

NYFOSA

INTERIM REPORT
JANUARY–MARCH 2019

“The level of activity in our acquisition operations is high and we are now starting to see the fruits of this. We carried out acquisitions at an underlying property value of about MSEK 646 after the close of quarter. These represent properties with solid earnings in prime locations that complement our existing portfolio. We are continuing to examine attractive transaction opportunities in various sectors at a rapid pace and we believe there is good potential to complete several acquisitions in the current quarter.”

Jens Engwall, CEO

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Possession was taken of three properties for a total property value of MSEK 88 in the first quarter.
- A warehouse portfolio was acquired after the end of the quarter for a value of MSEK 176 and retail properties for a value of MSEK 470.

JANUARY–MARCH 2019

Income, MSEK	322	(247)
Profit after tax, MSEK	160	(259)
Profit after tax per share, SEK	0.96	(1.54)

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NYFOSA

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

BUSINESS CONCEPT

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

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

STRATEGY

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

OBJECTIVES & DIVIDEND POLICY

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

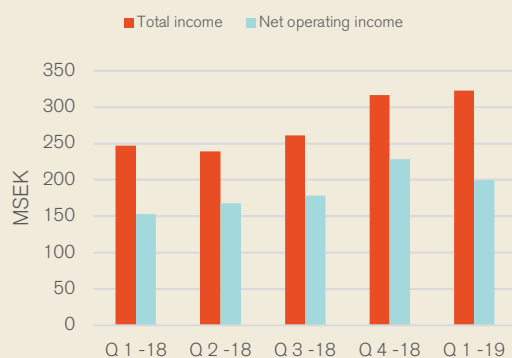
CONDENSED STATEMENT OF PROFIT/LOSS

MSEK	Jan-Mar		Full-year
	2019	2018	2018
Rental income	319	244	1,060
Other property income	4	3	4
Total income	322	247	1,064
Property expenses			
Operating expenses	-77	-54	-184
Maintenance costs	-18	-16	-71
Property tax	-13	-11	-46
Property administration	-15	-13	-36
Net operating income	200	153	728
Central administration	-22	-2	-52
Other operating income and expenses	-1	2	-39
Share in profit of joint ventures	51	61	412
Financial income and expenses	-38	-25	-131
Expenses related to right-of-use assets	-1	-	-
Profit from property management	188	189	918
Changes in value of properties, realized	-13	-2	142
Changes in value of properties, unrealized	13	131	658
Changes in value of financial instruments, unrealized	-6	-1	4
Profit before tax for the period	182	317	1,722
Tax	-21	-58	-107
Profit for the period	160	259	1,615
Earnings per share before and after dilution, SEK	0.96	1.54	9.63

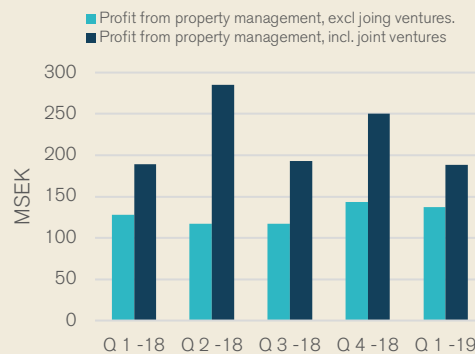
STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

MSEK			
Profit for the period	160	259	1,615
Other comprehensive income	-	-	-
Comprehensive income for the period	160	259	1,615

INCOME AND NET OPERATING INCOME PER QUARTER



PROFIT FROM PROPERTY MANAGEMENT PER QUARTER



COMMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT/LOSS

Income

Income amounted to MSEK 322 (247), up MSEK 75 or 30 percent. The change was primarily the result of a larger property portfolio than in the preceding year and agreed indexation of leases. The total leasable area on March 31, 2019 amounted to 1,575 thousand sqm (1,136) and the economic leasing rate was 91 percent (93).

Net operating income

The main property expenses included in net operating income are operating expenses, such as heating, water, electricity and property upkeep. Net operating income also includes costs for maintenance and property tax. Property expenses amounted to MSEK 108 (81). Costs for property administration, primarily expenses for charging rent, leasing, project management and marketing, amounted to MSEK 15 (13). The total increase was 32 percent, due to a larger property portfolio than in the preceding year. Management of the portfolio resulted a surplus ratio of 62.0 percent (61.9).

Profit from property management

Costs for central administration amounted to MSEK 22 (2). In the second quarter of 2018, the Nyfosa Group established its own organization from previously having had only a small number of employees in its property management business, which is the reason for the cost increase year-on-year.

Profit from shares in joint ventures of MSEK 51 (61) comprised 50 percent of Söderport's profit after tax for the quarter. Financial income and expenses amounted to MSEK -39 (-25). The increase was due to higher net debt. The average interest rate in the loan portfolio on March 31, 2019 was 1.7 percent (1.3).

Profit from property management excluding profit from shares in joint ventures amounted to MSEK 137 (128).

Changes in value

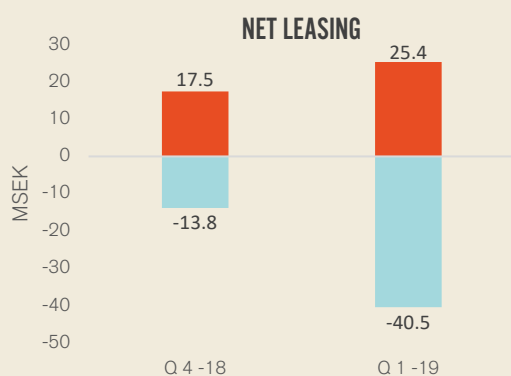
The changes in value of properties amounted to MSEK 0 (129), of which unrealized changes in value totaled MSEK 13 (131). The unrealized changes in value were mainly the result of lower yield requirements and investments made in existing properties as well as a small number of downward adjustments due to changed rent terms. The realized changes in value of MSEK -13 derived from the sales of two properties. Trollhättan Kugghjulet 2 was part of a transaction that included several properties for which the total outcome yielded a positive realized change in value. Malmö Krukskärvan 3 will be vacated during the year and the assessment is that it will be difficult to lease moving forward, which is why the decision was made to divest it at an amount that was slightly below the most recent valuation.

Tax

The tax expense for the period amounted to MSEK 21 (58), of which MSEK 20 (39) pertained to changes in deferred tax liabilities attributable to investment properties. The effective tax rate was 12 percent (18). The deviation from the nominal tax rate of 21.4 percent was mainly due to the profit from shares in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to non-taxable capital gains on the divestment of properties via companies, and valuations of loss carryforwards.

IFRS 16

A new accounting standard for leases (IFRS 16) is applied from January 1, 2019. For more information refer to the 2018 Annual Report. For Nyfosa, the change mainly entails that right-of-use assets in the form of site leasehold agreements were recognized in the statement of financial position at the estimated present value of future rents. Expenses for the right-of-use assets for the quarter were recognized in profit or loss as a financial expense, as opposed to in net operating income as previously. The application does not entail any impact on comprehensive income and was not applied retrospectively.



Leases for a rental value of MSEK 25 were signed during the quarter, an increase of MSEK 8 than in the preceding quarter. Net leasing for the quarter amounted to MSEK -15, which was the result of the tenant SKF Sverige AB terminating the contract. The lease amounts to MSEK 21.5 and will expire in about two years. Nyfosa was already aware of the termination and the potential of the future vacancy is being evaluated.

CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Mar 31		Dec 31
	2019	2018	2018
ASSETS			
Investment properties	15,683	12,193	15,582
Participations in joint ventures	1,571	1,376	1,520
Derivatives	3	3	9
Assets with right-of-use	31	-	-
Other assets	1	1	1
Total non-current assets	17,289	13,573	17,113
Current receivables	62	92	61
Cash and cash equivalents	240	148	192
Total current assets	302	240	242
TOTAL ASSETS	17,590	13,813	17,355
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	8,552	3,726	8,392
Equity	8,552	3,726	8,392
Non-current interest-bearing liabilities	7,152	3,597	7,305
Liabilities attributable to right-of-use assets	26	-	-
Other non-current liabilities	10	4	10
Deferred tax liabilities	473	442	452
Total non-current liabilities	7,660	4,043	7,767
Current interest-bearing liabilities	1,034	2,919	935
Liabilities attributable to right-of-use assets	5	-	-
Other current liabilities	339	3,124	262
Total current liabilities	1,378	6,043	1,196
Total liabilities	9,038	10,087	8,963
TOTAL EQUITY AND LIABILITIES	17,590	13,813	17,355

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Jan-Mar		Full-year
	2019	2018	2018
Opening equity	8,392	3,479	3,479
Transactions with shareholders			
New share issue and shareholders' contributions	-	-	3,844
Dividends	-	-	-530
Other transactions with shareholders	-	-13	-15
Total transactions with shareholders	-	-13	3,299
Comprehensive income	160	259	1,615
Closing equity	8,552	3,726	8,392

INVESTMENT PROPERTIES

The property portfolio on March 31, 2019 primarily comprised office properties in growth municipalities and warehouse/logistics properties at transportation hubs in Sweden. The value of the portfolio was MSEK 15,683. In addition, properties for a value of SEK 7.9 billion are owned through the joint venture Söderport.

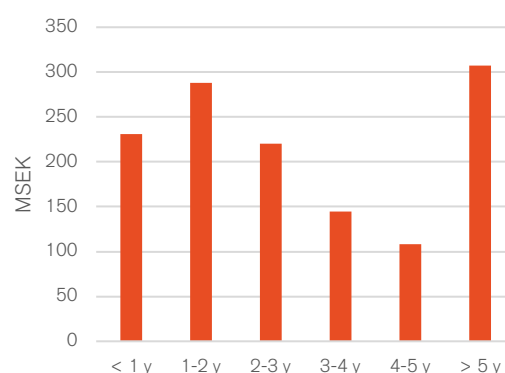
The rental value amounted to MSEK 1,420, of which vacancy rent was MSEK 121. The share of rental income connected to the consumer price index (CPI) corresponded to 88 percent of total rental income. The company's business focus entails that essentially all rental income derives from commercial leases. On March 31, 2019, Nyfosa had 2,624 leases including a total of 905 leases for garages and parking spaces. The weighted average remaining lease term for existing tenants amounted to 3.7 years. Nyfosa is not dependent on a small number of large tenants. The ten largest tenants represent 19 percent of the total rental incomes and are distributed between 139 leases. The largest tenants include Telia, Saab and Förlagssystem JAL.

KEY FIGURES FOR THE PROPERTY PORTFOLIO

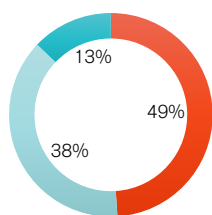
	Mar 31		Dec 31
	2019	2018	2018
Property value, MSEK	15,683	12,193	15,582
Rental value, MSEK	1,420	1,091	1,404
Leasable area, 000s sqm	1,575	1,136	1,577
No. of properties	178	127	177
Economic leasing rate ¹ , %	91.5	93.0	91.5
Remaining lease term, years	3.7	3.3	4.1
Surplus ratio ¹ , %	68.7	70.5	68.9
Yield ¹ , %	5.6	5.7	5.6

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

LEASE MATURITY STRUCTURE

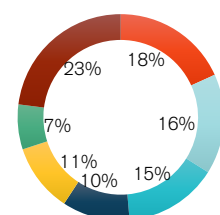


PROPERTY VALUE BY CATEGORY



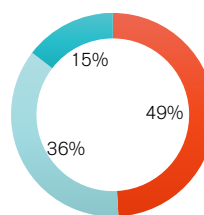
- Offices, 7 679 MSEK
- Logistics/Warehouse, 5 983 MSEK
- Other, 2 020 MSEK

PROPERTY VALUE BY REGION



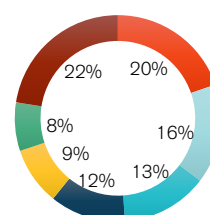
- Småland, 2 861 MSEK
- Coast of Norrland, 2 461 MSEK
- Greater Stockholm, 2 305 MSEK
- Greater Göteborg, 1 664 MSEK
- Mälardalen, 1 683 MSEK
- Greater Malmö, 1 103 MSEK
- Other, 3 606 MSEK

RENTAL VALUE BY CATEGORY



- Offices, 698 MSEK
- Logistics/Warehouse, 516 MSEK
- Other, 207 MSEK

RENTAL VALUE BY REGION



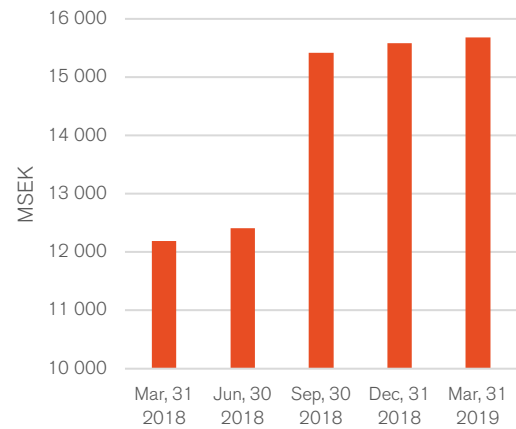
- Småland, 280 MSEK
- Coast of Norrland, 222 MSEK
- Greater Stockholm, 193 MSEK
- Greater Göteborg, 169 MSEK
- Mälardalen, 129 MSEK
- Greater Malmö, 108 MSEK
- Other, 320 MSEK

TREND IN PROPERTY PORTFOLIO

CHANGES IN VALUE

MSEK	Jan 1– Mar 31		Dec 31
	2019	2018	2018
At the beginning of the period	15,582	12,090	12,090
Acquired properties	85	6	3,729
Investments in existing properties	62	35	194
Divested properties	-45	-67	-1,230
Realized changes in value	-13	-2	142
Unrealized changes in value	13	131	658
At the end of the period	15,683	12,193	15,582

PROPERTY VALUE



TRANSACTIONS AND INVESTMENTS

Acquired properties, January-March 2019

Possession was taken of three fully leased properties in Borlänge during the quarter: Boktryckaren 17, Gyllehemmet 1 and Torkel 3. The tenants include Atea AB, the Swedish Public Employment Service, a healthcare center, a psychiatric clinical and a dentist's surgery. The premises are primarily used for offices and healthcare and a small share as residential properties.

The Torkel 3 and Boktryckaren 17 properties are centrally located in Borlänge, with Torkel 3 within walking distance of the train station and Boktryckaren 17 has an attractive signage location along the E16 highway. Gyllehemmet 1 is situated along national road 70 and in a good catchment area suited to its operations.

Municipality	Property	Category	Area, 000s of sqm
Borlänge	3 properties	Office, healthcare	10

Investments in existing properties, January-March 2019

Investments of MSEK 62 were made in the existing property portfolio during the quarter, in which the largest project was the reconstruction of the Tyr 8 property in Umeå that was damaged by a fire in 2017.

Municipality	Property	Category	Tenant	Area, 000s of sqm	Total accrued, MSEK	Estimated investment, MSEK	Scheduled completion, year
Umeå	Tyr 8	Offices	Vattenfall	5	90	129	Q2, 2019
Södertälje	Tellus 4	Other	Åhléns	4	38	45	Q2, 2019

Divested properties, January-March 2019

Nyfosa divested two warehouse/logistics properties during the quarter.

Municipality	Property	Category	Area, 000s of sqm
Trollhättan	Kugghjulet 2	Warehouse/logistics	2
Malmö	Krukskärvan 3	Warehouse/logistics	8
Total			9

YIELD REQUIREMENT FOR VALUATION OF INVESTMENT PROPERTIES

The weighted yield requirement on March 31, 2019 was 6.35 percent, the weighted cost of capital for the present value calculation of cash flows and residual values was 8.30 percent and 8.50 percent, respectively. When last valued on December 31, 2018, the yield requirement was 6.39 percent, the weighted cost of capital for the present value calculation of cash flows and residual values was 8.24 percent and 8.45 percent, respectively. The slightly lower yield requirement was due to lower yield requirements for primarily logistics properties.

Sensitivity analysis – change in value for changes in valuation parameters

Mar 31, 2019	%	MSEK
Change in net operating income ¹	+/- 5	+/- 527
Change in yield requirement	+/- 0.25	+/- 643
Change in growth assumptions	+/- 0.5	+/- 66
Change in discount rate	+/- 0.25	+/- 487

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 Annual Report on www.nyfosa.se.

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

EARNINGS CAPACITY

	Mar 31
MSEK	2019
Rental income	1,274
Property expenses	-361
Property administration	-33
Net operating income	881
Central administration	-70
Share in profit of joint ventures	179
Financial expenses	-159
Profit from property management	830

The company's current earnings capacity on a 12-month basis on March 31, 2019 is presented above. Current earnings capacity is to be considered solely as a hypothetical instantaneous impression and is presented only for illustrative purposes. The aim is to present annualized income and expenses based on the property portfolio, borrowing costs, capital structure and organization at a given point in time. The earnings capacity does not include an assessment of future periods in respect of rents, vacancy rates, property expenses, interest rates, changes in value or other factors impacting earnings. 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, 2019, which was 1.7 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 is jointly owned with AB Sagax (publ) (50 percent holding each), and ownership 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 profit of Söderport is recognized in the Group's profit from property management.

Söderport's property portfolio primarily comprises industrial, warehouse and office properties, presenting a suitable supplement to Nyfosa's wholly owned property portfolio. Söderport owns 70 properties with a total property value of SEK 7.9 billion. 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.

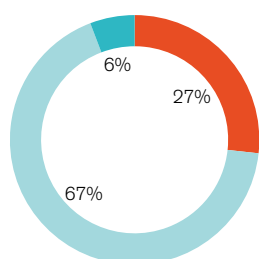
The total rental value for Söderport's property portfolio is estimated to amount to MSEK 683. Leases have an average remaining term of 4.9 years. The total leasable area amounted to 689 thousand sqm, of which 662 thousand sqm was leased, corresponding to 96.5 percent. The economic leasing rate was approximately 97 percent.

KEY FINANCIAL DATA, SÖDERPORT

MSEK	Jan-Mar		Full-year	MSEK	Mar 31		Full-year
	2019	2018	2018		2019	2018	2018
Rental income	162	141	585	Investment properties	7,853	6,870	7,683
Net operating income	118	99	441	Current assets	147	152	96
Net interest income	-36	-39	-156	Equity	3,143	2,709	3,041
Changes in value, properties	54	76	621	<i>of which, Nyfosa's share</i>	1,571	1,355	1 520 ¹
Changes in value, derivatives	-17	17	56	Non-current liabilities	4,926	4,304	4,823
Tax	-24	-33	-164	<i>of which, deferred tax liabilities</i>	687	535	679
Profit for the period/year	102	122	854	<i>of which, derivatives</i>	239	311	222
<i>of which, Nyfosa's share</i>	51	61	427 ¹	Current liabilities	235	218	189
				No. of properties	71	69	70
				Leasable area, 000s of sqm	689	658	686

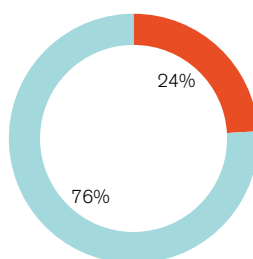
¹ Up until June 2018, Nyfosa also owned participations in another joint venture, which is the reason for the deviation between the share in profit from Söderport and Nyfosa's statement of profit/loss and Söderport's equity and Nyfosa's share of equity in the statement of financial position.

PROPERTY VALUE BY REGION



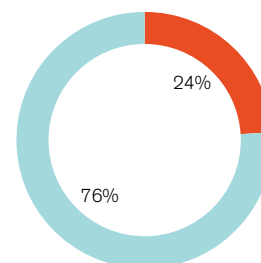
- Greater Göteborg, 2 099 MSEK
- Greater Stockholm, 5 300 MSEK
- Other, 454 MSEK

PROPERTY VALUE BY CATEGORY



- Offices, 1 891 MSEK
- Industry, 5 962 MSEK

RENTAL VALUE BY CATEGORY



- Offices, 164 MSEK
- Industry, 519 MSEK

FINANCING

On March 31, 2019, Nyfosa had interest-bearing liabilities of MSEK 8,186, corresponding to a loan-to-value ratio of 52.2 percent. Nyfosa's interest-bearing liabilities comprise bank loans with an average interest rate of 1.7 percent. The average fixed-rate period on March 31, 2019, including the effects of signed derivative agreements, was 1.5 years. The average loan maturity was 3.3 years. On March 31, 2019, Nyfosa also had overdraft facilities totaling MSEK 200 and a revolving credit facility totaling MSEK 1,300, of which MSEK 561 had been utilized.

Equity amounted to MSEK 8,552 on the balance-sheet date, of which share capital amounted to MSEK 84.

KEY FIGURES IN THE LOAN PORTFOLIO

	Mar 31		Dec 31
	2019	2018	2018
Debt/equity ratio, multiple	1.0	1.7	1.0
Average interest, %	1.7	1.3	1.6
Average remaining fixed-rate period, years	1.5	- ¹	1.6
Average remaining loan maturity period, years	3.3	- ¹	3.2
Interest-rate hedged portion of liabilities, %	54.5	- ¹	54.1
Fair value of derivatives, MSEK	3	3	9

1. It has not been possible to reliably derive this key figure as per March 31, 2018 since Nyfosa was still part of the Hemfosa Group's financing portfolio.

Change in the loan portfolio

No new loans were raised during the quarter. Contractual repayments of MSEK 54 were made.

MSEK	Jan-Mar		Full-year
	2019	2018	2018
Interest-bearing liabilities at the beginning of the period	8,240	6,582	6,582
Repayment of loans	-54	-66	-1,867
Loans raised	-	-	-3,556
Changes in borrowing fees	-2	2	-29
Interest-bearing liabilities at end of the period	8,186	6,517	8,240

Available liquidity, March 31

MSEK	Mar 31		Dec 31
	2019	2018	2018
Cash and cash equivalents	240	148	192
Unutilized overdraft facilities	200	-	174
Total	440	148	366

Maturity structure

Bank loans of MSEK 857 fall due for payment during the next 12 months. Nyfosa maintains regular dialog with mainly Nordic banks to secure its refinancing requirements. In addition to favorable opportunities for refinancing loan maturity with new bank loans and/or by issuing debt or hybrid instruments on the capital market, the company has an unutilized overdraft facility and healthy cash flows from operating activities.

Interest and loan maturity structure, March 31, 2019

Year	Fixed-rate period		Loan maturity	
	MSEK	%	MSEK	%
Within one year	4,366	53	857	10
1-2 years	1,492	18	2,133	26
2-3 years	300	4	766	9
3-4 years	800	10	2,387	29
4-5 years	1,275	15	2,090	25
>5 years	-	-	-	-
Total	8,234	100	8 234^{1,2}	100

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

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

Impact of changes in interest rates

Nyfosa largely works with variable interest rates in its loan agreements and manages interest-rate risk by using derivative instruments, primarily interest-rate caps at the current time. Limiting interest-rate risk increases the predictability of Nyfosa's profit from property management and changes in interest-rate levels do not fully impact the Group's interest expenses. In some cases, Nyfosa has entered into loan agreements with an interest-rate floor provision, meaning that STIBOR 3M cannot fall below zero. These loan agreements mean that Nyfosa cannot fully capitalize the low interest-rate scenario. The nominal volume of Nyfosa's outstanding interest-rate caps on March 31, 2019, including the effects of signed derivative agreements, was SEK 4.5 billion.

SENSITIVITY ANALYSIS

Earnings effect of change in average interest rate, MSEK	Change, %	Mar 31	
		2019	2018
Interest expenses assuming current fixed-rate periods and changed interest rates ¹	+/-1%	+70 / 0	n/a
Interest expenses assuming change in average interest rate ²	+/-1%	+/-82	+/-65
Revaluation of fixed-income derivatives attributable to shift in interest rate curves	+/-1%	+/-5	n/a

1. Taking into account derivative agreements

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

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

GROUP STATEMENT OF CASH FLOWS

MSEK	Jan-Mar		Full-year
	2019	2018	2018
Operating activities			
Profit from property management	188	189	918
Adjustments for non-cash items	-51	-61	-412
Income tax paid	-17	-4	-4
Subtotal	120	124	502
Change in operating receivables	-11	-32	43
Change in operating liabilities	93	-52	662
Cash flow from operating activities	202	40	1,207
Investing activities			
Direct and indirect acquisitions of investment properties	-83	-6	-3,721
Direct and indirect divestments of investment properties	45	66	1,212
Investments in existing investment properties	-62	-35	-194
Dividend from holdings in joint ventures	-	-	200
Other	-	-	-1
Cash flow from investing activities	-100	25	-2,504
Financing activities			
New share issue	-	-	84
Loans raised	-	0	3,530
Repayment of loans	-54	-66	-2,262
Other	-	-12	-23
Cash flow from financing activities	-54	-78	1,329
Cash flow for the period	47	-13	32
Cash and cash equivalents at the beginning of the period	192	160	160
Cash and cash equivalents at the end of the period	240	148	192
Interest received	0	0	0
Interest paid	-34	-25	-99

KEY FIGURES AND QUARTERLY OVERVIEW

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

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

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Property-related key figures					
Income, MSEK	322	317	261	239	247
Property expenses, MSEK	-108	-80	-75	-64	-81
Property administration, MSEK	-15	-8	-8	-7	-13
Net operating income, MSEK	200	229	178	168	153
Surplus ratio, %	61.9	72.1	68.3	70.1	61.9
Property value, MSEK	15,683	15,582	15,417	12,407	12,193
Share-related key figures					
Profit from property management per share, SEK	1.12	1.49	1.15	1.70	1.13
Earnings for the quarter per share, SEK	0.96	1.84	3.89	2.36	1.54
Equity per share, SEK	50.99	50.03	48.15	21.82	22.21
Net asset value, (EPRA NAV) per share, SEK	56.55	55.36	53.61	27.19	27.35
Key financial data					
Return on equity, %	24.7	27.2	27.7	36.5	31.3
Equity/assets ratio, %	48.6	48.3	46.8	25.1	27.0
Net loan-to-value ratio, properties, %	50.7	51.6	49.7	47.8	52.2
Loan-to-value ratio, properties, %	52.2	52.9	51.7	53.9	53.4
Interest-coverage ratio, multiple	4.6	4.6	4.9	4.3	6.2
Cash flow from operating activities per share, SEK	1.20	-1.60	4.86	1.34	0.24

RECONCILIATION OF KEY FIGURES

Long-term net asset value (EPRA NAV)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Equity, MSEK	8,552	8,392	8,077	3,661	3,726
Deferred tax, MSEK	473	452	478	461	442
Derivatives, MSEK	-3	-9	-2	-2	-3
Deferred tax in joint ventures, Nyfosa's share, MSEK	343	339	308	292	268
Derivatives in joint venture, Nyfosa's share, MSEK	119	111	132	148	155
Number of shares, millions	168	168	168	168	168
Long-term net asset value (EPRA NAV) per share, SEK	56.55	55.36	53.61	27.19	27.35

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

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Return on equity					
Profit after tax for the four most recent quarters, MSEK	1,516	1,614	1,584	1,224	1,113
Average equity for the four most recent quarters, MSEK	6,139	5,936	5,712	3,357	3,557
Return on equity, %	24.7	27.2	27.7	36.5	31.3

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.

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Loan-to-value ratio and net loan-to-value ratio					
Interest-bearing liabilities, MSEK	8,186	8,240	7,977	6,689	6,517
Property value, MSEK	15,683	15,582	15,417	12,407	12,193
Loan-to-value ratio, %	52.2	52.9	51.7	53.9	53.4
Cash and cash equivalents, MSEK	240	192	316	759	148
Net loan-to-value ratio, %	50.7	51.6	49.7	47.8	52.2

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.

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Interest-coverage ratio					
Profit from property management, MSEK	188	250	193	285	189
Share in profit of joint ventures, MSEK	51	107	76	168	61
Depreciation/amortization, MSEK	0	0	0	0	0
Financial income and expenses, MSEK	-38	-40	-30	-36	-25
Interest-coverage ratio, multiple	4.6	4.6	4.9	4.3	6.2

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 periods last day for trading, on March 29, 2019, the volume weighted average price was SEK 55,3 and market capitalization amounted to MSEK 9,275. Nyfosa had 19,361 shareholders, of which Swedish investors, institutions and private individuals owned 69,0 percent of the shares and voting rights, and the remaining shares and votes were owned by foreign shareholders.

List of owners	No. of shares	Share of	
		Capital, %	Votes, %
Länsförsäkringar Fondförvaltning AB	12,168,914	7.3	7.3
Swedbank Robur Funds	10,426,122	6.2	6.2
Kåpan Pensioner Försäkringsförening	8,716,274	5.2	5.2
Handelsbanken Fonder	7,520,000	4.5	4.5
ICA-handlarnas Förbund	7,395,213	4.4	4.4
Vanguard	5,433,570	3.2	3.2
Fourth Swedish National Pension Fund	5,276,323	3.1	3.1
Norges Bank	4,904,534	2.9	2.9
SEB Fonder	4,803,306	2.9	2.9
AB Sagax	4,700,000	2.8	2.8
Others	96,383,993	57.5	57.5
Total	167,728,249	100.0	100.0

ANNUAL GENERAL MEETING

The Annual General Meeting for shareholders of Nyfosa AB (publ) will be held on May 9, 2019 at 3:00 p.m. 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.

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, May 9, 2019

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

Jens Engwall

CEO

FINANCIAL CALENDAR

2019 Annual General Meeting	May 9, 2019
Interim report January–June 2019	July 15, 2019
Interim report January–September 2019	October 23, 2019

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This interim report is unaudited.

The information is inside information that Nyfosa AB (publ) 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 May 9, 2019 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. Other than the application of IFRS 16, the accounting policies and calculation methods were unchanged compared with last year's Annual Report.

IFRS 16 Leases

IFRS 16 Leases came into effect on January 1, 2019. The standard was not applied retrospectively. IFRS 16 did not have any material impact on the Group's earnings, financial position or statement of cash flows. Nyfosa performed a detailed review and analysis based on the company as lessee. Site leasehold agreements were identified as the most significant leases. Apart from this, there were only minor, insignificant, leases for vehicles and office equipment, for example. In connection with the application of IFRS 16, the cost for ground rents was recognized as a financial expense, which differs from the previous policy when it was recognized as an operating expense in net operating income. The right-of-use assets in site leasehold agreements, which amounted to MSEK 31 on March 31, 2019, were recognized as an asset and as a liability in the statement of financial position.

An analysis by the Group, in its capacity as lessor, resulted in the conclusion that IFRS 16 will not have any material effect on the Group's recognized rental income.

NOTE 2 ESTIMATES AND ASSESSMENTS

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

Measurement of investment properties

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

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

Measurement of loss carryforwards

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

that are the subject of these proceedings have been valued at MSEK 250 in this report, corresponding to 20.6 percent of the total disputed loss carryforwards of MSEK 1,215. Nyfosa has not reserved this amount since Nyfosa believes that it is overwhelmingly probable that the deduction claimed will be granted following a court ruling.

Classification of acquisitions

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

NOTE 3 OPERATING SEGMENTS

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

NOTE 4 TAX

The Group's effective tax rate for the year was 11.8 percent (18.4). The deviation from the nominal tax rate of 21.4 percent was mainly due to the profit from shares in joint ventures comprising profit after tax, and thus did not constitute taxable income for Nyfosa, but was also due to non-taxable capital gains on the divestment of properties via companies, and valuations of loss carryforwards.

According to the applicable rules, deferred tax is to include temporary differences on all assets and liabilities, except for temporary differences on properties when assets are acquired. The residual value of investment properties for tax purposes totaled MSEK 6,929, which means that temporary differences of MSEK 4,837 were not recognized in the statement of financial position.

Reconciliation of effective tax, MSEK

Profit before tax		182
Tax according to applicable tax rate for Parent Company	-21.4%	-39
Profit from shares in joint ventures	6.0%	11
Capitalization and utilization of loss carryforwards not capitalized in prior years	0.2%	0
Non-taxable sales of properties	-0.4%	-1
Other	3.8%	7
Recognized effective tax	-11.8%	-21

NOTE 5 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
	2019	2018	2018
Derivatives with positive values	3	3	9
Derivatives with negative values	-	-	-

NOTE 6 FINANCING

For information regarding changes in loans, interest rates and credit terms, refer to pages 11-12 of this interim report.

NOTE 7 EQUITY

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

NOTE 8 RELATED PARTIES

The Group owns participations in joint ventures, refer to page 10 of this interim report. Söderport is managed by AB Sagax, except for property management in Gothenburg and at seven smaller locations that are managed by Nyfosa. Property management fees are distributed between these two part-owners based on market terms. Nyfosa's fee amounts to MSEK 2 per year. The Group had no receivables from joint ventures on March 31, 2019.

NOTE 9 SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

Nyfosa signed an agreement to acquire a warehouse portfolio at a value of MSEK 176. The properties are located in southern Sweden and encompasses a total leasable area of 32 thousand sqm with annual rental income of MSEK 19. The leasing rate is 97 percent and the average remaining lease term is 4.9 years.

Nyfosa signed an agreement to acquire a retail portfolio at a value of MSEK 470. The properties are located in Västerås and Borås and encompass a total leasable area of 40 thousand sqm with annual rental income of MSEK 43. The leasing rate is 95 percent and the average remaining lease term is 5.1 years. The tenants include HG Citygross, Ahlsell and Plantagen.

For further information about these acquisitions, refer to the press releases on www.nyfosa.se.

PARENT COMPANY

STATEMENT OF PROFIT/LOSS

MSEK	Jan-Mar		Full-year
	2019	2018	2018
Net sales	8	0	22
Other external costs	-12	0	-65
Personnel costs	-12	-	-22
Depreciation/amortization	0	-	0
Loss before financial income and expenses	-15	0	-65
Profit from participations in Group companies	-	-	500
Interest expenses and similar expense items	-1	-	1
Profit/loss before appropriations	-16	0	436
Appropriations			
Group contributions paid/received	-	-	68
Profit/loss before tax	-16	0	504
Tax	0	-	-1
Profit/loss for the period	-16	0	503

STATEMENT OF FINANCIAL POSITION

MSEK	Mar 31		Dec 31
	2019	2018	2018
ASSETS			
Participations in Group companies	0	0	0
Participations in joint ventures	412	-	412
Receivables from Group companies	90	0	90
Total non-current assets	502	0	502
Current receivables from Group companies	6,170	-	6,367
Other current receivables	3	0	6
Cash and bank balances	5	0	4
Total current assets	6,178	1	6,377
TOTAL ASSETS	6,680	1	6,879
EQUITY AND LIABILITIES			
Restricted equity	84	0	84
Unrestricted equity	4,248	0	4,263
Equity	4,332	0	4,347
Non-current interest-bearing liabilities	1	-	-
Total non-current liabilities	1	-	-
Liabilities to Group companies	2,332	0	2,460
Other current liabilities	16	0	72
Total current liabilities	2,348	0	2,532
Total liabilities	2,349	1	2,532
TOTAL EQUITY AND LIABILITIES	6,680	1	6,879

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

Profit for the period is the same as comprehensive income for the period. Profit from participations in Group companies pertains to a dividend from subsidiaries.

GLOSSARY

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

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>
Interest-rate cap	<p>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.</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>
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 shares in joint ventures are also excluded from the performance measure.</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 an alternative performance measure according to the European Securities and Markets Authority (ESMA).

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