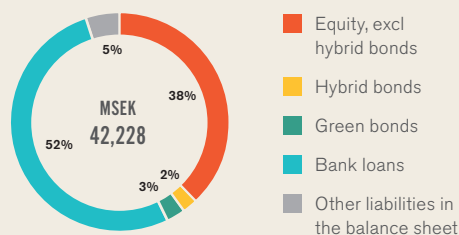
Interest-bearing liabilities excluding utilized overdraft facilities, lease liabilities and allocated arrangement fees amounted to MSEK 23,343 (24,033), of which liabilities pledged as collateral to banks and loan funds represented 94 percent (93). Senior unsecured bonds amounted to MSEK 1,350 (1,600) 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	Dec 31	
	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 interest expense on utilized overdraft facilities, opening charges and ground rent.

CHANGES IN INTEREST-BEARING LIABILITIES

MSEK	Jan-Dec	
	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 overdraft 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 fixed 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 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 financial closing of property acquisitions and refinancing of existing loans. Ongoing amortization and repayments of loans 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. 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 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	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

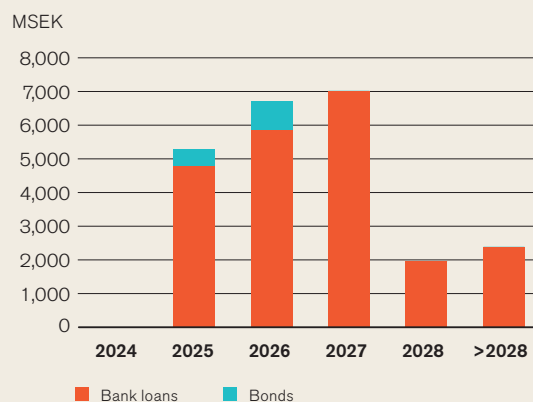
LOAN MATURITY AND FIXED-RATE PERIOD¹

Year	Loan maturity					Fixed-rate period					
	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.

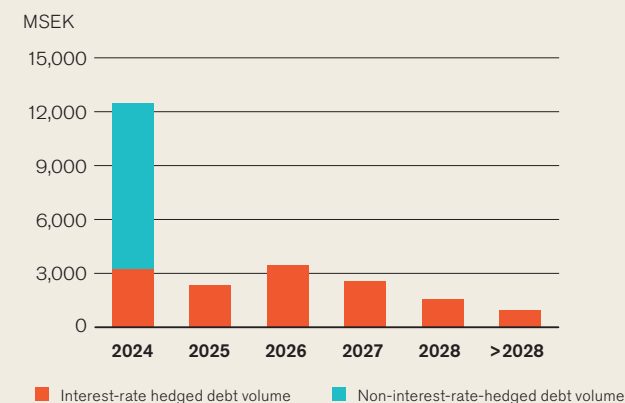
LOAN MATURITY

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 taking into account a forward swap that is included in the table on page 13.

Interest-rate caps offer the holder security in the form of a maximum impact on total interest expenses if STIBOR 3M and EURIBOR 6M 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 security for the holder in the form of 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 bal-

ance-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 derivative agreements. In both examples, the interest-rate 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. Work on creating a more even maturity structure for loan maturity and fixed-rate periods is proceeding, with the aim of reducing the share of interest-bearing liabilities that are not interest-rate hedged to 25 percent so as to lower the exposure to interest rates in the event of sharp fluctuations in interest-rate movements. The process involves gradually procuring additional derivatives.

The risk limits are the company's own and are not covenants in the Group's financing agreements.

The company is keeping within the communicated risk limits. During the quarter, the finance policy was adjusted, which meant that the limit of a maximum loan-to-value ratio of 65 percent was replaced with a maximum net loan-to-value ratio of 60 percent.

SENSITIVITY ANALYSIS, INTEREST-RATE EXPOSURE

Earnings effect of change in average interest rate, MSEK ¹	Change	Dec 31, 2023
Interest expenses assuming current fixed-interest periods and changed interest rates ²	+/- 2% points	+218/-220
Interest expenses assuming current fixed-interest periods and changed interest rates ²	+/- 1% point	+107/-108
Interest expenses 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 derivative agreements.

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

PROPERTY PORTFOLIO

Nyfosa has a diverse property portfolio due to the company's focus on cash flow rather than a specific property category, size or region. The company does not apply any restrictions to its investment strategy, but it does prioritize commercial properties in high-growth regions in Sweden and Finland. It is here that the company can leverage favorable trends such as a growing population and developments in the local business community.

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 a rental value of MSEK 3,897 (3,739) with a leasable area of 2,930 thousand sqm (3,012).

Property portfolio 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 property value of MSEK 31,192 (32,301) a rental value of MSEK 2,937 (2,812) and a leasable area of 2,398 thousand sqm (2,489).

Property categories Sweden

The office properties in Sweden are of high quality and situated in high-growth regions, including Karlstad, Västerås, Malmö, Örnköldsvik and Luleå. The logistics and warehouse premises are mostly situated in local and regional logistics hubs in attractive locations in towns such as Malmö, Haninge, Karlstad, Borås, Örebro and Växjö. The retail properties are primarily situated in expansive and popular external commercial areas in attractive locations close to public transit. Tenants include mainly established grocery, DIY and gardening 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 locations such as Växjö and Värnamo. Sweden also has a small number of properties that have hotel operations, schools, restaurants, healthcare and apartments. Properties in this category are located in municipalities and regions with population growth, such as Stockholm, Örebro and Malmö.

Property portfolio Kielo

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

Property categories Kielo

The office properties in Finland are of high quality and most are centrally located in large regional cities such as Jyväskylä and Tampere. The logistics and warehouse premises are situated in towns such as Turku. The retail properties are primarily situated in expansive and popular external commercial areas in attractive locations close to public transit in Tampere, Oulu and Helsinki. The industrial properties focusing on light industry are situated in Tampere, Kuopio and Oulu. Kielo also has a small number of properties that have hotel operations, schools, restaurants 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 SEK 8.0 billion (7.9). Söderport's and Samfosa's properties are not included in the tables and diagrams for the portfolio but are presented separately on page 21.

497

NO. OF
PROPERTIES

2,930 thousand sqm

LEASABLE
AREA

SEK 13,404

PROPERTY VALUE
PER SQM

SEK 1,330

RENTAL VALUE
PER SQM

91.5%

ECONOMIC
OCCUPANCY RATE

KEY FIGURES PER CATEGORY AND REGION

MSEK	Area, 000s sqm	Value	Value, SEK per sqm	Investments	Acquisitions and divestments	Rental value	Rental value, SEK per sqm	Rental income	Economic occupancy 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	Investments	Acquisitions and divestments	Rental value	Rental value, SEK per sqm	Rental income	Economic occupancy rate %	Lease term, years
Southern Sweden, larger cities¹										
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

1) Cities with 50,000 or more inhabitants, including Borås, Gothenburg, Halmstad, Helsingborg, Jönköping, Kalmar, Kristianstad, Uddevalla and Växjö.

Tenant structure

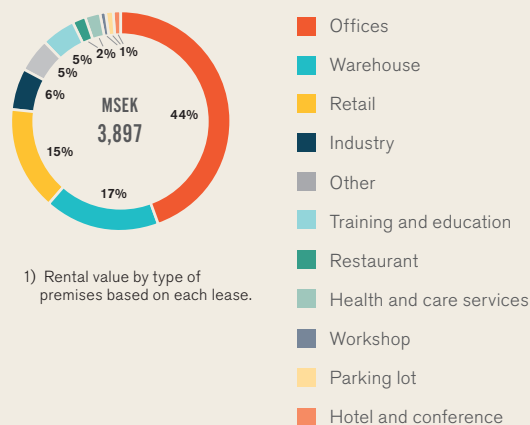
The rental value on January 1, 2024 was MSEK 3,897 (3,739), of which vacancy rent and discounts amounted to MSEK 347 (280). 91 percent (92) of Nyfosa's rental income is subject to index supplements. Nyfosa had 6,439 leases (6,575), of which 2,258 (2,586) were leases for garages and parking spaces. The average remaining lease term was 3.6 years (3.7). The remaining lease term was 3.7 years (3.8) for the Swedish portfolio and 3.2 years (3.3) for the Finnish portfolio. A large share of rental income in the Finnish portfolio refers to leases that run on a 12-month basis, which is a common form of agreement in Finland. Tenants lease their premises on average for a longer period. The average lease term for these valid leases amounted to 6.4 years.

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

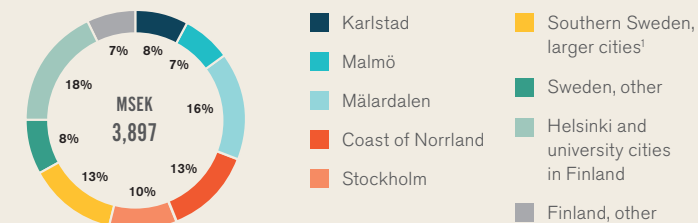
Of total rental income, tax-financed rent represented 27 percent (26).

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 TYPE OF PREMISES¹

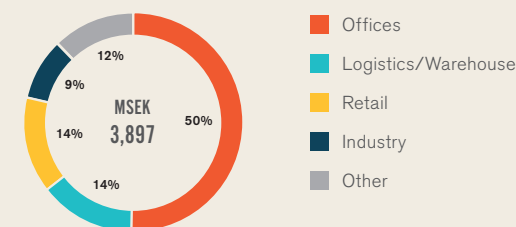


RENTAL VALUE BY REGION



1) Cities with 50,000 or more inhabitants, including Borås, Gothenburg, Halmstad, Helsingborg, Jönköping, Kalmar, Kristianstad, Uddevalla and Växjö.

RENTAL VALUE BY CATEGORY



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

NYFOSA'S LARGEST TENANTS

Jan 1, 2024

	Rental income, MSEK	Percentage of rental income, %	No. of leases	Average remaining term, years
Swedish Transport Agency	50	1	8	4.6
Hedin Automotive OY	50	1	12	9.5
Saab AB	42	1	11	8.9
City Gross Sverige AB	42	1	4	7.2
Telia Sverige AB	42	1	55	3.1
Swedish Police	40	1	31	3.5
Social Insurance Agency	39	1	9	3.4
K-Bygg Sverige AB	35	1	10	8.3
Swedish Public Employment Service	35	1	31	2.5
City of Helsinki	35	1	1	1.1
Other	3,140	88	6,267	3.4
Total	3,550	100	6,439	3.6

TREND IN PROPERTY PORTFOLIO JANUARY–DECEMBER 2023

Yield from property portfolio

The yield according to the earnings capacity on the balance-sheet date was 6.3 percent (6.0). Excluding costs for property administration, the yield was 6.6 percent (6.3).

Acquired properties

Closing took place on properties for MSEK 1,002 (4,394) during the year.

In January, closing took place on three office properties with a 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 and the annual rental value is MSEK 63. The properties are fully leased and the average remaining lease term is 4.4 years. The tenants include Dagab Logistik, Ahlberg Dollarstore, Rusta and ICA. The properties

are situated in well-established locations such as Eskilstuna, Gävle, Linköping, Örebro and Örnköldsvik.

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

Vacated properties

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

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 was MSEK 40. The occupancy rate amounted to 100 percent and an average remaining lease term was 4.2 years.

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. The average remaining lease term was 2.8 years.

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 was MSEK 299 and the annual rental value was expected to amount to MSEK 27, of which 4 percent was vacant. The average remaining lease term was 3.5 years.

Investments in existing properties

An investment in the existing portfolio 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. At the same time, it presents opportunities for more efficient and sustainable operations.

Investments of MSEK 762 (577) were made in the existing property portfolio. The majority of investments were for tenant-specific modifications resulting from leases signed.

The largest ongoing investments are presented in the table below.

CHANGES IN VALUE

Jan–Dec, MSEK	Kielo		Sweden		Nyfosa	
	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

MAJOR ONGOING INVESTMENTS

Municipality	Property	Type of premises	Tenant	Area, 000s sqm	Changed rental income, MSEK	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Karlstad	Barkassen 9	Healthcare premises	Region Värmland	2	4	0	32	Q4 2025
Malmö	Holmögadd 3	Office/warehouse	Lantmännen	11	3	8	31	Q2 2024
Hyvinkää	Mäkikuumolantie 3	Retail	Jula	3	4	24	24	Q1 2024
Växjö	Plåtslagaren 4	Industry	LVI AB	3	1	16	24	Q3 2024
Luleå	Ploggen 4	Offices	Bravida	2	2	16	22	Q1 2024
Malmö	Byrådirektören 3	Healthcare premises	Region Skåne	1	3	10	20	Q2 2024
Lappeenranta	Laserkatu 6	School	City of Lappeenranta	3	5	10	10	Q1 2024
Jyväskylä	Ohjelmakaari 2&10	Offices	Combitech Oy	1	3	5	9	Q2 2024

A major project began in Barkassen 9 in Karlstad to convert and modify the property to 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 will be 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 major project in Mården 11 in Luleå was finalized involving a complete renovation and modification for the Municipality of Luleå. The investment totaled MSEK 129 and a ten-year lease was signed, with annual rental income of MSEK 22 and with the tenant occupying the premises in the fourth quarter.

The 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 has been signed with Spesia, with annual rental income of MSEK 12, which moved into the premises in the second quarter.

The renovation and modification of the premises in Norr 12:5 in Gävle was completed for the existing tenant the Social Insurance Agency. The total investment was MSEK 60 and annual rental income amounted to MSEK 13.

DIVESTMENT OF PROPERTIES IN SWEDEN FOR MSEK 299

IN THE FOURTH QUARTER Nyfosa sold seven properties containing warehouse, industrial, retail and office premises. The annual rental value of the properties was estimated to amount to MSEK 27, of which 4 percent was the assessed market rent for vacant floor space.

Two of the properties are located in Falköping, three in Filipstad, one in Lidköping and one in Malmö. The properties have a leasable area of 46 thousand sqm and the average remaining lease term is 3.5 years.



PROPERTY VALUATION

Appraisers raised the yield requirement of property valuations during the year. The negative valuation effect caused by this was partly offset by the higher expected future net operating income and projects.

The average yield requirement on December 31, 2023 was 6.76 percent (6.39). 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.

Changes in values of properties amounted to MSEK -1,352 (-439).

Valuation techniques

The valuation was performed based on a combined location-price method and the 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.

An uncertainty interval of +/- 5-10 percent is usually applied to property valuations to reflect the uncertainty of assumptions and assessments made.

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. The valuations in Sweden were carried out in accordance with IVS and RICS valuation standards. The same applies to Kielo. 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.

Nyfosa's property portfolio is recognized in the statement of financial position at fair value, Level 3 according to IFRS 13, and the changes in value are recognized in profit or loss.

For additional information on valuation techniques and the assumptions and assessments used in the valuation of Nyfosa's investment properties, refer to Note 10 of Nyfosa's 2022 Annual Report on www.nyfosa.se.

Risks regarding changes in value

The value of the property portfolio is the largest asset item in the statement of financial position. The value of the properties 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.

SENSITIVITY ANALYSIS OF PROPERTY VALUATION

Dec 31, 2023

Earnings effect of changes in parameters in the property valuation, MSEK ¹	% points	Earnings effect
Change in net operating income ²	+/-5.00	+/-1,491
Change in yield requirement	+/-0.25	-/+1,509
Change in discount rate	+/-0.25	-/+1,165

1) Each variable in the table has been addressed individually and on the condition that the other variables remain constant. The analysis refers only to 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) Refers to the appraisers' estimated net operating income in the valuation.

CALCULATION ASSUMPTIONS BY CATEGORY¹⁾

	Net operating income, MSEK		Weighted average yield requirement, %		Weighted average discount rate for cash flow, %		Weighted average discount rate for residual value, %	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Offices	1,224	1,176	6.5	6.1	8.4	8.2	8.6	8.4
Logistics/Warehouse	374	452	6.8	6.4	8.9	8.7	9.0	8.8
Retail	390	334	7.1	6.9	9.1	8.9	9.2	9.1
Industry	260	247	7.5	7.3	9.6	9.4	9.6	9.5
Other	340	315	6.7	6.3	8.5	8.2	8.7	8.6
Total	2,587	2,524	6.8	6.4	8.7	8.5	8.9	8.7

1) Pertains to appraiser' assumptions in 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.

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 jointly owned with AB Sagax.

The 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 and Gothenburg regions. The largest tenant is Volvo Personvagnar. Söderport does not have its own operational organization. Instead, it procures property management and financial administration from Sagax. A small part of property management is procured from Nyfosa.

The participations in Söderport were valued at MSEK 2,728 (2,881) on the balance-sheet date.

KEY FIGURES BY REGION

MSEK	Area, 000s sqm	Value	Value, SEK per sqm	Rental value	Rental value, SEK per sqm	Rental income	Economic occupancy 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

Samfosa

Samfosa is a Norwegian property company that is jointly owned 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 concentrated to 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.

KEY FIGURES JOINT VENTURES

Jan–Dec, MSEK	Söderport		Samfosa	
	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
<i>of which, Nyfosa's share</i>	<i>24</i>	<i>611</i>	<i>-38</i>	<i>61</i>

Dec 31, MSEK	Söderport		Samfosa	
	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
<i>- of which, Nyfosa's share</i>	<i>2,728</i>	<i>2,881</i>	<i>93</i>	<i>137</i>
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

Dec 31, MSEK	Söderport		Samfosa	
	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

SUSTAINABILITY

Nyfosa works toward three sustainability targets. The purpose of these targets is to focus on the areas that are currently most material to reduce the climate footprint of the operations.

Sustainability certification

During the year, the share of Nyfosa's property portfolio that has sustainability certification increased to 33 percent of the total property value. The purpose of sustainability certification is to generate competitive advantages in future leasing operations and to maintain the property portfolio's high credit rating. The review process ahead of a certification results in a well-documented environmental performance of the building, unveils improvement potential and constitutes good supporting material for further investments.

Energy efficiency

Energy consumption can be reduced by actively reviewing and controlling the technical installations of a building, thus reducing the environmental impact of the property in the form of lower carbon emissions and also lower total operating expenses. Installations in the buildings must function as intended in order to maintain a healthy indoor climate for tenants with as little environmental impact as possible.

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

large number of properties in a short period of time. The work towards reaching the target of a decreased energy consumption started in 2023, which means that the baseline is 180.0 kWh per sqm for Kielo.

Carbon emissions

During the year, renewable district heating was procured 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 not only reduces the carbon footprint, but the company demonstrates its demand for environment-improving products, which gives the suppliers the incentive to continue to develop their environmentally friendly products. During 2023, total carbon emissions decreased by 21 percent.

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.

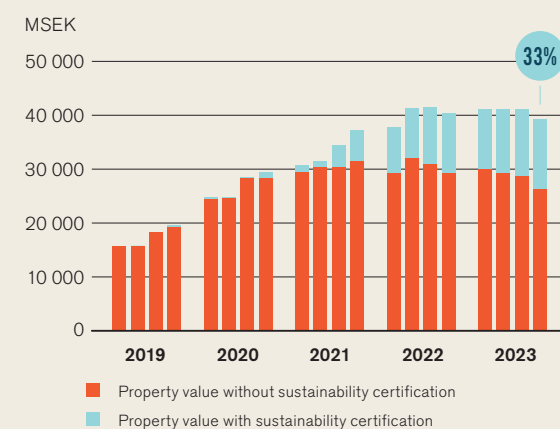
KEY FIGURES¹

Jan-Dec	Sweden	Kiello	Nyfosa			
	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	N/A				
Total energy consumption (GWh)	214	90	304	281	137	133
Total emissions Scope 1, tons CO ₂	284	561	845	522	118	117
Total emissions Scope 2, tons CO ₂	4,269	4,503	8,771	9,077	8,330	4,750
Total 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) Reporting principles for sustainability data are presented in the company's 2022 Annual Report.

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

PROPERTY VALUE WITH SUSTAINABILITY CERTIFICATION



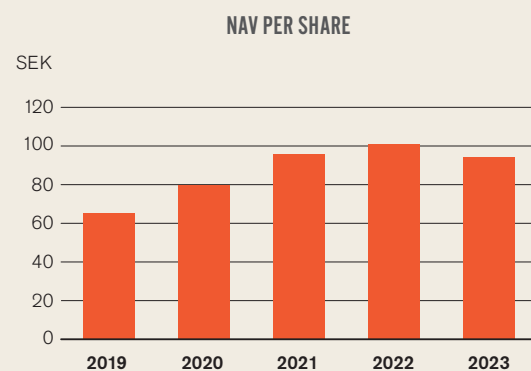
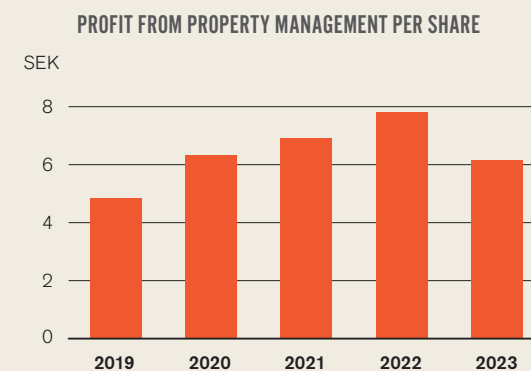
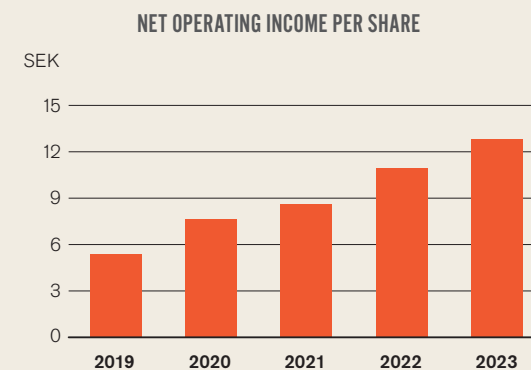
KEY FIGURES

	Jan-Dec				
	2023	2022	2021	2020	2019
Property-related key figures					
Income, MSEK	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, MSEK	-976	-930	-717	-557	-415
Property administration, MSEK	-133	-129	-91	-63	-50
Net operating income, MSEK	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, MSEK	1,239	1,533	1,302	1,147	814
Property value on balance-sheet date, MSEK	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

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

	Jan-Dec				
	2023	2022	2021	2020	2019
Key financial data					
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 been defined by IFRS have been supplemented with a reconciliation. Refer also to the reconciliations and definitions of key figures at the end of this year-end report.



FINANCIAL PERFORMANCE

CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Jan-Dec		Oct-Dec	
	2023	2022	2023	2022
Rental income	3,242	2,853	813	732
Service income	311	297	69	116
Income	3,553	3,151	882	848
Property expenses				
Operating expenses	-661	-635	-136	-161
Maintenance costs	-149	-143	-38	-40
Property tax	-166	-153	-42	-39
Property administration	-133	-129	-33	-32
Net operating income	2,445	2,092	632	576
Central administration	-186	-161	-50	-47
Other operating income and expenses	6	14	-2	7
Share in profit of joint ventures	-8	672	-121	57
- Of which, profit from property management	221	252	49	66
- Of which, changes in value	-197	542	-167	-47
- Of which, tax	-35	-161	-4	-1
- Of which, other	3	38	0	38
Financial income and expenses	-1,246	-664	-336	-217
Profit after financial income and expenses	1,010	1,953	122	375
- Of which, profit from property management	1,239	1,533	293	384
Changes in value of properties	-1,352	-439	-598	-1,491
Changes in value of financial instruments	-320	345	-274	6
Profit/loss before tax	-661	1,859	-750	-1,110
Current tax	-48	-96	17	0
Deferred tax	70	-70	45	228
Profit/loss for the year	-639	1,694	-688	-882
<i>Profit for the year attributable to:</i>				
Parent Company shareholders	-639	1,689	-688	-881
Non-controlling interests	-1	5	-1	-1
Interest on hybrid bonds per share, SEK	-0.33	-0.23	-0.09	-0.07
Earnings per share before dilution, SEK	-3.67	8.62	-3.69	-4.68
Earnings per share after dilution, SEK	-3.67	8.61	-3.69	-4.68

CONDENSED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK	Jan-Dec		Oct-Dec	
	2023	2022	2023	2022
Profit/loss for the year	-639	1,694	-688	-882
Translation of foreign operations	-19	269	-133	57
Comprehensive income for the year	-658	1,962	-821	-825
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	-657	1,955	-819	-826
Non-controlling interests	0	7	-2	1
Comprehensive income for the year	-658	1,962	-821	-825

CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Dec 31	
	2023	2022
ASSETS		
Investment properties	39,278	40,446
Assets with right-of-use	529	501
Participations in joint ventures	2,822	3,018
Derivatives	167	372
Other assets	118	47
Total non-current assets	42,915	44,385
Derivatives	58	-
Current receivables	269	259
Cash and cash equivalents	435	691
Total current assets	762	950
TOTAL ASSETS	43,676	45,335
EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders ¹	16,883	18,378
Non-controlling interests	38	39
Total equity	16,921	18,416
Non-current interest-bearing liabilities	22,860	22,957
Liabilities attributable to right-of-use assets	512	484
Other non-current liabilities	64	62
Derivatives	148	-
Deferred tax liabilities	1,263	1,333
Total non-current liabilities	24,847	24,837
Current interest-bearing liabilities	480	1,076
Other current liabilities	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

1) Of which hybrid bonds of MSEK 758 (763).

CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Equity attributable to the Parent Company's shareholders		Non-controlling interests	Total equity
Opening equity, Jan 1, 2022	17,236	32	17,268	
Issue/buyback of warrants	-11	-	-11	
Dividends to shareholders	-726	-	-726	
Repurchased hybrid bonds	-34	-	-34	
Interest and other expenses on hybrid bonds	-44	-	-44	
Change in non-controlling interests	0	0	0	
Comprehensive income, Jan–Dec 2022	1,955	7	1,962	
Closing equity, Dec 31, 2022	18,378	39	18,416	
Opening equity, Jan 1, 2023	18,378	39	18,416	
Issue/buyback of warrants	-4	-	-4	
Dividends to shareholders	-764	-	-764	
Repurchased hybrid bonds	-5	-	-5	
Interest and other expenses on hybrid bonds	-63	-	-63	
Change in non-controlling interests	0	-1	-1	
Comprehensive income, Jan–Dec 2023	-657	0	-658	
Closing equity, Dec 31, 2023	16,883	38	16,921	

CONDENSED STATEMENT OF CASH FLOWS

MSEK	Jan–Dec		Oct–Dec	
	2023	2022	2023	2022
Operating activities				
Loss before tax	-661	1,859	-750	-1,110
Adjustments for non-cash items	2,918	89	1,325	1,646
Dividends received from participations in joint ventures	180	335	–	110
Interest received	6	5	4	5
Interest paid	-1,104	-483	-299	-152
Interest paid on hybrid bonds	-60	-37	-13	-12
Income tax paid	-65	-54	-21	0
Operating cash flow¹	1,215	1,714	247	487
– per share, SEK	6.36	8.97	1.29	2.55
Change in operating receivables	49	-49	-27	-66
Change in operating liabilities	277	-26	63	-176
Cash flow from operating activities	1,541	1,638	284	246
Investing activities				
Direct and indirect acquisitions of investment properties	-989	-4,313	5	-140
Direct and indirect divestments of investment properties	1,544	1,726	1,001	92
Investments in existing investment properties	-762	-577	-177	-205
Investments in joint venture	0	-192	0	-115
Non-current receivables from joint venture	-75	-24	-24	0
Other	-1	-7	0	14
Cash flow from investing activities	-284	-3,387	805	-355

MSEK	Jan–Dec		Oct–Dec	
	2023	2022	2023	2022
Financing activities				
Issue of shares/warrants	2	4	–	–
Repurchase of shares/warrants	-7	-14	–	-14
Repurchased hybrid bonds	-5	-34	-5	-33
Dividends to shareholders	-755	-688	-191	-181
Loans raised	8,940	10,271	2,069	397
Repayment of loans	-9,789	-7,643	-3,397	-123
Utilized overdraft facilities	94	–	94	–
Change in non-controlling interests	-1	1	–	–
Other	8	-8	0	0
Cash flow from financing activities	-1,512	1,889	-1,430	46
Cash flow for the period	-255	140	-342	-63
Cash and cash equivalents at the beginning of the period	691	534	786	751
Exchange differences in cash and cash equivalents	-1	16	-10	4
Cash and cash equivalents at the end of the period	435	691	435	691

1) Cash flow from operating activities before changes in working capital. The former term "Distributable cash flow" has been replaced by the "Operating cash flow" from the Year-end Report 2023. The difference means that interest received and interest paid have replaced recognized interest. Comparison figures have been adjusted.

PARENT COMPANY STATEMENT OF PROFIT/LOSS

MSEK	Jan–Dec		Oct–Dec	
	2023	2022	2023	2022
Net sales	132	125	31	36
Personnel costs	-98	-93	-22	-21
Other external costs	-59	-58	-16	-18
Depreciation/amortization	0	0	0	0
Loss before financial income and expenses	-25	-26	-7	-2
Profit from participations in Group companies	699	1,215	699	1,215
Interest income and similar income items	307	166	84	60
Interest expenses and similar expense items	-144	-107	-35	-41
Unrealized changes in value of financial instruments	-71	–	-71	–
Profit before appropriations	766	1,248	669	1,231
Appropriations				
Provision to tax allocation reserve	–	0	–	0
Group contributions paid/received	20	25	20	25
Profit before tax	786	1,273	690	1,256
Tax	14	1	14	1
Profit	800	1,273	704	1,257

Profit/loss for the period is the same as comprehensive income for the period.

Nyfosa AB is a holding company whose operations comprise owning and managing shares. The company owns 100 percent of the participations in Nyfosa Holding AB, which indirectly owns properties for SEK 39.3 billion. Furthermore, the company owns, via subsidiaries, 50 percent of the participations in Söderport and Samfosa, which indirectly own properties for SEK 16.0 billion.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

MSEK	Dec 31	
	2023	2022
ASSETS		
Participations in Group companies	0	0
Receivables from Group companies	4,875	5,277
Deferred tax assets	14	–
Total non-current assets	4,889	5,277
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
EQUITY AND LIABILITIES		
Restricted equity	96	96
Unrestricted equity ¹⁾	11,792	11,828
Equity	11,887	11,924
Bonds	1,343	1,591
Other non-current liabilities	3	7
Derivatives	70	–
Total non-current liabilities	1,416	1,598
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

1) Of which hybrid bonds of MSEK 758 (763).

NOTES

NOTE 1

BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed year-end report for the Group has been prepared in accordance with IAS 34 Interim Reporting, as well as the applicable regulations of the Swedish Annual Accounts Act. The year-end report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act. The accounting policies and calculation methods were unchanged compared with 2022 Annual Report. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and the accompanying notes but also elsewhere in this year-end report.

Following growth in Finland in recent years, Nyfosa has two main markets: Sweden and Finland. In connection with this, the internal monitoring of the operations was reviewed, which means that from the 2023 Year-end Report 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 thus monitors and analyzes net operating income and changes in value divided between these two geographic areas of operation. Comparative figures are presented for the two segments.

The former term "Distributable cash flow" has been replaced by the "Operating cash flow" from the Year-end Report 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.

All amounts in the report are stated in millions of SEK ("MSEK") unless otherwise stated. There may be rounding errors in tables that have combined sums from already rounded amounts. Amounts in parentheses refer to the same period in the preceding financial year. Key figures regarding an earnings or cash flow measure, stated per share, are calculated on a weighted average number of shares during the period referred to. Key figures based on an amount in the statement of financial position, stated per share, are calculated on the number of shares on the balance-sheet date, unless otherwise stated. "Rolling 12 months" mean the most recent 12-month period from the balance-sheet date.

NOTE 2

ESTIMATES AND ASSESSMENTS

For assessments and estimates related to the valuation of investment properties, refer to page 20. No other changes have been made since the 2022 Annual Report.

NOTE 3

EARNINGS PER SHARE

Nyfosa currently has three long-term incentive programs based on warrants for Nyfosa employees. A description of the warrants programs is provided in Note 6 on pages 82–84 of the 2022 Annual Report and in the report from the 2023 Annual General Meeting, see <https://nyfosa.se/en/report-from-nyfosa-abs-annual-general-meeting-on-april-25-2023/>. The number of warrants outstanding at the end of the period is presented in the table below.

During the period, the Board offered to repurchase all outstanding warrants in the 2019/2023 warrants program for market-based cash consideration of SEK 27.10 per option. 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. 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.

Reconciliation of options, Dec 31, 2023	LTIP2021 (I)	LTIP2021 (II)	LTIP2022	LTIP2023	Total
Warrants outstanding at beginning of year	325,241	325,241	422,150	–	1,072,632
Warrants subscribed	–	–	–	383,342	383,342
Warrants repurchased	-7,000	-7,000	-29,000	–	-43,000
Warrants utilized	–	–	–	–	–
Warrants outstanding at year-end	318,241	318,241	393,150	383,342	1,412,974

NOTE 4

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

Nyfosa has invested in properties in Finland and in joint ventures with properties in Norway. Balance-sheet items in other currencies are translated to SEK and gave rise to a translation difference of MSEK -19 (269) on the balance-sheet date, which is recognized in Other comprehensive income.

Exposure to exchange rate fluctuations is managed by financing acquisitions of assets in foreign currency raising borrowings in the same currency. Net assets in foreign currency amounted to MEUR 319 and the share of equity in joint ventures including receivables from joint ventures to MNOK 198 on December 31, 2023. If the SEK rate were to strengthen against the two currencies by 10 percent compared with the rate on the balance-sheet date, it would have an effect of MSEK -374 on comprehensive income.

Sensitivity analysis currency exposure

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

NOTE 5

FAIR VALUE OF FINANCIAL INSTRUMENTS

Nyfosa measures its financial instruments at fair value or amortized cost in the statement of financial position, depending on the classification of the instrument. 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, liabilities attributable to issued put options for equity instruments in jointly owned subsidiaries, other liabilities as well as derivatives. All derivatives are classified in Level 2 according to IFRS 13 and are measured at their fair value in the statement of financial position. Nyfosa has binding framework agreements for derivative trading (ISDAs), which enable Nyfosa to offset financial liabilities against financial assets in the event of the insolvency of a counterparty of other event, a process known as netting. No netting currently takes place.

The fair value of the Group's derivatives, which is reflected in the statement of financial position, is presented in the table on page 12. The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other liabilities provides a reasonable approximation of the fair value.

NOTE 6

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. 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.

Date	Change in share capital (SEK)	Change number of shares	Share capital after change (SEK)	Number of shares after change
Oct 17, 2017	-	-	50,000.00	500
May 21, 2018	-	99,500	50,000.00	100,000
May 21, 2018	78,814,124.50	157,628,249	78,864,124.50	157,728,249
Aug 21, 2018	5,000,000.00	10,000,000	83,864,124.50	167,728,249
Feb 17, 2020	3,231,412.00	6,462,824	87,095,536.50	174,191,073
Mar 9, 2020	5,155,000.00	10,310,000	92,250,536.50	184,501,073
Jun 9, 2021	3,260,870.00	6,521,740	95,511,406.50	191,022,813

Hybrid bonds

Nyfosa has hybrid bonds outstanding of MSEK 757.5 (762.5), of which total hybrid bonds issued amount to MSEK 800.0 (800.0) and repurchased hybrid bonds amount 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 has the option to cancel or defer 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 are recognized directly in equity. The bonds have a floating interest rate of STIBOR 3M + 475 basis points up to and including November 18, 2025.

NOTE 7

DEFERRED TAX

Deferred tax is to include temporary differences on all assets and liabilities, except for temporary differences on properties on the closing date since the acquisition is an asset acquisition. There is a total temporary difference of MSEK 14,303 (14,765) in the Group that is not included.

Temporary differences in the property portfolio

December 31, MSEK	2023	2022
Tax residual values	18,492	18,916
Fair value	39,278	40,446
Temporary differences	20,785	21,530
Temporary differences included in the Group	6,482	6,765
Temporary differences not included in the Group	14,303	14,765

NOTE 8

RELATED PARTIES

For information on transactions with related parties, refer to page 21 regarding transactions with joint ventures and Note 3 on page 28 regarding transactions with employees under the incentive programs based on warrants. No other changes have been made since the 2022 Annual Report.

THE SHARE

The share

Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since November 2018.

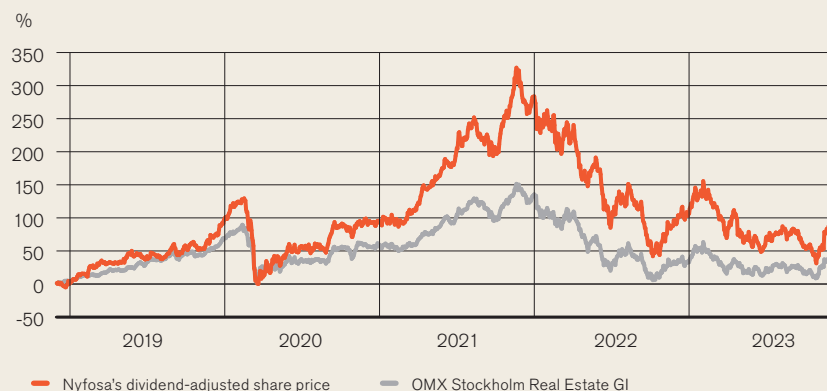
The volume weighted average price of the Nyfosa share on the last day of trading of the year, December 29, 2023, was SEK 96.05, which corresponded to a market capitalization of MSEK 18,347.

Shareholders

At the end of the period, Nyfosa had 17,574 shareholders, of which Swedish investors, institutions and private individuals owned 73.5 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders.

The ten largest owners jointly controlled 63.5 percent of the share capital and voting rights. The table presents Nyfosa's largest shareholders on December 31, 2023, based on information from Modular Finance Monitor.

SHARE PERFORMANCE



Source: Nasdaq Stockholm

SPECIFICATION OF SHAREHOLDERS

Shareholders	Number of shares	Percentage share	
		Capital, %	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

OTHERS DISCLOSURES

2024 Annual General Meeting

Nyfosa's 2024 Annual General Meeting (AGM) will be held in Stockholm on April 23, 2024.

Proposed dividends

The Board 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.

Assurance from the CEO

The CEO gives her assurance that this year-end report provides a fair review of the Group's and the Parent Company'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, February 21, 2024
Nyfosa AB (Corp. Reg. No. 559131-0833)

Stina Lindh Hök
CEO

FINANCIAL CALENDAR

2023 Annual Report	March 26, 2024
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	February 20, 2025

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This year-end report is unaudited.

The information is inside information that Nyfosa AB is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the aforementioned contact persons on February 21, 2024 at 2.40 p.m. CET.

RECONCILIATION OF KEY FIGURES

RETURN ON EQUITY

MSEK	Dec 31				
	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

MSEK	Dec 31				
	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

MSEK	Dec 31				
	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	Dec 31				
	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

MSEK	Dec 31				
	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

MSEK	Dec 31				
	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	Jan-Dec				
	2023	2022	2021	2020	2019
Profit/loss before tax	-661	1,859	3,644	2,399	1,576
Reversal:	1,352	439	-1,652	-1,063	-472
-Changes in value of properties					
-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	Dec 31				
	2023	2022	2021	2020	2019
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, 50%	746	751	596	544	454
Derivatives in joint ventures, 50%	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 JV, Nyfosa's share ¹	579	142	126	119	100
Derivatives in JV, 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	Dec 31				
	2023	2022	2021	2020	2019
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	Jan-Dec				
	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	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

INTEREST-COVERAGE RATIO

MSEK	Jan-Dec				
	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	Dec 31				
	2023	2022	2021	2020	2019
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

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, properties¹⁾

Interest-bearing liabilities at the end of the period in relation to the value of the properties (in the statement of financial position).

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.

Yield¹⁾

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 income¹⁾

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 share¹⁾

Equity, attributable to the Parent Company's shareholders less hybrid bonds, according to the statement of financial position, 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 rate¹⁾

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 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 management¹⁾

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 management¹⁾ 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 NAV¹⁾

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, properties¹⁾

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 in the statement of financial position.

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.

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.

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

Operating cash flow¹

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 interest expenses, including dividends received from participations in joint ventures, 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 ratio¹⁾

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 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 ratio¹⁾

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.

NAV¹⁾

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 providing any rent discounts.

Surplus ratio¹⁾

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).

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