



Press release

October 20, 2022

Nyfosa Interim report January–September 2022

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.

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.

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

Nyfosa AB

Besöksadress Hästholmsvägen 28, 131 30 Nacka **Telefon** 08 406 64 00

Postadress Box 4044, 131 04 Nacka **E-post** info@nyfosa.se

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

Contact information

Stina Lindh Hök, CEO

Tel: +46 (0)70 577 18 85. E-mail: stina.lindh.hok@nyfosa.se

Ann-Sofie Lindroth, Head of Financial Control

Tel: +46 (0)70 574 59 25. E-mail: ann-sofie.lindroth@nyfosa.se

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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.

About Nyfosa

Nyfosa is a transaction-intensive real estate 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 September 30, 2022, Nyfosa's property value amounted to approximately SEK 41,5 billion. Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since 2018. Read more at www.nyfosa.se.

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