

Q1 2024



Heimstaden
BOSTAD

Enrich and Simplify Lives
Through Friendly Homes

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Simplified Company Structure



Heimstaden Bostad is a leading European residential real estate company. The Company is owned by industrial investor, Heimstaden, together with long-term institutional investors who share a philosophy for evergreen and sustainable residential investments.

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

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

Cover photo: Jonas Teppe via Unsplash

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 3,871 million (3,610) and like-for-like rental growth of 5.2% (4.8%)
- The NOI margin was 66.4% (64.9%) and the LTM NOI margin was 67.7% (65.1%)
- Net LTV of 56.3% (52.7%) and ICR of 1.9x (3.2x)
- S&P-defined LTV of 58.6% (55.5%) and S&P-defined ICR of 1.6x (2.5x)
- The Privatisation Plan achieved a 31.5% premium to book value on 265 units sold. Proceeds will be prioritised for liability management
- Fitch downgrade to BBB- (investment grade rating) from BBB, with negative outlook

331 billion

Investment Properties, SEK

2.6 billion

Net operating income, SEK

56.3%

Net loan-to-value

1.9x

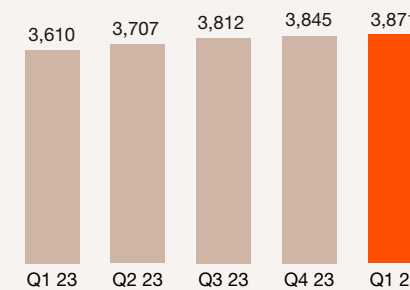
Interest coverage ratio

Key Figures

		Q1 2024	Q1 2023	FY 2023
Financials				
Rental income	SEK m	3,871	3,610	14,974
Growth y-o-y	%	7.2	19.8	17.9
Net operating income	SEK m	2,570	2,342	10,091
Net operating income margin	%	66.4	64.9	67.4
Total comprehensive income/loss	SEK m	5,317	-12,491	-26,283
Capital expenditures	SEK m	757	1,989	7,885
Portfolio Metrics				
Fair value of investment properties	SEK m	330,703	335,082	319,491
Homes	Units	162,346	159,089	161,553
Real economic occupancy, residential	%	98.3	98.2	98.2
Like-for-like rental income growth	%	5.2	4.8	5.1
Credit Metrics				
Net loan-to-value	%	56.3	52.7	56.3
Net debt / Net debt + Equity, S&P method	%	58.6	55.5	58.6
Net debt / Total assets	%	50.4	46.4	49.1
Interest Coverage Ratio (ICR)	Multiple	1.9	3.2	2.0
Interest Coverage Ratio, S&P method	Multiple	1.6	2.5	1.7

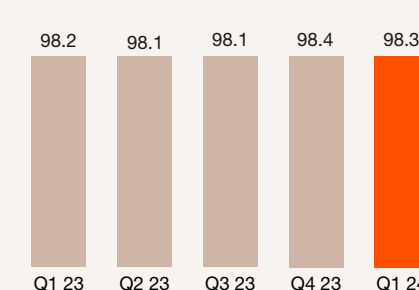
Rental Income

SEK million



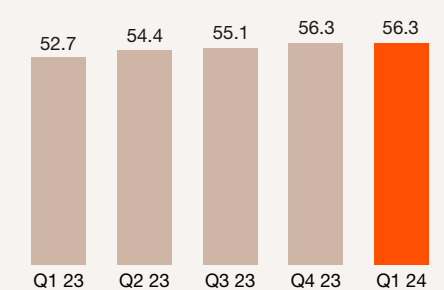
Real Economic Occupancy

%



Net LTV

%



Letter from Leadership

A turning point?

We are pleased with our positive first-quarter operational performance and the stabilisation of our property values, signalling a shift in trend for residential values. While we are optimistic about macro and market trends, we remain cautious and do not plan for a steep recovery. However, we have observed a relief in market sentiment and increased interest from institutional investors in re-entering the residential investment market, anticipating a forthcoming recovery.

Valuations Are Stabilising

Despite moderate yield expansion in some sub-markets, overall valuations are stabilising amidst positive core inflation and interest rate trends. This is shown by a 0.8% increase in fair value for the quarter, where improved operating conditions together with strengthened ownership housing values are now offsetting expanding yields.

Strong rental growth continues across our markets, benefitting from the continued shortfall in supply, and with yield expansion levelling off with the stabilising real rates, we see this feeding into increased values. We anticipate the gradual recovery in values to continue throughout the year, albeit we acknowledge the recent increased uncertainty around the interest rate environment which may impact the extent of such recovery.

With practically full occupancy and new supply continuing to decrease, the supply-demand imbalance continues to bolster house prices, attracting individuals and families to the rental market and enhancing reversionary potential. While local regulation determines when this potential can be realised, it remains a pivotal factor supporting long-term valuations and is crucial for understanding the relationship between current valuation yields and stabilised yields.

Rebound of Housing Prices

European house price fundamentals have surpassed expectations, with eight out of our nine markets rebounding from cycle lows, and four even exceeding their pre-

vious highs in 2022. With market sentiment improving and the ECB moving closer to its first interest rate cuts, the ongoing momentum in ownership housing prices is anticipated to persist. This trend will further bolster our privatisation strategy and provide positive spillover to valuations.

Privatisation Program Scaling as Planned

Since the privatisation programme's launch, we have divested SEK 1.8 billion in gross asset value, realising total sales proceeds of SEK 2.4 billion, reflecting a 31.7% gross premium. By continuing to scale up, the recent quarter saw 265 units sold for SEK 1.1 billion, yielding a 31.5% average gross premium. We are on track to reach our SEK 20 billion target in total sales by 2025, with increased sales volumes expected in the coming quarters.

A benefit of the the privatisation program is the release of net proceeds, prioritised for liability management and supporting the interest coverage ratio (ICR). In Q1, we estimate that we have released net proceeds of SEK 608 million for this purpose¹. Looking ahead, we expect the ICR to remain stable around the S&P-defined level of 1.6x, supported by a hedging profile that provides high degree of predictability for our financial expenses.

Streamlining the Management Team

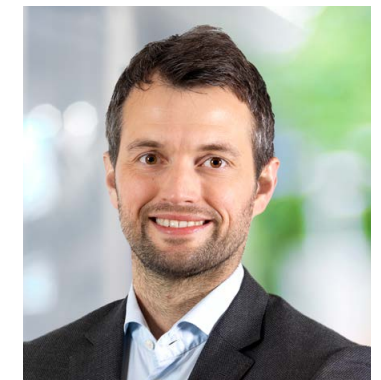
In March, we enhanced efficiency by streamlining operations, prompting a reorganisation of our management team to align with the new structure. Helge, as Co-CEO,

will continue to lead the Management Team, Group Operations, and Country Organisations, while Christian, our new Co-CEO, will oversee Investments, Corporate Finance, and Capital Raising.

Sustainability is now seamlessly integrated into our entire value chain, embedded in all activities and objectives rather than as a separate function. It is a core value driving our operational focus on developing appealing assets with lower energy usage and emissions, while also benefiting customers, communities, and society at large. This integration will enhance efficiency and accelerate our progress toward achieving our sustainability targets.



Helge Krogsbøl
Co-CEO



Christian Fladeland
Co-CEO

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

Quarterly Review

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

Operational review

Income

Rental income increased by 7.2% to SEK 3,871 million (3,610), mainly driven by annual indexations and crystalizing rent reversion upon tenant churn. About 90% (91%) or SEK 3,506 million (3,269) was derived from residential rents with the remaining 10% consisting of commercial, garage, and parking rents. 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% (4.8%) and the comparable portfolio reflected in the like-for-like development comprised 95% of total rental income. This is the second quarter that Heimstaden Bostad'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.

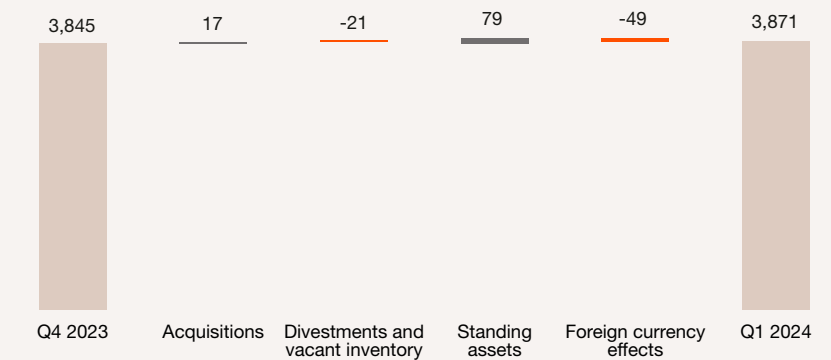
Country like-for-like rental income

	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	5.6	4.8

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.

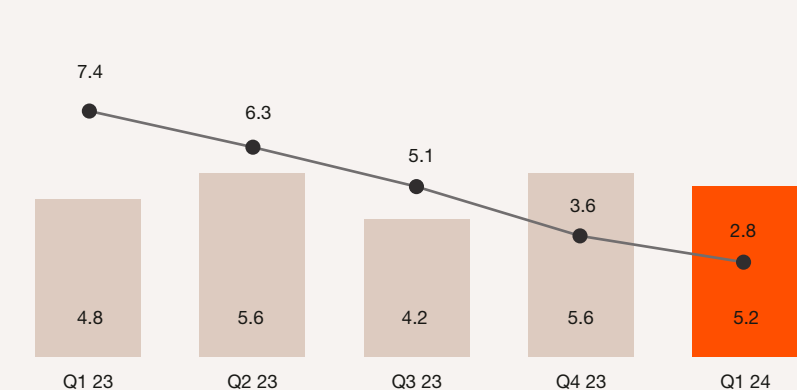
Rental Income

SEK million



Development in Like-for-Like Growth and Core CPI

year-on-year, %



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	98.4	98.1	98.1	98.2

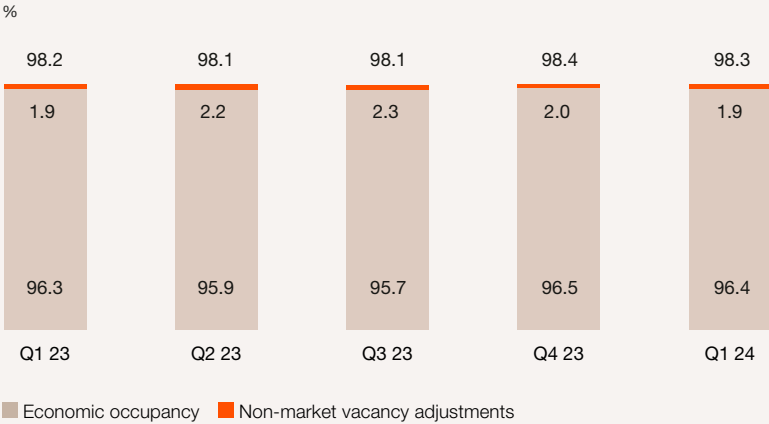
Service charge paid by tenants remained stable at SEK 506 million (516). The majority of the cost recovery from service charges stem from Germany and Czechia as they generated SEK 222 million (236) and SEK 239 million (242), respectively. Similar to rental income, service charges are derived almost entirely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

Property expenses

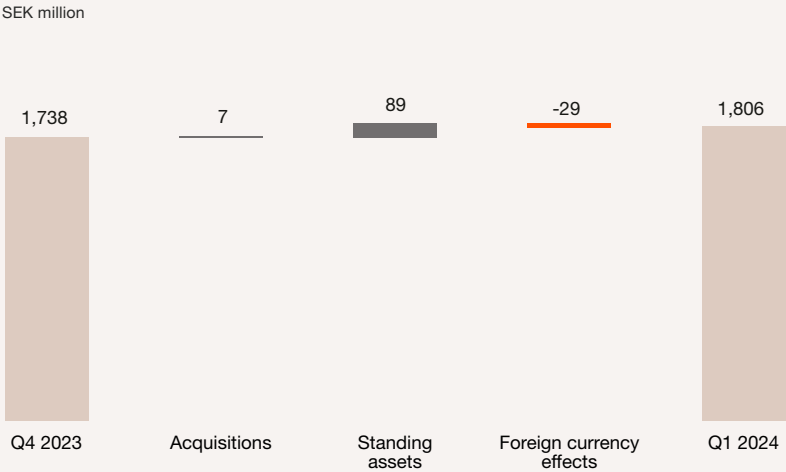
The total amount of property expenses increased slightly to SEK 1,806 million (1,784), driven mainly by general cost increases. Utility costs increased to SEK 723 million (718). Due to different rental regimes between markets, seasonality effects of non-recoverable costs impact the net operating income 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 (194), 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 and ice removal and amounted to SEK 613 million (566).

Real economic occupancy residential



Property Expenses



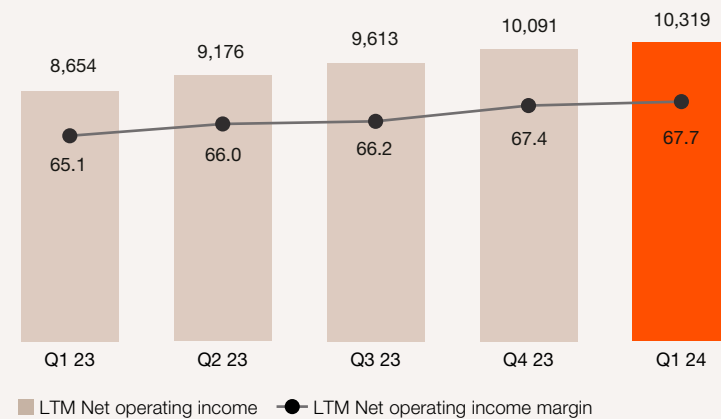
Net operating income

Net operating income improved to SEK 2,570 million (2,342), 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% (65.1%).

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	%	%	%	%	%
LTM	67.7	67.4	66.2	66.0	65.1
Quarterly	66.4	66.0	69.6	69.0	64.9

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 855 million (1,276), corresponding to 0.27% of fair value (0.38%). Investments in properties under construction, excluding forward purchase contracts, amounted to SEK 114 million (939) as the number of homes under construction reduced to 1,901 (4,244). 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
Income statement items		
Expenses for repair and maintenance ¹	213	226
Balance sheet items		
Capitalised cost on standing assets	643	1,050
Expenditure on standing assets	855	1,276
Investment properties under construction	114	939
Capital expenditures	757	1,989

¹ Excluding group eliminations, see [Note 3](#).

Heimstaden Bostad 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	229	300
Sustainability	23	80
Tenant improvement	225	456
Value-add	71	210
Other	96	4
Total	643	1,050

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 expenditure 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	
	% ¹	SEK million	% ¹	SEK million	% ¹	SEK million
Sweden	0.2	149	1.7	1,650	0.4	365
Germany	0.3	237	0.9	873	0.2	202
Denmark	0.1	47	0.7	524	0.1	80
Netherlands	0.2	51	2.8	838	0.8	230
Czechia	0.4	112	3.3	773	0.6	135
Norway	0.1	18	0.2	36	0.1	21
United Kingdom	–	–	0.0	1	–	–
Finland	0.8	27	4.4	170	0.5	17
Poland	–	–	–	–	–	–
Total	0.2	643	1.4	4,865	0.3	1,050

¹ Capital expenditure on standing assets in relation to investment properties

Remaining Commitments

For the quarter, Heimstaden Bostad 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 which provided an additional NOI of SEK 143 million on an annualised basis.

Deliveries received in the quarter

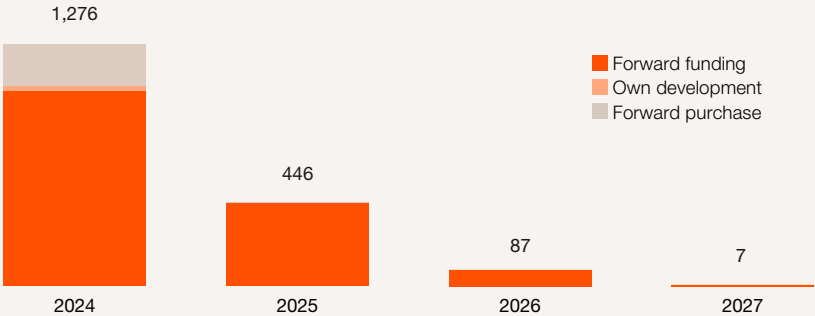
	Homes	Value at completion	Total Cost	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	380	1,110	1,059	50
Germany	–	–	–	–
Denmark	320	823	888	42
Netherlands	–	–	–	–
Czechia	178	732	536	29
Norway	–	–	–	–
United Kingdom	–	–	–	–
Finland	6	11	6	–
Poland	170	378	293	22
Total	1,054	3,054	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	–	–	17	–
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	3,006	7,207	1,815	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.

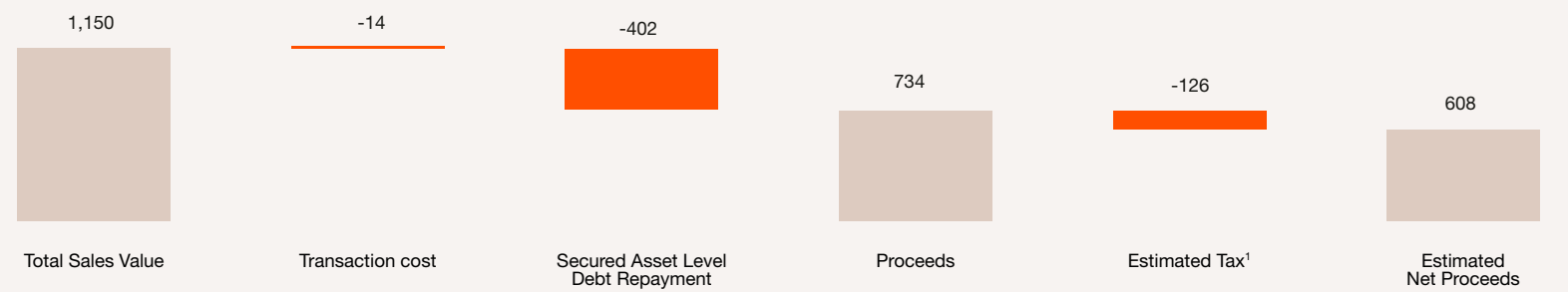
During the quarter, 265 units were sold across 4 countries at an average premium to book value of 31.5%. Estimated proceeds for the sold units in the quarter is presented in the waterfall below.

Net proceeds from the programme are to be used for debt service and deleveraging. Net proceeds include the payment of transaction fees, personnel costs, re-payment 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 (SEK 467 million) and Denmark (SEK 283 million).

Estimated Q1 Net Proceeds Waterfall

SEK million



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

Estimated debt repayment since programme inception²

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	1,157
Net proceed ratio	49%
Total proceeds for debt repayment	2,060
Total debt repayment ratio	88%

Investment Properties

Change in fair value of investment properties¹

Net gains from fair value adjustments on investment properties was SEK 2,487 million (-13,521) 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% (3.29%). On a quarter-over-quarter basis this is a slight increase from 3.54%. 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	3.54	3.29

Fair Value Development

SEK million



Country fair value development

SEK million and %

	Q1 2024		Q1 2023	
	%	SEK million	%	SEK million
Sweden	-0.1	-58	-3.2	-3,161
Germany	-0.1	-50	-6.6	-6,189
Denmark	-0.1	-104	-4.1	-3,101
Netherlands	3.6	996	-7.8	-2,398
Czechia	4.3	1,108	1.6	386
Norway	1.7	293	4.1	717
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	2,487	-3.9	-13,521

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

Financial Review

Interest expenses

Interest expenses were SEK 1,420m (999), reflecting an average interest rate of 2.89% (2.21%). On a quarter-over-quarter basis the debt portfolio didn't change materially. However, the average interest rate decreased to 3.0% from 3.2% which was driven by the increased hedge position from 85.9% to 86.9% and repayment of the January 2024 EUR 700 million senior bond. The interest coverage ratio for the last 12 months was 1.9x (3.2x).

With persisting constraints in the capital markets, Heimstaden Bostad 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 Bostad continues to have good access to the bank market, thanks to its attractive segment exposure and high-quality portfolio.

Foreign currency

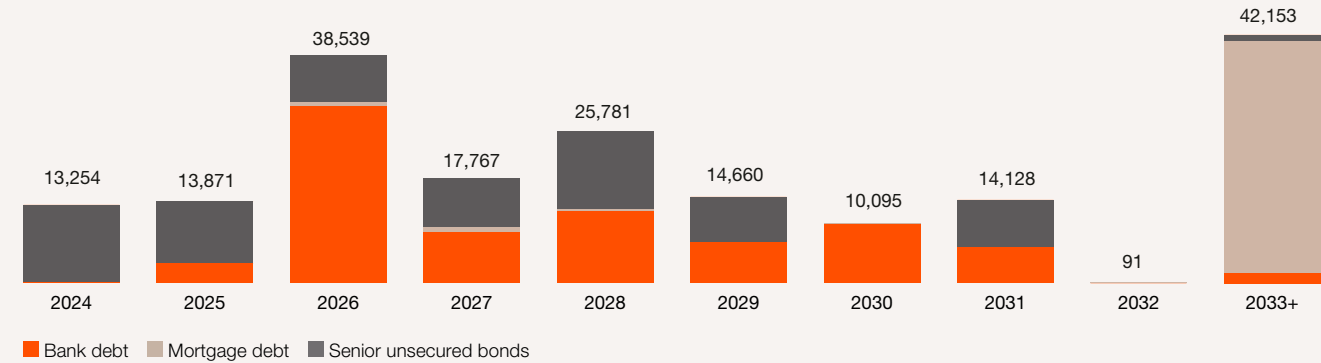
Heimstaden Bostad has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN and GBP. Exchange differences on translation of foreign operations gave other comprehensive gain of SEK 4,112 million (783), which was partially offset by SEK 2,338 million in foreign exchange loss (617).

Financial policy

		Policy	Q1 2024
ICR, rolling 12 months, S&P method	Multiple	≥ 1.8	1.6
Net Debt / Net Debt + Equity, S&P method	%	≤ 60	58.6
Average Loan Tenor	Years	≥ 4	8.1
Loan Maturity in Individual Year	%	≤ 25	20
Share of Loans From Individual Lender	%	≤ 20	8.0
Interest Rate Hedge Ratio	%	≥ 75	87
Liquidity ratio	Multiple	≥ 1.25	1.40

Interest Bearing Debt Maturity

SEK million



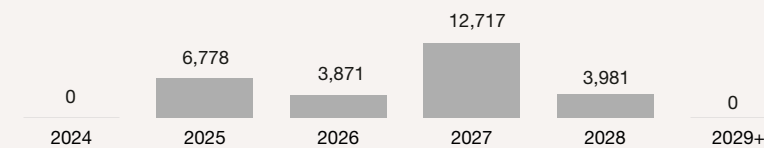
Interest Bearing Debt Maturity By Type

SEK million

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+	Total
Senior Unsecured bonds	13,126	10,516	7,808	8,246	13,280	7,798	–	8,053	–	1,151	69,979
Mortgage debt	–	–	692	868	412	37	123	–	91	39,305	41,527
Bank debt	128	3,354	30,039	8,653	12,089	6,825	9,972	6,075	–	1,698	78,833
Total	13,254	13,871	38,539	17,767	25,781	14,660	10,095	14,128	91	42,153	190,339

Hybrid Bonds Reset Dates¹

SEK million



¹ Net of which held on own book.

Cash Flow

SEK million	Q1 2024	Q1 2023
Operating activities	526	335
Investing activities	-491	-1,122
Financing activities	-8,009	-247
Change	-8,025	-1,042
Period opening balance - Cash and cash equivalents	11,276	9,385
Currency effects	-51	-8
Closing balance - Cash and cash equivalents	3,251	8,344

Cash generated from operations was SEK 2,059 million (1,887). Interest and taxes paid in period was SEK -1,533 million (-1,551) resulting in a net cash flow from operating activities of SEK 526 million (335). The main difference between operating profit and cash flow from operations was fair value adjustments on investment properties of SEK 2,487 million (-13,521).

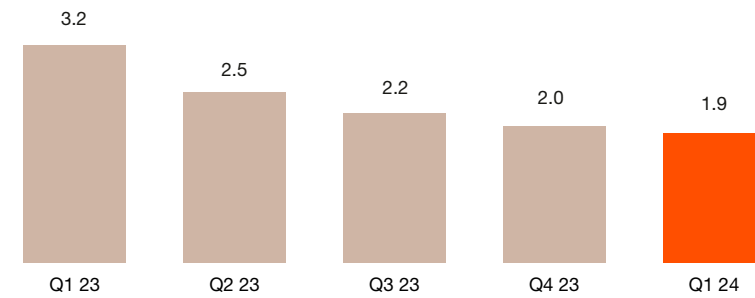
Cash flow from investing activities was SEK -491 million (-1,122) and included Capital expenditures on investment properties of SEK -921 million (-2,009). Acquisition of investment properties of SEK -495 million (-1,169) mainly related to payments in Poland and Denmark upon completion of investment properties 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 in Netherlands and Denmark.

Cash flow from financing activities was negative by SEK -8,009 million (-247), 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 3,251 million (8,344).

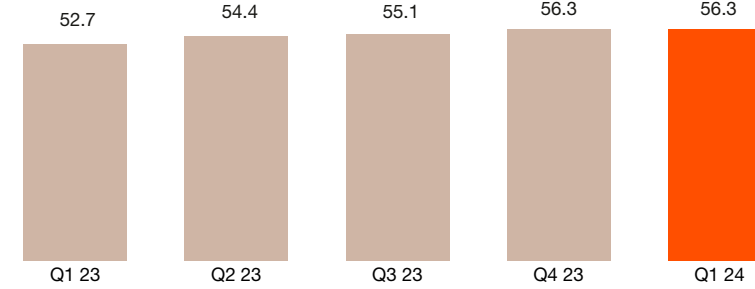


Credit Metrics

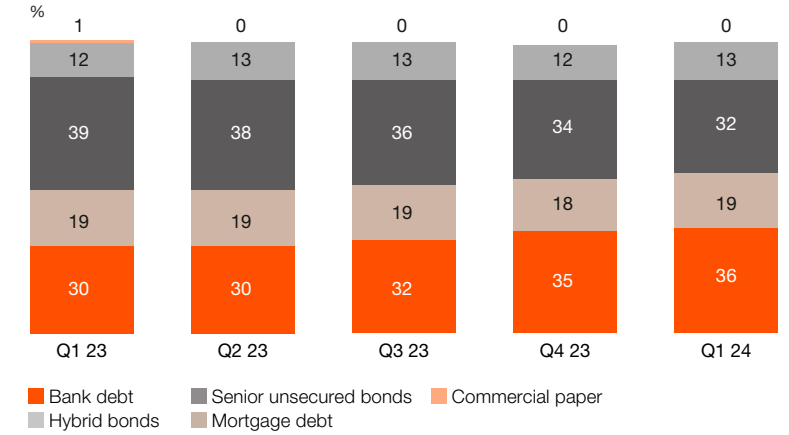
ICR
multiple



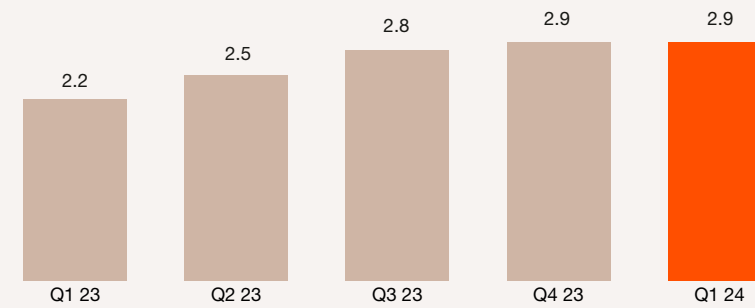
Net Loan-to-Value (LTV)
%



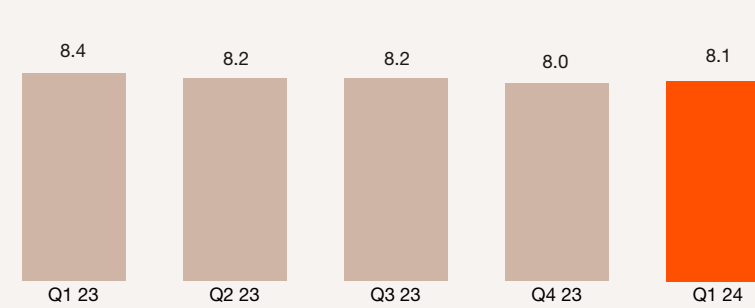
Funding Distribution
%



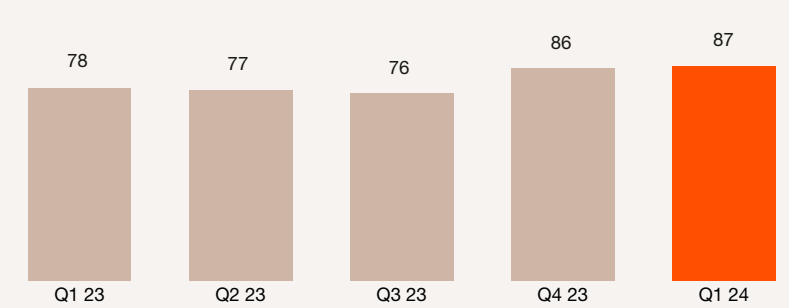
Average Interest Rate
%



Average Loan Tenor
%



Interest Rate Hedge Ratio
%



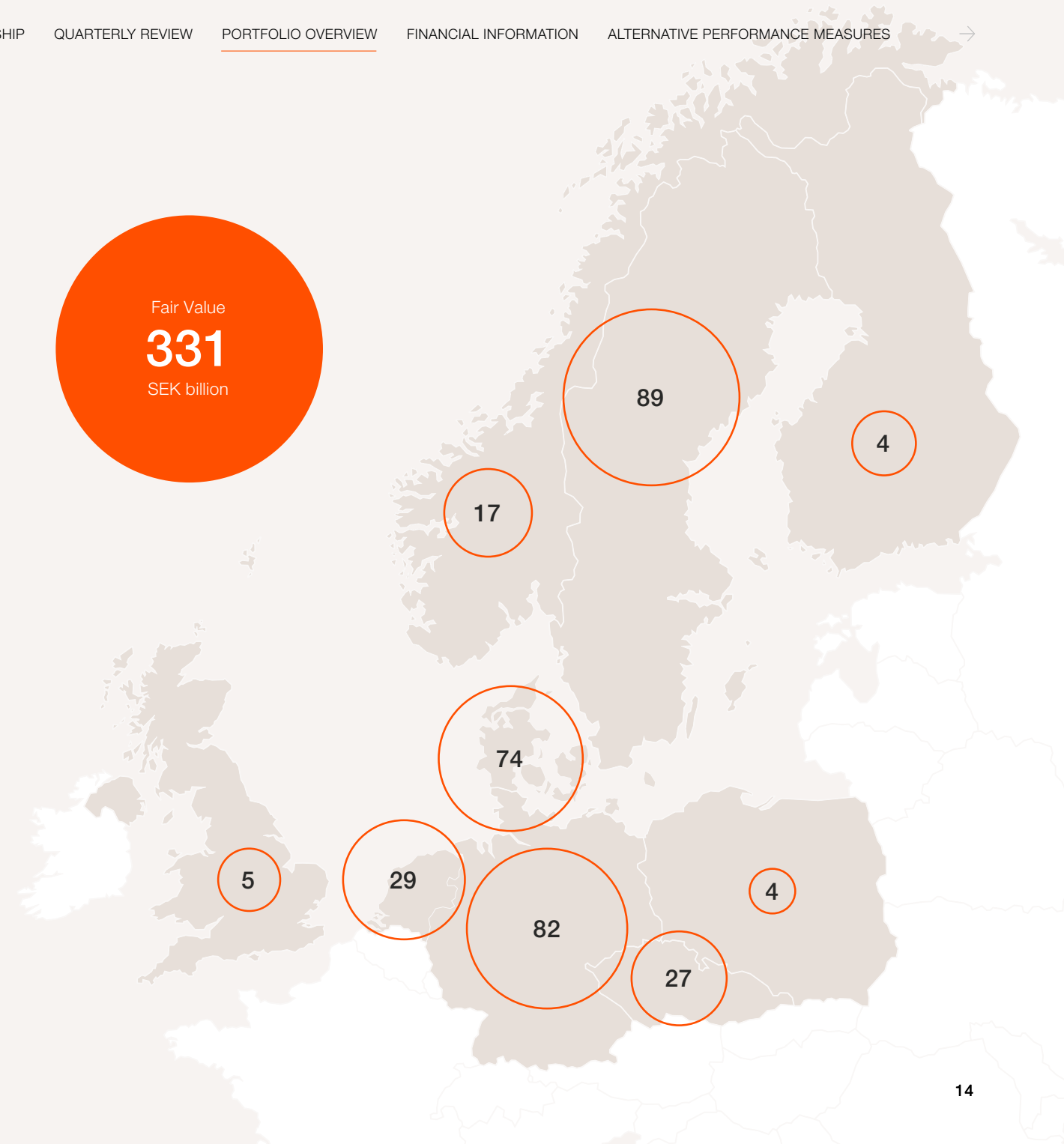
Portfolio Overview

Country	Fair Value, SEK million	Homes, units ¹	Fair Value /sqm, SEK ¹	Residen- tial ² , %	Regulated Income ³ , %	Real Economic Occupancy, %
Sweden	89,448	46,831	26,718	90.4	100.0	98.9
Germany	82,223	29,711	41,168	91.0	100.0	99.7
Denmark	73,798	21,034	36,515	95.0	14.7	97.6
Netherlands	28,719	13,267	27,895	99.3	57.9	99.7
Czechia	27,177	42,471	10,456	95.7	23.4	95.7
Norway	17,303	3,973	83,630	87.3	0.0	99.0
United Kingdom	4,667	949	58,266	98.4	5.2	97.9
Finland	3,779	3,163	20,270	95.7	0.0	93.7
Poland	3,587	947	44,942	90.4	0.0	96.1
Total	330,703	162,346	28,568	92.8	58.6	98.3

¹ Standing assets

² Based on fair value

³ Residential income



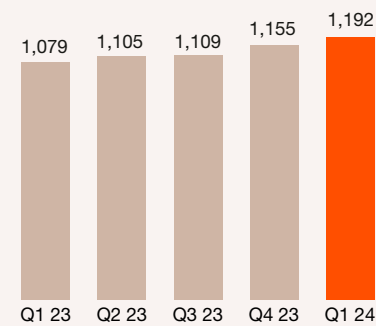
Sweden

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	1,192	1,079	4,448
Net operating income	SEK m	618	541	2,565
Net operating income margin	%	51.9	50.1	57.7
Like-for-like rental income growth	%	6.8	3.1	3.0
Real economic occupancy	%	98.9	99.2	99.0
Fair value of investment properties	SEK m	89,448	94,454	89,262
Fair value change	SEK m	-58	-3,161	-10,385
Capital expenditures	SEK m	6	758	3,000
Average valuation yield requirement ¹	%	3.4	3.0	3.3
Acquisitions	SEK m	238	24	24
Divestments	SEK m	—	-33	-243



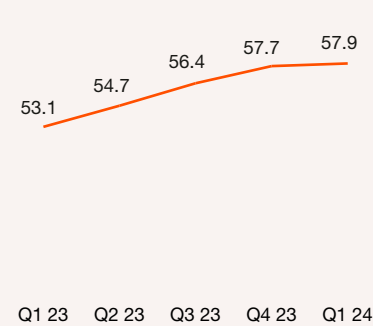
Rental Income

SEK million



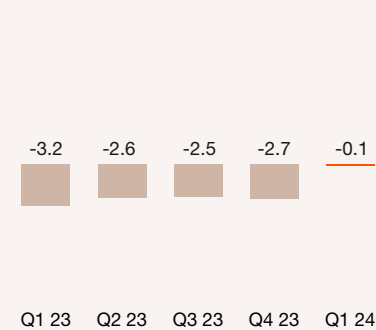
Net Operating Income Margin

Last twelve months, %

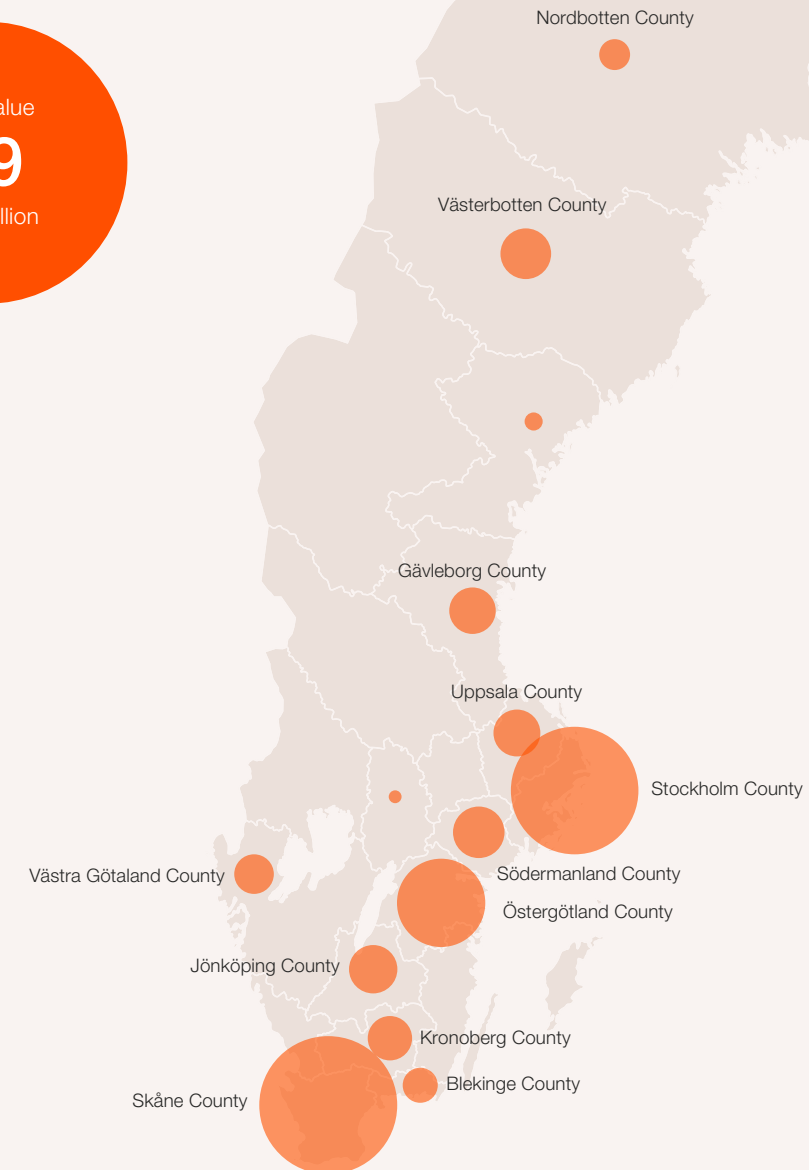


Fair Value Change

%



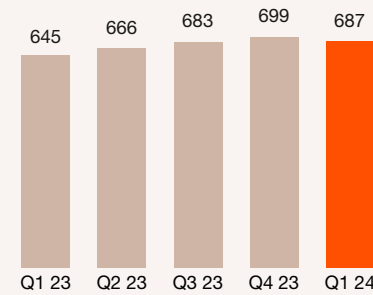
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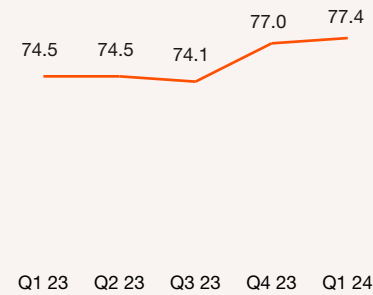
Germany

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	687	645	2,693
Net operating income	SEK m	545	503	2,074
Net operating income margin	%	79.3	77.9	77.0
Like-for-like rental income growth	%	5.2	3.2	5.7
Real economic occupancy	%	99.7	99.2	99.3
Fair value of investment properties	SEK m	82,223	87,798	79,404
Fair value change	SEK m	-50	-6,189	-14,511
Capital expenditures	SEK m	237	202	873
Average valuation yield requirement ¹	%	2.9	2.5	2.7
Acquisitions	SEK m	–	–	–
Divestments	SEK m	-9	–	–

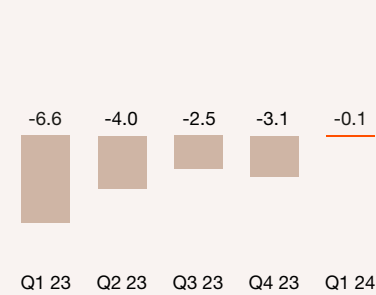
Rental Income
SEK million



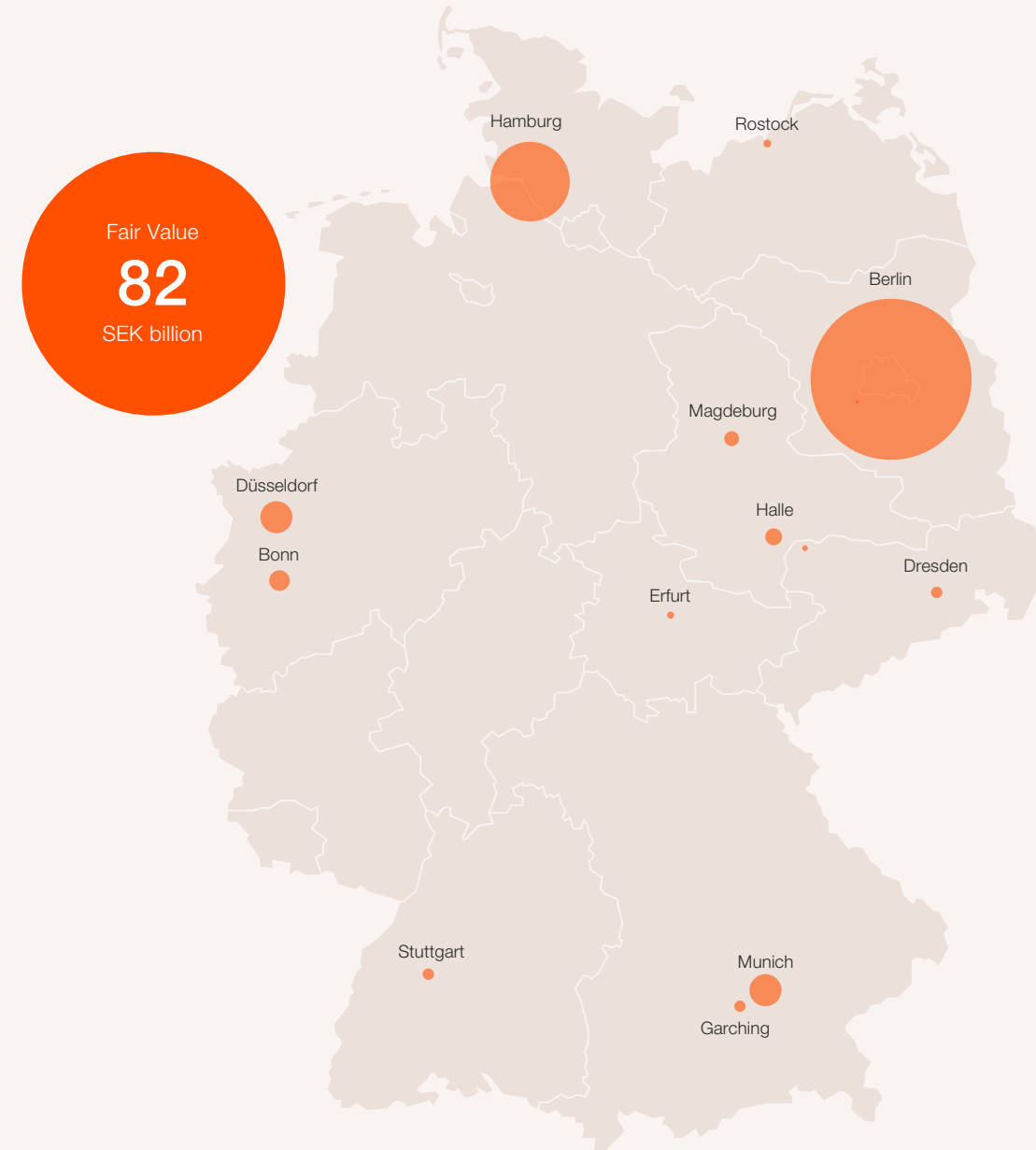
Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



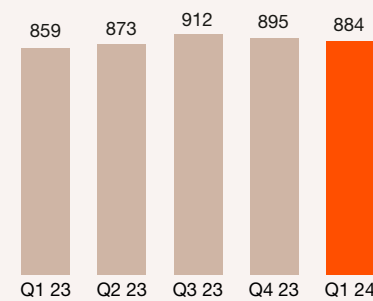
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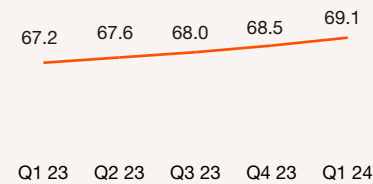
Denmark

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	884	859	3,539
Net operating income	SEK m	607	568	2,425
Net operating income margin	%	68.6	66.1	68.5
Like-for-like rental income growth	%	1.1	2.6	1.3
Real economic occupancy	%	97.6	96.6	97.1
Fair value of investment properties	SEK m	73,798	72,814	71,446
Fair value change	SEK m	-104	-3,101	-4,138
Capital expenditures	SEK m	54	218	923
Average valuation yield requirement ¹	%	4.2	4.1	4.2
Acquisitions	SEK m	543	1,652	1,732
Divestments	SEK m	-195	–	-426

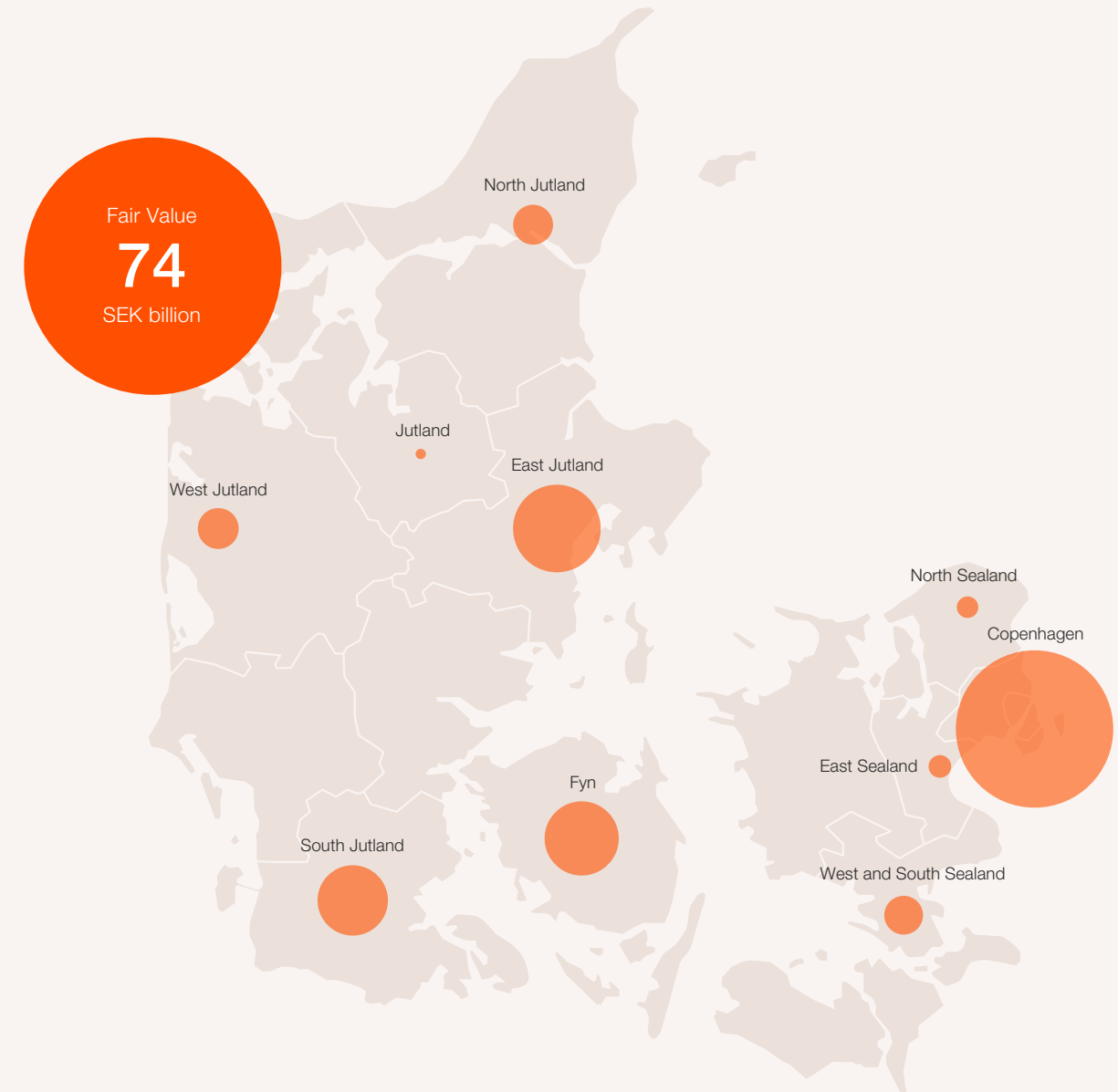
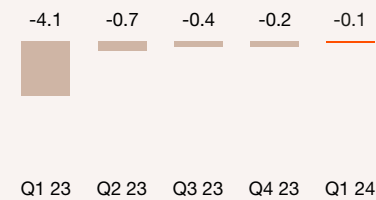
Rental Income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



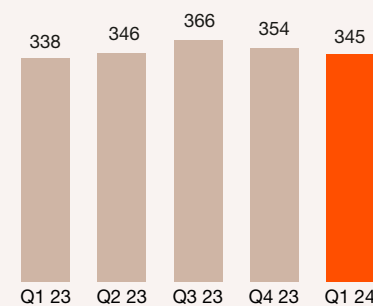
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Netherlands

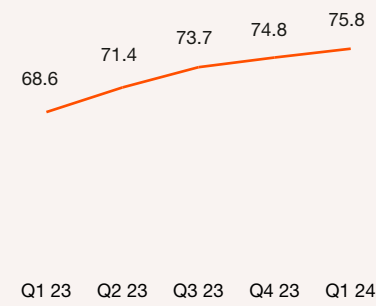
		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	345	338	1,404
Net operating income	SEK m	267	247	1,051
Net operating income margin	%	77.3	73.2	74.8
Like-for-like rental income growth	%	6.1	4.9	4.6
Real economic occupancy	%	99.7	99.8	99.7
Fair value of investment properties	SEK m	28,719	28,176	27,337
Fair value change	SEK m	996	-2,398	-3,659
Capital expenditures	SEK m	58	230	838
Average valuation yield requirement ¹	%	4.1	3.6	3.7
Acquisitions	SEK m	–	–	613
Divestments	SEK m	-417	-15	-251



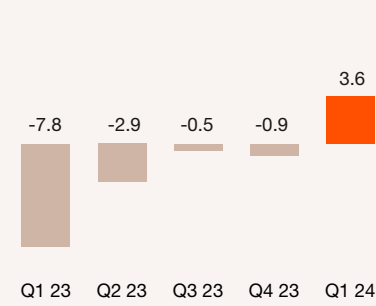
Rental Income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



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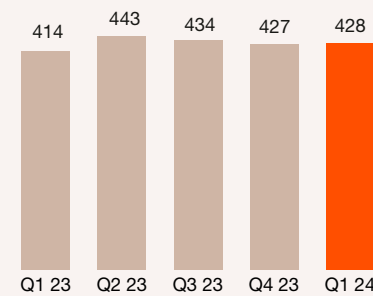
Czechia

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	428	414	1,718
Net operating income	SEK m	321	301	1,211
Net operating income margin	%	74.9	72.6	70.5
Like-for-like rental income growth	%	7.4	15.6	12.5
Real economic occupancy	%	95.7	97.1	96.8
Fair value of investment properties	SEK m	27,177	24,883	25,185
Fair value change	SEK m	1,108	386	1,704
Capital expenditures	SEK m	112	135	773
Average valuation yield requirement ¹	%	4.6	4.6	4.7
Acquisitions	SEK m	490	–	–
Divestments	SEK m	-3	–	-36

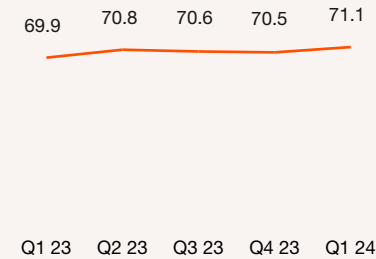
Fair Value
27
SEK billion



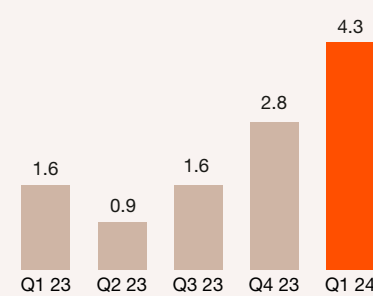
Rental Income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



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Norway

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	182	195	741
Net operating income	SEK m	138	150	556
Net operating income margin	%	75.7	77.3	75.1
Like-for-like rental income growth	%	6.3	7.4	7.3
Real economic occupancy	%	99.0	99.3	99.5
Fair value of investment properties	SEK m	17,303	18,363	17,109
Fair value change	SEK m	293	717	-275
Capital expenditures	SEK m	18	46	107
Average valuation yield requirement ¹	%	3.2	3.0	3.2
Acquisitions	SEK m	–	–	–
Divestments	SEK m	–	-1,357	-1,512

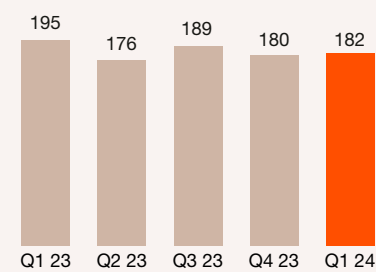
Fair Value

17

SEK billion

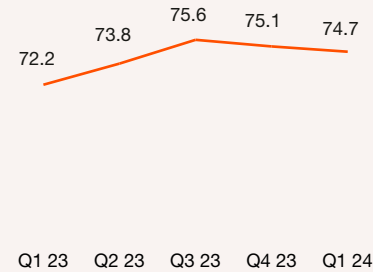
Rental Income

SEK million



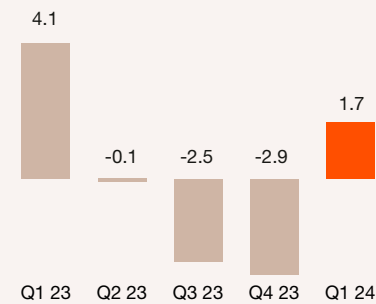
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



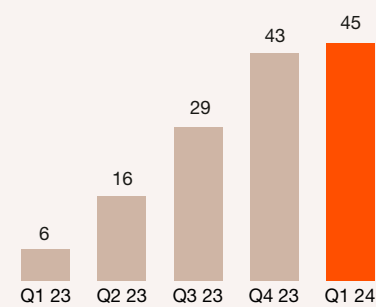
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United Kingdom

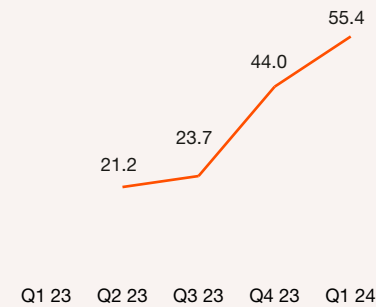
		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	45	6	95
Net operating income	SEK m	32	0	42
Net operating income margin	%	71.0	N/A	44.0
Like-for-like rental income growth	%	6.8	7.1	3.6
Real economic occupancy	%	97.9	85.7	87.7
Fair value of investment properties	SEK m	4,667	3,569	4,305
Fair value change	SEK m	-20	325	367
Capital expenditures	SEK m	173	334	1,070
Average valuation yield requirement ¹	%	4.6	4.2	4.5
Acquisitions	SEK m	—	—	—
Divestments	SEK m	—	—	—



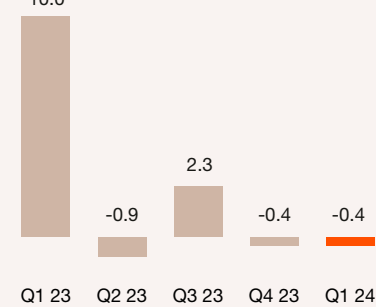
Rental Income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



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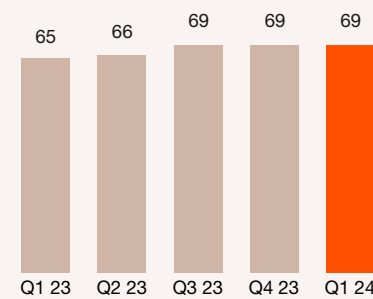
Finland

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	69	65	268
Net operating income	SEK m	31	28	125
Net operating income margin	%	44.6	43.9	46.8
Like-for-like rental income growth	%	5.9	0.5	2.3
Real economic occupancy	%	93.7	93.8	94.2
Fair value of investment properties	SEK m	3,779	3,804	3,627
Fair value change	SEK m	-3	-106	-404
Capital expenditures	SEK m	27	17	170
Average valuation yield requirement ¹	%	4.9	4.2	4.7
Acquisitions	SEK m	–	–	–
Divestments	SEK m	–	–	–



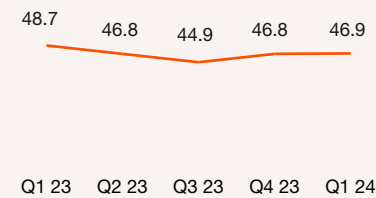
Rental Income

SEK million



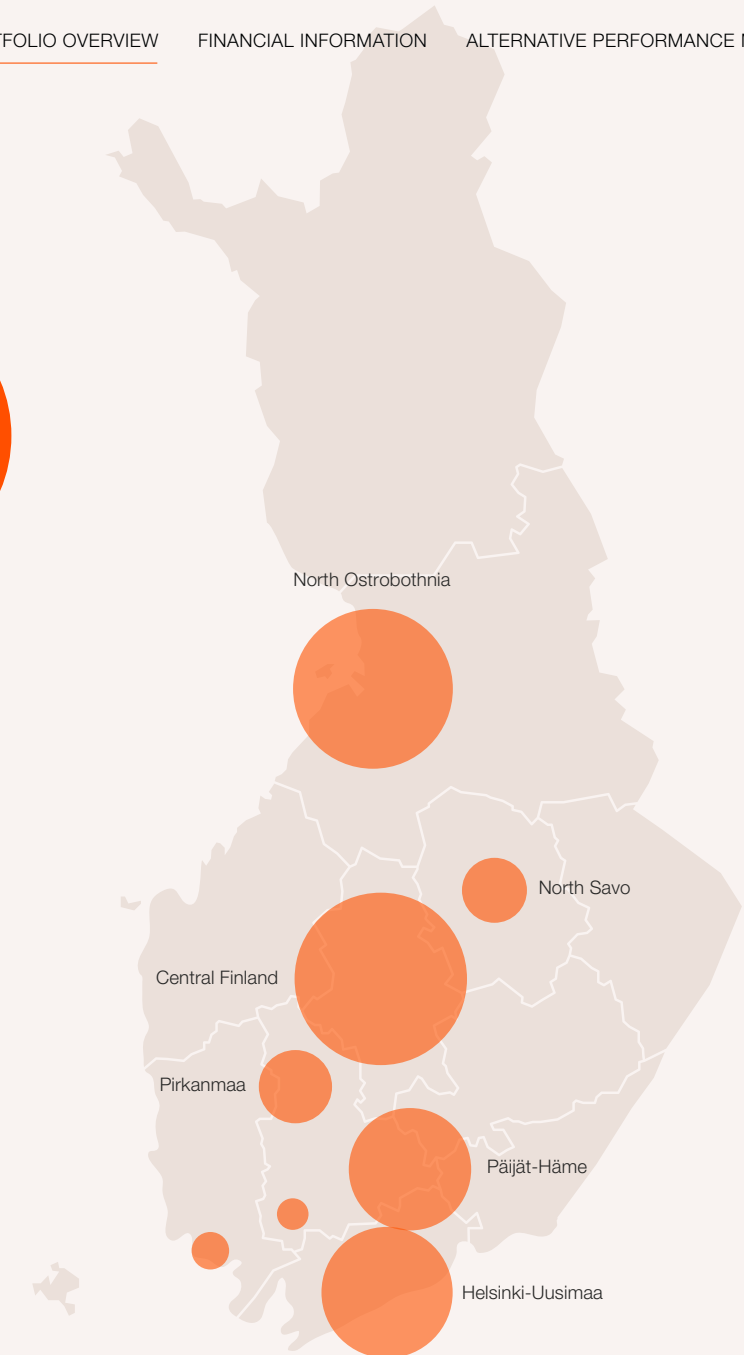
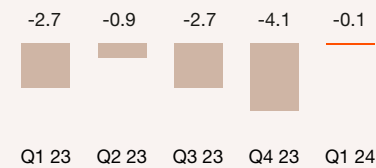
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%

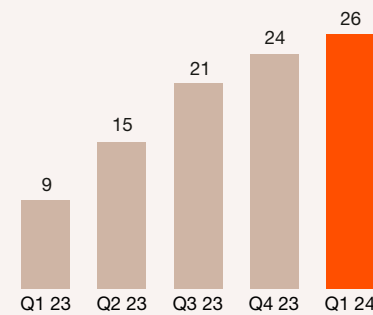


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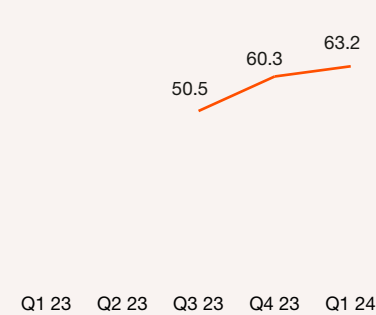
Poland

		Q1 2024	Q1 2023	FY 2023
Rental income	SEK m	26	9	69
Net operating income	SEK m	17	4	42
Net operating income margin	%	64.2	43.5	60.3
Like-for-like rental income growth	%	13.0	N/A	N/A
Real economic occupancy	%	96.1	96.3	96.4
Fair value of investment properties	SEK m	3,587	1,221	1,815
Fair value change	SEK m	325	6	171
Capital expenditures	SEK m	72	50	132
Average valuation yield requirement ¹	%	5.7	5.4	5.7
Acquisitions	SEK m	1,245	127	399
Divestments	SEK m	–	–	–

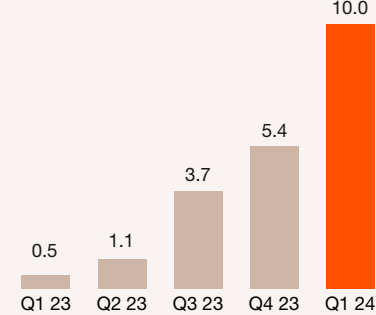
Rental Income
SEK million



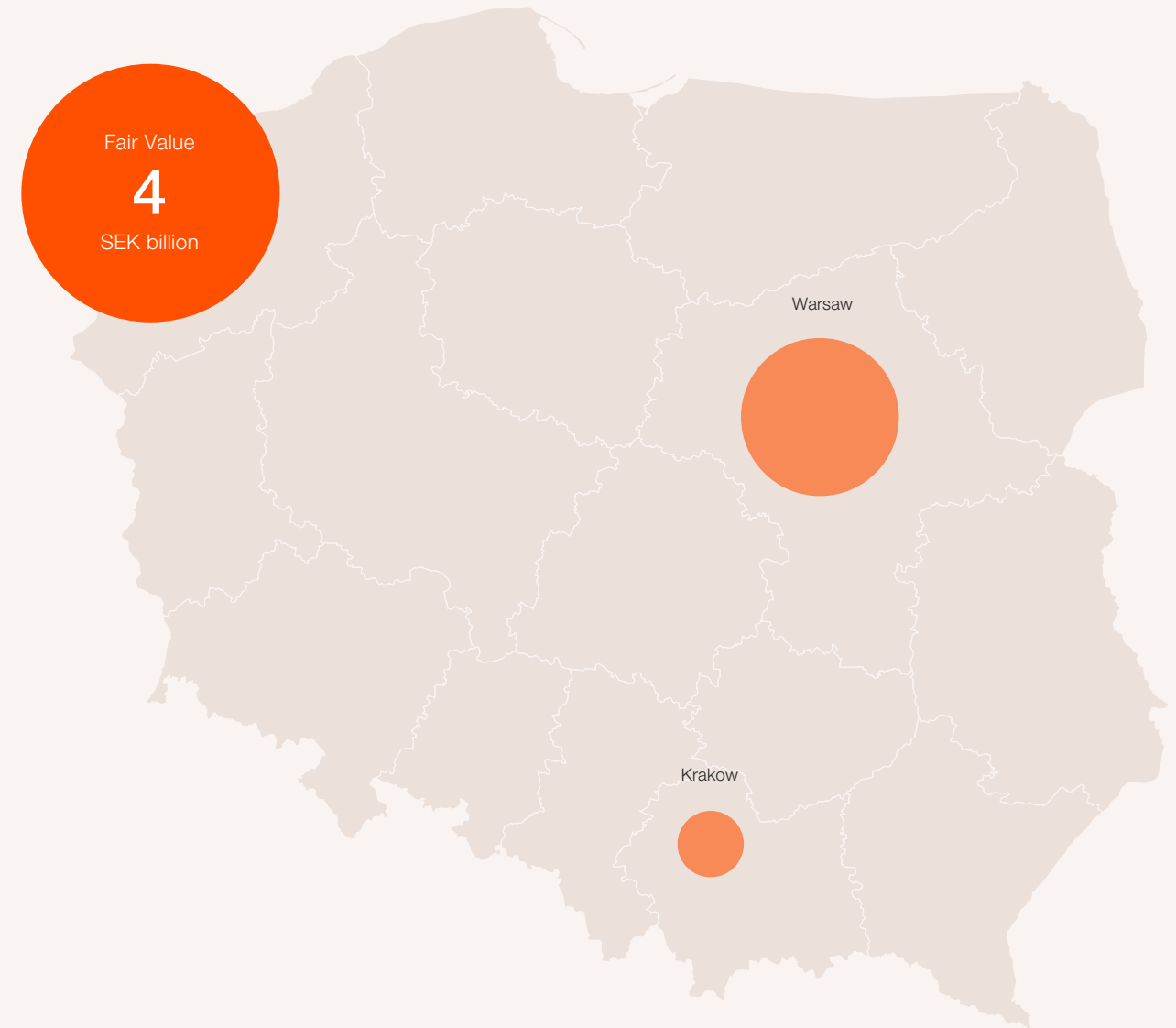
Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



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Financial Information

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Condensed Parent Company Financial Statements

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Alternative Performance Measures 40

Condensed Consolidated Statement of Comprehensive Income

SEK million	Note	Q1 2024	Q1 2023	FY 2023
Rental income	3 , 4	3,871	3,610	14,974
Service charges paid by tenants	3 , 4	506	516	1,750
Property expenses	3	-1,806	-1,784	-6,633
Net operating income		2,570	2,342	10,091
Corporate administrative expenses		-203	-212	-860
Other operating income		36	139	275
Other operating expenses	5	-111	-89	-448
Realised gains/losses from divestment of properties	6	206	4	235
Profit before unrealised fair value adjustment		2,498	2,184	9,293
Fair value adjustment of investment properties	8	2,487	-13,521	-31,130
Value adjustment of inventory properties	2	-357	20	25
Operating profit/loss		4,628	-11,318	-21,812
Share of net profits/losses of associated companies and joint ventures	10	187	-447	-844
Impairment of goodwill	9	–	-1,058	-1,058
Interest income		85	39	324
Interest expenses		-1,420	-999	-4,939
Net currency translation gains/losses		-2,338	-617	419
Fair value adjustment of derivative financial instruments		199	-448	-1,173
Other financial items		-21	691	461
Profit/loss before tax		1,320	-14,157	-28,623
Income tax expense	7	-115	883	3,768
Profit/loss for the period		1,205	-13,274	-24,855

SEK million	Note	Q1 2024	Q1 2023	FY 2023
Other comprehensive income				
Currency translation differences	12	4,112	783	-1,428
Total comprehensive income/loss		5,317	-12,491	-26,283
Profit/loss attributable to:				
The Parent Company's shareholders		1,271	-12,728	-22,926
Non-controlling interests		-66	-546	-1,928
Comprehensive income/loss attributable to:				
The Parent Company's shareholders		5,341	-11,977	-24,403
Non-controlling interests		-24	-515	-1,880

Condensed Consolidated Statement of Financial Position

SEK million	Note	31 March 2024	31 December 2023	31 March 2023
ASSETS				
Investment properties	8	330,703	319,491	335,082
Goodwill and Intangible assets	9	19,002	18,674	18,760
Machinery and equipment		318	332	403
Investments in associated companies and joint ventures	10	9,101	8,636	9,113
Derivative financial instruments	11	177	34	699
Deferred tax assets		1,137	800	919
Other financial assets	11	1,420	3,444	3,484
Total non-current assets		361,857	351,411	368,458
Inventory properties		534	538	475
Rent and trade receivables		195	227	410
Other financial assets	11	1,608	863	1,173
Derivative financial instruments	11	231	464	335
Prepayments		1,489	1,146	1,501
Cash and cash equivalents		3,251	11,276	8,344
Assets held for sale	8	750	294	–
Total current assets		8,057	14,807	12,238
TOTAL ASSETS		369,914	366,219	380,697

SEK million	Note	31 March 2024	31 December 2023	31 March 2023
EQUITY AND LIABILITIES				
Equity	12	153,606	148,731	164,393
Interest-bearing liabilities	11	173,753	171,650	170,920
Lease liabilities	11	1,115	1,091	1,330
Derivative financial instruments	11	184	481	66
Deferred tax liabilities		19,073	18,492	21,856
Other financial liabilities		1,669	1,614	1,571
Total non-current liabilities		195,793	193,326	195,743
Interest-bearing liabilities	11	16,111	19,601	13,897
Lease liabilities	11	79	85	113
Trade payables		475	738	815
Other liabilities		1,403	1,017	2,703
Derivative financial instruments	11	2	–	60
Accrued expenses and prepaid income		2,444	2,721	2,973
Total current liabilities		20,515	24,162	20,561
TOTAL EQUITY AND LIABILITIES		369,914	366,219	380,697

Condensed Consolidated Statement of Changes in Equity

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2023	93	128,559	24,330	11,643	-662	163,964	16,891	180,854
Profit/loss for the period	–	–	491	–	-13,218	-12,728	-546	-13,274
Currency translation differences	–	–	–	751	–	751	31	783
Total comprehensive income/loss	–	–	491	751	-13,218	-11,977	-515	-12,491
New share issue	3	3,334	–	–	–	3,337	–	3,337
Costs of issuance	–	-3	–	–	–	-3	–	-3
Buyback of hybrid bonds	–	–	-82	–	23	-59	–	-59
Currency translation on buyback of hybrid bonds	–	–	–	–	-14	-14	–	-14
Dividends	–	–	-491	–	-6,742	-7,232	–	-7,232
Total transactions with the company's shareholders	3	3,331	-572	–	-6,732	-3,970	–	-3,970
Equity, 31 March 2023	97	131,890	24,249	12,394	-20,612	148,017	16,376	164,393
Profit/loss for the period	–	–	350	–	-10,549	-10,199	-1,382	-11,581
Currency translation differences	–	–	–	-2,228	–	-2,228	17	-2,211
Total comprehensive income /loss	–	–	350	-2,228	-10,549	-12,427	-1,365	-13,792
Costs of issuance	–	-3	–	–	–	-3	–	-3
Currency translation on buyback of hybrid bonds	–	–	–	–	9	9	–	9
Dividends	–	–	-350	–	–	-350	-1,526	-1,876
Total transactions with the company's shareholders	–	-3	-350	–	9	-345	-1,526	-1,871
Equity, 31 December 2023	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Opening balance, 1 January 2024	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Profit/loss for the period	–	–	–	–	1,271	1,271	-66	1,205
Currency translation differences	–	–	–	4,070	–	4,070	42	4,112
Total comprehensive income /loss	–	–	–	4,070	1,271	5,341	-24	5,317
Currency translation on buyback of hybrid bonds	–	–	–	–	-21	-21	–	-21
Coupon expense on hybrid bonds	–	–	420	–	-420	–	–	–
Coupon paid on hybrid bonds	–	–	-420	–	–	-420	–	-420
Total transactions with the company's shareholders	–	–	–	–	-442	-442	–	-442
Equity, 31 March 2024	97	131,887	24,249	14,236	-30,323	140,145	13,461	153,606

Condensed Consolidated Statement of Cash Flows

SEK million	Note	Q1 2024	Q1 2023	FY 2023
Operating activities				
Profit/loss before tax		1,320	-14,157	-28,623
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Fair value adjustment on investment properties	8	-2,487	13,521	31,130
Value adjustment of inventory properties	2	357	-20	-25
Fair value adjustment of derivative financial instruments		-199	448	1,173
Interest income		-85	-39	-324
Interest expenses		1,420	999	4,939
Share of net profits/losses of associated companies and joint ventures	10	-187	447	844
Other adjustments	14	2,178	832	-313
<i>Working capital changes</i>				
Increase(-)/decrease(+) in rent and other receivables		-468	-163	-293
Increase(+)/decrease(-) in trade and other payables		210	18	-1,024
Cash generated from operations		2,059	1,887	7,482
Interest paid		-1,449	-968	-4,880
Interest received		85	29	324
Paid income tax		-169	-612	-1,000
Net cash flows from operating activities		526	335	1,926

SEK million	Note	Q1 2024	Q1 2023	FY 2023
Investing activities				
Acquisition of investment and inventory properties		-495	-1,169	-2,132
Capital expenditure on investment and inventory properties	8	-921	-2,009	-7,964
Divestments of investment properties	6	830	1,487	2,703
Deposits for signed acquisitions		1	298	320
Purchases of machinery and equipment		-3	-22	-63
Purchase of intangible assets		-9	–	-62
Transactions with associated companies and joint ventures		2	264	711
Other cash flows from investing activities		104	31	-543
Net cash flows from investing activities		-491	-1,122	-7,029
Financing activities				
Proceeds from interest-bearing liabilities	11	2,244	12,919	35,264
Repayment of interest-bearing liabilities	11	-9,740	-11,670	-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		-530	-491	-841
Settlement of derivative financial instruments		–	–	176
Other cash flows from financing activities		16	-1,093	-1,137
Net cash flows from financing activities		-8,009	-247	6,826
Net change in cash and cash equivalents		-7,974	-1,033	1,723
Cash and cash equivalents at the beginning of the period		11,276	9,385	9,385
Net currency exchange effect in cash and cash equivalents		-51	-8	168
Cash and cash equivalents at the end of the period		3,251	8,344	11,276

Notes to the Condensed Consolidated Financial Statements

1. Accounting Principles

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 accounts 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 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

In addition to board fees, transactions with Heimstaden AB and its subsidiaries amounted to SEK 203 million (209) for management services received as of Q1 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 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). The estimated guarantee settlement is recognised in other financial assets, non-current.

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, Netherlands, Czechia, Norway, Finland, United Kingdom and Poland. See [Note 8](#) for fair value of investment properties per segment.

Q1 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Eliminations	Group in total
Statement of Comprehensive Income											
Rental income ¹	1,192	687	884	345	428	182	45	69	26	14	3,871
Service charges paid by tenants	23	222	3	–	239	9	0	3	7	0	506
Total income	1,214	908	887	345	667	191	45	72	33	14	4,377
Utilities	-290	-123	-36	–	-235	-17	-1	-17	-4	1	-723
Repair and maintenance	-53	-44	-43	-21	-40	-7	-2	-4	0	36	-176
Property tax	-26	-16	-37	-14	-4	-1	0	-2	-2	–	-102
Other ²	-37	-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	-596	-364	-281	-78	-346	-53	-13	-41	-17	-17	-1,806
Net operating income	618	545	607	267	321	138	32	31	17	-3	2,570
Net operating income margin, %	51.9	79.3	68.6	77.3	74.9	75.7	71.0	44.6	64.2	–	66.4

Q1 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Eliminations	Group in total
Statement of Comprehensive Income											
Rental income ¹	1,079	645	859	338	414	195	6	65	9	0	3,610
Service charges paid by tenants	20	236	1	–	242	13	0	3	1	0	516
Total income	1,100	881	860	338	656	207	6	68	10	–	4,126
Utilities	-260	-149	-36	–	-237	-21	0	-16	-1	1	-718
Repair and maintenance	-53	-41	-48	-30	-40	-8	0	-5	0	32	-194
Property tax	-26	-26	-48	-15	-2	-1	0	-2	-1	–	-122
Other ²	-48	-43	-36	-15	-25	-12	-2	-4	-1	2	-184
Property management	-171	-118	-124	-30	-51	-15	-5	-13	-4	-35	-566
Total property expenses	-558	-378	-293	-91	-355	-57	-7	-39	-6	0	-1,784
Net operating income	541	503	568	247	301	150	0	28	4	0	2,342
Net operating income margin, %	50.1	77.9	66.1	73.2	72.6	77.3	–	43.9	43.5	–	64.9

¹ 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.

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

4. Rental Income

Rental income distributed by property category

SEK million	Q1 2024	Q1 2023
Residential	3,560	3,314
Commercial premises	258	246
Garage and parking spaces	54	50
Total income	3,871	3,610

Service charges paid by tenants distributed by property category

SEK million	Q1 2024	Q1 2023
Residential	473	492
Commercial premises	33	23
Total service charges paid by tenants	506	516

5. Other Operating Expenses

Other operating expenses include depreciations, audit fees and other administrative expenses. During 2024, SEK 28 million (32) were 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
Realised gain/loss on divestments of properties	206	4

7. Income Tax Expense

Effective tax rate

SEK million	Q1 2024	Q1 2023
Profit before tax	1,320	-14,157
Income tax expense	-115	883
Equivalent to a rate of, % (absolute)	8.7	6.2

Heimstaden Bostad recognised a tax expense of SEK 115 million (income 883) in the first quarter, corresponding to an effective tax rate of 8.7%. 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 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 are valued at fair value. Heimstaden Bostad 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 738 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 ¹	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Total
Fair value of investment properties, 31 December 2023	89,262	79,404	71,446	27,337	25,185	17,109	4,305	3,627	1,815	319,491
Acquisitions during the period	238	–	543	–	490	–	–	–	1,245	2,515
Divestments	–	-9	-184	-145	-3	–	–	–	–	-341
Land leases	–	–	–	–	–	12	–	19	–	30
Capital expenditure on investment properties	149	237	47	51	112	18	–	27	–	643
Capital expenditure on investment properties under construction	-143	–	6	7	–	–	173	–	72	114
Currency translation	–	2,641	2,326	930	286	-129	209	109	131	6,502
Fair value after transactions	89,506	82,273	74,184	28,180	26,069	17,010	4,688	3,782	3,262	328,954
Value change	-58	-50	-104	996	1,108	293	-20	-3	325	2,487
Reclassification to assets held for sale	–	–	-283	-456	–	–	–	–	–	-738
Fair value of investment properties, 31 March 2024	89,448	82,223	73,798	28,719	27,177	17,303	4,667	3,779	3,587	330,703

Assets held for sale

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

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

Breakdown by category

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Finland	Poland	Total
Investment properties	87,671	82,223	73,728	28,719	26,976	16,880	3,431	3,399	2,136	325,163
Investment properties under construction	1,279	–	–	–	–	–	1,236	–	1,452	3,967
Land and building rights	257	–	70	–	201	–	–	–	–	528
Land leases	241	–	–	–	–	423	–	381	–	1,045
Total	89,448	82,223	73,798	28,719	27,177	17,303	4,667	3,779	3,587	330,703

9. Goodwill and Intangible Assets

As of 31 March 2024, the carrying amount of goodwill is SEK 18,811 million (18,491), 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. The remaining SEK 2,887 million (2,869), 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 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	
Opening balance, 1 January 2024	8,636
Divestments of associated companies and joint ventures	-2
Change in value from foregin currency	279
Share of net profits/losses of associated companies and joint ventures	187
Closing balance, 31 March 2024	9,101

Heimstaden Bostad 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 Oyj 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	8
Property expenses	-583	-21	-3	-2	-7
Net operating income	712	21	0	0	1
Corporate administrative expenses	-128	-5	-1	0	0
Financial items, net	-270	-10	-18	0	-2
Unrealised value change	903	–	1	–	1
Tax expenses	-243	0	-1	–	0
Profit for the year	974	6	-19	0	-1
Group’s share of profit	195	2	-10	0	0
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 maturity 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. of the 2023 Annual Report for a detailed description of risk management and internal control.

In Q1 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 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	69,979	0	37	
Mortgages/bank loans	120,360	99	63	
Total	190,339	63	100%	20,381
Deferred charges	-474			
Total	189,865			

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	-6,297	-3,449	–	-30	-9,776
New borrowings	100	2,144	–	36	2,280
Assumed debt in connection with acquisitions	–	985	–	–	985
Currency exchange effect on loans	2,140	2,960	–	12	5,111
Capitalisation of debt issuance cost, net of amortisation	–	–	32	–	32
Closing balance, 31 March 2024	69,979	120,360	-474	1,194	191,059

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	91,939	48	4.55	52,514	28	4.16
1-2	19,245	10	1.55	24,894	13	1.88
2-3	15,088	8	2.83	23,671	12	2.84
3-4	8,338	4	3.69	24,740	13	3.04
4-5	14,615	8	1.45	18,364	10	1.73
>5 years after balance sheet date	41,114	22	2.35	46,156	24	2.40
Total	190,339	100	3.36	190,339	100	2.89

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

3.20 years

Years	Loan tenor		Unutilised credit commitment	
	SEK million	Share, %	SEK million	Share, %
0-1	15,430	8	14	0
1-2	20,799	11	6,330	31
2-3	41,480	22	12,368	61
3-4	9,067	5	–	–
4-5	22,461	12	1,669	8
>5 years after balance sheet date	81,103	43	–	–
Total	190,339	100	20,381	100

Average loan tenor:

8.06 years

Financial instruments

Years	Type	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % ¹
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, % ¹
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

¹ 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	–	5
Transferred gains/losses to investment properties	–	-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 173,753 million (171,650) and a fair value of SEK 161,980 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 31 March 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:

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
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		Q1 2024	Q1 2023
Country	Currency code		
Czechia	CZK	183	875
Denmark	DKK	1,026	206
Netherlands, Germany & Finland	EUR	2,622	1,018
Norway	NOK	-127	-1,438
Poland	PLN	155	37
United Kingdom	GBP	211	54
Non-controlling interests	EUR	42	31
Total		4,112	783

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 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 Bostad 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 1,594 million (2,019).

SEK million	2024	2025	2026	2027	Total
Forward funding	1,029	438	87	7	1,560
Own development	30	4	–	–	34
Forward purchase	217	4	–	–	221
Total	1,276	446	87	7	1,815

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	Q1 2024	Q1 2023
Depreciation	33	41
Rental losses	36	20
Exchange rate difference	2,338	617
Other financial items	-22	-908
Realised gains/losses from divestment of properties	-206	4
Impairment of goodwill	–	1,058
Total	2,178	832

15. Subsequent Events

No significant subsequent events have occurred after the balance sheet date.

Parent Company Income Statement

SEK million	Q1 2024	Q1 2023	FY 2023
Management service income	83	103	390
Other operating expenses	-13	-9	-44
Administrative expenses	-162	-234	-778
Operating profit/loss	-92	-139	-432
Dividends from subsidiaries	–	–	99
Dividends from associated companies and joint ventures	–	215	215
Impairment of investments in subsidiaries and associated companies	–	–	-2,716
Interest income	1,114	557	4,128
Interest expenses	-594	-527	-2138
Net currency translation gains/losses	-2,013	-973	-165
Fair value adjustment of derivative financial instruments	177	1	-16
Other financial items	36	-40	4
Profit/loss after financial items	-1,372	-906	-1,021
Appropriations	–	–	1,078
Profit/loss before tax	-1,372	-906	57
Income tax expense	161	158	-77
Profit/loss for the period	-1,211	-748	-20

Parent Company Statement of Comprehensive Income

SEK million	Q1 2024	Q1 2023	FY 2023
Profit/loss for the period according to the Income Statement	-1,211	-748	-20
Other comprehensive income/loss	–	–	–
Comprehensive income/loss	-1,211	-748	-20

Parent Company Statement of Financial Position

SEK million	31 March 2024	31 December 2023	31 March 2023
ASSETS			
Shares in subsidiaries	68,185	60,115	55,643
Investments in associated companies and joint ventures	8,096	8,096	9,544
Bonds	3,753	5,683	5,236
Deferred tax assets	745	439	713
Receivables, subsidiaries	91,252	90,696	92,572
Total non-current assets	172,031	165,028	163,709
Receivables, subsidiaries	36,904	43,005	47,848
Other financial assets	73	126	672
Accrued income, group companies	183	188	0
Cash and cash equivalents	696	8,777	3,812
Total current assets	37,856	52,097	52,332
Total assets	209,887	217,124	216,041

SEK million	31 March 2024	31 December 2023	31 March 2023
EQUITY AND LIABILITIES			
Equity	113,409	115,062	114,678
Interest-bearing liabilities	17,239	18,855	22,517
Derivative financial instruments	141	318	126
Deferred tax liability	540	483	531
Liabilities, subsidiaries	76,130	81,628	73,562
Total non-current liabilities	94,051	101,285	96,736
Interest-bearing liabilities	2,058	302	4,248
Trade and other payables	–	1	46
Liabilities, group companies	8	39	0
Accrued expenses, group companies	208	187	0
Accrued expenses and prepaid income	152	248	333
Total current liabilities	2,427	778	4,627
Total equity and liabilities	209,887	217,124	216,041

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	93	126,110	24,316	-31,122	119,397
Profit/loss for the period	–	–	491	-1,239	-748
Total comprehensive income /loss	–	–	491	-1,239	-748
New share issue	3	3,334	–	–	3,337
Cost of issuance	–	-3	–	–	-3
Buyback of hybrid bonds	–	–	-82	10	-72
Dividends	–	–	-491	-6,742	-7,232
Total transactions with the Company's shareholders	3	3,331	-572	-6,732	-3,970
Equity, 31 March 2023	97	129,440	24,234	-39,893	114,678
Profit/loss for the period	–	–	350	379	729
Total comprehensive income /loss	–	–	350	379	729
Costs of issuance	–	-3	–	–	-3
Currency translation on buyback of hybrid bonds	–	–	–	9	9
Dividends	–	–	-350	–	-350
Total transactions with the Company's shareholders	–	-3	-350	9	-344
Equity, 31 December 2023	97	129,437	24,234	-38,706	115,062
Opening balance, 1 January 2024	97	129,437	24,234	-38,706	115,062
Profit/loss for the period	–	–	–	-1,211	-1,211
Total comprehensive income /loss	–	–	–	-1,211	-1,211
Currency translation on buyback of hybrid bonds	–	–	–	-21	-21
Coupon expense on hybrid bonds	–	–	420	-420	–
Coupon paid on hybrid bonds	–	–	-420	–	-420
Total transactions with the Company's shareholders	–	–	–	-442	-442
Equity, 31 March 2024	97	129,437	24,234	-40,359	113,409

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

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

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

Alternative Performance Measures

For more information, definitions, and methodology please refer to www.heimstadenbostad.com

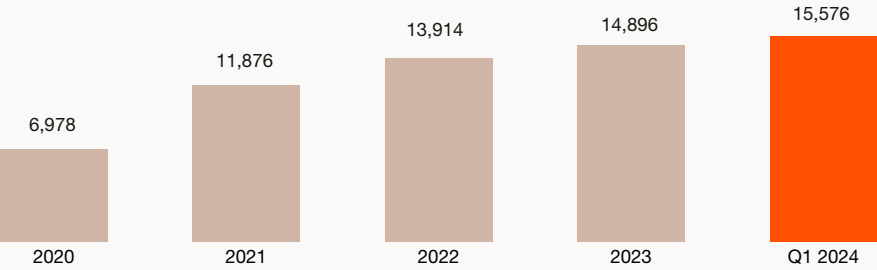
Earnings Capacity

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	-863
Profit before financial items	9,708

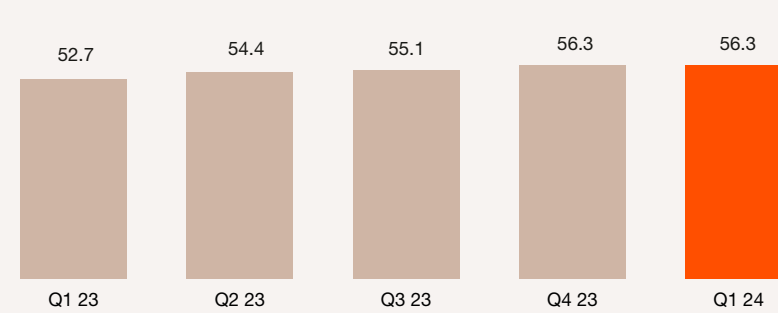
Earnings Capacity Rental Income

SEK million



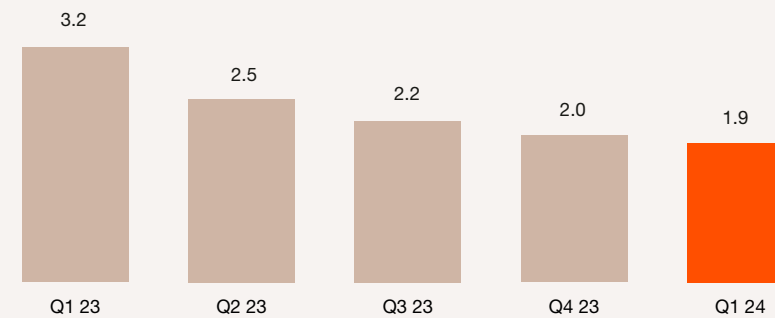
Financial and Operational Metrics

Net loan-to-Value %



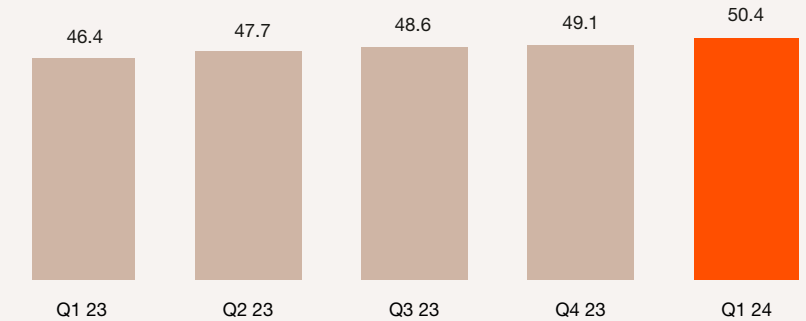
SEK million	Q1 2024	Q4 2023	Q1 2023
Interest-bearing secured liabilities	119,060	116,357	101,435
Interest-bearing unsecured liabilities	70,805	74,893	83,382
Less: Cash and cash equivalents	3,251	11,276	8,344
Net interest-bearing liabilities	186,614	179,975	176,473
Fair value of investment properties	330,703	319,491	335,082
Assets held for sale	750	294	–
Total investment properties including assets held for sale	331,452	319,785	335,082
Net LTV, %	56.3	56.3	52.7

Interest Coverage Ratio (ICR) multiple



SEK million Rolling 12 months	Q1 2024	Q4 2023	Q1 2023
Profit before unrealised fair value adjustment	9,607	9,293	7,970
Transaction costs from business combination	1	5	–
Adjusted profit before unrealised fair value adjustment	9,608	9,298	7,970
Interest expenses	5,361	4,939	2,807
Less: Interest income	370	324	289
Net financial items	4,990	4,615	2,518
ICR	1.9	2.0	3.2

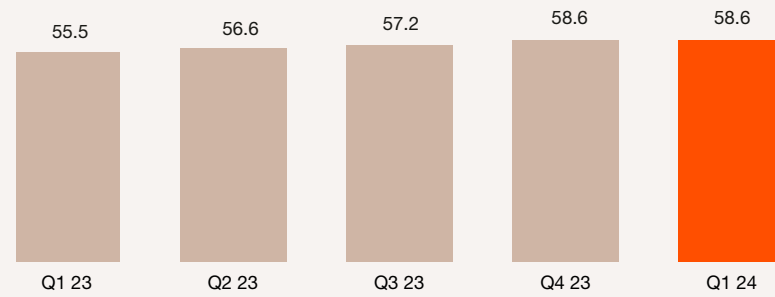
Net Debt / Total Assets %



SEK million	Q1 2024	Q4 2023	Q1 2023
Net interest-bearing liabilities	186,614	179,975	176,473
Total assets	369,914	366,219	380,697
Net Debt / Total Assets, %	50.4	49.1	46.4

Net debt / Net debt + Equity (S&P method)

multiple

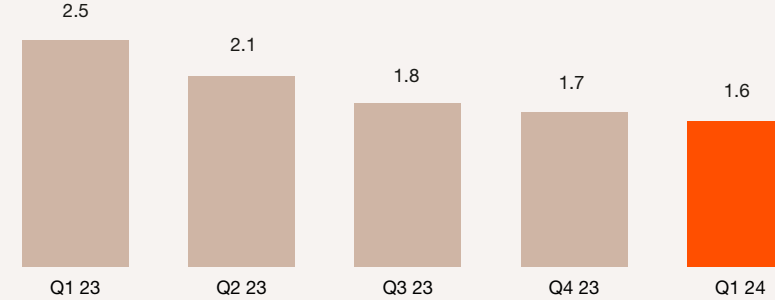


SEK million	Q1 2024	Q4 2023	Q1 2023
Equity	153,606	148,731	164,393
50% hybrid	12,124	12,124	12,124
Equity adjusted	141,482	136,606	152,269
Total interest-bearing liabilities	189,865	191,250	184,817
Lease liabilities	1,194	1,175	1,443
Less: Cash and cash equivalents	-3,251	-11,276	-8,344
50% of hybrid equity as debt (S&P adj.)	12,124	12,124	12,124
Net interest-bearing liabilities, adjusted (Net debt)	199,932	193,274	190,040
Net debt + equity	341,414	329,881	342,309
Net debt / (net debt + equity)	58.6	58.6	55.5

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

ICR (S&P method)

multiple

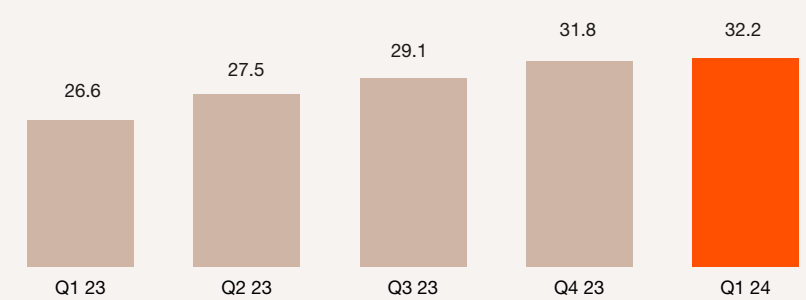


SEK million Rolling 12 months	Q1 2024	Q4 2023	Q1 2023
Profit before unrealised fair value adjustment	9,607	9,293	7,970
Depreciation and amortisation	46	18	7
SOS Partnership	135	140	143
Transaction costs from business combination	1	5	–
Realised gains/losses from divestment of properties	-437	-235	–
EBITDA, adjusted	9,352	9,222	8,120
Interest expenses	5,361	4,939	2,807
Adjustment interest reclassification	–	–	-69
Capitalised interest	108	133	117
50% interim-equity hybrid dividend annual (S&P)	441	442	447
Interest expense, adjusted	5,909	5,515	3,302
ICR incl. hybrid bonds as 50% debt	1.6	1.7	2.5

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

Secured loan-to-value

%



	Q1 2024	Q4 2023	Q1 2023
Interest-bearing secured liabilities	119,060	116,357	101,435
Total assets	369,914	366,219	380,697
Secured loan-to-value, %	32.2	31.8	26.6

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	325,163	313,902
Residential share of investment properties, %	92.8	92.7

Like-for-like rental income growth

	Q1 2024 ¹	Q1 2023 ²
Rental income current period	3,670	3,311
Rental income previous period	3,490	3,158
Like-for-like rental income growth, %	5.2	4.8

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

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

Net operating income margin

	Q1 2024	Q1 2023
Rental income	3,871	3,610
Net operating income	2,570	2,342
Net operating income, %	66.4	64.9

Economic occupancy, residential

	Q1 2024	Q1 2023
Theoretical rental income on residential units	3,665	3,410
Economic vacancy	-132	-127
Rental income on residential units	3,533	3,283
Economic occupancy, %	96.4	96.3

Real economic occupancy, residential

	Q1 2024	Q1 2023
Theoretical rental income on residential units	3,665	3,410
Adjusted to real vacancy	-63	-62
Adjusted theoretical rental income	3,602	3,347
Real economic occupancy, %	98.3	98.2

Equity ratio

	Q1 2024	Q4 2023
Equity	153,606	148,731
Assets	369,914	366,219
Equity ratio, %	41.5	40.6

EBITDA

Rolling 12 months	Q1 2024	Q4 2023
Profit before unrealised fair value adjustment	9,607	9,293
Transaction cost from business combination	1	5
Depreciation and amortisation	46	18
EBITDA	9,655	9,317

Debt/EBITDA

Rolling 12 months	Q1 2024	Q4 2023
Interest-bearing liabilities	190,907	189,645
EBITDA	9,655	9,317
Debt / EBITDA, multiple	19.8	20.4

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 Bostad AB (publ) is required to disclose under the EU Market Abuse Regulation.
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