

NYFOSA

YEAR-END REPORT
JANUARY–DECEMBER 2019

Nyfosa likes a high tempo. In 2019 we delivered on what we promised – growing quickly and profitably. Based on several large transactions, and many small ones, we expanded our property portfolio by more than 25 percent during the year to about SEK 20 billion and signed agreements for another slightly more than SEK 4 billion. We also added to our highly skilled team, successfully developed our financing and ramped up our sustainability agenda in the business. Thus, we are on our way to achieving our target of a property value of SEK 25 billion in 2020 and will then evaluate and communicate the next step for Nyfosa. We are in every way prepared to continue to create value.

Jens Engwall, CEO

OCTOBER–DECEMBER 2019

Income,
MSEK **383** (317)

Profit after tax,
MSEK **543** (308)

Profit after tax
per share, SEK **3.24** (1.84)

JANUARY–DECEMBER 2019

Income,
MSEK **1,370** (1,064)

Profit after tax,
MSEK **1,382** (1,615)

Profit after tax
per share, SEK **8.24** (9.63)

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Many separate transactions were carried out during the quarter that added 25 properties to the portfolio for a total value of SEK 1.8 billion.
- A property was divested in Eskilstuna for a value of MSEK 240 in October.
- In November, senior unsecured bonds of MSEK 750 were issued under the existing framework of SEK 1.5 billion.
- A portfolio of 79 properties was acquired in December for a value of about SEK 4.2 billion.
- After the quarter, a letter of intent was signed in January regarding the acquisition of properties for SEK 8 billion.
- The Board proposes that the Annual General Meeting resolve on a distribution in kind of shares in the company Torslanda Property Investment AB (publ.) to the shareholders.

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NYFOSA

Nyfosa is a transaction-based and opportunistic property company in which business activities are in focus. The company's business concept is based on active participation in the Swedish transaction market combined with an investment strategy that can be flexible to the property market, meaning it is not limited by property category, region, scope of the transaction nor holding period. A flexible investment strategy and an efficient and near-to-market organization with documented transaction know-how and experience from assessing and evaluating risks provide Nyfosa with a solid foundation for creating and completing investments in properties or property portfolios that are often on the peripheral in terms of the types of investments preferred by other operators.

BUSINESS CONCEPT

Nyfosa's mission is to be a transaction-based, opportunistic property company with strong forward momentum. Nyfosa will change in pace with the property market to always identify the best possible transactions and capitalize on business opportunities when they arise.

Furthermore, Nyfosa will generate a sustained and high return and be cash-flow driven with the ambition to grow both its cash flow and property portfolio.

STRATEGY

- Maintain sustained activity in the transaction market and creatively evaluate new business opportunities.
- Focus on commercial properties in high growth municipalities in Sweden.
- Develop and add value to its property holdings.
- Be a reliable and receptive partner with a long term approach and a broad established network.
- Attract the best employees!

OBJECTIVES & DIVIDEND POLICY

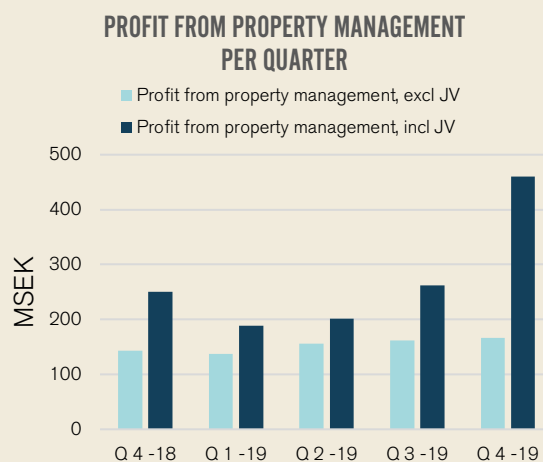
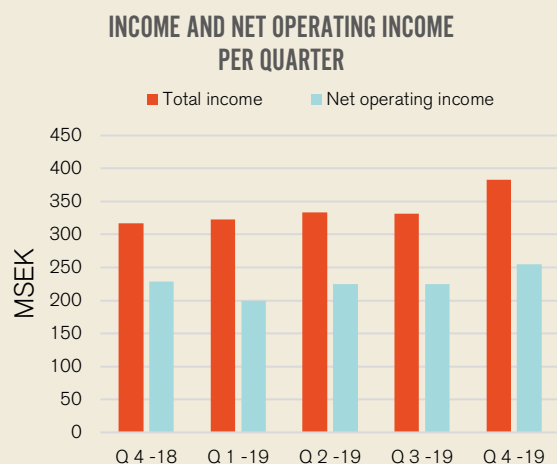
- Average annual growth in earnings and the property portfolio of at least 20 percent up to a total property value of SEK 25 billion (excluding participations in joint ventures).
- At least 15 percent return on equity over time, before paid tax.
- Profits will primarily be reinvested to leverage business opportunities and achieve the growth target of a total property value of SEK 25 billion. Thereafter, a significant portion of profit will be paid to shareholders in the form of a dividend, redemption and/or repurchase of shares.

CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Oct-Dec		Jan-Dec	
	2019	2018	2019	2018
Rental income	381	317	1,359	1,060
Other property income	2	0	11	4
Total income	383	317	1,370	1,064
Property expenses				
Operating expenses	-64	-49	-251	-184
Maintenance costs	-37	-19	-99	-71
Property tax	-18	-12	-65	-46
Property administration	-9	-8	-50	-37
Net operating income	255	229	905	728
Central administration	-32	-16	-89	-52
Other operating income and expenses	0	-30	-1	-39
Share in profit of joint ventures	294	107	491	412
Financial income and expenses	-57	-40	-191	-131
Expenses related to right-of-use assets	-1	0	-4	-
Profit from property management	460	250	1,112	918
Changes in value of properties, realized	-7	6	-22	142
Changes in value of properties, unrealized	138	4	493	658
Changes in value of financial instruments, unrealized	1	7	-7	4
Profit before tax for the period	592	266	1,576	1,722
Tax	-49	42	-195	-107
Profit for the period	543	308	1,382	1,615
Earnings per share before dilution, SEK	3.24	1.84	8.24	9.63
Earnings per share after dilution, SEK	3.24	1.84	8.24	9.63

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK				
Profit for the period	543	308	1,382	1,615
Other comprehensive income	-	-	-	-
Comprehensive income for the period	543	308	1,382	1,615



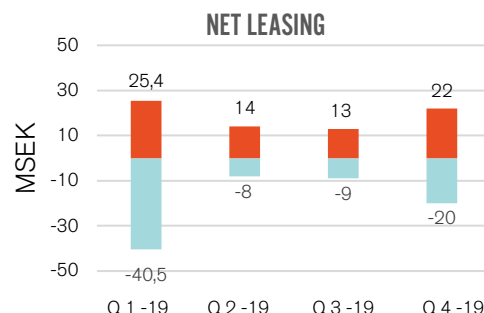
COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

OCTOBER-DECEMBER 2019 QUARTER

The transaction rate was high again in the fourth quarter when possession was taken of properties for a value of SEK 1.4 billion. These acquisitions were mostly office properties, mainly in Greater Stockholm. Closing was completed on a large property portfolio in Örebro in the preceding quarter which contributed to the strengthened net operating income.

Active leasing operations in the quarter generated a positive net again in the fourth quarter when new leases totaled MSEK 22, which exceeded terminations. In general, demand remains high for the premises offered by Nyfosa and we are also seeing the positive results of our renegotiations with tenants.

Net operating income increased 11 percent year-on-year, which was primarily the result of the larger portfolio. For comparable portfolios, the net operating income was slightly lower, due to a couple of large maintenance projects in the fourth quarter.



Profit from shares in joint ventures of MSEK 294 (106) represented 50 percent of Söderport's earnings for the quarter, and mainly comprised profit from property management of MSEK 50 and revaluation of properties and derivatives of MSEK 313. During the quarter, Söderport divested properties in Torslanda valued at SEK 2.3 billion to Torslanda Property Investment AB ("TPI"). TPI paid the purchase consideration in the form of newly issued shares that increased Söderport's participating interest from 28.6 percent to 78.4 percent. Accordingly, TPI has been consolidated as a subsidiary in Söderport's statement of financial position and statement of profit/loss.

Financial income and expenses, including expenses for right-of-use assets, amounted to MSEK -58 (-40). The increase was due to higher net debt. The tax expense for the quarter amounted to MSEK -49 (42). Loss carryforwards were valued in the preceding year, which resulted in a positive tax effect.

FULL-YEAR JANUARY-DECEMBER 2019

Income

Income amounted to MSEK 1,370 (1,064), up MSEK 306 or 29 percent. The change was attributable to the larger portfolio, but also renegotiations and new leases in the comparable portfolio. The total leasable area on December 31, 2019 amounted to 1,877 thousand sqm (1,577) and the economic leasing rate was 90.9 percent (91.5).

Net operating income

Property expenses mainly refer to operating expenses, such as heating, water, electricity and property upkeep and amounted to MSEK 415 (300). Costs for property administration amounted to MSEK 50 (37). Management of the portfolio yielded a surplus ratio of 66 percent (68). The lower surplus ratio was due to a couple of large maintenance projects during the year.

Profit from property management

Costs for central administration amounted to MSEK 89 (52). In 2018, Nyfosa established its own organization but was not complete. This year the organization has expanded with the necessary Group-wide functions and establishment of new local offices in pace with the growth of the property portfolio.

Profit from shares in joint ventures of MSEK 491 (412) comprised 50 percent of Söderport's profit after tax for the full-year, of which MSEK 197 (170) comprised profit from property management and MSEK 416 (311) changes in value of the property portfolio. Financial income and expenses, including expenses for right-of-use assets, amounted to MSEK -195 (-131). The increase was due to higher net debt.

Changes in value

The changes in value of properties amounted to MSEK 472 (800), of which unrealized changes in value totaled MSEK 493 (658). The unrealized changes in value were mainly the result of lower yield requirements and renegotiated leases. The realized changes in value of MSEK -22 primarily derived from two sales in the first quarter of the year. One of the sales was a large transaction that took place in 2018, with the total resulting in positive realized earnings. The second sale was a property with a future vacancy situation that is expected to be difficult to lease.

Tax

The tax expense for the period amounted to MSEK -195 (-107), of which MSEK -173 (-90) pertained to changes in deferred tax liabilities attributable to investment properties. The effective tax rate was 12 percent (6). The deviation from the nominal tax rate of 21.4 percent was mainly due to the fact that profit from shares in joint ventures comprised profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to non-taxable capital gains on the divestment of properties via companies.

CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Dec 31	
	2019	2018
ASSETS		
Investment properties	19,602	15,582
Participations in joint ventures	1,812	1,520
Derivatives	2	9
Assets with right-of-use	149	-
Other assets	2	1
Total non-current assets	21,566	17,113
Current receivables	46	50
Cash and cash equivalents	588	192
Total current assets	635	242
TOTAL ASSETS	22,201	17,355
EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders	9,781	8,392
Non-current interest-bearing liabilities	11,149	7,305
Liabilities attributable to right-of-use assets	144	-
Other non-current liabilities	16	10
Deferred tax liabilities	627	452
Total non-current liabilities	11,937	7,767
Current interest-bearing liabilities	132	935
Other current liabilities	350	262
Total current liabilities	482	1,196
Total liabilities	12,419	8,963
TOTAL EQUITY AND LIABILITIES	22,201	17,355

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Jan-Dec	
	2019	2018
Opening equity	8,392	3,479
Transactions with shareholders		
Issue of warrants	8	-
New share issue and shareholders' contributions	-	3,844
Dividends	-	-530
Other transactions with shareholders	-	-15
Total transactions with shareholders	8	3,299
Comprehensive income	1,382	1,615
Closing equity	9,781	8,392

INVESTMENT PROPERTIES

The property portfolio on December 31, 2019 primarily comprised office properties in high-growth municipalities and warehouse/logistics properties at transportation hubs in Sweden, which jointly accounted for 81 percent of the total property value.

In addition to the categories above, retail properties comprised 11 percent of the total property value. The largest properties in terms of area are situated at the Storheden commercial area in Luleå, on Göteborgsvägen in Borås and Pentagonen in Kungens Kurva. The largest tenants in this category are City Gross, Coop and Decathlon. Retail properties are essentially external commercial areas. The leasing rate was 91 percent and the remaining lease term was 5.2 years.

The remaining properties in the portfolio, which are categorized as Other, primarily generate rental income from industrial, office and warehouse premises. The leasing rate was 92 percent and the remaining lease term was 5.2 years. Kitteln 11 in Örebro and Årsta 68:4 are the two largest properties. Tenants include Pitchers, Hotell Fyrislund and Grant Thornton.

Net leasing for the fourth quarter amounted to MSEK +2. New leases were finalized in cities including Värnamo, Örnköldsvik, Växjö and Mölndal for a total annual value of MSEK 12. The net result of renegotiations for the quarter amounted to MSEK +3 and included renegotiations in Örebro, Västerås, Halmstad and Stockholm for a total annual value of MSEK 10.

The total rental value amounted to MSEK 1,740, of which vacancy rent was MSEK 159. The share of rental income connected to the consumer price index (CPI) corresponded to 88 percent of total rental income. On December 31, 2019, Nyfosa had 3,123 leases including a total of 1,095 leases for garages and parking spaces. Nyfosa has only a small number of dominant tenants. The ten largest tenants represent only 16 percent of total rental income and are distributed between 161 leases. The largest tenants include Telia, Saab and Förlagssystem JAL.

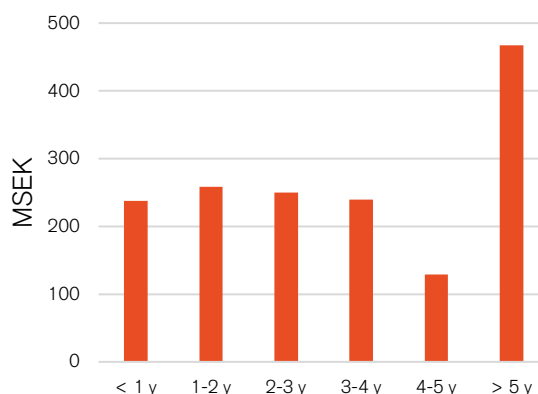
In addition to the wholly owned property portfolio, properties for a value of SEK 5 billion are owned through the joint venture Söderport.

KEY FIGURES FOR THE PROPERTY PORTFOLIO

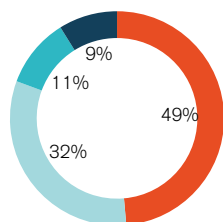
	Dec 31	
	2019	2018
Property value, MSEK	19,602	15,582
Rental value, MSEK	1,740	1,404
Leasable area, 000s sqm	1,877	1,577
No. of properties	230	177
Economic leasing rate ¹ , %	90.9	91.5
Remaining lease term, years	4.1	4.1
Surplus ratio ¹ , %	69.6	68.9
Yield ¹ , %	5.5	5.6

1. According to earnings capacity on the balance-sheet date.

LEASE MATURITY STRUCTURE

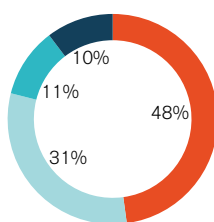


PROPERTY VALUE BY CATEGORY



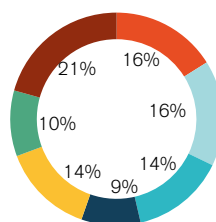
- Offices, 9 531 MSEK
- Logistics/Warehouses, 6 275 MSEK
- Retail, 2 059 MSEK
- Other, 1 736 MSEK

RENTAL VALUE BY CATEGORY



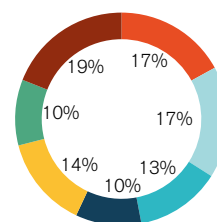
- Offices, 833 MSEK
- Logistics/Warehouses, 541 MSEK
- Retail, 187 MSEK
- Other, 180 MSEK

PROPERTY VALUE BY REGION



- Småland, 3 154 MSEK
- Coast of Norrland, 3 153 MSEK
- Greater Stockholm, 2 680 MSEK
- Greater Gothenburg, 1 739 MSEK
- Mälardalen, 2 791 MSEK
- Greater Malmö, 2 028 MSEK
- Other, 4 055 MSEK

RENTAL VALUE BY REGION



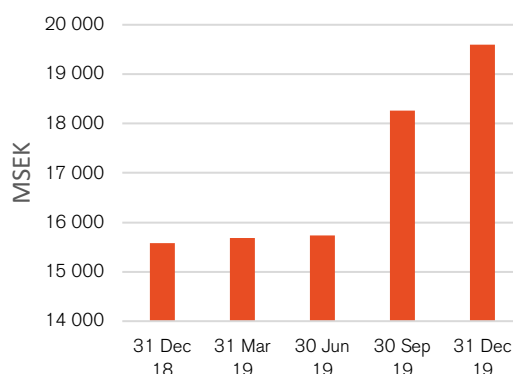
- Småland, 300 MSEK
- Coast of Norrland, 293 MSEK
- Greater Stockholm, 227 MSEK
- Greater Gothenburg, 169 MSEK
- Mälardalen, 237 MSEK
- Greater Malmö, 177 MSEK
- Other, 337 MSEK

TREND IN PROPERTY PORTFOLIO

CHANGES IN VALUE

MSEK	Jan 1 – Dec 31	
	2019	2018
At the beginning of the period	15,582	12,090
Acquired properties	4,516	3,729
Investments in existing properties	224	194
Divested properties	-1,193	-1,230
Realized changes in value	-22	142
Unrealized changes in value	493	658
At the end of the period	19,602	15,582

TREND IN PROPERTY PORTFOLIO



TRANSACTIONS AND INVESTMENTS

Acquired properties, January–December 2019

An agreement was signed in the fourth quarter to acquire a property portfolio for a total value of SEK 4.2 billion. The acquisition is for 79 commercial properties mainly located in Karlstad, but also in Uppsala, Stockholm, Norrköping and Malmö, and primarily comprises offices and warehouses. As part of the purchase consideration, Nyfosa will issue 10,310,000 new shares. The closing date is March 4, 2020.

Possession was also taken of properties for a value of SEK 1.4 billion. The largest acquisition was the Jakobsberg 2:2583 property in Järfälla. Other transactions include a portfolio of offices and a school in Härnösand and Sundsvall, a streamlined office portfolio in Malmö and a warehouse and industrial portfolio distributed between Piteå, Sandviken and Oskarshamn.

In previous quarters of 2019, possession was taken of properties for a total value of SEK 3.1 billion. These acquisitions were for properties in all of Nyfosa's categories, centering on Örebro and Malmö. Possession has been taken of properties for a total value of SEK 4.5 billion this year.

Municipality	No. of properties	Category	Area, 000s of sqm
Borås, Luleå, Västerås, Växjö	4	Retail	75
Borlänge, Malmö, Örebro, Härnösand, Järfälla, etc.	18	Offices	97
Haninge, Linköping, Malmö, Örebro, etc.	18	Logistics/Warehouse	115
Gothenburg, Helsingborg, Malmö, Norrköping, Örebro, etc.	28	Other	129

Investments in existing properties, January–December 2019

Investments of MSEK 224 were made in the existing property portfolio during the year and a total of MSEK 47 was invested during the fourth quarter. The majority of investments were for projects, tenant-specific modifications and improvements related to finalized leases. Total investments also include the costs for the reconstruction of the Tyr 8 property in Umeå that was damaged by a fire in 2017. The largest ongoing investments are presented in the table below.

Municipality	Property	Category	Tenant	Area, 000s of sqm	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Växjö	Bagaren 10	Offices	SAAB	14	11	18	Q1, 2020
Kungälv	Försäljaren 9	Logistics/Warehouse	Postnord	3	14	14	Q1, 2020
Nacka	Sicklaön 358:1	Offices	General	N/A	9	11	Q1, 2020
Uppsala	Danmarks Säby 10:2	Other	SMHA	1	0	10	Q3, 2020

Divested properties, January–December 2019

The properties Rimfrosten 1 in Växjö and Källsta 1:5 in Eskilstuna were vacated in the fourth quarter for a total value of MSEK 274.

Individual properties were vacated earlier in the year and a portfolio of nine properties in the Stockholm area was divested to Söderport. Properties for a total value of MSEK 1,193 were vacated during the year.

Municipality	No. of properties	Category	Area, 000s of sqm
Gnosjö, Luleå, Malmö, Stockholm	4	Offices	14
Malmö, Stockholm	7	Logistics/Warehouse	27
Stockholm, Uddevalla, Hultsfred, Värnamo, Växjö	5	Other	27

YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement on December 31, 2019 was 6.29 percent, and the weighted cost of capital for the present value calculation of cash flows and residual values was a nominal 8.22 percent and 8.39 percent, respectively. When last valued on September 30, 2019, the yield requirement was 6.35 percent, and the weighted cost of capital for the present value calculation of cash flows and residual values was 8.30 percent and 8.50 percent, respectively.

Sensitivity analysis – change in value for changes in valuation parameters

MSEK	%	December 31
		2019
Change in net operating income ¹	+/-5.00%	+/- 659
Change in yield requirement	+/- 0.25%	+/- 812
Change in growth assumptions	+/- 0.50%	+/- 82
Change in discount rate	+/- 0.25%	+/- 615

1. According to earnings capacity.

VALUATION TECHNIQUES

The value of the properties has been assessed based on a market-adapted cash-flow estimate in which, by simulating the calculated future income and expenses, an analysis has been made of the market's expectations with respect to the subject property.

The yield requirement used in the estimate derives from sales of comparable properties. For additional information on valuation techniques, refer to Note 13 of Nyfosa AB's 2018 Annual Report on www.nyfosa.se.

The company engages external, independent appraisers every quarter to quality assure the fair value measurement of the company's properties.

ENVIRONMENTALLY CERTIFIED BUILDINGS

The property portfolio includes five buildings that hold Green Building certification, one with LEED level BD+C and one property with Miljöbyggnad Silver from the Swedish Green Building Council. An additional five properties are expected to gain Green Building certification in 2020. Opportunities for environmental certification of buildings are always assessed when large investments are made in existing properties.

New procedures were implemented in 2019 to integrate sustainability activities throughout the organization. To meet these challenges, the initial focus has been on building up an organization and reporting procedures to create structures and continuity in sustainability activities. This process will continue in 2020.

EARNINGS CAPACITY

	Dec 31
MSEK	2019
Rental income	1,563
Property expenses	-437
Property administration	-39
Net operating income	1,088
Central administration	-75
Share in profit of joint ventures	208
Financial expenses	-231
Profit from property management	989

The company's current earnings capacity on a 12-month basis on December 31, 2019 is presented above. Current earnings capacity is to be considered solely as a hypothetical instantaneous impression and is presented only for illustrative purposes. The aim is to present annualized income and expenses based on the property portfolio, borrowing costs, capital structure and organization at a given point in time. The earnings capacity does not include an assessment of future periods in respect of rents, vacancy rates, property expenses, interest rates, changes in value or other factors impacting earnings, other than the index-linking found in existing leases. The data does not include the possible effects of property transactions. The current earnings capacity must be considered together with other information in the year-end report.

The following information is used as the basis for assessing current earnings capacity:

- annual rental income (including supplements and taking rent discounts into account), plus other property-related income based on current leases;
- operating and maintenance costs consist of an assessment of operating expenses and maintenance measures during a standard year;
- property tax has been calculated on the basis of the current tax assessment value of the properties;
- costs for central administration have been calculated on the basis of the existing organization and the current size of the property portfolio;
- Nyfosa's shares of profit from property management from joint ventures before changes in value, calculated using the same method as Nyfosa;
- the assessment of earnings capacity does not assume any financial income; and
- financial expenses have been calculated on the basis of the company's average interest rate on December 31, 2019, including allocated opening charges, a total of 2.0 percent. The item also includes ground rent.

PARTICIPATIONS IN JOINT VENTURES

Nyfosa owns 50 percent of the shares in the property company Söderport Holding AB ("Söderport"). The remaining portion of the shares is owned by AB Sagax (publ). The joint venture is governed by shareholders' agreements giving both owners equal power of decision, meaning that neither partner has a controlling influence. The holding is classified as Participations in joint ventures and Nyfosa's share in the profit of Söderport is recognized in the Group's profit from property management.

Söderport's property portfolio primarily comprises industrial, warehouse and office properties, which essentially presents a supplement to Nyfosa's wholly owned property portfolio. Söderport owns 80 properties (69) with a total property value of SEK 10,853 billion (7,683). The focal point of the property portfolio is in the Stockholm and Gothenburg regions. Söderport does not have its own operational organization. Instead, it procures property management and financial administration from Sagax. A small part of property management is procured from Nyfosa.

During the year, Söderport divested properties in Torslanda valued at SEK 2.3 billion to Torslanda Property Investment AB ("TPI"). TPI paid the purchase consideration in the form of newly issued shares that increased Söderport's participating interest from 28.6 percent to 78.4 percent. Accordingly, TPI has been consolidated as a subsidiary in Söderport's statement of financial position and statement of profit/loss. Söderport also acquired nine properties from Nyfosa for MSEK 722 and six properties from Sagax for MSEK 668, and divested properties for a value of MSEK 214 to Nyfosa. These transactions created more effective property management portfolios in each company and took place at externally assessed market values.

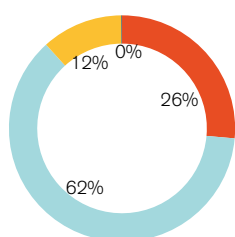
The trend in Söderport's net operating income was strong during the year, increasing by slightly more than 29 percent year-on-year. The total rental value for Söderport's property portfolio amounted to MSEK 835 (674). Leases have an average remaining term of 6 years (5.0). The total leasable area amounted to 761 thousand sqm (686). The economic leasing rate was approximately 96 percent (96).

KEY FINANCIAL DATA, SÖDERPORT

MSEK	Jan-Dec		MSEK	Dec 31	
	2019	2018		2019	2018
Rental income	708	585	Investment properties	10,853	7,683
Net operating income	566	441	Current assets	327	96
Net interest income	-164	-156	Equity:	3,905	3,041
Changes in value, properties	819	621	of which, Nyfosa's share	1,812	1,520 ¹
Changes in value, derivatives	12	56	Non-current liabilities	7,180	4,823
Tax	-237	-164	of which, deferred tax liabilities	909	679
Profit for the year:	989	854	of which, derivatives	208	222
of which, Nyfosa's share	491	427 ¹	Current liabilities	356	189

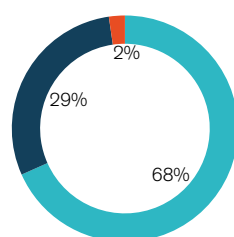
1. Up until June 2018, Nyfosa also owned participations in another joint venture, which is the reason for the deviation between the share in the profit from Söderport and Nyfosa's statement of profit/loss and Söderport's equity and Nyfosa's share of equity in the statement of financial position.

PROPERTY VALUE BY CATEGORY



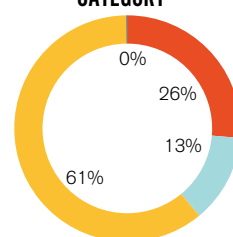
■ Offices, 2 866 MSEK
 ■ Warehouses, 6 716 MSEK
 ■ Industry, 1 262 MSEK
 ■ Other, 10 MSEK

PROPERTY VALUE BY REGION



■ Greater Stockholm, 7 417 MSEK
 ■ Greater Gothenburg, 3 190 MSEK
 ■ Other, 247 MSEK

RENTAL VALUE BY CATEGORY



■ Offices, 220 MSEK
 ■ Industry, 106 MSEK
 ■ Warehouses, 508 MSEK
 ■ Other, 1 MSEK

FINANCING

In 2019, Nyfosa financed its assets through equity, bank loans with Nordic banks and bonds issued in the Swedish capital market. Equity on the balance-sheet date amounted to MSEK 9,786 and total interest-bearing liabilities to MSEK 11,282, of which bank loans with properties as collateral amounted to MSEK 9,782 and senior unsecured bond loans to MSEK 1,500. The loan-to-value ratio of the properties was 57.6 percent (52.9).

To enable rapid growth, the company has three prearranged lines of credit with banks, which have not been fully utilized. These are revolving credit facilities that entail that, against collateral in existing properties, the company can rapidly increase its borrowing to finance new property acquisitions. Following acquisitions, the company has the opportunity to renegotiate credit facilities to a standard bank loan, at which point the unutilized portion of the facility increases. On the balance-sheet date, the company had an unutilized credit scope of MSEK 1,105 in these facilities, against collateral in existing properties, that can be used for future acquisitions.

In addition to the revolving credit facilities, the company has unutilized overdraft facilities with banks totaling MSEK 200. Combined, the available liquidity and strong financial position provide a solid platform to continue to grow through acquisitions and investments in the existing property portfolio.

Available liquidity, December 31

MSEK	Dec 31	
	2019	2018
Cash and cash equivalents	588	192
Unutilized revolving credit facility ¹	1,105	439
Unutilized overdraft facilities	200	174
Total	1,893	805

1. Unutilized and previously granted loans on the balance-sheet date with existing properties as collateral. The loans are available to the company at short notice.

Interest-bearing liabilities

Interest-bearing liabilities increased MSEK 3,042 during the year. Senior unsecured bond loans were issued on two occasions, in May and November, for a total of MSEK 1,500 and maturing in May 2022. Furthermore, bank loans totaling MSEK 3,957 were raised. Repayments for the year and redemption of bank loans in connection with maturity and vacating properties amounted to MSEK 2,394. No interest-bearing liabilities fall due for payment in the next 12 months.

Exposure to interest-rate changes

Nyfosa mainly works with floating interest rates in its loan agreements. Exposure to interest-rate risk is managed by making use of derivative instruments, currently exclusively interest-rate caps. The sensitivity analysis below presented the estimated impact on earnings if the market interest rate were to change and of the company's average interest rate were to change. Limiting interest-rate risk increases the predictability of profit from property management and changes in interest-rate levels in the market do not fully impact the company's interest expenses. The nominal volume of outstanding interest-rate caps amounted to MSEK 4,868, corresponding to 43 percent of interest-bearing liabilities.

Changes in interest-bearing liabilities for the year

MSEK	Jan-Dec	
	2019	2018
Interest-bearing liabilities at the beginning of the period	8,240	6,978
Repayment of bank loans	-2,394	-2,262
Bond loans issued	1,500	-
Bank loans raised	3,957	3,516
Changes in borrowing fees	-21	8
Interest-bearing liabilities at the end of the period	11,282	8,240

Interest and loan maturity structure, December 31, 2019

Year	Fixed-rate period		Loan maturity	
	MSEK	%	MSEK	%
Within 1 year	6,666	59	0	0
1-2 years	1,610	14	3,309	29
2-3 years	1,200	11	4,337	38
3-4 years	1,275	11	2,704	24
4-5 years	601	5	1,002	9
>5 years	0	0	0	0
Total	11,352	100	11,352	100

1. Interest-bearing liabilities in the statement of financial position include allocated arrangement fees, which is the reason for the deviation between the table and the statement of financial position.

2. Refers to final payment of outstanding principal loan amounts on the balance-sheet date, not including ongoing repayments.

Sensitivity analysis

Earnings effect of change in average interest payable, MSEK	Change, %	Dec 31	
		2019	2018
Interest expenses assuming current fixed-rate periods and changed interest rates ¹	+/-1%	+100/-16	+45/-0
Interest expenses assuming change in average interest rate ²	+/-1%	+/-114	+/-83
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1%	+/-4	+/-11

1. Taking into account derivative agreements.

2. Today's average rate, taking into account derivative agreements, increases/decreases by 1%. Increase/decrease does not take into account potential effects of the derivative portfolio.

Each variable in the table above has been addressed individually and on the condition that the other variables remain constant. The analysis refers to the wholly owned property portfolio and does not pretend to be exact. It is merely indicative and aims to show the most relevant, measurable factors in the specific context

Key figures for interest-bearing liabilities, December 31, 2019

	Dec 31	
	2019	2018
Debt/equity ratio, multiple	1.1	1.0
Average interest ¹ , %	1.8	1.7
Average remaining fixed-rate period, years	1.2	1.6
Average remaining loan maturity period, years	2.7	3.2
Interest-rate hedged portion of liabilities, %	42.9	54.1
Fair value of derivatives, MSEK	2	9

1. Interest expense excluding opening charges charged to earnings over the term of the loan.

GROUP STATEMENT OF CASH FLOWS

MSEK	Oct-Dec		Jan-Dec	
	2019	2018	2019	2018
Operating activities				
Profit from property management	460	250	1,112	918
Adjustments for non-cash items	-294	-107	-491	-412
Income tax paid	-10	0	-27	-4
Subtotal	157	143	593	502
Change in operating receivables	36	73	27	43
Change in operating liabilities	-86	-90	32	662
Cash flow from operating activities	106	126	652	1,207
Investing activities				
Direct and indirect acquisitions of investment properties	-1,403	-74	-4,457	-3,721
Direct and indirect divestments of investment properties	272	10	1,170	1,212
Investments in existing investment properties	-41	-51	-224	-194
Dividend from holdings in joint ventures	-	-	200	200
Other	0	-1	0	-1
Cash flow from investing activities	-1,172	-115	-3,311	-2,504
Financing activities				
New issue of shares/warrants	1	-	8	84
Loans raised	2,049	285	5,457	3,530
Repayment of loans	-738	-420	-2,394	-2,262
Other	-6	0	-15	-23
Cash flow from financing activities	1,306	-134	3,056	1,329
Cash flow for the period	240	-123	397	32
Cash and cash equivalents at the beginning of the period	350	315	192	160
Cash and cash equivalents at the end of the period	588	192	588	192
Interest received	0	0	0	0
Interest paid	-51	-13	-169	-99

KEY FIGURES AND QUARTERLY OVERVIEW

Presented below are the key figures that Nyfosa believes provide valuable supplementary information to investors and the company's management in their assessment of the company's performance. The table presents the key figures and performance measures that are not defined by IFRS which is why a reconciliation of key figures is also provided. Definitions can also be found on page 22 of this year-end report.

There is a good margin to the risk limits established by the company. Long term, the equity/assets ratio is to amount to at least 25 percent, the loan-to-value ratio is not to exceed 65 percent and the interest-coverage ratio is not to fall below a multiple of two.

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Property-related key figures					
Income, MSEK	383	331	333	322	317
Property expenses, MSEK	-119	-92	-95	-108	-80
Property administration, MSEK	-9	-14	-13	-15	-8
Net operating income, MSEK	255	225	225	200	229
Surplus ratio, %	66.6	67.9	67.5	61.9	72.1
Property value, MSEK	19,602	18,258	15,741	15,683	15,582
Share-related key figures					
Profit from property management per share, SEK	2.74	1.56	1.20	1.12	1.49
Earnings per share for the quarter before dilution, SEK	3.24	2.20	1.84	0.96	1.84
Earnings per share for the quarter after dilution, SEK	3.24	2.20	1.84	-	-
Equity per share, SEK	58.32	55.07	52.87	50.99	50.03
Long-term net asset value (EPRA NAV) per share, SEK	65.37	61.56	58.66	56.55	55.36
Key financial data					
Return on equity, %	15.2	13.2	22.8	24.7	27.2
Equity/assets ratio, %	44.1	45.5	47.7	48.6	48.3
Net loan-to-value ratio, properties, %	54.6	52.7	48.1	50.7	51.6
Loan-to-value ratio, properties, %	57.6	54.7	56.0	52.2	52.9
Interest-coverage ratio, multiple	3.9	4.3	4.3	4.6	4.6
Cash flow from operating activities per share, SEK	0.63	1.35	0.71	1.20	0.75

RECONCILIATION OF KEY FIGURES

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Long-term net asset value (EPRA NAV)					
Equity, MSEK	9,781	9,237	8,869	8,552	8,392
Deferred tax, MSEK	627	584	488	473	452
Derivatives, MSEK	-2	-1	-1	-3	-9
Deferred tax in joint ventures, 50%, MSEK	454	369	351	343	339
Derivatives in joint ventures, 50%, MSEK	104	136	132	119	111
Number of shares, millions	168	168	168	168	168
Long-term net asset value (EPRA NAV) per share, SEK	65.37	61.56	58.66	56.55	55.36

Long-term net asset value (EPRA NAV) is calculated based on equity in the statement of financial position. The value of derivatives and deferred tax liabilities, both in Nyfosa's statement of financial position and Nyfosa's share of derivatives and deferred tax in joint ventures in the statement of financial position is then added back. The total provides a value per share in Nyfosa.

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Return on equity					
Profit after tax for the four most recent quarters, MSEK	1,382	1,146	1,429	1,516	1,614
Average equity for the four most recent quarters, MSEK	9,087	8,657	6,265	6,139	5,936
Return on equity, %	15.2	13.2	22.8	24.7	27.2

This performance measure is calculated by using profit after tax for the most recent 12-month period in relation to average equity during the same period.

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Loan-to-value ratio and net loan-to-value ratio					
Interest-bearing liabilities, MSEK	11,282	9,979	8,821	8,186	8,240
Property value, MSEK	19,602	18,258	15,741	15,683	15,582
Loan-to-value ratio, %	57.6	54.7	56.0	52.2	52.9
Cash and cash equivalents, MSEK	588	350	1,254	240	192
Net loan-to-value ratio, %	54.6	52.7	48.1	50.7	51.6

The loan-to-value ratio is calculated by using interest-bearing liabilities as a percentage of the value of the properties according to the statement of financial position. The net loan-to-value ratio is calculated by using net loans, meaning interest-bearing liabilities less cash and cash equivalents, as a percentage of the value of the properties according to the statement of financial position.

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Interest-coverage ratio					
Profit from property management, MSEK	460	262	201	188	250
Share in profit of joint ventures, MSEK	294	101	45	51	107
Depreciation/amortization, MSEK	0	0	0	0	0
Financial income and expenses, MSEK	-57	-49	-47	-38	-40
Interest-coverage ratio, multiple	3.9	4.3	4.3	4.6	4.6

The interest-coverage ratio is calculated by excluding shares in profit in joint ventures, depreciation/amortization and financial income and expenses from profit from property management. The performance measure treats ground rent as a property expense, similar to previous calculations. This profit is then expressed as a percentage of financial income and expenses to calculate the interest-coverage ratio.

OTHER DISCLOSURES

SHARE AND SHAREHOLDERS

The volume weighted average price on the last day of trading of the year, December 30, 2019, was SEK 81.29, corresponding to a total market capitalization of MSEK 13,634. Nyfosa had 18,491 shareholders, of which Swedish investors, institutions and private individuals owned 94.5 percent of the shares and voting rights.

List of owners	No. of shares	Share of	
		Capital, %	Votes, %
Länsförsäkringar Funds	15,565,560	9.3	9.3
Swedbank Robur Funds	12,708,965	7.6	7.6
Fourth Swedish National Pension Fund	9,566,100	5.7	5.7
ICA-handlarnas Förbund	7,005,000	4.2	4.2
SEB Funds	6,150,184	3.7	3.7
Norges Bank	5,676,289	3.4	3.4
Vanguard	5,631,442	3.4	3.4
Handelsbanken Fonder	5,300,000	3.2	3.2
Kåpan Pensioner Försäkringsförening	4,716,274	2.8	2.8
AB Sagax	4,700,000	2.8	2.8
Others	90,708,435	53.9	53.9
Total	167,728,249	100.0	100.0

ANNUAL GENERAL MEETING

Nyfosa's 2020 Annual General Meeting (AGM) will be held in Stockholm on April 23, 2020. Shareholders who wish to have a matter addressed at the AGM are to submit a written motion to Nyfosa AB, Att: Juridik, Box 4044, SE-131 04 Nacka, Sweden. Motions must be received not later than seven weeks prior to the AGM in order for it to be certain that such a motion will be included in the notice of the AGM. Motions received are only included on the agenda of the AGM if they are appropriate to be resolved on by the AGM and have been submitted within the correct time. An opportunity to ask questions on subjects including the company's operations, plans and development will be provided in connection with the CEO's speech at the AGM. Such questions do not need to be submitted as motions to the AGM.

More detailed information about when and how to register attendance at the AGM will be announced in connection with the notice of the Meeting. For more information about the AGM, visit www.nyfosa.se.

PROPOSED DIVIDENDS

For the 2019 financial year, the Board proposes that the Annual General Meeting resolve on a distribution in kind of shares in the company Torslanda Property Investment AB (publ.) to Nyfosa's shareholders. It is proposed that every 17 shares in Nyfosa AB confer entitlement to one (1) share in Torslanda Property Investment AB (publ.), following the 10:1 share split of the Torslanda Property Investment AB share. The shares are traded on Nasdaq First North Growth Market since 2015. More information about the company is available on website www.torslandapropertyinvestment.com.

ASSURANCE FROM THE CEO

The CEO gives his assurance that this year-end report provides a fair review of the company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Nacka, February 13, 2020

Nyfosa AB (Corp. Reg. No. 559131-0833)

Jens Engwall

Chief Executive Officer

FINANCIAL CALENDAR

Interim report January–March 2020	April 23, 2020
Annual General Meeting 2020	April 23, 2020
Interim report January–June 2020	July 13, 2020
Interim report January–September 2020	October 22, 2020

CONTACT INFORMATION

Nyfosa AB
Tel: +46 (0)8 406 64 00
Street address: Hästholmsvägen 28
Postal address: Box 4044, SE-131 04 Nacka, Sweden
www.nyfosa.se

Jens Engwall, CEO

Tel: +46 (0)70 690 65 50.
E-mail: jens.engwall@nyfosa.se

Ann-Sofie Lindroth, Head of Financial Control

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

This interim report is unaudited.

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 February 13, 2020 at 7:30 a.m. CET.

NOTES

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting, as well as the applicable regulations of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act. Other than the application of IFRS 16, the accounting policies and calculation methods were unchanged compared with last year's Annual Report. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and the accompanying notes but also elsewhere in this interim report.

IFRS 16 Leases

The Group applies IFRS 16 Leases from January 1, 2019. The Group has applied the modified retrospective approach on transition, meaning that lease liabilities are measured at the present value of the lease payments outstanding on January 1, 2019, which amounted to MSEK 149 on this date. Right-of-use assets are measured at an amount corresponding to the lease liability. The most important leases are site leasehold agreements and, following the introduction of IFRS 16, ground rent is recognized as a financial expense instead of an operating expense as previously.

The Parent Company does not apply IFRS 16 in accordance with the exemption in RFR 2.

NOTE 2 ESTIMATES AND ASSESSMENTS

The preparation of the interim report requires that company management make judgments and estimates, and make assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, income and expenses recognized. The actual outcome may deviate from these judgments and estimates.

Measurement of investment properties

For significant assumptions and assessments affecting the measurement of Nyfosa's investment properties, refer to Note 13 of the 2018 Annual Report on www.nyfosa.se. Nyfosa's property portfolio is recognized in the statement of financial position at fair value, and the changes in value are recognized in profit or loss. The fair value is based on internal valuations that are performed continuously and the properties are also valued every quarter by an external independent appraiser. The value of the properties is affected not only by supply and demand in the market but also by a number of other factors, in part property-specific factors such as the leasing rate, rent level and operating expenses, and in part such market-specific factors as the yield requirement and the cost of capital, which are derived from comparable transactions in the property market. Deterioration in either a property or the market could cause the value of the properties to decline, which could have a negative impact on Nyfosa's operations, financial position and earnings.

Valuations require assessments of and assumptions about future cash flows and determination of the discount factor (yield requirement). An uncertainty interval of +/- 5–10 percent is usually applied to property valuations to reflect the uncertainty of assumptions and assessments made.

Measurement of loss carryforwards

The regulatory framework governing taxation of the type of business operated by Nyfosa is complex and comprehensive in terms of both income tax and VAT/property taxation. Moreover, interpretation and application of these regulations by courts of law can change over time. Changes in these regulations, or in their interpretation by judicial bodies, could impact Nyfosa's earnings and position either positively or negatively. From time to time, Nyfosa has cases under review by, and ongoing dialogue with, the Swedish Tax Agency regarding individual taxation matters. The Tax Agency makes tax rulings that can be appealed and reviewed in administrative courts of appeal. The regulations governing the recognition of taxes, and the property sector's application of these accounting regulations, are also complex. The regulatory framework is complex, the Tax Agency's review possibilities are comprehensive and the judicial bodies' interpretation and reviews take place in many stages, which means that it can take a long time to establish the correct application of legislation in complex taxation matters. This may entail that actions taken or completed transactions that were previously considered permissible according to the regulatory framework may need to be reappraised at a later juncture. Nyfosa monitors the taxation laws and practices that are in effect whenever it files tax returns. Nyfosa's assessments and calculations in the tax area, and the accounting of these matters, are reassessed at the end of each reporting period. Nyfosa had loss carryforwards from prior years. The Tax Agency decided in a review decision in 2018 not to grant the company full deductions for these loss carryforwards. The loss carryforwards in question amount to MSEK 1,215. Unutilized loss carryforwards are valued at MSEK 246, corresponding to 20.6 percent. Nyfosa has not reserved this amount since Nyfosa believes that it is overwhelmingly probable that the deduction claimed will be granted following a court ruling.

Classification of acquisitions

The IFRS 3 accounting standard states that acquisitions must be classified as business combinations or asset purchases. An individual assessment of the character of the acquisition is required for each individual transaction. Nyfosa's corporate acquisitions in 2019 encompass only properties and no material processes, which is why the transactions are deemed to be asset purchases.

NOTE 3 OPERATING SEGMENTS

Nyfosa's operations comprise one operating segment, that is to say, Nyfosa's operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's chief operating decision maker as a basis for monitoring earnings and allocating resources.

NOTE 4 TAX

The Group's effective tax rate for the interim period was 12.3 percent (6.2). The deviation from the nominal tax rate of 21.4 percent was mainly due to the profit from shares in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to non-taxable capital gains on the divestment of properties via companies, and valuations of loss carryforwards.

According to the applicable rules, deferred tax is to include temporary differences on all assets and liabilities, except for temporary differences on properties when assets are acquired. The residual value of investment properties for tax purposes totaled MSEK 9,146, which means that temporary differences of MSEK 5,939 were not recognized in the statement of financial position.

Reconciliation of effective tax, MSEK

Profit before tax		1,576
Tax according to applicable tax rate for Parent Company	-21.4%	-337
Non-deductible costs and tax-exempt income	0.0%	1
Profit from shares in joint ventures	6.7%	105
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.0%	1
Non-taxable sales of properties	2.5%	40
Tax attributable to prior years	0.7%	11
Other	-0.9%	-15
Recognized effective tax	-12.3%	-195

NOTE 5 EARNINGS PER SHARE

A long-term incentive program for employees of the Nyfosa Group was implemented in accordance with the resolution of the Annual General Meeting in May 2019. To establish the program, the Meeting resolved on a directed issue of a maximum of 1,950,000 warrants. Each warrant entitles the holder to subscribe for one new share in Nyfosa AB.

The subscription price per share is based on the average share price at the time of the issue of the warrants with an increase or decrease calculated according to Carnegie's Real Estate Index (CREX) until September 2022, when it will be finally set. Subscription of shares in accordance with the terms and conditions for the warrants may be exercised during a two-week period from the day following the disclosure of the company's interim report for the period July – September, 2022, the company's year-end report for 2022 and the interim report for the period January – March, 2023, although not later than June 10, 2023.

1,674,300 of the issued warrants were subscribed for, and the remainder are held by a company in the Group. The estimated dilution in the quarter and the year amounted to 0 percent.

NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS

Nyfosa measures its financial instruments at fair value or amortized cost in the statement of financial position, depending on the classification of the instrument. Financial instruments include rent receivables, derivatives and cash and cash equivalents among assets and interest-bearing liabilities, derivatives and accounts payable among liabilities. The derivatives are measured at fair value according to Level 2. Nyfosa has binding framework agreements for derivative trading (ISDAs), which enable Nyfosa to offset financial liabilities against financial assets in the event of the insolvency of a counterparty or other event, a process known as netting. No offset currently takes place.

The table below presents the fair value of the Group's derivatives, which is reflected in the statement of financial position. The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other liabilities provides a reasonable approximation of the fair value.

Fair value, MSEK	Dec 31	
	2019	2018
Derivatives with positive values	2	9
Derivatives with negative values	-	-

NOTE 7 FINANCING

For information regarding changes in loans, interest rates and credit terms, refer to pages 12-13 of this year-end report.

NOTE 8 SHAREHOLDERS' EQUITY

Date	Event	Change in share capital (SEK)	Change in number of shares	Share capital after change (SEK)	Number of shares after change
October 17, 2017	New formation	-	-	50,000.00	500
May 21, 2018	Division of shares	-	99,500	50,000.00	100,000
May 21, 2018	New share issue	78,814,124.50	157,628,249	78,864,124.50	157,728,249
August 21, 2018	New share issue	5,000,000.00	10,000,000	83,864,124.50	167,728,249

NOTE 9 RELATED PARTIES

The Group owns participations in joint ventures, refer to page 11 of this interim report. Söderport is managed by AB Sagax, except for property management which is managed by Nyfosa.

During the fourth quarter, Söderport divested properties in the company Torslanda Property Investment AB ("TPI"). After the transaction Söderport owns 78 percent of TPI. TPI decided to procure the same property management services from Nyfosa that Söderport procures.

Property management fees between the companies are based on market terms. Nyfosa's fee totals MSEK 3 per year. The Group has no receivables from joint ventures on December 31, 2019.

In June, the Group divested properties to Söderport for a total value of MSEK 722. In October, properties were acquired from Söderport for a value of MSEK 214. The purpose of the transaction was to create more efficient property management portfolios. These transactions took place at the externally assessed market value.

NOTE 10 SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

In January 2020, Nyfosa signed a letter of intent with Samhällsbyggnadsbolaget i Norden AB ("SBB") regarding the acquisition of properties with a total value of approximately SEK 8 billion. The properties are mainly offices in Sweden. The parties intend to sign a binding agreement regarding the acquisition in March 2020. Nyfosa will update with further information about the acquisition and its financing at the latest when the terms of the acquisition are finally agreed.

The Board proposes that the Annual General Meeting resolve on a distribution in kind of shares in the company Torslanda Property Investment AB (publ.) to Nyfosa's shareholders.

PARENT COMPANY

STATEMENT OF PROFIT/LOSS

MSEK	Oct-Dec		Jan-Dec	
	2019	2018	2019	2018
Net sales	18	12	60	22
Personnel costs	-17	-9	-56	-22
Other external costs	-6	-35	-43	-64
Depreciation/amortization	0	0	0	0
Loss before financial income and expenses	-5	-33	-39	-64
Profit from shares in joint ventures	-	-	200	
Profit from participations in Group companies	400	500	400	300
Interest income and similar income items	0	0	2	1
Interest expenses and similar expense items	-11	-1	-24	-1
Profit/loss before appropriations	384	466	538	436
Appropriations				
Provision to tax allocation reserve	-7	0	-7	0
Group contributions paid/received	78	68	78	68
Profit before tax	455	534	609	504
Tax	-5	-8	-5	-1
Profit for the period	451	526	605	503

STATEMENT OF FINANCIAL POSITION

MSEK	Dec 31	
	2019	2018
ASSETS		
Participations in Group companies	0	0
Participations in joint ventures	412	412
Receivables from Group companies	90	90
Total non-current assets	503	502
Current receivables from Group companies	7,801	6,367
Other current receivables	11	6
Cash and bank balances	676	4
Total current assets	8,488	6,377
TOTAL ASSETS	8,990	6,879
EQUITY AND LIABILITIES		
Restricted equity	84	84
Unrestricted equity	4,876	4,263
Equity	4,960	4,347
Untaxed reserves	7	-
Bond loans	1,486	-
Other non-current liabilities	9	1
Total non-current liabilities	1,495	1
Liabilities to Group companies	2,483	2,460
Other current liabilities	46	72
Total current liabilities	2,529	2,532
Total liabilities	4,031	2,533
TOTAL EQUITY AND LIABILITIES	8,990	6,879

Nyfosa AB is a holding company whose operations comprise owning and managing shares. In 2018, in connection with the establishment of the Nyfosa Group, the Parent Company acquired through its subsidiary Nyfosa Holding AB 122 companies from Hemfosa Fastigheter and its subsidiaries as well as shares in Söderport Holding AB.

Profit/loss for the period is the same as comprehensive income for the period.

GLOSSARY

Return on equity	<p>Profit/loss for the most recent 12-month period in relation to average equity during the same period</p> <p>Purpose: The performance measure shows the return generated on the capital attributable to shareholders.</p>
Loan-to-value ratio, properties*	<p>Interest-bearing liabilities at the end of the period in relation to the value of the properties (in the statement of financial position).</p> <p>Purpose: The loan-to-value ratio is a measure of risk that indicates the degree to which the operation is encumbered with interest-bearing liabilities. The performance measure provides comparability with other property companies.</p>
Yield*	<p>Net operating income according to earnings capacity in relation to the fair value of the properties on the balance-sheet date.</p> <p>Purpose: The performance measure indicates the yield from operational activities in relation to the properties' value.</p>
Net operating income*	<p>Net operating income comprises the income and expense directly connected to the property, meaning rental income and the expenses required to keep the property in operation, such as operating expenses, maintenance costs and personnel costs for those who take care of the property and tenant contacts.</p> <p>Purpose: The measure is used to provide comparability with other property companies, but also to illustrate operational performance.</p>
Equity per share	<p>Equity in relation to the number of shares at the end of the period.</p> <p>Purpose: The performance measure shows how large a share of the company's recognized equity each share represents.</p>
Economic leasing rate	<p>Rental income before rent discounts as a percentage of the rental value at the end of the period.</p> <p>Purpose: The performance measure facilitates the assessment of rental income in relation to the total value of the leased and unleased floor space.</p>
Property	<p>Properties held under title or site leasehold.</p>
Fair value of properties	<p>The recognized property value according to the statement of financial position at the end of the period.</p> <p>Purpose: The performance measure facilitates better understanding of the value development in the property portfolio and the company's statement of financial position.</p>
Profit from property management*	<p>Profit from property management comprises net operating income plus property management and administration expenses as well as financial income and expenses. This earnings measure does not include effects of changes in the value of investment properties and derivatives. These are reported separately in the statement of profit/loss and are not included in distributable profit.</p>
Rental income	<p>Rents charged including supplements for heating and property tax.</p>
Rental value	<p>Rental income before rent discounts for leased areas and assessed market rent for the vacant floor space.</p> <p>Purpose: The performance measure facilitates assessment of the total potential rental income since the assessed market rent for vacant floor space is added to the rental income charged.</p>

Long-term net asset value (EPRA NAV)*	<p>Equity plus derivatives and deferred tax liabilities according to the statement of financial position.</p> <p>Purpose: To show the fair value of net assets from a long-term perspective. Accordingly, assets and liabilities in the statement of financial position that are not adjudged to be realized, such as the fair value of derivatives and deferred taxes, are excluded. The corresponding items in the company's participations in joint ventures are also excluded from the performance measure.</p>
Net loan-to-value ratio, properties*	<p>The net of interest-bearing liabilities and cash and cash equivalents at the end of the period as a percentage of the fair value of the properties in the statement of financial position.</p> <p>Purpose: The net loan-to-value ratio is a measure of financial risk that indicates the degree to which the operation is encumbered with interest-bearing liabilities, but taking into account bank balances. The performance measure provides comparability with other property companies.</p>
Net leasing	Signed new leases for the period less terminations.
Revolving credit facility	An agreement between a lender and a borrower that gives the borrower the right to use funds for a certain period of time and up to a certain amount, and repay at its own discretion before a certain date.
Interest-rate cap	An interest hedging instrument whereby the lender pays a variable interest up to a predetermined interest-rate level. The aim of interest-rate caps is to reduce interest-rate risk.
Interest-coverage ratio*	<p>Profit from property management before financial income and expenses, depreciation/amortization and shares in profit in joint ventures as a percentage of financial income and expenses.</p> <p>Purpose: The interest-coverage ratio is a measure of financial risk that shows how many times the company can pay its interest charges with its profit from operational activities.</p>
Debt/equity ratio*	<p>Interest-bearing liabilities as a percentage of equity.</p> <p>Purpose: The debt/equity ratio is a measure of financial risk that shows the company's capital structure and sensitivity to movements in interest rates.</p>
Equity/assets ratio*	<p>Equity as a percentage of total assets.</p> <p>Purpose: To show how large a share of the company's assets is financed by equity and has been included to enable investors to be able to assess the company's capital structure</p>
Leasable area	<p>The total premises area that can potentially be leased.</p> <p>Purpose: Shows the total area that the company can potentially lease.</p>
Vacancy rent	<p>Assessed market rent for vacant floor space.</p> <p>Purpose: The performance measure states the potential rental income when all floor space is fully leased.</p>
Surplus ratio*	<p>Net operating income for the period as a percentage of total income.</p> <p>Purpose: The surplus ratio shows the percentage of each Swedish krona earned that the company can keep. The performance measure is an indication of efficiency that is comparable over time and among property companies.</p>

* Refers to alternative performance measures according to the European Securities and Markets Authority (ESMA).

NYFOSA

Tel: +46 (0)8 406 64 00
www.nyfosa.se

Street address: Hästholmsvägen 28 Postal
address: Box 4044, SE-131 04 Nacka,
Sweden