



Press release

July 10, 2024

Nyfosa Interim report January–June 2024

JANUARY–JUNE 2024

- Income increased 2 percent to MSEK 1,824 (1,786).
- Net operating income increased 4 percent to MSEK 1,208 (1,161).
- Profit from property management amounted to MSEK 567 (621) or SEK 2.74 per share (3.10), down 12 percent.
- Operating cash flow amounted to MSEK 640 (704) or SEK 3.28 per share (3.69), down 11 percent.
- Changes in values of properties amounted to MSEK –509 (–720).
- Loss for the period amounted to MSEK –31 (–91). Earnings per share, less interest on hybrid bonds, amounted to SEK –0.31 per share (–0.68) after dilution.

APRIL–JUNE 2024

- Income increased 1 percent to MSEK 902 (891).
- Net operating income increased 4 percent to MSEK 629 (606).
- Profit from property management amounted to MSEK 311 (318) or SEK 1.49 per share (1.59), down 6 percent.
- Operating cash flow amounted to MSEK 446 (492) or SEK 2.24 per share (2.58), down 13 percent.
- Changes in the value of properties was MSEK –243 (–199).
- Loss for the quarter amounted to MSEK –34 (242). Earnings per share, less interest on hybrid bonds, amounted to SEK –0.24 per share after dilution (1.14).

ADJUSTED 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 1,300 after interest on hybrid bonds. The most recently published forecast was MSEK 1,200 and was presented in the interim report for January–March 2024.

SIGNIFICANT EVENTS DURING THE QUARTER

- Then Chairman and Board member Johan Ericsson stepped down at the Annual General Meeting in April. Board member David Mindus was elected new Chairman. Lisa Dominquez Flodin stepped down as Board member. Ulrika Danielsson and Maria Björklund were elected new Board members.
- In May, Nyfosa completed a directed share issue of 17 million ordinary shares, which raised approximately SEK 1.7 billion for the company. The share issue took place on the basis of the authorization from the Annual General Meeting held on April 23, 2024.
- An update of the evaluation of Nyfosa's ownership of Söderport was provided in May. The Board has assessed that the most value-creating alternative for the company's shareholders is to remain as a 50-percent owner of Söderport.

SIGNIFICANT EVENTS AFTER THE QUARTER

- After the end of the period, an agreement was signed to acquire the remaining 50 percent of the shares in Nyfosa's Norwegian joint venture Samfosa AS. Closing is scheduled for September 2024. In connection with the transaction, Samfosa will divest a small part of the portfolio, subsequently, Nyfosa owns properties to a value of MNOK 1,462 in Norway.
- Today it was announced that CEO Stina Lindh Hök will leave Nyfosa. After four years as CEO of Nyfosa, Stina and the board of directors have agreed that she will leave her position. Stina will continue to work as CEO until a new CEO takes office to ensure an orderly handover, however no later than February 1, 2025.

COMMENTS FROM THE CEO

During the quarter, Nyfosa completed a directed share issue of SEK 1.7 billion, which aims to achieve a more flexible capital structure while at the same time, create readiness for new investment opportunities. Post-quarter, the acquisition of the remaining part of our Norwegian joint venture Samfosa was signed. Net operating income continued its solid development, and the profit forecast was raised from MSEK 1,200 to MSEK 1,300.

Transactions

During the second quarter, we continued being active on the transaction market with the completion of several small transactions. We signed an agreement to acquire two newly built warehouses/light industrial properties in Tampere, both of which are fully leased on 7-year leases, and a fully leased warehouse property in Värnamo, also with a long remaining lease period of 9.4 years. Meanwhile, we divested two retail properties in Linköping and Nybro, an industrial and production facility in Eskilstuna, and an empty property in Oskarshamn. In total, the sales price of the divestments completed in the first half of the year exceeded latest book values by MSEK 5, including deductions for deferred tax.

In addition, following the end of the quarter, Nyfosa signed an agreement to acquire the remaining 50 percent of the shares in our Norwegian joint venture Samfosa at an underlying acquisition price for the properties corresponding to the externally assessed market value. In connection with the transaction, Samfosa divests a small part of the portfolio. Upon closing, which is scheduled for September 2024, Nyfosa will own a portfolio of cash flow properties centrally located in the cities of Skien, Porsgrunn and Horten, south of Oslo, with a value of MNOK 1,462. This transaction strengthens Nyfosa's cash flows while at the same time increasing our flexibility to act in Norway.

Property management

Net operating income continued to strengthen and increased by 4 percent during the period. In the like-for-like portfolio, net operating income increased by 9 percent in Sweden and decreased by 1 percent in Kielo. In Kielo, we can see a trend to reduce office space, which explains the decreased net operating income. However, we have modern office premises in good locations that provide a strong basis for new leasings.

We can also see the economic downturn's more general impact on the leasing market with slightly more terminations and bankruptcies than normal. In the meantime, we continue to hold many ongoing discussions in the regions which we believe have the potential to result in leasings. During the quarter, the occupancy rate fell from 91.0 percent to 90.9 percent.

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Property valuations

We note the recent declines seen in property valuations continue to level off. For the property portfolio in Sweden, the yield requirements remained unchanged compared with the previous quarter, while we noted a slight upward adjustment in Finland for the office segment, which together resulted in changes in the value of properties during the quarter by MSEK –243.

Financing

The net loan-to-value ratio decreased to 53.7 percent on the balance-sheet date and net debt/EBITDA had decreased to a multiple of 8.2. In June, we signed a new loan agreement to refinance the loans maturing in March 2025 of MSEK 2,075, which is to be paid out in July 2024. The average interest rate for the period was unchanged at 5.1 percent. We additionally amortized our revolving credit facilities during the quarter.

The change in the policy rate by 25 basis points in May, together with amortizations and transactions we carried out during the quarter, have led to an adjustment of the forecast for profit from property management for 2024 to MSEK 1,300. The most recently published forecast, found in the interim report for the first quarter of 2024, was MSEK 1,200.

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 10, 2024 at 12.15 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 June 30, 2024, Nyfosa's property value amounted to SEK 39.0 billion. Nyfosa's share has been listed on Nasdaq Stockholm Large Cap since 2018. Read more at www.nyfosa.se.

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