

**Q3**

**INTERIM REPORT  
JANUARY–SEPTEMBER 2022**

**NYFOSA**

## THE QUARTER JULY–SEPTEMBER 2022

- Income amounted to MSEK 799 (634), an increase of 26 percent.
- Profit from property management amounted to SEK 1.89 per share (2.17) and in total to MSEK 374 (414), a decline of 10 percent.
- Profit from property management excluding changes in value and tax in joint ventures amounted to SEK 1.96 per share (1.94) and in total to MSEK 386 (371), an increase of 4 percent.
- Distributable cash flow amounted to SEK 1.71 per share (1.83) and in total to MSEK 326 (349), a decline of 7 percent.
- Profit after tax amounted to SEK 1.34 per share after dilution (3.66) and in total to MSEK 271 (701), a decline of 61 percent.

## THE PERIOD JANUARY–SEPTEMBER 2022

- Income amounted to MSEK 2,304 (1,788), an increase of 29 percent.
- Profit from property management amounted to SEK 8.10 per share (7.33) and in total to MSEK 1,577 (1,372), an increase of 15 percent.
- Profit from property management excluding changes in value and tax in joint ventures amounted to SEK 5.85 per share (5.11) and in total to MSEK 1,149 (957), an increase of 20 percent.
- Distributable cash flow amounted to SEK 6.09 per share (5.35) and in total to MSEK 1,164 (1,002), an increase of 16 percent.
- Profit after tax amounted to SEK 13.27 per share after dilution (10.94) and in total to MSEK 2,576 (2,051), an increase of 26 percent.

## KEY FIGURES

	Jul-Sep		Jan-Sep		Last	Full-year
	2022	2021	2022	2021	4 quarters	2021
Income, MSEK	799	634	2,304	1,788	2,976	2,459
Net operating income, MSEK	544	450	1,517	1,205	1,963	1,651
Surplus ratio, %	68.1	71.1	65.9	67.4	66.0	67.1
Profit from property management, MSEK	374	414	1,577	1,372	2,178	1,973
Profit from property management excluding changes in value and tax in joint ventures, MSEK	386	371	1,149	957	1,494	1,302
Distributable cash flow, MSEK	326	349	1,164	1,002	1,598	1,436
Profit after tax, MSEK	271	701	2,576	2,051	3,637	3,112
Property value on balance-sheet date, MSEK			41,525	34,506	41,525	37,147
EPRA NRV on balance-sheet date, MSEK			20,299	17,039	20,299	18,325
Net loan-to-value ratio of properties on balance-sheet date, %			55.2	56.5	55.2	55.2
Interest-coverage ratio, multiple	2.7	3.7	3.1	3.5	3.2	3.4
<b>Key figures per share</b>						
Profit from property management, SEK	1.89	2.17	8.10	7.33	11.22	10.46
Profit from property management excluding changes in value and tax in joint ventures, SEK	1.96	1.94	5.85	5.11	7.64	6.90
Distributable cash flow, SEK	1.71	1.83	6.09	5.35	8.36	7.64
Profit after tax after dilution, SEK	1.34	3.66	13.27	10.94	18.79	16.49
EPRA NRV on balance-sheet date, SEK			106.26	89.20	106.26	95.93

## SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- A property portfolio valued at MSEK 340 consisting of eight properties with warehouse and light industry was acquired in Kalmar. Closing took place in August.
- Eight properties located in Västervik, Halmstad and the Finnish city of Turku were acquired in three transactions for MSEK 411. Closing of two of the properties took place during the quarter.
- The Board of Nyfosa presented an offer to repurchase warrants issued under the framework of the company's 2019/2023 warrant program to warrant holders.

## COMMENTS FROM THE CEO

Despite turbulence in the market, which I believe we will be living with for some time, I feel confident in Nyfosa – with our assets, our tenants and our cash flows. Rising interest rates and electricity prices are negatively affecting us but we have healthy margins. Cash flow has always been a focal point for us and at the current time this seems more important than ever.

Net operating income is increasing steadily and broke records in the third quarter. Profit from property management, excluding changes in value and tax in joint ventures, increased compared with last year. We continue to have positive net leasing for the 14th consecutive quarter.

We carried out acquisitions for approximately MSEK 750 during and after the quarter. An industrial portfolio in Kalmar, offices in central Västervik and warehouse/industry in Halmstad and Turku – properties with solid cash flows and prime locations for their purposes. At the same time, we divested a large office property in Solna to the Swedish Fortifications Agency for MSEK 400. All in all, these transactions contribute to stronger cash flow per share.

### Stable valuations

There is a great focus in the market on valuations, primarily related to higher financial costs. We value all of our properties externally every quarter and have precise and systematic processes for this. We report a marginally negative change in value of –0.4 percent as a result of higher yield requirement, but our stronger net operating income and projects in properties counterbalance this. The yield requirement in the valuations has increased by 0.25 of a percentage point.

### Financing and capital structure

The vast majority of Nyfosa's financing is bank loans, 93 percent, and the remainder is bonds. Part of the loan portfolio were refinanced in the second quarter, which means

that the next bond maturity is MSEK 1,100 in April 2024. I believe that the banking market is working well. 42 percent of our loans are interest-rate-hedged and the average hedge term is 2.4 years. Since we primarily hedge our interest rates using interest-rate

caps that average 1.56 percent today, this means that most of the interest-rate rises have impacted Nyfosa's net operating income. The interest-rate cap has now been reached and therefore any future increases in interest rates will not be charged to Nyfosa's net operating

income as regards the part of the loan portfolio that is hedged.

Higher interest expenses and electricity costs mean that our earnings capacity declined compared with the preceding quarter. From 1 January 2023, inflation will have a positive impact on our earnings capacity due to indexation of rental income. If the consumer price index ends up at 9 percent, it will mean an increase of about MSEK 200 in earnings capacity.

Nyfosa is a young, hungry company and we are only at the start of our journey. We have a long-term plan to leverage our opportunistic approach to create the most sustainable and growing cash flow per share, and that must be allowed to take the time it needs. The markets will rise and fall. No matter what the market trend, we will always evaluate what is best for our shareholders. Constantly evaluate and act. The work continues.

*Stina Lindh Hök, CEO*

**“Constantly evaluate and act.”**

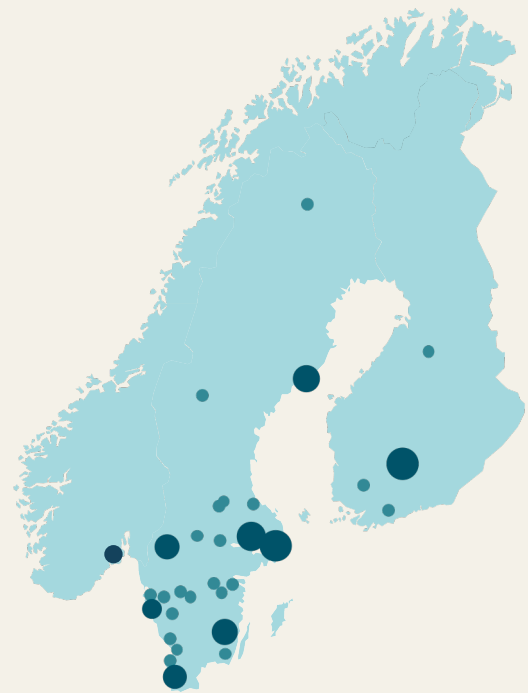


# Nyfosa will be the Swedish property company that is the best at creating value.

## BUSINESS CONCEPT

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

Nyfosa is currently active in the Swedish, Finnish and Norwegian markets with a focus on commercial properties in high-growth municipalities.



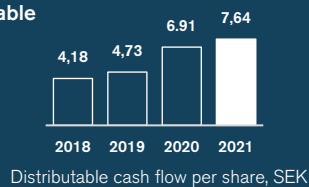
Total property value incl. Nyfosa's participations in joint ventures SEK 48.1 billion on September 30, 2022.

## FINANCIAL TARGET

Annual growth in distributable cash flow per share of share of 10 percent.

Outcome 2021:

**+11%**



## DIVIDEND POLICY

At least 40 percent of the distributable 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.

## FINANCIAL RISK LIMITS

On September 30, 2022

Equity/assets ratio.  
Long-term at least 25 percent.

**41.5%**

Loan-to-value ratio.  
Not to exceed 65 percent.

**57.0%**

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

**3.2x**

## SUSTAINABILITY GOALS

### 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 have fallen by 10 percent compared with 2020.

### LONG-TERM TARGETS

#### Carbon emissions

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

## CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Jul-Sep		Jan-Sep		Last 4	Full-
	2022	2021	2022	2021	quarters	year
Rental income	786	622	2,259	1,765	2,915	2,421
Other property income	13	12	45	23	61	39
<b>Total income</b>	<b>799</b>	<b>634</b>	<b>2,304</b>	<b>1,788</b>	<b>2,976</b>	<b>2,459</b>
Property expenses						
Operating expenses	-148	-84	-474	-321	-591	-439
Maintenance costs	-26	-42	-102	-115	-154	-167
Property tax	-46	-30	-114	-83	-143	-112
Property administration	-35	-26	-97	-64	-124	-91
<b>Net operating income</b>	<b>544</b>	<b>450</b>	<b>1,517</b>	<b>1,205</b>	<b>1,963</b>	<b>1,651</b>
Central administration	-35	-27	-114	-94	-148	-128
Other operating income and expenses	2	0	6	4	7	5
Share in profit of joint ventures	53	105	615	576	927	888
Financial income and expenses	-190	-115	-448	-320	-571	-443
<b>Profit from property management</b>	<b>374</b>	<b>414</b>	<b>1,577</b>	<b>1,372</b>	<b>2,178</b>	<b>1,973</b>
<b>Profit from property management excluding changes in value and tax in joint ventures</b>	<b>386</b>	<b>371</b>	<b>1,149</b>	<b>957</b>	<b>1,494</b>	<b>1,302</b>
Changes in value of properties	-161	426	1,052	985	1,719	1,652
Changes in value of financial instruments	162	0	339	2	355	19
<b>Profit before tax</b>	<b>374</b>	<b>840</b>	<b>2,969</b>	<b>2,360</b>	<b>4,252</b>	<b>3,644</b>
Tax	-103	-139	-393	-309	-615	-532
<b>Profit</b>	<b>271</b>	<b>701</b>	<b>2,576</b>	<b>2,051</b>	<b>3,637</b>	<b>3,112</b>
<i>Profit attributable to:</i>						
Parent Company shareholders	268	701	2,570	2,051	3,631	3,112
Non-controlling interests	3	0	5	0	6	0
<b>Profit</b>	<b>271</b>	<b>701</b>	<b>2,576</b>	<b>2,051</b>	<b>3,637</b>	<b>3,112</b>
Earnings per share before dilution, SEK	1.34	3.67	13.30	10.96	18.83	16.52
Earnings per share after dilution, SEK	1.34	3.66	13.27	10.94	18.79	16.49

## CONDENSED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK						
Profit	271	701	2,576	2,051	3,637	3,112
Translation of foreign operations	94	4	212	4	217	9
<b>Comprehensive income</b>	<b>365</b>	<b>705</b>	<b>2,788</b>	<b>2,055</b>	<b>3,854</b>	<b>3,121</b>
<i>Comprehensive income attributable to:</i>						
Parent Company shareholders	357	705	2,771	2,054	3,836	3,120
Non-controlling interests	7	0	17	0	18	1
<b>Comprehensive income</b>	<b>365</b>	<b>705</b>	<b>2,788</b>	<b>2,055</b>	<b>3,854</b>	<b>3,121</b>



# COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

## JULY–SEPTEMBER 2022 QUARTER

Closing took place during the quarter for eight properties for warehouse and light industry purposes in Kalmar. The acquisition price amounted to MSEK 320. The occupancy rate is 99.5 percent and the total average remaining lease term is 2.3 years. The largest tenants are Prestando Kalmar, Halltorp Rördelar and Kalmar Municipality. The total annual rental value amounts to approximately MSEK 25.7.

### Rental income and net operating income

Leasing operations resulted in net leasing of MSEK +2. New leases were signed for a total of MSEK 30, while terminations amounted to MSEK 27. Confirmed bankruptcies among tenants amounted to MSEK 1.

Rent losses amounted to MSEK 2, corresponding to about 0.3 percent of total income, which is a normal level for the company. Rent receivables for rents invoiced were settled in accordance with the contractual terms, except for a small number of invoices, which is not different from normal.

Total income amounted to MSEK 799 (634), up MSEK 165 or 26 percent. The larger portfolio was the main reason for the growth.

Operating expenses amounted to MSEK 148 (84), an increase of MSEK 64 corresponding to 76 percent. The increase is partly due to a larger portfolio and partly higher price levels, even though energy optimization measures limited the increase in costs through reduced energy use. About 60 percent of total costs for electricity, water and heating are charged to the tenants.

Net operating income for the quarter amounted to MSEK 544 (450) and the surplus ratio was 68.1 percent (71.1). The Finnish portfolio includes the net operating income from services offered to the tenants in Jyväskylä. The surplus ratio for these services is significantly lower, but makes a positive contribution to maintaining a high standard for the tenants in the centrally located buildings.

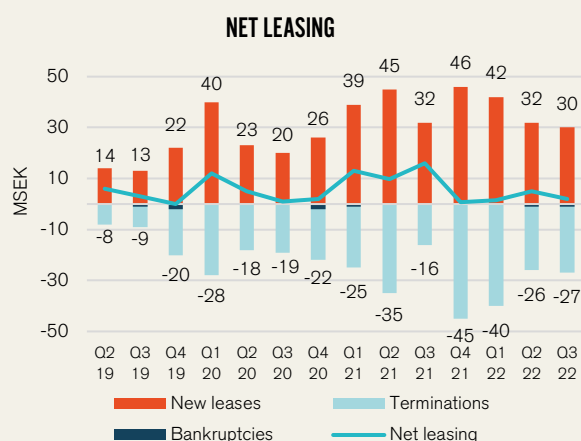
### Profit from property management

Costs for central administration amounted to MSEK 35 (27). The higher costs were due to the significantly larger property management portfolio in Finland.

Profit from participations in joint ventures of MSEK 53 (105) comprised Nyfosa's share of Söderport's and Samfosa's profit after tax. Nyfosa's share of profit from property management in joint ventures amounted to MSEK 66 (63) and changes in values and tax impacted the share in profit by MSEK –12 (5).

Financial income and expenses amounted to MSEK –190 (–115). The increase was due to higher net debt, amounting to MSEK 22,925 (19,510) on the balance-sheet date and the higher market interest rates. As per September 30, 42 percent of the total debt portfolio was hedged with an interest-rate cap or swap. The average interest-rate cap is 1.56 percent. The interest-coverage ratio was a multiple of 2.7 (3.7). The share of index-linked annual rental income amounts to about 89 percent, meaning that rental income increases in line with inflation. Accordingly, there is a natural hedge in the leases against rising interest expenses.

Profit from property management amounted to MSEK 374 (414). Excluding changes in value and tax in joint ventures, profit from property management amounted to MSEK 386 (371).



## Changes in value

The effect of revaluation of properties amounted to MSEK –161 (426). The negative value trend was mainly due to corrected yield requirements from an average of 5.83 percent last quarter to 6.08 percent in the current valuation in the accounts. The value adjustment from the higher yield requirement is partly offset by the improved future net operating income due to new leases, renegotiations and inflation assumptions. In the valuations, the inflation assumptions were 7.0 percent in Sweden and 6.7 percent in Finland. All properties are valued every quarter by an external independent appraiser.

## Tax

The tax expense for the quarter amounted to MSEK 103 (139). The effective tax rate was 27.6 percent (16.5). The deviation from the nominal tax rate of 20.6 percent was mainly due to an individual transaction whereby a subsidiary sold a property, which resulted in a significantly higher capital gain in the subsidiary than in the Group.

Earnings per share for the quarter after dilution amounted to SEK 1.34 (3.66). The change was due to negative, unrealized changes in value of the properties.

## JANUARY–SEPTEMBER 2022 PERIOD

### Rental income and net operating income

Income amounted to MSEK 2,304 (1,788), up MSEK 516 or 29 percent. The larger portfolio was the main reason for the growth.

Operating expenses amounted to MSEK 474 (321), an increase of MSEK 153 corresponding to 47 percent. The increase is partly due to a larger portfolio and partly higher price levels, even though energy optimization measures limited the increase in costs through reduced energy use. About 60 percent of total costs for electricity, water and heating are charged to the tenants. Net operating income amounted to MSEK 1,517 (1,205) and the surplus ratio was 65.9 percent (67.4). Net operating income for the period was impacted by higher electricity prices in both Sweden and Finland. The Finnish portfolio includes the net operating income from services offered to the tenants in Jyväskylä. The surplus ratio for these services is significantly lower, but makes a positive contribution to maintaining a high standard for the tenants in the centrally located buildings.

### Profit from property management

Costs for central administration amounted to MSEK 114 (94). The higher costs were due to the significantly larger property management portfolio in Finland.

Profit from participations in joint ventures of MSEK 615 (576) comprises Nyfosa's share of Söderport's and Samfosa's profit after tax. Nyfosa's share of profit from property management in joint ventures amounted to MSEK 187 (183) and changes in values and tax impacted the share in profit by MSEK 429 (400).

Financial income and expenses amounted to MSEK –448 (–320). The increase was due to higher net debt, amounting to MSEK 22,925 (19,510) on the balance-sheet date and the higher market interest rates.

Profit from property management amounted to MSEK 1,577 (1,372). Excluding changes in value and tax in joint ventures, profit from property management amounted to MSEK 1,149 (957).

## Changes in value

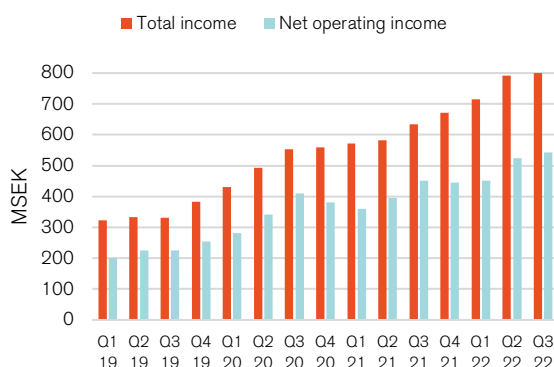
Revaluation of properties amounted to MSEK 1,052 (985) and was mainly impacted by signed new leases and renegotiated leases as well as sales that exceeded carrying amounts. The value trend was also negatively impacted in the third quarter, primarily due to the corrected yield requirement, as a result of macroeconomic developments.

## Tax

The tax expense for the period was MSEK 393 (309). The effective tax rate was 13.2 percent (13.1). The deviation from the nominal tax rate of 20.6 percent was mainly due to the profit from participations in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to any non-taxable capital gains on the divestment of properties via companies, and the value of loss carryforwards changing over time.

Earnings per share for the period after dilution amounted to SEK 13.27 (10.94).

### INCOME AND NET OPERATING INCOME PER QUARTER



### PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



## CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Sep 30		Dec 31
	2022	2021	2021
<b>ASSETS</b>			
Investment properties	41,525	34,506	37,147
Assets with right-of-use	489	202	237
Participations in joint ventures	2,955	2,310	2,490
Derivatives	364	5	22
Other assets	63	4	3
<b>Total non-current assets</b>	<b>45,396</b>	<b>37,026</b>	<b>39,898</b>
Current receivables	176	188	193
Cash and cash equivalents	751	553	534
<b>Total current assets</b>	<b>927</b>	<b>741</b>	<b>727</b>
<b>TOTAL ASSETS</b>	<b>46,323</b>	<b>37,767</b>	<b>40,626</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to Parent Company shareholders <sup>1</sup>	19,238	15,379	17,236
Non-controlling interests	49	31	32
<b>Total equity</b>	<b>19,288</b>	<b>15,410</b>	<b>17,268</b>
Non-current interest-bearing liabilities	23,410	16,292	16,492
Liabilities attributable to right-of-use assets	473	195	229
Other non-current liabilities	71	35	48
Deferred tax liabilities	1,555	1,030	1,252
<b>Total non-current liabilities</b>	<b>25,509</b>	<b>17,551</b>	<b>18,021</b>
Current interest-bearing liabilities	266	3,771	4,553
Other current liabilities	1,260	1,035	783
<b>Total current liabilities</b>	<b>1,526</b>	<b>4,806</b>	<b>5,337</b>
<b>Total liabilities</b>	<b>27,035</b>	<b>22,357</b>	<b>23,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,323</b>	<b>37,767</b>	<b>40,626</b>

1. Of which hybrid bonds of MSEK 800 (-).

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

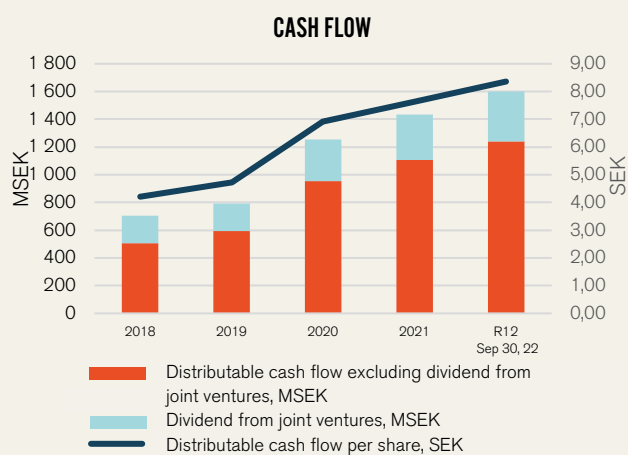
MSEK	Equity attributable to the Parent Company's shareholders	Non-controlling interests	Total equity
Opening equity, Jan 1, 2021	13,333	-	13,333
Issue/buyback of warrants	3	-	3
New share issue	743	-	743
Dividends to shareholders	-753	-	-753
Change in non-controlling interests	-	30	30
<b>Comprehensive income Jan-Sep 2021</b>	<b>2,055</b>	<b>0</b>	<b>2,055</b>
<b>Closing equity, Sep 30, 2021</b>	<b>15,379</b>	<b>31</b>	<b>15,410</b>
New issue of hybrid bonds	800	-	800
Issue costs for hybrid bonds	-10	-	-10
Change in non-controlling interests	-	1	1
<b>Comprehensive income, Oct–Dec 2021</b>	<b>1,065</b>	<b>1</b>	<b>1,066</b>
<b>Closing equity, Dec 31, 2021</b>	<b>17,236</b>	<b>32</b>	<b>17,268</b>
Opening equity, Jan 1, 2022	17,236	32	17,268
Issue/buyback of warrants	-11	-	-11
Dividends to shareholders	-726	-	-726
Interest to hybrid bond holders	-31	-	-31
Change in non-controlling interests	-	1	1
<b>Comprehensive income Jan-Sep 2022</b>	<b>2,771</b>	<b>17</b>	<b>2,788</b>
<b>Closing equity, Sep 30, 2022</b>	<b>19,238</b>	<b>49</b>	<b>19,288</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Jul-Sep		Jan-Sep		Last 4	Full-year
	2022	2021	2022	2021	quarters	2021
<b>Operating activities</b>						
Profit from property management	374	414	1,577	1,372	2,178	1,973
Adjustments for non-cash items	-32	-89	-559	-541	-858	-839
Dividend from holdings in joint ventures	0	25	225	200	357	332
Interest paid to hybrid bond holders	-16	-	-25	-	-25	-
Income tax paid	0	0	-54	-29	-54	-29
<b>Distributable cash flow<sup>1</sup></b>	<b>326</b>	<b>349</b>	<b>1,164</b>	<b>1,002</b>	<b>1,598</b>	<b>1,436</b>
– per share, SEK	1.71	1.89	6.09	5.32	8.36	7.64
Change in operating receivables	-3	28	17	13	26	22
Change in operating liabilities	-9	-3	217	74	73	-70
<b>Cash flow from operating activities</b>	<b>314</b>	<b>375</b>	<b>1,398</b>	<b>1,089</b>	<b>1,697</b>	<b>1,389</b>
<b>Investing activities</b>						
Direct and indirect acquisitions of investment properties	-425	-2,521	-4,172	-4,422	-5,961	-6,211
Direct and indirect divestments of investment properties	398	0	1,635	667	1,623	655
Investments in existing investment properties	-145	-107	-372	-353	-494	-475
Investments in joint ventures	0	-1	-77	-17	-77	-17
Non-current receivables from joint ventures	-10	0	-29	0	-29	-
Other	0	-2	-22	-2	-22	-2
<b>Cash flow from investing activities</b>	<b>-181</b>	<b>-2,631</b>	<b>-3,037</b>	<b>-4,128</b>	<b>-4,960</b>	<b>-6,051</b>
<b>Financing activities</b>						
New issue of shares/warrants	0	-1	4	744	4	744
New issue of hybrid bonds	0	0	-1	0	793	793
Dividends to shareholders	-181	-143	-506	-466	-649	-609
Loans raised	308	2,042	9,874	6,643	11,081	7,849
Repayment of loans	-280	-295	-7,520	-3,674	-7,771	-3,924
New share issue to non-controlling interests	0	0	1	30	1	30
Other	0	0	-9	0	-9	-
<b>Cash flow from financing activities</b>	<b>-153</b>	<b>1,602</b>	<b>1,843</b>	<b>3,278</b>	<b>3,449</b>	<b>4,884</b>
<b>Cash flow for the period</b>	<b>-20</b>	<b>-654</b>	<b>204</b>	<b>239</b>	<b>186</b>	<b>221</b>
Cash and cash equivalents at the beginning of the period	766	1,206	534	312	534	312
Exchange differences in cash and cash equivalents	5	1	12	1	12	1
<b>Cash and cash equivalents at the end of the period</b>	<b>751</b>	<b>553</b>	<b>751</b>	<b>553</b>	<b>751</b>	<b>534</b>
Interest received	0	0	0	1	-1	0
Interest paid	-115	-78	-317	-259	-417	-358

<sup>1</sup> Cash flow from operating activities before changes in working capital.



The distributable cash flow comprises the company's profit from property management, excluding non-cash items, such as share in profit of joint ventures and depreciation of equipment, including dividends received from holdings in joint ventures, interest to hybrid bond holders and tax paid.

The dark blue line in the graph shows the trend in cash flow per share.

The company's target is to achieve annual growth in distributable cash flow per share of 10 percent.

## INVESTMENT PROPERTIES

The property portfolio is diversified in terms of both geographical diversification and property category. Geographically speaking, most properties are situated in high-growth municipalities and at strategic warehouse/logistics locations in Sweden and regional cities in Finland. The geographic diversity spreads risks favorably, at the same time as the locations outside the central areas of the major cities have stable rent levels.

### Offices

The office properties are situated in Swedish high-growth municipalities such as Karlstad, Örnköldsvik, Sundsvall, Västerås and Växjö as well as Finnish regional cities such as Jyväskylä, Lappeenranta and Tampere. Office properties are of high quality and most are centrally located in each town.

### Logistics/Warehouse

The logistics and warehouse premises are situated in towns such as Malmö, Haninge, Karlstad, Borås and Växjö as well as regional cities in Finland. A considerable share of the properties are located in local and regional logistics hubs that are prime warehousing areas, particularly for e-commerce companies, and can be used very flexibly.

### Retail

The retail properties are primarily situated in expansive and popular big-box retail areas in attractive locations close to public communication. These commercial areas are primarily in Värnamo, Luleå, Borås, Västerås and Huddinge. Tenants include mainly established grocery, DIY and gardening and big-box retail. The retail properties are of generally high quality, offer considerable flexibility in terms of use and have a high average occupancy rate. Nyfosa views select retail properties to be a good complement to other property categories in the portfolio.

### Industry

The industrial properties are situated in high-growth regions in locations such as Eskilstuna, Tampere and Oulu. A considerable portion of the properties are situated in attractive industrial areas with good access to public communication and a proximity to cities. A large portion of the properties are modern buildings with a highly flexible range of applications. The tenants are typically active in sectors such as light industry, manufacturing, workshops and service.

### Other

This category includes mixed properties with no clear category. There is also a small number of properties, such as premises for hotel operations, schools, restaurants, healthcare and apartments. Properties in this category are located in high-growth regions that have positive population growth, such as Karlstad, Uppsala, Luleå, Stockholm, Örebro, Växjö, Malmö and Helsinki.

In addition to the wholly owned portfolio, Nyfosa owns 50 percent of the property company Söderport in Sweden and Samfosa in Norway, both of which are joint ventures.

## LEASE STRUCTURE

The rental value on October 1, 2022 amounted to MSEK 3,427, of which vacancy rent, including discounts, was MSEK 261. The share of index-linked annual rental income amounted to about 89 percent. Nyfosa had 6,563 leases including 2,573 leases for garages and parking spaces. The average lease term was 3.7 years. The lease term in the Finnish portfolio was 3.2 years. A large share of rental income in the Finnish portfolio refers to "until further notice 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. 47 green appendices were signed during the period when new leases were signed or leases were renegotiated. 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 and lighting.

Nyfosa has a highly diverse tenant list featuring only a small number of dominant tenants. The ten largest tenants represent 11 percent of total rental income and are distributed between 159 leases. Among the largest tenants are the Swedish Transport Agency, Saab, Telia, Social Insurance Agency, City Gross, the Swedish Police, the Swedish Public Employment Service and the City of Helsinki, meaning a large share of companies that conduct tax-financed operations. Of total rental income, tax-financed rent represented 26 percent.

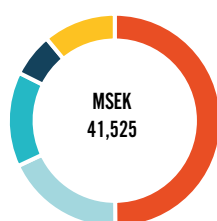
Property category	Value, MSEK	Share, %	SEK per sqm	No. of properties	Leasable area, 000s sqm	Rental value <sup>1</sup> , MSEK	Annual income <sup>1</sup> , MSEK	Economic occupancy rate, %	Lease term, years
Offices	20,731	50	18,128	180	1,144	1,665	1,505	90.8	2.7
Logistics/Warehouse	7,513	18	9,067	120	829	587	537	93.1	4.1
Retail	5,964	14	13,050	93	457	540	512	95.8	5.5
Industry	2,736	7	8,532	63	321	273	262	96.4	3.7
Other	4,581	11	17,524	46	261	362	349	97.1	4.7
<b>Total</b>	<b>41,525</b>	<b>100</b>	<b>13,790</b>	<b>502</b>	<b>3,011</b>	<b>3,427</b>	<b>3,166</b>	<b>93.1</b>	<b>3.7</b>

#### Region

Finland	8,043	19	15,925	88	505	833	741	89.3	3.2
Greater Gothenburg	506	1	11,295	5	45	44	38	89.9	5.7
Mälardalen	5,896	14	14,148	50	417	460	430	93.8	3.4
Greater Malmö	3,046	7	11,304	53	269	224	214	97.3	4.2
Coast of Norrland	5,174	12	13,109	65	395	402	377	94.0	3.7
Småland	3,623	9	9,968	67	363	314	291	93.2	4.4
Greater Stockholm	5,531	13	22,075	47	251	372	344	93.7	4.5
Värmland	3,581	9	16,119	47	222	288	273	95.7	3.2
Other	6,126	15	11,252	80	544	489	457	94.4	3.6
<b>Total</b>	<b>41,525</b>	<b>100</b>	<b>13,790</b>	<b>502</b>	<b>3,011</b>	<b>3,427</b>	<b>3,166</b>	<b>93.1</b>	<b>3.7</b>

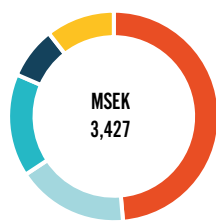
1. According to current leases on October 1, 2022.

#### PROPERTY VALUE BY CATEGORY

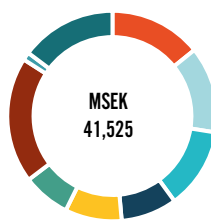


■ Offices ■ Logistics/Warehouse ■ Retail ■ Industry ■ Other

#### RENTAL VALUE BY CATEGORY



#### PROPERTY VALUE BY REGION

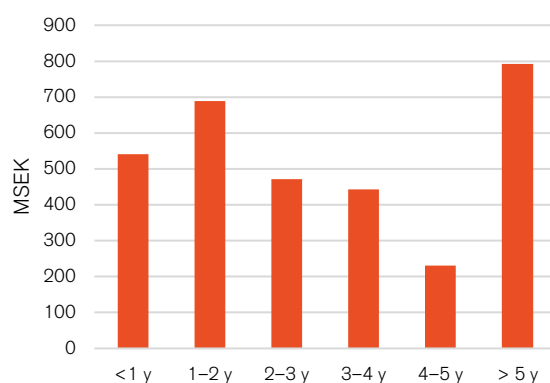


■ Mälardalen ■ Coast of Norrland ■ Småland ■ Finland ■ Greater Stockholm ■ Värmland ■ Greater Gothenburg ■ Other

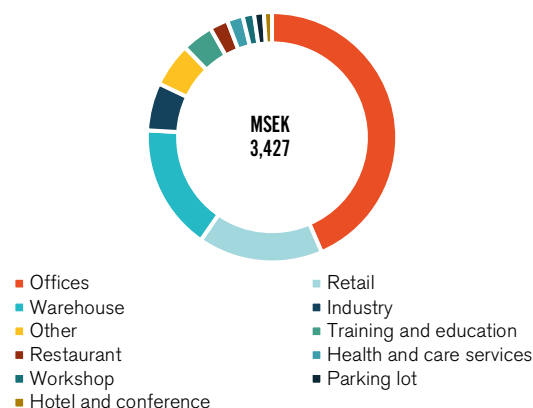
#### RENTAL VALUE BY REGION



#### LEASE MATURITY STRUCTURE



#### RENTAL VALUE TYPE OF PREMISES



## PROPERTY PORTFOLIO TRENDS

### TRANSACTIONS AND INVESTMENTS

#### Acquired properties, January–September 2022

Closing took place during the quarter for eight properties for warehouse and light industry purposes in Kalmar. The acquisition price amounted to MSEK 320. The occupancy rate is 99.5 percent and the total average remaining lease term is 2.3 years. The largest tenants are Prestando Kalmar, Halltorp Rördelar and Kalmar Municipality. The total annual rental value amounts to approximately MSEK 25.7.

Closing also took place for two properties in Halmstad on September 30, 2022. Region Halland is the largest tenant. The acquired properties have a total area of approximately 11 thousand sqm, comprising warehouses and industry in established industrial areas in Halmstad.

Several closings were completed in the Finnish market during the second quarter, including two major portfolios. The largest portfolio comprises properties located in several municipalities in Finland, with a focus on the Helsinki region, Turku and Jyväskylä. The acquisition price amounted to a corresponding MSEK 2,109 and the portfolio includes offices, retail, schools and healthcare with a diversified tenant base. The tenants include Delta Auto, Senate Properties, Kesko, Tokmanni, and the City of Helsinki. The occupancy rate is 87 percent, the rental value is MSEK 311 and the remaining lease term is 4.7 years. The second portfolio comprises properties in the Helsinki region, Tampere and several large cities across Finland. The acquisition price amounted to a corresponding MSEK 1,415 and the portfolio primarily comprises light industry and warehouse properties, as well as some big-box retail and offices. Among the larger tenants are several well-known companies such as Rusta, Motonet, Jysk, Senate Properties and Kesko. The occupancy rate is 91.5 percent, the rental value is MSEK 150 and the remaining lease term is 3.5 years.

#### Investments in existing properties, January–September 2022

The process of environmentally certifying buildings is continuing, with the primary aim of preparing solid data for deciding on any investment in energy-optimization measures. Six buildings in the existing portfolio secured sustainability certification in the quarter. Properties with sustainability certification had a total value of SEK 10.6 billion on the balance-sheet date, corresponding to 25 percent of the total property value.

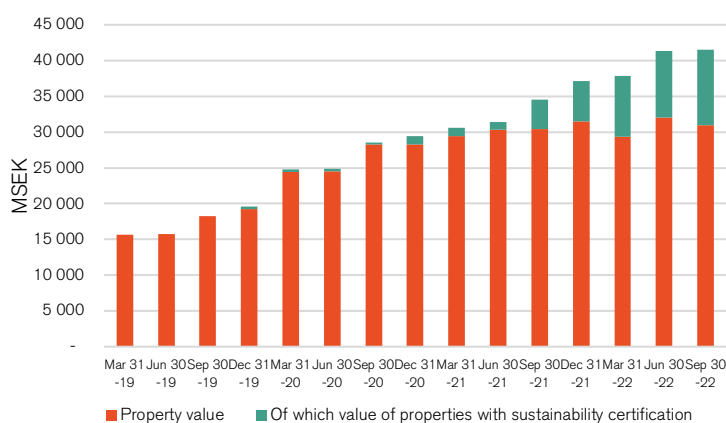
Specific measures to enhance the cost efficiency of the operation of the premises include analyses to identify investments in energy optimization. Lower energy consumption reduces carbon emissions and also leads to lower operating expenses. A green appendix is offered for when major new leases are signed or leases are renegotiated, the aim of which is to identify and follow up on various initiatives to reduce energy consumption in premises, such as more efficient heating and lighting.

Investments of MSEK 372 were made in the existing property portfolio. The majority of investments were for projects, tenant-specific modifications and improvements related to finalized leases.

### CHANGES IN VALUE

MSEK	Jan 1–Sep 30		Jan 1– Dec 31
	2022	2021	2021
<b>Property value at the beginning of the year</b>	<b>37,147</b>	<b>29,411</b>	<b>29,411</b>
Acquired properties	4,201	4,417	6,243
Investments in existing properties	372	353	475
Divested properties	-1,638	-675	-663
Realized changes in value	233	-31	-42
Unrealized changes in value	819	1,016	1,694
Translation effect, currency	391	14	28
<b>Property value at the end of the period</b>	<b>41,525</b>	<b>34,506</b>	<b>37,147</b>

### TREND IN PROPERTY PORTFOLIO



Municipality	Property	Type of premises	Tenant	Area, 000s of sqm	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, years
Jyväskylä	Vasarakatu 27	School	Ammattiopisto Spesia	4	35	86	Q2 2023
Gävle	Norr 12:5	Offices	Social Insurance Agency	6	49	66	Q4 2022
Luleå	Mården 11	Offices	Luleå municipality	11	21	101	Q2 2023
Malmö	Rosenbuketten 4	Offices	Swedish Police	5	15	25	Q4 2022

The largest ongoing investments are presented in the table above. A major expansion and renovation project is underway at the Vasarakatu 27 property in Jyväskylä, for which a 15-year lease was signed with Spesia, which conducts education and training. The premises in Mården 11 in Luleå are undergoing a complete renovation and modification for the Municipality of Luleå, which signed a ten-year lease with occupancy scheduled for 2023. The premises in Norr 12:5 in Gävle are being renovated and modified for the existing tenant the Social Insurance Agency. Modifications are being made at Rosenbuketten 4 in Malmö for the Swedish Police, which signed a new six-year lease. Modifications were made to an area of about 2 thousand sqm at Snickaren 12 in Växjö for DHL, which signed a new five-year lease starting during the quarter. Construction of a new McDonald's restaurant at the Filtret 6 property in Borås was also completed during the quarter. The 20-year lease was signed with Food folk Sverige AB.

#### Divested properties, January–September 2022

The Skogskarlen 3 property in Solna, which was divested at a selling price of MSEK 400, was vacated during the quarter. The property has an annual rental value of MSEK 20 and the occupancy rate is 44 percent. The buyer was the Swedish Fortifications Agency.

During the second quarter, 13 properties were divested at a selling price of MSEK 947. The portfolio comprises industry, warehouse, office and retail situated in a number of municipalities in Småland and Östergötland. The total leasable area is 111 thousand sqm and the annual rental value is MSEK 76. Also during the second quarter, an agreement was signed for the sale of a property in the center of Valsta, Märsta, which was divested at a selling price of MSEK 101. The property has a occupancy rate of 99 percent and rental value of MSEK 12. Closing is planned for October 31, 2022.

Three properties, one logistics and two office properties, were vacated in Sweden during the first quarter.

#### YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement for externally valued properties on September 30, 2022 was 6.08 percent, and the weighted cost of capital for the present value calculation of cash flows and residual values was a nominal 8.20 percent and 8.42 percent, respectively. Inflation expectations for 2023 were 7 percent in Sweden and 6.7 percent in Finland. When last valued on June 30, 2022, the yield requirement was 5.83 percent, and the weighted cost of capital for the present value calculation of cash flows and residual values was 7.74 percent and 8.02 percent, respectively.

#### VALUATION TECHNIQUES

The value of the properties has been assessed based on a market-adapted cash-flow estimate in which, by simulating the calculated future income and expenses, an analysis has been made of the market's expectations with respect to the subject property.

The yield requirement used in the estimate derives from sales of comparable properties. For additional information on valuation techniques, refer to Note 13 of Nyfosa AB's 2021 Annual Report on [www.nyfosa.se](http://www.nyfosa.se).

The company engages external, independent appraisers every quarter to quality assure the fair value measurement of the company's properties. All properties are valued every quarter, except for those properties for which possession was taken during the current quarter or properties for which a sales agreement exists. In these cases, the agreed property value is used.

#### Sensitivity analysis – change in value for changes in valuation parameters

September 30, 2022	%	MSEK
Change in net operating income <sup>1</sup>	+/-5.00	+/-2,178
Change in yield requirement	+/-0.25	+/-1,757
Change in growth assumptions	+/-0.50	+/-202
Change in discount rate	+/-0.25	+/-1,288

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

## EARNINGS CAPACITY

The company's current earnings capacity on a 12-month basis on October 1, 2022 is presented below. Current earnings capacity is to be considered solely as a hypothetical instantaneous impression and 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, other than the index-linking found in existing leases. The current earnings capacity must be considered together with other information in the interim report.

The following information is used as the basis for assessing current earnings capacity:

- properties owned on the balance-sheet date, which means that agreed possessions and vacancies thereafter are not taken into account;
- rental value is based on annual contractual rental income from current leases on 1 October;
- vacancy amount is an assessed market rent for vacant premises. This amount also includes allocated rent discounts under current leases;
- property expenses, excluding property tax, are based on average actual outcome for the most recent 24 months, adjusted for the holding period.
- property tax is based on the current tax assessment value of the properties;
- costs for property and central administration have been calculated on the basis of the existing organization and the current size of the property portfolio;
- Nyfosa's shares of profit from property management from joint ventures before changes in value, calculated using the same method as Nyfosa;
- the assessment of earnings capacity does not assume any financial income; and
- financial expenses have been calculated on the basis of the company's average interest rate on the balance-sheet date, including allocated opening charges, a total of 3.1 percent. The item also includes ground rent.

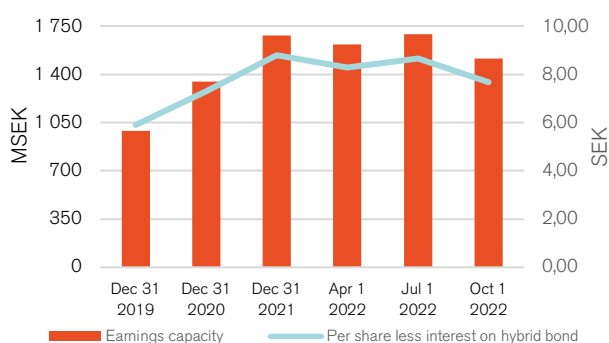
With the current rate of inflation at about 9 percent and a 1-percentage point increase in interest rates, rental income that comprises part of the earnings capacity will increase by about MSEK 200 and interest expenses will increase by about MSEK 184 with current exchange rates and existing derivative agreements. That is to say a net increase of the current earnings capacity of MSEK 16, corresponding to SEK 0.08 per share. Based on this scenario, earnings per share, all other things being equal, will be approximately SEK 8.00.

	October 1 2022
<b>MSEK</b>	
Rental value	3,427
Vacancy amount	-261
<b>Rental income according to leases</b>	<b>3,166</b>
Property expenses	-903
Property administration	-119
<b>Net operating income</b>	<b>2,143</b>
Central administration	-114
Share in profit of joint ventures	226
Financial expenses	-742
<i>of which ground rent</i>	-16
<b>Profit from property management</b>	<b>1,513</b>
Earnings per share, SEK	7.92
Earnings less interest on hybrid bond per share, SEK	7.68

### KEY FIGURES EARNINGS CAPACITY

	Sep 30, 2022
Property value on balance-sheet date, MSEK	41,525
	Oct 1, 2022
Rental value, MSEK	3,427
Leasable area, 000s sqm	3,011
No. of properties on balance-sheet date	502
Economic occupancy rate, %	93.1
Remaining lease term, years	3.7
Surplus ratio, %	67.7
Yield, %	5.2

### EARNINGS CAPACITY





## PARTICIPATIONS IN JOINT VENTURES

In addition to the wholly owned portfolio, Nyfosa also owns participations in other property companies. These participations contributed SEK 18.98 per share (15.26) to Nyfosa's EPRA NRV on the balance-sheet date.

### SAMFOSA

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

Samfosa is a newly formed Norwegian property company that owns commercial properties situated in the expansive Grenland region southwest of Oslo. Samfosa primarily has its own operational and administrative organization.

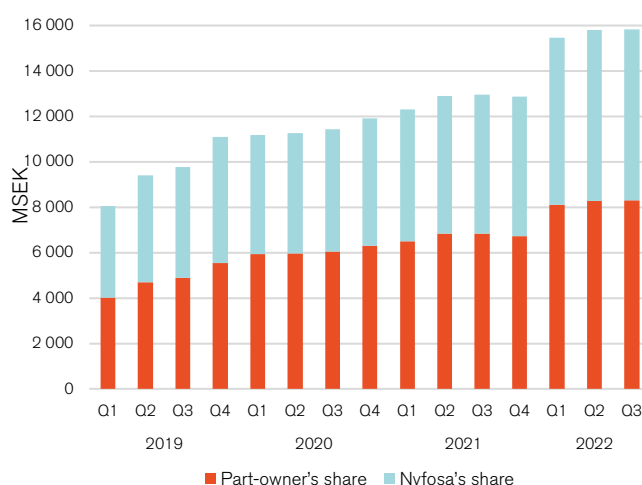
### SÖDERPORT

Nyfosa owns 50 percent of the shares in property company Söderport. The remaining portion of the shares is owned by AB Sagax (publ). The holding is classified as Participations in joint ventures and Nyfosa's share in Söderport's earnings is recognized in Nyfosa's profit from property management.

Söderport's property portfolio primarily comprises industrial, warehouse and office properties, which essentially presents a supplement to Nyfosa's wholly owned property portfolio. The focal point of the property portfolio is in the Stockholm and Gothenburg regions. 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.

Söderport owns 78.1 percent of Torslanda Property Investment AB (TPI) and thus is classified as a subsidiary in Söderport's consolidated financial statements. TPI's share is listed on Nasdaq First North Growth Market.

PROPERTY VALUE IN JOINT VENTURES



MSEK	Söderport Jan–Sep		Samfosa Jan–Sep
	2022	2021	2022
Rental income	673	643	79
Profit from property management	381	383	16
Changes in value of properties and derivatives	1,114	860	148
Profit	1,188	1,236	129
of which, Nyfosa's share	552	594	64
	Sep 30	Sep 30	Sep 30
Average remaining lease term, years	4.2	4.7	5.0
Leasable area, 000s sqm	769	784	97
Economic occupancy rate, %	97	98	94
Rental value	980	919	107
Investment properties	14,303	12,960	1,541
Cash and cash equivalents	317	138	35
Equity attributable to Parent Company shareholders	5,633	4,959	277
of which, Nyfosa's share	2,817	2,310	141
Interest-bearing liabilities	6,962	6,629	1,214
Deferred tax liabilities, net	1,463	1,061	30
Derivative liabilities, net	-153	147	0
<b>Participations in joint ventures</b>	<b>Sep 30</b>	<b>Sep 30</b>	<b>Sep 30</b>
Carrying amount at the beginning of the year	2,490	1,916	0
Dividends received	-225	-200	0
Share in profit of joint ventures	552	594	64
Acquisitions for the year	0	0	77
Translation effect, currency	0	0	-3
<b>Carrying amount at end of the year</b>	<b>2,817</b>	<b>2,310</b>	<b>138</b>

## FINANCING

Nyfosa finances its assets through equity, bank loans with Nordic banks and loan funds, and hybrid bonds issued in the Swedish capital market. Equity attributable to the Parent Company's shareholders amounted to MSEK 19,238 on the balance-sheet date, of which hybrid bond loans was MSEK 800.

Interest-bearing loans from the credit and capital markets amounted to MSEK 23,676, including allocated arrangement fees, of which bank loans with properties as collateral represented 93 percent, corresponding to MSEK 22,200, and senior unsecured bond loans 7 percent, corresponding to MSEK 1,600.

The bonds are green bonds issued under a green finance framework. This framework has been drawn up in accordance with the Green Bond Principles set by the International Capital Markets Association (ICMA) and has been audited by an independent third party, CICERO Shades of Green.

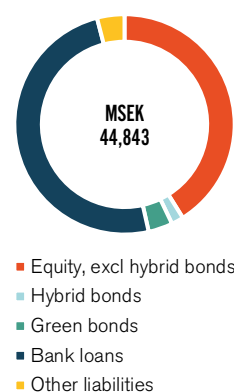
The total net loan-to-value ratio of the properties was 55.2 percent (56.5). To support liquidity and growth, the company has four prearranged lines of credit with banks, which have not always been fully utilized. The total scope in these revolving credit facilities can amount to a maximum of MSEK 3,319. This means that, against collateral in existing properties, Nyfosa can rapidly increase its borrowing at fixed terms to, for example, finance new 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. On the balance-sheet date, the company had utilized MSEK 659 the total amount granted of MSEK 1,155 against collateral in existing properties. To utilize the remaining MSEK 2,163 under this credit framework, acquired properties are used as collateral. In addition to the revolving credit facilities, the company has unutilized overdraft facilities with banks totaling MSEK 200.

### Key figures for interest-bearing liabilities, September 30, 2022

	Sep 30		Dec 31
	2022	2021	2021
Debt/equity ratio, multiple	1.2	1.3	1.2
Average interest <sup>1</sup> , %	2.8	1.9	1.9
Average remaining fixed-rate period, years	1.0	1.2	1.0
Average remaining loan maturity period, years	3.2	2.4	2.5
Interest-rate hedged portion of liabilities, %	42	47	45
Average interest-rate cap, %	1.56	-	-
Average interest swap, %	1.57	-	-
Fair value of derivatives, MSEK	364	5	22

1. Interest expense excluding opening charges charged to earnings over the term of the loan.

### SOURCES OF FINANCING



### Available liquidity, September 30, 2022

	Sep 30		Dec 31
MSEK	2022	2021	2021
Cash and cash equivalents	751	553	534
Unutilized revolving credit facility <sup>1</sup>	496	0	676
Unutilized overdraft facilities	200	200	200
<b>Total</b>	<b>1,447</b>	<b>753</b>	<b>1,410</b>

1. Unutilized and previously granted loans on the balance-sheet date with existing properties as collateral. The loans are available to the company at short notice.

### Revolving credit facilities, September 30, 2022

MSEK	Framework	Amount granted	Amount utilized	Unutilized amount
Total	3,319	1,155	659	496

### Interest-bearing liabilities

Interest-bearing loans from the credit and capital markets amounted to MSEK 23,676, including allocated arrangement fees, of which bank loans comprised MSEK 22,200 and senior unsecured bond loans MSEK 1,600.

Revolving credit facilities of MSEK 304 were utilized during the quarter to manage liquidity. Repayments on existing bank loans in connection with divestments amounted to MSEK 211 and scheduled repayments of MSEK 70 were made.

New bank loans of MSEK 2,188 were raised in Finland earlier in the period in connection with financial closing of property acquisitions. All liabilities with short-term maturities were refinanced during the period, totaling MSEK 4,993, of which MSEK 873 comprised bonds, MSEK 3,038 bank loans and MSEK 1,082 utilized credit facilities that were partly replaced by a fixed-term loan with a longer maturity. Green bonds of MSEK 600 were issued. Repayments on existing bank loans in connection with divestments totaling MSEK 583 for the period.

The next loan maturity in the portfolio to be refinanced is in November 2023. This is a secured bank loan of MSEK 833 in Sweden. A bond of MSEK 1,100 matures in April 2024 and the remaining MSEK 500 in January 2025.

### Changes in interest-bearing liabilities for the period

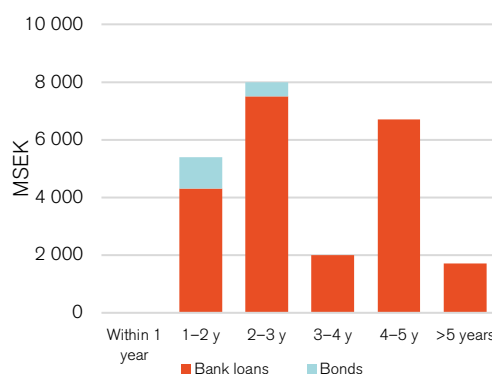
MSEK	Jan–Sep		Full-year
	2022	2021	2021
Interest-bearing liabilities at the beginning of the year	21,045	17,055	17,055
Bank loans raised	9,349	5,676	6,902
Repayment of bank loans	-6,648	-3,046	-3,297
Bond loans issued	600	1,000	1,000
Bonds redeemed	-873	-628	-628
Changes in borrowing fees	-21	1	-4
Translation effect, currency	223	4	17
<b>Interest-bearing liabilities at the end of the period</b>	<b>23,676</b>	<b>20,063</b>	<b>21,045</b>

### Loan maturity<sup>1</sup>, September 30, 2022

Year	MSEK	%
Within 1 year	0	0
1–2 years	5,401 <sup>2</sup>	23
2–3 years	7,998 <sup>3</sup>	34
3–4 years	1,999	8
4–5 years	6,700	28
>5 years	1,703	7
<b>Total</b>	<b>23,800</b>	<b>100</b>

1. Interest-bearing liabilities in the statement of financial position include allocated arrangement fees, which is the reason for the deviation between the table and the statement of financial position.

2. Bank loans of MSEK 833 mature in 2023, bonds of MSEK 1,100 mature in April 2024. The remaining liabilities pertain to bank loans maturing in 2024.



### Fixed-rate periods and exposure to interest-rate changes

Nyfosa mainly works with floating interest rates in its loan agreements. Exposure to increases in interest rates is managed by making use of derivative instruments, currently both interest-rate caps and swaps. The remaining term of signed derivative agreements was 2.4 years on the balance-sheet date. 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, rising interest rates that do not reach the interest-rate cap will have full impact on earnings. The interest-rate cap is 1.5–2.0 percent, and an average of 1.56 percent. Of Nyfosa's total debt volume, MSEK 8,991 has an interest hedge that means that if the rate rises above 1.5 percent, the increase will not have a full impact on earnings. Interest-rate swaps of a nominal MSEK 1,099 were signed in Finland. Under these derivatives, Nyfosa pays a fixed annual rate of 1.57 percent, which means that the higher interest expense has a direct impact on earnings. As per September 30, 2022, 42 percent of the total debt portfolio was hedged with an interest-rate cap or swap.

**Loan maturity and fixed-rate period<sup>1</sup>, September 30, 2022**

Year	Loan maturity, MSEK	Interest-rate swaps, MSEK	Interest-rate caps, MSEK	Interest-rate hedged liabilities, MSEK	Share of liabilities, %
Within 1 year	0	0	1,576	1,576	7
1–2 years	5,401	0	2,022	2,022	8
2–3 years	7,998	0	4,328	4,328	18
3–4 years	1,999	0	1,065	1,065	4
4–5 years	6,700	1,099	0	1,099	5
>5 years	1,703	0	0	0	0
<b>Total</b>	<b>23,800</b>	<b>1,099</b>	<b>8,991</b>	<b>10,091</b>	<b>42</b>

1. Interest-bearing liabilities in the statement of financial position include allocated arrangement fees, which is the reason for the deviation between the table and the statement of financial position.

The sensitivity analysis below presents the estimated impact on earnings if the STIBOR 3M and EURIBOR 6M were to increase or decrease by 1 or 2 percentage points, and if the company's average interest rate of 2.8 percent were to increase or decrease by 1 percentage point. The majority of the company's covenants include interest floors that mean that a negative STIBOR 3M or EURIBOR 6M do not impact the company's average rate.

A rise in the rate of 1.0 percentage point would charge earnings with a MSEK 184 increase in interest expenses, given existing derivative agreements. A rise in the interest rate of 2.0 percentage points would charge earnings with a MSEK 336 increase in interest expenses, given existing derivative agreements. In the latter example, the interest-rate cap means that the higher rate does not have a full impact on the statement of profit/loss.

**Sensitivity analysis**

Earnings effect of change in average interest on debt, MSEK	Change	Sep 30, 2022
Interest expenses assuming current fixed-interest periods and changed interest rates <sup>1</sup>	+/-2% points	+336/-189
Interest expenses assuming current fixed-interest periods and changed interest rates <sup>1</sup>	+/-1% point	+184/-182
Interest expenses assuming change in average interest rate <sup>2</sup>	+/-1% point	+/-238
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1% point	+/-127

1. Taking into account derivative agreements

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

Each variable in the table above 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.

**Exposure to exchange rate fluctuations**

Nyfosa has invested in properties in the Finnish and Norwegian markets and is thus exposed to currency risk. The presentation currency is SEK and all balance-sheet items in other currencies have been translated to SEK. Translation differences may have a material impact on the Group's operations, financial position and operating earnings. Currency risk is managed by financing acquisitions of properties in EUR and NOK by raising borrowings in the same currency. Transaction exposure in the Group is managed by matching income and expenses in the same currency.

Currency exposure comprises net assets in EUR and the share of equity in joint ventures and receivables from joint ventures in NOK. Translation effects for foreign operations are recognized under the heading Other comprehensive income. Others exchange rate effects are recognized in profit or loss. Net assets in foreign currency amounted to MEUR 343 and the share of equity in joint ventures including receivables from joint ventures to MNOK 160 on September 30, 2022.

**Sensitivity analysis**

Earnings effect of exchange rate fluctuations, MSEK	Change	Sep 30, 2022
SEK/EUR	+/-10%	+/-375
SEK/NOK	+/-10%	+/-17

## ORGANIZATIONAL PROFILE

Nyfosa's organization comprises 87 people, of whom 47 are women, who work with property management, transaction operations, Group-wide administrative services and services specific to the listed Parent Company. Relevant services are provided to the subsidiaries in the Nyfosa Group through internal service level agreements. The property portfolio is primarily managed by the company's own personnel, but also by well-established partners, from our 11 property management offices in Sweden and one property management office in Finland.

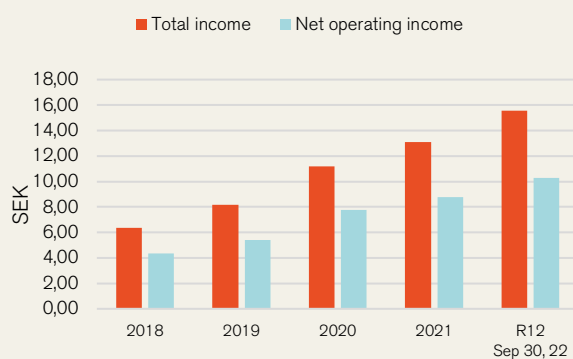
## KEY FIGURES

Presented below 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 definitions of key figures in the most recent interim report.

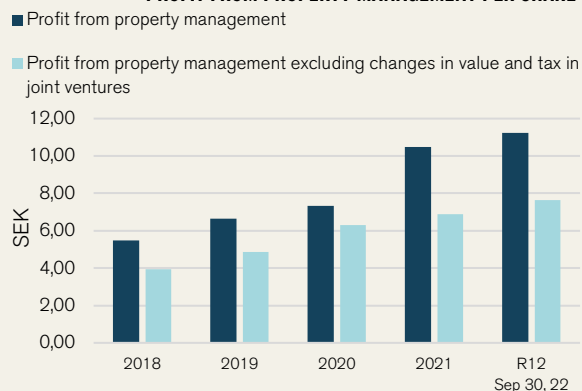
	Oct 2021- Sep 2022 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
<b>Property-related key figures</b>					
Income, MSEK	2,976	2,459	2,035	1,370	1,064
Property expenses, MSEK	-889	-717	-557	-415	-300
Property administration, MSEK	-124	-91	-63	-50	-37
Net operating income, MSEK	1,963	1,651	1,415	905	728
Surplus ratio, %	66.0	67.1	69.5	66.0	68.4
Property value on balance-sheet date, MSEK	41,525	37,147	29,411	19,602	15,582
<b>Share-related key figures</b>					
Profit from property management per share, SEK	11.22	10.46	7.34	6.63	5.47
Profit from property management excluding changes in value and tax in joint ventures per share, SEK	7.64	6.90	6.31	4.85	3.94
Distributable cash flow per share, SEK	8.36	7.64	6.90	4.73	4.21
Earnings per share before dilution, SEK	18.83	16.52	12.24	8.24	9.63
Earnings per share after dilution, SEK	18.79	16.49	12.25	8.24	9.63
EPRA NRV per share on balance-sheet date, SEK	106.26	95.93	79.91	65.37	55.36
EPRA NTA per share on balance-sheet date, SEK	98.33	89.76	75.33	60.11	-
EPRA NDV/Equity per share on balance-sheet date, SEK	96.52	86.04	72.27	58.32	50.03
<b>Key financial data</b>					
Return on equity, %	20.8	20.4	19.3	15.2	27.2
Equity/assets ratio on balance-sheet date, %	41.5	42.4	41.8	44.1	48.3
Loan-to-value ratio of properties on balance-sheet date, %	57.0	56.7	58.0	57.6	52.9
Net loan-to-value ratio of properties on balance-sheet date, %	55.2	55.2	56.9	54.6	51.6
Interest-coverage ratio, multiple	3.2	3.4	3.8	4.2	4.9

1. Rolling 12 months

### INCOME AND NET OPERATING INCOME PER SHARE,



### PROFIT FROM PROPERTY MANAGEMENT PER SHARE



# RECONCILIATION OF KEY FIGURES

	Oct 2021– Sep 2022 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
<b>Profit from property management per share</b>					
Profit from property management, MSEK	2,178	1,973	1,334	1,112	918
Interest on hybrid bonds, MSEK	-35	-4	0	0	0
Average number of shares, millions	191	188	182	168	168
<b>Profit from property management per share, SEK</b>	<b>11.22</b>	<b>10.46</b>	<b>7.34</b>	<b>6.63</b>	<b>5.47</b>
Share in profit of joint ventures, MSEK	-927	-888	-404	-491	-412
Profit from property management from joint ventures, MSEK	244	219	217	194	155
Average number of shares, millions	191	188	182	168	168
<b>Profit from property management excluding revaluations and tax in joint ventures per share, SEK</b>	<b>7.64</b>	<b>6.90</b>	<b>6.31</b>	<b>4.85</b>	<b>3.94</b>

	Oct 2021– Sep 2022 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
<b>Distributable cash flow</b>					
Profit from property management, MSEK	2,178	1,973	1,334	1,112	918
Depreciation of equipment, MSEK	1	1	1	0	0
Allocated arrangement fees on loans, MSEK	69	48	35	0	0
Share in profit of joint ventures, MSEK	-927	-888	-404	-491	-412
Dividend received from joint ventures, MSEK	357	332	300	200	200
Income tax paid, MSEK	-54	-29	-11	-27	0
Interest paid on hybrid bonds, MSEK	-25	0	0	0	0
Average number of shares, millions	191	188	182	168	168
<b>Distributable cash flow per share, SEK</b>	<b>8.36</b>	<b>7.64</b>	<b>6.90</b>	<b>4.73</b>	<b>4.21</b>

1. Rolling 12 months

The performance measure corresponds to the items in profit from property management that affect cash flow, plus dividends received from holdings in joint ventures and income tax paid. Cash flow is stated in SEK per share.

	Sep 30 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
<b>Net asset value</b>					
Equity attributable to Parent Company shareholders, MSEK	19,238	17,236	13,333	9,781	8,392
Hybrid bond loans, MSEK	-800	-800	0	0	0
Deferred tax, MSEK	1,555	1,252	760	627	452
Derivatives, MSEK	-364	-22	-3	-2	-9
Deferred tax in joint ventures, 50%, MSEK	746	596	544	454	339
Derivatives in joint ventures, 50%, MSEK	-76	62	110	104	111
Number of shares, millions	191	191	185	168	168
<b>EPRA NRV (Net Reinstatement Value) per share, SEK</b>	<b>106.26</b>	<b>95.93</b>	<b>79.91</b>	<b>65.37</b>	<b>55.36</b>
Estimated actual deferred tax, MSEK <sup>1</sup>	-886	-711	-419	-529	-
Estimated actual deferred tax in JV, Nyfosa's share, MSEK <sup>1</sup>	-630	-470	-425	-354	-
<b>EPRA NTA (Net Tangible Assets) per share, SEK</b>	<b>98.33</b>	<b>89.76</b>	<b>75.33</b>	<b>60.11</b>	<b>-</b>
Equity attributable to the Parent Company's shareholders	19,238	17,236	13,333	9,781	8,392
Hybrid bond loans, MSEK	-800	-800	0	0	0
Number of shares, millions	191	191	185	168	168
<b>EPRA NDV (Net Disposal Value), equity per share, SEK</b>	<b>96.52</b>	<b>86.04</b>	<b>72.27</b>	<b>58.32</b>	<b>50.03</b>

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 asset value is the total capital that the company manages on behalf of its owners and the value can be calculated in different ways depending on the time perspective and turnover rate in the property portfolio. EPRA NRV (Net Reinvestment Value) is based on the company never selling its assets and aims to reflect the value required for building up the operations again. Equity attributable to the Parent Company's shareholders less hybrid bonds was adjusted for items that do not involve any payment in the near future, both in Nyfosa and Nyfosa's participations in joint ventures. EPRA NTA (Net Tangible Assets) assumes that the company will make property transactions and thus be liable to pay certain taxes. The performance measure comprises equity attributable to the



Parent Company's shareholders less hybrid bonds adjusted for the portion of deferred tax, both in Nyfosa and Nyfosa's share of deferred tax in joint ventures, measured taking into consideration how the company has carried out property transactions in the past few years. EPRA NDV (Net Disposal Value) comprises equity attributable to the Parent Company's shareholders in the statement of financial position and less hybrid bonds.

	Oct 2021- Sep 2022 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
<b>Return on equity</b>					
Profit after tax, MSEK	3,637	3,112	2,225	1,382	1,615
Interest on hybrid bonds, MSEK	-35	-4	0	0	0
Average equity, MSEK	17,309	15,285	11,557	9,087	5,935
<b>Return on equity, %</b>	<b>20.8</b>	<b>20.4</b>	<b>19.3</b>	<b>15.2</b>	<b>27.2</b>

1. Rolling 12 months

This performance measure is calculated by using profit after tax in relation to average equity, attributable to the Parent Company's shareholders, during the same period.

	Sep 30 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
<b>Equity/assets ratio</b>					
Equity attributable to Parent Company shareholders, MSEK	19,238	17,236	13,333	9,781	8,392
Total assets, MSEK	46,323	40,626	31,907	22,201	17,355
<b>Equity/assets ratio, %</b>	<b>41.5</b>	<b>42.4</b>	<b>41.8</b>	<b>44.1</b>	<b>48.3</b>

The performance measure is calculated as equity, attributable to the Parent Company's shareholders, as a percentage of total assets according to the statement of financial position. The performance measure shows how large a share of the company's assets are financed by the company's equity.

	Sep 30 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
<b>Loan-to-value ratio and net loan-to-value ratio</b>					
Interest-bearing liabilities, MSEK	23,676	21,045	17,055	11,282	8,240
Property value, MSEK	41,525	37,147	29,411	19,602	15,582
<b>Loan-to-value ratio, %</b>	<b>57.0</b>	<b>56.7</b>	<b>58.0</b>	<b>57.6</b>	<b>52.9</b>
Cash and cash equivalents, MSEK	751	534	312	588	192
<b>Net loan-to-value ratio, %</b>	<b>55.2</b>	<b>55.2</b>	<b>56.9</b>	<b>54.6</b>	<b>51.6</b>

The loan-to-value ratio is calculated by using interest-bearing liabilities as a percentage of the value of the properties according to the statement of financial position. The net loan-to-value ratio is calculated by using net loans, meaning interest-bearing liabilities less cash and cash equivalents, as a percentage of the value of the properties according to the statement of financial position.

	Oct 2021- Sep 2022 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
<b>Interest-coverage ratio</b>					
Profit from property management, MSEK	2,178	1,973	1,334	1,112	918
Share in profit of joint ventures, MSEK	927	888	404	491	412
Depreciation of equipment, MSEK	-1	-1	-1	0	0
Financial income and expenses, MSEK	-571	-443	-327	-195	-131
<b>Interest-coverage ratio, multiple</b>	<b>3.2</b>	<b>3.4</b>	<b>3.8</b>	<b>4.2</b>	<b>4.9</b>

1. Rolling 12 months

The interest-coverage ratio is calculated by excluding shares in profit in joint ventures, depreciation/amortization and financial income and expenses from profit from property management. The performance measure treats ground rent as a property expense, similar to previous calculations. This profit is then expressed as a percentage of financial income and expenses to calculate the interest-coverage ratio.

## OTHER DISCLOSURES

### SHARE AND SHAREHOLDERS

The volume weighted average price on the interim period's last day of trading, September 30, 2022, was SEK 63.61, corresponding to a total market capitalization of approximately MSEK 12,150. Nyfosa had 17,642 shareholders, of which Swedish investors, institutions and private individuals owned 79 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders.

List of owners	Number of shares	Share of	
		Capital, %	Votes, %
AB Sagax	40,673,224	21.3	21.3
Länsförsäkringar Funds	17,878,724	9.4	9.4
Swedbank Robur Funds	11,713,411	6.1	6.1
Handelsbanken Funds	9,362,217	4.9	4.9
Lannebo Fonder	7,981,566	4.2	4.2
SEB Funds	7,782,537	4.1	4.1
Vanguard	7,243,248	3.8	3.8
BlackRock	6,648,048	3.5	3.5
Kåpan Pensioner Försäkringsförening	4,880,014	2.6	2.6
Jens Engwall	4,853,411	2.5	2.5
Other	72,006,413	37.7	37.7
<b>Total</b>	<b>191,022,813</b>	<b>100.0</b>	<b>100.0</b>

### 2023 ANNUAL GENERAL MEETING

Nyfosa's 2023 Annual General Meeting (AGM) will be held in Stockholm on April 25, 2023.

### ASSURANCE FROM THE CEO

The CEO gives her assurance that this interim report provides a fair review of the company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Nacka, October 20, 2022

Nyfosa AB (Corp. Reg. No. 559131–0833)

**Stina Lindh Hök**

CEO

#### FINANCIAL CALENDAR

<b>Year-end Report</b>	February 16, 2023
<b>January–DECEMBER 2022</b>	
<b>Interim report</b>	April 25, 2023
<b>January–March 2023</b>	
<b>2023 Annual General Meeting</b>	April 25, 2023

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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 October 20, 2022 at 7:30 a.m. CEST.

# NOTES

## NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed interim 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 interim 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 2021 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 interim report.

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. "Last 4 quarters" and "Rolling 12 months" mean the most recent 12-month period from the balance-sheet date.

## NOTE 2 ESTIMATES AND ASSESSMENTS

The preparation of the interim report requires that company management make judgments and estimates, and make assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, income and expenses recognized. The actual outcome may deviate from these judgments and estimates.

### Measurement of investment properties

For significant assumptions and assessments affecting the measurement of Nyfosa's investment properties, refer to Note 13 of the 2021 Annual Report on [www.nyfosa.se](http://www.nyfosa.se). 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. The fair value is based on internal valuations that are performed continuously and all properties are also valued every quarter by an external independent appraiser. The value of the properties is affected not only by supply and demand in the market but also by a number of other factors, in part property-specific factors such as the occupancy rate, rent level and operating expenses, and in part such market-specific factors as the yield requirement and the cost of capital, which are derived from comparable transactions in the property market. Deterioration in either a property or the market could cause the value of the properties to decline, which could have a negative impact on Nyfosa's operations, financial position and earnings.

Valuations require assessments of and assumptions about future cash flows and determination of the discount factor (yield requirement). An uncertainty interval of +/- 5–10 percent is usually applied to property valuations to reflect the uncertainty of assumptions and assessments made.

### Measurement of loss carryforwards

The regulatory framework governing taxation of the type of business operated by Nyfosa is complex and comprehensive in terms of both income tax and VAT/property taxation. Moreover, interpretation and application of these regulations by courts of law can change over time. Changes in these regulations, or in their interpretation by judicial bodies, could impact Nyfosa's earnings and position either positively or negatively. From time to time, Nyfosa has cases under review by, and ongoing dialog with, the Swedish Tax Agency regarding individual taxation matters. The Tax Agency makes tax rulings that can be appealed and reviewed in administrative courts of appeal. The regulations governing the recognition of taxes, and the property sector's application of these accounting regulations, are also complex. The regulatory framework is complex, the Tax Agency's review possibilities are comprehensive and the judicial bodies' interpretation and reviews take place in many stages, which means that it can take a long time to establish the correct application of legislation in complex taxation matters. This may entail that actions taken or completed transactions that were previously considered permissible according to the regulatory framework may need to be reappraised at a later juncture. Nyfosa monitors the taxation laws and practices that are in effect whenever it files tax returns. Nyfosa's assessments and calculations in the tax area, and the accounting of these matters, are reassessed at the end of each reporting period.

### Classification of acquisitions

Nyfosa's corporate acquisitions in 2022 encompass only properties and no material processes, which is why the transactions are deemed to be asset purchases.

### NOTE 3 OPERATING SEGMENTS

Nyfosa's operations comprise one operating segment, that is to say, Nyfosa's operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's chief operating decision maker as a basis for monitoring earnings and allocating resources.

### NOTE 4 TAX

The Group's effective tax rate for the interim period was 13.2 percent (13.1). The deviation from the nominal tax rate of 20.6 percent was due to the profit from participations in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to any non-taxable capital gains on the divestment of properties via companies, and valuations of loss carryforwards.

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 14,877 in the Group that is not included.

Reconciliation of effective tax, MSEK	%	
Profit before tax		2,969
Tax according to applicable tax rate for Parent Company	-20.6	-612
Non-deductible costs and tax-exempt income	0.9	27
Profit from participations in joint ventures	4.3	127
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.8	25
Non-taxable sales of properties	0.9	26
Other	0.4	13
<b>Recognized effective tax</b>	<b>-13.2</b>	<b>-393</b>

### NOTE 5 EARNINGS PER SHARE

Nyfosa currently has three long-term incentive programs based on warrants. A description of the warrants programs is provided in Note 8 on page 102 of the 2021 Annual Report and in the report from the 2022 Annual General Meeting, see <https://nyfosa.se/en/report-from-nyfosa-abs-annual-general-meeting-on-april-19-2022/>. The number of warrants outstanding at the end of the year is presented in the table below.

During the quarter, the Board offered to repurchase all outstanding warrants on the 2019/2023 warrants program for market-based cash consideration of SEK 13.96 per option. Holders who decide not to accept the offer will remain in the program with no changes to the terms and conditions.

The repurchase is for 1,064,300 warrants and general total proceeds of MSEK 14, which will be paid in October 2022.

The dilution from the existing warrants program amounted to 0.2 percent for the period.

Reconciliation of warrants	LTIP2019 Sep 30, 2022	LTIP2021 (I) Sep 30, 2022	LTIP2021 (II) Sep 30, 2022	LTIP2022 Sep 30, 2022
Warrants outstanding at beginning of year	1,304,300	325,241	325,241	-
Warrants subscribed	0	-	-	422,150
Warrants forfeited	-1,064,300	-	-	-
Warrants utilized	0	-	-	-
<b>Warrants outstanding at end of the period</b>	<b>240,000</b>	<b>325,241</b>	<b>325,241</b>	<b>422,150</b>

### NOTE 6 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 encompass rent receivables, which are recognized under current receivables in the statement of financial position, derivatives, cash and cash equivalents among assets, interest-bearing liabilities and accounts payable, which are recognized under other current liabilities in the statement of financial position. 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 offset currently takes place.

The table below presents the fair value of the Group's derivatives, which is reflected in the statement of financial position. 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.

Fair value, MSEK	Sep 30		Dec 31
	2022	2021	2021
Derivatives with positive values	364	5	22
Derivatives with negative values	-	-	-

## NOTE 7 FINANCING

For information regarding changes in loans, interest rates and credit terms, refer to the Financing section of this interim report.

## NOTE 8 SHAREHOLDERS' EQUITY

The share capital in Nyfosa AB changed according to the table.

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

## Hybrid bonds

Nyfosa issued hybrid bonds of a total of MSEK 800 under a framework of MSEK 2,000. The hybrid bonds are perpetual and Nyfosa governs the payment of interest and the principal of the instruments, which is why they are classified as equity instruments under IAS 32. Issue costs and tax attributable to issue costs and interest to the hybrid bond holders are recognized directly in equity. The bonds have a floating interest rate of 3M STIBOR + 475 basis points per annum until the first call date of November 18, 2025.

## NOTE 9 RELATED PARTIES

During the period, an agreement was signed to divest a portfolio of 13 properties to the company Emilshus. Since the Chairman of Nyfosa's Board is also the Chairman of Emilshus, he did not participate in the decision regarding this transaction.

The Group owns participations in joint ventures, refer to relevant section of this interim report. Söderport is managed by AB Sagax, except for property management which is managed by Nyfosa. The company TPI, of which Söderport owns 78.1 percent, also purchases management services from Nyfosa and Sagax. Samfosa is managed by its own organization.

Property management fees between the companies are based on market terms. Nyfosa's fee totals MSEK 3 per year. The Group had receivables of MSEK 29 from joint ventures on September 30, 2022. The terms of the loan are market-based and stipulated in a promissory note between the parties.

Nyfosa signed a consultancy agreement with Board member Jens Engwall. His assignment under the agreement is to provide advisory services, in the first instance to the company's CEO, and also to continue to serve as the company's Board member in Söderport Property Investment AB and Torslanda Property Investment AB. The agreement came into effect on March 1, 2021 and expires on December 31, 2022. Annual fees of MSEK 1 are paid.

## NOTE 10 SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

Nyfosa acquired eight properties located in Västervik, Halmstad and the Finnish city of Turku in three transactions. The total acquisition price amounts to MSEK 411 and the total annual rental value is MSEK 38. The acquired properties have a total area of approximately 37 thousand square meters, of which approximately 7 thousand square meters comprise offices in prime locations in central Västervik and the remaining area comprises warehouses and industry in established industrial areas in Halmstad and Turku. The average remaining lease term is 3.6 years and the occupancy rate is 97.6 percent. The largest tenants are the Social Insurance Agency, the Social Welfare Office and Region Halland. Closing for the properties in Halmstad took place on September 30 and closing for the others are planned during the fourth quarter of 2022.

# PARENT COMPANY

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 41.5 billion. Furthermore, the company owns, via subsidiaries, 50 percent of the participations in Söderport and Samfosa, which indirectly own properties for SEK 15.8 billion.

## STATEMENT OF PROFIT/LOSS

MSEK	Jul-Sep		Jan-Sep		Full-year
	2022	2021	2022	2021	2021
Net sales	27	24	89	72	102
Personnel costs	-22	-20	-72	-72	-97
Other external costs	-10	-10	-40	-34	-48
Depreciation/amortization	0	0	0	0	0
<b>Loss before financial income and expenses</b>	<b>-5</b>	<b>-6</b>	<b>-24</b>	<b>-34</b>	<b>-43</b>
Profit from participations in joint ventures	0	0	0	1,288	1,288
Profit from participations in Group companies	0	0	0	0	874
Interest income and similar income items	43	31	106	92	125
Interest expenses and similar expense items	-25	-17	-66	-60	-82
<b>Profit before appropriations</b>	<b>13</b>	<b>8</b>	<b>16</b>	<b>1,286</b>	<b>2,161</b>
<b>Appropriations</b>					
Provision to tax allocation reserve	0	0	0	0	0
Group contributions paid/received	0	0	0	0	67
<b>Profit before tax</b>	<b>13</b>	<b>8</b>	<b>17</b>	<b>1,286</b>	<b>2,228</b>
Tax	0	0	0	0	-5
<b>Profit</b>	<b>13</b>	<b>8</b>	<b>17</b>	<b>1,286</b>	<b>2,223</b>

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

## STATEMENT OF FINANCIAL POSITION

MSEK	Sep 30		Dec 31
	2022	2021	2021
<b>ASSETS</b>			
Participations in Group companies	0	0	0
Participations in joint ventures	0	0	-
Receivables from Group companies	5,277	5,377	5,277
Deferred tax assets	0	1	0
<b>Total non-current assets</b>	<b>5,277</b>	<b>5,377</b>	<b>5,277</b>
Current receivables from Group companies	14,318	9,230	11,790
Other current receivables	20	18	10
Cash and bank balances	284	104	280
<b>Total current assets</b>	<b>14,622</b>	<b>9,352</b>	<b>12,080</b>
<b>TOTAL ASSETS</b>	<b>19,899</b>	<b>14,730</b>	<b>17,357</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	96	96	96
Unrestricted equity	10,617	9,640	11,368
<b>Equity</b>	<b>10,713</b>	<b>9,735</b>	<b>11,464</b>
Untaxed reserves	0	0	0
Bonds	1,589	989	991
Other non-current liabilities	7	4	4
<b>Total non-current liabilities</b>	<b>1,596</b>	<b>993</b>	<b>995</b>
Bonds	0	873	873
Liabilities to Group companies	7,147	2,784	3,827
Other current liabilities	443	345	197
<b>Total current liabilities</b>	<b>7,590</b>	<b>4,002</b>	<b>4,897</b>
<b>Total liabilities</b>	<b>9,186</b>	<b>4,995</b>	<b>5,893</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,899</b>	<b>14,730</b>	<b>17,357</b>



# REVIEW REPORT

To the Board of Directors of Nyfosa AB (publ)  
Corp. id. 559131-0833

## Introduction

We have reviewed the condensed interim financial information (interim report) of Nyfosa AB (publ) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 20 October, 2022

KPMG AB

Mattias Johansson  
Authorized Public Accountant

## GLOSSARY

<b>Return on equity</b>	<p>Profit for the most recent 12-month period in relation to average equity, attributable to the Parent Company's shareholders, during the same period.</p> <p>Purpose: The performance measure shows the return generated on the capital attributable to shareholders.</p>
<b>Loan-to-value ratio, properties*</b>	<p>Interest-bearing liabilities at the end of the period in relation to the value of the properties (in the statement of financial position).</p> <p>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.</p>
<b>Yield*</b>	<p>Net operating income according to earnings capacity in relation to the fair value of the properties on the balance-sheet date.</p> <p>Purpose: The performance measure indicates the yield from operational activities in relation to the properties' value.</p>
<b>Net operating income*</b>	<p>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.</p> <p>Purpose: The measure is used to provide comparability with other property companies, but also to illustrate operational performance.</p>
<b>Economic occupancy rate</b>	<p>Rental income before rent discounts as a percentage of the rental value at the end of the period.</p> <p>Purpose: The performance measure facilitates the assessment of rental income in relation to the total value of the leased and unleased floor space.</p>
<b>Property</b>	<p>Properties held under title or site leasehold.</p>
<b>Property value</b>	<p>The carrying amount of investment properties according to the statement of financial position at the end of the period.</p> <p>Purpose: The performance measure facilitates better understanding of the value development in the property portfolio and the company's statement of financial position.</p>
<b>Profit from property management*</b>	<p>Profit from property management comprises net operating income plus property management and administration expenses as well as financial income and expenses. This earnings measure does not include effects of changes in the value of wholly owned investment properties and derivatives. These are reported separately in the statement of profit/loss. However, changes in value and tax are included in the share in profit of joint ventures in profit from property management.</p>
<b>Profit from property management per share</b>	<p>Profit from property management less interest on hybrid bonds in relation to average number of shares outstanding.</p>
<b>Rental income</b>	<p>Rents charged including supplements for heating and property tax.</p>
<b>Rental value</b>	<p>Rental income before rent discounts for leased areas and assessed market rent for the vacant floor space.</p> <p>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.</p>

<b>Net loan-to-value ratio, properties*</b>	<p>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.</p> <p>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.</p>
<b>Net leasing</b>	Signed new leases for the period less terminations.
<b>Earnings per share</b>	Profit after tax less interest on hybrid bonds in relation to average number of shares outstanding.
<b>Revolving credit facility</b>	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.
<b>Interest-rate cap</b>	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.
<b>Interest-coverage ratio*</b>	<p>Profit from property management before financial income and expenses, depreciation/amortization and shares in profit in joint ventures as a percentage of financial income and expenses.</p> <p>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.</p>
<b>Debt/equity ratio*</b>	<p>Interest-bearing liabilities as a percentage of equity.</p> <p>Purpose: The debt/equity ratio is a measure of financial risk that shows the company's capital structure and sensitivity to movements in interest rates.</p>
<b>Equity/assets ratio*</b>	<p>Equity, attributable to the Parent Company's shareholders, as a percentage of total assets.</p> <p>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.</p>
<b>EPRA NRV*</b>	<p>Equity, attributable to the Parent Company's shareholders, less hybrid bonds and plus derivatives and deferred tax liabilities according to the statement of financial position.</p> <p>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.</p>
<b>EPRA NTA*</b>	<p>Equity, attributable to the Parent Company's shareholders, less hybrid bonds and plus derivatives and adjusted for actual deferred tax liabilities instead of nominal deferred tax.</p> <p>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.</p>

<b>EPRA NDV*</b>	<p>Equity, attributable to the Parent Company's shareholders less hybrid bonds, according to the statement of financial position.</p> <p>Purpose: The performance measure shows how large a share of the company's recognized equity each share represents.</p>
<b>Distributable cash flow*</b>	<p>Profit from property management excluding non-cash items in the earnings measure, such as share in profit of joint ventures and depreciation of equipment, including dividends received from holdings in joint ventures and tax paid.</p> <p>Purpose: The performance measure shows the amount of cash flow generated by the existing property portfolio under the company's management and the company's dividend capacity.</p>
<b>Leasable area</b>	<p>The total premises area that can potentially be leased.</p> <p>Purpose: Shows the total area that the company can potentially lease.</p>
<b>Vacancy rent</b>	<p>Assessed market rent for vacant floor space.</p> <p>Purpose: The performance measure states the potential rental income when all floor space is fully leased.</p>
<b>Surplus ratio*</b>	<p>Net operating income for the period as a percentage of total income.</p> <p>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.</p>

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

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