

Q2

INTERIM REPORT
JANUARY-JUNE 2021

The image features a large, dark triangular graphic on the left side of the page. Inside this triangle is a photograph of a harbor at sunset. The sky is a vibrant orange and yellow, reflecting on the water. In the background, there are silhouettes of buildings and a bridge. Overlaid on the top part of the photograph is the word "NYFOSA" in a large, white, outlined, sans-serif font.

NYFOSA

THE QUARTER APRIL–JUNE 2021

- Income amounted to MSEK 583 (493), up 18 percent.
- Profit from property management amounted to MSEK 539 (248), up 117 percent.
- Profit from property management excluding changes in value and tax in joint ventures amounted to MSEK 300 (266), up 13 percent.
- Distributable cash flow per share amounted to SEK 2.37 (2.81), down 16 percent.
- Profit after tax amounted to MSEK 711 (249).
- Profit after tax per share was SEK 3.82 (1.35).

THE PERIOD JANUARY–JUNE 2021

- Income amounted to MSEK 1,154 (923), up 25 percent.
- Profit from property management amounted to MSEK 959 (592), up 62 percent.
- Profit from property management excluding changes in value and tax in joint ventures amounted to MSEK 587 (526), up 11 percent.
- Distributable cash flow per share amounted to SEK 3.52 (4.07), down 13 percent.
- Profit after tax amounted to MSEK 1,350 (908).
- Profit after tax per share was SEK 7.28 (5.07).

KEY FIGURES

	Apr-Jun		Jan-Jun		Last 4 quarters	Full-year 2020
	2021	2020	2021	2020		
Income, MSEK	583	493	1,154	923	2,267	2,035
Net operating income, MSEK	395	342	755	624	1,546	1,415
Surplus ratio, %	67.7	69.4	65.4	67.6	68.2	69.5
Profit from property management, MSEK	539	248	959	592	1,701	1,334
— per share, SEK	2.90	1.35	5.18	3.31	9.20	7.35
Profit from property management excluding changes in value and tax in joint ventures, MSEK	300	266	587	526	1,207	1,145
— per share, SEK	1.61	1.44	3.17	2.94	6.53	6.31
Profit after tax, MSEK	711	249	1,350	908	2,667	2,225
— earnings per share after dilution, SEK	3.82	1.35	7.28	5.07	14.41	12.25
Distributable cash flow, MSEK	441	519	653	728	1,180	1,254
— per share, SEK	2.37	2.81	3.52	4.07	6.38	6.91
Interest-coverage ratio, multiple	3.3	3.3	3.4	4.1	3.5	3.8
Property value on balance-sheet date, MSEK					31,428	29,411
EPRA NRV on balance-sheet date, MSEK					16,320	14,744
— per share, SEK					85.44	79.91
Net loan-to-value ratio of properties on balance-sheet date, %					54.4	56.9

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Possession was taken of properties in three different deals for a value of MSEK 377 during the quarter.
- In April, Nyfosa announced its decision to build up a diversified property portfolio with a long-term perspective in the Finnish property market, in partnership with Brunswick Real Estate.
- In April, a green bond was issued to be used in accordance with the company's established green finance framework and to repurchase outstanding bonds.
- In June, a directed share issue of 6,521,740 shares was conducted, raising proceeds of approximately MSEK 750.
- After the end of the period, Nyfosa acquired properties in Finland for a value of slightly more than MSEK 2.3.

COMMENTS FROM THE CEO

Nyfosa is continuing to deliver on our commitments – to grow through acquisitions and build up strong, sustainable cash flows. The trend of positive net leasing continued in the second quarter of 2021. Our regional cities are witnessing a high level of activity, we experience that many of our tenants have a positive view of the future and demand for premises remains stable.

We recently made a clear impression on Nyfosa's new market, Finland, by completing acquisitions for a total of just over SEK 2.3 billion. These are properties with stable tenants in growing regional cities that provide a solid platform for our continued growth in Finland. We also acquired a portfolio in Norrland during the quarter that supplements our portfolio well, and in addition, a number of small deals.

Nyfosa will continue to grow and we can see attractive business opportunities going forward, particularly in Finland. With Nyfosa's first green bond and a directed share issue, we have strengthened our financial preparedness so that we can act quickly when we identify the right transactions. Investors have shown widespread interest, and naturally we are delighted that our opportunistic business model focusing on strong cash flows is appreciated.

Stina Lindh Hök, CEO



“We made a clear impression in Finland by completing several acquisitions.”

FIRST ACQUISITIONS IN FINLAND



Nyfosa completed its first transactions in Finland in the second quarter. One deal was the acquisition of a large portfolio of SEK 2.1 billion from Castellum. The modern and sustainable office properties are centrally located in the expansive regional city of Jyväskylä, Finland's fifth largest city. The portfolio has a great variety of tenants, the largest of which are TietoEvy, Jyväskylä University and Airbus. The acquisition also includes a project property with building rights for office space. With a growing population, universities, and an expansive business community, Jyväskylä is an example of cities Nyfosa is looking for in its establishment in the Finnish market. Nyfosa also acquired properties in Tampere and Oulu for slightly more than MSEK 200. With these acquisitions, Nyfosa has a solid platform in Finland to build on.

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

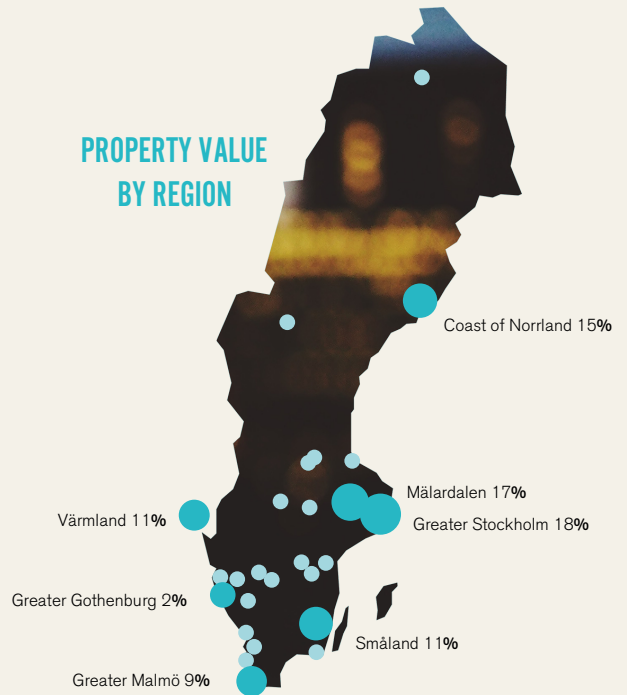
BUSINESS CONCEPT

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, 2021, MSEK 31,428.

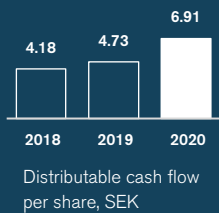
Nyfosa's properties are located throughout Sweden, mainly in high-growth municipalities and at transportation hubs.

FINANCIAL TARGET

Annual growth in distributable cash flow for the period share of 10 percent.

Outcome 2020:

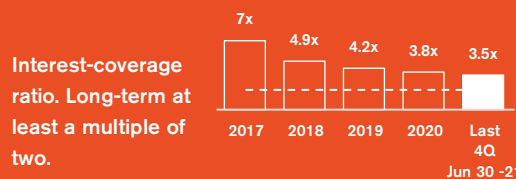
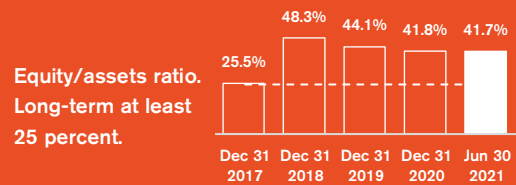
+42%



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



CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Apr-Jun		Jan-Jun		Last 4	Full-year
	2021	2020	2021	2020	quarters	2020
Rental income	578	479	1,143	904	2,240	2,001
Other property income	5	14	11	19	27	35
Total income	583	493	1,154	923	2,267	2,035
Property expenses						
Operating expenses	-109	-76	-237	-159	-402	-324
Maintenance costs	-35	-37	-72	-68	-145	-140
Property tax	-26	-22	-53	-42	-104	-93
Property administration	-18	-16	-38	-30	-70	-63
Net operating income	395	342	755	624	1,546	1,415
Central administration	-31	-38	-66	-68	-131	-132
Other operating income and expenses	1	1	4	2	-23	-26
Share in profit of joint ventures	283	36	471	171	704	404
Financial income and expenses	-110	-92	-205	-137	-395	-327
Profit from property management	539	248	959	592	1,701	1,334
Profit from property management excluding changes in value and tax in joint ventures	300	266	587	526	1,207	1,145
Changes in value of properties	237	43	559	524	1,099	1,063
Changes in value of financial instruments	0	2	2	1	1	1
Profit before tax	776	293	1,520	1,117	2,802	2,399
Tax	-64	-45	-171	-209	-135	-174
Profit	711	249	1,350	908	2,667	2,225
<i>Profit attributable to:</i>						
Parent Company shareholders	711	249	1,350	908	2,667	2,225
Non-controlling interests	-	-	-	-	-	-
Profit	711	249	1,350	908	2,667	2,225
Earnings per share before dilution, SEK	3.83	1.35	7.29	5.07	14.42	12.25
Earnings per share after dilution, SEK	3.82	1.35	7.28	5.07	14.41	12.25

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK	Apr-Jun		Jan-Jun		Last 4	Full-year
	2021	2020	2021	2020	quarters	2020
Profit	711	249	1,350	908	2,667	2,225
Other comprehensive income	0	-	0	-	0	-
Comprehensive income	712	249	1,350	908	2,667	2,225
<i>Comprehensive income attributable to:</i>						
Parent Company shareholders	712	249	1,350	908	2,667	2,225
Non-controlling interests	0	-	0	-	0	-
Comprehensive income	712	249	1,350	908	2,667	2,225

COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

APRIL–JUNE 2021 QUARTER

Net leasing amounted to MSEK +10. New leases were signed for a total of MSEK 45 while terminations amounted to MSEK 35. Confirmed bankruptcies amounted to MSEK 0. The net result of renegotiations was MSEK +3. The average remaining lease term was 4.1 years. Nyfosa has a highly diverse tenant list featuring only a small number of dominant tenants. The ten largest tenants represent 14 percent of total rental income and are distributed between 211 leases. Of total rental income, tax-financed rent contributed 26 percent.

The ongoing pandemic once again impacted the company's financial statements to only a limited extent this quarter. The organization is continuing to closely monitor developments in the market. Solid resilience in the portfolio could be maintained based on successful property management, low exposure to tenants in the tourism industry and a relatively low rent level. To assist tenants who had payment difficulties due to the pandemic, quarterly rent payments were rescheduled to monthly payments or arranged as payment plans. Leases were renegotiated, with extended leases combined with initial rent discounts. Discounts provided under the government's rental discount aid amounted to MSEK 2, which were charged to rental income in the statement of profit/loss.

Rent losses were in line with a normal quarter before the pandemic. 95 percent of rents invoiced for the third quarter of 2021 that fell due on June 30, 2021 had been paid at July 9, 2021, which does not deviate significantly from a normal quarterly closing.

Rental income and net operating income

Income amounted to MSEK 583 (493), up MSEK 90 or 18 percent. The larger portfolio was the main reason for the growth.

Net operating income for the quarter amounted to MSEK 395 (342) and the surplus ratio was 67.7 percent (69.4). Similar to the first quarter, the lower surplus ratio was primarily due to higher operating expenses for heating and snow clearing compared with the same quarter in 2020, which was unusually mild with little snow.

Profit from property management

Costs for central administration amounted to MSEK 31 (38).

Profit from participations in joint ventures of MSEK 283 (36) comprised Nyfosa's share of Söderport's earnings for the quarter and a value adjustment to Nyfosa's participations in joint ventures. Nyfosa's share of Söderport's profit from property management amounted to MSEK 57 (58) and changes in values and tax in Söderport impacted the share in profit by MSEK 216 (-8).

Financial income and expenses amounted to MSEK -110 (-92). The increase was due to higher net debt.

Profit from property management amounted to MSEK 539 (248). Excluding changes in value and tax in joint ventures, profit from property management amounted to MSEK 300 (266).

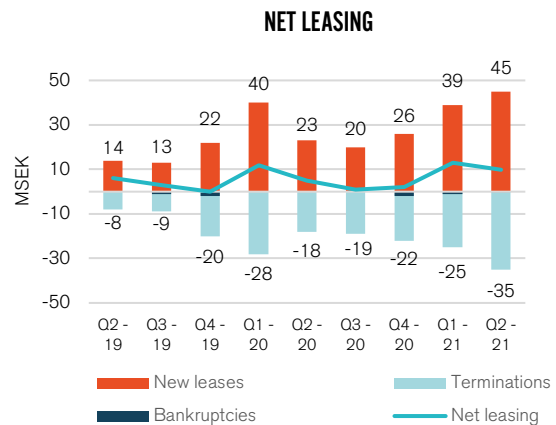
Changes in value

Revaluation of properties amounted to MSEK 237 (43) and was mainly impacted by lower yield requirements, signed new leases and renegotiated leases. Given continuing low interest rates, properties are an attractive type of investment and the limited supply of properties on the market means that the yield requirements were marginally adjusted downward.

Tax

The tax expense for the quarter was MSEK -64 (-45). The deviation from the nominal tax rate of 20.6 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, and add-back of deferred tax in connection with property sales. The effective tax rate was -8.3 percent (-15.2).

Earnings per share for the quarter after dilution amounted to SEK 3.82 (1.35).



JANUARY–JUNE 2021

Rental income and net operating income

Income amounted to MSEK 1,154 (923), up MSEK 231 or 25 percent. The larger portfolio was the main reason for the growth. The total leasable area on June 30, 2021 amounted to 2,517 thousand sqm (2,231) and the economic leasing rate for the period was 93.6 percent (91.5).

Net operating income for the period amounted to MSEK 755 (624) and the surplus ratio was 65.4 percent (67.6). The lower surplus ratio was primarily due to higher operating expenses for heating and snow clearing compared with the same period in 2020, which was unusually mild with little snow.

Profit from property management

Costs for central administration amounted to MSEK 66 (68).

Profit from participations in joint ventures of MSEK 471 (171) comprised Nyfosa's share of Söderport's earnings for the quarter and a value adjustment to Nyfosa's participations in joint ventures. Nyfosa's share of Söderport's profit from property management amounted to MSEK 116 (106) and changes in values and tax in Söderport impacted the share in profit by MSEK 372 (66).

Financial income and expenses amounted to MSEK –205 (–137). The increase was due to higher net debt.

Profit from property management amounted to MSEK 959 (592). Excluding changes in value and tax in joint ventures, profit from property management amounted to MSEK 587 (526).

Changes in value

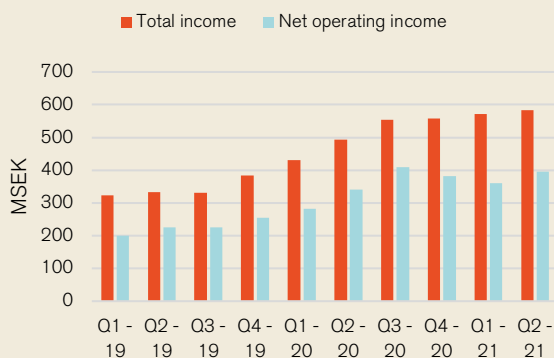
Revaluation of properties amounted to MSEK 559 (524) and was mainly impacted by lower yield requirements, signed new leases and renegotiated leases. Given continuing low interest rates, properties are an attractive type of investment and the limited supply of properties on the market means that the yield requirements were marginally adjusted downward.

Tax

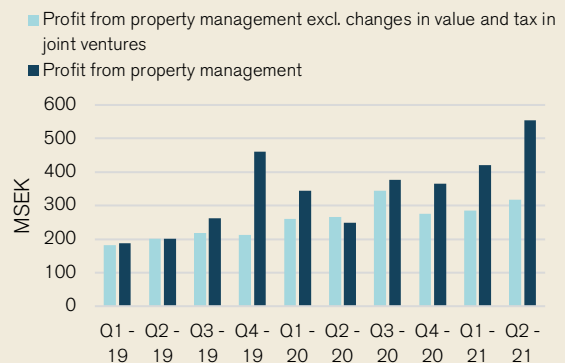
The tax expense for the period was MSEK –171 (–209). The deviation from the nominal tax rate of 20.6 percent was mainly due to the fact that profit from participations in joint ventures comprised profit after tax, and thus did not constitute taxable income for Nyfosa, and add-back of deferred tax in connection with property sales. The effective tax rate was –11.2 percent (–18.7).

Earnings per share for the period after dilution amounted to SEK 7.28 (5.07).

INCOME AND NET OPERATING INCOME PER QUARTER



PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Jun 30		Dec 31
	2021	2020	2020
ASSETS			
Investment properties	31,428	24,882	29,411
Assets with right-of-use	171	182	163
Participations in joint ventures	2,204	1,683	1,916
Derivatives	5	3	3
Other assets	3	2	2
Total non-current assets	33,809	26,752	31,495
Current receivables	228	108	99
Cash and cash equivalents	1,206	2,016	312
Total current assets	1,434	2,124	412
TOTAL ASSETS	35,243	28,876	31,907
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	14,676	12,016	13,333
Non-controlling interests	30	-	-
Total equity	14,706	12,016	13,333
Non-current interest-bearing liabilities	18,056	13,304	16,127
Liabilities attributable to right-of-use assets	165	176	158
Other non-current liabilities	20	12	19
Deferred tax liabilities	912	813	760
Total non-current liabilities	19,153	14,304	17,064
Current interest-bearing liabilities	241	1,946	928
Other current liabilities	1,143	610	582
Total current liabilities	1,384	2,556	1,510
Total liabilities	20,537	16,860	18,573
TOTAL EQUITY AND LIABILITIES	35,243	28,876	31,907

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

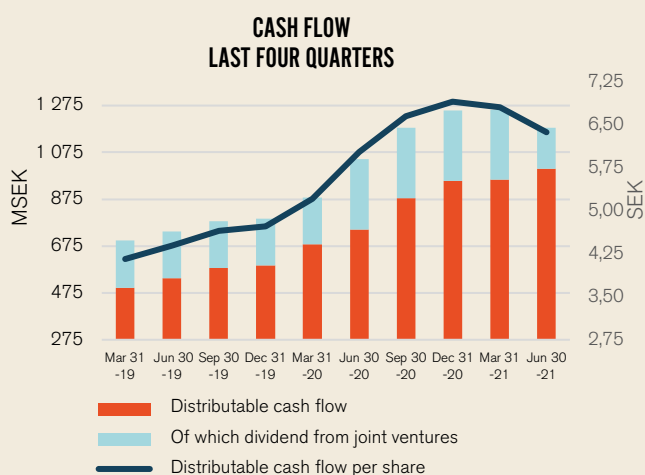
MSEK	Equity attribut-		Total equity
	able to Parent Company shareholders	Non-controlling interests	
Opening equity, Jan 1, 2020	9,781	-	9,781
Issue/buyback of warrants	0	-	0
New share issue	1,327	-	1,327
Comprehensive income, Jan–Dec 2020	2,225	-	2,225
Closing equity, Dec 31, 2020	13,333	-	13,333
Opening equity, Jan 1, 2021	13,333	-	13,333
Issue/buyback of warrants	3	-	3
New share issue	743	-	743
Dividends to shareholders	-753	-	-753
Change in non-controlling interests	-	30	30
Comprehensive income	1,350	0	1,350
Closing equity	14,676	30	14,706

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Apr-Jun		Jan-Jun		Last 4	Full-year
	2021	2020	2021	2020	quarters	2020
Operating activities						
Profit from property management	539	248	959	592	1,701	1,334
Adjustments for non-cash items	-273	-28	-452	-156	-664	-368
Dividend from holdings in joint ventures	175	300	175	300	175	300
Income tax paid	0	-1	-29	-8	-32	-11
Distributable cash flow¹	441	519	653	728	1,180	1,254
– per share, SEK	2.37	2.81	3.52	4.07	6.38	6.91
Change in operating receivables	5	15	-16	-19	-5	-8
Change in operating liabilities	-101	33	77	172	-70	21
Cash flow from operating activities	345	567	714	881	1,104	1,267
Investing activities						
Direct and indirect acquisitions of investment properties	-876	-160	-1,901	-4,760	-9,167	-12,026
Direct and indirect divestments of investment properties	454	137	667	135	4,235	3,703
Investments in existing investment properties	-143	-60	-246	-104	-427	-285
Investments in joint ventures	-16	-	-16	-	-16	-
Cash flow from investing activities	-581	-84	-1,497	-4,728	-5,375	-8,608
Financing activities						
New issue of shares/warrants	746	-2	745	1,327	745	1,327
New share issue to non-controlling interests	30	-	30	-	30	-
Dividends to shareholders	-323	-	-323	-	-323	-
Loans raised ²	3,635	666	4,601	4,074	11,043	10,518
Repayment of loans	-3,200	-97	-3,378	-126	-8,033	-4,781
Cash flow from financing activities	889	567	1,675	5,275	3,460	7,064
Cash flow for the period	653	1,050	893	1,428	-810	-276
Cash and cash equivalents at the beginning of the period	552	966	312	588	2,016	588
Cash and cash equivalents at the end of the period	1,206	2,016	1,206	2,016	1,206	312
Interest received	0	0	1	0	1	0
Interest paid	-97	-69	-175	-125	-351	-301

¹ Cash flow from operating activities before changes in working capital

² Allocated arrangement fees attributable to loans raised were previously recognized in operating activities. From this interim report, the expenses were added back to Loans raised in financing activities to better reflect cash flow. Historical periods have been restated.



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 graph shows growth in cash flow per share. Compared with the last four quarters, growth in cash flow per share as per June 30, 2020 amounted to 6 percent. The change compared with December 31, 2020 was mainly due to the lower dividends from joint ventures in the last four quarters as per June 30, 2021. Nyfosa received MSEK 175 of a resolved dividend of MSEK 200, compared with MSEK 300 on December 31, 2020.

INVESTMENT PROPERTIES

The property portfolio on June 30, 2021 primarily comprised office properties in high-growth municipalities and warehouse/logistics properties at transportation hubs in Sweden, which jointly accounted for 74 percent of the total property value. During the quarter, the portfolio was supplemented with properties for hardware retail and the companies Verto, Idehuset and Valhall. A residential property and a project property were vacated.

In addition to the office and warehouse/logistics properties, 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 the retail category are City Gross, Coop and Decathlon. Retail properties are essentially external commercial areas. The leasing rate was 95.4 percent and the remaining lease term was 5.8 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 96 percent and the remaining lease term was 5.4 years. Skepparen 11 in Karlstad and Öjebyn 119:1 are two of the largest properties in terms of area. Tenants include Nordic International School and ABB.

The total rental value on the balance-sheet date amounted to MSEK 2,560, of which vacancy rent was MSEK 147. The share of rental income connected to the consumer price index (CPI) corresponded to 90 percent of total rental income. Nyfosa had 5,712 leases including 2,362 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 14 percent of total rental income and are distributed between 211 leases. The largest tenants are Telia, the Swedish Transport Agency, Saab, Försäkringskassan, City Gross and the Swedish Public Employment Service, meaning a large share of companies that conduct tax-funded operations. Of total rental income, tax-financed rent contributed 26 percent.

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 12.9 billion.

NYFOSA IN FINLAND

In April, Nyfosa announced its decision to build up a diversified property portfolio with a long-term perspective in the Finnish market. Based on a management assignment, extensive experience of the Finnish market and a participating interest, Nyfosa's partner Brunswick Real Estate is helping to build up a property portfolio. The acquisition focus in Finland will be broad and in line with Nyfosa's operations in the Swedish market. It will include all property categories except residential properties, and be concentrated on Finnish regional towns and cities.

After the end of the quarter, Nyfosa acquired and took possession of five properties encompassing a total of 21 thousand sqm in the Finnish regional cities of Oulu and Tampere. The rental value amounts to MSEK 23 and the remaining lease term is 6.3 years.

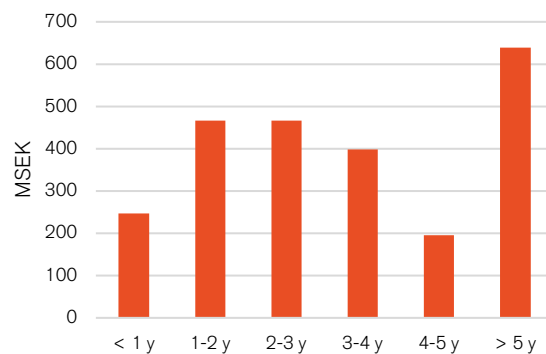
Furthermore, Nyfosa acquired and took possession of nine office properties and one project property in the Finnish university town of Jyväskylä for a total value of SEK 2.1 billion. The modern and sustainable office properties are centrally located with an area totaling 67 thousand sqm. The rental value amounts to MSEK 182 and the remaining lease term is 1.3 years. Approximately 60 percent of current rental income refers to ongoing leases that run on a 12 months basis where the tenants have stayed in their premises for an average of 8.5 years. The economic leasing rate is 95 percent. The acquisition also includes an attractively located project property with existing building rights of 8 thousand sqm of office space.

KEY FIGURES FOR THE PROPERTY PORTFOLIO

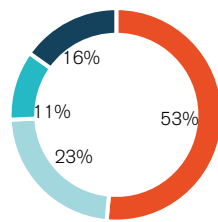
	Jun 30		Dec 31
	2021	2020	2020
Property value, MSEK	31,428	24,882	29,411
Rental value, MSEK	2,560	2,124	2,451
Leasable area, 000s sqm	2,517	2,231	2,380
No. of properties	398	308	361
Economic leasing rate, %	94.2	91.2	93.1
Remaining lease term, years	4.1	3.9	3.7
Surplus ratio ¹ , %	71.8	70.3	70.5
Yield ¹ , %	5.3	5.4	5.4

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

LEASE MATURITY STRUCTURE

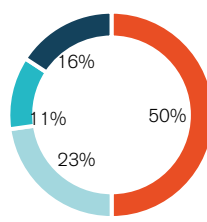


PROPERTY VALUE BY CATEGORY



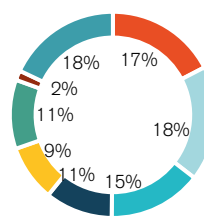
- Offices, MSEK 16,173
- Warehouse/Logistics, MSEK 7,171
- Retail, MSEK 3,318
- Other, MSEK 4,766

RENTAL VALUE BY CATEGORY



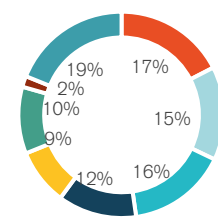
- Offices, MSEK 1,280
- Warehouse/Logistics, MSEK 583
- Retail, MSEK 293
- Other, MSEK 404

PROPERTY VALUE BY REGION



- Mälardalen, MSEK 5,461
- Greater Stockholm, MSEK 5,688
- Coast of Norrland, MSEK 4,625
- Småland, MSEK 3,331
- Greater Malmö, MSEK 2,784
- Värmland, MSEK 3,416
- Greater Gothenburg, MSEK 479
- Other, MSEK 5,644

RENTAL VALUE BY REGION



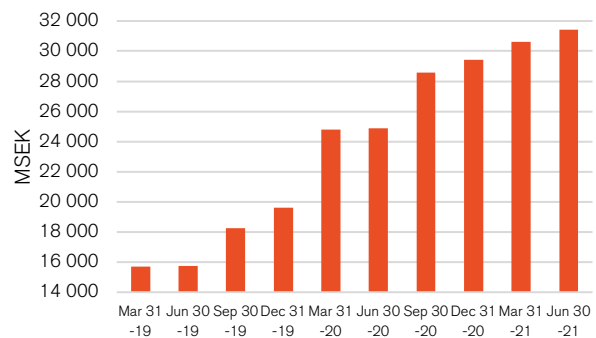
- Mälardalen, MSEK 446
- Greater Stockholm, MSEK 376
- Coast of Norrland, MSEK 400
- Småland, MSEK 317
- Greater Malmö, MSEK 226
- Värmland, MSEK 269
- Greater Gothenburg, MSEK 44
- Other, MSEK 484

TREND IN PROPERTY PORTFOLIO

CHANGES IN VALUE

MSEK	Jan 1–Jun 30		Jan 1–Dec 31
	2021	2020	2020
At the beginning of the period	29,411	19,602	19,602
Acquired properties	1,886	4,789	12,217
Investments in existing properties	246	104	285
Divested properties	-675	-137	-3,756
Realized changes in value	-31	14	327
Unrealized changes in value	590	510	737
At the end of the period	31,428	24,882	29,411

TREND IN PROPERTY PORTFOLIO



TRANSACTIONS AND INVESTMENTS

Acquired properties, January–June 2021

In May, Nyfosa took possession of four out of a total of five properties in a deal totaling MSEK 657. The annual rental value totals MSEK 50 and the lease has an average remaining term of 6.6 years. The properties are located in Uppsala, Norrtälje, and Nacka and consist mainly of offices and industry/warehouses with a mix of different operations and companies. The leasing rate is 97 percent. Possession of the fifth property will be taken in November 2021.

Possession was also taken of a property portfolio comprising hardware retail in northern Sweden for a value of MSEK 377. The total leasable area amounts to 47 thousand sqm with a rental value of MSEK 27. The dominant tenant, with 95 percent of the rental value, is K-Bygg Fresks focused on professional hardware retail. The average remaining lease term is 11 years and the leasing rate is 97 percent.

Earlier in the year, Nyfosa took possession of a portfolio of warehouse, industrial and wholesale properties in connection with the acquisition of a portfolio from Galjaden Fastigheter AB for a total value of MSEK 870.

Closing, January–June 2021

Municipality	No. of properties	Category	Area, 000s of sqm
Malmö, Sundsvall, Östersund, Åre	15	Retail	71
Linköping, Norrköping, Hudiksvall	15	Logistics/Warehouse	44
Malmö, Uppsala	3	Offices	17
Söderköping, Landskrona, Habo	7	Other	46

Investments and major leasing in existing properties, January–June 2021

One of the leases signed during the quarter was with Padel Arena Borås for premises in the Borås Rydahög 1 property. The lease has a term of 4.5 years and encompasses an area of 11 thousand sqm.

In the first quarter, a 12-year lease was signed with Shenzhen Senior Technology Material for the Grönsta 2:52 industrial property in Eskilstuna. The tenant will initially lease 14 thousand sqm, but intends to expand the area to a total of approximately 70 thousand sqm. The modern industrial facility will become one of the largest factories for production of separator film for lithium-ion batteries in Europe.

Investments of MSEK 243 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. We are constructing a new building for the tenants Byggmax and Skånska Byggvaror in Botkyrka. The premises in Mården 11 in Luleå are undergoing a complete renovation and modification for the Municipality of Luleå, which signed a ten-year lease and with occupancy in January 2022. The premises in Norr 12:5 in Gävle are being renovated and modified for the existing tenant Försäkringskassan. The area for Schneider Electrics in Ånsta 20:262 in Örebro was expanded.

Municipality	Property	Category	Tenant	Area, 000s of sqm	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Botkyrka	Genetikern 2	Retail	Byggmax & Skånska Byggvaror	48	53	73	Q3, 2021
Luleå	Mården 11	Offices	Luleå municipality	11	13	68	Q4, 2021
Gävle	Norr 12:5	Offices	Försäkringskassan	6	6	69	Q3, 2021
Örebro	Ånsta 20:262	Logistics/ Warehouse	Schneider Electrics	6	10	59	Q4, 2021

Divested properties, January–June 2021

Two project properties in Lund and Haninge were vacated during the quarter for a value of MSEK 477.

A property centrally located in Södertälje was divested for a value of MSEK 220 during the first quarter.

YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement for externally valued properties on June 30, 2021 was 5.90 percent, and the weighted cost of capital for the present value calculation of cash flows and residual values was a nominal 7.90 percent and 7.80 percent, respectively. When last valued on March 31, 2021, the yield requirement was 5.92 percent, and the weighted cost of capital for the present value calculation of cash flows and the residual value was 7.70 percent and 8.02 percent, respectively. In the valuation dated December 31, 2020, the yield requirement was 6.03 percent, the weighted cost of capital for the present value calculation of cash flows and residual values was 7.70 percent and 8.02 percent, respectively.

Sensitivity analysis – change in value for changes in valuation parameters

June 30, 2021	%	MSEK
Change in net operating income ¹	+/-5.00	+/-1,057
Change in yield requirement	+/-0.25	+/-1,329
Change in growth assumptions	+/-5.00	+/-132
Change in discount rate	+/-0.25	+/-1,027

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 2020 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. All properties are valued every quarter, except for those properties for which possession was taken during the current quarter or properties for which a sales agreement exists. In these cases, the agreed property value is used. The prevailing uncertain business environment caused by the pandemic did not have

any significant impact on Nyfosa's property values, mainly because the portfolio has a low exposure to tenants in the tourism industry and other operations that were markedly affected by pandemic.

SUSTAINABILITY INITIATIVE

During the quarter, Nyfosa prepared a green finance framework and issued a green senior unsecured bond. The green finance framework has been drawn up in accordance with the Green Bond Principles set by the International Capital Markets Association (ICMA) and has been audited by an independent third party, CICERO Shades of Green. More information is available on the Nyfosa website www.nyfosa.se.

Green appendices were signed during the quarter when new leases were signed or leases were renegotiated, which is in line with the established sustainability target for the year. Potential investments in energy optimization measures are being invested, with the aim of reducing energy consumption and thus also CO2 emissions from the use of our premises. The process of environmentally certifying buildings is continuing.

After the end of the quarter, an agreement was signed to acquire a property portfolio in Jyväskylä, Finland, for a value of SEK 2.1 billion. Most of the buildings have a Very Good rating under various sustainability certifications.

Buildings with sustainability certification, June 30, 2021

Municipality	Property	Category	Certification	Year of certification
Värnamo	Bodarna 2, Gillet 1, Jungfrun 11, Lejonet 11, Vindruvan 4, Vindruvan 15	Offices and retail	BREEAM In Use Good	2020
Malmö	Byrådirektören 3	Offices	Sweden Green Building Council Bronze	2015
Sollentuna	Tackan 9	Offices	Green Building	2020
Sundsvall	Högom 3:178	Offices	Green Building	2020
Jönköping	Stensholm 1:754	Offices	LEED Gold	2018
Gävle	Söder 18:19	Offices	Sweden Green Building Council Silver	2019

Nyfosa came joint first in Allbright's annual equality survey of Swedish listed companies. Allbright continually identifies the gender balance of business management teams and boards of directors to highlight the issue of representation.

EARNINGS CAPACITY

MSEK	Jun 30
	2021
Rental income	2,336
Property expenses	-594
Property administration	-66
Net operating income	1,675
Central administration	-95
Share in profit of joint ventures	241
Financial expenses	-390
<i>of which ground rent</i>	-6
Profit from property management	1,431
Equity per share on balance-sheet date, SEK	7.44

The company's current earnings capacity on a 12-month basis on June 30, 2021 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, 2021, including allocated opening charges, a total of 2.11 percent. The item also includes ground rent.

PARTICIPATIONS IN JOINT VENTURES

Nyfosa owns 50 percent of the shares in the property company Söderport Property Investment 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. The holding contributed SEK 14.85 per share to Nyfosa’s EPRA NRV on the balance-sheet date.

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 properties for a total value of MSEK 12,884 (11,192). 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.

Net operating income amounted to MSEK 349 (334), profit from property management to MSEK 248 (227) and net loan-to-value ratio to 50 percent (54). The impact of the coronavirus pandemic on Söderport’s operations has been limited.

The total rental value for Söderport’s property portfolio amounted to MSEK 943 (839). Leases have an average remaining term of 4.7 years (5.0). The total leasable area amounted to 780 thousand sqm (762). The economic leasing rate was approximately 95.1 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.

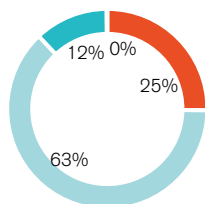
TPI is a Swedish property group that owns and manages office properties in Gothenburg and Stockholm. The property portfolio, which is valued at MSEK 3,502 (3,030), encompasses 196 thousand sqm (194) of leasable area that is mainly utilized as office space. The leasing rate is 99 percent (100), and the primary tenant is Volvo Cars. TPI’s share has been listed on Nasdaq First North Growth Market since January 2015.

An agreement to divest the Sörred 7:31 property in Torslanda was signed during the quarter. The property will be vacated in October 2021 and was revalued at its purchase consideration in the statement of financial position as per June 30, 2021.

KEY FINANCIAL DATA, SÖDERPORT

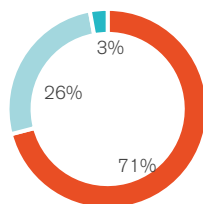
MSEK	Jan–Jun		Full-year	MSEK	Jun 30		Dec 31
	2021	2020	2020		2021	2020	2020
Rental income	428	403	818	Investment properties	12,884	11,266	11,910
Net operating income	349	334	679	Cash and cash equivalents	178	235	161
Net interest income	-85	-92	-185	Other assets	375	333	338
Profit from property management	248	227	466	Equity	4,769	3,650	4,136
Changes in value of properties and derivatives	828	225	594	<i>of which, Nyfosa’s share</i>	<i>2,204</i>	<i>1,683</i>	<i>1,916</i>
Tax	-30	-93	-217	Interest-bearing liabilities	6,653	6,361	6,354
Profit for the period	1,046	358	844	Deferred tax liabilities, net	1,244	976	1,087
<i>Of which, Nyfosa’s share</i>	<i>488</i>	<i>171</i>	<i>404</i>	Derivatives, net	170	228	221
				Other liabilities	749	621	612

PROPERTY VALUE BY CATEGORY



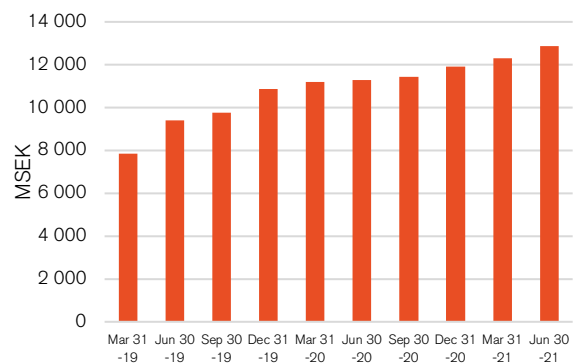
- Offices, MSEK 3,105
- Warehouse, MSEK 7,727
- Industry, MSEK 1,466
- Other, MSEK 13

RENTAL VALUE BY CATEGORY



- Greater Stockholm, MSEK 669
- Greater Gothenburg, MSEK 247
- Other, MSEK 27

PROPERTY VALUE



FINANCING

Nyfosa finances its assets through equity, bank loans with Nordic banks and bonds issued in the Swedish capital market. A directed share issue of 6,521,740 shares was completed during the quarter, which raised proceeds of MSEK 750 before transaction costs for the company. The purpose of the new share issue is to ensure the future growth of the company. Equity on the balance-sheet date amounted to MSEK 14,706 and interest-bearing loans from the credit and capital markets to MSEK 18,297, of which bank loans with properties as collateral amounted to MSEK 16,424 and senior unsecured bond loans to MSEK 1,873.

The total net loan-to-value ratio of the properties was 54.4 percent (53.2). 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 952 of the total amount granted of MSEK 1,829 against collateral in existing properties. To utilize the remaining MSEK 2,051 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, 2021

MSEK	Jun 30		Dec 31
	2021	2020	2020
Cash and cash equivalents	1,206	2,016	312
Unutilized revolving credit facility ¹	877	0	896
Unutilized overdraft facilities	200	200	200
Total	2,286	2,216	1,408

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, 2021

MSEK	Framework	Amount granted	Amount utilized	Unutilized amount
Total	3,880	1,829	952	877

Interest-bearing liabilities

A MSEK 1,000 green senior unsecured bond was issued during the quarter. The opportunity to repurchase existing bonds of MSEK 628 was also offered. Current bank loans and portions of the utilized revolving credit facility were also refinanced. Fixed-term loans totaling MSEK 1,998 were raised in connection with acquisitions. The utilization of revolving credit facilities declined by a net MSEK 870. Ongoing repayments of MSEK 18 on fixed-term loans were made. 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
	2021	2020	2020
Interest-bearing liabilities at the beginning of the period	17,055	11,282	11,282
Repayment of bank loans	-2,750	-126	-4,781
Bond loans issued	1,000	-	-
Bond loans repurchased	-628	-	-
Bank loans raised	3,621	4,104	10,583
Changes in borrowing fees	-1	-10	-29
Interest-bearing liabilities at the end of the period	18,297	15,250	17,055

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, 2021

Year	Fixed-rate period ¹		Loan maturity	
	MSEK	%	MSEK	%
Within 1 year	10,475	57	1,825	10
1–2 years	300	2	1,934	11
2–3 years	1,985	11	6,261	34
3–4 years	5,640	31	7,862	43
4–5 years	0	0	518	3
>5 years	0	0	0	0
Total	18,400	100	18,400	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.

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 9,425 on the balance-sheet date, corresponding to 51 percent of interest-bearing liabilities.

Sensitivity analysis

Earnings effect of change in average interest on debt, MSEK	Change	Jun 30	
		2021	2020
Interest expenses assuming current fixed-interest periods and changed interest rates ¹	+/-1% point	+174/-18	+189/-48
Interest expenses assuming change in average interest rate ²	+/-1% point	+/-184	+/-153
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1% point	+/-10	+/-6

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, 2021

	Jun 30		Dec 31
	2021	2020	2020
Debt/equity ratio, multiple	1.3	1.3	1.3
Average interest ¹ , %	1.9	2.1	1.9
Average remaining fixed-rate period, years	1.4	1.1	1.6
Average remaining loan maturity period, years	2.8	2.1	2.9
Interest-rate hedged portion of liabilities, %	51	39	49
Fair value of derivatives, MSEK	5	3	3

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

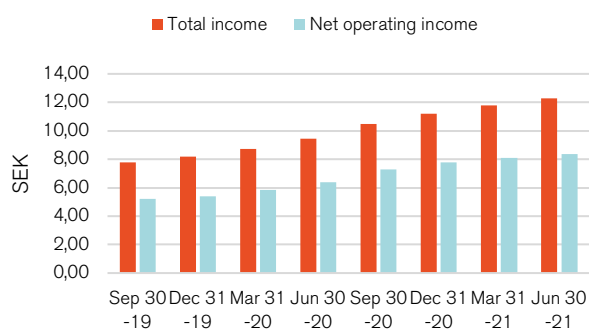
KEY FIGURES

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 28 of this interim report.

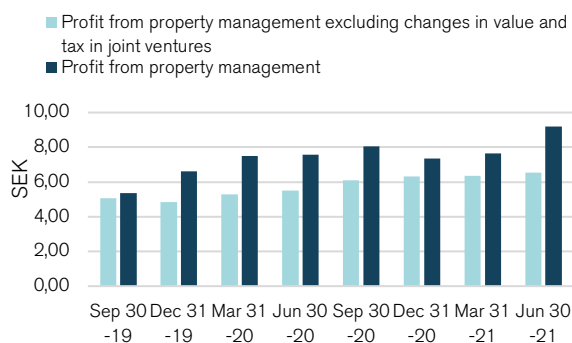
Under the company's financial target, cash flow from operating activities, before changes in working capital ("Distributable cash flow"), is to present annual growth per share of 10 percent. The financial risk limits are unchanged and stipulate that the company is to report an equity/assets ratio of 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 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Property-related key figures					
Income, MSEK	2,267	2,177	2,035	1,860	1,637
Property expenses, MSEK	-651	-615	-557	-516	-480
Property administration, MSEK	-70	-68	-63	-55	-53
Net operating income, MSEK	1,546	1,493	1,415	1,289	1,104
Surplus ratio, %	68.2	68.6	69.5	69.3	67.4
Property value on balance-sheet date, MSEK	31,428	30,605	29,411	28,587	24,882
Share-related key figures					
Profit from property management per share, SEK	9.20	7.64	7.35	8.05	7.58
Profit from property management excluding changes in value and tax in joint ventures, SEK	6.53	6.36	6.31	6.11	5.52
Distributable cash flow per share, SEK	6.38	6.82	6.91	6.65	6.03
Earnings per share before dilution, SEK	14.42	11.95	12.25	12.80	10.50
Earnings per share after dilution, SEK	14.41	11.94	12.25	12.80	10.50
EPRA NRV per share on balance-sheet date, SEK	85.44	83.99	79.91	77.32	72.78
EPRA NTA per share on balance-sheet date, SEK	80.47	79.00	75.33	72.55	67.57
EPRA NDV/Equity per share on balance-sheet date, SEK	76.99	75.72	72.27	69.57	65.13
Key financial data					
Return on equity, %	20.0	17.1	19.3	20.6	17.4
Equity/assets ratio on balance-sheet date, %	41.7	41.5	41.8	40.5	41.6
Loan-to-value ratio of properties on balance-sheet date, %	58.2	58.3	58.0	59.9	61.3
Net loan-to-value ratio of properties on balance-sheet date, %	54.4	56.5	56.9	56.4	53.2
Interest-coverage ratio, multiple	3.5	3.5	3.8	4.0	4.1

INCOME AND NET OPERATING INCOME PER SHARE, LAST FOUR QUARTERS



PROFIT FROM PROPERTY MANAGEMENT PER SHARE, LAST FOUR QUARTERS



RECONCILIATION OF KEY FIGURES

	Last 4 quarters				
	Jun 30 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Distributable cash flow					
Profit from property management last four quarters, MSEK	1,701	1,410	1,334	1,429	1,314
Depreciation of equipment, last four quarters, MSEK	0	1	1	1	0
Allocated arrangement fees on loans, last four quarters, MSEK	40	38	35	24	15
Share in profit of joint ventures last four quarters, MSEK	-704	-457	-404	-554	-566
Dividend received from joint ventures last four quarters, MSEK	175	300	300	300	300
Income tax paid last four quarters, MSEK	-32	-34	-11	-20	-18
Average number of shares, last four quarters, millions	185	185	182	177	173
Distributable cash flow per share, SEK	6.38	6.82	6.91	6.65	6.03

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 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Net asset value					
Equity, MSEK	14,706	13,971	13,333	12,836	12,016
Deferred tax, MSEK	912	855	760	806	813
Derivatives, MSEK	-5	-5	-3	-3	-3
Deferred tax in joint ventures, 50%, MSEK	622	587	544	511	488
Derivatives in joint ventures, 50%, MSEK	85	89	110	115	114
Number of shares, millions	191	185	185	185	185
EPRA NRV per share, SEK	85.44	83.99	79.91	77.32	72.78
Estimated actual deferred tax, MSEK ¹	-512	-463	-419	-474	-576
Estimated actual deferred tax in JV, Nyfosa's share, MSEK ¹	-437	-458	-425	-406	-385
EPRA NTA per share, SEK	80.47	79.00	75.33	72.55	67.57
Deferred tax, MSEK	-400	-391	-341	-332	-237
Derivatives, MSEK	5	5	3	3	3
Deferred tax in JV, Nyfosa's share, MSEK	-200	-129	-118	-105	-103
Derivatives in JV, Nyfosa's share, MSEK	-85	-89	-110	-115	-114
EPRA NDV/Equity per share, SEK	76.99	75.72	72.27	69.57	65.13

1. Assumptions include that loss carryforwards are expected to be used in the next five years with nominal tax of 20.6 percent. The property portfolio is expected to be realized over 50 years when the entire portfolio will be indirectly sold via companies and the purchaser's deduction for deferred tax is 7 percent. The discount rate amounted to 3 percent.

Net asset value is the total capital that the company manages on behalf of its owners and the value can be calculated in different ways depending on the time perspective and turnover rate in the property portfolio. EPRA NRV is based on the company never selling its assets and aims to reflect the value required for building up the operations again. Equity in the statement of financial position was adjusted for items that do not involve any payment in the near future, such as 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' statement of financial position. EPRA NTA assumes that the company will make property transactions and thus be liable to pay certain taxes. The performance measure comprises equity according to the statement of financial position adjusted for the portion of deferred tax, both in Nyfosa's statement of financial position and Nyfosa's share of deferred tax in joint ventures' statement of financial position, measured at market value taking into consideration how the company has carried out property transactions in the past few years. EPRA NDV comprises equity according to the statement of financial position.

	Last 4 quarters				
	Jun 30 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Return on equity					
Profit after tax last four quarters, MSEK	2,667	2,204	2,225	2,271	1,820
Average equity for last four quarters, MSEK	13,361	12,870	11,557	11,036	10,442
Return on equity, %	20.0	17.1	19.3	20.6	17.4

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, 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Equity/assets ratio					
Equity, MSEK	14,706	13,971	13,333	12,836	12,016
Total assets, MSEK	35,243	33,643	31,907	31,673	28,876
Equity/assets ratio, %	41.7	41.5	41.8	40.5	41.6

The performance measure is calculated as equity as a percentage of total assets according to the statement of financial position. The performance measure shows how large a share of the company's assets are financed by the company's equity.

	On balance-sheet date				
	Jun 30, 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Loan-to-value ratio and net loan-to-value ratio					
Interest-bearing liabilities, MSEK	18,297	17,852	17,055	17,136	15,249
Property value, MSEK	31,428	30,605	29,411	28,587	24,882
Loan-to-value ratio, %	58.2	58.3	58.0	59.9	61.3
Cash and cash equivalents, MSEK	1,206	552	312	1,012	2,016
Net loan-to-value ratio, %	54.4	56.5	56.9	56.4	53.2

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, 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Interest-coverage ratio					
Profit from property management last four quarters, MSEK	1,701	1,410	1,334	1,429	1,314
Share in profit of joint ventures last four quarters, MSEK	704	457	404	554	566
Depreciation last four quarters, MSEK	0	-1	-1	-1	0
Financial income and expenses last four quarters, MSEK	-395	-378	-327	-290	-245
Interest-coverage ratio, multiple	3.5	3.5	3.8	4.0	4.1

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.

OTHERS DISCLOSURES

SHARE AND SHAREHOLDERS

The volume weighted average price on the interim period's last day of trading, June 30, 2021, was SEK 117.38, corresponding to a total market capitalization of MSEK 22,421. Nyfosa had 19,948 shareholders, of which Swedish investors, institutions and private individuals owned 73.6 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, %
AB Sagax	23,498,707	12.3	12.3
Länsförsäkringar Funds	17,337,435	9.1	9.1
Swedbank Robur Funds	14,769,386	7.7	7.7
Handelsbanken Funds	8,684,683	4.5	4.5
SEB Funds	8,448,770	4.4	4.4
BlackRock	6,564,533	3.4	3.4
Vanguard	6,376,430	3.3	3.3
Jens Engwall	5,243,857	2.7	2.7
Kåpan Pensioner Försäkringsförening	4,880,014	2.6	2.6
Norges Bank	4,170,688	2.2	2.2
Other	91,048,310	47.7	47.7
Total	191,022,813	100.0	100.0

ANNUAL GENERAL MEETING

Nyfosa's 2021 Annual General Meeting (AGM) was held in Stockholm on April 21, 2021. For more information about the AGM, visit www.nyfosa.se.

DIVIDEND

The AGM resolved, in accordance with the Board's proposal to pay an ordinary dividend of a total of SEK 3.00 per share to shareholders with quarterly payment of SEK 0.75 per share, and an extra dividend of SEK 1.00 per share.

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, 2021

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

Johan Ericsson

Chairman of the Board

Jens Engwall

Board member

Jenny Wärmé

Board member

Per Lindblad

Board member

Stina Lindh Hök

CEO

Lisa Dominguez Flodin

Board member

Marie Bucht Toresäter

Board member

Mats Andersson

Board member

FINANCIAL CALENDAR

Interim report January–September 2021	October 21, 2021
Year-end report January–December 2021	February 17, 2021

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

Stina Lindh Hök, CEO

Tel: +46 (0)70 577 18 85
E-mail: stina.lindh.hok@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 and Swedish Securities Market Act. The information was submitted for publication through the agency of the aforementioned contact persons on July 13, 2021 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 2020 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.

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 2020 Annual Report on www.nyfosa.se. Nyfosa's property portfolio is recognized in the statement of financial position at fair value, Level 3 according to IFRS 13, 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. Unutilized loss carryforwards are valued at MSEK 221, corresponding to 20.6 percent, in the statement of financial position. Nyfosa has not remeasured this amount since it 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 2021 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 11.2 percent (20.0). The deviation from the nominal tax rate of 20.6 percent was 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 13,795, which means that temporary differences of MSEK 12,738 were not recognized in the statement of financial position.

Reconciliation of effective tax, MSEK	%	
Profit before tax		1,537
Tax according to applicable tax rate for Parent Company	-20.6	-317
Non-deductible costs and tax-exempt income	0.7	10
Profit from participations in joint ventures	6.5	101
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.8	13
Non-taxable sales of properties	1.0	16
Other	0.4	7
Recognized effective tax	-11.2	-171

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. 1,304,300 of the issued warrants were subscribed for, and the remainder are held by a company in the Group.

The average share price during the quarter was slightly higher than the average exercise price of the warrants, which meant a marginal dilution effect of 0.14 percent arose. A dilution effect of 0.08 percent arose during the period of "last four quarters."

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. All derivatives are classified in Level 2 according to IFRS 13 and are measured at their fair value in the statement of financial position. 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 of 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
	2021	2020	2020
Derivatives with positive values	5	3	3
Derivatives with negative values	-	-	-

NOTE 7 FINANCING

For information regarding changes in loans, interest rates and credit terms, refer to pages 16–17 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	87,095,536.50	174,191,073
March 9, 2020	New share issue	5,155,000.00	10,310,000	92,250,536.50	184,501,073
June 9, 2021	New share issue	3,260,870.00	6,521,740	95,511,406.50	191,022,813

NOTE 9 RELATED PARTIES

The Group owns participations in joint ventures, refer to page 15 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 has no receivables from joint ventures on June 30, 2021.

The company signed a consultancy agreement with Board member Jens Engwall in 2020. His assignment under the agreement is to provide advisory services, in the first instance to the company's CEO, and also to continue to serve as the company's Board member in Söderport Holding AB and Torslanda Property Investment AB. The agreement came into effect on March 1, 2021 and expires on December 31, 2022. Annual fees of MSEK 1 are paid.

NOTE 10 SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

In July, Nyfosa acquired and took possession of five properties in the Finnish regional cities of Oulu and Tampere. The acquisitions, which mark Nyfosa's first in Finland, amount to a total value of MEUR 20.6, corresponding to approximately MSEK 209.

In July, Nyfosa acquired and took possession of a portfolio of office properties and one project property in the Finnish university town of Jyväskylä for a total value of MEUR 208, corresponding to approximately SEK 2.1 billion.

PARENT COMPANY

Nyfosa AB is a holding company whose operations comprise owning and managing shares. The company owns 50 percent of the participations in Söderport Holding AB, which indirectly owns properties for SEK 12.8 billion. Furthermore, the company owns 100 percent of the participations in Nyfosa Holding AB, which indirectly owns properties for SEK 31.4 billion.

The company's organization comprises 67 people who work with property management, transaction operations, Group-wide administrative services and services specific to the listed company. Relevant services are provided to the subsidiaries in the Nyfosa Group through internal service level agreements.

During the quarter, the Parent Company divested its participations in Söderport Holding AB to a subsidiary in the Nyfosa Group. This transaction result in a gain of MSEK 1,088. A dividend of MSEK 200 was recognized under Profit from participations in joint ventures. Of the resolved dividend, MSEK 175 had been received as per June 30, 2021. The remainder comprised a receivable on the balance-sheet date.

STATEMENT OF PROFIT/LOSS

MSEK	Apr-Jun		Jan-Jun		Full-year
	2021	2020	2021	2020	2020
Net sales	23	20	48	37	87
Personnel costs	-26	-24	-52	-43	-86
Other external costs	-11	-10	-24	-22	-42
Depreciation/amortization	0	0	0	0	0
Loss before financial income and expenses	-14	-15	-28	-28	-42
Profit from participations in joint ventures	1,288	300	1,288	0	300
Profit from participations in Group companies	0	0	0	0	1,850
Interest income and similar income items	31	0	61	301	82
Interest expenses and similar expense items	-28	-16	-43	-32	-62
Profit before appropriations	1,277	271	1,278	242	2,128
Appropriations					
Provision to tax allocation reserve	0	0	0	7	7
Group contributions paid/received	0	0	0	0	35
Profit before tax	1,277	271	1,278	249	2,170
Tax	5	0	0	0	1
Profit	1,282	271	1,278	249	2,171

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

STATEMENT OF FINANCIAL POSITION

MSEK	Jun 30		Dec 31
	2021	2020	2020
ASSETS			
Participations in Group companies	0	0	0
Participations in joint ventures	-	412	412
Receivables from Group companies	5,377	90	5,377
Deferred tax assets	1	-	1
Total non-current assets	5,378	502	5,791
Current receivables from Group companies	8,064	9,525	5,239
Other current receivables	48	4	8
Cash and bank balances	464	1,049	145
Total current assets	8,576	10,579	5,391
TOTAL ASSETS	13,955	11,081	11,181
EQUITY AND LIABILITIES			
Restricted equity	96	92	92
Unrestricted equity	9,633	6,447	8,365
Equity	9,728	6,539	8,458
Untaxed reserves	0	0	0
Bonds	1,860	1,500	1,491
Other non-current liabilities	4	4	4
Total non-current liabilities	1,864	1,493	1,495
Liabilities to Group companies	1,885	3,003	1,174
Other current liabilities	477	45	55
Total current liabilities	2,362	3,049	1,229
Total liabilities	4,226	4,542	2,724
TOTAL EQUITY AND LIABILITIES	13,955	11,081	11,181

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>
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>
Property value	<p>The carrying amount of investment properties 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 wholly owned investment properties and derivatives. These are reported separately in the statement of profit/loss. However, changes in value and tax are included in the share in profit of joint ventures in profit from property management.</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>

EPRA NRV*	<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>
EPRA NTA*	<p>Equity plus derivatives and adjusted for actual deferred tax liabilities instead of nominal deferred tax.</p> <p>Purpose: To show the fair value of net assets from a long-term perspective but under the assumption that assets are traded. Accordingly, assets and liabilities in the statement of financial position that are not adjudged to be realized, such as the fair value of derivatives, are excluded but the market value of deferred tax is included. The corresponding items in the company's participations in joint ventures are also excluded from the performance measure.</p>
EPRA NDV*	<p>Equity according to the statement of financial position.</p> <p>Purpose: The performance measure shows how large a share of the company's recognized equity each share represents.</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	<p>Signed new leases for the period less terminations.</p>
Revolving credit facility	<p>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.</p>
Interest-rate cap	<p>An interest hedging instrument whereby the lender pays a variable interest up to a pre-determined interest-rate level. The aim of interest-rate caps is to reduce interest-rate risk.</p>
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>

Distributable cash flow*	<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>
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