

The image features a dark silhouette of a city skyline against a warm, sunset-colored sky. The letters 'NYFOSA' are prominently displayed at the top in a glowing, 3D neon font. Below the skyline, the letters 'Q2' are centered in a large, white, sans-serif font. The building's windows are filled with various scenes of sunsets and cityscapes, creating a vibrant, multi-colored effect.

NYFOSA

Q2

INTERIM REPORT  
JANUARY–JUNE 2020

Nyfosa is continuing to grow and differentiate its portfolio. With the SEK 4.9 billion acquisition finalized in July, we are adding strong and stable tenants, mainly tax-funded operations in growth locations where we already have a presence, and an increase in earnings capacity of more than MSEK 200. This acquisition is an ideal fit for us and we are pleased to be able to realize it in the current market. Nyfosa's focus is to build up cash flows, which means that we are also prepared to sell when the right opportunity presents itself. As we recently announced, we are negotiating the divestment of logistics properties for slightly more than SEK 2 billion to pave the way for new transactions that will strengthen cash flows.

The quarter was marked by the corona pandemic. At the same time, we can see that the transaction market has come to life and that our valuations are stable. We have continued to work closely with our tenants, who have largely managed well in the current situation, and our own business has operated without any disruptions. There is still much uncertainty about the future but we can see tendencies of a general recovery and future business opportunities may arise that fit Nyfosa well.

Jens Engwall, CEO

## KEY FIGURES

	Apr-Jun		Jan-Jun		Last 4 quarters	Full-year 2019
	2020	2019	2020	2019		
Income, MSEK	493	333	923	656	1,637	1,370
Net operating income, MSEK	342	225	624	425	1,104	905
Surplus ratio, %	69.4	67.5	67.6	64.8	67.4	66.0
Profit from property management, MSEK	248	201	592	390	1,314	1,112
— per share, SEK	1.35	1.20	3.31	2.32	7.58	6.63
Profit after tax, MSEK	249	309	908	470	1,820	1,382
Earnings per share before dilution, SEK	1.35	1.84	5.07	2.80	10.50	8.24
Earnings per share after dilution, SEK	1.35	1.84	5.07	2.80	10.50	8.24
Distributable cash flow, MSEK	511	356	713	493	1,030	793
— per share, SEK	2.77	2.12	3.98	2.94	5.94	4.73
Equity/assets ratio on balance-sheet date, %			41.6	47.8	41.6	44.1
Long-term net asset value (EPRA NAV) on balance-sheet date, MSEK			13,428	9,839	13,428	10,965
— per share, SEK			72.78	58.66	72.78	65.37
Net loan-to-value ratio of properties on balance-sheet date, %			53.2	56.0	53.2	54.6

## SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Acquisition of a property portfolio for a value of SEK 4.9 billion in June, 79 percent of the rental income from which is tax funded, and divestment of a project property in Gothenburg at a value of MSEK 400.
- Divestment of a retail property in central Linköping for a value of MSEK 139.
- Signed letter of intent with Blackstone to divest logistics portfolio for approximately SEK 2.1 billion.

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# Nyfosa will be the property company in Sweden that is the best at creating value.

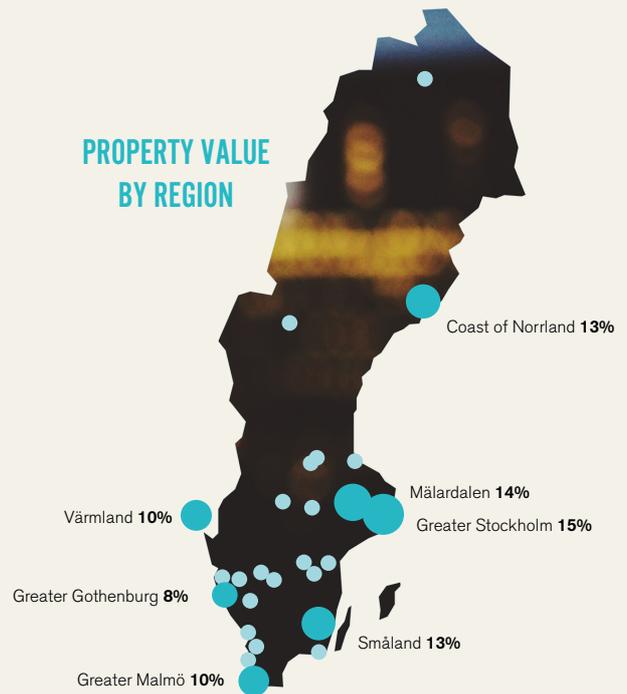
## BUSINESS CONCEPT

With its opportunistic approach and its agile, market-centric and bold organization, Nyfosa will create value by accumulating sustainable cash flows and continuously evaluating new business opportunities.

## STRATEGY

- Attract and develop the best employees.
- Be active in the transaction market.
- Prioritize commercial properties in high-growth municipalities.
- Add value to the portfolio through sustainability.
- Act long term and close to the tenants.

### PROPERTY VALUE BY REGION



Total property value on June 30, 2020, MSEK 24,882

Nyfosa's properties are located throughout Sweden, mainly in high-growth municipalities and at transportation hubs.

### FINANCIAL TARGET

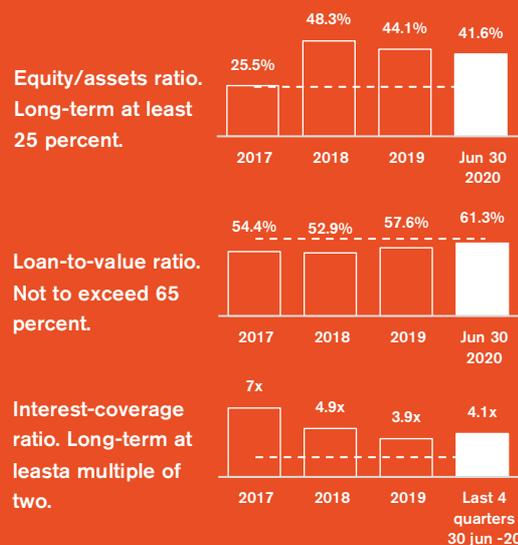
Annual growth in distributable cash flow per share of

**+10%**

### DIVIDEND POLICY

At least 40 percent of the distributable cash flow is to be distributed to the owners. Dividends are, on each occasion, to be considered in light of the company's business opportunities and may comprise a distribution in kind, buyback or cash dividend.

### FINANCIAL RISK LIMITS



# IMPACT OF CORONA PANDEMIC

**In the second quarter, the company continued to manage the effects of the corona pandemic on its operations. As an organization, Nyfosa has encouraged its employees to work from home, which has worked well and operations could be carried out without any disruptions. We are in daily contact with some of our tenants to find ways of helping them to manage their temporary payment difficulties. The rent level across Nyfosa's portfolio remains relatively low, which is one of the factors limiting the decline in rental income. Low exposure to tenants in the tourism industry also limits the negative impact on the company. In summary, the highly diverse property portfolio and tenant base have meant that the effect of the corona pandemic remains manageable at an overall level.**

## Organization

Nyfosa's organization has coped well with few cases of illness among employees and thus the company has not been vulnerable in terms of its labor force. The local offices have remained opened, and employees who were able and wanted to work from home could do so, with flexible working hours and workplace solutions applied where necessary.

Nyfosa has not needed to apply for the government's short-time working allowance, give notice of redundancies or terminate employment. Also, the company has not made use of liquidity reinforcement through its tax account but has received reimbursement for sick pay costs that is available to all employers.

## Rent payments

Rents for forthcoming quarters are paid by tenants in advance, which means that rent receivables are normally insignificant amounts. In the past four years, rent losses have amounted to only 0.5 percent of rental income. In connection with payments of rents for the second and third quarters, Nyfosa engaged in closer dialogue with tenants to discuss any changes to their payment capacity resulting from the pandemic.

Nyfosa has continued to apply the adopted method of making individual assessments in order to identify the best solution for the specific situation of each tenant. The initial starting point has been to assist tenants by changing quarterly payments to monthly payments or to extended payment plans, as well as providing discounts based on government aid for rental costs. All discounts were charged to earnings.

Provisions were made in the second quarter for expected rent losses of MSEK 2.5, corresponding to 0.1 percent on a full-year basis, most of which refer to rents for the second quarter. Rent losses attributable to confirmed bankruptcies amounted to MSEK 1. In addition, Nyfosa provided rent discounts of MSEK 5.1, of which the company expects to receive MSEK 1.9 in state aid for rental costs. All amounts were charged to second-quarter earnings.

91 percent of rents invoiced for the third quarter that fell due on June 30 had been paid at July 9, which does not deviate significantly from normal quarterly closing.

At an overall level, Nyfosa's highly diversified tenant list has coped with the economic challenges presented by the pandemic in a relatively controlled manner.

## Property values

Nyfosa engages two external appraisers that each value a part of the portfolio. All properties are valued every quarter. The uncertain business environment was mainly reflected in the future net operating income of the properties appraised in the form of somewhat more prudent assessments of rent growth, market rents and slightly longer vacancy periods. All property categories and geographic locations were subject to the adjustments. The yield requirement for a small number of properties was adjusted upward, mainly properties with a significant share of non-food retail. The valuation of the property portfolio at the quarterly closing resulted in a MSEK 28 increase in value. The revaluation of a property to its contractual value under a divestment agreement resulted in the company reporting a total positive change in value. A slight downward adjustment was made for the remainder of the portfolio.

## Transactions

The transaction market in Sweden experienced a strong start to the year but has slowed in recent months due to the uncertain business environment. However, both the leasing and transaction market for offices showed signs of a slow recovery at the end of the quarter, even though processes are more drawn out and financing alternatives are more limited than before the pandemic.

## Financing

Nyfosa's resilience to the negative effects of the business environment has meant that the company can report a strong financial position and solid conditions for continued growth again at this quarterly closing. The long-term relationships with the Nordic banks, which are highly familiar with both the company's assets and organization, have enabled continued growth during the quarter on favorable conditions, including signing an agreement to acquire a property portfolio for SEK 4.9 billion.

## Future risks

The company will be impacted by the corona pandemic in both the short and long-term. The assessment is that the risk of doubtful rent receivables will remain higher in the short term, particularly for tenants in the tourism industry that will need time to recover. A shortage in the labor force due to illness or medical care could impact our operations. Lower economic activity in society in the long term could affect demand for the company's premises. This could lead to an increase in long-term vacancies, downward pressure on rent levels and property values and higher long-term financing costs.

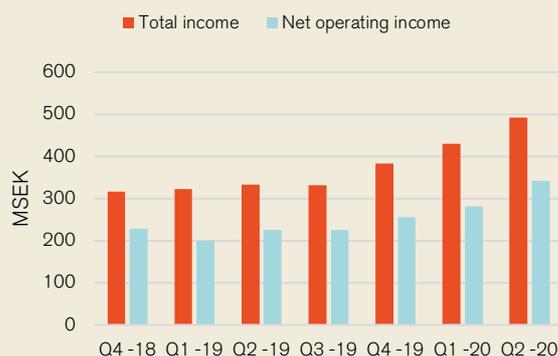
## CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Apr-Jun		Jan-Jun		Last 4	Full-
	2020	2019	2020	2019	quarters	year
Rental income	479	330	904	649	1,614	1,359
Other property income	14	3	19	8	23	11
<b>Total income</b>	<b>493</b>	<b>333</b>	<b>923</b>	<b>656</b>	<b>1,637</b>	<b>1,370</b>
Property expenses						
Operating expenses	-76	-63	-159	-140	-270	-251
Maintenance costs	-37	-20	-68	-38	-129	-99
Property tax	-22	-13	-42	-26	-81	-65
Property administration	-16	-13	-30	-27	-53	-50
<b>Net operating income</b>	<b>342</b>	<b>225</b>	<b>624</b>	<b>425</b>	<b>1,104</b>	<b>905</b>
Central administration	-38	-21	-68	-43	-114	-89
Other operating income and expenses	1	-1	2	-2	3	-1
Share in profit of joint ventures	36	45	171	96	566	491
Financial income and expenses	-92	-48	-137	-87	-245	-195
<b>Profit from property management</b>	<b>248</b>	<b>201</b>	<b>592</b>	<b>390</b>	<b>1,314</b>	<b>1,112</b>
Changes in value of properties	43	126	524	125	870	472
Changes in value of financial instruments	2	-2	1	-8	2	-7
<b>Profit before tax for the period</b>	<b>293</b>	<b>325</b>	<b>1,117</b>	<b>507</b>	<b>2,187</b>	<b>1,576</b>
Tax	-45	-16	-209	-37	-366	-195
<b>Profit for the period</b>	<b>249</b>	<b>309</b>	<b>908</b>	<b>470</b>	<b>1,820</b>	<b>1,382</b>
Earnings per share before dilution, SEK	1.35	1.84	4.92	2.80	10.85	8.24
Earnings per share after dilution, SEK	1.35	1.84	4.92	2.80	10.85	8.24

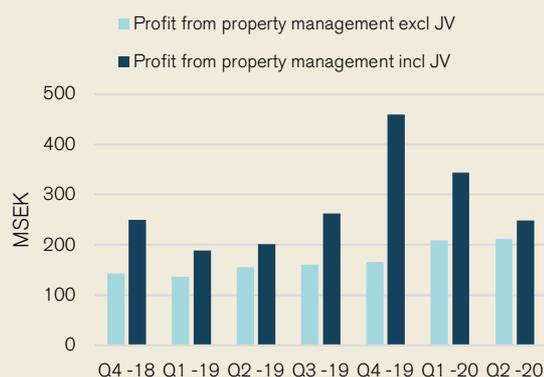
## STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK						
<b>Profit for the period</b>	<b>249</b>	<b>309</b>	<b>908</b>	<b>470</b>	<b>1,820</b>	<b>1,382</b>
Other comprehensive income	-	-	-	-	-	-
<b>Comprehensive income</b>	<b>249</b>	<b>309</b>	<b>908</b>	<b>470</b>	<b>1,820</b>	<b>1,382</b>

### INCOME AND NET OPERATING INCOME PER QUARTER



### PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



## COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

### APRIL–JUNE 2020 QUARTER

Significant resources were allocated to negotiations with existing tenants during the quarter due to the effect of the corona pandemic. Despite this, the leasing operations reported positive net leasing. New leases were signed for a total of MSEK 23 while terminations amounted to MSEK 18. Confirmed losses amounted to MSEK 1, which are not included in the net leasing graph.

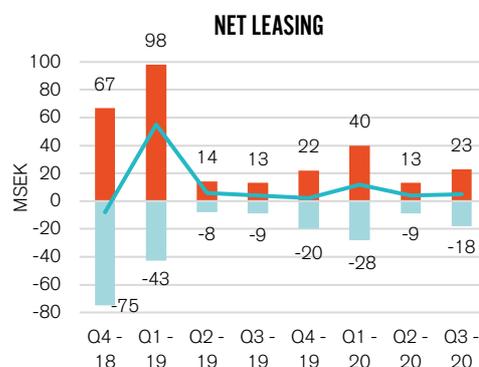
**Income** amounted to MSEK 493 (333), up MSEK 160 or 48 percent. In the quarter, MSEK 2.5 (1.0), or 0.5 percent (0.3), of invoiced rental income was deemed to be expected rent losses. Rent discounts related to the state aid package of a net MSEK –3.5 were taken into account.

**Profit from participations in joint ventures** of MSEK 36 (45) comprised 50 percent of Söderport's earnings for the quarter. Söderport's profit from property management amounted to MSEK 58 (46). Adjustments to property values and derivatives of MSEK –8 (12) were charged to earnings.

**Financial income and expenses** amounted to MSEK –92 (–48). The increase was due to higher net debt.

**Revaluation of properties** amounted to MSEK 43 (126). In the valuation on the balance-sheet date, the continued uncertain business environment has mainly been reflected in the net operating income of the properties appraised in the form of somewhat more prudent assessments of rent growth, market rents and slightly longer vacancy periods. The revaluation of a property to its contractual value under a divestment agreement resulted in the company reporting a total positive change in value. A slight downward adjustment was made for the remainder of the portfolio. The property portfolio was valued by external, independent appraisers. Although the valuation on the balance-sheet date showed a positive value trend for the quarter, the future value trend is uncertain.

**The tax expense** for the quarter was MSEK –45 (16).



### INTERIM PERIOD JANUARY–JUNE 2020

#### Rental income

Income amounted to MSEK 923 (656), up MSEK 267 or 41 percent. The change was mainly attributable to the larger portfolio, but also renegotiations and new leases in the comparable portfolio. The total leasable area on June 30, 2020 amounted to 2,231 thousand sqm (1,600) and the economic leasing rate for the period was 91.6 percent (91.8).

#### Net operating income

Property expenses mainly refer to operating expenses such as heating, water, electricity and property upkeep and amounted to MSEK 268 (204). Costs for property administration amounted to MSEK 30 (27). Net operating income increased 47 percent year-on-year, mainly due to the larger portfolio. Management of the portfolio yielded a surplus ratio of 67.6 percent (64.8).

#### Profit from property management

Costs for central administration amounted to MSEK 68 (43). The reason for the increase was primarily growth in the organization resulting from the larger property portfolio.

Profit from participations in joint ventures of MSEK 171 (96) represented 50 percent of Söderport's earnings for the period, and mainly comprised profit from property management of MSEK 113 (90) and revaluation of properties and derivatives of MSEK 112 (30).

Financial income and expenses amounted to MSEK –137 (–87). A liability was refinanced in advance during the period, which resulted in a positive effect of MSEK 27 in profit or loss for the first quarter. The total increase compared with the year-earlier period was due to increased net debt and higher Stibor.

#### Changes in value

The changes in value of properties amounted to MSEK 524 (125), of which unrealized changes in value totaled MSEK 510 (140).

#### Tax

The tax expense for the period amounted to MSEK –209 (–37), of which MSEK –172 (–43) pertained to changes in deferred tax liabilities attributable to investment properties. The effective tax rate was 19 percent (7). The deviation from the nominal tax rate of 21.4 percent was mainly due to the fact that profit from participations in joint ventures comprised profit after tax, and thus did not constitute taxable income for Nyfosa.

## CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Jun 30		Dec 31
	2020	2019	2019
<b>ASSETS</b>			
Investment properties	24,882	15,741	19,602
Assets with right-of-use	182	94	149
Participations in joint ventures	1,683	1,417	1,812
Derivatives	3	1	2
Other assets	2	2	2
<b>Total non-current assets</b>	<b>26,752</b>	<b>17,255</b>	<b>21,566</b>
Current receivables	108	71	46
Cash and cash equivalents	2,016	1,254	588
<b>Total current assets</b>	<b>2,124</b>	<b>1,325</b>	<b>635</b>
<b>TOTAL ASSETS</b>	<b>28,876</b>	<b>18,579</b>	<b>22,201</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Parent Company shareholders</b>	<b>12,016</b>	<b>8,869</b>	<b>9,781</b>
Non-current interest-bearing liabilities	13,304	8,723	11,149
Liabilities attributable to right-of-use assets	176	91	144
Other non-current liabilities	12	14	16
Deferred tax liabilities	813	488	627
<b>Total non-current liabilities</b>	<b>14,304</b>	<b>9,315</b>	<b>11,937</b>
Current interest-bearing liabilities	1,946	99	132
Other current liabilities	610	297	350
<b>Total current liabilities</b>	<b>2,556</b>	<b>396</b>	<b>482</b>
<b>Total liabilities</b>	<b>16,860</b>	<b>9,711</b>	<b>12,419</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,876</b>	<b>18,579</b>	<b>22,201</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Jan-Jun		Full-year
	2020	2019	2019
Opening equity	9,781	8,392	8,392
<b>Transactions with shareholders</b>			
Issue/buyback of warrants	0	7	8
New share issue	1,327	-	-
<b>Total transactions with shareholders</b>	<b>1,327</b>	<b>7</b>	<b>8</b>
<b>Comprehensive income</b>	<b>908</b>	<b>470</b>	<b>1,382</b>
<b>Closing equity</b>	<b>12,016</b>	<b>8,869</b>	<b>9,781</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Apr-Jun		Jan-Jun		Last 4	Full-year
	2020	2019	2020	2019	quarters	2019
<b>Operating activities</b>						
Profit from property management <sup>1</sup>	248	201	592	390	1,314	1,112
Adjustments for non-cash items	-36	-45	-171	-96	-566	-491
Dividend from holdings in joint ventures	300	200	300	200	300	200
Income tax paid	-1	0	-8	-17	-18	-27
<b>Distributable cash flow<sup>1</sup></b>	<b>511</b>	<b>356</b>	<b>713</b>	<b>476</b>	<b>1,029</b>	<b>793</b>
– per share, SEK	2,77	2,12	3,86	2,84	5,94	4,73
Change in operating receivables	15	7	-19	-5	13	27
Change in operating liabilities	33	-44	172	49	154	32
<b>Cash flow from operating activities</b>	<b>558</b>	<b>318</b>	<b>865</b>	<b>520</b>	<b>1,197</b>	<b>852</b>
<b>Investing activities</b>						
Direct and indirect acquisitions of investment properties	-160	-725	-4,760	-809	-8,407	-4,457
Direct and indirect divestments of investment properties	137	842	137	886	419	1,170
Investments in existing investment properties	-60	-67	-104	-128	-200	-224
Other	0	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-84</b>	<b>49</b>	<b>-4,728</b>	<b>-51</b>	<b>-8,189</b>	<b>-3,511</b>
<b>Financing activities</b>						
New issue of shares/warrants	-2	7	1,327	7	1,327	8
Loans raised	677	1,898	4,104	1,898	7,662	5,457
Repayment of loans	-97	-1,253	-126	-1,309	-1,211	-2,394
Other	-3	-5	-14	-3	-26	-15
<b>Cash flow from financing activities</b>	<b>575</b>	<b>647</b>	<b>5,290</b>	<b>593</b>	<b>7,753</b>	<b>3,056</b>
<b>Cash flow for the period</b>	<b>1,050</b>	<b>1,014</b>	<b>1,428</b>	<b>1,062</b>	<b>762</b>	<b>396</b>
Cash and cash equivalents at the beginning of the period	966	239	588	192	1,254	192
<b>Cash and cash equivalents at the end of the period</b>	<b>2,016</b>	<b>1,254</b>	<b>2,016</b>	<b>1,254</b>	<b>2,016</b>	<b>588</b>
<b>Interest received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Interest paid</b>	<b>-69</b>	<b>-41</b>	<b>-125</b>	<b>-75</b>	<b>-220</b>	<b>-99</b>

<sup>1</sup> Cash flow from operating activities before changes in working capital



The distributable cash flow comprises the company's profit from property management, excluding non-cash items, such as share in profit of joint ventures and depreciation of equipment, including dividends received from holdings in joint ventures and tax paid.

The company's target is to achieve annual growth in cash flow per share of 10 percent.

The blue line in the table shows growth in cash flow per share. Compared with the last four-quarter period on June 30, 2019, growth in cash flow per share amounted to 35 percent.

## INVESTMENT PROPERTIES

The property portfolio on June 30, 2020 primarily comprised office properties in high-growth municipalities and warehouse/logistics properties at transportation hubs in Sweden, which jointly accounted for 79 percent of the total property value.

In addition to the categories above, retail properties comprised 10 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 the retail category are City Gross, Coop and Decathlon. Retail properties are essentially external commercial areas. The leasing rate was 93 percent and the remaining lease term was 4.7 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 94 percent and the remaining lease term was 5.2 years. Kitteln 11 in Örebro and Årsta 68:4 are two of the largest properties. Tenants include Pitchers, Hotell Fyrislund and Grant Thornton.

Net leasing for the interim period amounted to MSEK +4. New leases were finalized in cities including Växjö, Örebro and Karlstad for a total annual value of MSEK 9. The net result of renegotiations for the quarter amounted to MSEK -10, largely impacted by expected terminations of leases by tenants ahead of renegotiations.

The total rental value according to earnings capacity amounted to MSEK 2,124, of which vacancy rent was MSEK 189. The share of rental income connected to the consumer price index (CPI) corresponded to 90 percent of total rental income. Nyfosa had 4,499 leases including 1,721 leases for garages and parking spaces. Nyfosa has a highly diverse tenant list featuring only a small number of dominant tenants. The ten largest tenants represent only 13 percent of total rental income and are distributed across 174 leases. The largest tenants include Telia, Saab and Förlagssystem JAL.

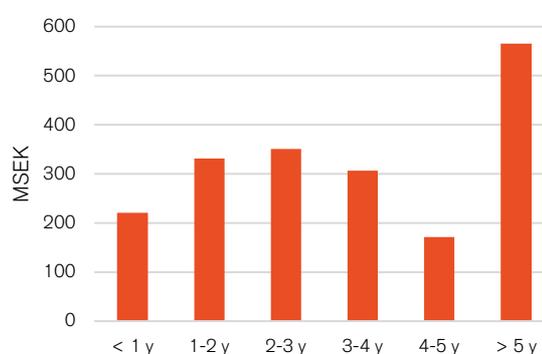
In addition to the wholly owned property portfolio, Nyfosa owns 50 percent of the shares in the property company Söderport, whose property portfolio has a total value of SEK 11.3 billion.

### KEY FIGURES FOR THE PROPERTY PORTFOLIO

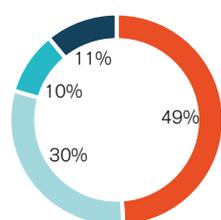
	Jun 30		Dec 31
	2020	2019	2019
Property value, MSEK	24,882	15,741	19,602
Rental value, MSEK	2,124	1,424	1,610
Leasable area, 000s sqm	2,231	1,600	1,771
No. of properties	308	183	208
Economic leasing rate <sup>1</sup> , %	91.2	91.9	91.6
Remaining lease term, years	3.9	3.9	4.2
Surplus ratio <sup>1</sup> , %	70.3	69.4	69.6
Yield <sup>1</sup> , %	5.4	5.6	5.5

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

### LEASE MATURITY STRUCTURE

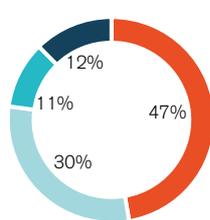


### PROPERTY VALUE BY CATEGORY



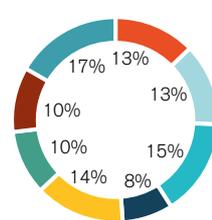
- Offices, 12188 MSEK
- Warehouse/Logistics, 7580 MSEK
- Retail, 2393 MSEK
- Other, 2721 MSEK

### RENTAL VALUE BY CATEGORY



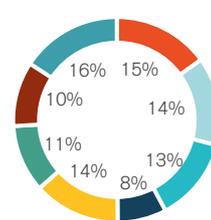
- Offices, 998 MSEK
- Warehouse/Logistics, 630 MSEK
- Retail, 223 MSEK
- Other, 261 MSEK

### PROPERTY VALUE BY REGION



- Småland, 3169 MSEK
- Coast of Norrland, 3232 MSEK
- Greater-Stockholm, 3794 MSEK
- Greater-Gothenburg, 1968 MSEK
- Mälardalen, 3499 MSEK
- Greater-Malmö, 2529 MSEK
- Värmland, 2543 MSEK
- Other, 4147 MSEK

### RENTAL VALUE BY REGION

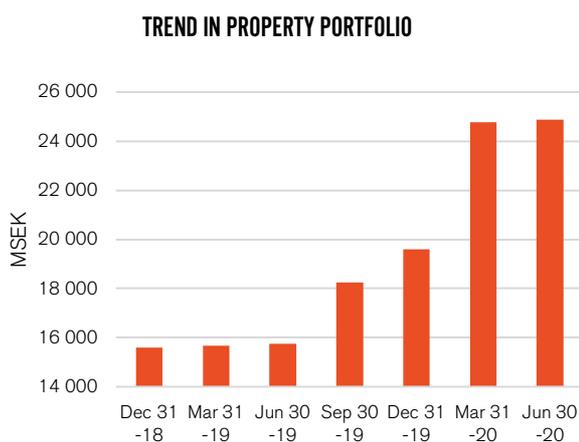


- Småland, 318 MSEK
- Coast of Norrland, 294 MSEK
- Greater-Stockholm, 280 MSEK
- Greater-Gothenburg, 161 MSEK
- Mälardalen, 286 MSEK
- Greater-Malmö, 224 MSEK
- Värmland, 215 MSEK
- Other, 334 MSEK

## TREND IN PROPERTY PORTFOLIO

### CHANGES IN VALUE

MSEK	Jan 1–Jun 30		Dec 31
	2020	2019	2019
<b>At the beginning of the period</b>	<b>19,602</b>	<b>15,582</b>	<b>15,582</b>
Acquired properties	4,789	817	4,516
Investments in existing properties	104	128	224
Divested properties	-137	-911	-1,193
Realized changes in value	14	-15	-22
Unrealized changes in value	510	140	493
<b>At the end of the period</b>	<b>24,882</b>	<b>15,741</b>	<b>19,602</b>



### TRANSACTIONS AND INVESTMENTS

#### Acquired properties, January-June 2020

An agreement was signed in June to acquire a property portfolio for a value of SEK 4.9 billion. The portfolio comprises an area totaling 303 thousand sqm of mainly office premises, situated in towns including Västerås, Kristianstad, Luleå, Örebro, Karlskrona, Stockholm and Uppsala. The properties have a total annual rental value of approximately MSEK 402, of which 79 percent is from tax-funded operations with the government, county councils, municipalities and other public agencies as tenants, such as the Swedish Transport Agency, the Swedish National Board of Housing, Building and Planning and the Swedish Police Authority. The commercial tenants include Lantmännen, Vattenfall and Dagab. The leasing rate is 97 percent and the average remaining lease term is 2.3 years. The acquisition was conditional upon financing and the approval of the Swedish Competition Authority. Both of these conditions have been met and closing took place at the start of July.

Possession was also taken of a property in Skara, with the tenant Coop and its Stora Coop concept using about half of the total area of 12 thousand sqm. Other tenants include Dollarstore and Elon. The lease term for the entire property is 8.8 years.

Closing of other properties earlier in the interim period primarily included a portfolio of 79 properties for a value of SEK 4.2 billion, mainly located in Karlstad, but also in Uppsala, Stockholm, Norrköping and Malmö, and largely comprising offices and warehouses.

Municipality	No. of properties	Category	Area, 000s of sqm
Karlstad, Solna, Eskilstuna, etc.	27	Offices	125
Karlstad, Malmö, Huddinge etc.	19	Warehouse/logistics	122
Karlstad, Malmö, Norrköping, etc.	9	Retail	32
Uppsala, Malmö, Sollentuna, etc.	22	Other	68

#### Investments in existing properties, January-June 2020

Investments of MSEK 104 were made in the existing property portfolio. The majority of investments were for projects, tenant-specific modifications and improvements related to finalized leases. The largest ongoing investments are presented in the table below, the largest being the Mården 11 project in Luleå. The premises here are undergoing complete renovation and modification for the Municipality of Luleå, which signed a ten-year lease and with occupancy scheduled for 2022.

Municipality	Property	Category	Tenant	Area, 000s of sqm	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Luleå	Mården 11	Offices	Luleå municipality	11	2	68	Q4, 2021
Gävle	Norr 12:5	Offices	Försäkringskassan	6	0	56	Q3, 2021
Växjö	Bagaren 10	Offices	SAAB	13	15	18	Q3, 2020

#### Divested properties, January-June 2020

A retail property in central Linköping was divested during the quarter for a value of MSEK 139. The property, Dynamon 5, encompasses an area of 4 thousand sqm and has a rental value of MSEK 9.2, of which 60 percent derives from retail, with a remaining lease term of 3.2 years.

After the end of the quarter, in July, an office property in Gothenburg was divested and will be vacated in November 2020 when the tenant SKF will move out of the premises.

### YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement on June 30, 2020 was 6.15 percent, and the weighted cost of capital for the present value calculation of cash flows and the residual value was a nominal 7.70 percent and 7.90 percent, respectively. When last valued on March 31, 2020, the yield requirement was 5.96 percent, and the weighted cost of capital for the present value calculation of cash flows and the residual value was 8.00 percent and 8.20 percent, respectively.

### Sensitivity analysis – change in value for changes in valuation parameters

June 30, 2020	%	MSEK
Change in net operating income <sup>1</sup>	+/-5.00	+/-871
Change in yield requirement	+/-0.25	+/-1,050
Change in growth assumptions	+/-0.50	+/-109
Change in discount rate	+/-0.25	+/-832

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 2019 Annual Report on [www.nyfosa.se](http://www.nyfosa.se).

The company engages external, independent appraisers every quarter to quality assure the fair value measurement of the company's properties. All properties are valued every quarter. The uncertain business environment was mainly reflected in the future net operating income of the properties appraised in the form of somewhat more prudent assessments of rent growth, market rents and slightly longer vacancy periods. All property categories and geographic locations were subject to the adjustments. The yield requirement for a small number of properties was adjusted upward, mainly properties with a significant share of non-food retail. Although the valuation on the balance-sheet date showed a positive value trend for the quarter, the future value trend is uncertain since the full effects of the ongoing corona pandemic were not known on the valuation date.

### ENVIRONMENTALLY CERTIFIED BUILDINGS AND SUSTAINABILITY INITIATIVES

Two properties, Gillet 1 and Bodarna 2 in Värnamo, received BREEAM In-Use environmental certification during the quarter.

The portfolio already has a property in Sundsvall and one in Landskrona that have Green Building certification, one property in Jönköping has LEED (BD+C) Gold certification and one property in Gävle has Silver level certification from the Sweden Green Building Council. The entire property portfolio is part of the stocktaking that the company is carrying out in 2020 to map the properties' energy and environmental impact and opportunities to obtain green certification in the future.

Similar to other activities, the process of environmentally certifying buildings was slowed due to the corona pandemic. The company continues to believe that it is an important step to analyze the certification potential of the entire portfolio but that this process must be at a slower pace for a certain period of time. In addition to studying the buildings' certification potential, the project provides valuable documentation about the technology in the buildings and evaluates potential energy-saving measures. This information is useful in both the company's own property management and when the property is vacated in the future.

In ongoing property management activities, a green appendix was added to new leases from the start of the year, which is one of the sustainability targets that was set for the year.

**EARNINGS CAPACITY**

	<b>Jun 30</b>
<b>MSEK</b>	<b>2020</b>
Rental income	1,910
Property expenses	-513
Property administration	-54
<b>Net operating income</b>	<b>1,342</b>
Central administration	-85
Share in profit of joint ventures	212
Financial expenses	-371
<b>Profit from property management</b>	<b>1,098<sup>1</sup></b>

1. Not including earnings from the property portfolio that was taken possession of in July and which is described on page 10 under Acquired properties.

The company's current earnings capacity on a 12-month basis on June 30, 2020 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 interim 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 June 30, 2020, including allocated opening charges, a total of 2.38 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 (85) with a total property value of MSEK 11,270 (9,401). 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.

The trend in Söderport's net operating income remained stable, increasing by 38 percent year-on-year. The impact of the corona pandemic on Söderport's operations has been limited.

The total rental value for Söderport's property portfolio amounted to MSEK 857 (780). Leases have an average remaining term of 4.9 years (4.8). The total leasable area amounted to 771 thousand sqm (759). The economic leasing rate was approximately 97 percent (95).

### TORSLANDA PROPERTY INVESTMENT AB

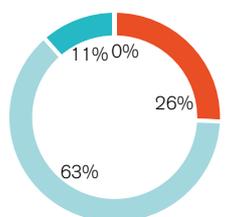
78.4 percent of the company Torslanda Property Investment AB ("TPI") is owned and is thus consolidated with Söderport's statement of profit/loss and statement of financial position below. The minority share in TPI, corresponding to 21.6, is the reason that Nyfosa's participation does not correspond to 50 percent of Söderport's earnings and equity.

TPI is a Swedish property group that, following the acquisition from Söderport, owns and manages seven properties in Torslanda, Gothenburg. The property portfolio, which is valued at SEK 3 billion, encompasses 194 thousand sqm of leasable area that is mainly utilized as office space. The leasing rate is 100 percent, and the primary tenant is Volvo Cars. TPI's share has been listed on Nasdaq First North Growth Market since January 2015.

### KEY FINANCIAL DATA, SÖDERPORT

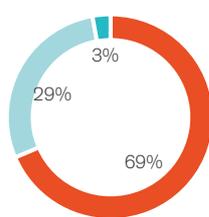
MSEK	Jan-Jun		Full-year	MSEK	Jun 30		Dec 31
	2020	2019	2019		2020	2019	2019
Rental income	403	323	708	Investment properties	11,266	9,401	10,853
Net operating income	334	251	566	Cash and cash equivalents	235	104	242
Net interest income	-92	-74	-164	Other assets	333	343	337
Profit from property managem.	227	180	393	Equity	3,650	2,834	3,905
Changes in value of properties and derivatives	225	61	832	<i>of which, Nyfosa's share</i>	<i>1,683</i>	<i>1,417</i>	<i>1,812</i>
Tax	-93	-48	-237	Interest-bearing liabilities	6,361	5,624	5,828
Profit for the period	358	193	989	Deferred tax liabilities, net	976	703	909
<i>Of which, Nyfosa's share</i>	<i>171</i>	<i>96</i>	<i>491</i>	Derivatives, net	228	264	216
				Other liabilities	621	530	583

#### PROPERTY VALUE BY CATEGORY



- Offices, 2890 MSEK
- Warehouse, 7082 MSEK
- Industry, 1284 MSEK
- Other, 10 MSEK

#### RENTAL VALUE BY CATEGORY



- Greater-Stockholm, 588 MSEK
- Greater-Gothenburg, 245 MSEK
- Other, 24 MSEK

#### PROPERTY VALUE



## FINANCING

Nyfosa finances 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 12,056 and total interest-bearing liabilities to MSEK 15,250, of which bank loans with properties as collateral amounted to MSEK 13,750 and senior unsecured bond loans to MSEK 1,500.

Of total interest-bearing liabilities, bond loans thus comprise 10 percent, and these are due in May 2022. The total net loan-to-value ratio of the properties was 53.2 percent (48.1). To support growth, the company has three prearranged lines of credit with banks, which have not always been fully utilized. The total scope in these revolving credit facilities can amount to a maximum of MSEK 3,880. This means that, against collateral in existing properties, Nyfosa can rapidly increase its borrowing at fixed terms to, for example, finance new property acquisitions. After having utilized the credit scope, the company has the opportunity to renegotiate credit facilities to a standard bank loan, at which point the unutilized portion of the facilities increases. On the balance-sheet date, the company had utilized MSEK 3,092 of these facilities, corresponding to full utilization against collateral in existing properties. To utilize the remaining MSEK 788 under this credit framework, recently acquired properties are firstly used as collateral. 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 and resilience to any negative effects from the business world. The company continuously monitors liquidity in the operations so that it can rapidly counter any negative impact.

### Available liquidity, June 30

MSEK	Jun 30		Dec 31
	2020	2019	2019
Cash and cash equivalents	2,016	1,254	588
Unutilized revolving credit facility <sup>1</sup>	0	2,171	1,105
Unutilized overdraft facilities	200	200	200
<b>Total</b>	<b>2,216</b>	<b>1,454</b>	<b>1,893</b>

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.

### Revolving credit facilities, June 30, 2020

MSEK	Framework	Amount granted	Amount utilized	Unutilized amount
Total	3,880	3,092	3,092	0

### Interest-bearing liabilities

The company raised new fixed-term loans totaling MSEK 2,685 in connection with acquisitions during the period and utilized revolving credit facilities in the amount of MSEK 1,419 with existing properties as collateral. Ongoing repayments of MSEK 58 were made and repayments in connection with divestments amounted to MSEK 68. As a result, the company's fixed-rate periods and loan maturity on the balance-sheet date were as presented in the tables below.

### Changes in interest-bearing liabilities for the quarter

MSEK	Jan-Jun		Full-year
	2020	2019	2019
Interest-bearing liabilities at the beginning of the period	11,282	8,240	8,240
Repayment of bank loans	-126	-1,309	-2,394
Bond loans issued	-	750	1,500
Bank loans raised	4,104	1,148	3,957
Changes in borrowing fees	-10	-7	-21
<b>Interest-bearing liabilities at the end of the period</b>	<b>15,250</b>	<b>8,821</b>	<b>11,282</b>

Bank loans of MSEK 1,818, which have collateral in a property portfolio managed and with value added by the company over several years, fall due for payment on March 28, 2021. On the balance-sheet date, this portfolio contained 17 properties and had a loan-to-value ratio of 48 percent. Discussions with the bank on refinancing the

loan were initiated. After the end of the quarter, in July, an office property in Gothenburg was divested, meaning that 16 properties with a total bank loan of MSEK 1,684 remain to be refinanced.

Loan maturity in the table shows the payment of outstanding principal loan amounts on the balance-sheet date, not including ongoing repayments.

**Fixed-rate periods and loan maturity structure, June 30, 2020**

Year	Fixed-rate period <sup>1</sup>		Loan maturity	
	MSEK	%	MSEK	%
Within 1 year	10,612	69	1,819	12
1–2 years	1,500	10	5,187	34
2–3 years	0	0	1,961	13
3–4 years	1,275	8	2,687	18
4–5 years	1,944	13	3,677	24
>5 years	0	0	0	0
<b>Total</b>	<b>15,331</b>	<b>100</b>	<b>15,331</b>	<b>100</b>

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.

**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 if 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 6,029 on the balance-sheet date, corresponding to 40 percent of interest-bearing liabilities.

**Sensitivity analysis**

Earnings effect of change in average interest on debt, MSEK	Change	Jun 30	
		2020	2019
Interest expenses assuming current fixed-interest periods and changed interest rates <sup>1</sup>	+/-1 % point	+189/-48	+81/-8
Interest expenses assuming change in average interest rate <sup>2</sup>	+/-1 % point	+/-153	+/-89
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1 % point	+/-6	+/-2

1. Taking into account derivative agreements

2. Today's average rate increases/decreases by 1 percentage point. Increase/decrease does not take into account eventual 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 liability against 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, June 30, 2020**

	Jun 30		Dec 31
	2020	2019	2019
Debt/equity ratio, multiple	1.3	1.0	1.1
Average interest <sup>1</sup> , %	2.1	1.8	1.8
Average remaining fixed-rate period, years	1.1	1.4	1.2
Average remaining loan maturity period, years	2.1	3.2	2.7
Interest-rate hedged portion of liabilities, %	39	48.1	42.9
Fair value of derivatives, MSEK	3	1	2

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

The increase in average interest for the period was primarily attributable to the increase in STIBOR.

## KEY FIGURES

Presented below are the key figures for a period encompassing the results of the past four quarters 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 23 of this interim report.

Under the company's new financial target, cash flow from operating activities, before changes in working capital ("Distributable cash flow"), is to present annual growth per share of 10 percent. The financial risk limits are unchanged and stipulate that the company is to report an equity/assets ratio of 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.

	Last 4 quarters				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Property-related key figures</b>					
Income, MSEK	1,637	1,478	1,370	1,304	1,234
Property expenses, MSEK	-480	-441	-415	-376	-358
Property administration, MSEK	-53	-50	-50	-50	-44
Net operating income, MSEK	1,104	988	905	878	832
Surplus ratio, %	67.4	66.8	66.0	67.3	67.4
Property value on balance-sheet date, MSEK	24,882	24,782	19,602	18,258	15,741
<b>Share-related key figures</b>					
Profit from property management per share, SEK	7.58	7.49	6.63	5.38	4.97
Distributable cash flow per share, SEK	5.94	5.17	4.73	4.66	4.39
Earnings per share before dilution, SEK	10.50	11.12	8.24	6.84	8.52
Earnings per share after dilution, SEK	10.50	11.12	8.24	6.84	8.52
Equity per share on balance-sheet date, SEK	65.13	63.79	58.32	55.07	52.87
Long-term net asset value (EPRA NAV) per share on balance-sheet date, SEK	72.78	71.18	65.37	61.56	58.66
<b>Key financial data</b>					
Return on equity, %	17.4	18.5	15.2	13.2	22.8
Equity/assets ratio on balance-sheet date, %	41.6	42.0	44.1	45.4	47.8
Loan-to-value ratio of properties on balance-sheet date, %	61.3	59.2	57.6	54.7	56.0
Net loan-to-value ratio of properties on balance-sheet date, %	53.2	55.3	54.6	52.7	48.1
Interest-coverage ratio, multiple	4.1	4.5	4.2	4.4	4.5

### RECONCILIATION OF KEY FIGURES

	Last 4 quarters				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Distributable cash flow</b>					
Profit from property management last four quarters, MSEK	1,314	1,267	1,112	902	833
Depreciation of equipment, last four quarters, MSEK	0	0	0	0	0
Share in profit of joint ventures last four quarters, MSEK	-566	-576	-491	-304	-280
Dividend received from joint ventures last four quarters, MSEK	300	200	200	200	200
Income tax paid last four quarters, MSEK	-18	-17	-27	-17	-17
Average number of shares, millions	173	169	168	168	168
<b>Distributable cash flow per share, SEK</b>	<b>5.94</b>	<b>5.17</b>	<b>4.73</b>	<b>4.66</b>	<b>4.39</b>

The performance measure corresponds to the items in profit from property management that affect cash flow, plus dividends received from holdings in joint ventures and income tax paid. Cash flow is stated in SEK per share.

	On balance-sheet date				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Long-term net asset value (EPRA NAV)</b>					
Equity, MSEK	12,016	11,769	9,781	9,237	8,869
Deferred tax, MSEK	813	770	627	584	488
Derivatives, MSEK	-3	-1	-2	-1	-1
Deferred tax in joint ventures, 50%, MSEK	488	484	454	369	351
Derivatives in joint ventures, 50%, MSEK	114	112	104	136	132
Number of shares, millions	185	185	168	168	168
<b>Long-term net asset value (EPRA NAV) per share, SEK</b>	<b>72.78</b>	<b>71.18</b>	<b>65.37</b>	<b>61.56</b>	<b>58.66</b>

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 is specified as value per share in Nyfosa.

	Last 4 quarters				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Return on equity</b>					
Profit after tax last four quarters, MSEK	1,820	1,881	1,382	1,146	1,429
Average equity for last four quarters, MSEK	10,442	10,161	9,087	8,657	6,265
<b>Return on equity, %</b>	<b>17.4</b>	<b>18.5</b>	<b>15.2</b>	<b>13.2</b>	<b>22.8</b>

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.

	On balance-sheet date				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Loan-to-value ratio and net loan-to-value ratio</b>					
Interest-bearing liabilities, MSEK	15,249	14,667	11,282	9,979	8,821
Property value, MSEK	24,882	24,782	19,602	18,258	15,741
<b>Loan-to-value ratio, %</b>	<b>61.3</b>	<b>59.2</b>	<b>57.6</b>	<b>54.7</b>	<b>56.0</b>
Cash and cash equivalents, MSEK	2,016	966	588	350	1,254
<b>Net loan-to-value ratio, %</b>	<b>53.2</b>	<b>55.3</b>	<b>54.6</b>	<b>52.7</b>	<b>48.1</b>

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.

	Last 4 quarters				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Interest-coverage ratio</b>					
Profit from property management last four quarters, MSEK	1,314	1,267	1,112	902	833
Share in profit of joint ventures last four quarters, MSEK	566	576	491	304	280
Depreciation last four quarters, MSEK	0	0	0	0	0
Financial income and expenses last four quarters, MSEK	-245	-200	-195	-177	-156
<b>Interest-coverage ratio, multiple</b>	<b>4.1</b>	<b>4.5</b>	<b>4.2</b>	<b>4.4</b>	<b>4.5</b>

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 interim period's last day of trading, June 30, 2020, was SEK 63.39, corresponding to a total market capitalization of MSEK 11,695. Nyfosa had 20,292 shareholders, of which Swedish investors, institutions and private individuals owned 68.0 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders.

List of owners	No. of shares	Share of	
		Capital, %	Votes, %
Länsförsäkringar Funds	17,365,162	9.4	9.4
Swedbank Robur Funds	14,972,443	8.1	8.1
Handelsbanken Funds	11,311,511	6.1	6.1
Fourth Swedish National Pension Fund	6,605,278	3.6	3.6
AB Sagax	6,425,000	3.5	3.5
Norges Bank	6,073,663	3.3	3.3
Vanguard	5,960,071	3.2	3.2
ICA-handlarnas Förbund	5,400,000	2.9	2.9
SEB Funds	5,297,927	2.9	2.9
Jens Engwall	5,143,857	2.8	2.8
Other	99,946,161	54.2	54.2
<b>Total</b>	<b>184,501,073</b>	<b>100.0</b>	<b>100.0</b>

### ANNUAL GENERAL MEETING

Nyfosa's 2020 Annual General Meeting (AGM) was held in Stockholm on April 23, 2020 at 3:00 p.m. CEST at Vasateatern, Vasagatan 19 in Stockholm, Sweden. Minutes from the Meeting are available from the company's website [www.nyfosa.se](http://www.nyfosa.se).

### DIVIDENDS

The Meeting resolved that no dividends should be paid to the shareholders for the 2019 financial year and that the funds available for distribution by the Meeting instead should be carried forward.

### NEW FINANCIAL TARGET AND DIVIDEND POLICY

A new financial target and a dividend policy were established in March and the business concept and vision were updated. The basic premise is that the company will create value and generate sustainable cash flows with transaction-based operations and an opportunistic approach. Under Nyfosa's new financial target, the distributable cash flow is to present annual growth per share of 10 percent, with unchanged risk limits. The dividend policy states that at least 40 percent of the distributable cash flow is to be distributed to the owners. Dividends are, on each occasion, to be considered in light of the company's business opportunities and may comprise a distribution in kind, buyback or cash dividend.

### ASSURANCE FROM THE BOARD AND CEO

The Board of Directors and the CEO give their assurance that this interim 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, July 13, 2020

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

#### Johan Ericsson

Chairman of the Board

#### Jens Engwall

Board member and CEO

#### Jenny Wärmé

Board member

#### Per Lindblad

Board member

#### Lisa Dominguez Flodin

Board member

#### Marie Bucht Toresäter

Board member

#### Mats Andersson

Board member

## FINANCIAL CALENDAR

Interim report October 22, 2020  
January–September 2020

## CONTACT INFORMATION

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### **Ann-Sofie Lindroth, Head of Financial Control**

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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 and the Securities Market Act. The information was submitted for publication through the agency of the aforementioned contact persons on July 13, 2020 at 7:30 a.m. CEST.

## 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. The accounting policies and calculation methods were unchanged compared with 2019 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.

The amendments to IFRS 3 Business Combination are applied from January 1, 2020, which primarily involve the definition of a business combination – whether an acquisition is to be classified as a business or a group of assets. In practice, this means that if the purchase consideration for the shares in a business can essentially be attributed to the market value of acquired properties, the acquisition is to be considered a group of assets. This amendment is deemed to have limited effect on the company's financial reporting.

All amounts in the report are stated in millions of SEK ("MSEK") unless otherwise stated. There may be rounding errors in tables that have combined sums from already rounded amounts. Amounts in parentheses refer to the same period in the preceding financial year. Key figures regarding an earnings or cash flow measure, stated per share, are calculated on a weighted average number of shares during the period referred to. Key figures based on an amount in the statement of financial position, stated per share, are calculated on the number of shares on the balance-sheet date.

### 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 2019 Annual Report on [www.nyfosa.se](http://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 dialog 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. Unused 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 2020 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 18.7 percent (7.3). The deviation from the nominal tax rate of 21.4 percent was mainly due to the profit from participations in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to any 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 11,059, which means that temporary differences of MSEK 8,625 were not recognized in the statement of financial position.

#### Reconciliation of effective tax, MSEK

Profit before tax for the period		1,117
Tax according to applicable tax rate for Parent Company	-21.4%	-239
Non-deductible costs and tax-exempt income	-0.5%	-6
Profit from participations in joint ventures	3.3%	37
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.0%	0
Non-taxable sales of properties	0.9%	10
Other	-1.0%	-11
<b>Recognized effective tax</b>	<b>-18.7%</b>	<b>-209</b>

#### 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. 1,514,300 of the issued warrants were subscribed for, and the remainder are held by a company in the Group.

The average share price during the interim period was slightly lower than the average exercise price of the warrants, which meant no dilution effect arose.

New shares were issued on two occasions during the first quarter of the year. On both occasions the subscription price totaled an amount close to the current price of the share. Accordingly, the dilution effect was low and past key figures were thus not restated.

#### 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	Jun 30		Dec 31
	2020	2019	2019
Derivatives with positive values	3	1	2
Derivatives with negative values	-	-	-

#### NOTE 7 FINANCING

For information regarding changes in loans, interest rates and credit terms, refer to pages 13–14 of this interim 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
February 17, 2020	New share issue	3,231,412.00	6,462,824	90,326,948.50	174,191,073
March 9, 2020	New share issue	5,155,000.00	10,310,000	100,636,948.50	184,501,073

#### NOTE 9 RELATED PARTIES

The Group owns participations in joint ventures, refer to page 13 of this interim report. Söderport is managed by AB Sagax, except for property management which is managed by Nyfosa. The company TPI, of which Söderport owns 78.4 percent, also purchases management services from Nyfosa and Sagax.

Property management fees between the companies are based on market terms. Nyfosa's fee totals MSEK 3 per year. The Group had no receivables from joint ventures on March 31, 2020.

#### NOTE 10 SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

Closing took place of the property portfolio acquired from SBB i Norden AB for a value of SEK 4.9 billion.

A letter of intent was signed with funds advised by Blackstone to divest a logistics portfolio with an approximate value of SEK 2.1 billion. The intention is to enter into a binding divestment agreement in September 2020. Nyfosa will provide more information as soon as the terms of the divestment have been agreed.

## PARENT COMPANY

### STATEMENT OF PROFIT/LOSS

MSEK	Apr-Jun		Jan-Jun		Full-year
	2020	2019	2020	2019	2019
Net sales	20	13	37	27	60
Personnel costs	-25	-15	-43	-26	-56
Other external costs	-7	-10	-19	-27	-43
Depreciation/amortization	0	0	0	0	0
<b>Loss before financial income and expenses</b>	<b>-12</b>	<b>-12</b>	<b>-25</b>	<b>-26</b>	<b>-39</b>
Profit from participations in joint ventures	300	200	300	200	200
Profit from participations in Group companies	0	0	0	0	400
Interest income and similar income items	0	0	1	1	2
Interest expenses and similar expense items	-16	-4	-32	-5	-24
<b>Profit before appropriations</b>	<b>274</b>	<b>184</b>	<b>246</b>	<b>169</b>	<b>538</b>
<b>Appropriations</b>					
<b>Provision to tax allocation reserve</b>	0	0	7	0	-7
<b>Group contributions paid/received</b>	0	0	0	0	78
<b>Profit before tax for the period</b>	<b>274</b>	<b>184</b>	<b>253</b>	<b>169</b>	<b>609</b>
Tax	0	0	0	0	-5
<b>Profit for the period</b>	<b>274</b>	<b>185</b>	<b>253</b>	<b>169</b>	<b>605</b>

### STATEMENT OF FINANCIAL POSITION

MSEK	Jun 30		Dec 31
	2020	2019	2019
<b>ASSETS</b>			
Participations in Group companies	0	0	0
Participations in joint ventures	412	412	412
Receivables from Group companies	90	90	90
<b>Total non-current assets</b>	<b>502</b>	<b>502</b>	<b>503</b>
Current receivables from Group companies	9,524	6,173	8,241
Other current receivables	5	10	11
Cash and bank balances	1,049	1,014	236
<b>Total current assets</b>	<b>10,579</b>	<b>7,197</b>	<b>8,488</b>
<b>TOTAL ASSETS</b>	<b>11,081</b>	<b>7,699</b>	<b>8,990</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	92	84	84
Unrestricted equity	6,447	4,439	4,876
<b>Equity</b>	<b>6,539</b>	<b>4,523</b>	<b>4,960</b>
<b>Untaxed reserves</b>	<b>0</b>	<b>0</b>	<b>7</b>
Bond loans	1,489	741	1,486
Other non-current liabilities	4	8	9
<b>Total non-current liabilities</b>	<b>1,493</b>	<b>749</b>	<b>1,495</b>
Liabilities to Group companies	3,003	2,410	2,483
Other current liabilities	45	17	46
<b>Total current liabilities</b>	<b>3,049</b>	<b>2,427</b>	<b>2,529</b>
<b>Total liabilities</b>	<b>4,542</b>	<b>3,176</b>	<b>4,031</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,081</b>	<b>7,699</b>	<b>8,990</b>

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

<b>Return on equity</b>	<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>
<b>Loan-to-value ratio, properties*</b>	<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>
<b>Yield*</b>	<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>
<b>Net operating income*</b>	<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>
<b>Equity per share</b>	<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>
<b>Economic leasing rate</b>	<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>
<b>Property</b>	<p>Properties held under title or site leasehold.</p>
<b>Fair value of properties</b>	<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>
<b>Profit from property management*</b>	<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.</p>
<b>Rental income</b>	<p>Rents charged including supplements for heating and property tax.</p>
<b>Rental value</b>	<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>

<b>Long-term net asset value (EPRA NAV)*</b>	<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>
<b>Net loan-to-value ratio, properties*</b>	<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>
<b>Net leasing</b>	Signed new leases for the period less terminations.
<b>Revolving credit facility</b>	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.
<b>Interest-rate cap</b>	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.
<b>Interest-coverage ratio*</b>	<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>
<b>Debt/equity ratio*</b>	<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>
<b>Equity/assets ratio*</b>	<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>
<b>Distributable cash flow*</b>	<p>Profit from property management excluding non-cash items in the earnings measure, such as share in profit of joint ventures and depreciation of equipment, including dividends received from holdings in joint ventures and tax paid.</p> <p>Purpose: The performance measure shows the amount of cash flow generated by the existing property portfolio under the company's management and the company's dividend capacity.</p>
<b>Leasable area</b>	<p>The total premises area that can potentially be leased.</p> <p>Purpose: Shows the total area that the company can potentially lease.</p>
<b>Vacancy rent</b>	<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>
<b>Surplus ratio*</b>	<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>

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

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