

Q1 2024



Heimstaden

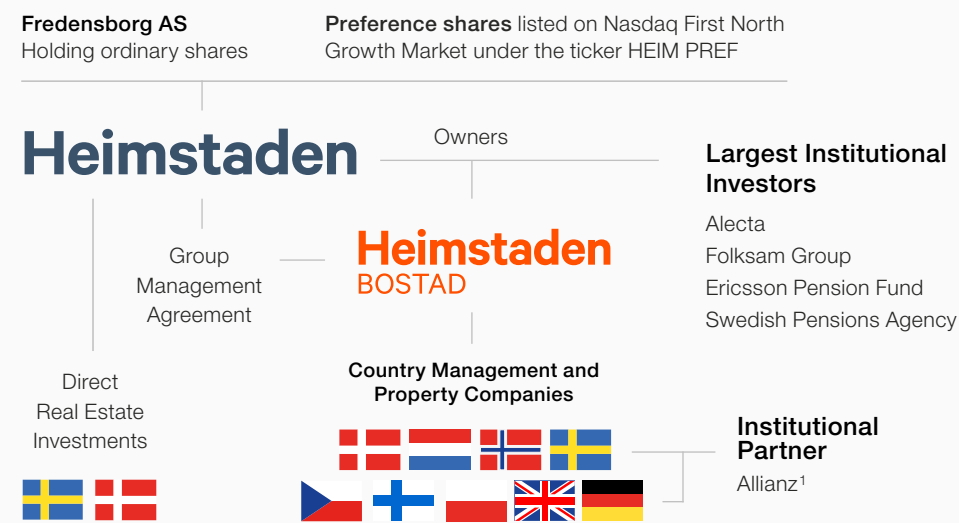
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Enrich and Simplify Lives  
Through Friendly Homes

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Simplified Company Structure



Heimstaden is an industrial investor and owns Heimstaden Bostad together with long-term institutional investors who share Heimstaden’s philosophy for evergreen and sustainable residential investments. Heimstaden is also the Group Manager of Heimstaden Bostad. Heimstaden has direct real estate holdings in Sweden and Denmark.

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

<sup>2</sup> Heimstaden Bostad releases its own consolidated financial statements.

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



# Highlights

- The consistently strong operating environment saw NOI growth offsetting moderately expanding yields, leading to a 0.8% (-3.9%) increase in property values
- Real economic occupancy of 98.3% (98.2%)
- Rental income at SEK 3,876 million (3,698) and like-for-like rental growth of 5.2% (5.0%)
- The NOI margin was 66.4% (64.9%) and the LTM NOI margin was 67.7% (64.9%)
- Net LTV of 59.0% (54.9%) and ICR of 1.7x (2.4x)
- The Privatisation Plan achieved a 31.5% premium to book value on 265 units sold. Proceeds will be prioritised for liability management
- Fredensborg completed the sale of the Icelandic portfolio, with Heimstaden receiving a total deferred purchase price of about SEK 750 million in cash
- Fitch downgrade to B from BB, with negative outlook

332 billion

Investment Properties, SEK

2.6 billion

Net operating income, SEK

59.0%

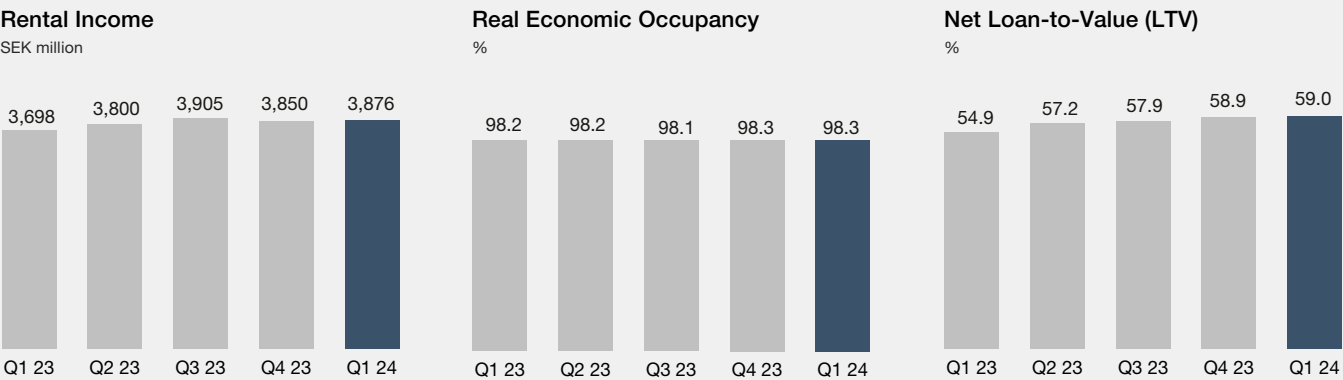
Net loan-to-value

1.7x

Interest coverage ratio

## Key Figures

		Q1 2024	Q1 2023	FY 2023
Financials				
Rental income	SEK m	3,876	3,698	15,253
Growth y-o-y	%	4.8	17.2	15.5
Net operating income	SEK m	2,573	2,402	10,278
Net operating income margin	%	66.4	64.9	67.4
Total comprehensive income/loss	SEK m	5,008	-12,567	-27,355
Capital expenditures	SEK m	873	2,436	8,353
Portfolio Metrics				
Fair value of investment properties	SEK m	331,957	341,809	320,607
Homes	Units	162,346	160,766	161,553
Real economic occupancy, residential	%	98.3	98.2	98.2
Like-for-like rental income growth	%	5.2	5.0	5.1
Credit Metrics				
Net loan-to-value	%	59.0	54.9	58.9
Net debt / Total assets	%	53.1	48.2	51.5
Interest Coverage Ratio (ICR)	Multiple	1.7	2.4	1.8



# Consolidated Quarterly Review

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

## Operational review

### Income

Rental income increased by 4.8% to SEK 3,876 million (3,698), mainly driven by annual indexations and crystalizing rent reversion upon tenant churn, offset by the divestment of Iceland in 2023. About 92% (92%) or SEK 3,560 million (3,392) was derived from residential rents with the remaining 8% consisting of commercial, garage, and parking. Heimstaden’s subsidiary Heimstaden Bostad’s privatisation programme impacted revenues with a decrease of approximately SEK 21 million.

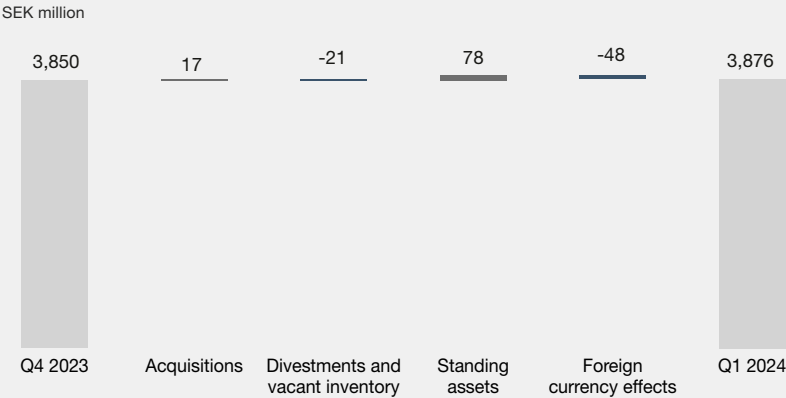
Like-for-like rental income growth amounted to 5.2% (5.0%) and the comparable portfolio reflected in the like-for-like development comprised 95% of total rental income. This is the second quarter that Heimstaden’s like-for-like rental income growth exceeded the blended core CPI of 2.8% for the quarter, further demonstrating the ability to capture rental growth above CPI.

### Country like-for-like rental income

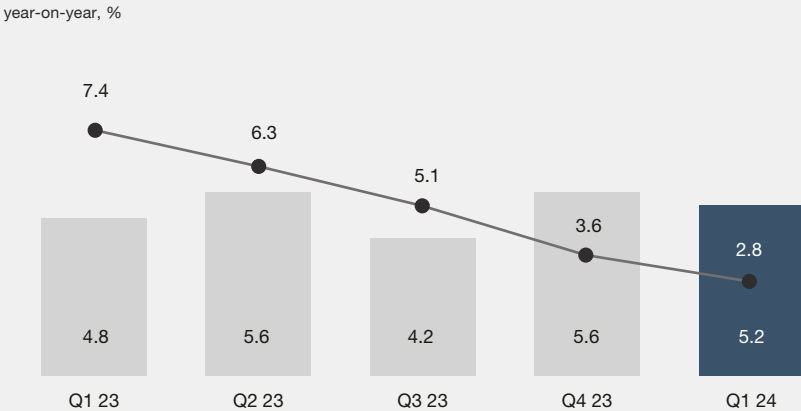
	Q1 2024		Q4 2023	Q3 2023	Q2 2023	Q1 2023
	Lfl (%)	Core CPI (%)	Lfl (%)	Lfl (%)	Lfl (%)	Lfl (%)
Sweden	6.8	2.7	5.2	4.8	5.4	3.1
Germany	5.2	3.3	8.5	3.6	5.3	3.2
Denmark	1.1	2.0	2.4	0.5	1.0	2.6
Netherlands	6.1	3.1	4.6	4.1	4.8	4.9
Czechia	7.4	2.8	9.0	10.1	15.8	15.6
Norway	6.3	4.9	7.6	6.3	8.0	7.4
United Kingdom	6.8	4.7	5.3	5.1	3.0	7.1
Finland	5.9	3.4	4.5	3.5	0.8	0.5
Poland	13.0	-5.9	N/A	N/A	N/A	N/A
Total	5.2	2.8	5.6	4.2	5.7	5.0

Across all of our markets, we saw continued strong performance on like-for-like growth, exceeding core CPI with the exception of Denmark. The indexation in Denmark concluded on the headline CPI figure of October, which amounted to 0.5%. Sweden continued to show increases exceeding the negotiated increases due to the tenant improvement programme. In Poland, only 37% of the revenue is included in the like-for-like growth of 13% due to the comparable portfolio being relatively new. The 13% growth can be attributable equally to reduced vacancy and increased rents.

### Rental Income



### Development in Like-for-Like Growth and Core CPI



Real economic occupancy

Real economic occupancy remains stable above 98%, with a slight increase to 98.3% (98.2%).

Country real economic occupancy

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	%	%	%	%	%
Sweden	98.9	99.0	99.0	99.3	99.1
Germany	99.7	99.7	99.2	98.8	99.2
Denmark	97.6	97.4	97.2	96.9	96.6
Netherlands	99.7	99.7	99.7	99.7	99.8
Czechia	95.7	97.0	96.4	96.8	97.1
Norway	99.0	99.6	99.6	99.2	99.3
United Kingdom	97.9	94.7	83.2	83.8	85.7
Finland	93.7	95.5	93.6	93.3	93.8
Poland	96.1	98.0	97.1	92.4	96.3
Total	98.3	98.3	98.1	98.2	98.2

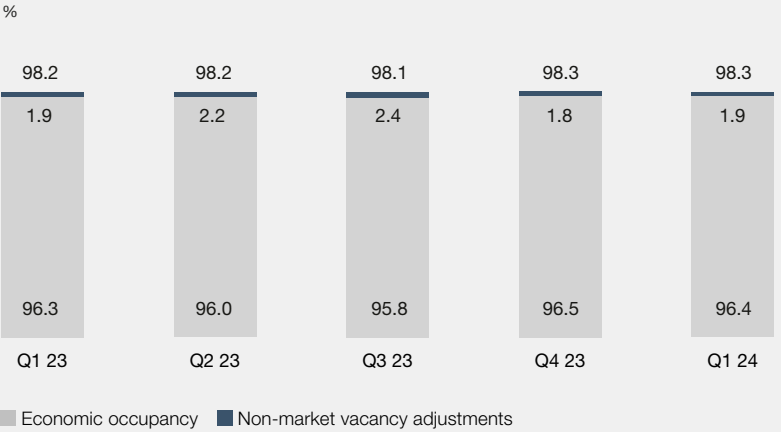
Service charge paid by tenants remained stable at SEK 506 million (516). The majority of the cost recovery from service charges stem from Germany and Czechia as they generated SEK 222 million (236) and SEK 239 million (242); respectively. Similar to rental income, service charges are derived almost entirely from residential units with SEK 473 million (492) or 94% (95%).

Property expenses

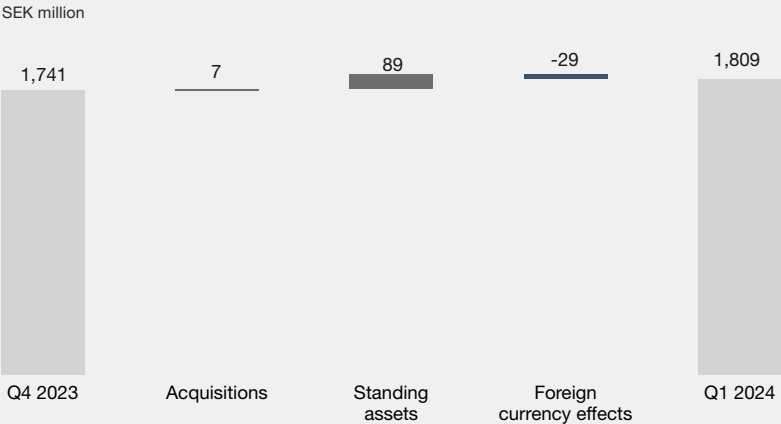
The total amount of property expenses increased slightly to SEK 1,809 million (1,813), driven mainly by general cost increases. Utility costs increased to SEK 724 million (723). Due to different rental regimes between markets, seasonality effects of non-recoverable costs impact the net operating income margin. Recoverable utility expenditures are matched by service charges which appear in the separate line-item “service charges paid by tenants”.

Expenditure for repair and maintenance decreased to SEK 176 million (198), mainly due to an increased focus on cost efficiency measures. Property and facility management increased slightly due to higher spend on facility management on items such as snow & ice removal and amounted to SEK 613 million (577).

Real Economic Occupancy Residential



Property Expenses



Net operating income

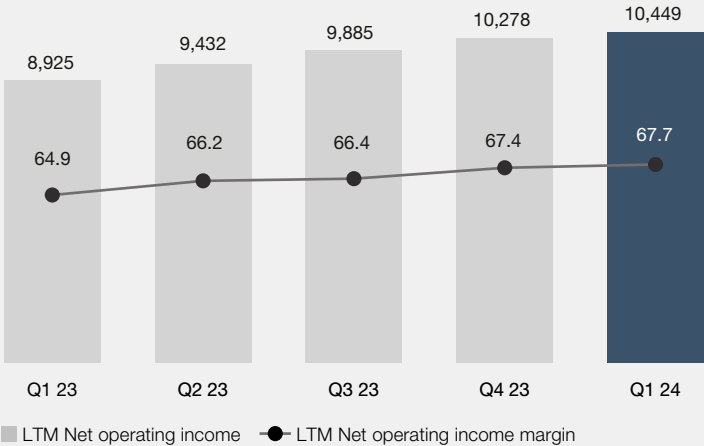
Net operating income improved by to SEK 2,573 million (2,402), resulting in a quarterly net operating income margin of 66.4% (64.9%). On a last-twelve months basis (LTM), the net operating income increased to 67.7% (64.9%).

Net operating income

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	%	%	%	%	%
LTM	67.7	67.4	66.4	66.2	64.9
Quarterly	66.4	66.0	67.9	67.0	64.9

Net Operating Income and Margin

Last twelve months (LTM), SEK million / %



Asset management

Capital expenditures, repair and maintenance

Total expenditure in standing assets was SEK 856 million (1,309), corresponding to 0.26% of fair value (0.37%). Investments in properties under construction, excluding forward purchase contracts, amounted to SEK 229 million (965) as the number of homes under construction was reduced to 1,901 (4,103). Most of the remaining homes under construction are nearing delivery and the majority of the spend is completed.

Capital expenditures

SEK million	Q1 2024	Q1 2023
<b>Income statement items</b>		
Expenses for repair and maintenance <sup>1</sup>	213	231
<b>Balance sheet items</b>		
Capitalised cost on standing assets	644	1,078
<b>Expenditure on standing assets</b>	<b>856</b>	<b>1,309</b>
Investment properties under construction	229	965
<b>Capital expenditures</b>	<b>873</b>	<b>2,044</b>

<sup>1</sup> Excluding group eliminations, see [Note 3](#).

Heimstaden allocates capital expenditure across four main segments: maintenance, sustainability, tenant improvements, and value-add.

Four pillars of capital expenditure

SEK million	Q1 2024	Q1 2023
Maintenance	230	308
Sustainability	23	80
Tenant improvement	225	456
Value-add	71	210
Other	96	24
<b>Total</b>	<b>644</b>	<b>1,078</b>

Capital expenditure on standing assets is comprised of projects that are non-recurring with the aim to upgrade, extend, or improve the quality and lifetime of existing assets. Commitments in these areas maintain high optionality and flexibility given the limited legal and long-term commitments related to their spending. In response to the funding environment, the 2024 capital expenditures budget is 30% below 2023 levels. Yield requirements have increased for tenant improvement and value-add to 10% yield on cost, only executing projects that are immediately accretive to the interest coverage ratio and other credit metrics. Value-preserving maintenance capital expenditure is reduced in volume while overall maintenance corresponds with the long-term target of 0.4% of gross asset value. An analytical framework determines repair versus replace decisions, always taking long-term value preservation and cost of capital into account.

Capital expenditures on standing assets by country

	Q1 2024		FY 2023		Q1 2023	
	% <sup>1</sup>	SEK million	% <sup>1</sup>	SEK million	% <sup>1</sup>	SEK million
Sweden	0.2	150	1.9	1,680	0.4	373
Germany	0.3	237	1.1	873	0.2	202
Denmark	0.1	47	0.7	500	0.1	79
Netherlands	0.2	51	3.1	838	0.8	230
Czechia	0.4	112	3.1	773	0.5	135
Norway	0.1	18	0.2	36	0.1	21
United Kingdom	–	–	–	1	–	–
Iceland	N/A	N/A	–	49	0.4	21
Finland	0.7	27	4.7	170	0.4	17
Poland	–	–	–	–	–	–
<b>Total</b>	<b>0.2</b>	<b>644</b>	<b>1.5</b>	<b>4,920</b>	<b>0.3</b>	<b>1,078</b>

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

Remaining Commitments

For the quarter Heimstaden has not committed to any new acquisitions and received 1,054 units in Sweden, Denmark, Czechia and Poland. These deliveries accounted for a gross asset value of SEK 3,054 million providing an additional NOI of SEK 143 million on an annualized basis.

Deliveries received in the quarter

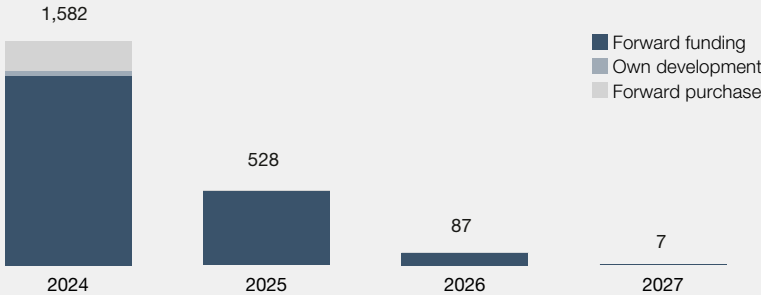
	Homes	Value at completion	Total Cost	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	380	1,110	1,059	50
Germany	–	–	–	–
Denmark	320	823	888	42
Netherlands	–	–	–	–
Czechia	178	732	536	29
Norway	–	–	–	–
United Kingdom	–	–	–	–
Finland	6	11	6	–
Poland	170	378	293	22
Total	1,054	3,054	2,782	143

Remaining commitments

	Homes	Estimated value at completion	Remaining commitments	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	1,062	2,647	863	124
Germany	–	–	–	–
Denmark	384	1,123	405	–
Netherlands	–	–	–	–
Czechia	182	273	177	12
Norway	8	160	20	3
United Kingdom	464	1,704	476	79
Finland	–	–	–	–
Poland	1,290	2,423	262	141
Total	3,390	8,330	2,203	359

Remaining Commitments

SEK million



Realised gains/losses from divestment of properties

Net gains from divestment of properties were SEK 206 million (4) corresponding to an increase of 13% over the previous quarter representing the transferred sold units.

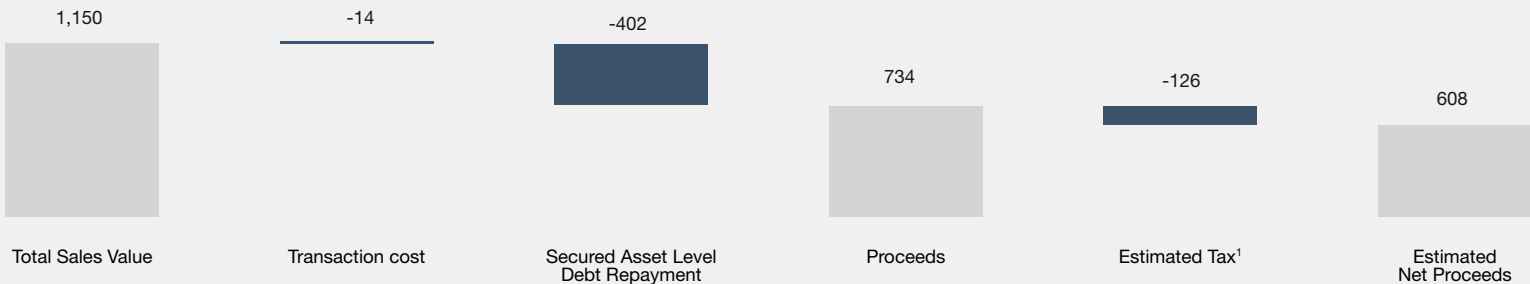
During the quarter, 265 units were sold across 4 countries at an average premium to book value of 31.5%. Estimated proceeds for the sold units in the quarter is presented in the waterfall below.

Net proceeds from the programme are to be used for debt service and deleveraging. Net proceeds include the payment of transaction fees, personnel costs, repayment of secured asset-level debt, and taxes payable or deferred upon sale. Altogether the estimated net proceeds for units sold in the quarter were SEK 608 million.

The accounting includes units that were closed as of the balance sheet date but not transferred. Per the balance sheet date, a total of SEK 750 million were held for sale from units sold in Netherlands (467 million) and Denmark (283 million).

Estimated Q1 Net Proceeds Waterfall

SEK million



<sup>1</sup> Assumes all taxes are paid upon close, actual proceeds will be higher due to tax optimisation and deferrals  
<sup>2</sup> Programme was established in Q3 2023

Estimated debt repayment since programme inception<sup>2</sup>

SEK million

	Q1 2024
Total sales value	2,353
Reporting value	1,795
Gross premium	559
Gross premium %	31%
Total sales value	2,353
Less: Transaction costs	33
Less: Debt repayment	903
Less: Estimated tax	261
Net proceeds	1,158
Net proceed ratio	49%
Total proceeds for debt repayment	2,060
Total debt repayment ratio	88%



## Investment Properties

### Change in fair value of investment properties<sup>1</sup>

Net gains from fair value adjustments on investment properties was SEK 2,488 million (-13,477) corresponding to 0.8% of fair value. The increase in fair value during the quarter was primarily driven by strong rental growth and declining core inflation outweighing the negative effects from yield expansion. Overall the stabilising residential values are supported by the combination of positive rental growths, easing inflation, increased interest rate visibility, improved ownership housing markets, and positive sentiments from the transaction markets. The entire portfolio is reviewed by external valuers each quarter.

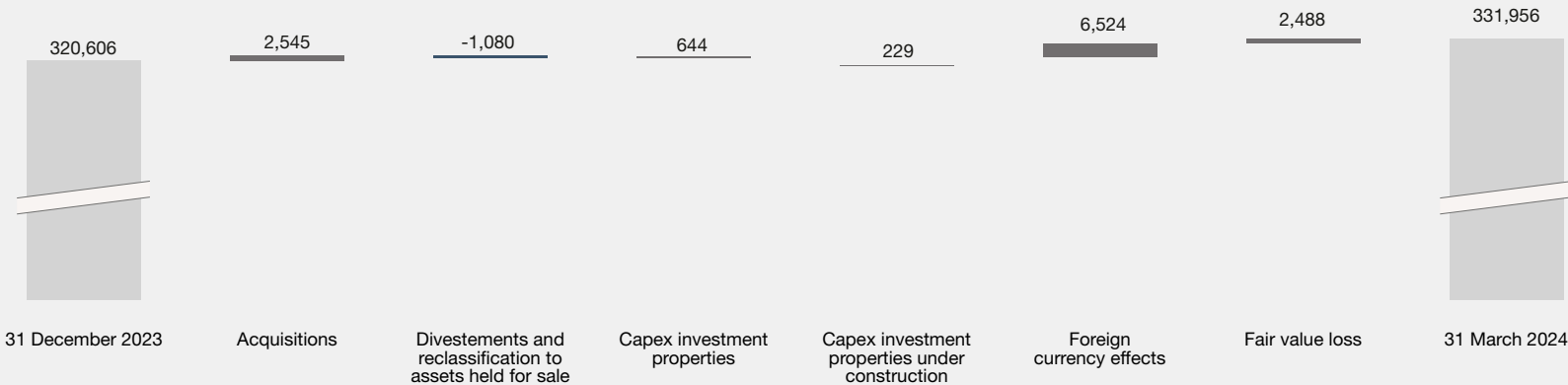
The average valuation yield requirement was 3.63% (3.31%). On a quarter-over-quarter basis this is a slight increase from 3.53%. For the quarter, Sweden, Germany, Finland, and Denmark saw values remain stable on the back of rental growth offsetting yield movement. The United Kingdom also saw values remaining relatively stable with the final developments approaching completion. Norway experienced increases in owner-occupier HPI. Czechia saw strong rent roll performance continuing to drive growth whilst the Netherlands saw an increase in Vacant Possession Value (VPV) which in combination with NOI improvements outperformed yield increases for the quarter. Poland values increased due to the completion of two forward purchase assets at above acquisition price.

### Average yield requirements

%	Q1 2024	FY 2023	Q1 2023
Sweden	3.39	3.30	3.00
Germany	2.85	2.74	2.50
Denmark	4.18	4.17	4.10
Netherlands	4.06	3.74	3.60
Czechia	4.59	4.70	4.60
Norway	3.22	3.24	3.00
United Kingdom	4.58	4.55	4.20
Finland	4.88	4.68	4.20
Poland	5.67	5.66	5.40
Total	3.63	3.53	3.31

### Fair Value Development

SEK million



### Country fair value development

SEK million and %

	Q1 2024		Q1 2023	
	%	SEK million	%	SEK million
Sweden	-0.1	-59	-3.2	-3,173
Germany	-0.1	-50	-6.6	-6,189
Denmark	-0.1	-102	-4.2	-3,196
Netherlands	3.6	996	-7.8	-2,398
Czechia	4.3	1,108	1.6	386
Norway	1.7	293	4.1	717
Iceland	N/A	N/A	2.6	151
United Kingdom	-0.4	-20	10.0	325
Finland	-0.1	-3	-2.7	-106
Poland	10.0	325	0.5	6
Total	0.8	2,488	-3.8	-13,477

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

## Financial Review

### Interest expenses

Interest expenses were SEK 1,553 million (1,248), reflecting an average interest rate of 3.0% (2.45%). On a quarter-over-quarter basis the debt portfolio didn't change materially. However, the average interest rate decreased to 3.00% from 3.04% which was driven by the increased hedge position from 85.6% to 87.6% and repayment of the January 2024 EUR 700 million senior bond. The interest coverage ratio for the last 12 months was 1.7x (2.4x).

With persisting constraints in the capital markets, Heimstaden continues to focus funding efforts on local asset-backed financing. Our portfolio diversification with a presence in nine countries benefits the strategy by limiting the required volumes in any single market. So far, the tightening credit market and the increasingly selective approach banks have adopted towards real estate have not affected the funding strategy materially. Heimstaden continues to have good access to the bank market, thanks to its attractive segment exposure and high-quality portfolio.

### Foreign currency

Heimstaden has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN and GBP. Exchange differences on translation of foreign operations gave other comprehensive gain of SEK 4,124 million (858), which was partially offset by SEK -2,575 million in foreign exchange loss (692).

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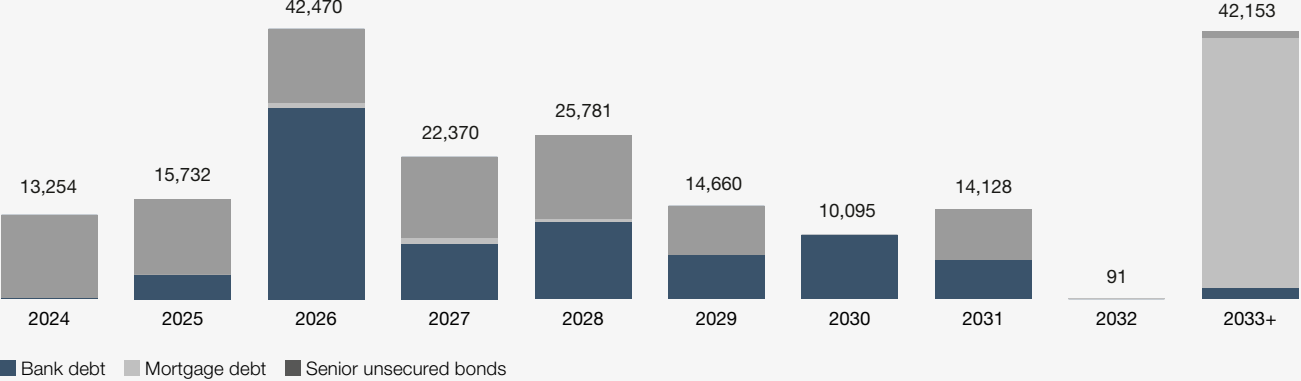
Fitch credit rating  
of Heimstaden

BBB-

S&P and Fitch credit ratings  
of Heimstaden Bostad

### Consolidated Interest Bearing Debt Maturity

SEK million



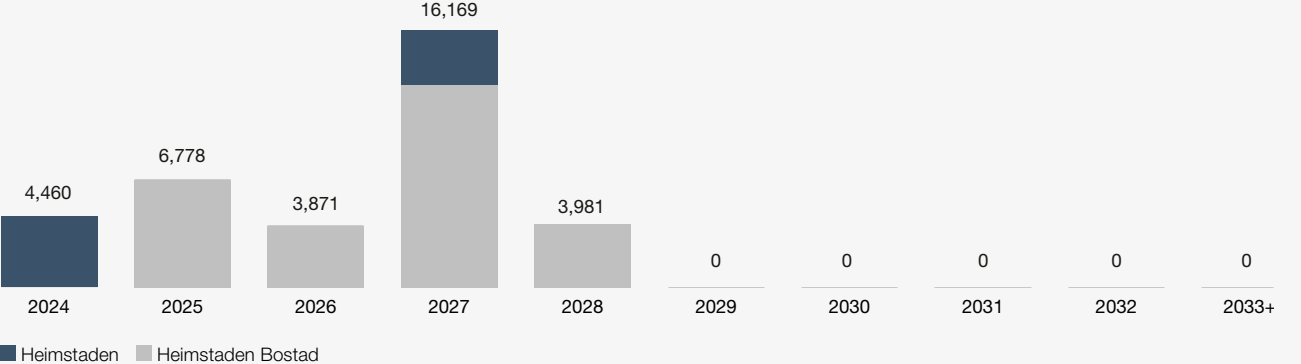
### Consolidated Interest Bearing Debt By Type

SEK million

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+	Total
Senior unsecured bonds	13,126	11,930	11,739	12,849	13,280	7,798	–	8,053	–	1,151	79,927
Mortgage debt	–	–	692	868	412	37	123	–	91	39,905	41,527
Bank debt	128	3,802	30,039	8,653	12,089	6,825	9,972	6,075	–	1,698	79,280
Total	13,254	15,732	42,470	22,370	25,781	14,660	10,095	14,128	91	42,153	200,734

### Consolidated Hybrid Bonds Reset Dates<sup>1</sup>

SEK million



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

Cash Flow

SEK million	Q1 2024	Q1 2023
Operating activities	469	16
Investing activities	-607	-1,178
Financing activities	-8,532	2,424
Change	-8,670	1,261
Period opening balance - Cash and cash equivalents	12,492	11,322
Currency effects	-56	-26
Closing balance - Cash and cash equivalents	3,765	12,557

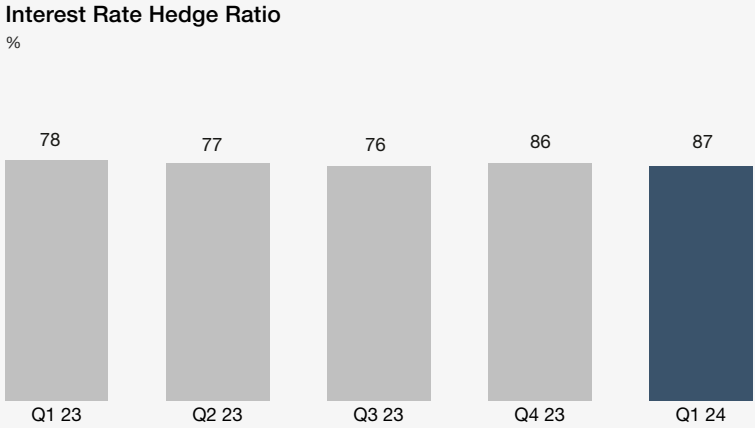
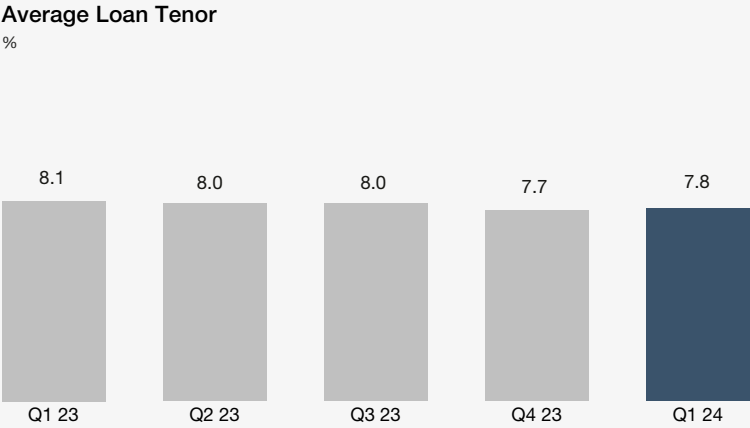
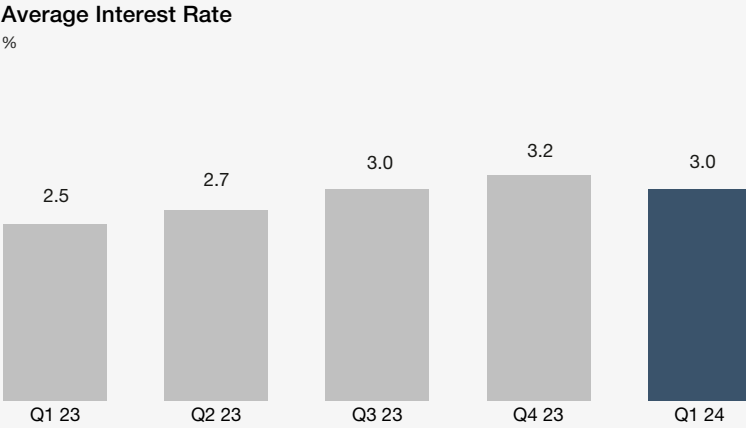
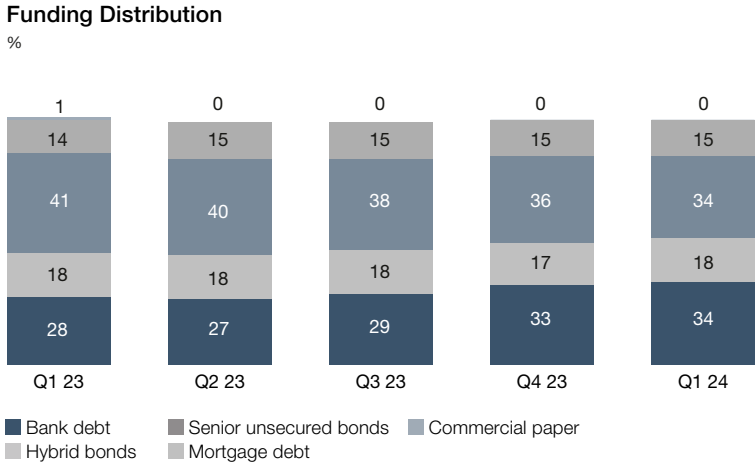
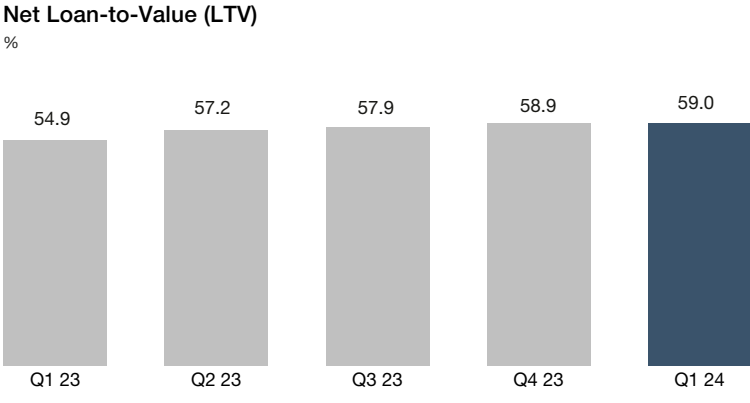
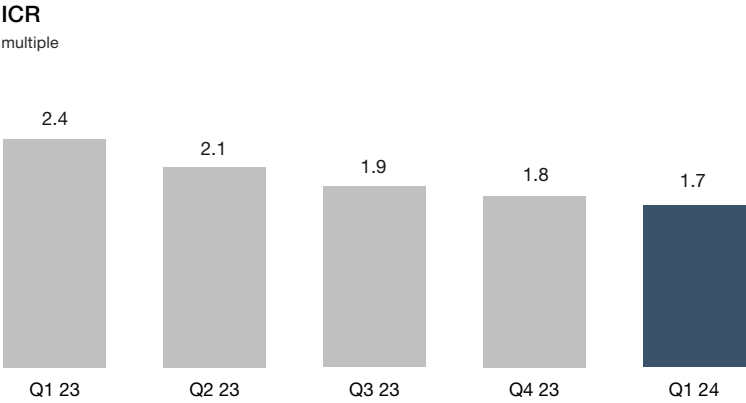
Cash generated from operations was SEK 2,360 million (1,933). Interest and taxes paid in period was SEK -1,892 million (-1,917) resulting in a net cash flow from operating activities of SEK 469 million (16). The main difference between operating profit and cash flow from operations was fair value adjustments on investment properties of SEK 2,487 million (-13,477).

Cash flow from investing activities was SEK -607 million (-1,178). Capital expenditures on investment properties of SEK -1,038 million (-2,065). Acquisition of investment properties of SEK -495 million (-1,169) mainly related to payments in Poland and Denmark upon completion of investment properties within the quarter. Capital expenditures and acquisitions were offset by net proceeds received from divestment of investment properties by SEK 830 million (1,487). Net proceeds received was mainly related to the privatisation programme mainly in Netherlands and Denmark.

Cash flow from financing activities was negative by SEK -8,532 million (2,424), foremost due to the larger repayment of EUR bonds of SEK 7,926 million. The cash position of the Group at the balance sheet date is SEK 3,765 million (12,557).



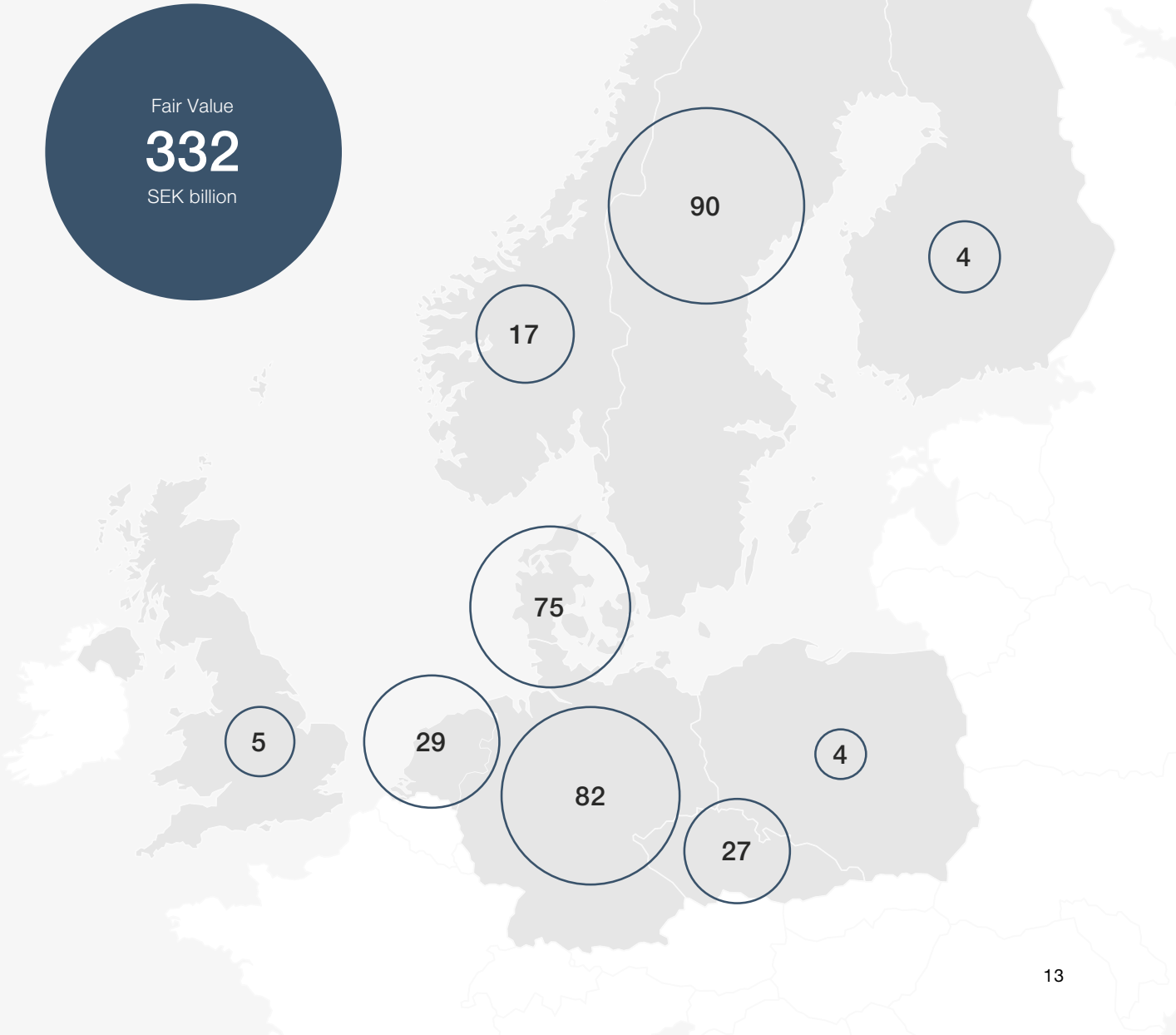
# Credit Metrics



# Consolidated Portfolio Overview

Country	Fair Value, SEK million	Homes, units <sup>1</sup>	Fair Value /sqm, SEK <sup>1</sup>	Residen- tial <sup>2</sup> , %	Regulated Income, <sup>3</sup> %	Real Economic Occupancy, %
Sweden	89,968	46,831	27,094	89.8	100.0	98.9
Germany	82,224	29,711	41,168	91.0	100.0	99.7
Denmark	74,533	21,034	36,515	95.0	14.7	97.6
Netherlands	28,718	13,267	27,895	99.3	57.9	99.7
Czechia	27,177	42,471	10,456	95.7	23.4	95.7
Norway	17,302	3,973	83,630	87.3	0.0	99.0
United Kingdom	4,667	949	58,266	98.4	5.2	97.9
Finland	3,780	3,163	20,270	95.7	0.0	93.7
Poland	3,587	947	44,942	90.4	0.0	96.1
Total	331,957	162,346	28,680	92.7	58.6	98.3

<sup>1</sup> Standing assets  
<sup>2</sup> Based on fair value  
<sup>3</sup> Residential income





# Financial Information

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## Condensed Consolidated Statement of Comprehensive Income

SEK million	Note	Q1 2024	Q1 2023	FY 2023
Rental income	<a href="#">3, 4</a>	3,876	3,698	15,253
Service charges paid by tenants	<a href="#">3, 4</a>	506	516	1,750
Property expenses	<a href="#">3</a>	-1,809	-1,813	-6 726
<b>Net operating income<sup>1</sup></b>		<b>2,573</b>	<b>2,402</b>	<b>10,278</b>
Corporate administrative expenses		-152	-143	-677
Other operating income		36	159	302
Other operating expenses	<a href="#">5</a>	-139	-89	-467
Realised gains/losses from divestment of properties	<a href="#">6</a>	206	4	235
<b>Profit before unrealised fair value adjustment</b>		<b>2,524</b>	<b>2,331</b>	<b>9,670</b>
Fair value adjustment of investment properties	<a href="#">8</a>	2,488	-13,477	-31,081
Value adjustment of inventory properties	<a href="#">2</a>	-357	20	25
<b>Operating profit/loss</b>		<b>4,655</b>	<b>-11,126</b>	<b>-21,386</b>
Share of net profits/losses of associated companies and joint ventures	<a href="#">10</a>	197	-448	-864
Impairment of goodwill	<a href="#">9</a>	–	-1,058	-1,058
Interest income		97	61	384
Interest expenses		-1,553	-1,248	-5,759
Net currency translation gains/losses		-2,575	-692	387
Fair value adjustment of derivative financial instruments		199	-448	-1,173
Other financial items		-21	643	461
<b>Profit/loss before tax</b>		<b>999</b>	<b>-14,316</b>	<b>-29,008</b>
Income tax expense	<a href="#">7</a>	-116	890	3,708
<b>Profit/loss for the period</b>		<b>884</b>	<b>-13,425</b>	<b>-25,300</b>

SEK million	Note	Q1 2024	Q1 2023	FY 2023
<b>Divestment of business unit<sup>2</sup></b>		<b>–</b>	<b>–</b>	<b>-256</b>
<b>Other comprehensive income:</b>				
Currency translation differences	<a href="#">12</a>	4,124	858	-1,799
<b>Total comprehensive income/loss</b>		<b>5,008</b>	<b>-12,567</b>	<b>-27,355</b>
<b>Profit/loss for the period attributable to:</b>				
The Parent Company's shareholders		–	-7,655	-15,171
Non-controlling interests		884	-5,770	-10,386
<b>Total comprehensive income/loss attributable to:</b>				
The Parent Company's ordinary shareholders		2,364	-7,160	-16,477
The Parent Company's preference shareholders		29	29	117
Non-controlling interests		2,614	-5,436	-10,995

<sup>1</sup> Excludes income from inventory properties.

<sup>2</sup> Discontinued operations

Condensed Consolidated Statement of Financial Position

SEK million	Note	31 March 2024	31 December 2023	31 March 2023
ASSETS				
Investment properties	<a href="#">8</a>	331,957	320,607	341,809
Goodwill and intangible assets	<a href="#">9</a>	16,223	15,893	15,983
Machinery and equipment		332	346	447
Investments in associated companies and joint ventures	<a href="#">10</a>	9,149	8,702	9,198
Derivative financial instruments	<a href="#">11</a>	177	34	699
Deferred tax assets		1,497	1,081	1,231
Other financial assets	<a href="#">11</a>	1,529	3,528	3,669
Total non-current assets		360,863	350,191	373,036
Inventory properties	<a href="#">2</a>	534	538	475
Rent and trade receivables		212	229	453
Other financial assets		2,331	1,637	1,369
Derivative financial instruments	<a href="#">11</a>	231	464	335
Prepayments		1,543	1,165	1,259
Cash and cash equivalents		3,765	12,492	12,556
Assets held for sale	<a href="#">8</a>	750	294	–
Total current assets		9,366	16,817	16,446
TOTAL ASSETS		370,229	367,008	389,483

SEK million	Note	31 March 2024	31 December 2023	31 March 2023
EQUITY AND LIABILITIES				
Equity	<a href="#">13</a>	142,208	137,929	154,964
Interest-bearing liabilities	<a href="#">11</a>	184,087	181,535	184,165
Lease liabilities	<a href="#">11</a>	1,121	1,098	1,405
Derivative financial instruments	<a href="#">11</a>	184	481	66
Deferred tax liabilities		20,321	19,729	23,371
Other financial liabilities		1,719	1,663	1,551
Total non-current liabilities		207,432	204,505	210,559
Interest-bearing liabilities	<a href="#">11</a>	16,113	19,898	16,061
Lease liabilities	<a href="#">11</a>	82	88	119
Trade payables		458	800	1,014
Other liabilities		1,394	892	3,631
Derivative financial instruments	<a href="#">11</a>	2	–	60
Accrued expenses and prepaid income		2,540	2,896	3,075
Total current liabilities		20,589	24,574	23,960
TOTAL EQUITY AND LIABILITIES		370,229	367,008	389,483

## 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>	<b>95</b>	<b>7,504</b>	<b>7,374</b>	<b>8,001</b>	<b>21,124</b>	<b>44,098</b>	<b>124,711</b>	<b>168,808</b>
Profit/loss for the period	–	–	314	–	-8,453	-8,139	-5,286	-13,425
Currency translation differences	–	–	–	525	–	525	334	858
<b>Total comprehensive income/loss</b>	<b>–</b>	<b>–</b>	<b>314</b>	<b>525</b>	<b>-8,453</b>	<b>-7,614</b>	<b>-4,952</b>	<b>-12,567</b>
New share issue	–	–	–	–	–	–	1,942	1,942
Cost of issuance	–	-3	–	–	–	-3	–	-3
Buyback of hybrid bonds	–	–	–	–	6	6	-78	-72
Dividends	–	–	-314	–	-1,529	-1,843	-3,848	-5,691
Transactions with non-controlling interests	–	–	–	–	1,114	1,114	1,434	2,548
<b>Total transactions with the Company's shareholders</b>	<b>–</b>	<b>-3</b>	<b>-314</b>	<b>–</b>	<b>-409</b>	<b>-726</b>	<b>-550</b>	<b>-1,276</b>
<b>Equity, 31 March 2023</b>	<b>95</b>	<b>7,501</b>	<b>7,374</b>	<b>8,526</b>	<b>12,262</b>	<b>35,758</b>	<b>119,209</b>	<b>154,965</b>
Profit/loss for the period	–	–	313	–	-7,345	-7,032	-5,100	-12,132
Currency translation differences	–	–	–	-1,714	–	-1,714	-943	-2,657
<b>Total comprehensive income/loss</b>	<b>–</b>	<b>–</b>	<b>313</b>	<b>-1,714</b>	<b>-7,345</b>	<b>-8,746</b>	<b>-6,043</b>	<b>-14,789</b>
New share issue	–	–	–	–	–	–	–	–
Costs of issuance	–	3	–	–	–	3	-6	-3
Currency translation on buyback of hybrid bonds	–	–	–	–	2	2	7	9
Dividends	–	–	-313	–	-88	-402	-1,876	-2,278
Transactions with non-controlling interests	–	–	–	–	-2	-2	27	25
<b>Total transactions with the Company's shareholders</b>	<b>–</b>	<b>3</b>	<b>-313</b>	<b>–</b>	<b>-88</b>	<b>-399</b>	<b>-1,848</b>	<b>-2,247</b>
<b>Equity, 31 December 2023</b>	<b>95</b>	<b>7,504</b>	<b>7,374</b>	<b>6,812</b>	<b>4,829</b>	<b>26,613</b>	<b>111,318</b>	<b>137,929</b>
<b>Opening balance, 1 January 2024</b>	<b>95</b>	<b>7,504</b>	<b>7,374</b>	<b>6,812</b>	<b>4,829</b>	<b>26,613</b>	<b>111,318</b>	<b>137,929</b>
Profit/loss for the period	–	–	–	–	-0	-0	884	884
Currency translation differences	–	–	–	2,394	–	2,394	1,730	4,124
<b>Total comprehensive income/loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,394</b>	<b>-0</b>	<b>2,393</b>	<b>2,614</b>	<b>5,008</b>
Dividends	–	–	–	–	-29	-29	–	-29
Coupon expense on hybrid bonds	–	–	272	–	-272	–	–	–
Currency translation on buyback of hybrid bonds	–	–	–	–	-21	-21	–	-21
Coupon paid on hybrid bonds	–	–	-272	–	–	-272	-420	-692
Transactions with non-controlling interests	–	–	–	–	14	14	–	14
<b>Total transactions with the Company's shareholders</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-308</b>	<b>-308</b>	<b>-420</b>	<b>-729</b>
<b>Equity, 31 March 2024</b>	<b>95</b>	<b>7,504</b>	<b>7,374</b>	<b>9,206</b>	<b>4,520</b>	<b>28,698</b>	<b>113,512</b>	<b>142,208</b>

## Condensed Consolidated Statement of Cash Flow

SEK million	Note	Q1 2024	Q1 2023	FY 2023
<b>Operating activities</b>				
Profit/loss before tax		999	-14,316	-29,008
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Fair value adjustment on investment properties	<a href="#">8</a>	-2,487	13,477	31,081
Value adjustment of inventory properties	<a href="#">2</a>	357	20	-25
Fair value adjustment of derivative financial instruments		-199	448	1,173
Interest income		-97	-61	-384
Interest expenses		1,553	1,248	5,760
Share of net profits/losses of associated companies and joint venture	<a href="#">10</a>	-197	448	864
Other adjustments	<a href="#">14</a>	2,442	840	-430
<i>Working capital changes</i>				
Increase/decrease(+) in rent and other receivables		-450	-288	-216
Increase/decrease(-) in trade and other payables		440	116	-1,417
<b>Cash generated from operations</b>		<b>2,360</b>	<b>1,933</b>	<b>7,397</b>
Interest paid		-1,675	-1,338	-5,722
Interest received		97	43	384
Paid income tax		-314	-622	-940
<b>Net cash flows from operating activities</b>		<b>469</b>	<b>16</b>	<b>-1,119</b>

SEK million	Note	Q1 2024	Q1 2023	FY 2023
<b>Investing activities</b>				
Acquisition of investment and inventory properties		-495	-1,169	-2,173
Divestment of business area (Iceland)		–	–	1,492
Capital expenditure on investment and inventory properties	<a href="#">8</a>	-1,038	-2,065	-8,432
Divestments of investment properties	<a href="#">6</a>	830	1,487	2,622
Deposits for signed acquisitions		1	298	322
Purchase of machinery and equipment		-3	-22	-68
Purchase of intangible assets		-9	–	-59
Transactions with associated companies and joint ventures		4	263	807
Other cash flows from investing activities		103	30	-627
<b>Net cash flows from investing activities</b>		<b>-607</b>	<b>-1,178</b>	<b>-6,115</b>
<b>Financing activities</b>				
Proceeds from interest-bearing liabilities	<a href="#">11</a>	2,374	13,048	35,596
Repayment of interest-bearing liabilities	<a href="#">11</a>	-10,035	-13,311	-29,610
Dividends paid		-29	-1,980	-5,094
Proceeds from non-controlling interests		14	6,634	7,045
Buyback of hybrid bonds		–	-58	-58
Hybrid bonds coupons		-872	-804	-1,468
Transaction costs on issue of shares and hybrid capital		–	-3	-6
Settlement of derivative financial instruments		–	–	176
Other cash flows from financing activities		17	-1,101	-567
<b>Net cash flows from financing activities</b>		<b>-8,532</b>	<b>2,424</b>	<b>6,013</b>
Net change in cash and cash equivalents		-8,670	1,261	1,016
Cash and cash equivalents at the beginning of the period		12,492	11,322	11,322
Net currency exchange effect in cash and cash equivalents		-56	-26	153
<b>Cash and cash equivalents at the end of the period</b>		<b>3,765</b>	<b>12,557</b>	<b>12,492</b>



# Notes to the Condensed Consolidated Financial Statements

## 1. Accounting Principles

### Corporate information

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

### Basis for preparation

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

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

### Recently issued accounting standards, interpretations and amendments

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

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

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.

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

## 2. Related Parties

During Q1 2024 Heimstaden’s parent company, Fredensborg AS, invoiced Heimstaden SEK 9 million for management services. During the same period, Heimstaden invoiced SEK 9 million to Fredensborg AS for accounting and management services.

In 2018, Fredensborg AS sold the Norwegian housing portfolio to Heimstaden subsidiary Heimstaden Bostad AB. As part of the sales and purchase agreement, Fredensborg AS guaranteed the development projects would provide an annual equity return of at least 7.5% upon completion. If there are ongoing projects when the guarantee expires in April 2025, these projects will be settled at their completion. It is estimated that Fredensborg will have to pay SEK 358 million under the guarantee, a reduction of SEK 337 million during Q1 2024 due to improved forward looking project results (mainly from increased residential prices). Heimstaden AB’s subsidiary, Heimstaden Bostad AB recognises the estimated guarantee settlement in other financial assets, non-current.

### 3. Segment Reporting

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

Q1 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Finland	Poland	Eliminations	Group in total
Statement of Comprehensive Income												
Rental income <sup>1</sup>	1,197	687	884	345	428	182	–	45	69	26	14	3,876
Service charges paid by tenants	23	222	3	–	239	9	–	–	3	7	0	506
Total income	1,219	908	887	345	667	191	–	45	72	33	14	4,382
Utilities	-292	-123	-36	–	-235	-17	–	-1	-17	-4	1	-724
Repair and maintenance	-53	-44	-43	-21	-40	-7	–	-2	-4	–	36	-176
Property tax	-26	-16	-37	-14	-4	-1	–	–	-2	-2	–	-102
Other <sup>2</sup>	-38	-50	-51	-15	-22	-8	–	-1	-4	-1	-4	-193
Property management	-190	-130	-115	-28	-45	-21	–	-9	-14	-9	-51	-613
Total property expenses	-598	-364	-281	-78	-346	-53	–	-13	-41	-17	-17	-1,809
Net operating income	621	545	606	267	321	138	–	32	31	17	-3	2,573
Net operating income margin, %	51.9	79.3	68.5	77.3	74.9	75.7	–	71.0	44.6	64.2	–	66.4

Q1 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	Iceland	United Kingdom	Finland	Poland	Eliminations	Group in total
Statement of comprehensive income												
Rental income <sup>1</sup>	1,089	645	859	338	414	195	78	6	65	9	0	3,698
Service charges paid by tenants	21	236	1	0	242	13	–	0	3	1	0	516
Total income	1,110	881	860	338	656	207	78	6	68	10	0	4,214
Utilities	-260	-149	-36	–	-237	-21	-4	0	-16	-1	1	-723
Repair and maintenance	-53	-41	-48	-30	-40	-8	-4	0	-5	–	32	-198
Property tax	-27	-26	-48	-15	-2	-1	-6	0	-2	-1	–	-128
Other <sup>2</sup>	-48	-43	-36	-15	-25	-12	-3	-2	-4	-1	2	-187
Property management	-171	-118	-124	-30	-51	-15	-10	-5	-13	-4	-35	-577
Total property expenses	-560	-378	-293	-91	-355	-57	-27	-7	-39	-6	0	-1,813
Net operating income	550	503	568	247	301	150	51	0	28	4	0	2,402
Net operating margin, %	50.5	77.9	66.1	73.2	72.6	77.3	65.2	–	43.9	43.5	–	64.9

<sup>1</sup> The eliminations 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	Q1 2024	Q1 2023
Residential	3,560	3,392
Commercial premises	263	256
Garage and parking spaces	54	50
<b>Total rental income</b>	<b>3,876</b>	<b>3,698</b>

### Service charges paid by tenants distributed by property category

SEK million	Q1 2024	Q1 2023
Residential	473	492
Commercial premises	33	24
<b>Total service charges paid by tenants</b>	<b>506</b>	<b>516</b>

## 5. Other Operating Expenses

Other operating expenses include depreciations, audit fees and other administrative expenses. During 2024, SEK 28 million (33) 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

### Realised gains/losses from divestment of investment properties and inventory properties

SEK million	Q1 2024	Q1 2023
Net proceeds from divestments of properties	830	1,487
Book value of divestments of properties	-624	-1,483
<b>Realised gain/loss on divestments of properties</b>	<b>206</b>	<b>4</b>

## 7. Income Tax Expense

### Effective tax rate

SEK million	Q1 2024	Q1 2023
Profit before tax	999	-14,316
Income tax expense	-116	890
<b>Equivalent to a rate of, % (absolute)</b>	<b>11.6</b>	<b>6.2</b>

Heimstaden recognised a tax expense of SEK 116 million (income 890) in the first quarter, corresponding to an effective tax rate of 11.6%. The differences between the effective tax rate for the quarter and the tax expense based on the Swedish tax rate of 20.6% is mainly driven by fair value change of investment properties below initial recognition, offset by non-deductible interests and effect of different statutory tax rates between the jurisdictions Heimstaden operates in. Profit/loss from associated companies are reported net after tax which also impacts the effective tax rate.

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

## 8. Investment Properties

### Property value per segment

The fair value of investment properties is based on external valuation and are valued at fair value. Heimstaden had total divestments of SEK 624 million within the quarter. Of this amount, SEK 294 million was classified as asset held for sale at 31 December 2023. As at 31 March 2024 SEK 750 million was reclassified from investment property to asset held for sale. The total properties value per operating segment is shown below.

### Valuation gain or loss investment properties

SEK million	Sweden <sup>1</sup>	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Total
<b>Fair value of investment properties, 31 December 2023</b>	<b>89,781</b>	<b>79,404</b>	<b>72,043</b>	<b>27,336</b>	<b>25,185</b>	<b>17,109</b>	<b>4,305</b>	<b>3,628</b>	<b>1,815</b>	<b>320,606</b>
Acquisitions during the period	238	–	543	–	490	–	–	–	1,245	2,515
Divestments	–	-9	-184	-144	-3	–	–	–	–	-341
Land leases	–	–	–	–	–	12	–	19	–	30
Capital expenditure on investment properties	150	237	47	51	112	18	–	27	–	644
Capital expenditure on investment properties under construction	-143	–	121	7	–	–	173	–	72	229
Currency translation	–	2,641	2,347	930	286	-129	209	109	131	6,524
<b>Fair value after transactions</b>	<b>90,027</b>	<b>82,273</b>	<b>74,917</b>	<b>28,179</b>	<b>26,069</b>	<b>17,010</b>	<b>4,687</b>	<b>3,782</b>	<b>3,262</b>	<b>330,207</b>
Value change	-59	-50	-102	996	1,108	293	-20	-3	325	2,488
Reclassification to asset held for sale	–	–	-283	-456	–	–	–	–	–	-738
<b>Fair value of investment properties, 31 March 2024</b>	<b>89,968</b>	<b>82,224</b>	<b>74,533</b>	<b>28,718</b>	<b>27,177</b>	<b>17,302</b>	<b>4,667</b>	<b>3,780</b>	<b>3,587</b>	<b>331,957</b>

### Assets held for sale

<b>Opening balance, 1 January 2024</b>	<b>–</b>	<b>–</b>	<b>11</b>	<b>284</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>294</b>
Divestments	–	–	-11	-272	–	–	–	–	–	-283
Reclassification from investment properties	–	–	283	456	–	–	–	–	–	738
<b>Closing Balance, 31 March 2024</b>	<b>–</b>	<b>–</b>	<b>283</b>	<b>467</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>750</b>

<sup>1</sup> Capital Expenditure on investment properties under construction in Sweden include SEK 200 million of Governmental grant.

### Breakdown by category

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Total
Investment properties	88,188	82,223	73,728	28,719	26,976	16,880	3,431	3,399	2,136	325,679
Investment properties under construction	1,279	–	735	–	–	–	1,236	–	1,452	4,702
Land and building rights	260	–	70	–	201	–	–	–	–	531
Land leases	241	–	–	–	–	423	–	381	–	1,045
<b>Total</b>	<b>89,968</b>	<b>82,223</b>	<b>74,533</b>	<b>28,719</b>	<b>27,177</b>	<b>17,303</b>	<b>4,667</b>	<b>3,779</b>	<b>3,587</b>	<b>331,957</b>

## 9. Goodwill and Intangible Assets

As of 31 March 2024, the carrying amount of goodwill is SEK 16,032 million (15,711), of which SEK 15,942 million (15,622) is goodwill identified in the acquisition of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding Aps and Akelius GmbH.

Goodwill identified in a business combination is allocated to the Group’s cash generating units (CGUs) and tested for impairment annually or when impairment indicators are present. The group has identified impariment indicators and performed an impairment test. As a result of the impairment test management did not identify impairment 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	Q1 2024
<b>Opening balance, 1 January 2024</b>	<b>8,702</b>
Divestment of associated companies and joint ventures	-2
Change in value from foreign currency	276
Dividend from associated companies and joint ventures	-24
Share of net profits/losses of associated companies and joint ventures	197
<b>Closing balance, March 31, 2024</b>	<b>9,149</b>

Heimstaden recognises its investment in Kojamo Oyj to its share of the book value of the equity. The Q1 results have been estimated using publicly available information from Kojamo and observable market changes.

Q1 2024					
SEK million	Kojamo Oyj	Rosengård Fastighets AB	Upplands Bro Brogårds Ettapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other
Rental income	1,295	42	3	2	27
Property expenses	-583	-21	-3	-2	-20
<b>Net operating income</b>	<b>712</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>7</b>
Corporate administrative expenses	-128	-5	-1	0	-1
Financial items, net	-270	-10	-18	0	-2
Unrealised value change	903	–	1	–	21
Tax expenses	-243	0	-1	–	-5
<b>Profit for the year</b>	<b>974</b>	<b>6</b>	<b>-19</b>	<b>0</b>	<b>20</b>
<b>Group's share of profit</b>	<b>195</b>	<b>2</b>	<b>-10</b>	<b>0</b>	<b>11</b>
Group's share in %	20	25	50	47	20-50



## 11. Financial Assets and Liabilities

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

In Q1 2024, Heimstaden subsidiary, Heimstaden Bostad bought back SEK 223 million of outstanding senior unsecured bonds, obtaining an average discount of 3.0% and resulted in a SEK 7 million gain, net of SEK 1 million in tax, recognised in other financial items.

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

As of 31 March 2024, SEK 811 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	79,927	0	41	
Mortgages/bank loans	120,807	100	59	20,852
<b>Total</b>	<b>200,734</b>	<b>55</b>	<b>100</b>	<b>20,852</b>
Deferred charges	-534			
<b>Total incl. deferred charges</b>	<b>200,201</b>			

### Reconciliation of liabilities attributable to financing activities

SEK million	Corporate bonds	Mortgages/ bank loans	Deferred charges	Lease liabilities	Total
<b>Opening balance, 1 January 2024</b>	<b>84,005</b>	<b>118,004</b>	<b>-576</b>	<b>1,185</b>	<b>202,618</b>
Loan repayments	-6,592	-3,450	–	-31	-10,072
New borrowings	100	3,291	–	36	3,427
Assumed debt in connection with acquisitions	–	–	–	–	–
Currency exchange effect on loans	2,414	2,962	–	12	5,389
Capitalisation of debt issuance cost, net of amortisation	–	–	42	–	42
<b>Closing balance, 31 March 2024</b>	<b>79,927</b>	<b>120,807</b>	<b>-534</b>	<b>1,203</b>	<b>201,403</b>

### 31 March 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	93,801	47	4.63	54,375	27	4.30
1–2	23,176	12	2.01	28,825	14	2.21
2–3	19,691	10	3.19	28,274	14	3.09
3–4	8,338	4	3.69	24,740	12	3.04
4–5	14,615	7	1.45	18,364	9	1.73
>5 years after balance sheet date	41,114	20	2.35	46,156	23	2.40
<b>Total</b>	<b>200,734</b>	<b>100</b>	<b>3.45</b>	<b>200,734</b>	<b>100</b>	<b>3.00</b>

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

3.14 years

Years	Loan tenor		Unutilised credit commitment	
	SEK million	Share, %	SEK million	Share, %
0–1	15,430	8	1,014	5
1–2	26,591	13	6,800	33
2–3	46,083	23	11,368	55
3–4	9,067	5	–	–
4–5	22,461	11	1,669	8
>5 years after balance sheet date	81,103	40	–	–
<b>Total</b>	<b>200,734</b>	<b>100</b>	<b>20,852</b>	<b>100</b>

Average loan tenor

7.76

Financial instruments

Years	Type	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % <sup>1</sup>
0–1	Paying	12,676	24	0.28
1–2	Paying	5,649	11	3.01
2–3	Paying	8,583	16	2.86
3–4	Paying	16,402	31	2.71
4–5	Paying	3,749	7	2.83
>5 years after balance sheet date	Paying	5,042	10	2.88
Total		52,101	100	2.20

Years	Type	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % <sup>1</sup>
0–1	Receiving	52,101	100	-3.91
1–2	Receiving	–	–	–
2–3	Receiving	–	–	–
3–4	Receiving	–	–	–
4–5	Receiving	–	–	–
>5 years after balance sheet date	Receiving	–	–	–
Total		52,101	100	-3.91

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

Reconciliation of derivatives

SEK million	Interest rate swaps	Forward purchase contracts	Total
Opening balance, 1 January 2024	-118	135	17
Unrealised value change	337	-2	335
Currency exchange effect on derivatives	5	0	5
Transferred gains/losses to investment properties	0	-135	-135
Closing balance, 31 March 2024	224	-2	222

The carrying amount of all financial assets and liabilities equates to their fair value with the exception of non-current interest-bearing liabilities which have a carrying value of SEK 184,087 million (181,535) and a fair value of SEK 168,873 million (161,832). 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 31 March 2024.

12. Equity

Non-controlling interests

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

Specification of Other Comprehensive Income

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

Basis 1 local currency to SEK		Closing rate		Average rate	
Country		31 March 2024	31 Dec 2023	Q1 2024	Q1 2023
Czechia	CZK	0.4555	0.4507	0.4501	0.4713
Denmark	DKK	1.5422	1.4937	1.5135	1.5054
Iceland	ISK	0.0766	0.0742	0.0757	0.0736
Netherlands, Germany & Finland	EUR	11.5075	11.1375	11.2872	11.2053
Norway	NOK	0.9842	0.9918	0.9880	1.0203
Poland	PLN	2.6806	2.5628	2.6052	2.3801
United Kingdom	GBP	13.4619	12.8468	13.1862	12.6908

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

SEK million			
Country	Currency code	Q1 2024	Q1 2023
Czechia	CZK	183	875
Denmark	DKK	1,035	207
Iceland	ISK	–	74
Netherlands, Germany & Finland	EUR	2,667	1,051
Norway	NOK	-127	-1,439
Poland	PLN	155	37
United Kingdom	GBP	210	54
Total		4,124	858

### 13. Commitments and Contingencies

#### Investment obligations and capital expenditures

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

As of 31 March 2024, Heimstaden had total investment obligations of SEK 221 million (1,595). The forward funding contracts with third parties are committed to future capital expenditure in respect of investment properties under construction of SEK 1,982 million (2,290).

SEK million	2024	2025	2026	2027	Total
Forward funding	1,335	520	87	7	1,948
Own development	30	4	–	–	34
Forward purchase	217	4	–	–	221
Total	1,582	528	87	7	2,203

#### Disputes

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

### 14. Other adjustments in Statement of Cash Flow

SEK million	Q1 2024	Q1 2023
Depreciation	33	34
Rental losses	36	20
Exchange rate difference	2,575	692
Other financial items	5	-974
Realised gains/losses from divestment of properties	-206	–
Impairment of goodwill	–	1,067
Total	2,442	840

### 15. Subsequent Events

Following completion of the sale of Heimstaden ehf. to SRE III slhf. all conditions for settlement of the deferred purchase price have been fulfilled and the deferred purchase price is expected to be settled in Q2 2024

Parent Company Income Statement

SEK million	Q1 2024	Q1 2023	FY 2023
Management service income	33	56	190
Administrative expenses	-41	-38	-183
Operating profit/loss	-8	18	7
Dividends from shares in subsidiaries	–	–	250
Profit from divestment of shares in subsidiaries	–	–	313
Interest income	44	19	155
Interest expenses	-148	-202	-695
Net currency translation gains/losses	-248	-83	-32
Other financial items	–	-3	-6
Profit/loss after financial items	-360	-251	-9
Appropriations	–	–	155
Profit/loss before tax	-360	-251	145
Income tax expense	-2	–	-24
Profit/loss for the period	-362	-251	122

Parent Company Statement of Comprehensive Income

SEK million	Q1 2024	Q1 2023	FY 2023
Profit/loss for the period according to the Income Statement	-362	-251	122
Other comprehensive income/loss	–	–	–
Comprehensive income/loss	-362	-251	122

Parent Company Statement of Financial Position

SEK million	31 March 2024	31 December 2023	31 March 2023
<b>ASSETS</b>			
Shares in subsidiaries	28,160	28,143	20,239
Receivables, subsidiaries	721	701	289
Deferred tax assets	350	282	306
<b>Total non-current assets</b>	<b>29,231</b>	<b>29,126</b>	<b>20,834</b>
Receivables, subsidiaries	351	676	10,003
Other financial assets	29	15	139
Accrued income, group companies	19	–	–
Cash and cash equivalents	450	1,058	3,697
<b>Total current assets</b>	<b>849</b>	<b>1,750</b>	<b>13,839</b>
<b>Total assets</b>	<b>30,080</b>	<b>30,875</b>	<b>34,673</b>

SEK million	31 March 2024	31 December 2023	31 March 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>19,811</b>	<b>20,475</b>	<b>20,503</b>
Interest-bearing liabilities	10,154	9,874	10,075
Liabilities, subsidiaries	32	15	180
<b>Total non-current liabilities</b>	<b>10,187</b>	<b>9,889</b>	<b>10,255</b>
Liabilities, subsidiaries	9	–	0
Liabilities, group companies	–	–	1,500
Interest-bearing liabilities	–	295	2,330
Trade and other payables	4	17	27
Accrued expenses and prepaid income	56	149	57
Accrued expenses, group companies	13	50	0
<b>Total current liabilities</b>	<b>82</b>	<b>511</b>	<b>3,914</b>
<b>Total equity and liabilities</b>	<b>30,080</b>	<b>30,875</b>	<b>34,673</b>

# Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 January 2023	95	1,802	7,374	13,326	22,597
Profit/loss for the period	–	–	314	-565	-251
Total comprehensive income/loss	–	–	314	-565	-251
Dividends	–	–	-314	-1,529	-1,843
Total transactions with the Company's shareholders	–	–	-314	-1,529	-1,843
Equity, 31 March 2023	95	1,802	7,374	11,232	20,503
Profit/loss for the period	–	–	313	60	373
Total comprehensive income/loss	–	–	313	60	373
Dividends	–	–	-313	-88	-402
Total transactions with the Company's shareholders	–	–	-313	-88	-402
Equity, 31 December 2023	95	1,802	7,374	11,203	20,475
Opening balance, 1 January 2024	95	1,802	7,374	11,203	20,475
Profit/loss for the period	–	–	–	-362	-362
Total comprehensive income/loss	–	–	–	-362	-362
Dividends	–	–	–	-29	-29
Coupon expense on hybrid bonds	–	–	-273	273	–
Coupon paid on hybrid bonds	–	–	273	–	273
Total transactions with the Company's shareholders	–	–	–	-301	-301
Equity, 31 March 2024	95	1,802	7,374	10,539	19,811

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, 23 April 2024

Helge Krogsbøl  
CEO

Ivar Tollefsen  
Chairman

John Giverholt  
Board Member

Fredrik Reinfeldt  
Board Member

Bente Landsnes  
Board Member

This interim report has not been subject to review by the Company's auditors.

# Consolidated Alternative Performance Measures

For more information, definitions, and methodology please refer to [www.heimstaden.com](http://www.heimstaden.com)

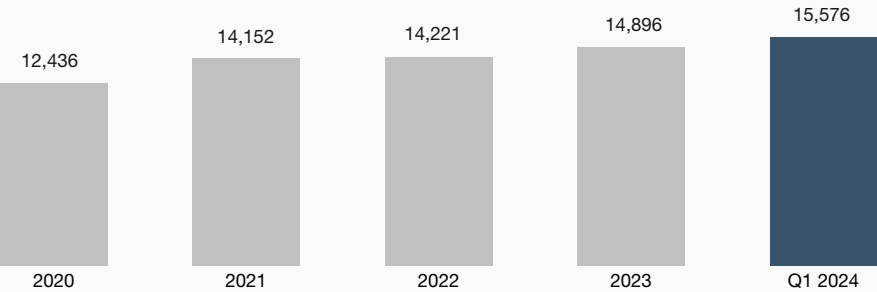
## Earnings Capacity

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 31 March 2024. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. Earnings capacity does not include any adjustment for development trends in rent levels, vacancy rates, property expenses or interest rates, nor does the earnings capacity provide any adjustment for expected changes in the fair value of properties, foreign exchange rates, acquisitions or divestments. Earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

SEK million	Q1 2024
Rental income	15,576
Service charges paid by tenants	1,747
Property expenses	-6,751
Net operating income	10,572
Corporate administrative expenses	-487
Profit before financial items	10,085

### Earnings Capacity Rental Income

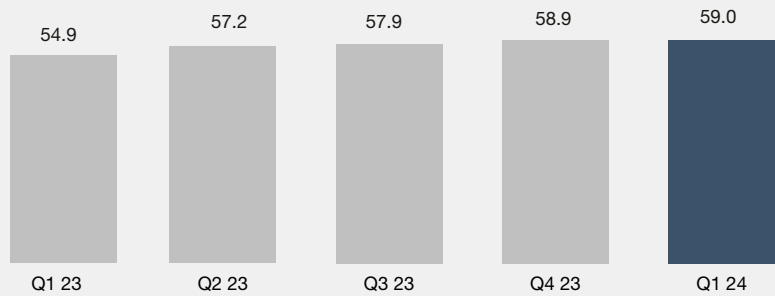
SEK million





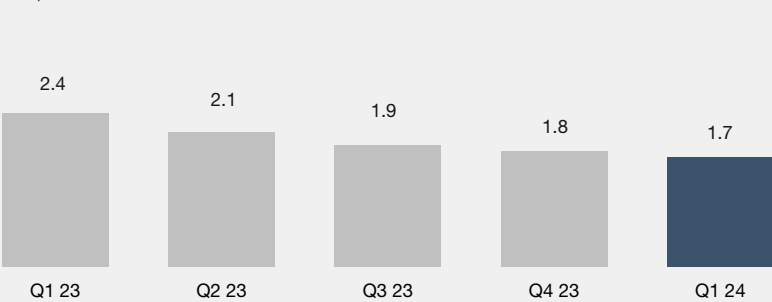
## Financial and Operational Metrics

Net loan-to-value (LTV)  
%



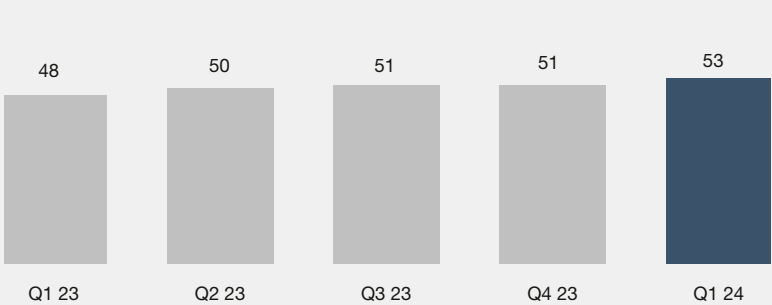
SEK million	Q1 2024	Q4 2023	Q1 2023
Interest-bearing secured liabilities	119,507	116,636	103,599
Interest-bearing unsecured liabilities	80,693	84,797	96,628
Less: Cash and cash equivalents	3,765	12,492	12,556
Net interest-bearing liabilities	196,435	188,942	187,671
Fair value of investment properties	331,957	320,607	341,809
Assets held for sale	750	294	–
Total investment properties including assets held for sale	332,706	320,901	341,809
Net Loan-to-Value (LTV), %	59.0	58.9	54.9

Interest Coverage Ratio (ICR)  
multiple



SEK million Rolling 12 months	Q1 2024	Q4 2023	Q1 2023
Profit before unrealised fair value adjustment	9,863	9,670	8,176
Transaction costs from business combination	1	5	–
Adjusted profit before unrealised fair value adjustment	9,864	9,676	8,176
Interest expenses	6,065	5,759	3,739
Interest income	419	384	334
Net financial items	5,646	5,376	3,405
ICR	1.7	1.8	2.4

Net Debt / Total Assets  
%



SEK million	Q1 2024	Q4 2023	Q1 2023
Net interest-bearing liabilities	196,435	188,942	187,671
Total assets	370,229	367,008	389,483
Net Debt / Total Assets, %	53.1	51.5	48.2

All figures in SEK million unless otherwise specified.

Residential share of investment properties, %

	Q1 2024	Q4 2023
Fair value residential properties, standing assets	301,751	290,833
Fair value investment properties, standing assets	325,679	314,419
<b>Residential share of investment properties, %</b>	<b>92.7</b>	<b>92.5</b>

Like-for-like rental income growth

	Q1 2024 <sup>1</sup>	Q1 2023 <sup>2</sup>
Rental income current period	3,670	3,419
Rental income last period	3,490	3,238
<b>Like-for-like rental income growth, %</b>	<b>5.2</b>	<b>5.6</b>

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

<sup>1</sup> 2023: only properties owned as of 2021-12-31 are included.

Net operating income margin

	Q1 2024	Q1 2023
Rental income	3,876	3,698
Net operating income	2,573	2,402
<b>Net operating income, %</b>	<b>66.4</b>	<b>64.9</b>

Economic occupancy, residential

	Q1 2024	Q1 2023
Theoretical rental income on residential units	3,665	3,488
Economic vacancy	-132	-128
<b>Rental income on residential units</b>	<b>3,533</b>	<b>3,360</b>
<b>Economic occupancy, %</b>	<b>96.4</b>	<b>96.3</b>

Real economic occupancy, residential

	Q1 2024	Q1 2023
Theoretical rental income on residential units	3,665	3,488
Adj. for non-market vacancy	-63	-62
Economic vacancy - non-market economic	-69	-66
<b>Adjusted Theoretical rental income</b>	<b>3,602</b>	<b>3,426</b>
<b>Real economic occupancy, %</b>	<b>98.3</b>	<b>98.2</b>

Equity ratio

	Q1 2024	Q4 2023
Equity	142,208	137,929
Assets	370,229	367,008
<b>Equity ratio, %</b>	<b>38.4</b>	<b>37.6</b>

EBITDA

Rolling 12 months	Q1 2024	Q4 2023
Profit before unrealised fair value adjustment	9,863	9,670
Transaction costs from business combination	1	5
Depreciation and amortisation	47	18
<b>EBITDA</b>	<b>9,911</b>	<b>9,694</b>

Debt / EBITDA

Rolling 12 months	Q1 2024	Q4 2023
Interest-bearing liabilities	203,005	203,313
EBITDA	9,911	9,694
<b>Debt / EBITDA, multiple</b>	<b>20.5</b>	<b>21.0</b>

Secured loan-to-value

	Q1 2024	Q4 2023
Interest-bearing secured liabilities	119,507	116,636
Total assets	370,229	367,008
<b>Secured loan-to-value, %</b>	<b>32.3</b>	<b>31.8</b>

# Heimstaden AB Standalone

In this section the Heimstaden financials are included standalone to present the performance of the entity on an isolated basis. Standalone is defined as the management companies of Heimstaden Group as well as the Consolidated Statement of Financial Position of Heimstaden excluding the Consolidated Statement of Financial Position of any (partly) owned subsidiary-group, which includes but is not limited to Heimstaden Bostad AB.

## Standalone Earnings, Rolling 12 Months

SEK million	30 Mar 2024	31 Dec 2023	30 Mar 2023
Operating income <sup>1</sup>	730	739	775
Operating cost <sup>1</sup>	-564	-555	-557
Operating profit/loss <sup>1</sup>	166	184	218
Share Class A dividend	–	673	673
Common dividend <sup>2</sup>	–	1,648	1,648
Share Class B dividend	–	1,063	1,063
Dividends from Heimstaden Bostad	–	3,384	3,384
Other profit distribution	1,759	2,670	1,154
Adjusted earnings	1,925	6,239	4,756
Interest expense <sup>1</sup>	-637	-695	-860
Adjusted earnings after interest expense	1,289	5,544	3,896
Payments on hybrid securities	-585	-627	-524
Adjusted earnings after debt and hybrid instruments	703	4,917	3,372

## Interest Coverage Ratio (ICR)

SEK million	30 Mar 2024	31 Dec 2023	30 Mar 2023
Adjusted earnings	1,925	6,239	4,756
Interest expense <sup>1</sup>	-637	-695	-860
Interest Coverage Ratio	3.0	9.0	5.5

<sup>1</sup> Operating Statement of Comprehensive Income of Heimstaden AB parent company and wholly-owned management companies.  
<sup>2</sup> Only includes part that has been distributed in cash and not dividend set-off against the subscription price in new share issue.

Heimstaden Bostad AB Dividend Policy

Heimstaden Bostad has three share classes, Share Class A, Share Class B and Common shares. Share Class A shares are entitled to quarterly dividends of 0.05% of the market value of Heimstaden Bostad’s investment properties. Dividends on the Share Class B shares are dependent on the Loan-to-Value and Return on Equity of Heimstaden Bostad. Owners of Common Shares are entitled to all additional possible dividend payments, to be decided by the general assembly, subject to that Heimstaden Bostad maintains its financial policies, after owners of Share Class A and Share Class B shares have received their parts in full. More information on the dividend policy can be found in Heimstaden Bostad’s Articles of Association at: <https://www.heimstadenbostad.com/articles-of-association>.

Debt and Relevant Assets

SEK million	Q1 2024	Q4 2023	Q1 2023
Interest-bearing secured liabilities <sup>1</sup>	448	278	2,164
Interest-bearing unsecured liabilities <sup>1</sup>	9,948	9,974	13,332
Interest-bearing liabilities	10,395	10,252	15,495
Cash and cash equivalents <sup>1</sup>	-514	-1,216	-4,212
Net interest-bearing debt	9,881	9,036	11,283
Heimstaden Bostads net asset value	160,627	155,527	172,695
Equity attributed to Heimstaden Bostad's hybrid securities and non-controlling interests	38,144	38,422	40,625
Heimstaden Bostads adjusted net asset value	122,483	117,105	132,070
Heimstaden share of capital, %	35.6	34.8	37.7
Heimstaden share of capital	43,625	40,750	49,839
Investment properties <sup>1</sup>	1,254	1,115	6,727
Relevant assets	44,879	41,865	56,566

<sup>1</sup> Difference between Heimstaden and Heimstaden Bostad consolidated figures excluding deferred charges.

Net loan-to-value (LTV)

SEK million	Q1 2024	Q4 2023	Q1 2023
Net interest-bearing debt	9,881	9,036	11,283
Relevant assets	44,879	41,865	56,566
Net loan-to-value (LTV), %	22.0	21.6	19.9



## Standalone Funding Overview

As at 31 March 2024, Heimstaden had outstanding senior unsecured bonds amounting to SEK 10,331 million, listed on Nasdaq Stockholm and Euronext Dublin.

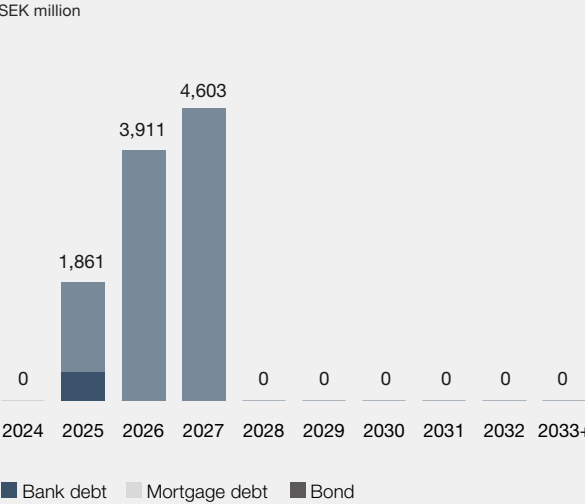
Maturity	Currency	Outstanding amount (millions)	Of which held on own book (millions)	Fair Market Value (million) <sup>1</sup>	Rating	Fixed/Floating	Coupon (bps)	Exchange	ISIN
2026-03-09	EUR	350	8	228	B+	Fixed	425	OMX Stockholm	SE0015657903
2027-03-06	EUR	400	0	247	B+	Fixed	438	OMX Stockholm	SE0016589105
Total EUR		750	8	475					

Maturity	Currency	Outstanding amount (millions)	Of which held on own book (millions)	Fair Market Value (million) <sup>1</sup>	Rating	Fixed/Floating	Coupon (bps)	Exchange	ISIN
2025-04-14	SEK	500	128	460	N/A	Floating	Stibor 3m + 475	Euronext Dublin	XS2469914308
2025-10-15	SEK	1,200	159	946	B+	Floating	Stibor 3m + 400	OMX Stockholm	SE0014991352
Total SEK		1,700	286	1,406					

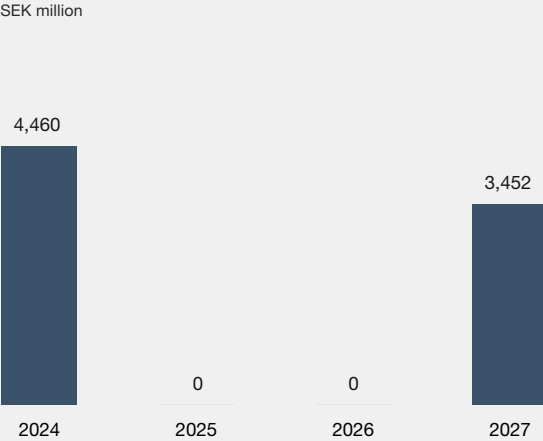
As at 31 March 2024, Heimstaden had SEK 7,952 million perpetual hybrid bond outstanding, listed on Nasdaq Stockholm.

First Call Date	First Reset Date	Currency	Out-standing amount (millions)	Of which held on own book (millions)	Fair value (millions)	Rating	Fixed/floating	Coupon (bps)	Exchange	ISIN
2026-10-15	2027-01-15	EUR	300	0	78	CCC+	Fixed	675	OMX Stockholm	SE0016278352
2024-10-11	2024-10-11	SEK	4,500	40	1,417	CCC	Floating	Stibor 3m + 590	OMX Stockholm	SE0012455111

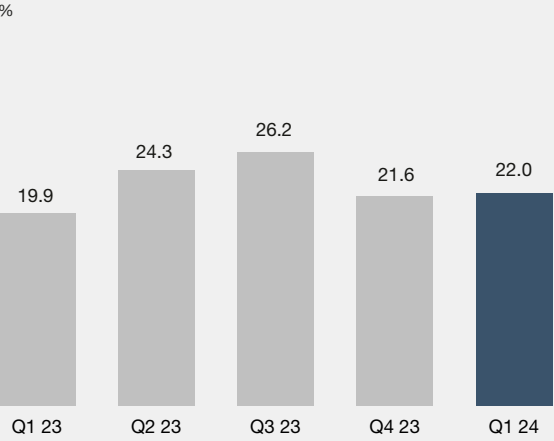
### Funding Maturity Profile



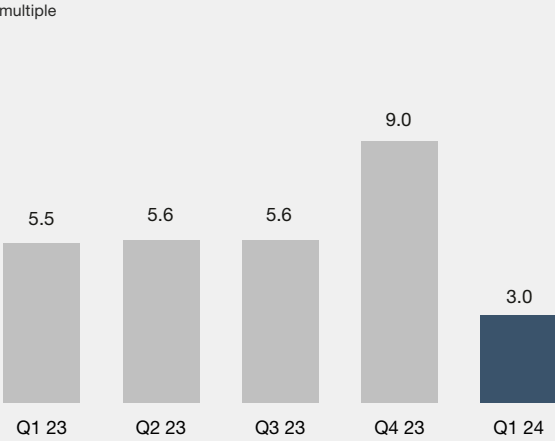
### Hybrid Bond Reset Date



### Net Loan-to-Value



### Interest Coverage Ratio



<sup>1</sup> Bloomberg screen price as of the balance sheet date

**Financial calendar**

Q2 2024 Report	16 August 2024
Q3 2024 Report	25 October 2024
Annual Report	28 February 2025

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This information is such that Heimstaden AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact persons at 08:00 CET on 24 April 2024.

# Heimstaden

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