

HUFVUDSTADEN



Q3

Interim Report  
January-September 2024

# Interim Report January-September 2024

- Net revenue from property management was SEK 1,583 million (1,515), an increase of 4 per cent. Including intra-Group rental revenue, net revenue from property management was SEK 1,731 million (1,654).
- Gross profit from property management increased by 5 per cent, totalling SEK 1,078 million (1,030). Including intra-Group rental revenue, gross profit from property management was SEK 1,226 million (1,169).
- Net result for the period was SEK -211 million (-1,585), equivalent to SEK -1.04 per share (-7.83). The negative result can be attributed to negative unrealised changes in the value of the property holdings. The net result for the third quarter was SEK 143 million (-212).
- The fair value of the property holdings was SEK 46.4 billion (46.7 at year-end), resulting in a net reinstatement value (EPRA NRV) of SEK 181 per share (185 at year-end). Unrealised changes in the value of the property holdings amounted to SEK -1,094 million (-2,854) for the period.
- The equity ratio was 58 per cent (59), the net loan-to-value ratio was 22 per cent (21) and the interest coverage ratio was 4.4 (5.2).
- The rental vacancy rate at the end of the period was 7.6 per cent (8.8). Excluding current development projects, the rental vacancy rate was 5.5 per cent (5.7).
- Hufvudstaden placed first in the Customer Satisfaction Index for the seventh consecutive year and has the most satisfied office tenants in the industry in the large company category.

## OPERATING EVENTS DURING THE THIRD QUARTER

A new framework for green financing was launched to better reflect Hufvudstaden's overall sustainability strategy. With increased requirements for both new and existing buildings, the framework aims to finance green and energy-efficient properties as well as investments in climate transition and sustainability.

Hufvudstaden has signed a lease agreement with Censor for office premises of approximately 350 square metres on the top floor of Kvarteret Johanna. Censor M&A provides expert advice and project management in ownership planning, change of ownership, and acquisitions. Planned access is in early 2026.

As one of a few selected locations worldwide, the clothing brand H&M is opening a pop-up store at Birger Jarlspassagen in Bibliotekstan for the launch of this year's autumn collection.

Hemtex has signed a lease for its largest store in Sweden covering an area of more than 1,000 square metres and located at a prime location along Götgatan at Fyran in Nordstan.

Scandinavia's largest retail shoe chain Eurosko has signed a lease for approximately 170 square metres of retail space at Femman in Nordstan.

## PERFORMANCE MEASURES

| SEK m   | Jan-Sep<br>2024 | Jan-Sep<br>2023 | Jan-Dec<br>2023 |
|---|-----------------|-----------------|-----------------|
| Net revenue, property management, gross                     | 1,731           | 1,654           | 2,216           |
| Rent revenue, intra-Group                                   | -148            | -139            | -183            |
| Net revenue, property management, net                       | 1,583           | 1,515           | 2,033           |
| Gross profit, property management                           | 1,078           | 1,030           | 1,359           |
| Unrealised changes in property value, investment properties | -1,094          | -2,854          | -4,042          |
| Operating result  | -22             | -1,797          | -2,256          |
| Net result for the period                                   | -211            | -1,585          | -1,927          |
| Fair value of properties, SEK bn                            | 46.4            | 47.5            | 46.7            |
| Equity ratio, %   | 58              | 59              | 59              |
| Net loan-to-value ratio, properties, %                      | 21.7            | 21.1            | 20.9            |
| Interest coverage ratio, multiple                           | 4.4             | 5.2             | 4.9             |
| EPRA vacancy rate, %  | 5.5             | 5.7             | 5.7             |
| EPRA EPS, SEK   | 3.73            | 3.95            | 7.08            |
| EPRA NRV per share, SEK                                     | 181             | 188             | 185             |
| EPRA LTV, %   | 21.9            | 20.8            | 20.7            |



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We had a continued positive growth in the property management despite a challenging economy. Net sales increased by 4 per cent and gross profit by 5 per cent. Looking ahead, we can see several signs of economic recovery. Inflation is low, the financial health of households is gradually improving, and more tenants express a more positive outlook about the future.

I am very proud that we for the seventh consecutive year we have the most satisfied office tenants in the industry according to this year's Customer Satisfaction Index. Satisfied customers who remain loyal and long-term tenants are particularly important in times like these. Regarding the retail segment, the city centres in both Stockholm and Gothenburg continue to attract tenants and we are experiencing increased activity in our marketplaces.

Anders Nygren

PRESIDENT

## GROUP

### RESULTS

#### Property management

Net revenue from property management excluding intra-Group rents of SEK 147.9 million (139.2) totalled SEK 1,583.2 million (1,515.1) for the period. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new and renegotiated office leases. Since early 2022, net revenue has been affected by vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project. Operating expenses amounted to SEK -505.5 million (-485.1). Gross profit was SEK 1,077.7 million (1,030.0) excluding intra-Group rents.

The sales-based rent supplement is reported in the fourth quarter. Last year the supplement amounted to SEK 8.9 million, of which the NK properties accounted for SEK 6.8 million. Apart from the sales-based rent supplement, there are no other material seasonal variations in rents.

The property management results for each business area are reported on page 10.

#### Other segments

Other segments comprise NK Retail and other operations. Other operations consist of Cecil Coworking, NK e-commerce and the parking business in Parkaden.

Net revenue for NK Retail amounted to SEK 648.0 million (546.4). Costs excluding intra-Group rents of SEK -85.6 million (-82.0) were SEK -624.2 million (-520.2). Gross profit for NK Retail excluding intra-Group rental costs was SEK 23.8 million (26.2). The result was impacted by a higher proportion of sales at discounted prices and weak sales of high-margin products. Sales for NK Retail are impacted by seasonal variations, with the first quarter of the year normally being the weakest and the fourth quarter the strongest. Net revenue for other operations amounted to SEK 104.2 million (101.6). Costs

excluding intra-Group rents of SEK -62.3 million (-57.2) were SEK -64.5 million (-62.5). Gross profit excluding intra-Group rental costs was SEK 39.7 million (39.1).

For further information, see Segment Reporting on page 10.

#### Other profit and loss items

Central administration totalled SEK -38.9 million (-38.1). Unrealised changes in the value of investment properties amounted to SEK -1,094.2 million (-2,854.3) and of interest-rate derivatives to SEK -30.2 million (-). For further information, see pages 4–6.

#### Financial income and expense

Net financial income and expense totalled SEK -241.9 million (-198.2). Interest income was SEK 9.5 million (6.6). Borrowing costs totalled SEK -233.9 million (-187.8). Interest expenses for leasing, primarily ground rents, totalled SEK -17.5 million (-17.0). The increase in financial expenses for borrowing was attributable to higher average interest rates and increased borrowing. For further information, see page 6.

#### Tax

The Group's tax for the period was SEK 53.3 million (410.4), of which SEK -105.5 million (-59.3) in current tax and SEK 158.8 million (469.7) in deferred tax. The change in deferred tax is attributed to the period's lower negative unrealised changes in the value of the property holdings.

#### Net result for the period

The consolidated net result was SEK -210.7 million (-1,584.9). The improvement can be attributed to the period's lower negative unrealised changes in the value of the property holdings.

## PROPERTY HOLDINGS

The fair value of the Hufvudstaden property holdings is based on an internal valuation, where classification takes place on level 3 according to IFRS 13. The assessed value as of September 30, 2024 was SEK 46,376 million (46,743 at year-end). The decrease can be attributed to negative unrealised changes in the value of the property holdings but was partially offset by investments during the period. Rentable floor space totalled approximately 390,800 square metres (390,800 at year-end).

The total rental vacancy rate as of September 30, 2024, was 7.6 per cent (8.8 at year-end) and the total floor space vacancy rate was 11.7 per cent (12.9 at year-end). The rental vacancy rate, excluding current development projects (EPRA vacancy rate), totalled 5.5 per cent (5.7 at year-end).

## Acquisitions and investments

Total investments amounted to SEK 738.8 million (867.7). Major current and planned projects are presented in the table below.

Modernization of approximately 9,800 square metres of office space is in progress at Packarhuset 4 at Norrmalmstorg where the tenant Danske Bank is leasing until 2035. The adaptation of the premises has a strong sustainability focus, and the project will continue until the end of 2025.

A new detailed development plan gained legal force before the summer for the Orgelpipan 7 property, located nearby the Central Station in Stockholm. The new detailed development plan will allow for an inset two-floor extension. The rentable floor space is expected to increase by approximately 3,000 square metres of office premises. The original character of the building will be maintained and the terrace facing Mäster Samuelsgatan will be converted into a conservatory. A green roof with a solar park and rain-water collection facilities will be installed on the extension roof. Planning has begun and construction is expected to start late 2026 or early 2027.

The extensive redevelopment and expansion of the Johanna project continues at the Inom Vallgraven 12 block in Gothenburg. During the quarter, the large building crane has been dismantled. The block has reached its full height apart from a small section at the corner of Fredsgatan/Södra Hamngatan. Work on the façades is partially completed and scaffolding is starting to be dismantled. Installation work is in progress and work on the atriums and glass roof is partially completed. Planning and preparatory work is ongoing for tenant adaptations. Hufvudstaden has signed a lease agreement with Censor for approximately 350 square metres of

office space on the top floor of the block. A lease was signed earlier with the law firm Vinge at the top of the block on floors 6 and 7 for approximately 2,500 square metres of office space and with the advisory and accounting firm EY for approximately 2,300 square metres of office space. Three major service concepts have previously signed agreements for spaces in the block. Access is scheduled for spring 2026. The project comprises a total of approximately 31,600 square metres of rentable floor space, of which approximately 11,600 square metres will be added in the project.

## Property value and net asset value

At the end of each quarter, Hufvudstaden carries out an internal valuation of each individual property. The purpose of the valuation is to assess the fair value of the property holdings. To assure the quality of the valuation, external valuations of parts of the property holdings are obtained at least once a year. A continuous update is made during the year of the internal valuation of the properties in order to take account of purchases, sales and investments. Hufvudstaden also examines on a continuous basis whether there are other indications of changes in the fair value of the properties. These indications could take the form, for example, of major leases, terminations, and material changes in the yield requirements.

In the light of the above, the unrealised change in the value of the property holdings for the period was SEK -1,094.2 million (-2,854.3). The total value of the property holdings as of September 30, 2024, was SEK 46.4 billion, including investments for the period. The unrealised change in value was primarily due to rising yield requirements and the effect of lower rents for retail premises.

The average yield requirement is unchanged compared to the second quarter 2024 at 4.2 per cent (4.1 at year-end).

## Valuation method

Valuation of the property holdings is carried out by assessing the fair value of each individual property. The valuation is conducted using a variation of the location price method, known as the net capitalisation method. The method means that the market yield requirements are put in relation to the net operating income of the properties. In the case of other project properties and undeveloped land, the valuation is based on a completed building with a deduction of construction costs, as well as financial expenses and the cost of vacant space that arose during the construction period.

## Major current and planned projects, third quarter 2024

| City       | Property                        | Status         | Type of premises            | Project floor space (sq m) | Of which added floor space (sq m) | Estimated investment <sup>1)</sup> (SEK m) | Estimated completion (year) |
|------------|---------------------------------|----------------|-----------------------------|----------------------------|-----------------------------------|--|-----------------------------|
| Stockholm  | Packarhuset 4                   | Current        | Office                      | 9,800                      | –                                 | 160  | 2025                        |
| Stockholm  | Orgelpipan 7                    | Planning       | Office                      | 3,000                      | 3,000                             | –  | –                           |
| Gothenburg | Kvarteret Johanna <sup>2)</sup> | Current        | Office, retail & restaurant | 31,600                     | 11,600                            | 2,500                                      | 2026                        |
| Gothenburg | NK Gothenburg                   | Local planning | Office, retail & restaurant | –                          | –                                 | –  | –                           |

<sup>1)</sup> Total investment including estimated costs for rent losses and financing that are continuously recognised in profit and loss as well as costs for evacuation.

<sup>2)</sup> Kvarteret Johanna is located in the Inom Vallgraven 12 block that comprises of the properties Inom Vallgraven 12:10 and Inom Vallgraven 12:11.

The yield requirement is based on information compiled about the market's yield requirement for actual purchases and sales of comparable properties in similar locations. If a few or no deals have been concluded in the property's sub-area, transactions in the adjoining area are analysed. Also transactions that have yet to be finalised or other impacting factors provide guidance on market yield requirements.

The yield requirement can vary between different regions and different sub-areas within the regions. Account is also taken of the type of property, the technical standard, the construction of the building, and major investment requirements. For leasehold properties, the calculation is based on a yield requirement that is 0.20 percentage points higher than for equivalent properties where the land is freehold. The net operating income of the properties is based on market rental revenue, the long-term rental vacancy rate, and normalised operating and maintenance costs. If there is greater uncertainty than normal, this is offset by increased yield requirements in the valuation.

When carrying out the valuation, the following yield requirement figures for office and retail properties have been applied:

#### Yield requirements, property valuation<sup>1)</sup>

|                            |                  |
|----------------------------|------------------|
| Stockholm                  | 3.8-4.2 per cent |
| Gothenburg                 | 4.7-5.0 per cent |
| Property holdings, average | 4.2 per cent     |

<sup>1)</sup> Valuation date: September 30, 2024.

#### Sensitivity analysis

Fair value is an assessment of the probable sales price on the market at the time of the valuation.

However, the price can only be set when a transaction has been completed. In the case of an external property valuation, a range is often given to indicate the degree of uncertainty surrounding the estimates of fair value. The value range is usually +/- 5 per cent but can vary depending, among other things, on the market situation, the technical standard of the property, and investment requirements. Hufvudstaden's property holdings are valued at SEK 46.4 billion. A degree of uncertainty of +/- 5 per cent, implies the estimated fair value varies by +/- SEK 2.3 billion. Below are the key factors that influence the valuation and the consequent impact on profit or loss before tax.

#### Sensitivity analysis, property valuation<sup>1)</sup>

|                     | Change, +/-            | Impact on profit or loss before tax, +/- |
|---------------------|------------------------|--|
| Rental revenue      | SEK 100/sq m           | SEK 960 m                                |
| Property costs      | SEK 50/sq m            | SEK 480 m                                |
| Rental vacancy rate | 1.0 percentage points  | SEK 630 m                                |
| Yield requirement   | 0.25 percentage points | SEK 2,840 m                              |

<sup>1)</sup> Valuation date: September 30, 2024.

#### Net asset value

Based on the valuation of the property holdings, the net reinstatement value (EPRA NRV) is SEK 36.6 billion or SEK 181 per share. Net tangible assets (EPRA NTA) were SEK 34.5 billion or SEK 171 per share after a deduction of estimated actual deferred tax liabilities. This

assessment is based on current tax legislation and market practice, which means that properties can be sold via a limited company without tax implications. The estimated actual deferred tax has been assumed to be 5 per cent.

#### Net asset value, September 30, 2024

|  | SEK m           | SEK/share  |
|--|-----------------|------------|
| Equity   | 28,031.6        | 139        |
| <i>Reversal</i>  |                 |            |
| Interest-rate derivatives  | 30.2            | 0          |
| Recognised deferred tax <sup>1)</sup>                                    | 8,542.7         | 42         |
| <b>EPRA NRV</b>  | <b>36,604.5</b> | <b>181</b> |
| <i>Deduction</i>   |                 |            |
| Intangible assets  | -71.5           | 0          |
| Estimated actual deferred tax 5%   | -2,073.5        | -10        |
| <b>EPRA NTA</b>  | <b>34,459.5</b> | <b>171</b> |
| <i>Reversal</i>  |                 |            |
| Interest-rate derivatives  | -30.2           | 0          |
| Intangible assets  | 71.5            | 0          |
| Recognised deferred tax <sup>1)</sup> less estimated actual deferred tax | -6,469.2        | -32        |
| <b>EPRA NDV</b>  | <b>28,031.6</b> | <b>139</b> |

<sup>1)</sup> Deferred tax according to the balance sheet related to investment properties and right-of-use assets attributable to ground rents.

#### HUFVUDSTADEN HAS THE MOST SATISFIED OFFICE TENANTS IN THE INDUSTRY

Hufvudstaden has maintained its top ranking in the annual customer satisfaction survey (Fastighetsbarometern<sup>1)</sup>) for offices. For the seventh consecutive year, Hufvudstaden is ranked number one among large companies, achieving a Customer Satisfaction Index of 88. The environmental awareness category is growing and Hufvudstaden was given the highest score for contact person, location, error reporting and information. The average for the industry was 79 on a scale of 100.

#### RENTAL MARKET

The office rental market in Stockholm City was stable during the third quarter of the year. There was some caution and the letting process took somewhat longer compared with previously. The demand was mainly for modern and flexible office premises in the best locations. Vacancy levels were slightly above the normal range. In Stockholm's most attractive locations – Bibliotekstan, Norrmalmstorg/Hamngatan, and the Hötorget area – market rents for modern offices were estimated at SEK 7,000–9,900 per square metre and year, excluding the property tax supplement. Market demand for retail premises was stable and market rents for retail premises in prime commercial locations were in the range of SEK 11,000–25,000 per square metre and year, excluding the property tax supplement.

In the central sub-markets of Gothenburg, the demand was mainly for modern and flexible office premises. Vacancies were higher than the normal range and market rents in the most attractive locations were within the range of SEK 3,300–4,200 per square metre and year, excluding the property tax supplement. Rent levels for the most modern and attractive office premises are higher. For retail premises in central commercial locations, market rents were between SEK 3,000–13,000 per square metre and year, excluding the property tax supplement.

<sup>1)</sup> Fastighetsbarometern (The Property Barometer) is organised by the Swedish Property Federation and the consulting company CFI Group.

The outcome from the Group's renegotiations was positive for office premises and negative for retail premises. During the period, a total of 44,900 square metres were renegotiated at an annual rental value of SEK 335 million. On average, the renegotiations result in a rent decrease of approximately 2 per cent, compared with indexed rent for 2024.

## FINANCING

Hufvudstaden's financing need is met through a number of the major Nordic banks and the capital market. Total borrowings as of September 30, 2024, amounted to SEK 9,850 million (9,400 at year-end). Interest-bearing net debt was SEK 9,325 million (9,018 at year-end). In addition, the lease liability according to IFRS 16 amounted to SEK 737 million (729 at year-end), and total net debt was SEK 10,062 million (9,747 at year-end). In addition to loans outstanding, there are unutilised loan commitments amounting to SEK 5,500 million. Hufvudstaden has an MTN programme totalling SEK 12,000 million, and a commercial paper programme amounting to SEK 3,000 million. The amount outstanding in bonds was SEK 7,950 million and there was SEK 400 million in commercial paper. Hufvudstaden ensures that at any point in time there are unutilised loan assurances to cover all outstanding commercial paper. As of September 30, 2024, cash and cash equivalents and unutilised loan commitments amounted to SEK 6,025 million, which covers all loan maturities for the next two years.

### Financing facilities, SEK m, September 30, 2024

| Loan/facility type        | Framework/<br>facility volume | Unutilised |
|---------------------------|-------------------------------|------------|
| MTN programme             | 12,000                        | 4,050      |
| Comm. paper programme     | 3,000                         | 2,600      |
| Bank loans and commitment | 7,000                         | 5,500      |

The average fixed interest period, including effects of derivative instruments, was 2.1 years (1.2 at year-end), the average capital tie-up period was 2.2 years (2.2 at year-end), and the average effective rate of interest was 3.0 per cent (3.2 at year-end) including, and 2.8 per cent (3.1 at year-end) excluding, the cost of unutilised loan commitments. The capital tie-up period for commercial paper loans was calculated based on the underlying loan commitments. To achieve the desired interest payment structure, borrowing takes place at both a fixed and a variable rate of interest and the Group has entered into interest-rate derivative agreements to manage exposure to fluctuations in market interest rates. Underlying credits of SEK 1,000 million (-) are hedged via interest-rate derivatives. In addition, total borrowing of SEK 5,650 million carries a fixed rate of interest. The fair value of all interest-rate derivatives as of September 30, 2024 amounted to SEK -30.2 million (-). The negative value is due to a decrease in market interest rates. The derivatives are recognised at fair value in the balance sheet. All derivatives are classified in accordance with level 2 under IFRS 13. ISDA agreements are in place for all derivatives and give the right to offset receivables against liabilities to the same counterparty in the event of insolvency. Other financial assets and liabilities are recognised at amortised cost which, apart from the bond loans, essentially concurs with fair value. For bond loans with a fixed rate of interest, the surplus value is SEK 36.7 million (223.0 at year-end). These values have been calculated according to level 2

in IFRS 13, i.e., the value has been calculated based on official market listings.

### Fixed interest structure, September 30, 2024

| Maturity, year | Credit, SEK m | AER, %                  | Proportion, % |
|----------------|---------------|-------------------------|---------------|
| <1             | 3,200         | 3.9 <sup>1)</sup>       | 33            |
| 1-2            | 1,800         | 1.7                     | 18            |
| 2-3            | 2,000         | 1.9                     | 20            |
| 3-4            | 500           | 3.9                     | 5             |
| 4-5            | 2,350         | 3.4                     | 24            |
| <b>Total</b>   | <b>9,850</b>  | <b>3.0<sup>2)</sup></b> | <b>100</b>    |

<sup>1)</sup> Including costs for unutilised loan commitments.

<sup>2)</sup> The average effective rate excluding costs for unutilised loan commitments was 2.8 per cent.

### Capital tie-up structure, SEK m, September 30, 2024

| Maturity, year | Bank loans   | Bonds/<br>Comm.paper | Total borrowings | Unutilised commitments |
|----------------|--------------|----------------------|------------------|------------------------|
| <1             | 500          | 2,700                | <b>3,200</b>     | 500                    |
| 1-2            | -            | 1,800                | <b>1,800</b>     | 2,000                  |
| 2-3            | -            | 2,000                | <b>2,000</b>     | 1,000                  |
| 3-4            | 1,000        | 500                  | <b>1,500</b>     | 1,000                  |
| 4-5            | -            | 1,350                | <b>1,350</b>     | 1,000                  |
| <b>Total</b>   | <b>1,500</b> | <b>8,350</b>         | <b>9,850</b>     | <b>5,500</b>           |

### Green financing

A new framework for green financing was launched and aims to finance green and energy-efficient properties as well as investments in climate transition and sustainability. The new framework creates conditions to issue green bonds and commercial papers and to raise green bank loans. Hufvudstaden has a total of SEK 6.5 billion in green financing, corresponding to 65 per cent of total borrowing, of which bonds amounted to SEK 5.0 billion and bank loans SEK 1.5 billion. The goal is to gradually increase the proportion of green financing.

## THIRD QUARTER

Net revenue from property management excluding intra-Group rents of SEK 50.0 million (42.6) totalled SEK 533.9 million (511.2), an increase of 4 per cent. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with renegotiations and new leases. Operating expenses amounted to SEK -156.9 million (-156.0). Gross profit from property management excluding intra-Group rents of SEK 50.0 million (42.6) totalled SEK 377.0 million (355.2).

Net revenue for NK Retail amounted to SEK 215.9 million (177.8). Costs excluding intra-Group rents of SEK -29.3 million (-23.4) were SEK -207.3 million (-166.6). Gross profit for NK Retail excluding intra-Group rental costs was SEK 8.6 million (11.2).

Net revenue for other operations amounted to SEK 32.8 million (33.0). Costs excluding intra-Group rents of SEK -20.7 million (-19.2) were SEK -20.7 million (-18.8). Gross profit excluding intra-Group rental costs was SEK 12.1 million (14.2).

Changes in the value of investment properties amounted to SEK -99.9 million (-559.3) and of interest-rate derivatives to SEK -24.0 million (-). Net financial income and expense totalled SEK -80.9 million (-79.4).

The Group's net result was SEK 143.0 million (-212.4). The improvement can be attributed to lower negative unrealised changes in the value of the property holdings.

## SHARES AND SHAREHOLDERS

Hufvudstaden Class A shares are listed on Nasdaq Stockholm. The company's Class C shares were delisted from Nasdaq Stockholm in January 2020. The company had 32,026 shareholders at the end of the period. The Class A share price as of September 30, 2024 was SEK 138.70, and total market capitalisation of all shares based on the Class A share price was SEK 29.3 billion.

### Conversion of Hufvudstaden's Class C shares

At the 2001 Annual General Meeting, a conversion clause was added to Hufvudstaden's Articles of Association. Shareholders have the right at any time to request conversion of Class C shares into Class A shares. During the period, 2 Class C shares were converted to Class A shares.

### Share structure, September 30, 2024

| Share class   | Number of shares   | Number of votes      | Equity, %    | Votes, %     |
|---------------|--------------------|----------------------|--------------|--------------|
| A (1 vote)    | 203,001,209        | 203,001,209          | 96.1         | 19.7         |
| C (100 votes) | 8,270,724          | 827,072,400          | 3.9          | 80.3         |
| <b>Total</b>  | <b>211,271,933</b> | <b>1,030,073,609</b> | <b>100.0</b> | <b>100.0</b> |

### Shares bought back

Treasury shares held as of September 30, 2024 totalled 8,965,000 Class A shares, corresponding to 4.2 per cent of all shares issued and 0.9 per cent of the total number of votes. No buyback took place during the period or after the end of the reporting period. At the 2024 Annual General Meeting, the Board of Directors was granted renewed authorisation to acquire Class A shares up to 10 per cent of all issued shares and to transfer treasury shares held by the company.

### Share buybacks, September 30, 2024

| Million shares            | Total number of shares | Treasury shares | Other shareholders |
|---------------------------|------------------------|-----------------|--------------------|
| January 1, 2024           | 211.3                  | 9.0             | 202.3              |
| Buyback                   | –                      | –               | –                  |
| <b>September 30, 2024</b> | <b>211.3</b>           | <b>9.0</b>      | <b>202.3</b>       |

## MATERIAL RISKS AND UNCERTAINTIES

The Group is mainly exposed to financing, interest and credit risks and changes in the value of its property holdings.

The Geopolitical security has deteriorated sharply due to wars in Europe and the Middle East and increased regional geopolitical tension. Inflation has fallen in large parts of the world and in Sweden. Several central banks have cut their policy rates.

The Swedish Security Service (Säpo) has maintained the terrorist threat level at four on a five-level scale, which means that the threat level in and against Sweden is assessed as high. Hufvudstaden is monitoring the development and follows the recommendations and advice provided by the authorities.

Other than the above, no other material risks or uncertainties have been identified apart from those described in the Annual and Sustainability Report 2023.

## MATERIAL TRANSACTIONS WITH RELATED PARTIES

No material transactions with related parties took place during the period.

## CHANGES IN SENIOR EXECUTIVES

Hannes Hasselrot has been appointed the new President of the subsidiary AB Nordiska Kompaniet, NK. He will also be the Head of the Business Area NK, as well as a member of Hufvudstaden's Senior Executives. Hannes will take office by April 2025 at the latest.

## ACCOUNTING POLICIES

Hufvudstaden applies the EU-endorsed IFRS standards. This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, and applicable provisions of the Swedish Annual Accounts Act. Disclosures according to IAS 34.16A are presented in both the financial statements and in other parts of the interim report. Accounting policies and computation bases remain unchanged from the most recent Annual and Sustainability Report.

## New standards and interpretations

New and amended standards that took effect in 2024 have not had any significant effects on the Group's financial reporting.

## FORTHCOMING INFORMATION

|                                       |                   |
|---------------------------------------|-------------------|
| Year-End Report 2024                  | February 13, 2025 |
| Annual and Sustainability Report 2024 | February 2025     |
| Annual General Meeting 2025           | March 20, 2025    |

The information in this Interim Report is information that Hufvudstaden AB (publ) is obligated to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was published through the auspices of the persons named below on November 7, 2024.

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## REPORT ON RESULTS – SUMMARY

| GROUP, SEK m  | July-<br>September<br>2024 | July-<br>September<br>2023 | January-<br>September<br>2024 | January-<br>September<br>2023 | January-<br>December<br>2023 |
|---|----------------------------|----------------------------|-------------------------------|-------------------------------|------------------------------|
| <b>Net revenue<sup>1)</sup></b>   |                            |                            |                               |                               |                              |
| Property management, gross  | 583.9                      | 553.8                      | 1,731.1                       | 1,654.3                       | 2,216.0                      |
| Rent revenue, intra-Group   | -50.0                      | -42.6                      | -147.9                        | -139.2                        | -182.9                       |
| Property management, net  | 533.9                      | 511.2                      | 1,583.2                       | 1,515.1                       | 2,033.1                      |
| Other segments  | 248.7                      | 210.8                      | 752.2                         | 648.0                         | 928.5                        |
|   | <b>782.6</b>               | <b>722.0</b>               | <b>2,335.4</b>                | <b>2,163.1</b>                | <b>2,961.6</b>               |
| <b>Property management expenses</b>   |                            |                            |                               |                               |                              |
| Maintenance   | -3.8                       | -11.1                      | -22.9                         | -33.5                         | -46.4                        |
| Operation and administration  | -91.4                      | -83.1                      | -292.8                        | -268.1                        | -383.1                       |
| Property tax  | -58.1                      | -60.2                      | -178.9                        | -178.7                        | -236.4                       |
| Depreciation  | -3.6                       | -1.6                       | -10.9                         | -4.8                          | -7.8                         |
| <b>Property management expenses</b>   | <b>-156.9</b>              | <b>-156.0</b>              | <b>-505.5</b>                 | <b>-485.1</b>                 | <b>-673.7</b>                |
| Other segments, gross expenses  | -278.0                     | -228.0                     | -836.6                        | -721.9                        | -1,001.6                     |
| Rental expenses, intra-Group  | 50.0                       | 42.6                       | 147.9                         | 139.2                         | 182.9                        |
| Other segments, net expenses  | -228.0                     | -185.4                     | -688.7                        | -582.7                        | -818.7                       |
| <b>Operating expenses</b>   | <b>-384.9</b>              | <b>-341.4</b>              | <b>-1,194.2</b>               | <b>-1,067.8</b>               | <b>-1,492.4</b>              |
| <b>Gross profit</b>   | <b>397.7</b>               | <b>380.6</b>               | <b>1,141.2</b>                | <b>1,095.3</b>                | <b>1,469.2</b>               |
| – of which Property management  | 377.0                      | 355.2                      | 1,077.7                       | 1,030.0                       | 1,359.4                      |
| – of which Other segments   | 20.7                       | 25.4                       | 63.5                          | 65.3                          | 109.8                        |
| Central administration  | -12.7                      | -12.5                      | -38.9                         | -38.1                         | -53.2                        |
| <b>Operating profit before items affecting comparability and changes in value</b> | <b>385.0</b>               | <b>368.1</b>               | <b>1,102.3</b>                | <b>1,057.2</b>                | <b>1,416.0</b>               |
| Items affecting comparability <sup>2)</sup>                                       | –                          | –                          | –                             | –                             | 370.3                        |
| Changes in value, investment properties   | -99.9                      | -559.3                     | -1,094.2                      | -2,854.3                      | -4,042.4                     |
| Changes in value, interest-rate derivatives                                       | -24.0                      | –                          | -30.2                         | –                             | –                            |
| <b>Operating result</b>   | <b>261.1</b>               | <b>-191.2</b>              | <b>-22.1</b>                  | <b>-1,797.1</b>               | <b>-2,256.1</b>              |
| Financial income and expense  | -80.9                      | -79.4                      | -241.9                        | -198.2                        | -279.1                       |
| <b>Result before tax</b>  | <b>180.2</b>               | <b>-270.6</b>              | <b>-264.0</b>                 | <b>-1,995.3</b>               | <b>-2,535.2</b>              |
| Tax   | -37.2                      | 58.2                       | 53.3                          | 410.4                         | 608.0                        |
| <b>Net result</b>   | <b>143.0</b>               | <b>-212.4</b>              | <b>-210.7</b>                 | <b>-1,584.9</b>               | <b>-1,927.2</b>              |
| <b>Other comprehensive income</b>   | <b>–</b>                   | <b>–</b>                   | <b>–</b>                      | <b>–</b>                      | <b>–</b>                     |
| <b>Total comprehensive income or loss for the period</b>                          | <b>143.0</b>               | <b>-212.4</b>              | <b>-210.7</b>                 | <b>-1,584.9</b>               | <b>-1,927.2</b>              |
| Average number of outstanding shares  | 202,306,933                | 202,306,933                | 202,306,933                   | 202,306,933                   | 202,306,933                  |
| Net result for the period per share before and after dilution, SEK                | 0.71                       | -1.05                      | -1.04                         | -7.83                         | -9.53                        |

<sup>1)</sup> For breakdown of net revenue, see table on page 10.

<sup>2)</sup> Refers to insurance compensation for reconstruction of the Vildmannen 7 property after the extensive fire in 2017.



## REPORT ON FINANCIAL POSITION – SUMMARY

| GROUP, SEK m                             | September 30,<br>2024 | September 30,<br>2023 | December 31,<br>2023 |
|--|-----------------------|-----------------------|----------------------|
| Investment properties                    | 46,375.8              | 47,507.0              | 46,742.8             |
| Right of use assets                      | 735.7                 | 727.5                 | 727.9                |
| Other non-current assets                 | 152.6                 | 185.3                 | 183.5                |
| <b>Total non-current assets</b>          | <b>47,264.1</b>       | <b>48,419.8</b>       | <b>47,654.2</b>      |
| Current assets                           | 974.0                 | 778.8                 | 789.4                |
| <b>Total assets</b>                      | <b>48,238.1</b>       | <b>49,198.6</b>       | <b>48,443.6</b>      |
| Equity                                   | 28,031.6              | 29,130.8              | 28,788.6             |
| Non-current interest-bearing liabilities | 6,650.0               | 7,300.0               | 7,300.0              |
| Deferred tax liabilities                 | 8,416.0               | 8,783.5               | 8,574.8              |
| Non-current leasing liabilities          | 729.2                 | 720.6                 | 721.0                |
| Other non-current liabilities            | 136.0                 | 99.5                  | 99.7                 |
| Other provisions                         | 26.4                  | 28.1                  | 28.7                 |
| <b>Total non-current liabilities</b>     | <b>15,957.6</b>       | <b>16,931.7</b>       | <b>16,724.2</b>      |
| Current interest-bearing liabilities     | 3,200.0               | 2,300.0               | 2,100.0              |
| Current leasing liabilities              | 7.7                   | 7.9                   | 8.0                  |
| Other liabilities                        | 1,041.2               | 828.2                 | 822.8                |
| <b>Total current liabilities</b>         | <b>4,248.9</b>        | <b>3,136.1</b>        | <b>2,930.8</b>       |
| <b>Total equity and liabilities</b>      | <b>48,238.1</b>       | <b>49,198.6</b>       | <b>48,443.6</b>      |

## REPORT ON CHANGES IN EQUITY – SUMMARY

| GROUP, SEK m                                      | January-<br>September<br>2024 | January-<br>September<br>2023 | January-<br>December<br>2023 |
|---|-------------------------------|-------------------------------|------------------------------|
| Equity, opening balance                           | 28,788.6                      | 31,262.0                      | 31,262.0                     |
| Total comprehensive income or loss for the period | -210.7                        | -1,584.9                      | -1,927.2                     |
| Dividend  | -546.2                        | -546.2                        | -546.2                       |
| <b>Equity, closing balance</b>                    | <b>28,031.6</b>               | <b>29,130.8</b>               | <b>28,788.6</b>              |

## REPORT ON CASH FLOWS – SUMMARY

| GROUP, SEK m   | January-<br>September<br>2024 | January-<br>September<br>2023 | January-<br>December<br>2023 |
|--|-------------------------------|-------------------------------|------------------------------|
| Income before tax  | -264.0                        | -1,995.3                      | -2,535.2                     |
| Depreciation/impairments   | 53.1                          | 34.9                          | 52.8                         |
| Items affecting comparability <sup>1)</sup>                                    | –                             | –                             | -187.8                       |
| Changes in value, investment properties  | 1,094.2                       | 2,854.3                       | 4,042.4                      |
| Changes in value, interest-rate derivatives                                    | 30.2                          | –                             | –                            |
| Other changes  | -2.3                          | -3.6                          | -2.4                         |
| Income tax paid  | -73.8                         | -59.3                         | -70.4                        |
| <b>Cash flow from current operations<br/>before changes in working capital</b> | <b>837.4</b>                  | <b>831.0</b>                  | <b>1,299.4</b>               |
| Increase/decrease in inventory   | -10.0                         | -27.0                         | -38.2                        |
| Increase/decrease in operating receivables                                     | -36.9                         | -62.6                         | -9.6                         |
| Increase/decrease in operating liabilities                                     | 192.7                         | -49.0                         | 133.7                        |
| <b>Cash flow from current operations</b>                                       | <b>983.2</b>                  | <b>692.4</b>                  | <b>1,385.3</b>               |
| Investments in properties  | -727.2                        | -814.5                        | -1,238.3                     |
| Investments in other non-current assets  | -11.6                         | -53.2                         | -62.7                        |
| <b>Cash flow from investments</b>  | <b>-738.8</b>                 | <b>-867.7</b>                 | <b>-1,301.0</b>              |
| Loans raised   | 3,250.0                       | 4,500.0                       | 5,200.0                      |
| Amortisation of loan debt  | -2,800.0                      | -3,900.0                      | -4,800.0                     |
| Amortisation of leasing debt   | -5.9                          | -6.8                          | -8.7                         |
| Dividend paid  | -546.2                        | -546.2                        | -546.2                       |
| <b>Cash flow from financing</b>  | <b>-102.1</b>                 | <b>47.0</b>                   | <b>-154.9</b>                |
| <b>Cash flow for the period</b>  | <b>142.3</b>                  | <b>-128.3</b>                 | <b>-70.6</b>                 |
| Cash and cash equivalents at the beginning of the period                       | 382.4                         | 453.0                         | 453.0                        |
| Cash and cash equivalents at the period-end                                    | 524.7                         | 324.7                         | 382.4                        |
| Cash flow from current operations per share, SEK                               | 4.86                          | 3.42                          | 6.85                         |
| Cash flow for the period per share, SEK  | 0.70                          | -0.63                         | -0.35                        |

<sup>1)</sup> Pertains to previous insurance compensation on account for reconstruction of the Vildmannen 7 property after the extensive fire in 2017.

## SEGMENT REPORTING – SUMMARY

The Group's operations are divided into three segments, property management, NK Retail and other operations. Other operations comprise of Cecil Coworking (Business Area Stockholm) and NK e-commerce and the parking business in Parkaden (Business Area NK). The segments are divided into the business areas, which are in line with the Company's operational control system.

| GROUP, SEK m                                 | Business Area Stockholm |              | Business Area NK |              | Business Area Gothenburg |              | Intra-Group elimination |               | Total          |                 |
|--|-------------------------|--------------|------------------|--------------|--------------------------|--------------|-------------------------|---------------|----------------|-----------------|
|  | Jan-Sep 2024            | Jan-Sep 2023 | Jan-Sep 2024     | Jan-Sep 2023 | Jan-Sep 2024             | Jan-Sep 2023 | Jan-Sep 2024            | Jan-Sep 2023  | Jan-Sep 2024   | Jan-Sep 2023    |
| <b>Property management</b>                   |                         |              |                  |              |                          |              |                         |               |                |                 |
| Net revenue                                  | 1,121.4                 | 1,048.1      | 364.3            | 361.7        | 245.4                    | 244.5        | -147.9                  | -139.2        | 1,583.2        | 1,515.1         |
| Property management expenses                 | -231.2                  | -225.8       | -196.4           | -180.7       | -77.9                    | -78.6        |                         |               | -505.5         | -485.1          |
| <b>Gross profit/loss property management</b> | <b>890.2</b>            | <b>822.3</b> | <b>167.9</b>     | <b>181.0</b> | <b>167.5</b>             | <b>165.9</b> | <b>-147.9</b>           | <b>-139.2</b> | <b>1,077.7</b> | <b>1,030.0</b>  |
| <b>NK Retail</b>                             |                         |              |                  |              |                          |              |                         |               |                |                 |
| Net revenue                                  |                         |              | 648.0            | 546.4        |                          |              |                         |               | 648.0          | 546.4           |
| Expenses                                     |                         |              | -709.8           | -602.2       |                          |              | 85.6                    | 82.0          | -624.2         | -520.2          |
| <b>Gross profit/loss NK Retail</b>           |                         |              | <b>-61.8</b>     | <b>-55.8</b> |                          |              | <b>85.6</b>             | <b>82.0</b>   | <b>23.8</b>    | <b>26.2</b>     |
| <b>Other operations</b>                      |                         |              |                  |              |                          |              |                         |               |                |                 |
| Net revenue                                  | 32.6                    | 33.5         | 71.6             | 68.1         |                          |              |                         |               | 104.2          | 101.6           |
| Expenses                                     | -34.8                   | -31.5        | -92.0            | -88.2        |                          |              | 62.3                    | 57.2          | -64.5          | -62.5           |
| <b>Gross profit/loss other operations</b>    | <b>-2.2</b>             | <b>2.0</b>   | <b>-20.4</b>     | <b>-20.1</b> |                          |              | <b>62.3</b>             | <b>57.2</b>   | <b>39.7</b>    | <b>39.1</b>     |
| Central administration                       |                         |              |                  |              |                          |              |                         |               | -38.9          | -38.1           |
| Changes in value, investment properties      |                         |              |                  |              |                          |              |                         |               | -1,094.2       | -2,854.3        |
| Changes in value, interest-rate derivatives  |                         |              |                  |              |                          |              |                         |               | -30.2          | -               |
| <b>Operating result</b>                      |                         |              |                  |              |                          |              |                         |               | <b>-22.1</b>   | <b>-1,797.1</b> |
| Financial income and expense                 |                         |              |                  |              |                          |              |                         |               | -241.9         | -198.2          |
| <b>Result before tax</b>                     |                         |              |                  |              |                          |              |                         |               | <b>-264.0</b>  | <b>-1,995.3</b> |

## BREAKDOWN OF NET REVENUE

| SEK m                    | Group          |                |                | Parent Company |                |                |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                          | Jan-Sep 2024   | Jan-Sep 2023   | Jan-Dec 2023   | Jan-Sep 2024   | Jan-Sep 2023   | Jan-Dec 2023   |
| Rent revenue             | 1,587.1        | 1,527.7        | 2,047.0        | 1,209.0        | 1,143.3        | 1,533.2        |
| Service revenue          | 100.2          | 89.0           | 125.1          | 42.7           | 39.7           | 52.7           |
| Sale of goods            | 648.1          | 546.4          | 789.5          | -              | -              | -              |
| <b>Total net revenue</b> | <b>2,335.4</b> | <b>2,163.1</b> | <b>2,961.6</b> | <b>1,251.7</b> | <b>1,183.0</b> | <b>1,585.9</b> |

## PERFORMANCE MEASURES

| GROUP  | September 30,<br>2024 | September 30,<br>2023 | Full year<br>2023 |
|--|-----------------------|-----------------------|-------------------|
| <b>Property-related</b>                        |                       |                       |                   |
| Rentable floor space, 1,000 m <sup>2</sup>     | 390.8                 | 390.8                 | 390.8             |
| Rental vacancy rate, %                         | 7.6                   | 8.8                   | 8.8               |
| Floor space vacancy rate, %                    | 11.7                  | 12.9                  | 12.9              |
| Fair value, SEK bn                             | 46.4                  | 47.5                  | 46.7              |
| Surplus ratio, %                               | 70.8                  | 70.7                  | 69.6              |
| Net operating income, SEK m                    | 1,225.6               | 1,169.2               | 1,542.3           |
| <b>Financial</b>                               |                       |                       |                   |
| Return on equity, %                            | 0.1                   | -4.5                  | -6.4              |
| Return on equity, adjusted, %                  | 3.2                   | 3.0                   | 3.0               |
| Return on capital employed, %                  | 0.9                   | -3.6                  | -5.6              |
| Equity ratio, %                                | 58                    | 59                    | 59                |
| Interest coverage ratio, multiple              | 4.4                   | 5.2                   | 4.9               |
| Debt/equity ratio, multiple                    | 0.4                   | 0.3                   | 0.3               |
| Net loan-to-value ratio, properties, %         | 21.7                  | 21.1                  | 20.9              |
| Gross margin, %                                | 48.9                  | 50.6                  | 49.6              |
| <b>Data per share</b>                          |                       |                       |                   |
| Net result for the period, SEK                 | -1.04                 | -7.83                 | -9.53             |
| Equity, SEK                                    | 138.56                | 143.99                | 142.30            |
| Properties, fair value, SEK                    | 229.23                | 234.83                | 231.05            |
| Number of outstanding shares, 1,000            | 202,307               | 202,307               | 202,307           |
| Average number of outstanding shares, 1,000    | 202,307               | 202,307               | 202,307           |
| Number of issued shares, 1,000                 | 211,272               | 211,272               | 211,272           |
| <b>EPRA</b>                                    |                       |                       |                   |
| EPRA Earnings, SEK m                           | 755                   | 799                   | 1,433             |
| EPRA Company specific Adjusted Earnings, SEK m | 755                   | 799                   | 1,063             |
| EPRA EPS, SEK                                  | 3.73                  | 3.95                  | 7.08              |
| EPRA Company specific Adjusted EPS, SEK        | 3.73                  | 3.95                  | 5.25              |
| EPRA NRV (Net reinstatement value), SEK m      | 36,604.5              | 38,032.9              | 37,484.5          |
| EPRA NRV per share, SEK                        | 181                   | 188                   | 185               |
| EPRA NTA (Net tangible assets), SEK m          | 34,459.6              | 35,775.5              | 35,279.3          |
| EPRA NTA per share, SEK                        | 171                   | 177                   | 175               |
| EPRA NDV (Net disposal value), SEK m           | 28,031.5              | 29,130.8              | 28,788.6          |
| EPRA NDV per share, SEK                        | 139                   | 144                   | 142               |
| EPRA LTV, %                                    | 21.9                  | 20.8                  | 20.7              |
| EPRA vacancy rate, %                           | 5.5                   | 5.7                   | 5.7               |

## PERFORMANCE MEASURES PER QUARTER

| GROUP  | Jul-Sep<br>2024 | Apr-Jun<br>2024 | Jan-Mar<br>2024 | Oct-Dec<br>2023 | Jul-Sep<br>2023 | Apr-Jun<br>2023 | Jan-Mar<br>2023 | Oct-Dec<br>2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Share price, series A share, SEK                 | 138.70          | 125.50          | 130.00          | 142.10          | 121.00          | 128.10          | 140.70          | 148.30          |
| Net revenue, SEK m                               | 783             | 782             | 771             | 799             | 722             | 726             | 715             | 746             |
| Return on equity, %                              | 0.3             | 0.5             | 0.8             | -6.4            | -4.4            | -3.0            | 0.5             | 2.4             |
| Return on equity, adjusted, %                    | 3.4             | 3.3             | 2.9             | 3.1             | 3.1             | 3.0             | 2.8             | 2.9             |
| Equity ratio, %                                  | 58              | 58              | 58              | 59              | 59              | 59              | 60              | 61              |
| Gross margin, %                                  | 50.8            | 49.2            | 46.5            | 46.8            | 52.7            | 51.0            | 48.2            | 48.1            |
| Surplus ratio, %                                 | 73.1            | 70.2            | 69.0            | 66.4            | 71.8            | 71.4            | 68.8            | 68.6            |
| Net operating income, SEK m                      | 427.0           | 403.4           | 395.2           | 373.1           | 397.8           | 392.2           | 379.2           | 370.3           |
| Net result for the period, per share, SEK        | 0.71            | 0.21            | -1.96           | -1.69           | -1.05           | -4.31           | -2.47           | -1.63           |
| Equity per share, SEK                            | 138.56          | 137.85          | 137.64          | 142.30          | 143.99          | 145.04          | 149.36          | 154.53          |
| EPRA EPS, SEK                                    | 1.35            | 1.19            | 1.19            | 3.14            | 1.33            | 1.37            | 1.25            | 1.29            |
| EPRA Company specific Adjusted EPS, SEK          | 1.35            | 1.19            | 1.19            | 1.31            | 1.33            | 1.37            | 1.25            | 1.29            |
| EPRA NRV per share, SEK                          | 181             | 180             | 180             | 185             | 188             | 189             | 195             | 201             |
| EPRA LTV, %                                      | 21.9            | 22.0            | 22.0            | 20.7            | 20.8            | 20.7            | 20.1            | 18.7            |
| Cash flow per share from current operations, SEK | 2.28            | 1.74            | 0.84            | 3.43            | 0.66            | 1.25            | 1.51            | 1.01            |

## ALTERNATIVE PERFORMANCE MEASURES

Hufvudstaden applies the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures. According to these guidelines, alternative performance measures refer to a financial measurement of earnings performance, financial position, financial result or cash flow not defined according to IFRS or the Swedish Annual Accounts Act. Hufvudstaden is also a member of the European Public Real Estate Associations (EPRA) and reports financial key figures defined by EPRA. Below is the derivation of alternative performance measures. For definitions, see page 16.

| GROUP, SEK m  | September 30,<br>2024 | September 30,<br>2023 | Full year<br>2023 |
|---|-----------------------|-----------------------|-------------------|
| <b>Net asset value, see page 5.</b>                                   |                       |                       |                   |
| <b>Return on equity, adjusted</b>                                     |                       |                       |                   |
| Net result for the period   | -211                  | -1,585                | -1,927            |
| Reversal of items affecting comparability and changes in value        | 1,124                 | 2,854                 | 3,672             |
| Reversal of tax on items affecting comparability and changes in value | -232                  | -588                  | -833              |
| <b>Net result for the period, adjusted</b>                            | <b>681</b>            | <b>681</b>            | <b>912</b>        |
| <b>Recalculated to full year</b>                                      | <b>908</b>            | <b>908</b>            | <b>912</b>        |
| Average equity  | 28,524                | 30,310                | 30,026            |
| <b>Return on equity, adjusted, %</b>                                  | <b>3.2</b>            | <b>3.0</b>            | <b>3.0</b>        |
| <b>Net debt</b>   |                       |                       |                   |
| Non-current interest-bearing liabilities                              | 6,650                 | 7,300                 | 7,300             |
| Non-current leasing liabilities                                       | 729                   | 721                   | 721               |
| Current interest-bearing liabilities                                  | 3,200                 | 2,300                 | 2,100             |
| Current lease liabilities   | 8                     | 8                     | 8                 |
| Cash and cash equivalents   | -525                  | -325                  | -382              |
| <b>Net debt</b>   | <b>10,062</b>         | <b>10,004</b>         | <b>9,747</b>      |
| <b>Equity ratio</b>   |                       |                       |                   |
| Equity  | 28,032                | 29,131                | 28,789            |
| Total assets  | 48,238                | 49,199                | 48,444            |
| <b>Equity ratio, %</b>  | <b>58</b>             | <b>59</b>             | <b>59</b>         |
| <b>Net loan-to-value ratio, properties</b>                            |                       |                       |                   |
| Net debt  | 10,062                | 10,004                | 9,747             |
| Carrying amount, properties   | 46,376                | 47,507                | 46,743            |
| <b>Net loan-to-value ratio, properties, %</b>                         | <b>21.7</b>           | <b>21.1</b>           | <b>20.9</b>       |
| <b>Interest coverage ratio</b>  |                       |                       |                   |
| Profit or loss before tax   | 23 <sup>1)</sup>      | -1,709 <sup>1)</sup>  | -2,535            |
| Reversal of items affecting comparability and changes in value        | 1,124                 | 2,854                 | 3,672             |
| Financial expense   | 335 <sup>1)</sup>     | 273 <sup>1)</sup>     | 289               |
| <b>Total</b>  | <b>1,482</b>          | <b>1,418</b>          | <b>1,426</b>      |
| Financial expense   | 335 <sup>1)</sup>     | 273 <sup>1)</sup>     | 289               |
| <b>Interest coverage ratio, multiple</b>                              | <b>4.4</b>            | <b>5.2</b>            | <b>4.9</b>        |
| <b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>    |                       |                       |                   |
| Operating result  | -22                   | -1,797                | -2,256            |
| Reversal of changes in value  | 1,124                 | 2,854                 | 4,042             |
| Financial income and expense  | -242                  | -198                  | -279              |
| <b>Earnings from property management</b>                              | <b>860</b>            | <b>859</b>            | <b>1,507</b>      |
| Current tax, earnings from property management                        | -106                  | -60                   | -74               |
| <b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>    | <b>755</b>            | <b>799</b>            | <b>1,433</b>      |
| Reversal of items affecting comparability                             | -                     | -                     | -370              |
| <b>EPRA Company specific Adjusted Earnings, SEK m</b>                 | <b>755</b>            | <b>799</b>            | <b>1,063</b>      |
| Average number of outstanding shares, million                         | 202.3                 | 202.3                 | 202.3             |
| <b>EPRA EPS, SEK</b>  | <b>3.73</b>           | <b>3.95</b>           | <b>7.08</b>       |
| <b>EPRA Company specific Adjusted EPS, SEK</b>                        | <b>3.73</b>           | <b>3.95</b>           | <b>5.25</b>       |

<sup>1)</sup> Recalculated 12 months.

## ALTERNATIVE PERFORMANCE MEASURES

| GROUP, SEK m   | September 30,<br>2024 | September 30,<br>2023 | Full year<br>2023 |
|--|-----------------------|-----------------------|-------------------|
| <b>EPRA LTV</b>  |                       |                       |                   |
| Non-current interest-bearing liabilities                 | 6,650                 | 7,300                 | 7,300             |
| Current interest-bearing liabilities                     | 3,200                 | 2,300                 | 2,100             |
| Working capital, net (if liabilities exceed receivables) | 857                   | 620                   | 671               |
| Cash and cash equivalents                                | -525                  | -325                  | -382              |
| <b>Net debt according to EPRA LTV</b>                    | <b>10,182</b>         | <b>9,895</b>          | <b>9,689</b>      |
| Investment properties                                    | 46,376                | 47,507                | 46,743            |
| Intangible fixed assets                                  | 72                    | 97                    | 95                |
| Working capital, net (if receivables exceed liabilities) | –                     | –                     | –                 |
| <b>Property valuation according to EPRA LTV</b>          | <b>46,448</b>         | <b>47,604</b>         | <b>46,838</b>     |
| <b>EPRA LTV, %</b>                                       | <b>21.9</b>           | <b>20.8</b>           | <b>20.7</b>       |
| <b>EPRA vacancy rate</b>                                 |                       |                       |                   |
| Rental value for vacant space, in total                  | 191                   | 210                   | 211               |
| Rental value for vacant space, project                   | 54                    | 74                    | 74                |
| Total rental value                                       | 2,513                 | 2,394                 | 2,381             |
| Vacancy rate, in total, %                                | 7.6                   | 8.8                   | 8.8               |
| Vacancy rate, project, %                                 | 2.1                   | 3.1                   | 3.1               |
| <b>EPRA vacancy rate, %</b>                              | <b>5.5</b>            | <b>5.7</b>            | <b>5.7</b>        |

## PARENT COMPANY

### RESULT AND FINANCIAL POSITION

Net revenue amounted to SEK 1,251.7 million (1,183.0). The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new leases and renegotiations of office leases. Since early 2022, net revenue has been affected by vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project.

Operating expenses amounted to SEK -507.0 million (-684.0). The decrease was attributable to lower maintenance costs. Gross profit was SEK 744.7 million (499.0). Net financial income and expense was SEK -189.1 million (-169.3).

Cash and cash equivalents at the end of the period amounted to SEK 517.0 million (308.8). Investments in properties and inventory amounted to SEK 550.1 million (459.6).

### MATERIAL RISKS AND UNCERTAINTIES

The company is mainly exposed to financing, interest and credit risks. Other than what is stated for the Group on page 7, no other material risks or uncertainties have been identified apart from those described in the Annual and Sustainability Report 2023.

### MATERIAL TRANSACTIONS WITH RELATED PARTIES

No material transactions with related parties took place during the period.

### ACCOUNTING POLICIES

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with Section 9 of the Annual Accounts Act, Interim Financial Statements. The accounting policies and basis for calculations remain unchanged from the Annual and Sustainability Report 2023.

### INCOME STATEMENT – SUMMARY

| PARENT COMPANY, SEK m                            | July-<br>September<br>2024 | July-<br>September<br>2023 | January-<br>September<br>2024 | January-<br>September<br>2023 | January-<br>December<br>2023 |
|--|----------------------------|----------------------------|-------------------------------|-------------------------------|------------------------------|
| Net revenue <sup>1)</sup>                        | 425.2                      | 395.9                      | 1,251.7                       | 1,183.0                       | 1,585.9                      |
| Operating expenses                               | -196.3                     | -217.7                     | -507.0                        | -684.0                        | -934.2                       |
| <b>Gross profit</b>                              | <b>228.9</b>               | <b>178.2</b>               | <b>744.7</b>                  | <b>499.0</b>                  | <b>651.7</b>                 |
| Central administration                           | -12.7                      | -12.5                      | -38.9                         | -38.1                         | -53.2                        |
| Items affecting comparability <sup>2)</sup>      | –                          | –                          | –                             | -51.4                         | 315.0                        |
| Changes in value, interest-rate derivatives      | -24.0                      | –                          | -30.2                         | –                             | –                            |
| <b>Operating profit</b>                          | <b>192.2</b>               | <b>165.7</b>               | <b>675.6</b>                  | <b>409.5</b>                  | <b>913.5</b>                 |
| Other financial income and expenses              | -63.4                      | -66.5                      | -189.1                        | -169.3                        | -94.7                        |
| <b>Profit after financial items</b>              | <b>128.8</b>               | <b>99.2</b>                | <b>486.5</b>                  | <b>240.2</b>                  | <b>818.8</b>                 |
| Appropriations                                   | –                          | –                          | –                             | –                             | -72.8                        |
| <b>Profit before tax</b>                         | <b>128.8</b>               | <b>99.2</b>                | <b>486.5</b>                  | <b>240.2</b>                  | <b>746.0</b>                 |
| Tax  | -26.4                      | -20.6                      | -100.8                        | -51.5                         | -71.0                        |
| <b>Profit for the period</b>                     | <b>102.4</b>               | <b>78.6</b>                | <b>385.7</b>                  | <b>188.7</b>                  | <b>675.0</b>                 |
| <b>Statement of comprehensive income</b>         |                            |                            |                               |                               |                              |
| Profit for the period                            | 102.4                      | 78.6                       | 385.7                         | 188.7                         | 675.0                        |
| Other comprehensive income                       | –                          | –                          | –                             | –                             | –                            |
| <b>Total comprehensive income for the period</b> | <b>102.4</b>               | <b>78.6</b>                | <b>385.7</b>                  | <b>188.7</b>                  | <b>675.0</b>                 |

<sup>1)</sup> For a breakdown of net revenue, see table on page 10.

<sup>2)</sup> Refers to insurance compensation of SEK 370.3 million for reconstruction of the Vildmannen 7 property after the extensive fire in 2017 and to SEK -55.3 million from disposal of a building in the Inom Vallgraven 12 block, where the Johanna project is ongoing. The amount in January-September 2023 refers to the disposal of parts of a building in the Inom Vallgraven 12 block.

### BALANCE SHEET – SUMMARY

| PARENT COMPANY, SEK m               | September 30,<br>2024 | September 30,<br>2023 | December 31,<br>2023 |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| Investment properties               | 9,517.4               | 8,860.9               | 9,108.4              |
| Other non-current assets            | 6,593.5               | 6,383.0               | 6,599.1              |
| Total non-current assets            | 16,110.9              | 15,243.9              | 15,707.5             |
| Current assets                      | 971.2                 | 785.4                 | 745.2                |
| <b>Total assets</b>                 | <b>17,082.1</b>       | <b>16,029.3</b>       | <b>16,452.7</b>      |
| Restricted equity                   | 1,978.8               | 1,978.7               | 1,978.7              |
| Non-restricted equity               | 2,404.2               | 2,078.5               | 2,564.8              |
| Total equity                        | 4,383.0               | 4,057.2               | 4,543.5              |
| Untaxed reserves                    | 48.3                  | 51.0                  | 48.3                 |
| Provisions                          | 904.5                 | 909.5                 | 909.9                |
| Non-current liabilities             | 6,996.2               | 7,393.2               | 7,609.2              |
| Current liabilities                 | 4,750.1               | 3,618.4               | 3,341.8              |
| <b>Total equity and liabilities</b> | <b>17,082.1</b>       | <b>16,029.3</b>       | <b>16,452.7</b>      |

Stockholm, November 7, 2024

**Anders Nygren**  
*President*

This interim report has not been reviewed by the company's auditors.

## DEFINITIONS AND GLOSSARY

### Finance

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**Average equity.** Average of opening and closing equity for the year. In the interim accounts, closing equity is restated using the net result for the period calculated as on a full-year basis without regard to seasonal variations that normally occur in operations and not including items affecting comparability and changes in value.

**Capital employed.** Total assets reduced by non-interest-bearing liabilities and deferred tax liabilities.

**Central administration.** Costs for Group management and Group staff functions, costs for maintaining the Company's stock exchange listing, and other costs common to the Company.

**Debt/equity ratio.** Net debt in relation to equity at the end of the period.

**EPRA.** European Public Real Estate Association. An interest association for listed property companies in Europe.

**EPRA Earnings – Earnings from property management after nominal tax.** Operating profit or loss before changes in value minus financial income and expense and computed current tax, excluding a carry forward of unutilised tax losses. The tax deducted has been calculated with account taken of tax-deductible depreciation and investments.

**EPRA Company specific Adjusted Earnings – Company specific Adjusted Earnings from property management after nominal tax.** Operating profit or loss before items affecting comparability and changes in value minus financial income and expense and computed current tax, excluding a carry forward of unutilised tax losses. The tax deducted has been calculated with account taken of tax-deductible depreciation and investments.

**EPRA LTV – Loan to Value.** Non-current and current interest-bearing liabilities according to the balance sheet, net working capital if negative and resolved dividends less cash and cash equivalents in relation to the properties' carrying amounts including intangible fixed assets and net working capital if positive.

**EPRA NDV – Net Disposal Value.** Shareholders' equity according to the balance sheet.

**EPRA NRV – Net Reinstatement Value.** Shareholders' equity according to the balance sheet after reversal of interest rate derivatives and deferred tax according to the balance sheet, excluding deferred tax on assets and/or liabilities other than investment properties and right-of-use assets attributable to ground rents.

**EPRA NTA – Net Tangible Assets.** Shareholders' equity according to the balance sheet after reversal of derivative instruments and deduction for intangible assets, adjusted for estimated actual deferred tax instead of nominal deferred tax.

**Equity ratio.** Equity at the end of the period in relation to total assets.

**Gross margin.** Gross profit in relation to net revenue.

**Interest coverage ratio.** Profit or loss after net financial income/expense, excluding items affecting comparability and changes in value, plus financial expense in relation to financial expense. In the interim accounts, net profit or loss after net financial income/expense, excluding items affecting comparability and changes in value, as well as financial expense, have been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the operations.

**Items affecting comparability.** Items of a non-recurring nature and which make it difficult to compare between two given periods.

**MTN programme.** Medium Term Note is a bond programme with a term of 1-15 years.

**Net debt.** Interest-bearing liabilities including lease liabilities and decided dividend minus current investments and cash and cash equivalents.

**Net loan-to-value ratio, properties.** Net debt in relation to the carrying amount of properties.

**Earnings from property management.** Operating profit or loss before items affecting comparability and changes in value minus financial income and expense.

**Return on capital employed.** Profit or loss before tax plus financial expense in relation to average capital employed. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the operations and with the exception of items affecting comparability and changes in value.

**Return on equity.** Net profit or loss in relation to average equity. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the Company's operations and with the exception of items affecting comparability and changes in value.

**Return on equity, adjusted.** Net profit/loss excluding tax-adjusted items affecting comparability and changes in value in relation to average equity. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in operations.

**Tax.** Total tax for the Group comprises both current tax and deferred tax.

### Shares

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**Average number of outstanding shares.** Weighted average number of outstanding shares during a defined period.

**Earnings per share.** Net profit or loss for the period in relation to the average number of outstanding shares during the period.

**EPRA EPS.** EPRA Earnings in relation to the average number of outstanding shares during the period.

**EPRA Company specific Adjusted EPS.** EPRA Company specific Adjusted Earnings in relation to the average number of outstanding shares during the period.

**Equity per share.** Equity in relation to the number of outstanding shares at the end of the period.

### Property

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**Annual rent.** Gross rent at the end of the period, including supplements, calculated on an annual basis. Vacant premises are reported at the Estimated Rental Value (ERV).

**Bibliotekstan.** The area between Norrmalmstorg, Birger Jarlsgatan, Stureplan, and Norrlandsgatan where premium brand stores, restaurants and cafes are located.

**EPRA vacancy rate.** Estimated Market Rental Value (ERV) of vacant space divided by the ERV of all property holdings. Current development projects are excluded.

**Fair value.** The estimated market value of the properties.

**Floor space vacancy rate.** Vacant floor space in square metres in relation to the total rentable floor space.

**Fredstan.** The area around Fredsgatan between Brunnsparken and Trädgårdsföreningen, where the vision is to offer a unique range of stores, restaurants, and cultural events and facilities.

**Market value, properties.** The amount at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. In accounting terms, this is known as "fair value".

**Net operating income.** Net revenue from property management including intra-Group rent revenue less costs for property management.

**Property tax supplement.** Property tax payments received from tenants.

**Rental vacancy rate.** Estimated Market Rental Value (ERV) of vacant space divided by the ERV of all property holdings.

**Surplus ratio.** Net operating income as a percentage of net revenue from property management including intra-Group rent revenue.

*In some cases, there has been rounding off, which means the tables and calculations do not always tally.*

*This document is in all respects a translation of the original Interim Report in Swedish. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*



## ABOUT HUFVUDSTADEN

Hufvudstaden was founded in 1915 and rapidly became one of the leading property companies in Sweden. Today it is one of the country's strongest brands in the property sector. The brand is well known and represents high quality, good service, and a long-term approach in the management and development of the Company's commercial properties in the most attractive business locations in Stockholm and Gothenburg.

## PURPOSE

Shaping the city of the future together, since 1915.

## VISION

Hufvudstaden will be consistently perceived as, and prove to be, the most attractive property company in Sweden.

## BUSINESS CONCEPT

With properties in central Stockholm and central Gothenburg, Hufvudstaden will offer successful companies high-quality office and retail premises in attractive marketplaces.

## FINANCIAL OBJECTIVES

- Hufvudstaden shares will have good dividend growth over time, and the dividend will amount to more than half the net profit from current operations.
- The equity ratio will be at least 40 per cent over time.

## OPERATING OBJECTIVES

Hufvudstaden will:

- Gradually increase profit from current operations.
- Have the most satisfied customers in the industry.
- Have the most developed property holdings in the industry.
- Have the most dedicated and professional employees in the industry, with a strong customer focus and high business acumen.

## STRATEGIES TO ACHIEVE THE OBJECTIVES

**Customer focus.** Hufvudstaden will work in close cooperation with its customers and contribute to continuously improving their business potential and competitiveness.

**Quality.** Systematic quality management will ensure high quality in all of the company's products and services.

**Competence development.** Employees should be systematically offered development, focusing on skills and the company's values.

**Business development.** Active business development and adaptation to the digitalization of society will create added value in the property holdings.

**Sustainability.** Hufvudstaden will work actively and in the long term to ensure financial, environmental and social sustainability.

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## OUR BRANDS

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Company registration number: 556012-8240  
Registered office: Stockholm



**HUFVUDSTADEN**