



Press release

July 12, 2022

Nyfosa Interim report January–June 2022

JANUARY–JUNE 2022

- Income amounted to MSEK 1,505 (1,154), up 30 percent.
- Profit from property management amounted to MSEK 1,204 (959), up 26 percent and corresponding to SEK 6.20 per share (5.18).
- Profit from property management excluding changes in value and tax in joint ventures amounted to MSEK 763 (587), up 30 percent and SEK 3.89 per share (3.17).
- Distributable cash flow amounted to MSEK 838 (653), up 28 percent and SEK 4.39 per share (3.52).
- Profit after tax amounted to MSEK 2,305 (1,350), up 71 percent and SEK 11.93 per share after dilution (7.28).

APRIL–JUNE 2022

- Income amounted to MSEK 791 (583), up 36 percent.
- Profit from property management amounted to MSEK 637 (539), up 18 percent and corresponding to SEK 3.28 per share (2.90).
- Profit from property management excluding changes in value and tax in joint ventures amounted to MSEK 403 (300), up 34 percent and SEK 2.06 per share (1.61).
- Distributable cash flow amounted to MSEK 582 (441), up 32 percent and SEK 3.05 per share (2.37).
- Profit after tax amounted to MSEK 981 (711), up 38 percent and SEK 5.07 per share after dilution (3.82).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- In April, 43 properties, including offices, retail, schools and healthcare, were accessed in Finland, with a focus on the Helsinki region, Turku and Jyväskylä, for MSEK 2,109.
- In April, 17 properties with mainly light industry and warehouse in the Helsinki region, Tampere and several major cities in Finland were acquired and accessed, for MSEK 1,415.
- In June, 13 properties in Småland and Östergötland were divested for MSEK 947.
- In June, a property in Solna was sold to the Swedish Fortifications Agency for MSEK 400.
- In July, eight properties with warehouse and light industry in Kalmar were acquired for MSEK 340 before a deduction for deferred tax of MSEK 20.

Nyfosa AB

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COMMENTS FROM THE CEO

Nyfosa can report yet another highly active quarter. We acquired and divested properties for a total of SEK 4.7 billion, refinanced loans for SEK 5.5 billion and reported the best net operating income ever.

Our focus is, as always, on building up stable cash flows from a high-yielding property portfolio that is diverse in terms of geography, property categories and tenants. These cash flows provide stability and security for the business in a time when financing and the trend in property values are more uncertain.

Transactions

During the quarter, we remained active in the transaction market, such as in Finland where we completed acquisitions. These properties are a welcome addition to Nyfosa's existing portfolio, featuring modern offices, light industry and big-box retail in prime locations around the Helsinki region. In parallel, we divested properties and strengthened our statement of financial position for new investments. For instance, a property portfolio was sold in Småland and Östergötland as well as a large office property in Solna to the Swedish Fortifications Agency. After the end of the quarter, we also acquired an industrial portfolio in Kalmar that will contribute growing cash flows.

The positive change in value of 1.1 percent for the quarter was primarily an effect of new and renegotiated leases. We have never generated higher profit from our property management and see no slowdown in demand for our premises. In addition to stable earnings in the existing portfolio, the acquisitions in Finland boosted net operating income. Yield requirements were essentially unchanged.

Financing and capital structure

The vast majority of Nyfosa's financing is bank loans, 93 percent, and the remainder is bonds. In the second quarter, we refinanced parts of our loan portfolio, which included all loans maturing in 2022 and the majority of loans maturing in 2023. This means that Nyfosa's next bond maturity of MSEK 1,100 is in April 2024. Our relationships with the banks are more important than ever and I am grateful for the confidence that Nordic banks have shown in Nyfosa as a company and our ability to deliver in all economic climates. Refinancing during the quarter took place at the same margins as previously.

Inflation and rising interest rates affect cash flow – inflation has a positive effect due to mainly inflation-hedged rental income, and higher interest rates have a negative impact. Nyfosa hedges some of its interest using interest-rate caps and swaps but has decided to also work with variable interest rates. This is a strategy that we consider to be profitable over time, and this approach stands firm. With the current inflation rate of about 7 percent and a 1 percentage-point increase in interest rates, Nyfosa's earnings capacity is impacted by a MSEK 200 increase in rental income and a MSEK 223 increase in interest expenses, thereby yielding a MSEK 23 decrease in earnings, corresponding to SEK 0.12 per share. On the basis of this scenario, we can maintain earnings per share – other things being equal – of SEK 8.73.

Nyfosa is to act prudently and create value in all markets, and we can also see acquisition opportunities going forward. We will remain close to the market to carry out both large and small transactions, as always.

Stina Lindh Hök, CEO

Contact information

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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 12, 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 June 30, 2022, Nyfosa's property value amounted to approximately SEK 41.3 billion. Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since 2018. Read more at www.nyfosa.se.

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