



Press release

July 11, 2023

## Nyfosa Interim report January–June 2023

### JANUARY–JUNE 2023

- Income amounted to MSEK 1,786 (1,505), up 18.7 percent.
- Net operating income amounted to MSEK 1,161 (973) or SEK 6.08 per share (5.09), up 19.4 percent.
- Profit from property management amounted to MSEK 621 (763) or SEK 3.10 per share (3.89), down 20.3 percent.
- Changes in the value of properties had an impact of MSEK –720 (1,214) on earnings.
- Loss for the period amounted to MSEK –91 (2,305) or SEK –0.68 per share before (11.96) and after (11.93) dilution.
- Distributable cash flow amounted to MSEK 635 (838) or SEK 3.32 per share (4.39), down 24.4 percent.

### APRIL–JUNE 2023

- Income amounted to MSEK 891 (791), up 12.7 percent.
- Net operating income amounted to MSEK 606 (523) or SEK 3.17 per share (2.74), up 15.8 percent.
- Profit from property management amounted to MSEK 318 (403) or SEK 1.59 per share (2.06), down 22.8 percent.
- Changes in the value of properties had an impact of MSEK –199 (350) on earnings.
- Profit for the quarter amounted to MSEK 242 (981) or SEK 1.14 per share before (5.09) and after (5.07) dilution.
- Distributable cash flow amounted to MSEK 435 (582) or SEK 2.28 per share (3.05), down 25.2 percent.

### SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Three-year, green, senior unsecured bonds of MSEK 850 with an interest rate of STIBOR 3M+550 basis points were issued in April. In connection with the issue, bonds outstanding of MSEK 825, with maturity in April 2024, were repurchased.
- In April, ten properties with warehouses and light industry in Österåker, Malmö, Helsingborg and Jönköping were divested and vacated. The selling price amounted to MSEK 546. The properties had an annual rental value of MSEK 40.

### COMMENTS FROM THE CEO

**During the quarter, revenues increased, net operating income improved, and the underlying business was stable. We had a strong focus on our loan portfolio and refinanced SEK 5.7 billion during and following the quarter. Sales of MSEK 546 contributed to a gain of MSEK 45 in realized changes in value. Meanwhile, interest rate hikes have continued to negatively affect profits and earnings.**

## Property management

We made a number of new leases in both Finland and Sweden but a few tenants gave notice on their leases which resulted in marginally negative net leasing totaling MSEK –5 for the quarter and MSEK –2 for the period. Overall, we are encountering continued stable demand for our premises, despite the leasing processes slowing down somewhat. Rental income increased by 12.7 percent and net operating income by 15.8 percent. We invested MSEK 227 in our properties, which mostly concerned adapting properties for tenants. The largest ongoing adaptation is for Mården in Luleå, where the municipality will move into the property in the third quarter of 2023 on a 10-year lease. In Jyväskylä, Finland, expansion and renovation of a school were completed and the tenant moved in on a 15-year lease.

## Refinancing

During and after the quarter, we carried out refinancings totaling MSEK 5,764, of which MSEK 4,939 is the refinancing of bank debt and MSEK 825 the refinancing of bonds maturing in April 2024. This means MSEK 275 in bonds remains to be refinanced no later than April 2024 and beyond that we have the next maturity on bank loans falling in December 2024. These refinancings increased liquidity by MSEK 230.

## Property valuations

The entire property portfolio is valued externally on a quarterly basis. The yield requirements in the property valuations increased by 0.1 percentage points to 6.6 percent of the portfolio. Increases in net operating income continue to act as a positive counterweight. Changes in value ended at minus MSEK 199, which is a decrease of 0.5 percent for the quarter. Since the year-end valuation on 31 December 2021, the yield requirement has increased from 5.8 to 6.6 percent.

## Market

Despite a cautious transaction market, Nyfosa divested properties for MSEK 546 in two transactions. These were low-yield properties that we sold above book value, which contributed to a gain of MSEK 45 in realized changes in value during the quarter. We continue to be active on the market, assessing interesting transactions on both the buy and sell sides.

We are living through very uncertain times, where interest rate changes are critical to the entire real estate sector. This can be much discussed, however the conclusion for now is that the future remains uncertain and it is impossible to form a completely clear view. We are focusing on working with our tenants, our properties, our business and what we can influence. Nyfosa has a stable portfolio giving good returns, which can withstand strong headwinds and sooner or later will enjoy prevailing winds.

Stina Lindh Hög, CEO

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*The information is inside information that Nyfosa AB is obligated to disclose in accordance with the EU Market Abuse Regulation and Swedish Securities Market Act. The information was submitted for publication through the agency of the aforementioned contact persons on July 11, 2023 at 7:30 a.m. CEST.*

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## **About Nyfosa**

*Nyfosa is a transaction-intensive property company that creates value by building sustainable cash flows and constantly evaluating new business opportunities. With our opportunistic strategy, we invest in properties in different geographies and categories. We are currently active on the Swedish and Finnish markets with a focus on commercial properties in high-growth municipalities. We manage and develop our properties in close collaboration with tenants and the surrounding community, with the perspective that sustainability and profitability go hand in hand. As of June 30, 2023, Nyfosa's property value amounted to SEK 41 billion. Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since 2018. Read more at [www.nyfosa.se](http://www.nyfosa.se).*

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