

NYFOSA

INTERIM REPORT
JANUARY–MARCH 2020

Nyfosa stands steady. We can report a strong first quarter with higher earnings, healthy liquidity and accessed properties for SEK 4.7 billion. We have good fundamental conditions in the prevailing situation with the ongoing corona pandemic, given the breadth of Nyfosa's tenants in many different industries, but uncertainty is immense. We expect a negative impact in the immediate future. At the current time, it is impossible to assess the extent of this or how long it will last. We are doing what we can – preparing for various scenarios in close contact with our tenants and continuously monitoring the impact on financing and transactions. We are ready and well equipped to resume business when the time comes.

Jens Engwall, CEO

KEY FIGURES

	Jan-Mar		Last 4	Full-year
	2020	2019	quarters	2019
Income, MSEK	430	322	1,478	1,370
Net operating income, MSEK	283	200	988	905
Surplus ratio, %	65.8	61.9	66.8	66.0
Profit from property management, MSEK	343	188	1,267	1,112
— per share, SEK	1.98	1.12	7.49	6.63
Profit after tax, MSEK	659	160	1,881	1,382
Earnings per share before dilution, SEK	3.80	0.96	11.12	8.24
Earnings per share after dilution, SEK	3.80	0.96	11.12	8.24
Distributable cash flow, MSEK	201	120	874	793
— per share, SEK	1.16	0.72	5.17	4.73
Equity/assets ratio on balance-sheet date, %	42.0	48.6		44.1
Long-term net asset value (EPRA NAV) on balance-sheet date, MSEK	13,133	9,486		10,965
— per share, SEK	71.18	56.55		65.37
Net loan-to-value ratio of properties on balance-sheet date, %	55.3	50.7		54.6

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- A directed share issue was completed in February, which raised proceeds of MSEK 601 before transaction costs for Nyfosa.
- A ten-year lease was signed with the Municipality of Luleå.
- A property portfolio comprising 79 commercial properties was acquired for a total value of SEK 4.2 billion.
- A new financial target and a dividend policy were established in March and the business concept and vision were updated.
- Due to the corona pandemic, it was announced that the acquisition of property portfolios from SBB i Norden AB would not go ahead according to the letter of intent.
- Ongoing dialogue with tenants related to the corona pandemic concerning 4 percent of the rental income for the second quarter.

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

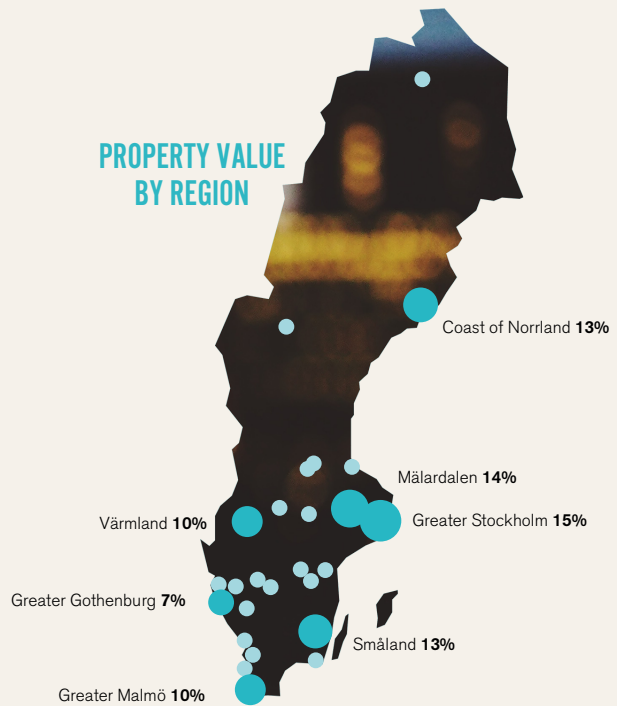
BUSINESS CONCEPT

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.
- With sustainability add value to the portfolio.
- Act long term and close to the tenants.

PROPERTY VALUE BY REGION



Total property value on March 31, 2020 MSEK 24,782

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

FINANCIAL TARGET

New target

Annual growth in cash flow¹ per share, of **+10%**

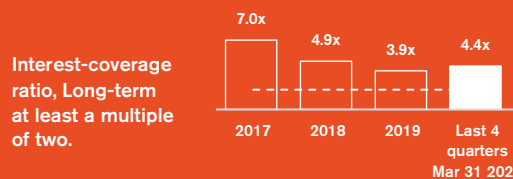
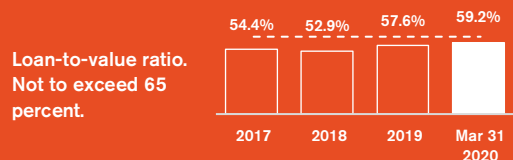
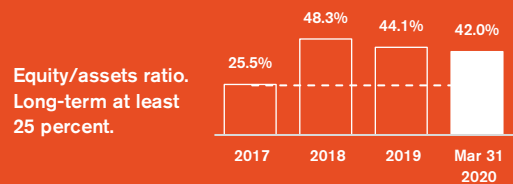
¹ Cash flow from operating activities before changes in working capital.

DIVIDEND POLICY

At least 40 percent of cash flow¹ 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.

¹ Cash flow from operating activities before changes in working capital.

FINANCIAL RISK LIMITS



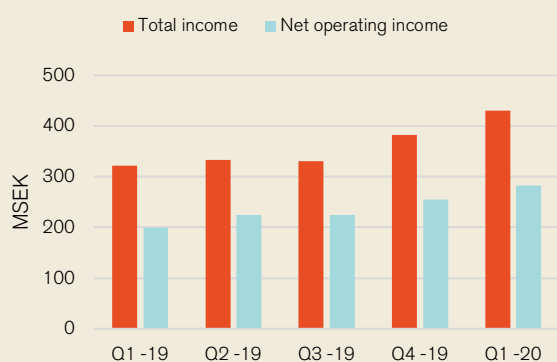
CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Jan-Mar		Last 4	Full-year
	2020	2019	quarters	2019
Rental income	425	319	1,466	1,359
Other property income	5	4	12	11
Total income	430	322	1,478	1,370
Property expenses				
Operating expenses	-83	-77	-257	-251
Maintenance costs	-31	-18	-112	-99
Property tax	-19	-13	-72	-65
Property administration	-14	-15	-50	-50
Net operating income	282	200	988	905
Central administration	-30	-22	-97	-89
Other operating income and expenses	1	-1	1	-1
Share in profit of joint ventures	135	51	576	491
Financial income and expenses	-44	-39	-200	-195
Profit from property management	344	188	1,267	1,112
Changes in value of properties	480	-1	953	472
Changes in value of financial instruments	-1	-6	-1	-7
Profit before tax for the period	824	182	2,218	1,576
Tax	-164	-21	-338	-195
Profit for the period	659	160	1,881	1,382
Earnings per share before dilution, SEK	3.80	0.96	11.12	8.24
Earnings per share after dilution, SEK	3.80	0.96	11.12	8.24

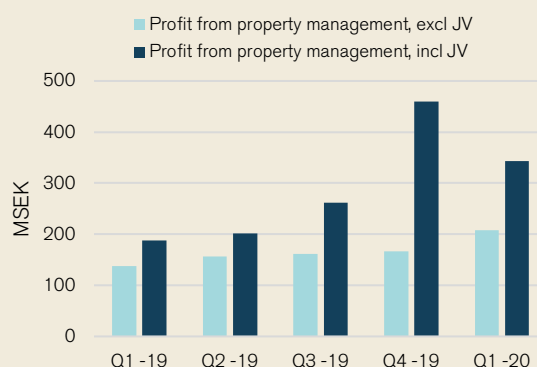
STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK				
Profit for the period	659	160	1,881	1,382
Other comprehensive income	-	-	-	-
Total income	659	160	1,881	1,382

INCOME AND NET OPERATING INCOME PER QUARTER



PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

JANUARY–MARCH 2020 QUARTER

The first quarter of the year was turbulent in many ways due to the breakout of the corona pandemic in society. The company's primary focus during this initial period has been the health and safety of employees, tenants and suppliers. At the same time, measures were taken to ensure that the business can continue to operate at a normal pace considering the prevailing circumstances. We continue to believe that the company has a solid foundation, with a stable financial position, good liquidity and a strong cash flow. At a general level, the effect of the corona pandemic on the company's highly diversified property portfolio and tenant base has been manageable.

Rent payments

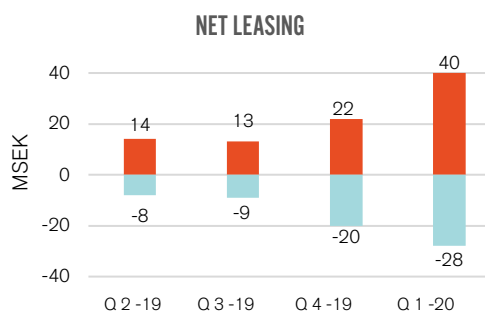
Rents for forthcoming quarters are paid by tenants in advance, which means that rent receivables are normally insignificant amounts. Ahead of payment of rent for the second quarter, due on March 31, a number of tenants contacted Nyfosa to discuss their strained liquidity situation caused by the pandemic. In total, these discussions comprise approximately 4 percent of the total of MSEK 582 regarding the second quarter. Nyfosa has individually assessed each tenant's situation. The starting point was to assist the tenants by changing quarterly payments to monthly payments. Although Nyfosa's highly diversified tenant list with no significant exposure to large tenants has managed the economic challenges caused by the pandemic in a relatively controlled manner, rent losses are expected to be higher than normal for the company for the immediate future. In the past four years, rent losses have totaled 0.5 percent of rental income.

In March, the company acquired a portfolio acquisition of 79 properties mainly located in Karlstad, but also in Uppsala, Stockholm, Norrköping and Malmö. These properties mainly comprise office and warehouse premises with a total rental value of MSEK 350. This acquisition will make a full contribution to earnings in the next quarter.

Income

Active leasing operations in the quarter generated positive net leasing. New leases were signed for a total of MSEK 40.

Income amounted to MSEK 430 (322), up MSEK 108 or 34 percent. The change was attributable to the larger portfolio, but also renegotiations and new leases in the comparable portfolio. The total leasable area on March 31, 2020 amounted to 2,222 thousand sqm (1,575) and the economic leasing rate was 91.5 percent (90.8).



Net operating income

Property expenses mainly refer to operating expenses such as heating, water, electricity and property upkeep and amounted to MSEK 133 (108). Costs for property administration amounted to MSEK 14 (15). Net operating income increased 41 percent year-on-year. Management of the portfolio yielded a surplus ratio of 65.6 percent (61.9).

Profit from property management

Costs for central administration amounted to MSEK 30 (22). The main reason for the increase was growth in the organization resulting from the larger property portfolio.

Profit from participations in joint ventures of MSEK 135 (51) represented 50 percent of Söderport's earnings for the quarter, and mainly comprised profit from property management of MSEK 56 (44) and revaluation of properties and derivatives of MSEK 120 (19). Financial income and expenses amounted to MSEK -44 (-38). The increase compared to last year was due to higher net debt.

Changes in value

The changes in value of properties amounted to MSEK 480 (-1), of which unrealized changes in value totaled MSEK 482 (13). The unrealized changes in value were mainly the result of lower yield requirements and renegotiated leases. 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 since the full effects of the ongoing corona pandemic were not known on the valuation date.

Tax

The tax expense for the quarter amounted to MSEK -164 (-21), of which MSEK -129 (-20) pertained to changes in deferred tax liabilities attributable to investment properties. The effective tax rate was 20 percent (12). 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	Mar 31		Dec 31
	2020	2019	2019
ASSETS			
Investment properties	24,782	15,683	19,602
Assets with right-of-use	182	31	149
Participations in joint ventures	1,947	1,571	1,812
Derivatives	1	3	2
Other assets	1	1	2
Total non-current assets	26,913	17,289	21,566
Current receivables	131	62	46
Cash and cash equivalents	966	240	588
Total current assets	1,097	302	635
TOTAL ASSETS	28,011	17,590	22,201
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	11,769	8,552	9,781
Non-current interest-bearing liabilities	12,717	7,152	11,149
Liabilities attributable to right-of-use assets	176	26	144
Other non-current liabilities	17	10	16
Deferred tax liabilities	770	473	627
Total non-current liabilities	13,679	7,660	11,937
Current interest-bearing liabilities	1,951	1,034	132
Other current liabilities	612	344	350
Total current liabilities	2,562	1,378	482
Total liabilities	16,241	9,038	12,419
TOTAL EQUITY AND LIABILITIES	28,011	17,590	22,201

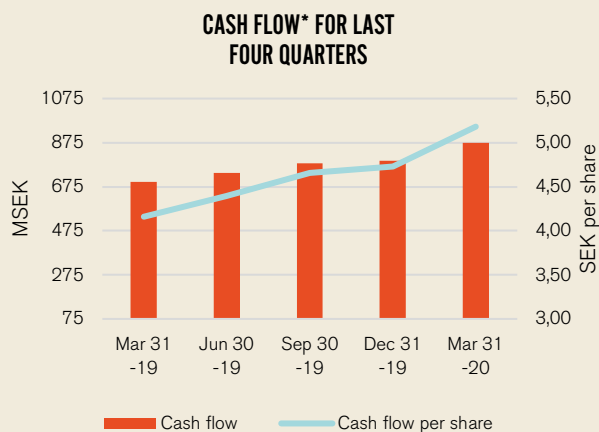
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Jan-Mar		Full-year
	2020	2019	2019
Opening equity	9,781	8,392	8,392
Transactions with shareholders			
Issue of warrants	-	-	8
New share issue and shareholders' contributions	1,329	-	-
Total transactions with shareholders	1,329	-	8
Comprehensive income	659	160	1,382
Closing equity	11,769	8,552	9,781

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Jan-Mar		Last 4	Full-year
	2020	2019	quarters	2019
Operating activities				
Profit from property management ¹	344	188	1,267	1,112
Adjustments for non-cash items	-135	-51	-575	-491
Dividend from holdings in joint ventures	0	-	200	200
Income tax paid	-7	-17	-17	-27
Distributable cash flow¹	202	120	875	793
- per share, SEK	1.16	0.72	5.17	4.73
Change in operating receivables	-33	-11	5	27
Change in operating liabilities	139	93	77	32
Cash flow from operating activities	307	202	957	852
Investing activities				
Direct and indirect acquisitions of investment properties	-4,599	-83	-8,973	-4,457
Direct and indirect divestments of investment properties	-1	45	1,124	1,170
Investments in existing investment properties	-44	-62	-207	-224
Other	0	0	0	0
Cash flow from investing activities	-4,644	-100	-8,056	-3,511
Financing activities				
New issue of shares/warrants	1,329	-	1,337	8
Loans raised	3,427	-56	8,884	5,457
Repayment of loans	-29	0	-2,367	-2,394
Other	-12	1	-28	-15
Cash flow from financing activities	4,715	-54	7,825	3,056
Cash flow for the period	378	192	726	396
Cash and cash equivalents at the beginning of the period	589	47	240	192
Cash and cash equivalents at the end of the period	966	240	966	588
Interest received	0	0	0	0
Interest paid	-57	-34	-192	-99

¹ Cash flow from operating activities before changes in working capital.



* Distributable cash flow.

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 March 31, 2019, growth in cash flow per share amounted to 25 percent.

INVESTMENT PROPERTIES

The property portfolio on March 31, 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 92 percent and the remaining lease term was 4.8 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 93 percent and the remaining lease term was 5.3 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 first quarter amounted to MSEK +12. New leases were finalized in cities including Luleå, Oskarshamn and Malmö for a total annual value of MSEK 26. The net result of renegotiations for the quarter amounted to MSEK +8 and included renegotiations in Växjö, Uppsala and Gävle for a total annual value of MSEK 30.

The total rental value amounted to MSEK 2,132, of which vacancy rent was MSEK 181. The share of rental income connected to the consumer price index (CPI) corresponded to 90 percent of total rental income. On March 31, 2020, Nyfosa had 4,562 leases including a total of 1,754 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 between 174 leases. The largest tenants include Telia, Saab and Förlagssystem JAL.

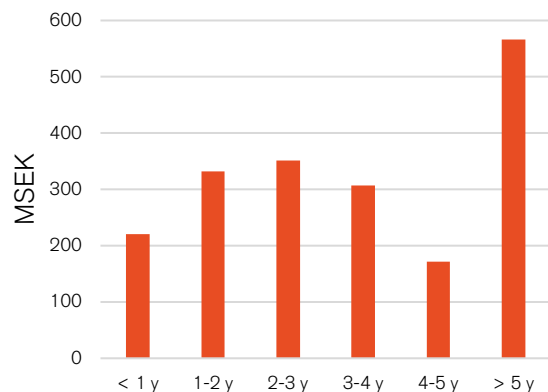
In addition to the wholly owned property portfolio, properties for a value of SEK 11.2 billion are owned through the joint venture Söderport.

KEY FIGURES FOR THE PROPERTY PORTFOLIO

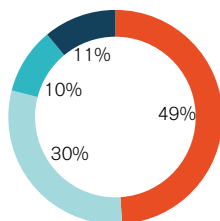
	Mar 31		Dec 31
	2020	2019	2019
Property value, MSEK	24,782	15,683	19,602
Rental value, MSEK	2,132	1,420	1,610
Leasable area, 000s sqm	2,222	1,575	1,771
No. of properties	308	178	208
Economic leasing rate ¹ , %	91.5	90.8	91.6
Remaining lease term, years	4.1	3.7	4.2
Surplus ratio ¹ , %	70.2	68.7	69.6
Yield ¹ , %	5.40	5.6	5.5

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

LEASE MATURITY STRUCTURE

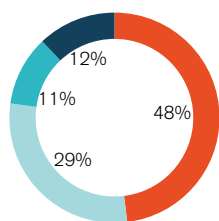


PROPERTY VALUE BY CATEGORY



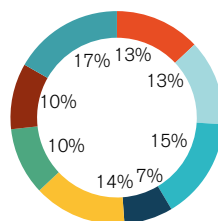
- Offices, MSEK 12,074
- Logistics/warehouse, MSEK 7,551
- Retail, MSEK 2,395
- Other, MSEK 2,764

RENTAL VALUE BY CATEGORY



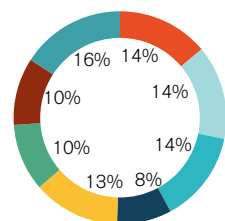
- Offices, MSEK 1,027
- Logistics/warehouse, MSEK 612
- Retail, MSEK 232
- Other, MSEK 260

PROPERTY VALUE BY REGION



- Småland, MSEK 3,216
- Coast of Norrland, 3,229
- Greater Stockholm, MSEK 3,827
- Greater Gothenburg, MSEK 1,839
- Mälardalen, MSEK 3,502
- Greater Malmö, MSEK 2,539
- Värmland, MSEK 2,483
- Other, MSEK 4,146

RENTAL VALUE BY REGION



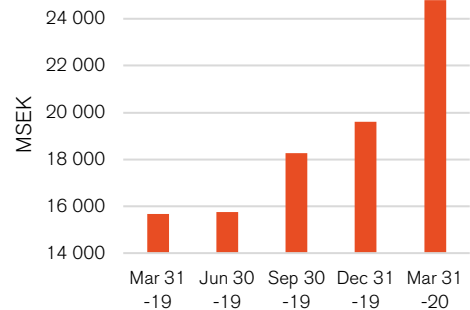
- Småland, MSEK 296
- Coast of Norrland, MSEK 305
- Greater Stockholm, MSEK 297
- Greater Gothenburg, MSEK 177
- Mälardalen, MSEK 282
- Greater Malmö, MSEK 218
- Värmland, 218 MSEK
- Other, MSEK 338

TREND IN PROPERTY PORTFOLIO

CHANGES IN VALUE

MSEK	Jan 1 – Mar 31		Dec 31
	2020	2019	2019
At the beginning of the period	19,602	15,582	15,582
Acquired properties	4,654	85	4,516
Investments in existing properties	44	62	224
Divested properties	1	-45	-1,193
Realized changes in value	-1	-13	-22
Unrealized changes in value	482	13	493
At the end of the period	24,782	15,683	19,602

TREND IN PROPERTY PORTFOLIO



TRANSACTIONS AND INVESTMENTS

Acquired properties, January-March 2020

The first quarter of the year began as intensively as it ended, with a number of different transaction ideas being evaluated in parallel. However, the company decided to slow transaction activities in March in order to assess the impact of the outbreak of the corona pandemic on the Swedish property and credit market. Due to the changed market conditions, it was announced that the acquisition of property portfolios from SBB i Norden AB would not go ahead according to the letter of intent.

Possession was also taken of properties for a value of SEK 4.7 billion during the quarter. The largest acquisition was for a portfolio acquired from Randviken encompassing 79 properties mainly located in Karlstad, but also in Uppsala, Stockholm, Norrköping and Malmö, and 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.	8	Retail	20
Uppsala, Malmö, Sollentuna, etc.	22	Other	68

Investments in existing properties, January–March 2020

Investments of MSEK 44 were made in the existing property portfolio during the quarter. 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 Mården 11 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	0	68	Q4, 2021
Gävle	Norr 12:5	Offices	Försäkringskassan	6	0	56	Q3, 2021
Växjö	Bagaren 10	Offices	SAAB	13	14	18	Q3, 2020

Divested properties, January-March 2020

No properties were vacated in the first quarter. The effect of vacating properties that is presented in the reconciliation of property value on page 9 refers to properties vacated in previous quarters.

YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement on March 31, 2020 was 5.96 percent, the weighted cost of capital for the present value calculation of cash flows and residual values was 8.00 percent and 8.20 percent, respectively. When last valued on December 31, 2019, the yield requirement was 6.29 percent, the weighted cost of capital for the present value calculation of cash flows and residual values was 8.22 percent and 8.39 percent, respectively.

Sensitivity analysis – change in value for changes in valuation parameters

Mar 31, 2020	%	MSEK
Change in net operating income ¹	+/- 5.00	+/- 835
Change in yield requirement	+/- 0.25	+/- 1,085
Change in growth assumptions	+/- 0.50	+/- 104
Change in discount rate	+/- 0.25	+/- 799

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.

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

The portfolio has two properties in Sundsvall and 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 included in the stocktaking that the company will carry 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 the ongoing property management, a green appendix was added to new leases from the start of the year.

EARNINGS CAPACITY

	Mar 31
MSEK	2020
Rental income	1,904
Property expenses	-514
Property administration	-54
Net operating income	1,336
Central administration	-85
Share in profit of joint ventures	206
Financial expenses	-342
Profit from property management	1,115

The company's current earnings capacity on a 12-month basis on March 31, 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 March 31, 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 (70) with a total property value of SEK 11,192 billion (7,853). 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 total rental value for Söderport's property portfolio amounted to MSEK 839 (683). Leases have an average remaining term of 5.0 years (4.9). The total leasable area amounted to 762 thousand sqm (650). The economic leasing rate was approximately 95 percent (97).

78.4 percent of the company Torslanda Property Investment AB ("TPI") is owned and was 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.

KEY FINANCIAL DATA, SÖDERPORT

MSEK	Jan-Mar		Full-year
	2020	2019	2019
Rental income	202	162	708
Net operating income	163	118	566
Net interest income	-45	-36	-164
Profit from property management	111	89	393
Changes in value of properties and derivatives	241	37	832
Tax	-72	-24	-237
Profit for the year	279	102	989
<i>of which, Nyfosa's share</i>	<i>135</i>	<i>51</i>	<i>491</i>

MSEK	Mar 31		Dec 31
	2020	2019	2019
Investment properties	11,192	7,853	10,853
Cash and cash equivalents	291	67	242
Other assets	349	279	337
Equity	4,184	3,143	3,905
<i>of which, Nyfosa's share</i>	<i>1,947</i>	<i>1,571</i>	<i>1,812</i>
Interest-bearing liabilities	5,884	3,786	5,828
Deferred tax liabilities, net	967	687	909
Derivatives, net	224	239	216
Other liabilities	572	449	583

TORSLANDA PROPERTY INVESTMENT AB

In 2019, Torslanda Property Investment AB ("TPI") acquired properties in Torslanda from Söderport for SEK 2.3 billion. TPI paid part of the purchase consideration in the form of newly issued shares that increased Söderport's participating interest from 28.6 percent to 78.4 percent. Accordingly, TPI has been consolidated as a subsidiary in Söderport's statement of financial position and statement of profit/loss. TPI's share has been listed on Nasdaq First North Growth Market since January 2015.

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.

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 11,769 and total interest-bearing liabilities to MSEK 14,665, of which bank loans with properties as collateral amounted to MSEK 13,165 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 55.3 percent (50.7). To support growth, the company has three prearranged lines of credit with banks, which have not 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 2,415 of these facilities and there was remaining unutilized credit scope of MSEK 603, against collateral in existing properties. 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. The corona pandemic will probably affect access to external capital, with the bond market being in particular impacted. Financing costs will probably increase since the floating interest base in which the company has its loans, STIBOR, reported an increase and since banks' borrowing costs may increase in a turbulent market.

Available liquidity, March 31

MSEK	Mar 31		Dec 31
	2020	2019	2019
Cash and cash equivalents	966	240	588
Unutilized revolving credit facility ¹	603	939	1,105
Unutilized overdraft facilities	200	200	200
Total	1,769	1,379	1,893

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, March 31

MSEK	Frame work	Amount granted	Amount utilized	Unutilized amount
Total	3,880	3,018	2,415	603

Interest-bearing liabilities

The company raised new fixed-term loans totaling MSEK 2,685 in connection with acquisitions during the quarter and utilized revolving credit facilities in the amount of MSEK 742 with existing properties as collateral. Ongoing repayments of MSEK 29 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. However, interest-rate hedges in the form of interest-rate caps were entered into after the end of the period linked to new fixed-term loans, which is why the fixed-rate periods have changed according to the notes in the table.

Changes in interest-bearing liabilities for the quarter	Jan-Mar		Full-year
MSEK	2020	2019	2019
Interest-bearing liabilities at the beginning of the period	11,282	8,240	8,240
Repayment of bank loans	-29	-54	-2,394
Bond loans issued	-	-	1,500
Bank loans raised	3,428	-	3,957
Changes in borrowing fees	-12	-2	-21
Interest-bearing liabilities at the end of the period	14,665	8,186	11,282

Bank loans of MSEK 1,823, 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 during the quarter. Loan maturity in the table show the payment of outstanding principal loan amounts on the balance-sheet date, not including ongoing repayments.

Fixed-rate periods and loan maturity structure, March 31, 2020

Year	Fixed-rate period ²		Loan maturity	
	MSEK	%	MSEK	%
Within 1 year	11,374	77	1,823	12
1–2 years	300	2	1,523	10
2–3 years	1,200	8	5,027	34
3–4 years	1,275	9	2,696	18
4–5 years	601	4	3,682	25
>5 years	0	0	0	0
Total	14,750	100	14,750¹	100

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

2. After the end of the period, interest-rate caps of MSEK 1,342 with a term of five years were signed, which is why the fixed-rate maturity interval of within 1 year reduced to 68 percent and the fixed-rate maturity interval of 4-5 years increased to 13 percent.

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 4,868 on the balance-sheet date, corresponding to 33 percent of interest-bearing liabilities.

Sensitivity analysis

Earnings effect of change in average interest on debt,

MSEK	Change	Mar 31	
		2020	2019
Interest expenses assuming current fixed-rate periods and changed interest rates ¹	+/-1 percentage point	+133 /-38	+70/-0
Interest expenses assuming change in average interest rate ²	+/-1 percentage point	+/-147	+/-82
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1 percentage point	+/-3	+/-5

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, March 31, 2020

	Mar 31		Dec 31
	2020	2019	2019
Debt/equity ratio, multiple	1.2	1.0	1.1
Average interest ¹ , %	2.1	1.7	1.8
Average remaining fixed-rate period, years	0.9 ²	1.5	1.2
Average remaining loan maturity period, years	2.9	3.3	2.7
Interest-rate hedged portion of liabilities, %	33.0 ³	54.5	42.9
Fair value of derivatives, MSEK	1	3	2

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

2. Amounted to 1.3 years after the balance-sheet date due to new interest-rate caps.

3. Amounted to 42.1 percent after the balance-sheet date due to new interest-rate caps.

The increase in average interest for the quarter 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				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Property-related key figures					
Income, MSEK	1,478	1,370	1,304	1,234	1,139
Property expenses, MSEK	-441	-415	-376	-358	-327
Property administration, MSEK	-50	-50	-50	-44	-38
Net operating income, MSEK	988	905	878	832	774
Surplus ratio, %	66.8	66.0	67.3	67.4	67.9
Property value on balance-sheet date, MSEK	24,782	19,602	18,258	15,741	15,683
Share-related key figures					
Profit from property management per share, SEK	7.49	6.63	5.38	4.97	5.46
Distributable cash flow per share, SEK	5.17	4.73	4.66	4.39	4.16
Earnings per share before dilution, SEK	11.12	8.24	6.84	8.52	9.04
Earnings per share after dilution, SEK	11.12	8.24	6.84	8.52	9.04
Equity per share on balance-sheet date, SEK	63.79	58.32	55.07	52.87	50.99
Long-term net asset value (EPRA NAV) per share on balance-sheet date, SEK	71.18	65.37	61.56	58.66	56.55
Key financial data					
Return on equity, %	18.5	15.2	13.2	22.8	24.7
Equity/assets ratio on balance-sheet date, %	42.0	44.1	45.4	47.8	48.6
Loan-to-value ratio of properties on balance-sheet date, %	59.2	57.6	54.7	56.0	52.2
Net loan-to-value ratio of properties on balance-sheet date, %	55.3	54.6	52.7	48.1	50.7
Interest-coverage ratio, multiple	4.5	4.2	4.4	4.5	4.6

RECONCILIATION OF KEY FIGURES

	Last 4 quarters				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Distributable cash flow, MSEK					
Profit from property management last four quarters	1,266	1,112	902	833	917
Depreciation of equipment, last four quarters	0	0	0	0	0
Share in profit of joint ventures last four quarters	-576	-491	-304	-280	-402
Dividend received from joint ventures last four quarters	200	200	200	200	200
Income tax paid last four quarters	-17	-27	-17	-17	-17
Average number of shares, millions	169	168	168	168	168
Distributable cash flow per share, SEK	5.17	4.73	4.66	4.39	4.16

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				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Long-term net asset value (EPRA NAV)					
Equity, MSEK	11,769	9,781	9,237	8,869	8,552
Deferred tax, MSEK	770	627	584	488	473
Derivatives, MSEK	-1	-2	-1	-1	-3
Deferred tax in joint ventures, 50%, MSEK	484	454	369	351	343
Derivatives in joint ventures, 50%, MSEK	112	104	136	132	119
Number of shares, millions	185	168	168	168	168
Long-term net asset value (EPRA NAV) per share, SEK	71.18	65.37	61.56	58.66	56.55

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				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Return on equity					
Profit after tax last four quarters, MSEK	1,881	1,382	1,146	1,429	1,516
Average equity for last four quarters, MSEK	10,161	9,087	8,657	6,265	6,139
Return on equity, %	18.5	15.2	13.2	22.8	24.7

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				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Loan-to-value ratio and net loan-to-value ratio					
Interest-bearing liabilities, MSEK	14,667	11,282	9,979	8,821	8,186
Property value, MSEK	24,782	19,602	18,258	15,741	15,683
Loan-to-value ratio, %	59.2	57.6	54.7	56.0	52.2
Cash and cash equivalents, MSEK	966	588	350	1,254	240
Net loan-to-value ratio, %	55.3	54.6	52.7	48.1	50.7

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				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Interest-coverage ratio					
Profit from property management last four quarters, MSEK	1,267	1,112	902	833	917
Share in profit of joint ventures last four quarters, MSEK	576	491	304	280	402
Depreciation last four quarters, MSEK	0	0	0	0	0
Financial income and expenses last four quarters, MSEK	-200	-195	-177	-156	-145
Interest-coverage ratio, multiple	4.5	4.2	4.4	4.5	4.6

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

OTHER DISCLOSURES

SHARE AND SHAREHOLDERS

The volume weighted average price on the interim period's last day of trading, March 31, 2020, was SEK 50.10, corresponding to a total market capitalization of MSEK 9,244. Nyfosa had 20,142 shareholders, of which Swedish investors, institutions and private individuals owned 70.3 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	16,622,037	9.0	9.0
Swedbank Robur Funds	14,749,996	8.0	8.0
Randviken Fastigheter AB	10,310,000	5.6	5.6
Handelsbanken Funds	7,800,000	4.2	4.2
Fourth Swedish National Pension Fund	6,761,599	3.7	3.7
AB Sagax	6,425,000	3.5	3.5
SEB Funds	5,883,037	3.2	3.2
Vanguard	5,808,987	3.1	3.1
Norges Bank	5,676,289	3.1	3.1
ICA-handlarnas Förbund	5,500,000	3.0	3.0
Other	98,964,128	53.6	53.6
Total	184,501,073	100.0	100.0

ANNUAL GENERAL MEETING

Nyfosa's 2020 Annual General Meeting (AGM) will be held in Stockholm on April 23, 2020 at 3:00 p.m. CEST at Vasateatern, Vasagatan 19 in Stockholm, Sweden. Meeting documents containing information about the Board's proposals are available from the company's website www.nyfosa.se.

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, cash flow from operating activities, before changes in working capital ("Distributable cash flow"), is to present annual growth per share of 10 percent, with unchanged risk limits. The dividend policy that at least 40 percent of 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.

* Cash flow from operating activities before changes in working capital

ASSURANCE FROM THE CEO

The CEO gives his 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, April 23, 2020

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

Jens Engwall

Chief Executive Officer

FINANCIAL CALENDAR		CONTACT INFORMATION	
Annual General Meeting 2020	April 23, 2020	Nyfosa AB Tel: +46 (0)8 406 64 00 Street address: Hästholsvägen 28 Postal address: Box 4044, SE-131 04 Nacka, Sweden www.nyfosa.se	
Interim report January-June 2020	July 13, 2020		Jens Engwall, CEO Tel: +46 (0)70 690 65 50. E-mail: jens.engwall@nyfosa.se
Interim report January-September 2020	October 22, 2020		Ann-Sofie Lindroth, Head of Financial Control Tel: +46 (0)70 574 59 25 E-mail: ann-sofie.lindroth@nyfosa.se

This interim report is unaudited.

The information is inside information that Nyfosa AB is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the aforementioned contact persons on April 23, 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. 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. Unutilized loss carryforwards are valued at MSEK 246, corresponding to 20.6 percent. Nyfosa has not reserved this amount since Nyfosa believes that it is overwhelmingly probable that the deduction claimed will be granted following a court ruling.

Classification of acquisitions

The IFRS 3 accounting standard states that acquisitions must be classified as business combinations or asset purchases. An individual assessment of the character of the acquisition is required for each individual transaction. Nyfosa's corporate acquisitions in 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 20.1 percent (11.8). 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 11,588, which means that temporary differences of MSEK 8,581 were not recognized in the statement of financial position.

Reconciliation of effective tax, MSEK

Profit before tax		824
Tax according to applicable tax rate for Parent Company	-21.4%	-176
Non-deductible costs and tax-exempt income	0.6%	5
Profit from participations in joint ventures	3.5%	29
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.0%	0
Non-taxable sales of properties	0.0%	0
Tax attributable to prior years	-0.1%	-1
Other	-2.6%	-22
Recognized effective tax	-20.1%	-165

NOTE 5 EARNINGS PER SHARE

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

The subscription price per share is based on the average share price at the time of the issue of the warrants with an increase or decrease calculated according to Carnegie's Real Estate Index (CREX) until September 2022, when it will be finally set. Subscription of shares in accordance with the terms and conditions for the warrants may be exercised during a two-week period from the day following the disclosure of the company's interim report for the period July – September, 2022, the company's year-end report for 2022 and the interim report for the period January – March, 2023, although not later than June 10, 2023. 1,674,300 of the issued warrants were subscribed for, and the remainder are held by a company in the Group.

The average share price during the quarter was slightly lower than the subscription price, which meant that a slight dilution effect of 0.02 percent arose.

New shares were issued on two occasions during the quarter. 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. The effect would have been 0.6 percent per share.

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	Mar 31		Dec 31
	2020	2019	2019
Derivatives with positive values	1	3	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	6,462,824	90,326,948.50	174,191,073
March 9, 2020	New share issue	5,155,000	10,310,000	100,636,948.50	184,501,073

NOTE 9 RELATED PARTIES

The Group owns participations in joint ventures, refer to page 12 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

The outbreak of the corona virus has had large effects on the equities and capital market. Nyfosa has performed a risk assessment of its operations and growth plans, with the conclusion that the company's property portfolio is relatively strong. The company has a highly diverse tenant list with many industries represented. The dialog we have with our tenants has mostly been constructive. Our standpoint is that the best for the company and shareholders is to attempt to assist our tenants as much as we can to find solutions to any potential short-term liquidity crises. The general level of Nyfosa's own liquidity is cautiously strong for both the short and long term. We are closely following developments in the economy in so far as they may affect our tenants.

PARENT COMPANY

STATEMENT OF PROFIT/LOSS

MSEK	Jan-Mar		Full-year
	2020	2019	2019
Net sales	17	14	60
Personnel costs	-19	-12	-56
Other external costs	-12	-17	-43
Depreciation/amortization	0	0	0
Loss before financial income and expenses	-13	-15	-39
Profit from participations in joint ventures	0	0	200
Profit from participations in Group companies	0	0	400
Interest income and similar income items	1	0	2
Interest expenses and similar expense items	-16	-1	-24
Profit before appropriations	-29	-16	538
Appropriations			
Provision to tax allocation reserve	7	0	-7
Group contributions paid/received	0	0	78
Profit before tax	-22	-16	609
Tax	0	0	-5
Profit for the period	-22	-16	605

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.

STATEMENT OF FINANCIAL POSITION

MSEK	Mar 31		Dec 31
	2020	2019	2019
ASSETS			
Participations in Group companies	0	0	0
Participations in joint ventures	412	412	412
Receivables from Group companies	90	90	90
Total non-current assets	503	498	503
Current receivables from Group companies	9,568	6,176	8,241
Other current receivables	6	-4	11
Cash and bank balances	151	29	236
Total current assets	9,726	6,201	8,488
TOTAL ASSETS	10,228	6,699	8,990
EQUITY AND LIABILITIES			
Restricted equity	92	84	84
Unrestricted equity	6,174	4,244	4,876
Equity	6,266	4,328	4,960
Untaxed reserves	0	0	7
Bond loans	1,487	-1	1,486
Other non-current liabilities	8	1	9
Total non-current liabilities	1,496	0	1,495
Liabilities to Group companies	2,402	2,356	2,483
Other current liabilities	64	16	46
Total current liabilities	2,466	2,372	2,529
Total liabilities	3,962	2,372	4,031
TOTAL EQUITY AND LIABILITIES	10,228	6,699	8,990

GLOSSARY

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

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

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