



Press release

April 22, 2024

Nyfosa Interim report January–March 2024

JANUARY–MARCH 2024

- Income increased 3 percent to MSEK 922 (895).
- Net operating income increased 4 percent to MSEK 579 (556).
- Profit from property management declined 16 percent to MSEK 256 (303) or SEK 1.25 per share (1.51).
- Changes in the value of properties had an impact of MSEK –267 (–522) on earnings.
- Profit for the quarter amounted to MSEK 3 (-333). Earnings per share, less interest on hybrid bonds, amounted to SEK –0.07 per share (–1.82) after dilution.
- Operating cash flow declined 8 percent to MSEK 194 (212) or SEK 1.02 per share (1.11).

FORECAST

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

SIGNIFICANT EVENTS DURING THE QUARTER

- Nyfosa's Chairman of the Board, Johan Ericsson, has declined re-election. The Nomination Committee of Nyfosa unanimously proposed that the current Board member David Mindus be elected the new Chairman of Nyfosa's Board of Directors at the Annual General Meeting.
- Nyfosa has decided to evaluate the strategic options, including a potential divestment, for its 50 percent shareholding in Söderport Property Investment AB.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Nyfosa's nomination committee proposes that Ulrika Danielsson and Maria Björklund be elected as new boardmembers.

COMMENTS FROM THE CEO

Nyfosa reports a stable first quarter for its operations with increases in income and net operating income. Meanwhile, the interest rate hikes during 2023 continue to weigh on earnings. As part of our continuous evaluation of investments and new business opportunities, during the quarter we decided to investigate the strategic choices for our joint venture Söderport.

Property management

Our property management continued its positive development during the first quarter of the year, with an increase in net operating income of 4 percent compared with the previous year. Last year's divestments had a negative impact on net operating income. For the like-for-like portfolio, net operating income increased 6 percent. We can see some effects of the economic downturn, such as

more bankruptcies and terminations than before, however, at the same time we continue to experience healthy demand for our premises and high activity across our regions.

Property valuations

We reported a slight decline in the property values during the quarter as an effect of a marginal increase in the yield requirements. The average yield requirement for the portfolio rose to 6.79 percent, which compares with 6.76 percent for the previous quarter. The changes in property values amounted to MSEK –267. There always exists a degree of uncertainty concerning how the market will develop, however, at present, we can see various market conditions in place which point to the recent downturn levelling off somewhat during the year.

Financing

During the quarter, we repurchased hybrid bonds of MSEK 91 as part of our efforts to reduce our financing costs. We are continuing our work to establish a more systematic interest-rate hedging structure and we increased the proportion of interest-hedged debt to 53 percent during the quarter. We have no debt maturing in 2024.

The forecast for 2024 of MSEK 1,200 in profit from property management based on the current property portfolio, announced acquisitions and divestments, and exchange rates on the balance sheet date remains unchanged.

Evaluation of alternatives for Söderport

Nyfosa's strategy is to continuously both review its existing investments and evaluate new business opportunities, all aimed at strengthening our operating cash flow per share. As such, we have decided to evaluate the strategic choices for our 50 percent ownership in Söderport, which includes a potential divestment. Söderport, which consists of industrial, warehouse, and office properties in Stockholm and Gothenburg, is valued at SEK 14.4 billion and we have owned it together with AB Sagax since 2010. Our work in this respect is ongoing and we will return with further information on the outcome in due course.

Market

We are a constantly active on the transaction market, carrying out both large and small transactions regardless of the prevailing conditions. Since the beginning of the year, we have made two small transactions - the acquisition of a warehouse/ industrial property in Tampere with a 10-year lease for MSEK 51 and, post-quarter, we sold retail property in Uppsala for MSEK 152. The sale was made above book value and resulted in a profit of MSEK 22. I can see signs of a bit more movement on the transaction market, with greater interest on both the selling and buying sides, driven by rising optimism concerning future interest rate moves. We hope this will lead to attractive business opportunities for Nyfosa.

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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 April 22, 2024 at 1.00 p.m. CEST.

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 March 31, 2024, Nyfosa's property value amounted to SEK 39.5 billion. Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since 2018. Read more at www.nyfosa.se.

Nyfosa AB

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