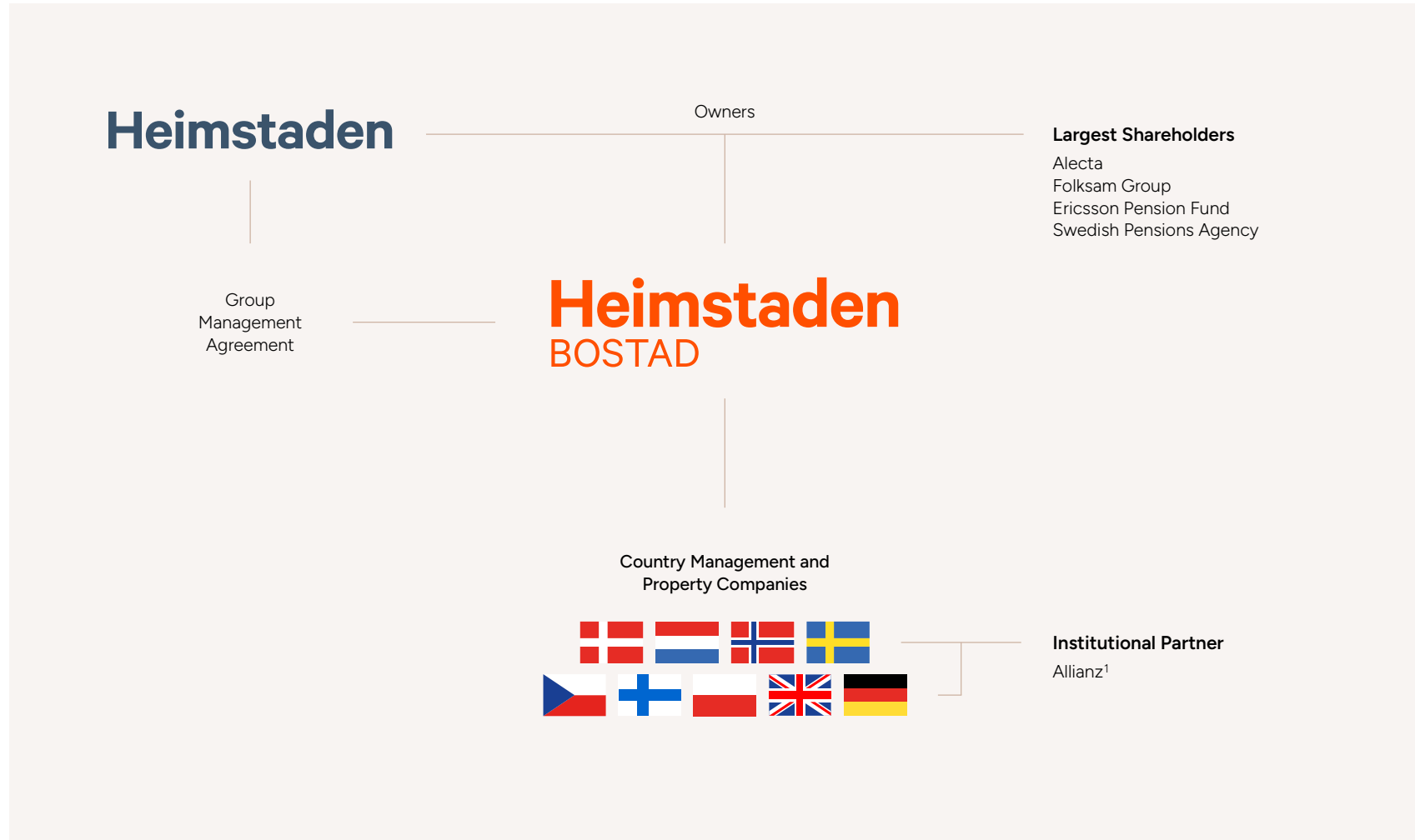




## Contents

Highlights	3
Letter from the Leadership	4
Quarterly Review	7
Financial Information	28
Consolidated Financial Statements	28
Parent Company Financial Statements	44
Auditor's review report	47
Alternative Performance Measures	48

Cover photo: Isbjergget, Aarhus, Denmark  
 Credit: Heimstaden Bostad



<sup>1</sup> Heimstaden Bostad/Allianz partnership owning part of the Swedish and German portfolio. Consolidated as Group companies.

# 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 71.5% (69.0%) and the LTM NOI margin was 68.4% (66.0%)
- NOI growth offset slightly expanding yields, leading to a 0.4% (-2.1%) increase in property values
- Rental income at SEK 3,938 million (3,707) and like-for-like rental growth of 5.1% (5.6%)
- Real economic occupancy of 98.3% (98.1%)
- Net LTV of 55.6% (54.4%) and ICR of 2.0x (2.5x)
- S&P-defined LTV of 58.2% (56.6%) and S&P-defined ICR of 1.6x (2.1x)
- In July, signed EUR 725 million secured loan with seven-year tenor in the Netherlands

## 5.1%

Like-for-like rental growth

## 68.4%

NOI margin (LTM)

## 98.3%

Real economic occupancy

## 2.8 billion

Privatisation total sales (YTD), SEK

## KEY FIGURES

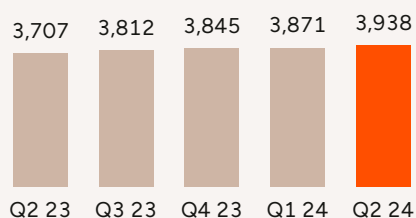
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
<b>Financials</b>						
Rental income	SEK m	3,938	3,871	7,810	3,707	7,317
Growth y-o-y	%	6.2	7.2	6.7	19.4	19.6
Net operating income	SEK m	2,815	2,570	5,385	2,556	4,899
Net operating income margin	%	71.5	66.4	69.0	69.0	66.9
Capital expenditures	SEK m	1,477	757	2,234	1,900	3,890
<b>Portfolio Metrics</b>						
Fair value of investment properties	SEK m	329,951	330,703	329,951	339,736	339,736
Fair value change	%	0.4	0.8	1.1	-2.1	-5.8
Homes	Units	162,960	162,346	162,960	160,517	160,517
Real economic occupancy, residential	%	98.3	98.3	98.3	98.1	98.1
Like-for-like rental income growth <sup>1</sup>	%	5.1	5.6	5.4	5.6	5.2
<b>Credit Metrics</b>						
Net loan-to-value (Net LTV) <sup>2</sup>	%	55.6	56.3	55.6	54.4	54.4
Net debt / Net debt + Equity, S&P method	%	58.2	58.6	58.2	56.6	56.6
Net debt / Total assets	%	49.9	50.4	49.9	47.7	47.7
Interest Coverage Ratio (ICR) <sup>2</sup>	Multiple	2.0	1.9	2.0	2.5	2.5
Interest Coverage Ratio, S&P method	Multiple	1.6	1.6	1.6	2.1	2.1

<sup>1</sup> 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 Bostad.

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

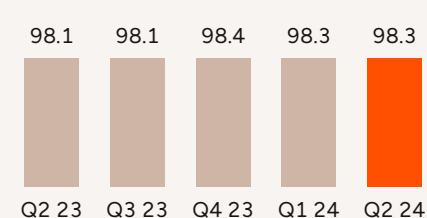
## RENTAL INCOME

SEK million



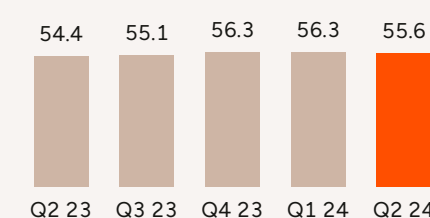
## REAL ECONOMIC OCCUPANCY

%



## NET LOAN-TO-VALUE

%



# Letter from the Leadership

The first half of 2024 marked a significant recovery for residential real estate. Although interest rate cuts have progressed slower than expected, the downward trend is clear, bringing a sense of relief to the industry. The residential segment continues to demonstrate remarkable resilience during uncertain times. We believe the prospects for rental growth and intrinsic value of homeownership will dominate, leaving the decline in capital values behind us.

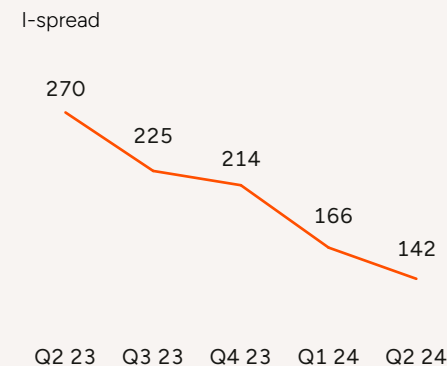
Inflation data indicates the targets defined by central banks remain within reach, but wage growth raises concerns about potential inflation reacceleration. These factors have delayed and reduced anticipated rate cuts by the FED and ECB for 2024, pushing up the interest rate curve. Although 2024 transaction volumes have increased from the lows of 2023, they fell short of

market expectations, further fuelling scepticism about the recovery's strength.

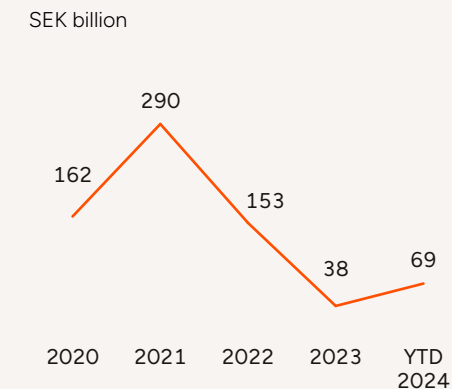
Key differences exist between the drivers of the moderate transaction volumes YTD in 2024 and 2023. In 2023, market uncertainty around inflation normalisation and its impact on interest rates led buyers to demand higher risk premiums. Consequently, bid-ask spreads were significant, with buyers being opportunistic and most sellers only motivated to sell if forced to address refinancing risks.

In 2024, the market dynamics have shifted. Buyers are more constructive, with the opportunistic bidding from 2023 proving unable to unlock any quality residential opportunities. Sellers are less motivated to divest due to diminished refinancing risks and ongoing value recovery as the interest

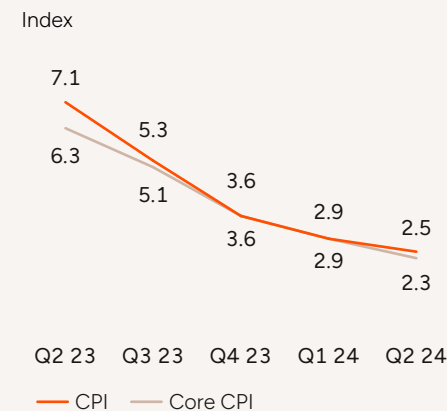
REAL ESTATE SPREADS



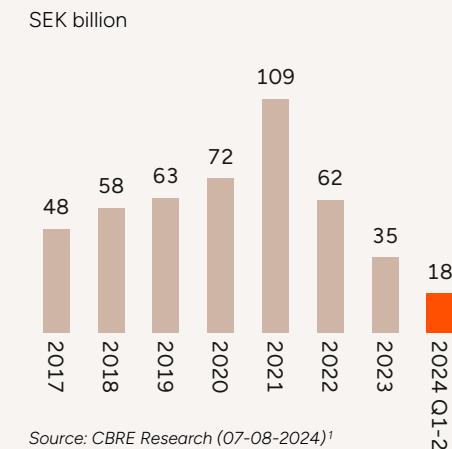
REAL ESTATE BOND ISSUANCE



CPI AND CORE CPI



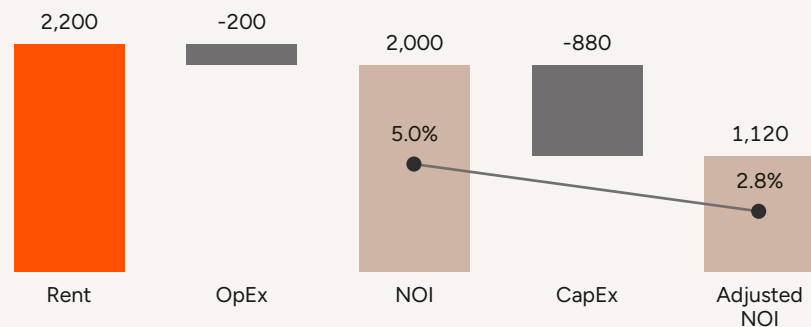
RESIDENTIAL TRANSACTION VOLUMES



Source: CBRE Research (07-08-2024)<sup>1</sup>

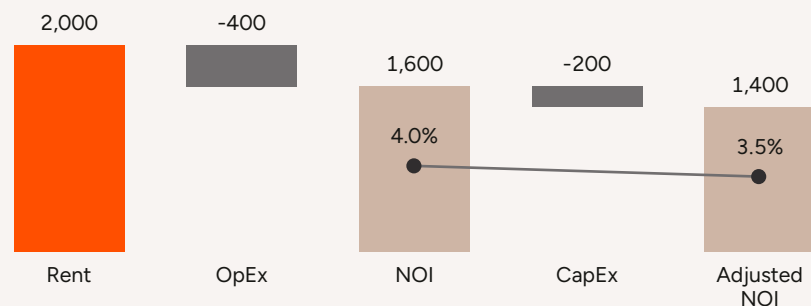
<sup>1</sup> Graph prepared using source data provided by CBRE on a non-reliance basis and for information purposes only. You may not rely on the data for any purpose whatsoever and CBRE shall not be liable for any loss or damage (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this data.

**ADJUSTED NOI FOR OFFICE SPACES WITH A 5% YIELD**



*Assumes an average tenancy period of 10 years for office tenants and that 3 years of rent are to be used for tenancy fitouts to accommodate requirements of a new tenant.*

**ADJUSTED NOI FOR RESIDENTIAL REAL ESTATE WITH A 4% YIELD**



*Assumes a residential unit will have to be upgraded every 20 years, in addition to ordinary maintenance already included in OpEx provisions, to maintain its ability to capture indexed market rents. Such upgrade is assumed to amount to 2 years of rent.*

rate cutting cycle becomes clearer. The focus has shifted from addressing refinancing risks at any cost to protecting shareholders who should take part in the value recovery.

**The Importance of Quality of Earnings**

Yield is the most topical metric in real estate investing, reflecting the income return relative to valuation and offering a straightforward interpretation. However, this metric has nuances that are not directly observable. While a higher yield dictates a higher income return, it does not capture the viability, or risk of maintaining that income return.

Assets with higher rental growth prospects may justify a lower yield requirement, while those with higher vacancy risks may require a higher yield. Similarly, an asset’s liquidity significantly influences its risk premium and therefore should impact the yield requirement. In recent years, there has been an exaggerated focus on in-place income returns over the potential for sustained rent growth and the sustainability of in-place income. Yields are most useful when income returns are stable, and risks can be reasonably reflected through ordinary risk premium assessments. However, binary events with large impacts may be materially understated if aimed to be captured in a yield premium.

For years, commercial real estate (CRE), especially the retail and office sectors, have shown that yields often fail to capture the associated nuances and risks. Particularly the rate of asset obsolescence is increasing and the likelihood of binary events with the potential for material impact have increased as a result. A passing yield of 5-7% offers little comfort, especially if substantial capex is required every decade to maintain occupancy while facing the risk of negative rent reversion.

Several CRE transactions have highlighted these dynamics, with shopping centres trading 30% below acquisition prices from two decades ago and office buildings trading more than 50% below recent acquisition pricing. For an asset class expected to offer stable returns and inflation protection, this is a brutal reading and something any real estate investor, whether in debt or equity, must fully digest.

**Sector Divergence is Happening Quickly**

A year ago, focus was on US offices and their continuing low utilisation rates post-COVID, causing immediate concern over structural risks. Initially perceived as a US-specific issue, similar trends are now emerging in Europe. While less severe than in the US, it is apparent that a large part of the European office sector faces similar structural risks, where the intrinsic property value

may largely derive from the building rights associated with the site. Retail has long faced disfavour with low liquidity and ongoing repricing, whereas offices dealing with these structural issues are in their early phases.

The shift in real estate portfolio compositions is clear from surveys of institutional investors and transaction data, with residential properties receiving growing target allocations and market share. We believe this trend will persist and strengthen, recognising that reallocation away from sectors with moderate liquidity will be a gradual process spanning several years.

**Housing Prices Set to Gain Further Momentum**

Credit investors often question the sustainability of residential capital values when yields show no clear yield gap. The significant yield gap of the past decade was exceptional and tied to an unusually low inflationary environment, where low rental growth prospects coincided with low nominal interest rates. In more normal inflationary and interest rate conditions, yield gaps were moderate or negative during periods of high inflation, reflecting higher rental growth prospects aligned with higher nominal interest rates targeted to controlling inflation. Despite this, the past decade has seen a prevailing "There Is

No Alternative" (TINA) mindset, leading many to evaluate residential real estate based on short-term fixed income merits rather than fundamental value drivers.

Residential real estate stands out due to its intrinsic value as ownership housing, offering characteristics beyond being just an investment asset. Basic human needs like housing create price dynamics driven not merely by investment logic but also by affordability, given limited and inelastic supply.

Surprising to many, housing prices have only been temporarily affected by increased interest rates. Following the financial crisis, stricter credit policies such as prudent down payment and debt-to-income requirements were implemented, mitigating the influence of the decade-long zero-interest rate environment on residential price escalation. Consequently, residential prices have become less responsive to interest rates and more reliant on supply-demand dynamics, signalling a sustained upward trajectory.



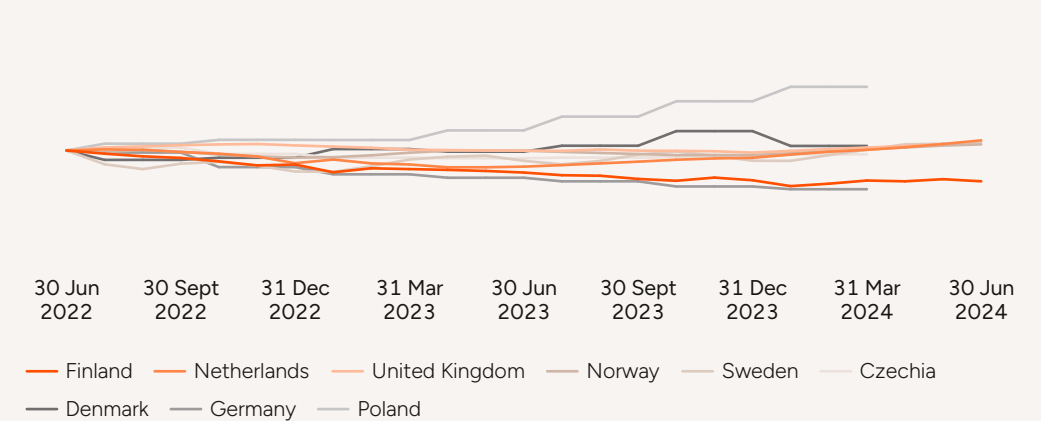
Helge Krogsbøl  
Co-CEO



Christian Fladeland  
Co-CEO

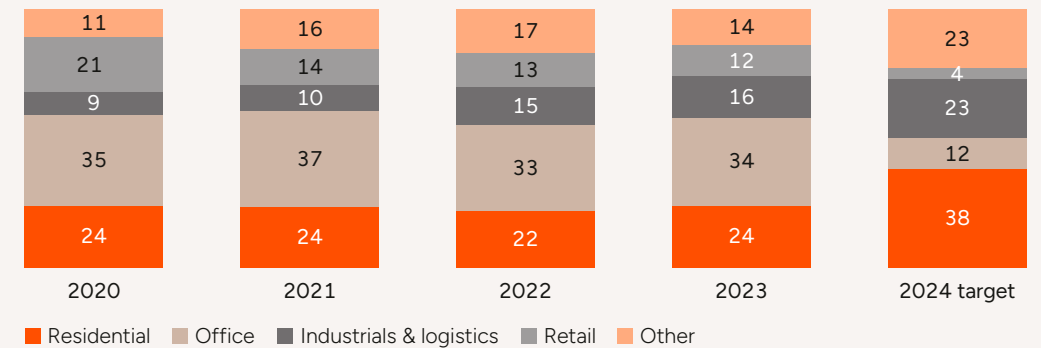
**OWNER-OCCUPIED HPI DEVELOPMENT**

Index



**TRANSACTION VOLUMES ACROSS SECTORS<sup>1</sup>**

%



<sup>1</sup> Source data: INREV. Provided on a non-reliance basis.

# Quarterly Review

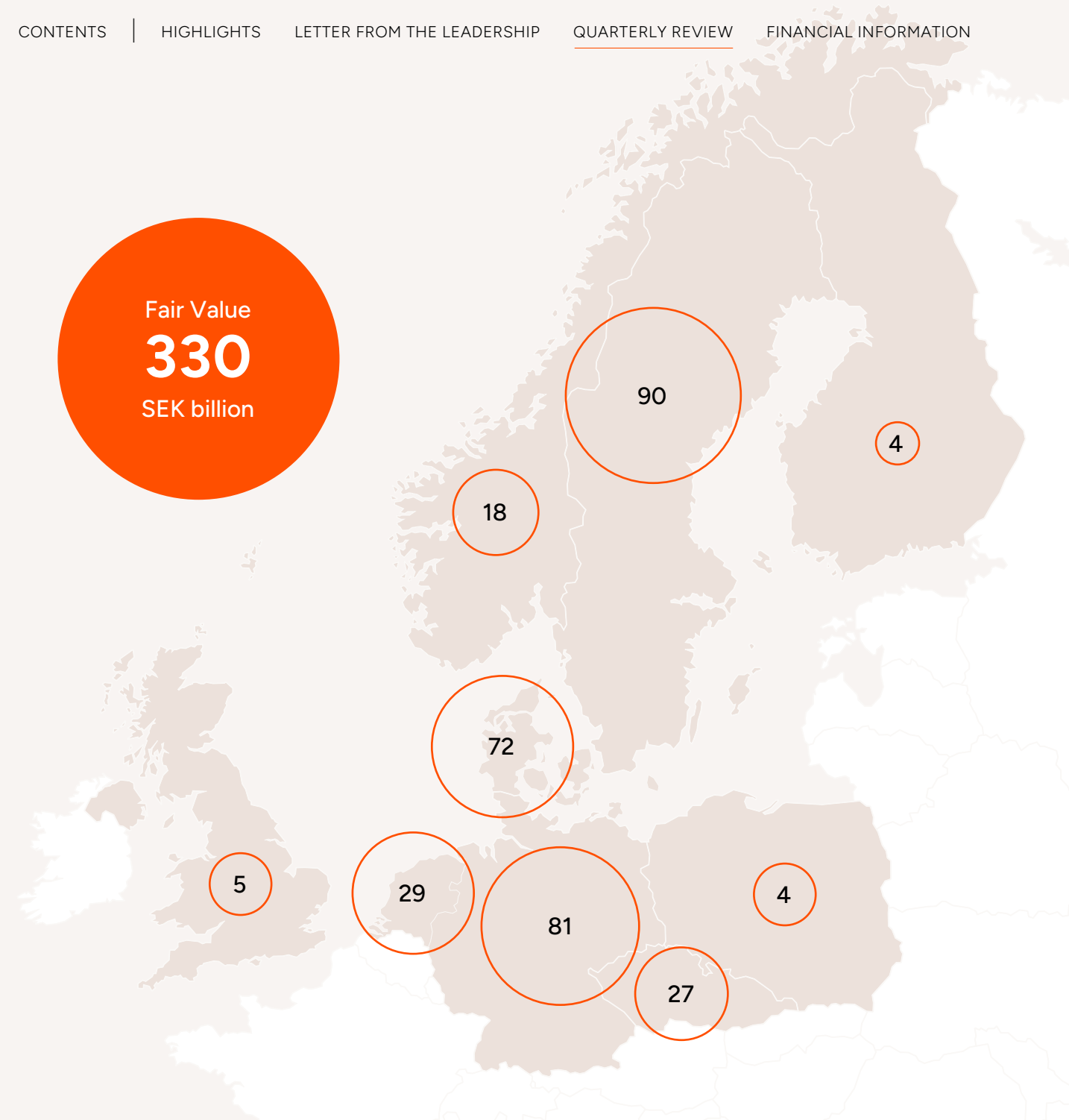
Country	Fair Value, SEK million	Homes, units <sup>1</sup>	Fair Value /sqm, SEK <sup>1</sup>	Residential <sup>2</sup> , %	Regulated Income <sup>3</sup> , %	Real Economic Occupancy, %
Sweden	90,128	47,114	26,940	90.4	100.0	98.9
Germany	80,805	29,705	40,495	91.0	100.0	99.7
Denmark	72,306	20,912	36,036	94.5	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
<b>Total</b>	<b>329,951</b>	<b>162,960</b>	<b>28,569</b>	<b>92.6</b>	<b>57.8</b>	<b>98.3</b>

<sup>1</sup> Standing assets

<sup>2</sup> Based on fair value

<sup>3</sup> Residential income

Fair Value  
**330**  
SEK billion



## Operational Review

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

### Income

Rental income increased by 6.2% to SEK 3,938 million (3,707), mainly driven by annual indexations, rent reversion upon tenant churn, and the delivery of new assets in the portfolio. About 92% (92%) or SEK 3,618 million (3,401) was derived from residential rents with the remaining 8% consisting of commercial, garage/parking, and other rents. YTD rental income grew by 6.7% to SEK 7,810 million (7,317).

Like-for-like rental income growth amounted to 5.1% (5.6%) and the comparable portfolio reflected in the like-for-like development comprised 94% of total rental income. This is the third quarter that Heimstaden Bostad'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
	Lfl (%)	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	6.1	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
<b>Total</b>	<b>5.1</b>	<b>2.3</b>	<b>5.6</b>	<b>5.6</b>	<b>4.2</b>	<b>5.6</b>

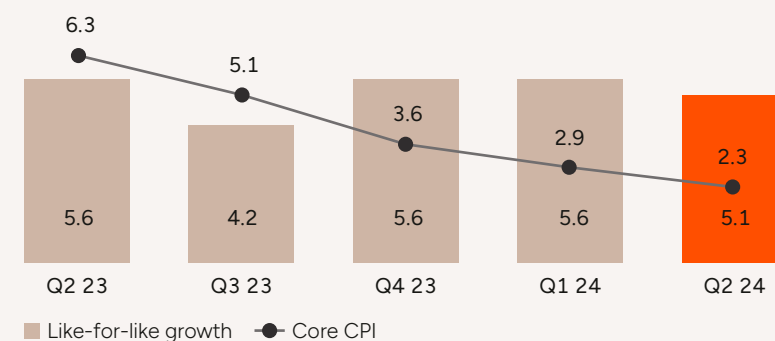
### RENTAL INCOME

SEK million



### LIKE-FOR-LIKE RENTAL GROWTH

Year-on-year, %





**Real Economic Occupancy**

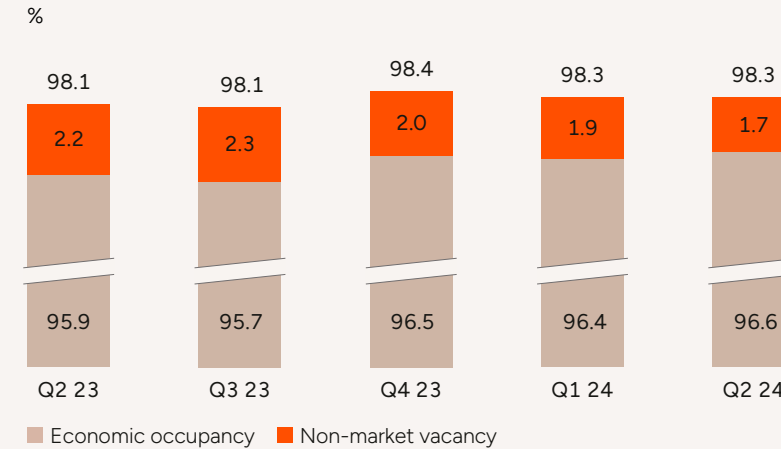
Real economic occupancy improved to 98.3% (98.1%). We expect occupancy to remain strong through the remainder of the year with structural vacancy below 2%.

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
<b>Total</b>	<b>98.3</b>	<b>98.3</b>	<b>98.4</b>	<b>98.1</b>	<b>98.1</b>

**REAL ECONOMIC OCCUPANCY RESIDENTIAL**



### Property Expenses

Total property expenses decreased to SEK 1,518 million (1,565), driven mainly by general cost control measures previously established. Utility costs decreased to SEK 478 million (490). 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 0.7% to SEK 3,325 million (3,348) due to cost control measures.

Expenditure for repair and maintenance decreased to SEK 177 million (194) and property and facility management decreased to SEK 588 million (615), both due to the previously mentioned cost control measures.

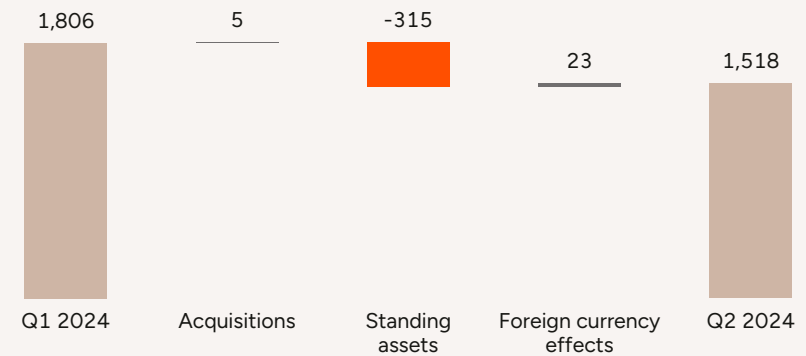
### Net Operating Income

Net operating income improved to SEK 2,815 million (2,556), resulting in a quarterly net operating income margin of 71.5% (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 68.4% (66.0%).

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
	%	%	%	%	%
LTM	68.4	67.7	67.4	66.2	66.0
Quarterly	71.5	66.4	66.0	69.6	69.0

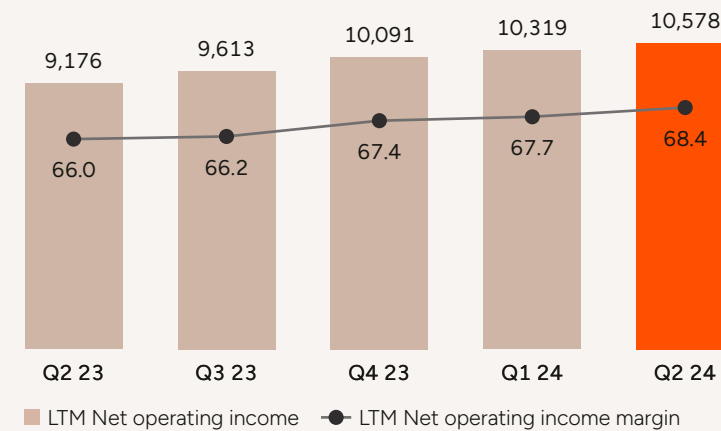
### PROPERTY EXPENSES

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 1,070 million (1,401), corresponding to 0.32% of fair value (0.41%). Investments in properties under construction, excluding forward purchase contracts, amounted to SEK 623 million (733) as the number of homes under construction decreased to 1,971 (3,155). 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 793 units in 2025.

#### CAPITAL EXPENDITURES

SEK million	Q2 2024	YTD 2024	Q2 2023	YTD 2023
Capitalised cost on standing assets	854	1,497	1,167	2,217
Investment properties under construction	623	737	733	1,672
<b>Capital expenditures</b>	<b>1,477</b>	<b>2,234</b>	<b>1,900</b>	<b>3,890</b>

Heimstaden Bostad allocates capital expenditure to non-recurring projects aimed at upgrading, extending, or improving the quality and lifetime of existing assets across four main pillars: 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	342	571	288	588
Sustainability	154	177	91	171
Tenant improvement	278	503	453	909
Value-add	66	137	335	545
<b>Total<sup>1</sup></b>	<b>840</b>	<b>1,387</b>	<b>1,167</b>	<b>2,214</b>

<sup>1</sup> 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	
	% <sup>1</sup>	SEK million	% <sup>1</sup>	SEK million	% <sup>1</sup>	SEK million	% <sup>1</sup>	SEK million
Sweden	0.3	228	0.4	378	0.4	379	0.8	745
Germany	0.3	236	0.6	473	0.2	198	0.4	400
Denmark	0.1	87	0.2	134	0.2	121	0.3	201
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	–	–	–	–	–	–	–	–
Poland	–	–	–	–	–	–	–	–
Finland	0.4	15	1.2	43	1.1	41	1.5	59
<b>Total</b>	<b>0.3</b>	<b>854</b>	<b>0.5</b>	<b>1,497</b>	<b>0.3</b>	<b>1,167</b>	<b>0.6</b>	<b>2,217</b>

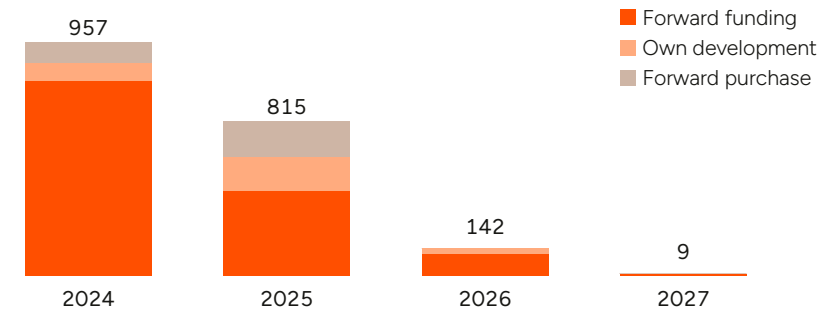
<sup>1</sup> Capital expenditure on standing assets in relation to investment properties

### Outstanding Commitments

For the quarter, Heimstaden Bostad 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	–	–	–	–
<b>Total</b>	<b>376</b>	<b>756</b>	<b>588</b>	<b>44</b>

### 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	–	–	11	–
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	–	–	–	–
<b>Total</b>	<b>2,813</b>	<b>7,102</b>	<b>1,924</b>	<b>337</b>

### 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% 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.

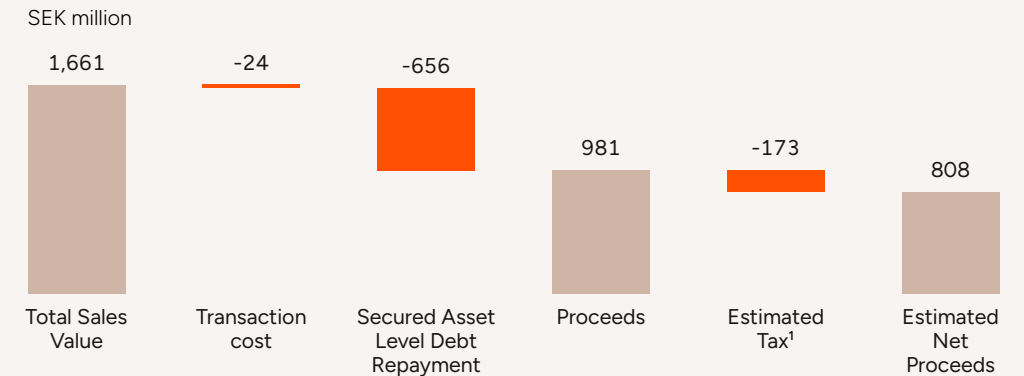
Net proceeds, which represent the total revenue generated from sold units after deducting transaction costs, repayment of secured asset-level debt, and taxes payable or deferred upon sale, was SEK 808 million in the quarter. Estimated proceeds for the sold units in the quarter is presented in the waterfall.

Net gains from divestment of properties were SEK 638 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 was held for sale in the Netherlands and Denmark, respectively SEK 657 million and SEK 448 million.

### ESTIMATED DEBT REPAYMENT SINCE PROGRAMME INCEPTION

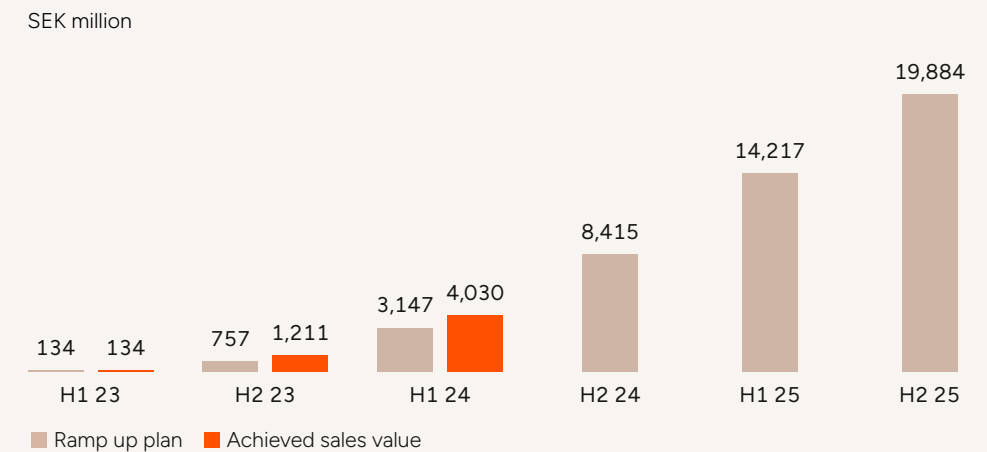
SEK million	
Total sales value	4,030
Reporting value	3,098
Gross premium	932
Gross premium %	30.1%
Total sales value	4,030
Less: Investment	2
Less: Transaction costs	59
Less: Secured debt repayment	1,624
Less: Estimated tax	435
<b>Net proceeds</b>	<b>1,909</b>
<b>Net proceed ratio</b>	<b>47.4%</b>
<b>Total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

### ESTIMATED Q2 NET PROCEEDS WATERFALL



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

### CUMULATIVE TOTAL SALES VALUE DEVELOPMENT<sup>1</sup>



<sup>1</sup> 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 Properties<sup>1</sup>

Net gains from fair value adjustments on investment properties were SEK 1,249 million (-7,351) 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% (3.41%). 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 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

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

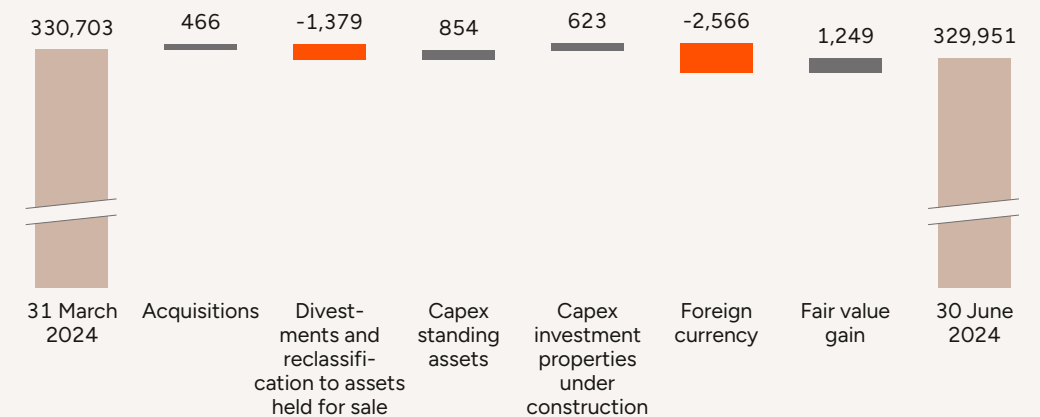
movements in England and Scotland respectively. The entire portfolio is reviewed by external valuers each quarter.

#### AVERAGE YIELD REQUIREMENTS

%	Q2 2024	Q2 2023
Sweden	3.54	3.17
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
<b>Total</b>	<b>3.67</b>	<b>3.41</b>

#### FAIR VALUE DEVELOPMENT

SEK million



#### COUNTRY FAIR VALUE DEVELOPMENT

SEK million and %

	Q2 2024		YTD 2024	
	%	SEK million	%	SEK million
Sweden	0.1	77	0.0	19
Germany	-0.7	-548	-0.7	-598
Denmark	0.2	141	0.1	37
Netherlands	4.2	1,175	8.1	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
<b>Total</b>	<b>0.4</b>	<b>1,249</b>	<b>1.1</b>	<b>3,736</b>

## Financial Review

### Interest Expenses

Interest expenses were SEK 1,476 million (1,202), reflecting an all-in average interest rate of 3.02% (2.48%), excluding hybrid bonds. On a quarter-over-quarter basis, the average interest rate increased to 3.02% from 2.89% which was driven by movements in our hedge position. The interest coverage ratio for the last 12 months was 2.0x (2.5x).

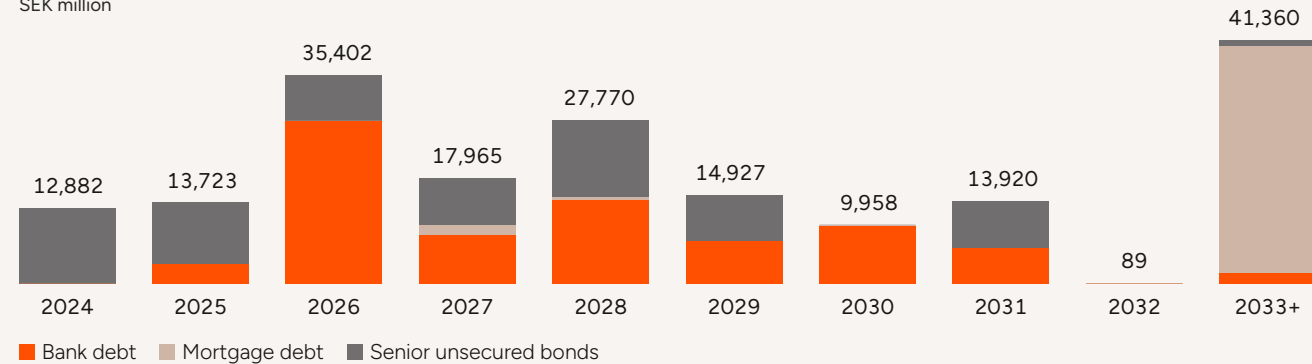
Heimstaden Bostad continues to focus on local asset-backed financing as capital markets remain uncompetitive to alternative funding sources. With presence in nine countries, our portfolio diversification allows for access to attractive funding and we continue to have good access to the bank financing 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 Bostad 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 -1,537 million (7,246), which was partially offset by SEK 877 million in foreign exchange gain (-3,296).

### INTEREST BEARING DEBT MATURITY

SEK million



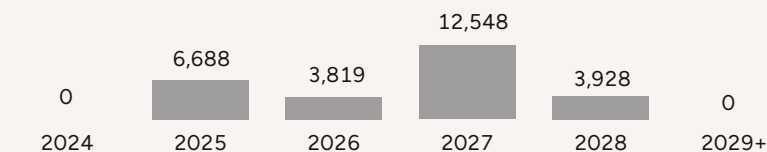
### INTEREST BEARING DEBT MATURITY BY TYPE

SEK million

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+	Total
Senior Unsecured bonds	12,882	10,420	7,745	8,143	13,111	7,695	–	7,947	–	1,135	69,077
Mortgage debt	–	–	–	1,546	402	35	121	–	89	38,464	40,656
Bank debt	–	3,303	27,657	8,276	14,257	7,197	9,837	5,973	–	1,761	78,261
<b>Total</b>	<b>12,882</b>	<b>13,723</b>	<b>35,402</b>	<b>17,965</b>	<b>27,770</b>	<b>14,927</b>	<b>9,958</b>	<b>13,920</b>	<b>89</b>	<b>41,360</b>	<b>187,995</b>

### HYBRID BONDS RESET DATES<sup>1</sup>

SEK million



<sup>1</sup> Net of which held on own book.

## FINANCIAL POLICY

		Policy	Q2 2024
ICR, rolling 12 months, S&P method	Multiple	≥ 1.8	1.6
Net Debt / Net Debt + Equity, S&P method	%	≤ 60	58.2
Average Loan Tenor	Years	≥ 4	7.8
Loan Maturity in Individual Year	%	≤ 25	19
Share of Loans From Individual Lender	%	≤ 20	7.9
Interest Rate Hedge Ratio	%	≥ 75	88
Liquidity ratio	Multiple	≥ 1.25	1.4

## Cash Flow

SEK million	Q2 2024	YTD 2024	Q2 2023	YTD 2023
Operating activities	2,296	3,652	546	2,368
Investing activities	-1,561	-2,882	-2,155	-4,764
Financing activities	-656	-8,665	1,274	1,027
<b>Change</b>	<b>79</b>	<b>-7,895</b>	<b>-336</b>	<b>-1,369</b>
Period opening balance - Cash and cash equivalents	3,251	11,276	8,344	9,385
Currency effects	208	157	234	226
<b>Closing balance - Cash and cash equivalents</b>	<b>3,537</b>	<b>3,537</b>	<b>8,242</b>	<b>8,242</b>

Cash generated from operations was SEK 3,976 million (1,528). Interest and taxes paid in period was SEK -1,680 million (-983) resulting in a net cash flow from operating activities of SEK 2,296 million (546). The main difference between operating profit and cash generated from operations was fair value adjustments on investment properties of SEK 1,249 million (-7,351) and proceeds net of direct transaction cost from divestments of properties of SEK 1,661 million (35).

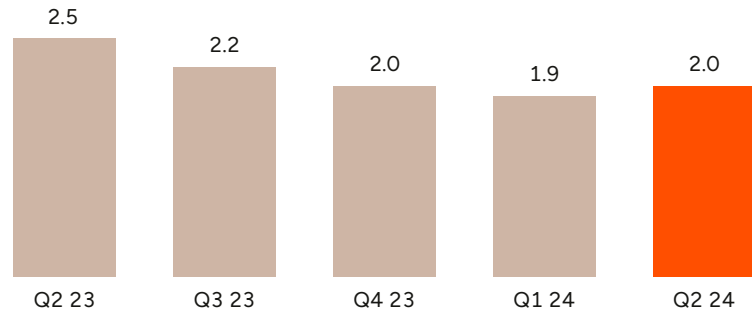
Cash flow from investing activities was SEK 1,561 million (-2,155) and included capital expenditures on investment properties of SEK -1,416 million (-1,918) and acquisition of investment properties of SEK -34 million (-143) mainly related to payments in Poland.

Cash flow from financing activities was negative by SEK -656 million (1,274), foremost due to repayment of an RCF of SEK 800 million. The cash position of the Group at the balance sheet date was SEK 3,537 million (8,242). In addition to cash-on-hand, the Company also has unutilised credit facilities of SEK 21,025 million.

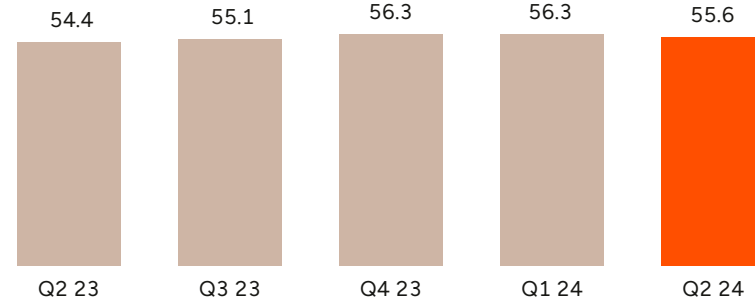


# Credit Metrics

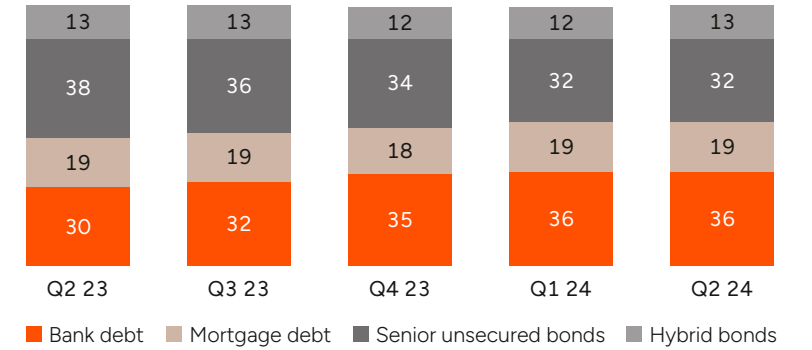
**INTEREST COVERAGE RATIO**  
multiple



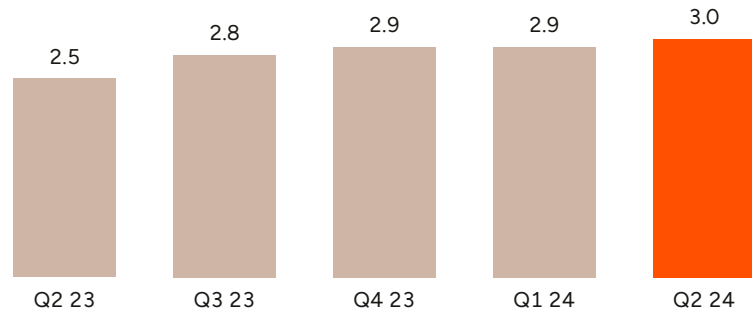
**NET LOAN-TO-VALUE**  
%



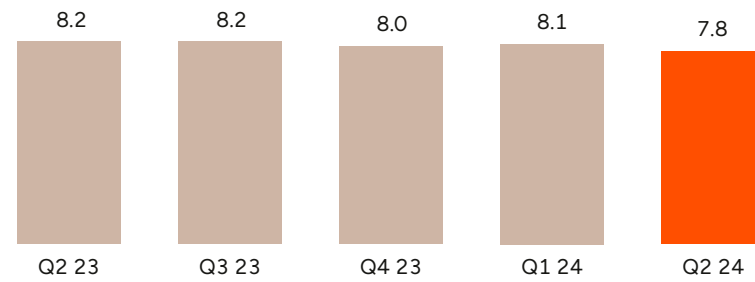
**FUNDING DISTRIBUTION**  
%



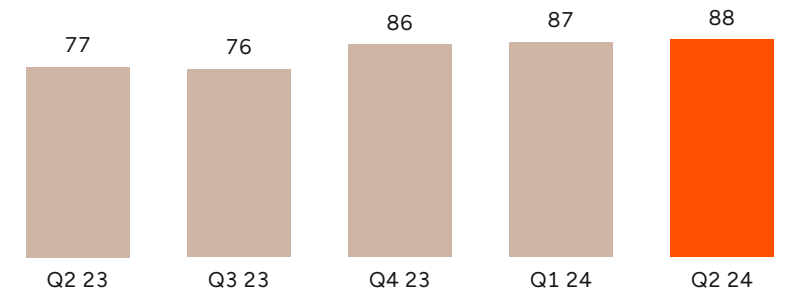
**AVERAGE INTEREST RATE**  
%



**AVERAGE LOAN TENOR**  
%



**INTEREST RATE HEDGE RATIO**  
%



## Portfolio Performance

## Sweden

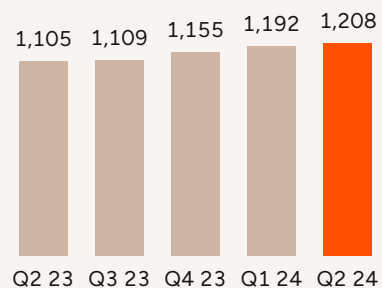
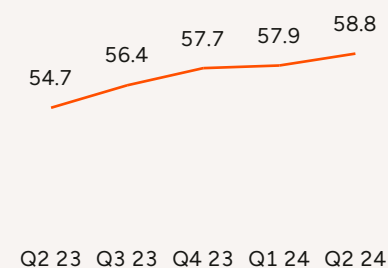
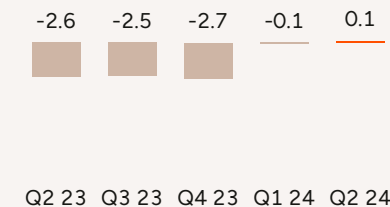
Rental income increased by 9.3% to SEK 1,208 million (1,105) with residential rents comprising 87% (87%). Like-for-like rental income growth amounted to 5.0% (5.4%) and the comparable like-for-like portfolio comprised 94% of total rental income. Rental growth is driven by annual negotiations with local tenant associations and business plan execution including value-add capex such as apartment upgrades and reflected in the like-for-like rental performance observed in H1 24. The 2024 negotiations are completed and support the recent like-for-like performance seen in Q1 and Q2. Looking ahead, we will benefit from two-year agreements from 2024 with rent indexations between 4.5-5.0%, projecting growth compared to inflation hereon.

Real economic occupancy stood at 98.9% (99.3%). The Swedish portfolio targets regions with a fundamental supply-demand imbalance, attractive micro-locations, and affordable rents. This is reflected through a steady high occupancy level and strong rental growth.

Fair value adjustments on investment properties were SEK 77 million (-2,438) corresponding to 0.1% (-2.6%) change in fair value. The recent stable trends in fair value for both Q1 2024 (-0.1%) and Q2 were primarily driven by strong rental growth and declining core inflation in combination with yield stabilisation, following certainty that Riksbanken is to enter an interest rate cutting cycle.

		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	1,208	1,192	2,399	1,105	2,184
Net operating income	SEK m	767	618	1,385	666	1,207
Net operating income margin	%	63.5	51.9	57.7	60.3	55.3
Like-for-like rental income growth	%	5.0	6.8	5.9	5.4	4.3
Real economic occupancy	%	98.9	98.9	98.9	99.3	99.2
Fair value of investment properties	SEK m	90,128	89,448	90,128	92,695	92,695
Fair value change	SEK m	77	-58	19	-2,438	-5,599
Fair value change	%	0.1	-0.1	0.0	-2.6	-5.7
Capital expenditures	SEK m	616	6	622	679	1,437
Average valuation yield requirement <sup>1</sup>	%	3.5	3.4	3.5	3.2	3.2
Acquisitions	SEK m	–	238	238	–	24

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

RENTAL INCOME  
SEK millionNET OPERATING INCOME MARGIN  
Last twelve months, %FAIR VALUE CHANGE  
%

# Germany

Rental income increased by 5.6% to SEK 704 million (666) with residential rents comprising 90% (90%). Like-for-like rental income growth amounted to 5.7% (5.3%) and the comparable like-for-like portfolio comprised 99% of total rental income. Rental growth is driven by reversion to market rent upon tenant churn and tenant improvements, as well as a combination of contractual indexations based on CPI and unit-specific increases with reference to public rent tables for existing tenancies. As a result, rental growth in Germany accrues gradually over time rather than at any specific point in the year. Looking ahead, rental growth will be moderated by the cooling of German CPI to 2.2% year-on-year as of June 2024.

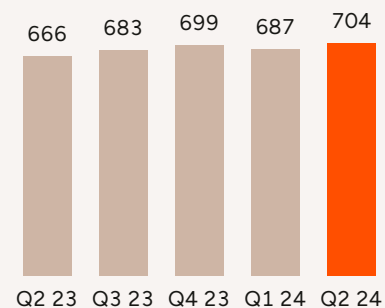
Real economic occupancy stood at 99.7% (98.8%). The portfolio is concentrated in Berlin and Hamburg, which both suffer from fundamental supply-demand imbalances and traditionally low vacancy.

Fair value adjustments on investment properties were SEK -548 million (-3,656) corresponding to -0.7% (-4.0%) change in fair value. Fair value is stabilising due to strong rental growth offsetting yield expansion, which has slowed down to about 5-10 bps in recent quarters.

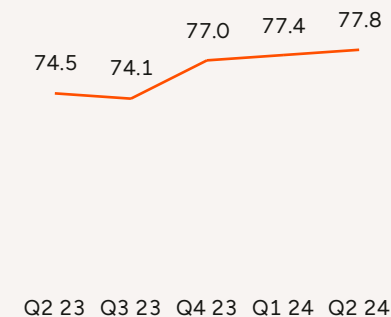
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	704	687	1,390	666	1,311
Net operating income	SEK m	547	545	1,092	507	1,009
Net operating income margin	%	77.8	79.3	78.6	76.0	77.0
Like-for-like rental income growth	%	5.7	5.2	5.5	5.3	5.4
Real economic occupancy	%	99.7	99.7	99.7	98.8	99.0
Fair value of investment properties	SEK m	80,805	82,223	80,805	88,102	88,102
Fair value change	SEK m	-548	-50	-598	-3,656	-9,845
Fair value change	%	-0.7	-0.1	-0.7	-4.0	-10.1
Capital expenditures	SEK m	236	237	473	198	400
Average valuation yield requirement <sup>1</sup>	%	2.9	2.9	2.9	2.6	2.6
Acquisitions	SEK m	–	–	–	–	–

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

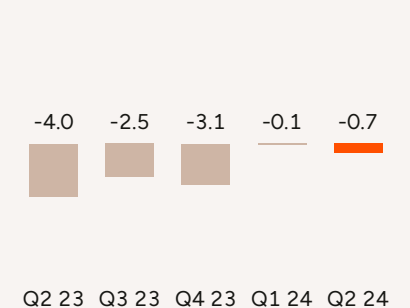
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



# Denmark

Rental income increased by 3.4% to SEK 903 million (873) with residential rents comprising 92% (93%). Like-for-like rental income growth amounted to 3.2% (1.0%) and the comparable like-for-like portfolio comprised 92.5% of total rental income. Rental growth is supported by the low activity in the construction sector with a limited number of new residential constructions being completed.

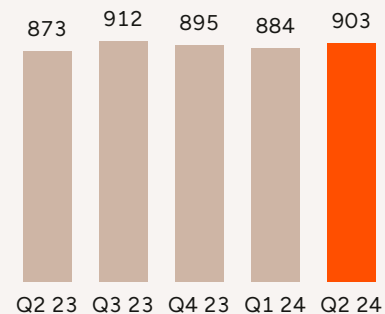
Real economic occupancy stood at 97.9% (96.9%). The improved level is a result of the operational focus on delivering affordable housing opportunities in an undersupplied market, as well as a concerted effort to improve occupancy, and an approximately 10% decrease in churn rates compared to previous year.

Fair value adjustments on investment properties were SEK 141 million (-568) corresponding to 0.2% (-0.7%) change in fair value. The fair value development is primarily driven by stabilising yields which has been supported by external transactions. At the same time, ownership housing values keep increasing and rental values remain stable supporting fair values.

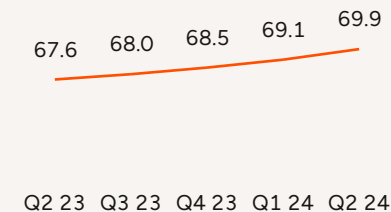
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	903	884	1,787	873	1,732
Net operating income	SEK m	654	607	1,261	605	1,173
Net operating income margin	%	72.4	68.6	70.5	69.3	67.7
Like-for-like rental income growth	%	3.2	3.2	3.2	1.0	1.2
Real economic occupancy	%	97.9	97.6	97.7	96.9	96.7
Fair value of investment properties	SEK m	72,306	73,798	72,306	75,930	75,930
Fair value change	SEK m	141	-104	37	-568	-3,669
Fair value change	%	0.2	-0.1	0.1	-0.7	-4.6
Capital expenditures	SEK m	104	54	157	234	451
Average valuation yield requirement <sup>1</sup>	%	4.2	4.2	4.2	4.1	4.1
Acquisitions	SEK m	4	543	547	38	1,690

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

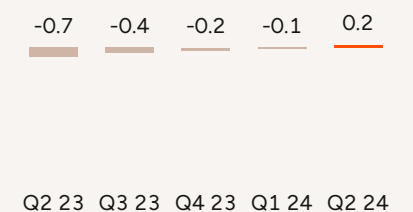
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



# Netherlands

Rental income increased by 1.3% to SEK 351 million (346) with residential rents comprising 97% (98%). Like-for-like rental income growth amounted to 6.4% (4.8%), mostly impacted by annual indexations. The comparable like-for-like portfolio comprised 96.6% of total rental income. Rental growth on existing leases are generally linked to CPI. An indexation cap applies with regulated contracts capped at the lower of CPI and the Wage Growth index. Unregulated contracts are subject to similar restrictions, but with an extra one percentage point increase allowed. The Affordable Rent Act came into effect 1 July 2024, however, due to the characteristics of the portfolio and the privatisation strategy, the impact is expected to be limited.

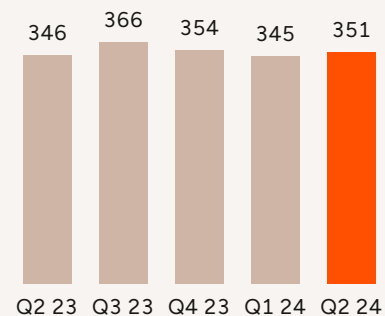
Real economic occupancy stood at 99.8% (99.7%). As we execute a privatisation strategy in the Dutch portfolio, vacancy in this respect is predominantly strategic, with units being vacant during the sales period.

Fair value adjustments on investment properties were SEK 1,175 million (-862) corresponding to 4.2% (-2.9%) change in fair value. The recent like-for-like uptick in fair value was primarily driven by strong performance of the owner-occupier market.

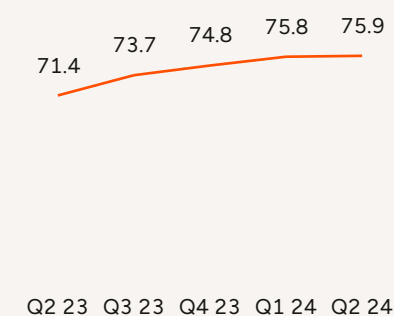
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	351	345	696	346	684
Net operating income	SEK m	277	267	543	272	519
Net operating income margin	%	78.9	77.3	78.1	78.5	75.9
Like-for-like rental income growth	%	6.4	6.1	6.2	4.8	4.8
Real economic occupancy	%	99.8	99.7	99.8	99.7	99.8
Fair value of investment properties	SEK m	29,012	28,719	29,012	28,714	28,714
Fair value change	SEK m	1,175	996	2,171	-862	-3,260
Fair value change	%	4.2	3.6	8.1	-2.9	-10.2
Capital expenditures	SEK m	47	58	105	229	459
Average valuation yield requirement <sup>1</sup>	%	3.9	4.1	3.9	3.7	3.7
Acquisitions	SEK m	–	–	–	–	–

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

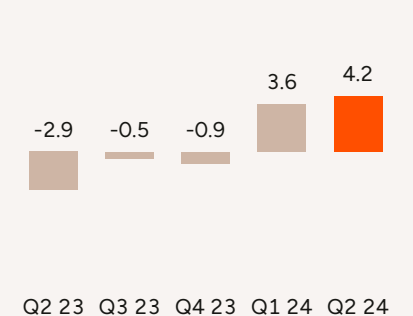
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



## Czechia

Rental income increased by 2.3% to SEK 453 million (443) with residential rents comprising 97% (94%). Like-for-like rental income growth amounted to 6.4% (15.8%) and the comparable like-for-like portfolio comprised 97.5% of total rental income. Rental growth is driven by annual indexation for time definite market contracts applied at the renewal of every lease (average 2024 indexation is 8%) and indexation for indefinite leases applied in each year Q1 (Q1 2024 rent increase was 9%).

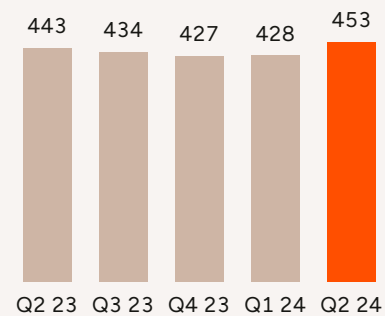
Real economic occupancy stood at 96.2% (96.8%). Vacancy rate has stabilised in Q2 2024 after a one-off increase in 2023 triggered by end of subsidy programme for Ukrainian war refugees.

Fair value adjustments on investment properties were SEK 190 million (240) corresponding to 0.7% (0.9%) change in fair value. The valuation increase is driven by rental growth while opex and yields have remained stable.

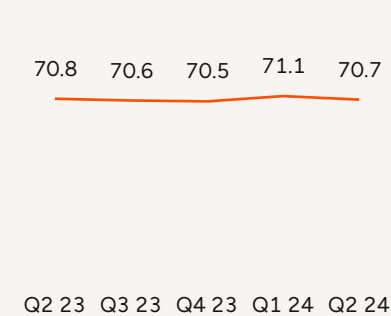
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	453	428	881	443	858
Net operating income	SEK m	324	321	644	324	624
Net operating income margin	%	71.4	74.9	73.1	73.0	72.8
Like-for-like rental income growth	%	6.4	7.4	6.9	15.8	15.7
Real economic occupancy	%	96.2	95.7	96.0	96.8	96.9
Fair value of investment properties	SEK m	27,445	27,177	27,445	26,121	26,121
Fair value change	SEK m	190	1,108	1,298	240	626
Fair value change	%	0.7	4.3	5.0	0.9	2.5
Capital expenditures	SEK m	227	112	339	189	324
Average valuation yield requirement <sup>1</sup>	%	4.7	4.6	4.7	4.6	4.6
Acquisitions	SEK m	1	490	491	–	–

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

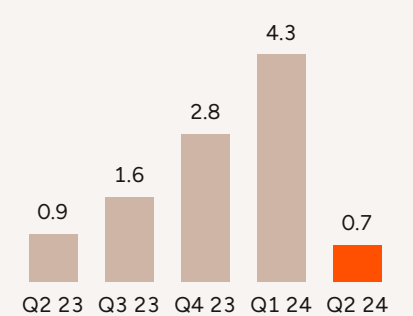
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



# Norway

Rental income increased by 4.3% to SEK 184 million (176) with residential rents comprising 83% (83%). Like-for-like rental income growth amounted to 5.7% (8.0%) and the comparable like-for-like portfolio comprised 99.7% of total rental income. Fully unregulated rental growth is driven by rent reversion upon tenant churn as well as the supply-demand imbalance of the Oslo market.

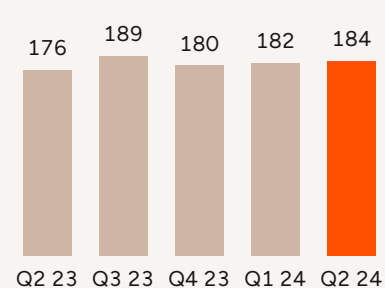
Real economic occupancy stood at 98.9% (99.2%). Occupancy in the Norwegian portfolio remains strong due to the favorable demand for rental units and a persistent supply shortage.

Fair value adjustments on investment properties were SEK 167 million (-10) corresponding to 1.0% (-0.1%) change in fair value. The growth in fair value for both Q1 (1.7%) and Q2 is primarily driven by a recovering owner occupier housing market and an increasingly positive market sentiment.

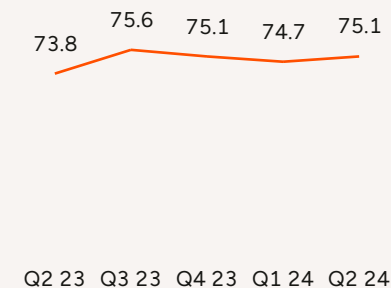
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	184	182	366	176	371
Net operating income	SEK m	145	138	283	136	287
Net operating income margin	%	78.9	75.7	77.3	77.3	77.3
Like-for-like rental income growth	%	5.7	6.3	6.0	8.0	7.6
Real economic occupancy	%	98.9	99.0	98.9	99.2	99.3
Fair value of investment properties	SEK m	17,651	17,303	17,651	18,667	18,667
Fair value change	SEK m	167	293	460	-10	706
Fair value change	%	1.0	1.7	2.7	-0.1	3.9
Capital expenditures	SEK m	25	18	43	64	110
Average valuation yield requirement <sup>1</sup>	%	3.0	3.2	3.0	3.0	3.0
Acquisitions	SEK m	–	–	–	–	–

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

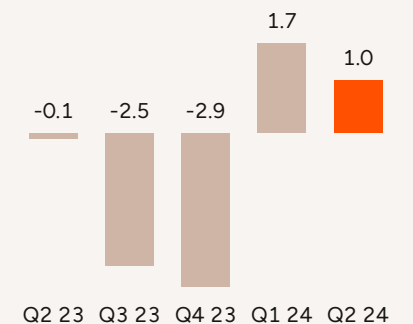
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



## United Kingdom

Rental income increased to SEK 47 million (16) with residential rents comprising 97% (97%). Like-for-like rental income growth amounted to 4.9% (3.0%) however the comparable like-for-like portfolio comprised of only 6.1% of total rental income due to the timing of deliveries in the portfolio. Rental growth is reflected in free market rent development as typical rental contracts are re-based every 12 months. Looking ahead, we are anticipating rental growth of about 5% through the remainder of the year.

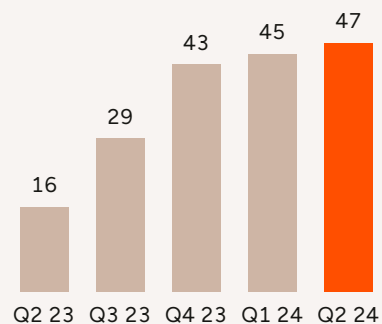
Real economic occupancy stood at 97.7% (83.8%). The relatively new portfolio is now in line with our occupancy target of 98% however we are anticipating some volatility ahead as tenant churn tends to be higher in the first two years of tenancy. Competition for rental homes remains high. However, the average number of homes available for rent is up 18% over the same period last year.

Fair value adjustments on investment properties were SEK -65 million (-37) corresponding to -1.4% (-0.9%) change in fair value. The relative stability in fair value for Q1 (-0.1%) and decrease in Q2 has been underpinned by sentiment-based yield movements in Scotland and evidence-based yield movement in England.

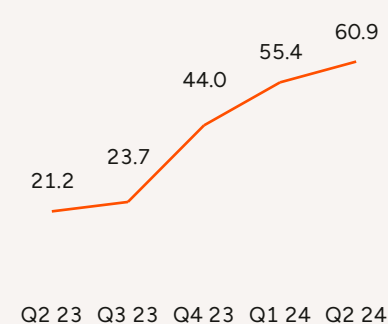
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	47	45	92	16	23
Net operating income	SEK m	32	32	64	6	6
Net operating income margin	%	68.7	71.0	69.8	38.5	26.5
Like-for-like rental income growth	%	4.9	6.8	5.8	3.0	1.9
Real economic occupancy	%	97.7	97.9	97.8	83.8	84.3
Fair value of investment properties	SEK m	4,630	4,667	4,630	4,008	4,008
Fair value change	SEK m	-65	-20	-85	-37	289
Fair value change	%	-1.4	-0.4	-1.8	-0.9	7.8
Capital expenditures	SEK m	52	173	225	233	567
Average valuation yield requirement <sup>1</sup>	%	4.7	4.6	4.7	4.3	4.3
Acquisitions	SEK m	–	–	–	–	–

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

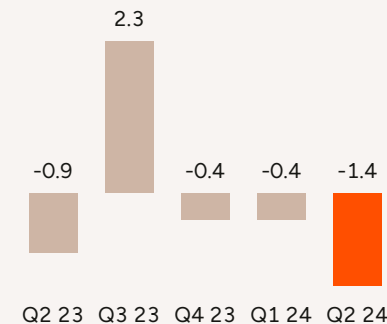
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%





## Poland

Rental income increased by 114.2% to SEK 32 million (15) with residential rents comprising 93% (91%). Like-for-like rental income growth amounted to 7.8%, however the comparable like-for-like portfolio comprised only 29.8% of total rental income. Due to the timing of deliveries in the portfolio, Poland has been greatly impacted by the effects of the new units coming online. Specifically, the portfolio received 686 new units during the quarter (72% increase in portfolio size since Q1), which follows 177 from the prior quarter. Looking ahead, we are anticipating an additional 830 units of new deliveries in the second half of the year.

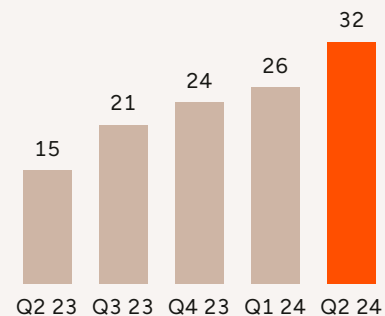
Real economic occupancy stood at 86.0% (92.4%). Due to the high volume of asset deliveries and the relatively small size of the portfolio, the occupancy level is expected to continue its stabilisation path and improve from current level, but with some short-term volatility expected.

Fair value adjustments on investment properties were SEK 125 million (17) corresponding to 3.1% (1.1%) change in fair value.

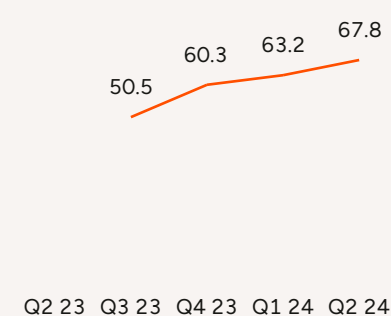
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	32	26	59	15	24
Net operating income	SEK m	26	17	42	10	14
Net operating income margin	%	79.0	64.2	72.4	65.1	57.2
Like-for-like rental income growth	%	7.8	13.0	10.4	N/A	N/A
Real economic occupancy	%	86.0	96.1	89.9	92.4	93.9
Fair value of investment properties	SEK m	4,236	3,587	4,236	1,522	1,522
Fair value change	SEK m	125	325	450	17	23
Fair value change	%	3.1	10.0	11.9	1.1	1.5
Capital expenditures	SEK m	155	72	226	33	83
Average valuation yield requirement <sup>1</sup>	%	5.7	5.7	5.7	5.6	5.6
Acquisitions	SEK m	362	1,245	1,606	117	244

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

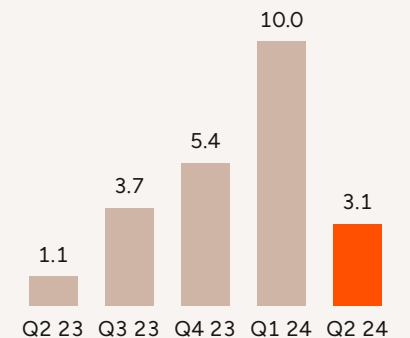
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



# Finland

Rental income increased by 8.0% to SEK 71 million (66) with residential rents comprising 97% (97%). Like-for-like rental income growth amounted to 7.6% (0.8%) and the comparable like-for-like portfolio comprised 99% of total rental income. The balance between supply and demand is anticipated to continue to improve in favour of the supply side as new completions will continue to reduce and only limited new construction is initiated.

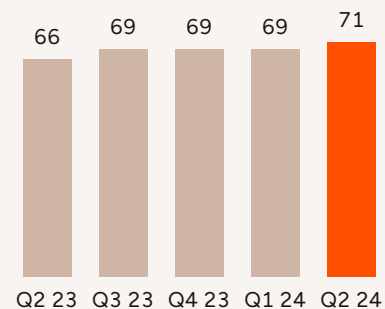
Real economic occupancy stood at 93.3% (93.3%). The recent volatility in real economic occupancy and the level hereof reflect the excess supply experienced following years of high construction activity. While it takes time to absorb such excess supply, early signs of improvement appear and improved occupancy is anticipated in the mid-term.

Fair value adjustments on investment properties were SEK -13 million (-38) corresponding to -0.4% (-0.9%) change in fair value. The stabilising fair values in H1 2024 reflect the operating environment is improving, supporting expectations of continued improved occupancy rates and thereby rental growth allowing for yields to stabilise when combined with consensus that interest rates have peaked.

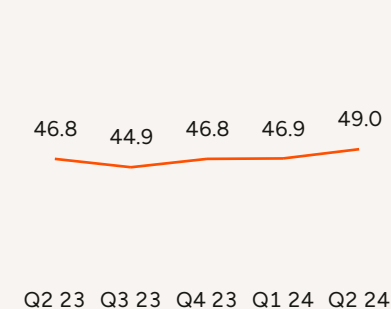
		Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023
Rental income	SEK m	71	69	140	66	130
Net operating income	SEK m	39	31	70	31	59
Net operating income margin	%	55.0	44.6	49.9	46.9	45.4
Like-for-like rental income growth	%	7.6	5.9	6.8	0.8	0.6
Real economic occupancy	%	93.3	93.7	93.5	93.3	93.6
Fair value of investment properties	SEK m	3,738	3,779	3,738	3,976	3,976
Fair value change	SEK m	-13	-3	-16	-38	-144
Fair value change	%	-0.4	-0.1	-0.4	-0.9	-3.5
Capital expenditures	SEK m	16	27	44	41	59
Average valuation yield requirement <sup>1</sup>	%	4.8	4.9	4.8	4.3	4.3
Acquisitions	SEK m	-	-	-	-	-

<sup>1</sup> The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

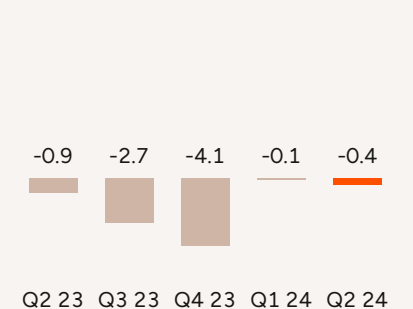
**RENTAL INCOME**  
SEK million



**NET OPERATING INCOME MARGIN**  
Last twelve months, %



**FAIR VALUE CHANGE**  
%



# Outlook

As we look ahead, we see stability in our key metrics, driven by our strategic initiatives and operational performance.

The return to a stable outlook from S&P and Fitch is a key priority for the management and initiatives taken, such as the privatisation programme, are set to support key metrics to be compliant herewith. Proceeds from the programme, combined with the competitive bank-financing margins and underlying business performance, continue to stabilise the S&P-defined ICR through the coming periods. As a result, the ICR is expected to trend around the 1.5x - 1.6x levels.

The success of the privatisation programme reduces the need for secured lending, resulting in additional headroom to the S&P secured lending threshold. As a result, the secured debt to total assets ratio is expected to remain around current levels.

Finally, stabilising property values together with the privatisation disposals indicate that the S&P-defined LTV has peaked and is expected to gradually improve as committed capex runs off and property valuations are anticipated to develop more in line with the underlying business performance.

## 2024 Projection

Real Economic  
Occupancy

**>98%**

LfL Rental Income

**>5%**

NOI margin (LTM)

**68%–69%**

S&P ICR

**1.5x–1.6x**

S&P LTV

**57%–58%**

Secured Debt

**32%–35%**

# Financial Information

## Consolidated Financial Statements

Condensed Consolidated Statement of Comprehensive Income	29	Notes to the Condensed Consolidated Financial Statements	33
Condensed Consolidated Statement of Financial Position	30	1. Accounting Policies	33
Condensed Consolidated Statement of Changes in Equity	31	2. Related Parties	33
Condensed Consolidated Statement of Cash Flows	32	3. Segment Reporting	33
		4. Rental Income	36
		5. Other Operating Expenses	36
		6. Realised Gains/Losses from Divestment of Properties	36
		7. Income Tax Expense	36
		8. Investment Properties	37
		9. Goodwill and Intangible Assets	38
		10. Investments in Associated companies and Joint Ventures	39
		11. Financial Assets and Liabilities	39
		12. Equity	42
		13. Commitments and Contingencies	42
		14. Other adjustments in Statement of Cash Flow	43
		15. Subsequent Events	43

## Parent Company Financial Statements

Parent Company Income Statement	44
Parent Company Statement of Comprehensive Income	44
Parent Company Statement of Financial Position	45
Parent Company Statement of Changes in Equity	46
Auditor's Review Report	47
Alternative Performance Measures	48

## Condensed Consolidated Statement of Comprehensive Income

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Rental income	<a href="#">3, 4</a>	3,938	3,707	7,810	7,317	14,974
Service charges paid by tenants	<a href="#">3, 4</a>	395	414	900	930	1,750
Property expenses	<a href="#">3</a>	-1,518	-1,565	-3,325	-3,348	-6,633
<b>Net operating income</b>		<b>2,815</b>	<b>2,556</b>	<b>5,385</b>	<b>4,899</b>	<b>10,091</b>
Corporate administrative expenses		-208	-218	-411	-431	-860
Other operating income		15	44	51	183	275
Other operating expenses	<a href="#">5</a>	-110	-83	-221	-172	-448
Realised gains/losses from divestment of properties	<a href="#">6</a>	638	20	844	24	235
<b>Profit before unrealised fair value adjustment</b>		<b>3,150</b>	<b>2,320</b>	<b>5,649</b>	<b>4,503</b>	<b>9,293</b>
Fair value adjustment of investment properties	<a href="#">8</a>	1,249	-7,351	3,736	-20,872	-31,130
Value adjustment of inventory properties		-383	-5	-740	14	25
<b>Operating profit/loss</b>		<b>4,016</b>	<b>-5,037</b>	<b>8,644</b>	<b>-16,355</b>	<b>-21,812</b>
Share of net profits/losses of associated companies and joint ventures	<a href="#">10</a>	-92	114	95	-333	-844
Impairment of goodwill	<a href="#">9</a>	-	-	-	-1,058	-1,058
Interest income		36	8	122	47	324
Interest expenses		-1,476	-1,202	-2,896	-2,201	-4,939
Foreign exchange gains/losses		877	-3,296	-1,462	-3,912	419
Fair value adjustment of derivative financial instruments		-189	257	10	-191	-1,173
Other financial items		-36	-85	-57	606	461
<b>Profit/loss before tax</b>		<b>3,135</b>	<b>-9,241</b>	<b>4,456</b>	<b>-23,398</b>	<b>-28,623</b>
Income tax expense	<a href="#">7</a>	-1,060	2,476	-1,175	3,359	3,768
<b>Profit/loss for the period</b>		<b>2,076</b>	<b>-6,765</b>	<b>3,281</b>	<b>-20,039</b>	<b>-24,855</b>

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
<b>Other comprehensive income</b>						
Currency translation differences	<a href="#">12</a>	-1,537	7,246	2,575	8,028	-1,428
<b>Total comprehensive income/loss</b>		<b>539</b>	<b>481</b>	<b>5,856</b>	<b>-12,010</b>	<b>-26,283</b>
<b>Profit/loss attributable to:</b>						
The Parent Company's shareholders		2,099	-6,487	3,370	-19,096	-22,926
Non-controlling interests		-23	-278	-89	-943	-1,928
<b>Comprehensive income/loss attributable to:</b>						
The Parent Company's shareholders		577	640	5,918	-11,218	-24,403
Non-controlling interests		-38	-159	-62	-793	-1,880

## Condensed Consolidated Statement of Financial Position

SEK million	Note	30 Jun 2024	31 December 2023	30 Jun 2023
<b>ASSETS</b>				
Investment properties	<a href="#">8</a>	329,951	319,491	339,736
Goodwill and Intangible assets	<a href="#">9</a>	18,890	18,674	19,204
Machinery and equipment		334	332	383
Investments in associated companies and joint ventures	<a href="#">10</a>	8,942	8,636	9,622
Derivative financial instruments	<a href="#">11</a>	175	34	759
Deferred tax assets		872	800	1,293
Other financial assets	<a href="#">11</a>	1,101	3,444	3,435
<b>Total non-current assets</b>		<b>360,265</b>	<b>351,411</b>	<b>374,430</b>
Inventory properties		501	538	493
Rent and trade receivables		201	227	188
Other financial assets	<a href="#">11</a>	1,696	863	2,247
Derivative financial instruments	<a href="#">11</a>	52	464	348
Prepayments		1,012	1,146	1,511
Cash and cash equivalents		3,537	11,276	8,242
Assets held for sale	<a href="#">8</a>	1,106	294	–
<b>Total current assets</b>		<b>8,105</b>	<b>14,807</b>	<b>13,029</b>
<b>TOTAL ASSETS</b>		<b>368,369</b>	<b>366,219</b>	<b>387,460</b>

SEK million	Note	30 Jun 2024	31 December 2023	30 Jun 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<a href="#">12</a>	<b>153,924</b>	<b>148,731</b>	<b>164,495</b>
Interest-bearing liabilities	<a href="#">11</a>	170,405	171,650	178,174
Lease liabilities	<a href="#">11</a>	1,229	1,091	1,335
Derivative financial instruments	<a href="#">11</a>	170	481	51
Deferred tax liabilities		19,407	18,492	20,252
Other financial liabilities		1,661	1,614	1,645
<b>Total non-current liabilities</b>		<b>192,871</b>	<b>193,326</b>	<b>201,456</b>
Interest-bearing liabilities	<a href="#">11</a>	17,108	19,601	14,861
Lease liabilities	<a href="#">11</a>	82	85	109
Trade payables		432	738	509
Other liabilities		1,597	1,017	3,365
Derivative financial instruments	<a href="#">11</a>	27	–	40
Accrued expenses and prepaid income		2,328	2,721	2,624
<b>Total current liabilities</b>		<b>21,574</b>	<b>24,162</b>	<b>21,509</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>368,369</b>	<b>366,219</b>	<b>387,460</b>

## 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
<b>Opening balance, 1 January 2023</b>	93	128,559	24,330	11,643	-662	163,964	16,891	180,854
Profit/loss for the period	–	–	–	–	-19,096	-19,096	-943	-20,039
Currency translation differences	–	–	–	7,878	–	7,878	151	8,028
<b>Total comprehensive income/loss</b>	–	–	–	7,878	-19,096	-11,218	-793	-12,010
New share issue	3	3,334	–	–	–	3,337	–	3,337
Costs of issuance	–	-6	–	–	–	-6	–	-6
Buyback of hybrid bonds	–	–	-82	–	-39	-121	–	-121
Currency translation on buyback of hybrid bonds	–	–	–	–	23	23	–	23
Coupon expense on hybrid bonds	–	–	841	–	-841	–	–	–
Coupon paid on hybrid bonds	–	–	-841	–	–	-841	–	-841
Dividends	–	–	–	–	-6,742	-6,742	–	-6,742
<b>Total transactions with the company's shareholders</b>	3	3,328	-82	–	-7,599	-4,349	–	-4,349
<b>Equity, 30 June 2023</b>	97	131,887	24,249	19,521	-27,356	148,397	16,098	164,495
Profit/loss for the period	–	–	–	–	-3,831	-3,831	-985	-4,816
Currency translation differences	–	–	–	-9,355	–	-9,355	-102	-9,457
<b>Total comprehensive income /loss</b>	–	–	–	-9,355	-3,831	-13,185	-1,087	-14,272
Currency translation on buyback of hybrid bonds	–	–	–	–	34	34	–	34
Dividends	–	–	–	–	–	–	-1,526	-1,526
<b>Total transactions with the company's shareholders</b>	–	–	–	–	34	34	-1,526	-1,492
<b>Equity, 31 December 2023</b>	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
<b>Opening balance, 1 January 2024</b>	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Profit/loss for the period	–	–	–	–	3,370	3,370	-89	3,281
Currency translation differences	–	–	–	2,548	–	2,548	27	2,575
<b>Total comprehensive income /loss</b>	–	–	–	2,548	3,370	5,918	-62	5,856
Currency translation on buyback of hybrid bonds	–	–	–	–	16	16	–	16
Net coupon expense on hybrid bonds	–	–	678	–	-678	–	–	–
Net coupon paid on hybrid bonds	–	–	-678	–	–	-678	–	-678
<b>Total transactions with the company's shareholders</b>	–	–	–	–	-663	-663	–	-663
<b>Equity, 30 June 2024</b>	97	131,887	24,249	12,714	-28,445	140,501	13,423	153,924

## Condensed Consolidated Statement of Cash Flows

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
<b>Operating activities</b>						
Profit/loss before tax		3,135	-9,241	4,456	-23,398	-28,623
<i>Adjustments to reconcile profit before tax to net cash flows:</i>						
Fair value adjustment on investment properties	<a href="#">8</a>	-1,249	7,351	-3,736	20,872	31,130
Value adjustment of inventory properties	<a href="#">2</a>	383	5	740	-15	-25
Fair value adjustment of derivative financial instruments		189	-257	-10	191	1,173
Interest income		-36	-8	-122	-47	-324
Interest expenses		1,476	1,202	2,896	2,201	4,939
Share of net profits/losses of associated companies and joint ventures	<a href="#">10</a>	92	-114	-95	333	844
Proceeds net of direct transaction cost from divestments of properties	<a href="#">6</a>	1,661	35	2,491	1,522	2,703
Realised gains/losses from divestment of properties	<a href="#">6</a>	-638	-	-844	-	-235
Other adjustments	<a href="#">14</a>	-837	3,336	1,547	4,168	-78
<i>Working capital changes</i>						
Increase(-)/decrease(+) in rent and other receivables		510	-787	42	-950	-293
Increase(+)/decrease(-) in trade and other payables		-710	6	-500	24	-1,024
<b>Cash generated from operations</b>		<b>3,976</b>	<b>1,528</b>	<b>6,865</b>	<b>4,902</b>	<b>10,186</b>
Interest paid		-1,448	-1,129	-2,897	-2,097	-4,880
Interest received		37	18	122	47	324
Paid income tax		-269	128	-438	-484	-1,000
<b>Net cash flows from operating activities</b>		<b>2,296</b>	<b>546</b>	<b>3,652</b>	<b>2,368</b>	<b>4,630</b>

SEK million	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
<b>Investing activities</b>						
Acquisition of investment and inventory properties		-34	-143	-529	-1,312	-2,132
Capital expenditure on investment and inventory properties	<a href="#">8</a>	-1,416	-1,918	-2,337	-3,927	-7,964
Deposits for signed acquisitions		-	-298	1	-	320
Purchases/sales of machinery and equipment		1	-13	-2	-35	-63
Purchase of intangible assets		-22	-	-32	-	-62
Net investments of associated companies and joint ventures		-77	226	-75	490	711
Other cash flows from investing activities		-14	-10	90	21	-543
<b>Net cash flows from investing activities</b>		<b>-1,561</b>	<b>-2,155</b>	<b>-2,882</b>	<b>-4,763</b>	<b>-9,732</b>
<b>Financing activities</b>						
Proceeds from interest-bearing liabilities	<a href="#">11</a>	3,505	2,736	5,749	15,655	35,264
Repayment of interest-bearing liabilities	<a href="#">11</a>	-3,845	-1,214	-13,585	-12,884	-25,584
Dividends paid		-	-	-	-4,325	-5,851
Proceeds from non-controlling interests		-	-	-	3,550	3,937
Proceeds from share issuances		-	-	-	920	920
Buyback of hybrid bonds		-	-	-	-58	-58
Hybrid bonds coupons		-325	-350	-854	-841	-841
Settlement of derivative financial instruments		-	176	-	176	176
Other cash flows from financing activities		9	-74	25	-1,167	-1,137
<b>Net cash flows from financing activities</b>		<b>-656</b>	<b>1,274</b>	<b>-8,665</b>	<b>1,027</b>	<b>6,826</b>
Net change in cash and cash equivalents		79	-336	-7,895	-1,369	1,723
Cash and cash equivalents at the beginning of the period		3,251	8,344	11,276	9,385	9,385
Net currency exchange effect in cash and cash equivalents		208	234	157	226	168
<b>Cash and cash equivalents at the end of the period</b>		<b>3,537</b>	<b>8,242</b>	<b>3,537</b>	<b>8,242</b>	<b>11,276</b>



# Notes to the Condensed Consolidated Financial Statements

## 1. Accounting Policies

---

### Corporate Information

Heimstaden Bostad AB, Corp. ID No. 556864-0873, is a limited liability company registered in Sweden with its registered office at Östra Promenaden 7A, SE-211 28, Malmö, Sweden. Heimstaden Bostad's operations consist of owning, developing and managing residential properties.

### Basis for Preparation

Heimstaden Bostad's interim condensed consolidated statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies RFR2 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 addition to board fees, transactions with Heimstaden AB and its subsidiaries amounted to SEK 411 million (424) for management services received as of Q2 2024.

In 2018, Fredensborg AS sold the Norwegian housing portfolio to 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). The estimated guarantee settlement is recognised in other current financial assets, while the value change is recognised in value adjustment of inventory properties.

## 3. Segment Reporting

---

Heimstaden Bostad 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 Bostad has identified nine reportable segments consisting of the geographical areas of Sweden, Germany, Denmark, the Netherlands, Czechia, Norway, Finland, United Kingdom and Poland. See [Note 8](#) for fair value of investment properties per segment.

## Q2 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate	Group in total
<b>Statement of Comprehensive Income</b>											
Rental income <sup>1</sup>	1,208	704	903	351	453	184	47	32	71	-14	3,938
Service charges paid by tenants	23	231	3	–	120	7	–	8	3	–	395
<b>Total income</b>	<b>1,230</b>	<b>935</b>	<b>906</b>	<b>351</b>	<b>574</b>	<b>191</b>	<b>47</b>	<b>41</b>	<b>74</b>	<b>-14</b>	<b>4,333</b>
Utilities	-177	-131	-34	–	-110	-12	-1	-4	-11	1	-478
Repair and maintenance	-50	-48	-41	-21	-43	-8	-2	–	-4	39	-177
Property tax	-26	-16	-39	-15	-4	-1	–	2	-2	–	-102
Other <sup>2</sup>	-35	-50	-41	-7	-34	-8	-1	-1	-4	8	-173
Property management	-176	-142	-97	-31	-59	-17	-10	-11	-14	-30	-588
<b>Total property expenses</b>	<b>-463</b>	<b>-387</b>	<b>-252</b>	<b>-74</b>	<b>-250</b>	<b>-45</b>	<b>-15</b>	<b>-15</b>	<b>-35</b>	<b>18</b>	<b>-1,518</b>
<b>Net operating income</b>	<b>767</b>	<b>547</b>	<b>654</b>	<b>277</b>	<b>324</b>	<b>145</b>	<b>32</b>	<b>26</b>	<b>39</b>	<b>3</b>	<b>2,815</b>
<b>Net operating income margin, %</b>	<b>63.5</b>	<b>77.8</b>	<b>72.4</b>	<b>78.9</b>	<b>71.4</b>	<b>78.9</b>	<b>68.7</b>	<b>79.0</b>	<b>55.0</b>	<b>–</b>	<b>71.5</b>

## Q2 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate	Group in total
<b>Statement of Comprehensive Income</b>											
Rental income <sup>1</sup>	1,105	666	873	346	443	176	16	15	66	–	3,707
Service charges paid by tenants	21	245	2	–	129	10	–	3	3	–	414
<b>Total income</b>	<b>1,126</b>	<b>912</b>	<b>875</b>	<b>346</b>	<b>573</b>	<b>187</b>	<b>16</b>	<b>19</b>	<b>69</b>	<b>–</b>	<b>4,121</b>
Utilities	-155	-155	-29	–	-126	-13	-1	-1	-10	1	-490
Repair and maintenance	-46	-66	-48	-14	-46	-10	-1	–	-5	41	-194
Property tax	-26	-19	-48	-14	-2	-1	-1	-1	-2	–	-114
Other <sup>2</sup>	-32	-34	-32	-15	-24	-11	-1	-1	-5	3	-153
Property management	-200	-132	-112	-31	-51	-16	-7	-6	-15	-44	-615
<b>Total property expenses</b>	<b>-460</b>	<b>-405</b>	<b>-270</b>	<b>-74</b>	<b>-249</b>	<b>-50</b>	<b>-10</b>	<b>-9</b>	<b>-38</b>	<b>–</b>	<b>-1,565</b>
<b>Net operating income</b>	<b>666</b>	<b>507</b>	<b>605</b>	<b>272</b>	<b>324</b>	<b>136</b>	<b>6</b>	<b>10</b>	<b>31</b>	<b>–</b>	<b>2,556</b>
<b>Net operating income margin, %</b>	<b>60.3</b>	<b>76.0</b>	<b>69.3</b>	<b>78.5</b>	<b>73.0</b>	<b>77.3</b>	<b>38.5</b>	<b>65.1</b>	<b>46.9</b>	<b>–</b>	<b>69.0</b>

<sup>1</sup> 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.

<sup>2</sup> 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	United Kingdom	Poland	Finland	Corporate	Group in total
<b>Statement of Comprehensive Income</b>											
Rental income <sup>1</sup>	2,399	1,390	1,787	696	881	366	92	59	140	–	7,810
Service charges paid by tenants	45	453	6	–	359	16	–	15	6	–	900
<b>Total income</b>	<b>2,445</b>	<b>1,843</b>	<b>1,793</b>	<b>696</b>	<b>1,240</b>	<b>382</b>	<b>92</b>	<b>74</b>	<b>146</b>	<b>-1</b>	<b>8,710</b>
Utilities	-467	-254	-69	–	-345	-29	-2	-8	-28	2	-1,201
Repair and maintenance	-102	-92	-83	-43	-83	-14	-4	–	-7	75	-354
Property tax	-51	-32	-76	-29	-8	-2	-1	-1	-4	–	-203
Other <sup>2</sup>	-72	-100	-92	-21	-56	-16	-2	-2	-9	5	-366
Property management	-367	-273	-212	-60	-104	-38	-20	-21	-28	-81	-1,202
<b>Total property expenses</b>	<b>-1,059</b>	<b>-751</b>	<b>-532</b>	<b>-152</b>	<b>-596</b>	<b>-99</b>	<b>-28</b>	<b>-32</b>	<b>-76</b>	<b>1</b>	<b>-3,325</b>
<b>Net operating income</b>	<b>1,385</b>	<b>1,092</b>	<b>1,261</b>	<b>543</b>	<b>644</b>	<b>283</b>	<b>64</b>	<b>42</b>	<b>70</b>	<b>–</b>	<b>5,385</b>
<b>Net operating income margin, %</b>	<b>57.7</b>	<b>78.6</b>	<b>70.5</b>	<b>78.1</b>	<b>73.1</b>	<b>77.3</b>	<b>69.8</b>	<b>72.4</b>	<b>49.9</b>	<b>–</b>	<b>69.0</b>

## YTD 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate	Group in total
<b>Statement of Comprehensive Income</b>											
Rental income <sup>1</sup>	2,184	1,311	1,732	684	858	371	23	24	130	-1	7,317
Service charges paid by tenants	42	481	3	–	371	23	–	5	6	–	930
<b>Total income</b>	<b>2,226</b>	<b>1,792</b>	<b>1,735</b>	<b>684</b>	<b>1,229</b>	<b>394</b>	<b>23</b>	<b>29</b>	<b>136</b>	<b>-1</b>	<b>8,247</b>
Utilities	-415	-304	-65	–	-363	-34	-1	-2	-26	2	-1,208
Repair and maintenance	-99	-106	-96	-44	-86	-18	-1	–	-10	73	-387
Property tax	-53	-45	-96	-29	-4	-2	-1	-2	-4	–	-236
Other <sup>2</sup>	-80	-77	-68	-31	-49	-23	-3	-1	-9	4	-337
Property management	-372	-250	-237	-61	-102	-31	-12	-10	-28	-78	-1,181
<b>Total property expenses</b>	<b>-1,019</b>	<b>-783</b>	<b>-562</b>	<b>-165</b>	<b>-604</b>	<b>-107</b>	<b>-17</b>	<b>-15</b>	<b>-77</b>	<b>1</b>	<b>-3,348</b>
<b>Net operating income</b>	<b>1,207</b>	<b>1,009</b>	<b>1,173</b>	<b>519</b>	<b>624</b>	<b>287</b>	<b>6</b>	<b>14</b>	<b>59</b>	<b>–</b>	<b>4,899</b>
<b>Net operating income margin, %</b>	<b>55.3</b>	<b>77.0</b>	<b>67.7</b>	<b>75.9</b>	<b>72.8</b>	<b>77.3</b>	<b>26.5</b>	<b>57.2</b>	<b>45.4</b>	<b>–</b>	<b>66.9</b>

<sup>1</sup> 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.

<sup>2</sup> 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	3,618	3,401	7,178	6,715
Commercial premises	264	256	522	502
Garage and parking spaces	56	51	109	100
<b>Total income</b>	<b>3,938</b>	<b>3,707</b>	<b>7,810</b>	<b>7,317</b>

### 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	50
<b>Total service charges paid by tenants</b>	<b>395</b>	<b>414</b>	<b>900</b>	<b>930</b>

## 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	1,925	35	2,755	1,522
Book value of divestments of properties	-1,287	-14	-1,911	-1,498
<b>Realised gain/loss on divestments of properties</b>	<b>638</b>	<b>20</b>	<b>844</b>	<b>24</b>

As of Q2 2024, Heimstaden Bostad 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	3,135	-9,241	4,456	-23,398
Income tax expense	-1,060	2,476	-1,175	3,359
<b>Equivalent to a rate of, % (absolute)</b>	<b>33.8</b>	<b>26.8</b>	<b>26.4</b>	<b>14.4</b>

Heimstaden Bostad recognised a tax expense of SEK 1,060 million (2,476) in the second quarter, corresponding to an effective tax rate of 33.8%. 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 Bostad 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 Bostad had total divestments of SEK 1,287 million within the quarter. Of this amount, SEK 11 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	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
<b>Fair value of investment properties, 31 December 2023</b>	<b>89,262</b>	<b>79,404</b>	<b>71,446</b>	<b>27,337</b>	<b>25,185</b>	<b>17,109</b>	<b>4,305</b>	<b>1,815</b>	<b>3,627</b>	<b>319,491</b>
Acquisitions during the period	238	–	547	–	491	–	–	1,606	–	2,882
Divestments	-22	-24	-887	-668	-17	–	–	–	–	-1,617
Land leases	8	–	–	–	–	25	–	77	20	130
Capital expenditure on investment properties	378	473	134	87	339	43	–	–	43	1,497
Capital expenditure on investment properties under construction	244	–	23	18	–	–	225	226	1	737
Currency translation	–	1,549	1,381	534	149	14	186	61	64	3,938
<b>Fair value after transactions</b>	<b>90,109</b>	<b>81,403</b>	<b>72,645</b>	<b>27,307</b>	<b>26,147</b>	<b>17,192</b>	<b>4,716</b>	<b>3,785</b>	<b>3,754</b>	<b>327,057</b>
Value change	19	-598	37	2,171	1,298	460	-85	450	-16	3,736
Reclassification to assets held for sale	–	–	-376	-465	–	–	–	–	–	-841
<b>Fair value of investment properties, 30 June 2024</b>	<b>90,128</b>	<b>80,805</b>	<b>72,306</b>	<b>29,012</b>	<b>27,445</b>	<b>17,651</b>	<b>4,630</b>	<b>4,236</b>	<b>3,738</b>	<b>329,951</b>

#### ASSETS HELD FOR SALE

SEK million	Sweden <sup>1</sup>	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
<b>Opening balance, 1 January 2024</b>	<b>–</b>	<b>–</b>	<b>11</b>	<b>283</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>294</b>
Divestments	–	–	-11	-283	–	–	–	–	–	-294
Reclassification from investment properties	–	–	376	465	–	–	–	–	–	841
Revaluation of assets held for sale	–	–	72	193	–	–	–	–	–	264
<b>Closing balance, 30 June 2024</b>	<b>–</b>	<b>–</b>	<b>448</b>	<b>657</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,106</b>

**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	4,978	5,203	3,080	206	927	1,462	26	85	90	16,057
Investment properties, parking	3,066	871	529	271	107	303	76	208	50	5,480
Investment properties, other	445	1,210	342	10	121	389	–	14	1	2,531
Investment properties under construction	854	–	–	–	–	–	1,303	606	–	2,762
Land and building rights	265	–	69	–	199	–	–	–	–	532
Land leases	250	–	–	–	–	436	–	77	382	1,144
<b>Total</b>	<b>90,128</b>	<b>80,805</b>	<b>72,306</b>	<b>29,012</b>	<b>27,445</b>	<b>17,651</b>	<b>4,630</b>	<b>4,236</b>	<b>3,738</b>	<b>329,951</b>

**9. Goodwill and Intangible Assets**

As of 30 June 2024, the carrying amount of goodwill is SEK 18,678 million (19,050), of which SEK 15,809 million (16,191) is goodwill identified in the acquisition of Akelius Lägenheter Aktieföretag, Akelius Bolig Holding ApS and Akelius GmbH. The remaining SEK 2,859 million (2,859), is goodwill identified in connection with the acquisition of country management organisations from Heimstaden AB.

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
<b>Opening balance, 1 January 2024</b>	<b>8,636</b>
Investment for the year	53
Divestments of associated companies and joint ventures	-3
Change in value from foreign currency	161
Share of net profits/losses of associated companies and joint ventures	95
<b>Closing balance, 30 June 2024</b>	<b>8,942</b>

Heimstaden Bostad recognises its investment in Kojamo Oyj to its share of the book value of the equity. The Q2 results have been estimated using publicly available information from Kojamo Oyj 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	18
Property expenses	-1,201	-44	-6	-3	-10
<b>Net operating income</b>	<b>1,381</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>8</b>
Corporate administrative expenses	-139	-12	-2	-	-6
Financial items, net	-511	-24	-35	-	-5
Unrealised value change	100	-	-2	2	-57
Tax expenses	-117	-3	-	-	-
<b>Profit for the year</b>	<b>715</b>	<b>2</b>	<b>-39</b>	<b>1</b>	<b>-60</b>
<b>Group's share of profit</b>	<b>143</b>	<b>-</b>	<b>-19</b>	<b>1</b>	<b>-31</b>
Group's share in %	20	25	50	47	20-50

## 11. Financial Assets and Liabilities

Financial risk is regulated by the Financial Policy which prioritises the maintenance of a strong liquidity position and a proactive approach to liability management. Underpinned by strong operational fundamentals, Heimstaden Bostad 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.

In 2024, 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, recognised in other financial items.

The Company's hybrid bonds are classified as equity, see [page 78](#) in the 2023 Annual Report for more information regarding the hybrid bonds. At the balance sheet date, Heimstaden Bostad was in compliance with its financial covenants.

As of 30 June 2024, SEK 736 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	69,077	–	37	
Mortgages/bank loans	118,918	99	63	21,025
<b>Total</b>	<b>187,995</b>	<b>63</b>	<b>100%</b>	<b>21,025</b>
Deferred charges	-482			
<b>Total interest bearing liabilities</b>	<b>187,513</b>			

## RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

SEK million	Corporate bonds	Mortgages/bank loans	Deferred charges	Lease liabilities	Total
Opening balance, 1 January 2024	74,037	117,720	-506	1,175	192,426
Loan repayments	-6,409	-7,183	–	-55	-13,646
New borrowings	100	5,649	–	181	5,930
Assumed debt in connection with acquisitions	–	992	–	–	992
Currency exchange effect on loans	1,349	1,739	–	9	3,098
Capitalisation of debt issuance cost, net of amortisation	–	–	24	–	24
<b>Closing balance, 30 June 2024</b>	<b>69,077</b>	<b>118,918</b>	<b>-482</b>	<b>1,311</b>	<b>188,824</b>

## 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	89,825	48	4.29	47,985	26	4.50
1-2	17,784	9	1.75	28,075	15	2.18
2-3	14,071	7	2.86	23,767	13	2.84
3-4	16,192	9	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	22	2.37	45,466	24	2.43
<b>Total</b>	<b>187,995</b>	<b>100</b>	<b>3.29</b>	<b>187,995</b>	<b>100</b>	<b>3.02</b>

Average remaining term of fixed interest in the loan portfolio, including derivatives: 3.17 years

Years	Loan tenor		Unutilised credit commitment	
	SEK million	Share, %	SEK million	Share, %
0-1	16,472	9	500	2
1-2	29,620	16	6,306	30
2-3	30,881	16	13,126	62
3-4	14,882	8	–	–
4-5	16,683	9	1,093	5
>5 years after balance sheet date	79,457	42	–	–
<b>Total</b>	<b>187,995</b>	<b>100</b>	<b>21,025</b>	<b>100</b>

Average loan tenor: 7.82 years



## OVERVIEW OF INTEREST MATURITY ON INTEREST RATE DERIVATIVES

Years	Type <sup>2</sup>	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % <sup>1</sup>
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
<b>Total</b>		<b>49,639</b>	<b>100</b>	<b>2.66</b>

Years	Type <sup>2</sup>	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % <sup>1</sup>
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	–	–	–
<b>Total</b>		<b>49,639</b>	<b>100</b>	<b>-3.69</b>

<sup>1</sup> Indicates average interest rate. A negative value indicates received interest.

<sup>2</sup> 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
<b>Opening balance, 1 January 2024</b>	<b>-118</b>	<b>135</b>	<b>17</b>
Unrealised value change	147	-2	145
Currency exchange effect on derivatives	3	–	3
Transferred gains/losses to investment properties	–	-135	-135
<b>Closing balance, 30 June 2024</b>	<b>32</b>	<b>-2</b>	<b>30</b>

The carrying amount of all financial assets and liabilities equates to their fair value except for non-current interest-bearing liabilities which have a carrying value of SEK 170,405 million (171,650) and a fair value of SEK 160,069 million (156,872). 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. Non-controlling interests refer primarily to Allianz Real Estate's investments in Heimstaden Bostad subsidiaries.

### Specification of Other Comprehensive Income

The exchange rates of the currencies relevant to Heimstaden Bostad 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
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		Q2 2024	Q2 2023	YTD 2024	YTD 2023
Czechia	CZK	-45	776	138	1,650
Denmark	DKK	-418	1,577	608	1,783
Netherlands, Germany & Finland	EUR	-1,086	3,764	1,536	4,782
Norway	NOK	140	326	13	-1,112
Poland	PLN	-69	403	86	440
United Kingdom	GBP	-44	281	167	335
Non-controlling interests	EUR	-15	119	27	151
<b>Total</b>		<b>-1,537</b>	<b>7,246</b>	<b>2,575</b>	<b>8,028</b>

## 13. Commitments and Contingencies

### Investment Obligations and Capital Expenditures

Heimstaden Bostad has entered into contracts with sellers of investment property under construction placed in a corporate wrapper. Heimstaden Bostad 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 Bostad 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 1,622 million (2,556).

SEK million	2024	2025	2026	2027	Total
Forward funding	755	449	115	9	1,329
Own development	90	176	27	–	293
Forward purchase	112	190	–	–	302
<b>Total</b>	<b>957</b>	<b>815</b>	<b>142</b>	<b>9</b>	<b>1,924</b>

### Disputes

As of the balance sheet date, Heimstaden Bostad 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	30	23	62	65
Bad debt losses	11	17	46	37
Exchange rate difference	-877	3,296	1,462	3,912
Other financial items	–	–	-23	-913
Impairment of goodwill	–	–	–	1,067
<b>Total</b>	<b>-837</b>	<b>3,336</b>	<b>1,548</b>	<b>4,168</b>

## 15. Subsequent Events

After the reporting date, Heimstaden Bostad, through its subsidiary Heimstaden Holding 1 B.V., 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	94	94	177	197	390
Other operating expenses	-13	-9	-27	-18	-44
Administrative expenses	-200	-167	-362	-401	-778
<b>Operating profit/loss</b>	<b>-120</b>	<b>-83</b>	<b>-212</b>	<b>-222</b>	<b>-432</b>
Dividends from subsidiaries	29	–	29	–	99
Dividends from associated companies and joint ventures	–	–	–	215	215
Impairment of investments in subsidiaries and associated companies	–	-206	–	-206	-2,716
Interest income	1,071	474	2,184	1,031	4,128
Interest expenses	-546	-475	-1,140	-1,002	-2,138
Net currency translation gains/losses	846	-2,719	-1,166	-3,692	-165
Fair value adjustment of derivative financial instruments	-19	210	158	212	-16
Other financial items	281	-2	317	-42	4
<b>Profit/loss after financial items</b>	<b>1,542</b>	<b>-2,800</b>	<b>170</b>	<b>-3,706</b>	<b>-1,021</b>
Appropriations	–	–	–	–	1,078
<b>Profit/loss before tax</b>	<b>1,542</b>	<b>-2,800</b>	<b>170</b>	<b>-3,706</b>	<b>57</b>
Income tax expense	-317	390	-156	548	-77
<b>Profit/loss for the period</b>	<b>1,225</b>	<b>-2,410</b>	<b>14</b>	<b>-3,158</b>	<b>-20</b>

## 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	1,225	-2,410	14	-3,158	-20
Other comprehensive income/loss	–	–	–	–	–
<b>Comprehensive income/loss</b>	<b>1,225</b>	<b>-2,410</b>	<b>14</b>	<b>-3,158</b>	<b>-20</b>

## Parent Company Statement of Financial Position

SEK million	30 Jun 2024	31 December 2023	30 Jun 2023
<b>ASSETS</b>			
Shares in subsidiaries	68,445	60,115	56,110
Investments in associated companies and joint ventures	8,096	8,096	9,338
Bonds	4,016	5,683	5,236
Deferred tax assets	550	439	1,110
Non-current receivables, subsidiaries	90,062	90,696	89,928
<b>Total non-current assets</b>	<b>171,169</b>	<b>165,028</b>	<b>161,723</b>
Receivables, subsidiaries	37,053	43,005	48,429
Other financial assets	38	126	502
Accrued income, group companies	180	188	–
Cash and cash equivalents	969	8,777	5,406
<b>Total current assets</b>	<b>38,240</b>	<b>52,097</b>	<b>54,337</b>
<b>Total assets</b>	<b>209,408</b>	<b>217,124</b>	<b>216,060</b>

SEK million	30 Jun 2024	31 December 2023	30 Jun 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>114,413</b>	<b>115,062</b>	<b>111,889</b>
Interest-bearing liabilities	15,498	18,855	19,112
Derivative financial instruments	161	318	91
Deferred tax liability	559	483	564
Non-current liabilities, subsidiaries	75,677	81,628	76,705
<b>Total non-current liabilities</b>	<b>91,895</b>	<b>101,285</b>	<b>96,472</b>
Interest-bearing liabilities	2,744	302	7,509
Trade and other payables	–	1	–
Liabilities, group companies	–	39	–
Accrued expenses, group companies	200	187	–
Accrued expenses and prepaid income	156	248	189
<b>Total current liabilities</b>	<b>3,101</b>	<b>778</b>	<b>7,698</b>
<b>Total equity and liabilities</b>	<b>209,408</b>	<b>217,124</b>	<b>216,060</b>

## Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
<b>Opening balance, 1 January 2023</b>	<b>93</b>	<b>126,110</b>	<b>24,316</b>	<b>-31,122</b>	<b>119,397</b>
Profit/loss for the period	–	–	–	-3,158	-3,158
<b>Total comprehensive income /loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-3,158</b>	<b>-3,158</b>
New share issue	3	3,334	–	–	3,337
Cost of issuance	–	-6	–	–	-6
Buyback of hybrid bonds	–	–	-82	-16	-97
Coupon expense on hybrid bonds	–	–	841	-841	–
Coupon paid on hybrid bonds	–	–	-841	–	-841
Dividends	–	–	–	-6,742	-6,742
<b>Total transactions with the Company's shareholders</b>	<b>3</b>	<b>3,328</b>	<b>-82</b>	<b>-7,599</b>	<b>-4,349</b>
<b>Equity, 30 June 2023</b>	<b>97</b>	<b>129,437</b>	<b>24,234</b>	<b>-41,879</b>	<b>111,889</b>
Profit/loss for the period	–	–	–	3,139	3,139
<b>Total comprehensive income /loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,139</b>	<b>3,139</b>
New share issue	–	–	–	–	–
Costs of issuance	–	–	–	–	–
Currency translation on buyback of hybrid bonds	–	–	–	34	34
Dividends	–	–	–	–	–
<b>Total transactions with the Company's shareholders</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>34</b>	<b>34</b>
<b>Equity, 31 December 2023</b>	<b>97</b>	<b>129,437</b>	<b>24,234</b>	<b>-38,706</b>	<b>115,062</b>
<b>Opening balance, 1 January 2024</b>	<b>97</b>	<b>129,437</b>	<b>24,234</b>	<b>-38,706</b>	<b>115,062</b>
Profit/loss for the period	–	–	–	14	14
<b>Total comprehensive income /loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>14</b>
Currency translation on buyback of hybrid bonds	–	–	–	16	16
Net coupon expense on hybrid bonds	–	–	678	-678	–
Net coupon paid on hybrid bonds	–	–	-678	–	-678
<b>Total transactions with the Company's shareholders</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-663</b>	<b>-663</b>
<b>Equity, 30 June 2024</b>	<b>97</b>	<b>129,437</b>	<b>24,234</b>	<b>-39,355</b>	<b>114,413</b>

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

Helge Leiro Baastad  
Chairman of the Board

Ivar Tollefsen  
Board Member

John Giverholt  
Board Member

Bente A. Landsnes  
Board Member

Fredrik Reinfeldt  
Board Member

Daniel Kristiansson  
Board Member

Klas Åkerbäck  
Board Member

Rebecka Elkert  
Board Member

Wenche Karin Nistad  
Board Member

Helge Krogsbøl  
CEO

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

# Auditor's Review Report

Heimstaden Bostad AB (publ), corporate identity number 556864-0873  
To the Board of Directors for Heimstaden Bostad AB (publ)

## Introduction

We have reviewed the condensed interim report for Heimstaden Bostad 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.

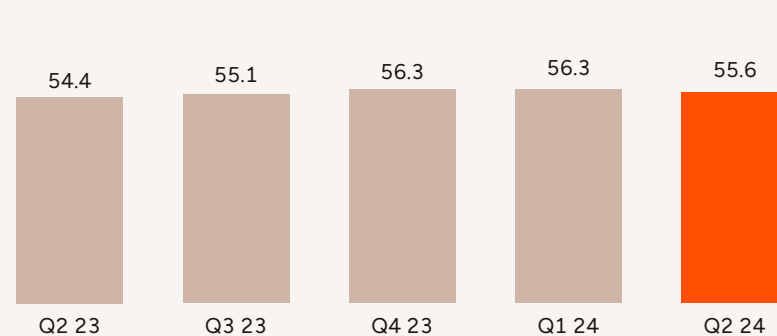
SEK million	Q2 2024
Rental income	15,598
Service charges paid by tenants	1,714
Property expenses	-6,707
<b>Net operating income</b>	<b>10,605</b>
Corporate administrative expenses	-848
<b>Profit before financial items</b>	<b>9,757</b>



## Financial and Operational Metrics

### NET LOAN-TO-VALUE

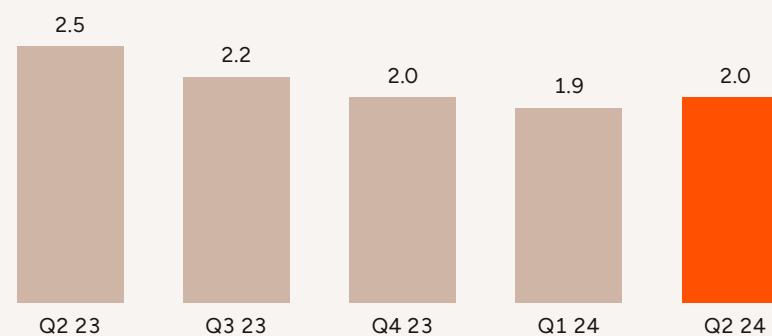
%



SEK million	Q2 2024	Q1 2024	Q2 2023
Interest-bearing secured liabilities	117,618	119,060	106,740
Interest-bearing unsecured liabilities	69,896	70,805	86,295
Less: Cash and cash equivalents	3,537	3,251	8,242
<b>Net interest-bearing liabilities</b>	<b>183,976</b>	<b>186,614</b>	<b>184,793</b>
Fair value of investment properties	329,951	330,703	339,736
Assets held for sale	1,106	750	–
<b>Total investment properties including assets held for sale</b>	<b>331,057</b>	<b>331,452</b>	<b>339,736</b>
<b>Net LTV, %</b>	<b>55.6</b>	<b>56.3</b>	<b>54.4</b>

### INTEREST COVERAGE RATIO

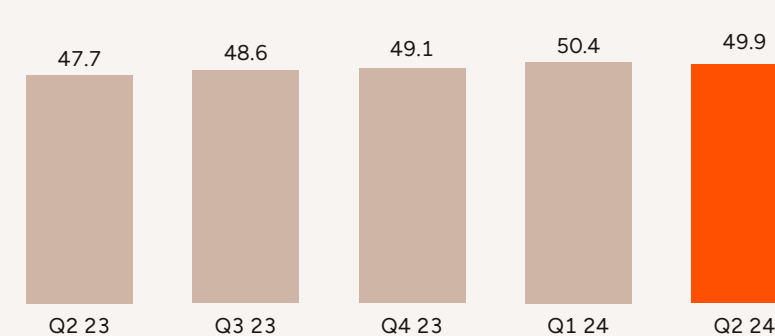
multiple



SEK million last 12 months	Q2 2024	Q1 2024	Q2 2023
Profit before unrealised fair value adjustment	10,438	9,607	8,328
Transaction costs from business combination	-2	1	–
<b>Adjusted profit before unrealised fair value adjustment</b>	<b>10,436</b>	<b>9,608</b>	<b>8,328</b>
Interest expenses	5,634	5,361	3,590
Less: Interest income	398	370	297
<b>Net financial items</b>	<b>5,236</b>	<b>4,990</b>	<b>3,292</b>
<b>ICR</b>	<b>2.0</b>	<b>1.9</b>	<b>2.5</b>

### NET DEBT / TOTAL ASSETS

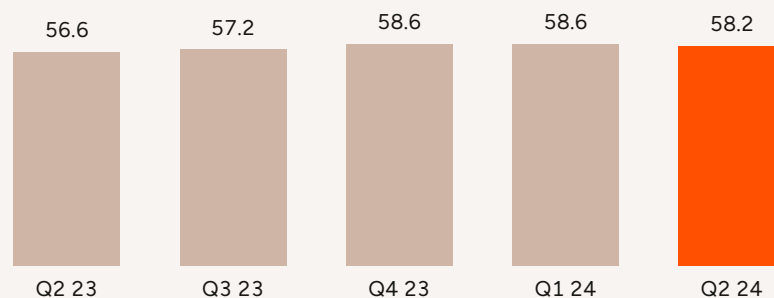
%



SEK million	Q2 2024	Q1 2024	Q2 2023
Net interest-bearing liabilities	183,976	186,614	184,793
Total assets	368,369	369,914	387,460
<b>Net debt / Total assets, %</b>	<b>49.9</b>	<b>50.4</b>	<b>47.7</b>

## NET DEBT / NET DEBT + EQUITY (S&amp;P METHOD)

%

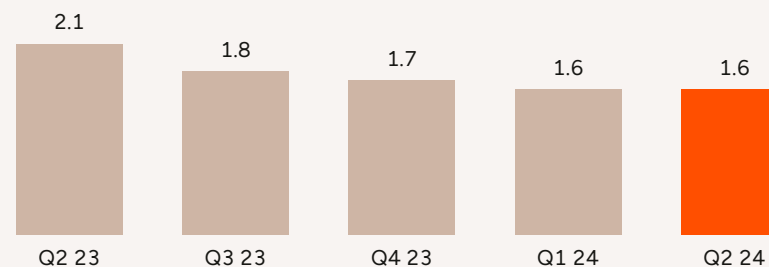


SEK million	Q2 2024	Q1 2024	Q2 2023
Equity	153,924	153,606	164,495
50% hybrid	12,124	12,124	12,124
<b>Equity adjusted</b>	<b>141,799</b>	<b>141,482</b>	<b>152,371</b>
Total interest-bearing liabilities	187,513	189,865	193,035
Lease liabilities	1,311	1,194	1,444
Less: Cash and cash equivalents	-3,537	-3,251	-8,242
50% of hybrid equity as debt (S&P adj.)	12,124	12,124	12,124
<b>Net interest-bearing liabilities, adjusted (Net debt)</b>	<b>197,411</b>	<b>199,932</b>	<b>198,362</b>
<b>Net debt + equity</b>	<b>339,210</b>	<b>341,414</b>	<b>350,732</b>
<b>Net debt / (net debt + equity)</b>	<b>58.2</b>	<b>58.6</b>	<b>56.6</b>

This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

## INTEREST COVERAGE RATIO (S&amp;P METHOD)

multiple

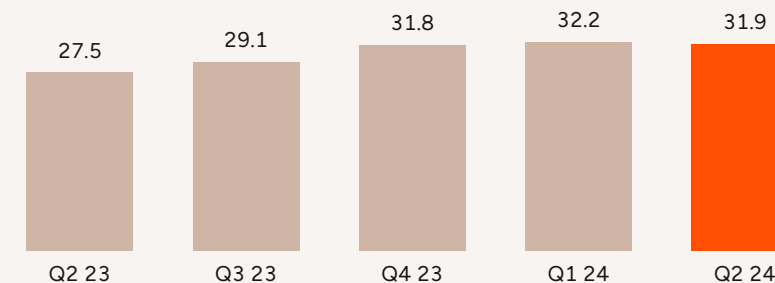


SEK million last 12 months	Q2 2024	Q1 2024	Q2 2023
<b>Profit before unrealised fair value adjustment</b>	<b>10,438</b>	<b>9,607</b>	<b>8,328</b>
Depreciation and amortisation	67	46	16
SOS Partnership	125	135	135
Transaction costs from business combination	-2	1	-
Realised gains/losses from divestment of properties	-1,055	-437	-36
<b>EBITDA, adjusted</b>	<b>9,574</b>	<b>9,352</b>	<b>8,443</b>
Interest expenses	5,634	5,361	3,590
Adjustment interest reclassification	-	-	-63
Capitalised interest	75	108	141
50% interim-equity hybrid dividend annual (S&P)	441	441	419
<b>Interest expense, adjusted</b>	<b>6,151</b>	<b>5,909</b>	<b>4,088</b>
<b>ICR incl. hybrid bonds as 50% debt</b>	<b>1.6</b>	<b>1.6</b>	<b>2.1</b>

This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

## SECURED LOAN-TO-VALUE

%



	Q2 2024	Q1 2024	Q2 2023
Interest-bearing secured liabilities	117,618	119,060	106,740
<b>Total assets</b>	<b>368,369</b>	<b>369,914</b>	<b>387,460</b>
<b>Secured loan-to-value, %</b>	<b>31.9</b>	<b>32.2</b>	<b>27.5</b>

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	325,512	313,902
<b>Residential share of investment properties, %</b>	<b>92.6</b>	<b>92.7</b>

#### LIKE-FOR-LIKE RENTAL INCOME GROWTH

	Q2 2024 <sup>1</sup>	Q2 2023 <sup>2</sup>
Rental income current period	3,714	3,328
Rental income previous period	3,534	3,153
<b>Like-for-like rental income growth, %</b>	<b>5.1</b>	<b>5.6</b>

<sup>1</sup> 2024: only properties owned as of 2022-12-31 are included.

<sup>2</sup> 2023: only properties owned as of 2021-12-31 are included.

#### NET OPERATING INCOME MARGIN

	YTD 2024	YTD 2023
Rental income	7,810	7,317
Net operating income	5,385	4,899
<b>Net operating income, %</b>	<b>69.0</b>	<b>66.9</b>

#### ECONOMIC OCCUPANCY, RESIDENTIAL

	Q2 2024	Q2 2023
Theoretical rental income on residential units	3,749	3,535
Economic vacancy	-127	-145
<b>Rental income on residential units</b>	<b>3,622</b>	<b>3,391</b>
<b>Economic occupancy, %</b>	<b>96.6</b>	<b>95.9</b>

#### REAL ECONOMIC OCCUPANCY, RESIDENTIAL

	Q2 2024	Q2 2023
Theoretical rental income on residential units	3,749	3,535
Adjusted to real vacancy	-64	-67
<b>Adjusted theoretical rental income</b>	<b>3,685</b>	<b>3,469</b>
<b>Real economic occupancy, %</b>	<b>98.3</b>	<b>98.1</b>

#### EQUITY RATIO

	Q2 2024	Q4 2023
Equity	153,924	148,731
Assets	368,369	366,219
<b>Equity ratio, %</b>	<b>41.8</b>	<b>40.6</b>

#### EBITDA

Last 12 months	Q2 2024	Q4 2023
Profit before unrealised fair value adjustment	10,438	9,293
Transaction cost from business combination	-2	5
Depreciation and amortisation	67	18
<b>EBITDA</b>	<b>10,504</b>	<b>9,317</b>

#### NET DEBT/EBITDA

Last 12 months EBITDA	Q2 2024	Q4 2023
Interest-bearing liabilities	187,513	191,250
EBITDA	10,504	9,317
<b>Net debt / EBITDA, multiple</b>	<b>17.9</b>	<b>20.5</b>

### 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

### Contacts

Thomas Alexander Hansen, CFO, +47 90 06 30 54, [thomas.hansen@heimstaden.com](mailto:thomas.hansen@heimstaden.com)

Cody Nelson, Investor Relations, +47 94 89 41 96, [ir@heimstaden.com](mailto:ir@heimstaden.com)

This information is such that Heimstaden Bostad 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.

**Heimstaden**  
BOSTAD

Ö Promenaden 7 A, SE-211 28 Malmö, Sweden

Corporate ID Number: 556864-0873

+46 40 660 2000, [www.heimstadenbostad.com](http://www.heimstadenbostad.com)