

Heimstaden

Q2
2024

Enrich and Simplify Lives
Through Friendly Homes



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Fredensborg AS
Holding ordinary shares

Preference shares listed on Nasdaq First North
Growth Market under the ticker HEIM PREF

Heimstaden

Owners

Largest Shareholders
Alecta
Folsam Group
Ericsson Pension Fund
Swedish Pensions Agency

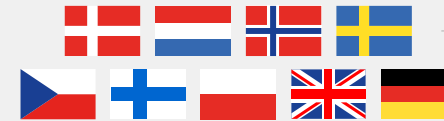
Group
Management
Agreement

Heimstaden²
BOSTAD

Direct Real Estate
Investments



Country Management and
Property Companies



Institutional Partner
Allianz¹

¹ Heimstaden Bostad/Allianz partnership owning part of the Swedish and German portfolios. Consolidated as Group companies.

² Heimstaden Bostad releases its own consolidated financial statements.

Highlights

Figures in brackets refer to the corresponding period the year before, unless otherwise stated

- The Privatisation Plan continued to deliver in line with ramp-up expectations as H1 total sales reached SEK 2,818 million. In the second quarter of 2024, 363 units were sold with a 29.0% premium to book value
- The NOI margin improved to 71.4% (69.0%) and the LTM NOI margin was 68.3% (66.2%)
- NOI growth offset slightly expanding yields, leading to a 0.4% (-2.1%) increase in property values
- Rental income at SEK 3,943 million (3,800) and like-for-like rental growth of 5.1% (5.7%)
- Real economic occupancy of 98.3% (98.2%)
- Net LTV of 58.1% (57.2%) and ICR of 1.8x (2.1x)

5.1%

Like-for-like rental growth

68.3%

NOI margin (LTM)

98.3%

Real economic occupancy

2.8 billion

Privatisation total sales (YTD), SEK

KEY FIGURES

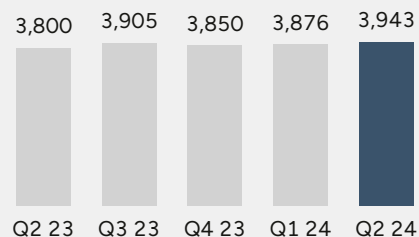
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Financials						
Rental income	SEK m	3,943	3,876	7,819	3,800	7,499
Growth y-o-y	%	3.8	4.8	4.3	15.5	16.3
Net operating income	SEK m	2,814	2,573	5,387	2,623	5,024
Net operating income margin	%	71.4	66.4	68.9%	69.0	67.0
Capital expenditures	SEK m	1,634	873	2,507	2,026	4,070
Portfolio Metrics						
Fair value of investment properties	SEK m	331,359	331,957	331,359	346,629	346,629
Fair value change	%	0.4	0.8	1.1	-2.1	-5.8
Homes	Units	162,960	162,346	162,960	162,166	162,166
Real economic occupancy, residential	%	98.3	98.3	98.2	98.2	98.3
Like-for-like rental income growth ¹	%	5.1	5.6	5.4	5.7	5.4
Credit Metrics						
Net loan-to-value (Net LTV) ²	%	58.1	59.0	58.1	57.2	57.2
Net debt / Total assets ²	%	52.4	53.1	52.4	50.3	50.3
Interest Coverage Ratio (ICR)	%	1.8	1.7	1.8	2.1	2.1

¹ Q1 2024 like-for-like rental income growth has been amended due to recognition of a reported error. The amendment has no impact on the Consolidated Financial Statements of Heimstaden.

² Prepared in accordance with the International Financial Reporting Standards (IFRS). For definitions, see Alternative Performance Measures.

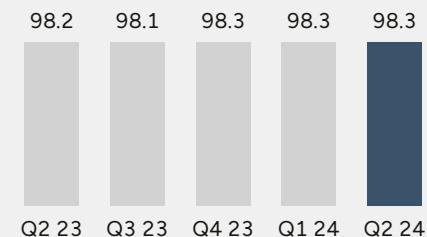
RENTAL INCOME

SEK million



REAL ECONOMIC OCCUPANCY

%



NET LOAN-TO-VALUE

%



Quarterly Review

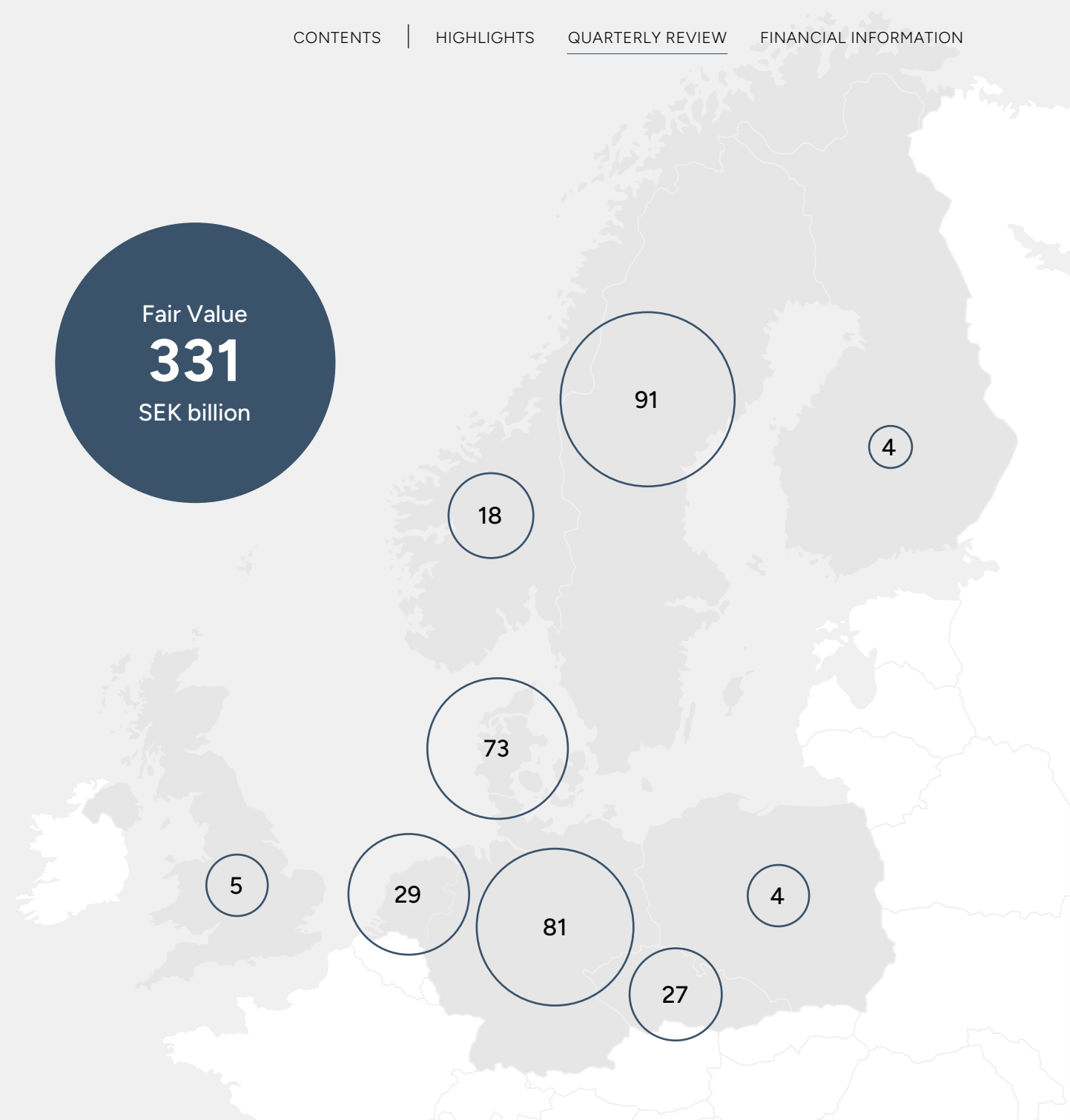
Country	Fair Value, SEK million	Homes, units ¹	Fair Value /sqm, SEK ¹	Residential ² , %	Regulated Income ³ , %	Real Economic Occupancy, %
Sweden	90,649	47,114	27,317	89.9	100.0	98.9
Germany	80,805	29,705	40,495	91.0	100.0	99.7
Denmark	73,193	20,912	36,036	94.5	14.7	97.9
Netherlands	29,012	13,047	28,724	98.3	58.1	99.8
Czechia	27,445	42,459	10,566	95.8	23.2	96.2
Norway	17,651	3,973	85,292	87.5	0.0	98.9
United Kingdom	4,630	949	56,513	96.9	5.1	97.7
Poland	4,236	1,640	42,299	91.4	0.0	86.0
Finland	3,738	3,161	20,012	95.8	0.0	93.3
Total	331,359	162,960	28,681	92.5	57.8	98.3

¹ Standing assets

² Based on fair value

³ Residential income

Fair Value
331
SEK billion



Operational Review

Figures in brackets refer to the corresponding period the year before, unless otherwise stated.

Income

Rental income increased by 3.8% to SEK 3,943 million (3,800), mainly driven by annual indexations, rent reversion upon tenant churn, and the delivery of new assets in the portfolio. About 92% (88%) or SEK 3,616 million (3,483) was derived from residential rents with the remaining 8% consisting of commercial, garage/parking, and other rents. YTD rental income grew by 4.3% to SEK 7,819 million (7,499).

Like-for-like rental income growth amounted to 5.1% (5.7%) and the comparable portfolio reflected in the like-for-like development comprised 94% of total rental income. This is the third quarter that Heimstaden’s like-for-like rental income growth exceeded the blended core CPI of 2.3%, further demonstrating the ability to capture rental growth above CPI over time. Further, about 1% of the 5.1% quarterly figure was driven by increased occupancy, mainly in Denmark and the Netherlands.

COUNTRY LIKE-FOR-LIKE RENTAL INCOME

	Q2 2024		Q1 2024	Q4 2023	Q3 2023	Q2 2023
	Lfi (%)	Core CPI				
Sweden	5.0	2.0	6.8	5.2	4.8	5.4
Germany	5.7	3.0	5.2	8.5	3.6	5.3
Denmark	3.2	1.5	3.2	2.4	0.5	1.0
Netherlands	6.4	2.7	6.3	4.6	4.1	4.8
Czechia	6.4	2.4	7.4	9.0	10.1	15.8
Norway	5.7	4.0	6.3	7.6	6.3	8.0
United Kingdom	4.9	3.6	6.8	5.3	5.1	3.0
Poland	7.8	3.8	13.0	N/A	N/A	N/A
Finland	7.6	2.9	5.9	4.5	3.5	0.8
Total	5.1	2.3	5.6	5.6	4.2	5.7

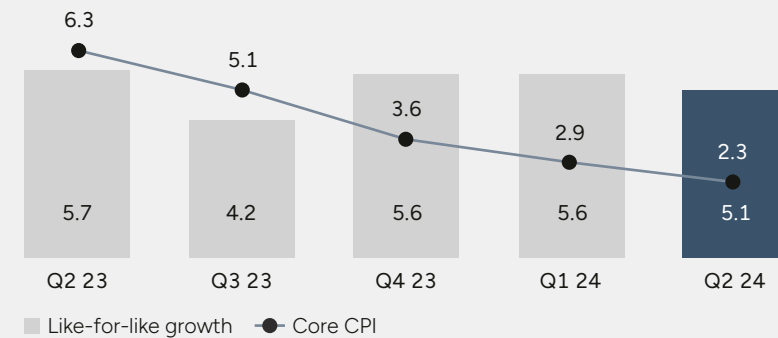
RENTAL INCOME

SEK million



LIKE-FOR-LIKE RENTAL GROWTH

Year-on-year, %



Real Economic Occupancy

Real economic occupancy improved to 98.3% (98.2%). We expect occupancy to remain strong through the remainder of the year with structural vacancy below 2%.

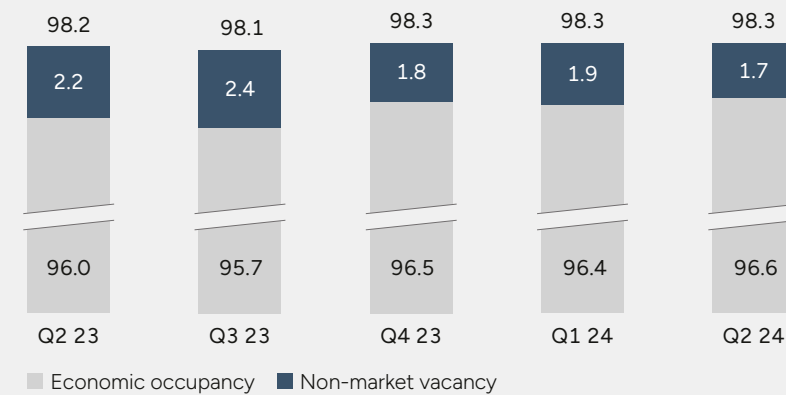
Service charges paid by tenants remained stable at SEK 395 million (414).

COUNTRY REAL ECONOMIC OCCUPANCY

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
	%	%	%	%	%
Sweden	98.9	98.9	99.0	99.0	99.3
Germany	99.7	99.7	99.7	99.2	98.8
Denmark	97.9	97.6	97.4	97.2	96.9
Netherlands	99.8	99.7	99.7	99.7	99.7
Czechia	96.2	95.7	97.0	96.4	96.8
Norway	98.9	99.0	99.6	99.6	99.2
United Kingdom	97.7	97.9	94.7	83.2	83.8
Poland	86.0	96.1	98.0	97.1	92.4
Finland	93.3	93.7	95.5	93.6	93.3
Total	98.3	98.3	98.4	98.1	98.2

REAL ECONOMIC OCCUPANCY RESIDENTIAL

%



Property Expenses

Total property expenses decreased to SEK 1,523 million (1,592), driven mainly by general cost control measures previously established. Utility costs decreased to SEK 479 million (494). Due to different rental regimes between markets, seasonality effects of non-recoverable costs impact the net operating income margin. Recoverable utility expenditures are matched by service charges which appear in the separate line-item: service charges paid by tenants. On a YTD-basis, property expenses decreased by 2.1% to SEK 3,332 million (3,405) due to cost control measures.

Expenditure for repair and maintenance decreased to SEK 178 million (196) and property and facility management decreased to SEK 592 million (623), both due to the previously mentioned cost control measures.

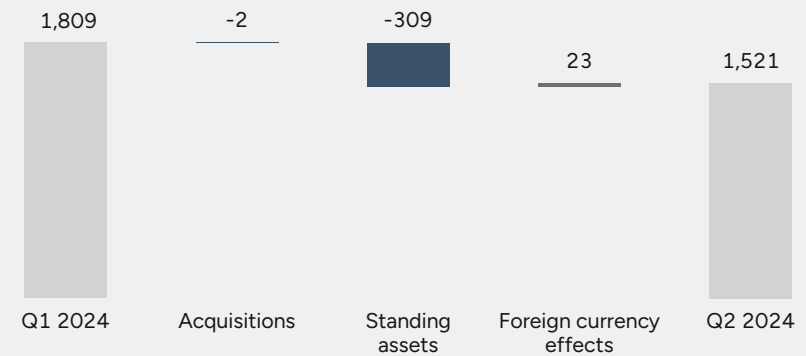
Net Operating Income

Net operating income improved to SEK 2,814 million (2,623), resulting in a quarterly net operating income margin of 71.4% (69.0%). The improvement is predicated upon strong business performance and cost control measures. On a last-twelve months basis (LTM), the net operating income increased to 68.3% (66.2%).

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
	%	%	%	%	%
LTM	68.3	67.7	67.4	66.4	66.2
Quarterly	71.4	66.4	66.0	69.5	69.0

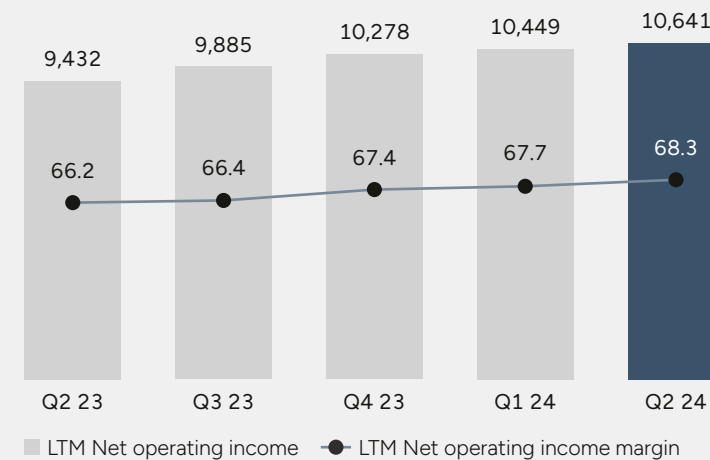
PROPERTY EXPENSES

SEK million



NET OPERATING INCOME AND MARGIN

Last twelve months (LTM), SEK million / %



Asset Management

Capital Expenditures and Repair and Maintenance

Total expenditure in standing assets was SEK 1,074 million (1,506), corresponding to 0.32% of fair value (0.43%). Investments in properties under construction, excluding forward purchase contracts, amounted to SEK 776 million (758) as the number of homes under construction increased to 3,128 (3,539). The majority of spend associated with new production is now behind us as the remaining homes under construction are nearing delivery. Specifically, we are expecting 961 new units delivered in H2 2024 followed by 1,178-unit deliveries in 2025.

CAPITAL EXPENDITURES

SEK million	Q2 2024	YTD 2024	Q2 2023	YTD 2023
Capitalised cost on standing assets	858	1,501	1,269	2,347
Investment properties under construction	776	1,005	758	1,723
Capital expenditures	1,634	2,507	2,026	4,070

Heimstaden allocates capital expenditure, projects that are non-recurring with the aim to upgrade, extend, or improve the quality and lifetime of existing assets, across four main segments: maintenance, sustainability, tenant improvements, and value-add.

In response to the increased cost of capital, the 2024 capital expenditure budget has been reduced in line with increased yield requirements for tenant improvement and value-add to 10% yield on cost, with projects only executed if they are immediately accretive to the interest coverage ratio and other credit metrics. Value-preserving maintenance capital expenditure is also reduced, aligning with the current annual target of 0.4% of gross asset value. An analytical framework guides repair versus replace decisions, considering long-term value preservation and the cost of capital.

FOUR PILLARS OF CAPITAL EXPENDITURE

SEK million	Q2 2024	YTD 2024	Q2 2023	YTD 2023
Maintenance	345	575	390	697
Sustainability	154	177	91	171
Tenant improvement	278	503	453	909
Value-add	66	137	335	545
Total¹	843	1,391	1,269	2,323

¹ Excluding capitalised transaction cost during the quarter of SEK 14 million and SEK 110 million year to date.

CAPITAL EXPENDITURES ON STANDING ASSETS BY COUNTRY

	Q2 2024		YTD 2024		Q2 2023		YTD 2023	
	% ¹	SEK million	% ¹	SEK million	% ¹	SEK million	% ¹	SEK million
Sweden	0.3	232	0.4	382	0.4	418	0.8	791
Germany	0.3	236	0.6	473	0.2	198	0.4	400
Denmark	0.1	87	0.2	134	0.2	162	0.3	242
Netherlands	0.1	36	0.3	87	0.8	229	1.5	459
Czechia	0.8	227	1.3	339	0.8	189	1.4	324
Norway	0.1	25	0.3	43	0.1	9	0.1	30
United Kingdom	–	–	–	–	–	–	–	–
Iceland	N/A	N/A	N/A	N/A	0.4	21	0.8	42
Poland	–	–	–	–	–	–	–	–
Finland	0.4	15	1.2	43	1.1	41	1.5	59
Total	0.3	858	0.5	1,501	0.4	1,269	0.7	2,347

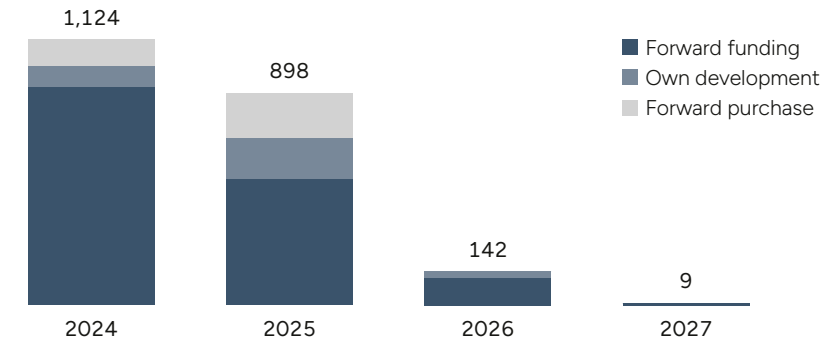
¹ Capital expenditure on standing assets in relation to investment properties

Outstanding Commitments

For the quarter, Heimstaden has made only one new commitment and received 376 units in Poland. These deliveries accounted for a gross asset value of SEK 756 million which provide an estimated additional NOI of SEK 44 million on an annualised basis.

OUTSTANDING COMMITMENTS

SEK million



DELIVERIES RECEIVED IN THE QUARTER

	Homes	Value at completion	Total Cost	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	–	–	–	–
Germany	–	–	–	–
Denmark	–	–	–	–
Netherlands	–	–	–	–
Czechia	–	–	–	–
Norway	–	–	–	–
United Kingdom	–	–	–	–
Poland	376	756	588	44
Finland	–	–	–	–
Total	376	756	588	44

OUTSTANDING COMMITMENTS

	Homes	Estimated value at completion	Remaining commitments	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	1,175	2,839	941	130
Germany	70	460	277	16
Denmark	385	1,162	260	54
Netherlands	–	–	–	–
Czechia	182	273	162	12
Norway	8	160	3	3
United Kingdom	464	1,704	376	79
Poland	914	1,667	153	97
Finland	–	–	–	–
Total	3,198	8,264	2,172	391

Realised Gains/Losses from Divestment of Properties

Since the privatisation programme's launch, we have divested SEK 4,030 million in total sales value reflecting a 30.1% gross premium to book value. The H1 2024 results of SEK 2,818 million delivered according to the original launch plan which called for SEK 2,390 million.

During the quarter, 363 units were sold across five countries at an average premium to book value of 29.0%. Sold units includes units with binding commitments as of the balance sheet date, but not transferred.

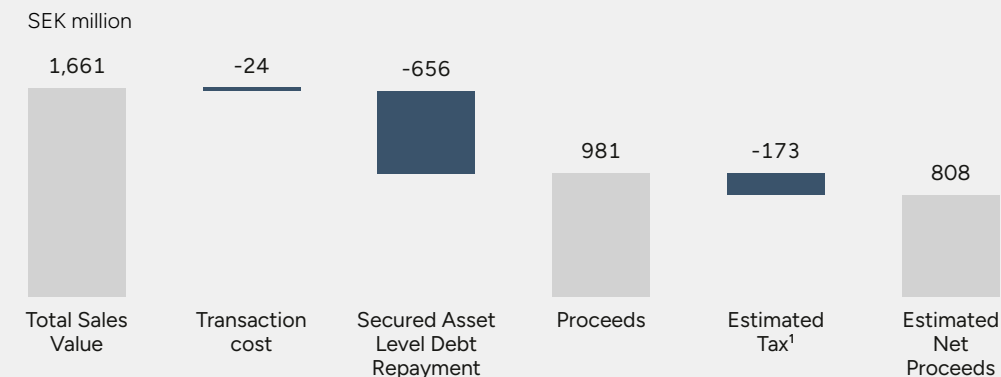
Net proceeds, which represent the total revenue generated from sold units after deducting transaction costs, repayment of secured asset-level debt and taxes payable or deferred upon sale, was SEK 808 million. Estimated proceeds for the sold units in the quarter is presented in the waterfall.

Net gains from divestment of properties were SEK 643 million. Asset held for sale includes units that were signed as of the balance sheet date but not transferred. Per the balance sheet date, a total of SEK 1,106 million were held for sale in Netherlands and Denmark, respectively SEK 657 million and SEK 448 million.

ESTIMATED DEBT REPAYMENT SINCE PROGRAMME INCEPTION

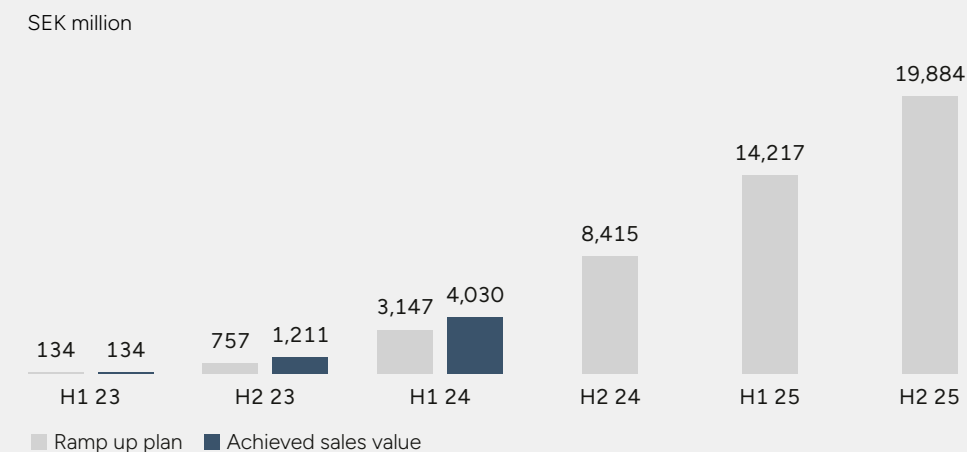
SEK million	
Total sales value	4,030
Reporting value	3,098
Gross premium	932
Gross premium %	30.1%
Total sales value	4,030
Less: Investment	2
Less: Transaction costs	59
Less: Secured debt repayment	1,624
Less: Estimated tax	435
Net proceeds	1,909
Net proceed ratio	47.4%
Total proceeds for debt repayment	3,534
Asset monetisation ratio	114.1%

ESTIMATED Q2 NET PROCEEDS WATERFALL



¹ Assumes all taxes are paid upon close, actual proceeds will be higher due to tax optimisation and deferrals

CUMULATIVE TOTAL SALES VALUE DEVELOPMENT¹



¹ Now including initial H1 23 and H2 23 plan (refer to 2023 annual report). H1 23 units represent pilot sales before the full privatisation corridor was established and released at scale in Q3 23

Investment Properties

Change in Fair Value of Investment Properties¹

Net gains from fair value adjustments on investment properties were SEK 1,258 million (-7,349) corresponding to 0.4% of fair value. The increase in fair value during the quarter was primarily driven by positive rental growth and strong ownership housing markets.

The average valuation yield requirement was 3.67% (3.42%). On a quarter-over-quarter basis this is a slight increase from 3.63% in Q1. For the quarter, Sweden, Denmark and Finland saw values remain stable on the back of stable rental growth and flat yields. Czechia saw strong rent roll performance continuing to drive growth whilst the Netherlands also saw strong growth on the back of increases in ownership housing values and stable NOI. Norway saw values increase due to strong ownership housing momentum and Poland saw continued increasing values due to recognising a gain from completion of one forward purchase acquisition with a market value exceeding acquisition price. Germany's decrease is on the back of sentiment-based yield movement and the United Kingdom values fell on the back of evidence and

sentiment-based yield movements in England and Scotland respectively. The entire portfolio is reviewed by external valuers each quarter.

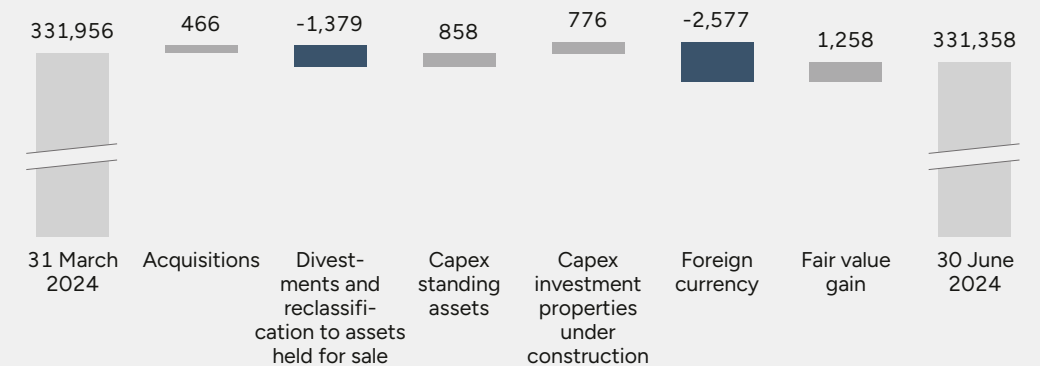
AVERAGE YIELD REQUIREMENTS

%	Q2 2024	Q2 2023
Sweden	3.52	3.15
Germany	2.90	2.60
Denmark	4.18	4.09
Netherlands	3.88	3.70
Czechia	4.69	4.65
Norway	2.98	3.00
United Kingdom	4.72	4.32
Poland	5.71	5.56
Finland	4.84	4.32
Total	3.67	3.42

¹ For more information regarding fair value assessments, see [Note 8](#).

FAIR VALUE DEVELOPMENT

SEK million



COUNTRY FAIR VALUE DEVELOPMENT

SEK million and %

	Q2 2024		YTD 2024	
	%	SEK million	%	SEK million
Sweden	0.1	76	0.0	17
Germany	-0.7	-548	-0.7	-598
Denmark	0.2	151	0.1	49
Netherlands	4.2	1 175	7.9	2 171
Czechia	0.7	190	5.0	1 298
Norway	1.0	167	2.7	460
United Kingdom	-1.4	-65	-1.8	-85
Poland	3.1	125	11.9	450
Finland	-0.4	-13	-0.4	-16
Total	0.4	1 258	1.1	3 745

Financial Review

Interest Expenses

Interest expenses were SEK 1,607 million (1,422), reflecting an all-in average interest rate of 3.11% (2.48%), excluding hybrid bonds. On a quarter-over-quarter basis, the average interest rate increased to 3.11% from 2.70% which was driven by movements in our hedge position. The interest coverage ratio for the last 12 months was 1.8x (2.1x).

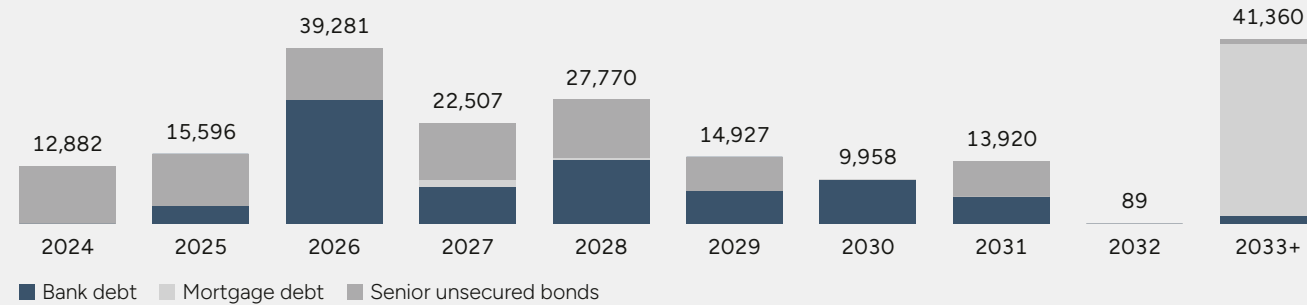
Heimstaden continues to focus on local asset-backed financing as capital markets remain uncompetitive to alternative funding sources. With presence in nine countries, our portfolio diversification allows for access to attractive funding and we continue to have good access to the bank financing market. So far, the credit market and the selective approach banks have adopted towards real estate have not affected the funding strategy materially. The privatisation programme proceeds will replace the need for some bank financing going forward.

Foreign Currency

Heimstaden has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN, and GBP. Exchange differences on translation of foreign operations gave other comprehensive loss of SEK -1,540 million (7,402), which was partially offset by SEK 918 million in foreign exchange gain (-3,678).

INTEREST BEARING DEBT MATURITY

SEK million



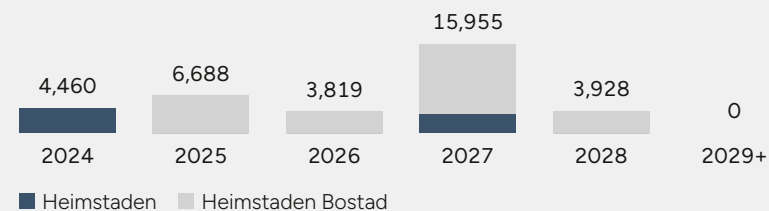
INTEREST BEARING DEBT MATURITY BY TYPE

SEK million

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+	Total
Senior Unsecured bonds	12,882	11,696	11,624	12,685	13,111	7,695	–	7,947	–	1,135	78,774
Mortgage debt	–	–	–	1,546	402	35	121	–	89	38,464	40,656
Bank debt	–	3,900	27,657	8,276	14,257	7,197	9,837	5,973	–	1,761	78,858
Total	12,882	15,596	39,281	22,507	27,770	14,927	9,958	13,920	89	41,360	198,289

HYBRID BONDS RESET DATES¹

SEK million





Cash Flow

SEK million	Q2 2024	YTD 2024	Q2 2023	YTD 2023
Operating activities	2,772	4,071	317	1,819
Investing activities	-1,702	-3,139	-2,229	-4,894
Financing activities	-612	-9,144	-1,243	1,180
Change	458	-8,212	-3,156	-1,895
Period opening balance - Cash and cash equivalents	3,765	12,492	12,556	11,322
Currency effects	225	168	268	242
Closing balance - Cash and cash equivalents	4,448	4,448	9,669	9,669

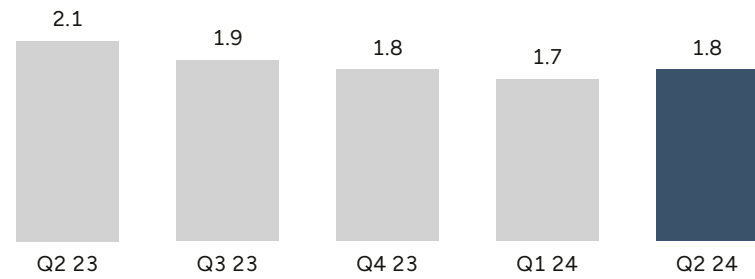
Cash generated from operations was SEK 4,430 million (1,421). Interest and taxes paid in period was SEK -1,658 million (-1,105) resulting in a net cash flow from operating activities of SEK 2,772 million (317). The main difference between operating profit and cash generated from operations was fair value adjustments on investment properties of SEK 1,259 million (-7,339) and proceeds net of direct transaction cost from divestments of properties of SEK 1,657 million (259).

Cash flow from investing activities was SEK -1,702 million (-2,229) and included capital expenditures on investment properties of SEK -1,571 million (-2,043) and acquisition of investment properties of SEK -34 million (-84) mainly related to payments in Poland.

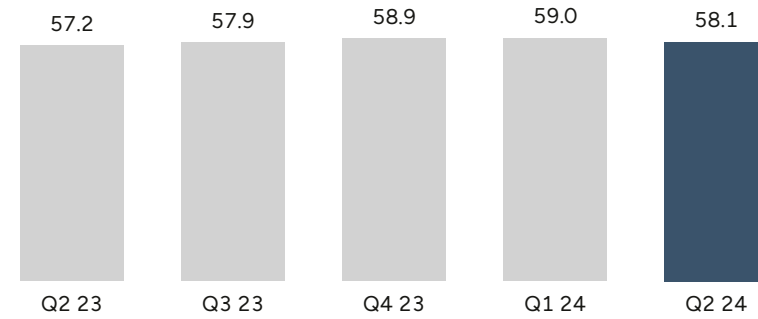
Cash flow from financing activities was negative by SEK -656 million (-1,243), foremost due to repayment of an RCF of SEK 800 million. The cash position of the Group at the balance sheet date was SEK 4,448 million (9,669). In addition to cash-on-hand, the Company also has unutilised credit facilities of SEK 21,337 million.

Credit Metrics

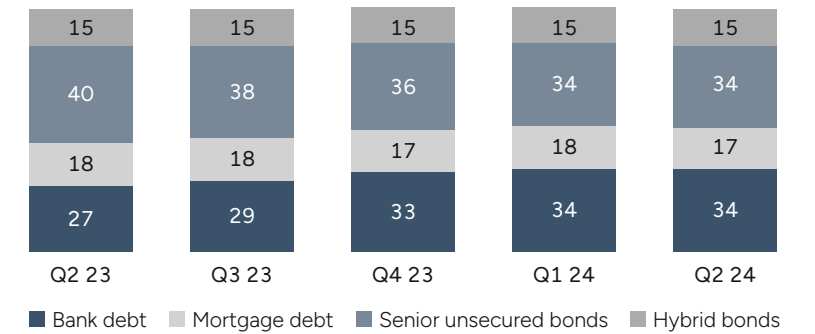
INTEREST COVERAGE RATIO
multiple



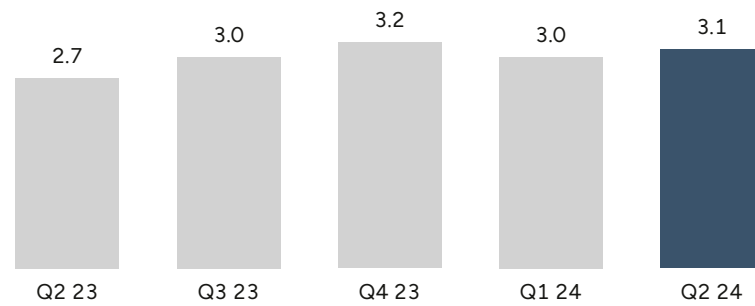
NET LOAN-TO-VALUE
%



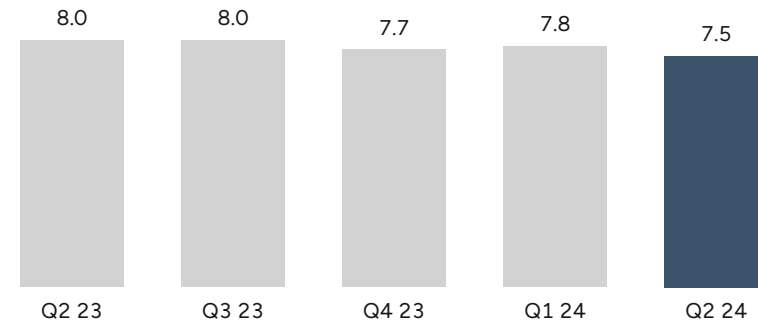
FUNDING DISTRIBUTION
%



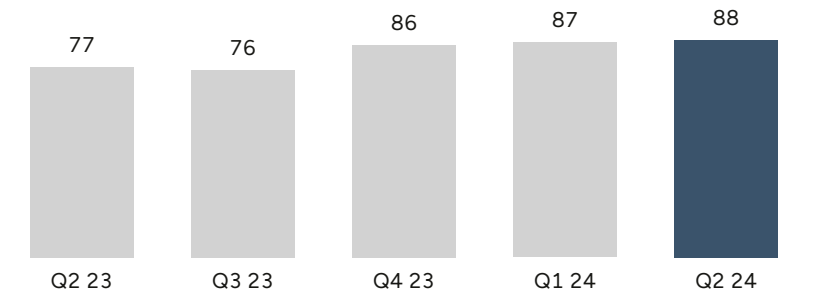
AVERAGE INTEREST RATE
%



AVERAGE LOAN TENOR
%



INTEREST RATE HEDGE RATIO
%



Financial Information

Consolidated Financial Statements

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Condensed Consolidated Statement of Comprehensive Income

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Rental income	3, 4	3,943	3,800	7,819	7,499	15,253
Service charges paid by tenants	3, 4	395	414	901	931	1,750
Property expenses	3	-1,523	-1,592	-3,332	-3,405	-6,726
Net operating income¹		2,814	2,623	5,387	5,024	10,278
Corporate administrative expenses		-150	-153	-301	-296	-677
Other operating income		17	46	52	205	302
Other operating expenses	5	-109	-92	-248	-181	-467
Realised gains/losses from divestment of properties	6	643	16	849	20	235
Profit before unrealised fair value adjustment		3,216	2,441	5,739	4,772	9,670
Fair value adjustment of investment properties	8	1,258	-7,335	3,745	-20,812	-31,081
Value adjustment of inventory properties		-383	-5	-740	14	25
Operating profit/loss		4,091	-4,900	8,745	-16,026	-21,386
Share of net profits/losses of associated companies and joint ventures	10	-74	113	123	-335	-864
Impairment of goodwill	9	-	-	-	-1,058	-1,058
Interest income		43	49	140	110	384
Interest expenses		-1,607	-1,422	-3,161	-2,669	-5,759
Foreign exchange gains/losses		918	-3,678	-1,657	-4,370	387
Fair value adjustment of derivative financial instruments		-189	257	10	-191	-1,173
Other financial items		-26	-140	-48	503	461
Profit/loss before tax		3,154	-9,721	4,153	-24,036	-29,008
Income tax expense	7	-1,093	2,563	-1,208	3,453	3,708
Profit/loss for the period		2,061	-7,157	2,944	-20,583	-25,300

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Divestment of business unit²		-	-	-	-	-256
Other comprehensive income:						
Currency translation differences	12	-1,540	7,402	2,584	8,260	-1,799
Total comprehensive income/loss		520	244	5,527	-12,323	-27,355
Profit/loss for the period attributable to:						
The Parent Company's shareholders		819	-4,560	819	-12,216	-15,171
Non-controlling interests		1,241	-2,597	2,125	-8,367	-10,386
Total comprehensive income/loss attributable to:						
The Parent Company's ordinary shareholders		-104	-280	2,260	-7,439	-16,477
The Parent Company's preference shareholders		29	29	59	59	117
Non-controlling interests		594	495	3,208	-4,942	-10,995

¹ Excludes income from inventory properties.

² Discontinued operations

Condensed Consolidated Statement of Financial Position

SEK million	Note	30 Jun 2024	31 December 2023	30 Jun 2023
ASSETS				
Investment properties	8	331,359	320,607	346,629
Goodwill and Intangible assets	9	16,110	15,893	16,430
Machinery and equipment		331	346	432
Investments in associated companies and joint ventures	10	9,007	8,702	9,709
Derivative financial instruments	11	175	34	759
Deferred tax assets		1,199	1,081	1,706
Other financial assets	11	1,196	3,528	3,627
Total non-current assets		359,377	350,191	379,291
Inventory properties		501	538	493
Rent and trade receivables		221	229	447
Other financial assets		1,861	1,637	2,026
Derivative financial instruments	11	52	464	348
Prepayments		1,030	1,165	2,228
Cash and cash equivalents		4,448	12,492	9,669
Assets held for sale	8	1,106	294	–
Total current assets		9,218	16,817	15,212
TOTAL ASSETS		368,595	367,008	394,503

SEK million	Note	30 Jun 2024	31 December 2023	30 Jun 2023
EQUITY AND LIABILITIES				
Equity	13	142,477	137,929	154,728
Interest-bearing liabilities	11	180,089	181,535	191,962
Lease liabilities	11	1,224	1,098	1,413
Derivative financial instruments	11	170	481	51
Deferred tax liabilities		20,656	19,729	21,796
Other financial liabilities		1,711	1,663	1,620
Total non-current liabilities		203,850	204,505	216,841
Interest-bearing liabilities	11	17,665	19,898	16,026
Lease liabilities	11	78	88	115
Trade payables		428	800	609
Other liabilities		1,576	892	3,307
Derivative financial instruments	11	27	–	40
Accrued expenses and prepaid income		2,492	2,896	2,836
Total current liabilities		22,268	24,574	22,933
TOTAL EQUITY AND LIABILITIES		368 595	367,008	394,503

Condensed Consolidated Statement of Changes in Equity

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2023	95	7,504	7,374	8,001	21,124	44,098	124,711	168,808
Profit/loss for the period	–	–	–	–	-13,056	-13,056	-7,527	-20,583
Currency translation differences	–	–	–	4,835	–	4,835	3,425	8,260
Total comprehensive income/loss	–	–	–	4,835	-13,056	-8,221	-4,101	-12,323
New share issue	–	–	–	–	–	–	1,942	1,942
Cost of issuance	–	–	–	–	–	–	-6	-6
Buyback of hybrid bonds	–	–	–	–	-7	-7	-91	-98
Coupon expense on hybrid bonds	–	–	411	–	-411	–	–	–
Coupon paid on hybrid bonds	–	–	-411	–	–	-411	–	-411
Dividends	–	–	–	–	-1,559	-1,559	-4,198	-5,757
Transactions with non-controlling interests	–	–	–	–	1,112	1,112	1,461	2,573
Total transactions with the Company's shareholders	–	–	–	–	-864	-864	-893	-1,757
Equity, 30 June 2023	95	7,504	7,374	12,836	7,203	35,012	119,717	154,728
Profit/loss for the period	–	–	216	–	-2,331	-2,114	-2,859	-4,974
Currency translation differences	–	–	–	-6,024	–	-6,024	-4,034	-10,059
Total comprehensive income /loss	–	–	216	-6,024	-2,331	-8,139	-6,894	-15,033
Currency translation on buyback of hybrid bonds	–	–	–	–	15	15	20	34
Dividends	–	–	-216	–	-59	-275	-1,526	-1,801
Total transactions with the Company's shareholders	–	–	-216	–	-44	-260	-1,506	-1,766
Equity, 31 December 2023	95	7,504	7,374	6,812	4,828	26,614	111,317	137,929

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2024								
Profit/loss for the period	–	–	–	–	819	819	2,125	2,944
Currency translation differences	–	–	–	1,500	–	1,500	1,083	2,584
Total comprehensive income/loss	–	–	–	1,500	819	2,319	3,208	5,527
Dividends	–	–	–	–	-59	-59	–	-59
Net coupon expense on hybrid bonds	–	–	272	–	-272	–	–	–
Currency translation on buyback of hybrid bonds	–	–	–	–	16	16	–	16
Net coupon paid on hybrid bonds	–	–	-272	–	–	-272	-678	-950
Transactions with non-controlling interests	–	–	–	–	14	14	–	14
Total transactions with the Company's shareholders	–	–	–	–	-301	-301	-678	-979
Equity, 30 June 2024	95	7,504	7,374	8,312	5,346	28,632	113,847	142,477

Condensed Consolidated Statement of Cash Flows

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Operating activities						
Profit/loss before tax		3,154	-9,721	4,153	-24,036	-29,008
<i>Adjustments to reconcile profit before tax to net cash flows:</i>						
Fair value adjustment on investment properties	8	-1,259	7,339	-3,746	20,816	31,081
Value adjustment of inventory properties	2	383	-5	740	15	-25
Fair value adjustment of derivative financial instruments		189	-257	-10	191	1,173
Interest income		-43	-49	-140	-110	-384
Interest expenses		1,607	1,422	3,160	2,670	5,760
Share of net profits/losses of associated companies and joint ventures	10	74	-113	-123	335	864
Proceeds net of direct transaction cost from divestments of properties	6	1,657	259	2,487	1,746	2,622
Realised gains/losses from divestment of properties	6	-642	-	-848	-	-235
Other adjustments	14	-918	3,724	1,730	4,564	-430
<i>Working capital changes</i>						
Increase(-)/decrease(+) in rent and other receivables		460	-846	11	-1,134	-216
Increase(+)/decrease(-) in trade and other payables		-232	-332	207	-216	-1,417
Cash generated from operations		4,430	1,421	7,621	4,841	10,018
Interest paid		-1,490	-1,235	-3,165	-2,573	-5,722
Interest received		43	6	140	49	384
Paid income tax		-211	124	-525	-498	-940
Net cash flows from operating activities		2,772	317	4,071	1,819	3,740

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Investing activities						
Acquisition of investment and inventory properties		-34	-84	-529	-1,253	-2,173
Divestment of business area (Iceland)		-	-	-	-	1,492
Capital expenditure on investment and inventory properties	8	-1,571	-2,043	-2,609	-4,108	-8,432
Deposits for signed acquisitions		-	-298	1	-	322
Purchases/sales of machinery and equipment		1	-17	-2	-39	-68
Purchase of intangible assets		-22	-	-32	-	-59
Net investments of associated companies and joint ventures		-62	222	-58	485	807
Other cash flows from investing activities		-14	-10	89	20	-627
Net cash flows from investing activities		-1,702	-2,229	-3,139	-4,894	-8,737
Financing activities						
Proceeds from interest-bearing liabilities	11	3,570	2,988	5,944	16,037	35,596
Repayment of interest-bearing liabilities	11	-3,835	-2,381	-13,870	-15,692	-29,610
Dividends paid		-29	-1,529	-59	-3,510	-5,094
Proceeds from non-controlling interests		-	24	14	6,658	7,045
Buyback of hybrid bonds		-	-	-	-58	-58
Hybrid bonds coupons		-325	-447	-1,197	-1,252	-1,468
Transaction costs on issue of shares and hybrid capital		-	-3	-	-6	-6
Settlement of derivative financial instruments		-	176	-	176	176
Other cash flows from financing activities		8	-71	24	-1,172	-567
Net cash flows from financing activities		-612	-1,243	-9,144	1,180	6,013
Net change in cash and cash equivalents		458	-3,156	-8,212	-1,895	1,016
Cash and cash equivalents at the beginning of the period		3,765	12,556	12,492	11,322	11,322
Net currency exchange effect in cash and cash equivalents		225	268	168	242	153
Cash and cash equivalents at the end of the period		4,448	9,669	4,448	9,669	12,492

Notes to the Condensed Consolidated Financial Statements

1. Accounting Policies

Corporate Information

Heimstaden AB (publ), Corp. ID No. 556670-0455, is a limited liability company registered in Sweden with its registered office at Östra Promenaden 7A, SE-211 28, Malmö, Sweden. Heimstaden's operations consist of owning, developing and managing residential properties.

Basis for Preparation

Heimstaden's interim condensed consolidated statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation followed are consistent with those of the previous financial year.

Due to rounding, numbers presented in these financial statements may not add up precisely to the totals provided. Figures in brackets refer to the corresponding period the year before, unless otherwise stated.

Recently Issued Accounting Standards, Interpretations and Amendments

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. Related Parties

In 2024, Heimstaden's parent company, Fredensborg AS, invoiced Heimstaden SEK 20 million for management services. During the same period, Heimstaden invoiced SEK 14 million to Fredensborg AS and its subsidiaries for management services.

In 2018, Fredensborg AS sold the Norwegian housing portfolio to Heimstaden subsidiary Heimstaden Bostad AB. As part of the sales and purchase agreement, Fredensborg AS guaranteed the development projects would provide an annual equity return of at least 7.5% upon completion. If there are ongoing projects when the guarantee expires in April 2025, these projects will be settled at their completion. It is estimated that Fredensborg will have to pay SEK 28 million under the guarantee, a reduction of SEK 330 million during Q2 2024 due to improved forward looking project results (mainly from increased residential prices). Heimstaden AB's subsidiary, Heimstaden Bostad AB recognises the estimated guarantee settlement in other current financial assets, while the value change is recognised in value adjustment of inventory properties.

3. Segment Reporting

Heimstaden organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management monitors net operating income and changes in the value of investment properties in the identified segments; other profit and loss items are not distributed per segment. Heimstaden has identified nine reportable segments consisting of the geographical areas of Sweden, Germany, Denmark, the Netherlands, Czechia, Norway, Finland, United Kingdom and Poland. Iceland (divested in 2023) is shown for comparative purposes. See [Note 8](#) for fair value of investment properties per segment.

Q2 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Poland	Finland	Corporate	Group in total
Statement of Comprehensive Income												
Rental income ¹	1,212	704	903	351	453	184	–	47	32	71	-14	3,943
Service charges paid by tenants	23	231	3	–	120	7	–	–	8	3	–	395
Total income	1,235	935	906	351	574	191	–	47	41	74	-14	4,337
Utilities	-178	-131	-34	–	-110	-12	–	-1	-4	-11	1	-479
Repair and maintenance	-50	-48	-41	-21	-43	-8	–	-2	–	-4	39	-178
Property tax	-26	-16	-39	-15	-4	-1	–	–	2	-2	–	-102
Other ²	-35	-50	-41	-7	-34	-8	–	-1	-1	-4	8	-173
Property management	-179	-142	-97	-31	-59	-17	–	-10	-11	-14	-30	-591
Total property expenses	-470	-387	-252	-74	-250	-45	–	-15	-15	-35	18	-1,523
Net operating income	767	547	654	277	324	145	–	32	26	39	3	2,814
Net operating income margin, %	63.3	77.8	72.4	78.9	71.4	78.9	–	68.7	79.0	55.0	–	71.4

Q2 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Poland	Finland	Corporate	Group in total
Statement of Comprehensive Income												
Rental income ¹	1,115	666	873	346	443	176	83	16	15	66	–	3,800
Service charges paid by tenants	22	245	2	–	129	10	–	–	3	3	–	414
Total income	1,136	912	875	346	573	187	83	16	19	69	–	4,215
Utilities	-156	-155	-29	–	-126	-13	-4	-1	-1	-10	1	-494
Repair and maintenance	-46	-66	-48	-14	-46	-10	-3	-1	–	-5	41	-196
Property tax	-27	-19	-48	-14	-2	-1	-6	-1	-1	-2	–	-121
Other ²	-36	-34	-33	-15	-24	-11	-2	-1	-1	-5	3	-158
Property management	-198	-132	-112	-31	-51	-16	-11	-7	-6	-15	-44	-623
Total property expenses	-462	-405	-270	-74	-249	-50	-26	-10	-9	-38	1	-1,592
Net operating income	674	507	605	272	324	136	58	6	10	31	–	2,623
Net operating income margin, %	60.5	76.0	69.3	78.5	73.0	77.3	69.2	38.5	65.1	46.9	–	69.0

¹ The corporate segment of the consolidated financials mainly consist of reclassifications due to internal services provided within countries. The rental income from the portfolio in Sweden reflects rents including heating and water, meaning that majority of property expenses is not recoverable towards the tenants.

² Other property costs consist of property insurance, property security, running costs for broadband/TV, recurring inspections and similar items.

YTD 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Poland	Finland	Corporate	Group in total
Statement of Comprehensive Income												
Rental income ¹	2,409	1,390	1,787	696	881	366	–	92	59	140	–	7,819
Service charges paid by tenants	45	453	6	–	359	16	–	–	15	6	–	901
Total income	2,454	1,843	1,793	696	1,240	382	–	92	74	146	-1	8,719
Utilities	-469	-254	-69	–	-345	-29	–	-2	-8	-28	2	-1,203
Repair and maintenance	-102	-92	-83	-43	-83	-14	–	-4	–	-7	75	-354
Property tax	-52	-32	-77	-29	-8	-2	–	-1	-1	-4	–	-205
Other ²	-73	-100	-92	-21	-56	-16	–	-2	-2	-9	5	-366
Property management	-368	-273	-213	-60	-104	-38	–	-20	-21	-28	-81	-1,204
Total property expenses	-1,064	-751	-535	-152	-596	-99	–	-28	-32	-76	1	-3,332
Net operating income	1,389	1,092	1,259	543	644	283	–	64	42	70	–	5,387
Net operating income margin, %	57.7	78.6	70.4	78.1	73.1	77.3	–	69.8	72.4	49.9	–	68.9

YTD 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Poland	Finland	Corporate	Group in total
Statement of Comprehensive Income												
Rental income ¹	2,204	1,311	1,732	684	858	371	161	23	24	130	-1	7,499
Service charges paid by tenants	42	481	3	–	371	23	–	–	5	6	–	931
Total income	2,246	1,792	1,735	684	1,229	394	161	23	29	136	-1	8,429
Utilities	-416	-304	-65	–	-363	-34	-7	-1	-2	-26	2	-1,216
Repair and maintenance	-99	-106	-96	-44	-86	-18	-7	-1	–	-10	73	-395
Property tax	-54	-45	-96	-29	-4	-2	-12	-1	-2	-4	–	-249
Other ²	-75	-77	-68	-31	-49	-23	-5	-3	-1	-9	4	-337
Property management	-378	-250	-237	-61	-102	-31	-21	-12	-10	-28	-78	-1,208
Total property expenses	-1,022	-783	-562	-165	-604	-107	-53	-17	-15	-77	1	-3,405
Net operating income	1,224	1,009	1,173	519	624	287	109	6	14	59	–	5,024
Net operating income margin, %	55.5	77.0	67.7	75.9	72.8	77.3	67.3	26.5	57.2	45.4	–	67.0

¹ The corporate segment of the consolidated financials mainly consist of reclassifications due to internal services provided within countries. The rental income from the portfolio in Sweden reflects rents including heating and water, meaning that majority of property expenses is not recoverable towards the tenants.

² Other property costs consist of property insurance, property security, running costs for broadband/TV, recurring inspections and similar items.

4. Rental Income

RENTAL INCOME DISTRIBUTED BY PROPERTY CATEGORY

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Residential	3,616	3,483	7,175	6,875
Commercial premises	271	267	534	523
Garage and parking spaces	56	51	110	101
Total rental income	3,943	3,800	7,819	7,499

SERVICE CHARGES PAID BY TENANTS DISTRIBUTED BY PROPERTY CATEGORY

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Residential	365	387	838	879
Commercial premises	30	27	63	51
Total service charges paid by tenants	395	414	901	930

5. Other Operating Expenses

Other operating expenses include depreciations, audit fees and other administrative expenses. During 2024, SEK 51 million (65), of which SEK 23 million (33) in the quarter, was expensed as donations to SOS Children's Villages. See [page 29](#) in the 2023 Annual Report for more information regarding the partnership "A Home for a Home".

6. Realised Gains/Losses from Divestment of Properties

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Proceeds net of direct transaction cost from divestments of properties	1,919	259	2,760	1,746
Book value of divestments of properties	-1,276	-243	-1,911	-1,726
Realised gain/loss on divestments of properties	643	16	849	20

As of Q2 2024, Heimstaden has revised the valuation method for assets held for sale. Assets held for sale are now valued at the contractually agreed sale price. During Q2 a revaluation of SEK 264 million was recognised. Refer to [Note 8](#) for further details.

7. Income Tax Expense

EFFECTIVE TAX RATE

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Profit before tax	3,154	-9,721	4,153	-24,036
Income tax expense	-1,093	2,563	-1,208	3,453
Equivalent to a rate of, % (absolute)	34.6	26.4	29.1%	14.4

Heimstaden recognised a tax expense of SEK 1,093 million (income 2,563) in the second quarter, corresponding to an effective tax rate of 34.6%. The differences between the effective tax rate for the quarter and the tax expense based on the Swedish tax rate of 20.6% is mainly driven by fair value change of investment properties below initial recognition, non-deductible interests, and effect of different statutory tax rates between the jurisdictions Heimstaden operates in. Profit/loss from associated companies are reported net after tax which also impacts the effective tax rate.

The underlying tax rates in the companies in operation are in the range of 19% to 30.2%.

8. Investment Properties

Property Value per Segment

The fair value of investment properties is based on external valuation, and there have been no changes in the valuation method since the Annual Report. For more information, see Annual Report [Note 3.1](#). Heimstaden had total divestments of SEK 1,276 million within the quarter. Of this amount, SEK 294 million was classified as asset held for sale at 31 December 2023. As at 30 June 2024 SEK 841 million was reclassified from investment property to asset held for sale. Assets held for sale are valued at the contractually agreed sales price less cost to sell. The total investment properties value per operating segment is shown below.

VALUATION GAIN OR LOSS INVESTMENT PROPERTIES

SEK million	Sweden ¹	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Fair value of investment properties, 31 December 2023	89,781	79,404	72,043	27,336	25,185	17,109	4,305	1,815	3,628	320,606
Acquisitions during the period	238	–	547	–	491	–	–	1,606	–	2,882
Divestments	-22	-24	-887	-667	-17	–	–	–	–	-1,617
Land leases	8	–	–	–	–	25	–	77	20	130
Capital expenditure on investment properties	382	473	134	87	339	43	–	–	43	1,501
Capital expenditure on investment properties under construction	244	–	291	18	–	–	225	226	1	1,005
Currency translation	–	1,549	1,392	534	149	14	186	61	64	3,948
Fair value after transactions	90,632	81,403	73,520	27,307	26,147	17,191	4,715	3,785	3,754	328,455
Value change	17	-598	49	2,171	1,298	460	-85	450	-16	3,745
Reclassification to assets held for sale	–	–	-376	-465	–	–	–	–	–	-841
Fair value of investment properties, 30 June 2024	90,649	80,805	73,193	29,012	27,445	17,651	4,630	4,236	3,738	331,358

ASSETS HELD FOR SALE

SEK million	Sweden ¹	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Opening balance, 1 January 2024	–	–	11	284	–	–	–	–	–	294
Divestments	–	–	-11	-284	–	–	–	–	–	-294
Reclassification from investment properties	–	–	376	465	–	–	–	–	–	841
Revaluation of assets held for sale	–	–	72	193	–	–	–	–	–	264
Closing balance, 30 June 2024	–	–	448	657	–	–	–	–	–	1 106

¹ Capital expenditure on investment properties under construction in Sweden include SEK 200 million of Governmental grant.

BREAKDOWN BY CATEGORY

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Investment properties, residential	80,272	73,521	68,286	28,525	26,091	15,062	3,225	3,246	3,216	301,444
Investment properties, commercial	5,455	5,203	3,080	206	927	1,462	26	85	90	16,534
Investment properties, parking	3,081	871	529	271	107	303	76	208	50	5,495
Investment properties, other	471	1,210	342	10	121	389	–	14	1	2,557
Investment properties under construction	854	–	887	–	–	–	1,303	606	–	3,649
Land and building rights	268	–	69	–	199	–	–	–	–	536
Land leases	250	–	–	–	–	436	–	77	382	1,144
Total	90,649	80,805	73,193	29,012	27,445	17,651	4,630	4,236	3,738	331,359

9. Goodwill and Intangible Assets

As of 30 June 2024, the carrying amount of goodwill is SEK 15,899 million (16,273), of which SEK 15,809 million (16,191) is goodwill identified in the acquisition of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH.

Goodwill identified in a business combination is allocated to the Group's cash generating units (CGUs) and tested for impairment annually or when impairment indicators are present. The Group has not identified impairment indicators for any of the CGU's which goodwill is allocated to at the balance sheet date.

Intangible assets comprise of software and are expected to have a useful life of 3–15 years.

For more information of assumptions regarding the methodology for calculating recoverable amount and WACC, see [Note 3.2](#) in Annual Report 2023.

10. Investments in Associated companies and Joint Ventures

SEK million	Q2 2024
Opening balance, 1 January 2024	8,702
Investment for the year	53
Divestments of associated companies and joint ventures	-3
Change in value from foreign currency	161
Dividend from associated companies and joint ventures	-28
Share of net profits/losses of associated companies and joint ventures	123
Closing balance, 30 June 2024	9,007

Heimstaden recognises its investment in Kojamo Oyj to its share of the book value of the equity. The Q2 2024 results have been estimated using publicly available information from Kojamo and observable market changes.

YTD 2024

SEK million	Kojamo Oyj	Rosengård Fastighets AB	Upplands Bro Brogårds Etapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other
Rental income	2,583	85	6	4	48
Property expenses	-1,201	-44	-6	-3	-35
Net operating income	1,381	41	-	-	13
Corporate administrative expenses	-139	-12	-2	-	-8
Financial items, net	-511	-24	-35	-	-5
Unrealised value change	100	-	-2	2	8
Tax expenses	-117	-3	-	-	-14
Profit for the year	715	2	-39	1	-6
Group's share of profit	143	-	-19	1	-3
Group's share in %	20	25	50	47	20-50

11. Financial Assets and Liabilities

Heimstaden prioritises the maintenance of a strong liquidity position and a proactive approach to liability management. Underpinned by strong operational fundamentals, Heimstaden is prioritising interest coverage ratio management through the privatisation programme and its strong access to secured bank financing. Refer to [pages 39–42](#) of the 2023 Annual Report for a detailed description of risk management and internal control.

During 2024, Heimstaden subsidiary, Heimstaden Bostad bought back SEK 223 million of outstanding senior unsecured bonds, obtaining an average discount of 3.0% and resulted in a SEK 7 million gain, net of SEK 1 million in tax,

In Q2 2024, Heimstaden bought back SEK 137 million of outstanding senior unsecured bonds, obtaining an average discount of 7.9% and resulted in a SEK 10 million gain, net of SEK 2 million in tax, both buybacks recognised in other financial items.

The Company's hybrid bonds are classified as equity, see [page 73](#) in the 2023 Annual Report for more information regarding the hybrid bonds. At the balance sheet date, Heimstaden was in compliance with its financial covenants.

As of 30 June 2024, SEK 1,049 million of the total unutilised credit commitments, is related to future ESG Capex and Construction Facilities.

SPECIFICATION OF INTEREST BEARING LIABILITIES

SEK million	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Senior unsecured bonds	78,774	–	40	
Mortgages/bank loans	119,515	99	60	21,337
Total	198,289	60	100	21,337
Deferred charges	-534			
Total interest bearing liabilities	197,754			

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

SEK million	Corporate bonds	Mortgages/bank loans	Deferred charges	Lease liabilities	Total
Opening balance, 1 January 2024	84,005	118,004	-576	1,185	202,618
Loan repayments	-6,704	-7,184	–	-55	-13,942
New borrowings	-38	6,957	–	161	7,081
Assumed debt in connection with acquisitions	–	–	–	–	–
Currency exchange effect on loans	1,510	1,738	–	10	3,258
Capitalisation of debt issuance cost, net of amortisation	–	–	42	–	42
Closing balance, 30 June 2024	78,774	119,514	-534	1,302	199,056

30 JUNE 2024

Years	Interest maturity, loans			Interest maturity, incl. financial instruments		
	SEK million	Share, %	Average interest rate, % incl. margin	SEK million	Share, %	Average interest rate, % incl. margin
0-1	91,698	46	4.35	49,858	25	4.61
1-2	21,663	11	2.20	31,954	16	2.44
2-3	18,613	9	3.23	28,308	14	3.08
3-4	16,192	8	2.42	28,892	15	2.54
4-5	9,679	5	2.71	13,810	7	2.78
>5 years after balance sheet date	40,443	20	2.37	45,466	23	2.43
Total	198,289	100	3.37	198,289	100	3.11

Average remaining term of fixed interest in the loan portfolio, including derivatives: 3.10 years

Years	Loan tenor		Unutilised credit commitment	
	SEK million	Share, %	SEK million	Share, %
0-1	16,979	9	500	2
1-2	34,865	18	6,618	31
2-3	35,422	18	13,126	62
3-4	14,882	8	–	–
4-5	16,683	8	1,093	5
>5 years after balance sheet date	79,457	40	–	–
Total	198,289	100	21,337	100

Average loan tenor: 7.52 years

OVERVIEW OF INTEREST MATURITY ON INTEREST RATE DERIVATIVES

Years	Type ²	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % ¹
0-1	Paying	7,799	16	1.78
1-2	Paying	10,291	21	2.93
2-3	Paying	9,695	20	2.80
3-4	Paying	12,700	26	2.70
4-5	Paying	4,132	8	2.93
>5 years after balance sheet date	Paying	5,023	10	2.88
Total		49,639	100	2.66

Years	Type ²	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % ¹
0-1	Receiving	49,639	100	-3.69
1-2	Receiving	–	–	–
2-3	Receiving	–	–	–
3-4	Receiving	–	–	–
4-5	Receiving	–	–	–
>5 years after balance sheet date	Receiving	–	–	–
Total		49,639	100	-3.69

¹ Indicates average interest rate. A negative value indicates received interest.

² Paying swaps relate to the interest rate swaps entered into. Receiving swaps show the known amount to be received per the end of Q2 2024.

RECONCILIATION OF DERIVATIVES

SEK million	Interest rate swaps	Forward purchase contracts	Total
Opening balance, 1 January 2024	-118	135	17
Unrealised value change	147	-2	145
Currency exchange effect on derivatives	3	–	3
Transferred gains/losses to investment properties	–	-135	-135
Closing balance, 30 June 2024	32	-2	30

The carrying amount of all financial assets and liabilities equates to their fair value with the exception of non-current interest-bearing liabilities which have a carrying value of SEK 180,089 million (191,962) and a fair value of SEK 164,833 million (168,313). The difference between carrying value and fair value is due to bonds trading below nominal value.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 30 June 2024.

12. Equity

Non-controlling interests

Non-controlling interests consist of external ownership interests in subsidiaries and their subsidiaries. Heimstaden ABs shareholders only control hybrid bonds in Heimstaden AB, all other hybrid bonds are classified as non-controlling interests.

Specification of Other Comprehensive Income

The exchange rates of the currencies relevant to Heimstaden have developed as follows:

Country		Closing rate		Average rate	
		30 Jun 2024	31 Dec 2023	Q2 2024	Q2 2023
Czechia	CZK	0.4535	0.4507	0.4556	0.4789
Denmark	DKK	1.5225	1.4937	1.5281	1.5224
Iceland	ISK	0.0764	0.0742	0.0763	0.0751
Netherlands, Germany & Finland	EUR	11.3547	11.1375	11.3984	11.3375
Norway	NOK	0.9926	0.9918	0.9910	1.0020
Poland	PLN	2.6336	2.5628	2.6406	2.4537
United Kingdom	GBP	13.3985	12.8468	13.3393	12.9427

Other comprehensive income is related to foreign currency translation differences that may be reclassified to profit or loss in subsequent periods.

Country	Currency code	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Czechia	CZK	-45	776	139	1,651
Denmark	DKK	-422	1,589	613	1,796
Iceland	ISK	-	135	-	210
Netherlands, Germany & Finland	EUR	-1,103	3,887	1,564	4,938
Norway	NOK	140	329	13	-1,110
Poland	PLN	-69	403	86	441
United Kingdom	GBP	-42	282	169	336
Total		-1,540	7,402	2,584	8,260

13. Commitments and Contingencies

Investment Obligations and Capital Expenditures

Heimstaden has entered into contracts with sellers of investment property under construction placed in a corporate wrapper. Heimstaden will acquire 100% of the outstanding shares in the corporate wrapper at a future date. The contract is valued at fixed price (forward purchase) based on the equity in the corporate wrapper, where investment property is measured at fair value.

As of 30 June 2024, Heimstaden had total investment obligations of SEK 302 million (4,497). The forward funding contracts with third parties are committed to future capital expenditure in respect of investment properties under construction similar to own developments, which combined amount to SEK 1,870 million (3,384).

SEK million	2024	2025	2026	2027	Total
Forward funding	921	532	115	9	1,577
Own development	90	176	27	-	293
Forward purchase	112	190	-	-	302
Total	1,124	898	142	9	2,172

Disputes

As of the balance sheet date, Heimstaden is not a part in any ongoing legal processes or administrative proceedings which have had or may have a material impact to its financial statements.

14. Other adjustments in Statement of Cash Flow

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Depreciation	29	34	62	68
Bad debt losses	11	17	46	37
Exchange rate difference	-918	3,678	1,657	4,370
Other financial items	-40	-5	-35	-979
Impairment of goodwill	-	-	-	1,067
Total	-918	3,724	1,730	4,564

15. Subsequent Events

After the reporting date, Heimstaden subsidiary, Heimstaden Bostad refinanced part of its portfolio in the Netherlands through a new sustainability-linked secured credit facility with maturity in 2031.

The EUR 725 million financing replaces an existing secured bank loan with maturity in 2026 and brings in net new proceeds of EUR 200 million.

Parent Company Income Statement

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Management service income	33	45	66	102	190
Administrative expenses	-32	-32	-73	-70	-183
Operating profit/loss	1	14	-8	32	7
Dividends from shares in subsidiaries	–	–	–	–	250
Profit from divestment of shares in subsidiaries	–	–	–	–	313
Interest income	30	19	74	38	155
Interest expenses	-147	-168	-294	-370	-695
Net currency translation gains/losses	46	-384	-202	-467	-32
Other financial items	141	-2	141	-5	-6
Profit/loss after financial items	71	-522	-289	-773	-9
Appropriations	–	–	–	–	155
Profit/loss before tax	71	-522	-289	-773	145
Income tax expense	-60	108	-62	108	-24
Profit/loss for the period	11	-414	-351	-665	122

Parent Company Statement of Comprehensive Income

SEK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Profit/loss for the period according to the Income Statement	11	-414	-351	-665	122
Other comprehensive income/loss	–	–	–	–	–
Comprehensive income/loss	11	-414	-351	-665	122

Parent Company Statement of Financial Position

SEK million	30 Jun 2024	31 December 2023	30 Jun 2023
ASSETS			
Shares in subsidiaries	28,160	28,143	29,864
Receivables, subsidiaries	720	701	394
Deferred tax assets	290	282	414
Total non-current assets	29,170	29,126	30,672
Receivables, subsidiaries	–	676	–
Other financial assets	30	15	27
Accrued income, group companies	20	–	–
Cash and cash equivalents	738	1,058	1,215
Total current assets	788	1,750	1,242
Total assets	29,959	30,875	31,914

SEK million	30 Jun 2024	31 December 2023	30 Jun 2023
EQUITY AND LIABILITIES			
Equity	19,793	20,475	19,963
Interest-bearing liabilities	9,278	9,874	8,748
Liabilities, subsidiaries	42	15	–
Total non-current liabilities	9,320	9,889	8,748
Liabilities, subsidiaries	169	–	–
Interest-bearing liabilities	507	295	3,056
Trade and other payables	6	17	–
Accrued expenses and prepaid income	141	149	147
Accrued expenses, group companies	24	50	–
Total current liabilities	846	511	3,203
Total equity and liabilities	29,959	30,875	31,914

Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 January 2023	95	1,802	7,374	13,326	22,597
Profit/loss for the period	–	–	–	-665	-665
Total comprehensive income/loss	–	–	–	-665	-665
Dividends	–	–	–	-1,559	-1,559
Coupon expense on hybrid bonds	–	–	411	-411	–
Coupon paid on hybrid bonds	–	–	-411	–	-411
Total transactions with the Company's shareholders	–	–	–	-1,970	-1,970
Equity, 30 June 2023	95	1,802	7,374	10,691	19,963
Profit/loss for the period	–	–	216	570	787
Total comprehensive income/loss	–	–	216	570	787
Dividends	–	–	-216	-59	-275
Total transactions with the Company's shareholders	–	–	-216	-59	-275
Equity, 31 December 2023	95	1,802	7,374	11,203	20,475
Opening balance, 1 January 2024	95	1,802	7,374	11,203	20,475
Profit/loss for the period	–	–	–	-351	-351
Total comprehensive income/loss	–	–	–	-351	-351
Dividends	–	–	–	-59	-59
Net coupon expense on hybrid bonds	–	–	272	-272	–
Net coupon paid on hybrid bonds	–	–	-272	–	-272
Total transactions with the Company's shareholders	–	–	–	-331	-331
Equity, 30 June 2024	95	1,802	7,374	10,521	19,793

The Board of Directors and the CEO provide their assurance that this interim report provides a true and fair view of the operations, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties.

Malmö, 15 August 2024

Ivar Tollefsen
Chairman

John Giverholt
Board Member

Fredrik Reinfeldt
Board Member

Bente A. Landsnes
Board Member

Helge Krogsbøl
CEO

This interim report has been subject to review by the Company's auditors.

Auditor's Review Report

Heimstaden AB (publ), corporate identity number 556670-0455
To the Board of Directors for Heimstaden AB (publ)

Introduction

We have reviewed the condensed interim report for Heimstaden AB (publ) as at 30 June 2024 and for the sixth month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, 15 August 2024
Ernst & Young AB

Jonas Svensson
Authorised Public Accountant

Alternative Performance Measures

For more information, definitions, and methodology please refer to our [homepage](#).

Earnings Capacity

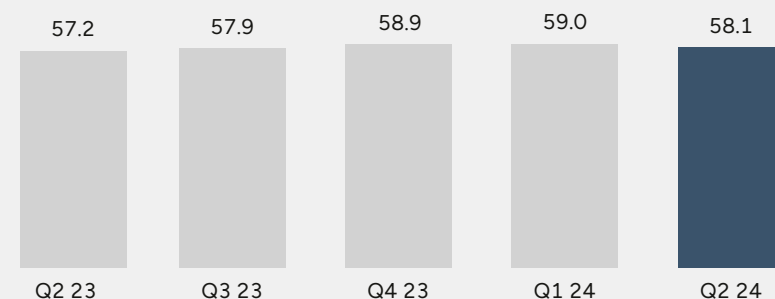
Earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 30 June 2024. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. Earnings capacity does not include any forward looking adjustments as the figures are anchored on the balance sheet date as of 30 June. Earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

SEK million	Q2 2024
Rental income	15,607
Service charges paid by tenants	1,714
Property expenses	-6,708
Net operating income	10,614
Corporate administrative expenses	-642
Profit before financial items	9,972

Financial and Operational Metrics

NET LOAN-TO-VALUE

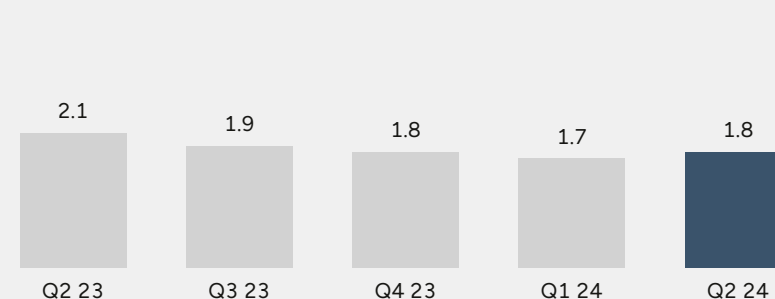
%



SEK million	Q2 2024	Q1 2024	Q2 2023
Interest-bearing secured liabilities	118,215	119,507	108,677
Interest-bearing unsecured liabilities	79,540	80,693	99,310
Less: Cash and cash equivalents	4,448	3,765	9,669
Net interest-bearing liabilities	193,306	196,435	198,319
Fair value of investment properties	331,359	331,957	346,629
Assets held for sale	1,106	750	–
Total investment properties including assets held for sale	332,465	332,706	346,629
Net loan-to-value (LTV), %	58.1	59.0	57.2

INTEREST COVERAGE RATIO

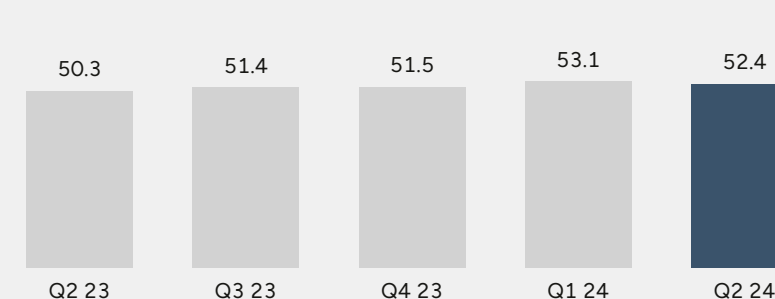
multiple



SEK million last 12 months	Q2 2024	Q1 2024	Q2 2023
Profit before unrealised fair value adjustment	10,637	9,863	8,743
Transaction costs from business combination	-2	1	–
Adjusted profit before unrealised fair value adjustment	10,636	9,864	8,743
Interest expenses	6,251	6,065	4,495
Less: Interest income	414	419	321
Net financial items	5,837	5,646	4,174
ICR	1.8	1.7	2.1

NET DEBT / TOTAL ASSETS

%



SEK million	Q2 2024	Q1 2024	Q2 2023
Net interest-bearing liabilities	193,306	196,435	198,319
Total assets	368,595	370,229	394,503
Net debt / Total assets, %	52.4	53.1	50.3

All figures in SEK million unless otherwise specified.

RESIDENTIAL SHARE OF INVESTMENT PROPERTIES, %

	Q2 2024	Q4 2023
Fair value residential properties, standing assets	301,444	290,833
Fair value investment properties, standing assets	326,030	314,419
Residential share of investment properties, %	92.5	92.5

LIKE-FOR-LIKE RENTAL INCOME GROWTH

	Q2 2024 ¹	Q2 2023 ²
Rental income current period	3,714	3,410
Rental income previous period	3,534	3,227
Like-for-like rental income growth, %	5.1	5.7

¹ 2024: only properties owned as of 2022-12-31 are included.

² 2023: only properties owned as of 2021-12-31 are included.

NET OPERATING INCOME MARGIN

	YTD 2024	YTD 2023
Rental income	7,821	7,499
Net operating income	5,387	5,024
Net operating income, %	68.9	67.0

ECONOMIC OCCUPANCY, RESIDENTIAL

	Q2 2024	Q2 2023
Theoretical rental income on residential units	3,749	3,620
Economic vacancy	-127	-146
Rental income on residential units	3,622	3,474
Economic occupancy, %	96.6	96.0

REAL ECONOMIC OCCUPANCY, RESIDENTIAL

	Q2 2024	Q2 2023
Theoretical rental income on residential units	3,749	3,620
Adj. for non-market vacancy	-64	-67
Economic vacancy - non-market economic	-63	-80
Adjusted theoretical rental income	3,685	3,553
Real economic occupancy, %	98.3	98.2

EQUITY RATIO

	Q2 2024	Q4 2023
Equity	142,477	137,929
Assets	368,595	367,008
Equity ratio, %	38.7	37.6

EBITDA

Last 12 months	Q2 2024	Q4 2023
Profit before unrealised fair value adjustment	10,637	9,670
Transaction cost from business combination	-2	5
Depreciation and amortisation	67	18
EBITDA	10,703	9,694

NET DEBT/EBITDA

Last 12 months EBITDA	Q2 2024	Q4 2023
Interest-bearing liabilities	193,306	188,942
EBITDA	10,703	9,694
Net debt / EBITDA, multiple	18.1	19.5

SECURED LOAN-TO-VALUE

	Q2 2024	Q4 2023
Interest-bearing secured liabilities	118,215	116,636
Total assets	368,595	367,008
Secured loan-to-value, %	32.1	31.8

Heimstaden AB Standalone

In this section the Heimstaden financials are included standalone to present the performance of the entity on an isolated basis. Standalone is defined as the management companies of Heimstaden Group as well as the Consolidated Statement of Financial Position of Heimstaden excluding the Consolidated Statement of Financial Position of any (partly) owned subsidiary-group, which includes Heimstaden Bostad AB.

Heimstaden Bostad AB Dividend Policy

Heimstaden Bostad has three share classes with economic rights, Share Class A, Share Class B and Common shares. Share Class A shares are entitled to quarterly dividends of 0.05% of the market value of Heimstaden Bostad's investment properties. Dividends on Share Class B are dependent on the Loan-to-Value and Return on Equity of Heimstaden Bostad. Owners of Common Shares are entitled to all additional possible dividend payments, subject to that Heimstaden Bostad maintains its financial policy, after owners of Share Class A and Share Class B shares have received their parts in full. Dividends are subject to approval by the General Meeting. More information on the dividend policy can be found in [Heimstaden Bostad's Articles of Association](#).

STANDALONE EARNINGS, LAST 12 MONTHS

SEK million	30 Jun 2024	31 Dec 2023	30 Jun 2023
Operating income ¹	743	739	780
Operating cost ¹	-582	-555	-536
Operating profit/loss¹	161	184	245
Share Class A dividend	–	673	673
Common dividend	–	1,648	1,648
Share Class B dividend ²	–	1,063	1,063
Dividends from Heimstaden Bostad	–	3,384	3,384
Other profit distribution	2,174	2,670	1,178
Adjusted earnings	2,335	6,239	4,807
Interest expense ¹	-612	-695	-859
Adjusted earnings after interest expense	1,723	5,544	3,948
Payments on hybrid securities	-585	-627	-459
Adjusted earnings after debt and hybrid instruments	1,138	4,917	3,489

¹ Operating Statement of Comprehensive Income of Heimstaden AB parent company and wholly-owned management companies.

² Only includes part that has been distributed in cash and not dividend set-off against the subscription price in new share issue.

DEBT AND RELEVANT ASSETS

SEK million	Q2 2024	Q4 2023	Q2 2023
Interest-bearing secured liabilities ¹	597	278	1,938
Interest-bearing unsecured liabilities ¹	9,697	9,974	13,096
Interest-bearing liabilities	10,294	10,252	15,033
Cash and cash equivalents ¹	-911	-1,216	-1,427
Net interest-bearing debt	9,383	9,036	13,606
Heimstaden Bostads net asset value	161,542	155,527	171,440
Equity attributed to Heimstaden Bostad's hybrid securities and non-controlling interests	37,945	38,422	40,631
Heimstaden Bostads adjusted net asset value	123,596	117,105	130,809
Heimstaden share of capital, %	35.6	34.8	37.5
Heimstaden share of capital	44,041	40,750	49,009
Investment properties ¹	1,408	1,115	6,893
Relevant assets	45,449	41,865	55,903

¹ Difference between Heimstaden and Heimstaden Bostad consolidated figures excluding deferred charges.

INTEREST COVERAGE RATIO

SEK million	30 Jun 2024	31 Dec 2023	30 Jun 2023
Adjusted earnings	2,335	6,239	4,807
Interest expense ¹	-612	-695	-859
Interest coverage ratio	3.8	9.0	5.6

¹ Operating Statement of Comprehensive Income of Heimstaden AB parent company and wholly-owned management companies.

NET LOAN-TO-VALUE

SEK million	Q2 2024	Q4 2023	Q2 2023
Net interest-bearing debt	9,383	9,036	13,606
Relevant assets	45,449	41,865	55,903
Net loan-to-value, %	20.6	21.6	24.3

Standalone Funding Overview

As at 30 June 2024, Heimstaden had outstanding senior unsecured bonds amounting to SEK 10,216 million, listed on Nasdaq Stockholm and Euronext Dublin.

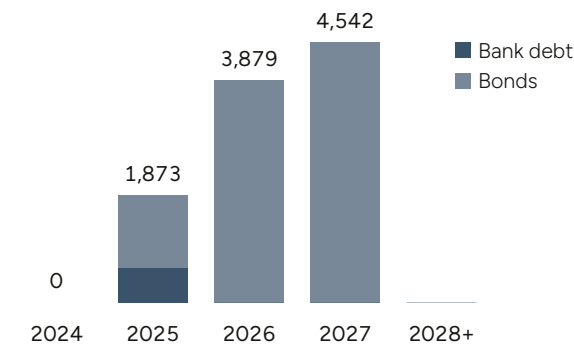
Maturity	Currency	Outstanding amount (millions)	Of which held on own book (millions)	Rating	Fixed/Floating	Coupon (bps)	Exchange	ISIN
2026-03-09	EUR	350	8	B+	Fixed	425	OMX Stockholm	SE0015657903
2027-03-06	EUR	400	–	B+	Fixed	438	OMX Stockholm	SE0016589105
Total EUR		750	8					

Maturity	Currency	Outstanding amount (millions)	Of which held on own book (millions)	Rating	Fixed/Floating	Coupon (bps)	Exchange	ISIN
2025-04-14	SEK	500	134	N/A	Floating	874	Euronext Dublin	XS2469914308
2025-10-15	SEK	1,200	290	B+	Floating	772	OMX Stockholm	SE0014991352
Total SEK		1,700	424					

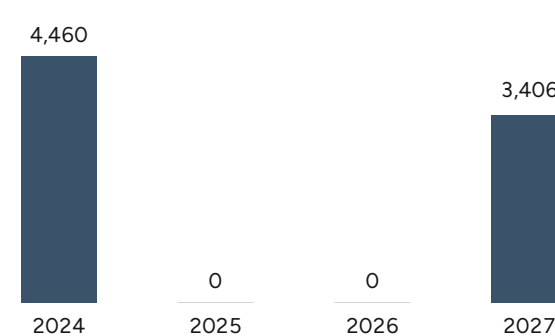
As at 30 June 2024, Heimstaden had SEK 7,906 million perpetual hybrid bond outstanding, listed on Nasdaq Stockholm.

First Call Date	First Reset Date	Currency	Outstanding amount (millions)	Of which held on own book (millions)	Rating	Fixed/floating	Coupon (bps)	Exchange	ISIN
2026-10-15	2027-01-15	EUR	300	–	CCC+	Variable	675	OMX Stockholm	SE0016278352
2024-10-11	2024-10-11	SEK	4,500	40	CCC	Floating	991	OMX Stockholm	SE0012455111

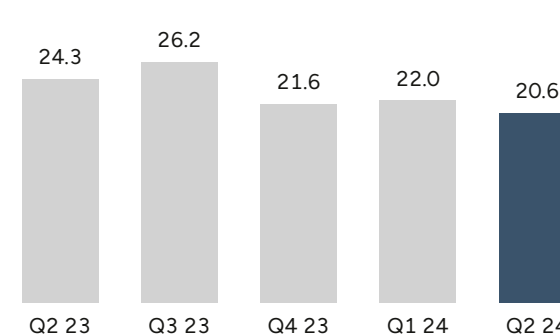
MATURITY PROFILE
SEK million



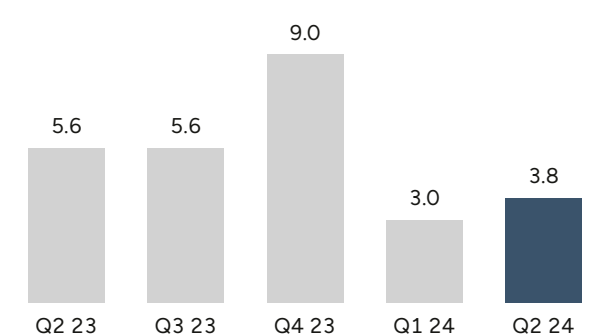
HYBRID BOND RESET DATE
SEK million



NET LOAN-TO-VALUE
%



INTEREST COVERAGE RATIO
multiple



Financial Calendar

Q3 2024 Report	25 October 2024
2024 Annual Report	28 February 2025
Q1 2025 Report	6 May 2025
Q2 2025 Report	22 August 2025
Q3 2025 Report	28 October 2025
2025 Annual Report	27 February 2026

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This information is such that Heimstaden AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact persons at 08:00 CET on 16 August 2024.

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