



Press release

March 13, 2020

## Nyfosa presents new financial target and dividend policy

**Nyfosa has established a new financial target, a new dividend policy, and updated its business concept and vision. The basic premise is that the company will continue to create value and generate sustainable cash flows with transaction-based operations and an opportunistic approach.**

Nyfosa has grown rapidly and profitably since its listing in November 2018. The value of the property portfolio amounted to approximately SEK 20 billion at the end of 2019 and the company has subsequently taken possession of properties for an additional just over SEK 4.5 billion. The growth target of a property value of SEK 25 billion has thus essentially been achieved and the company is now a well-established property company in the Swedish market. In light of this, the Board has evaluated the continued direction of the company and adopted a new business plan.

Under Nyfosa's new financial objective, cash flow from operating activities, before changes in working capital, is to present annual growth per share of 10 percent, with unchanged risk limits. See further information on the key figure below. In line with what has previously been communicated, the dividend policy will also be changed to enable payment of dividends to shareholders once the first growth target has been met.

"With the realization of our growth target, Nyfosa is ready for the next phase. Our new financial target clarifies Nyfosa's focus on cash flow, and we believe it to be an appropriate metric for driving the company's performance moving forward. A stable cash flow from operating activities enables us to create conditions for continued acquisitions and investments in existing properties. The new target is also directly linked to the dividend, which creates added clarity", says Jens Engwall, CEO of Nyfosa in a comment.

### Financial objective

- Annual growth in cash flow\* per share of 10 percent

*\* Cash flow from operating activities before changes in working capital*

### Financial risk limits

- Long term, the equity/assets ratio is to amount to at least 25 percent.
- The loan-to-value ratio should not exceed 65 percent.
- Long term, the interest-coverage ratio should not fall below a multiple of two.

### Dividend policy

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*

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### Cash flow from operating activities before changes in working capital

The performance measure of *Cash flow from operating activities before changes in working capital* takes into consideration the profit from property management that the company has achieved and includes dividends received from joint ventures and paid tax. The performance measure excludes the earnings effect (including changes in value) from holdings in joint ventures. Accordingly, it shows the profit from property management that is available to the company.

From January 1, 2020, Nyfosa will present the consolidated statement of cash flows as follows:

<b>GROUP STATEMENT OF CASH FLOWS</b>			
<b>MSEK</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Operating activities</b>			
Profit from property management	1,112	918	
Adjustments for non-cash items	-491	-412	
Dividend from holdings in joint ventures *	200	200	
Income tax paid	-27	-4	
<b>Cash flow from operating activities before changes in working capital</b>	<b>793</b>	<b>702</b>	
<i>– per share, SEK</i>	<i>4.73</i>	<i>4.18</i>	<i>+13%</i>
Changes in working capital	59	705	
<b>Cash flow from operating activities</b>	<b>852</b>	<b>1,407</b>	
<b>Cash flow from investing activities</b>	<b>-3,511</b>	<b>-2,704</b>	
<b>Cash flow from financing activities</b>	<b>3,056</b>	<b>1,329</b>	
<b>Cash flow for the period</b>	<b>397</b>	<b>32</b>	

\* From January 1, 2020, the company will recognize dividends from joint ventures in operating activities instead of in investing activities.

The Board and management also updated the company's business concept and vision as part of their work on the new business plan.

### 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.

### Vision

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

### For more information, please contact:

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*Before it was published, this information was inside information and is such 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 person on March 13, 2020, at 17.50 p.m. CET.*

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**About Nyfosa**

Nyfosa is a transaction-based and opportunistic property company. The company's business concept is based on active participation in the Swedish transaction market combined with an investment strategy that can be flexible to the property market. The aim is to develop and add value to a growing property portfolio with sustained high returns. At present, Nyfosa is focusing primarily on commercial properties in Sweden. On December 31, 2019, Nyfosa owned commercial properties with a total property value of approximately SEK 19.6 billion.

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