

# HUFVUDSTADEN



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Interim Report  
January - March 2024

# Interim Report January-March 2024

- Net revenue from property management was SEK 524 million (503), an increase of 4 per cent. Including intra-Group rental revenue, net revenue from property management was SEK 573 million (551).
- Gross profit from property management increased by 5 per cent, totalling SEK 346 million (331). Including intra-Group rental revenue, gross profit from property management was SEK 395 million (379).
- Net result for the period was SEK -396 million (-499), equivalent to SEK -1.96 per share (-2.47). The negative result can be attributed to negative unrealised changes in the value of the property holdings.
- The fair value of the property holdings was SEK 46.2 billion (46.7 at year-end), resulting in net reinstatement value (EPRA NRV) of SEK 180 per share (185 at year-end). Unrealised changes in the value of the property holdings amounted to SEK -759 million (-906) for the period.
- The equity ratio was 58 per cent (60), the net loan-to-value ratio was 22 per cent (20) and the interest coverage ratio was 4.0 (6.2).
- The rental vacancy rate at the end of the period was 9.2 per cent (8.5). Excluding current development projects, the rental vacancy rate was 7.1 per cent (5.4).

## OPERATING EVENTS DURING THE FIRST QUARTER

Leases were signed for three important service concepts in Kvarteret Johanna in Gothenburg. The rooftop restaurant will be operated by Stureplansgruppen and the training concept by Nordic Wellness. The block's coworking space will be operated by Hufvudstaden's own Cecil Coworking concept. Access will take place in early 2026.

A number of office leases were signed in the NK building and Fyran property in Gothenburg in conjunction with expansion and new leases. Access will take place later in the year and the office premises in both properties will then be fully leased.

MR Cake has signed a lease to open a patisserie located at street level in the Femman shopping centre in Gothenburg.

The yoga clothes and activewear brand Lululemon has signed a lease for the remaining vacant retail premises in Vildmannen 7 in Bibliotekstan. All offices and retail premises are now leased in the completed property.

Toteme is expanding its leased store space to approximately 350 square metres in the Kvasten 6 property in Bibliotekstan. Byredo is moving to the Rännilen 19 property in the area and expanding its store space to approximately 150 square metres.

Hufvudstaden has inaugurated its first fast charging station for electric vehicles at the NK Parkaden parking facility. The facility will initially be used by Taxi Stockholm. The parking facility has a total of 320 charging points.

## PERFORMANCE MEASURES

SEK m	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net revenue, property management, gross	573	551	2,216
Rent revenue, intra-Group	-49	-49	-183
Net revenue, property management, net	524	503	2,033
Gross profit, property management	346	331	1,359
Unrealised changes in property value, investment properties	-759	-906	-4,042
Operating result	-413	-575	-2,256
Net result for the period	-396	-499	-1,927
Fair value of properties, SEK bn	46.2	48.9	46.7
Equity ratio, %	58	60	59
Net loan-to-value ratio, properties, %	22.4	20.0	20.9
Interest coverage ratio, multiple	4.0	6.2	4.9
EPRA vacancy rate, %	7.1	5.4	5.7
EPRA EPS, SEK	1.19	1.25	7.08
EPRA NRV per share, SEK	180	195	185
EPRA LTV, %	22.0	20.1	20.7





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The first quarter of the year was affected by the weak economy. The vacancy rate increased slightly and the letting processes are taking longer, but gratifyingly, a number of new leases were signed during the period. For example, the office spaces in the Fyran property in Nordstan and NK in Gothenburg are now fully leased. In our project Johanna in Gothenburg, leases have been signed with strong service concepts that will support the increasing interest we are now seeing for office space in the block.

The retail sector remains challenging. However, we experience that retailers and brands are becoming more optimistic about the future. The strongest interest in retail premises has been in Bibliotekstan in Stockholm, where several new leases were signed, and vacancy rates remain low.

**Anders Nygren**  
PRESIDENT

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## GROUP

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### RESULTS

#### Property management

Net revenue from property management excluding intra-Group rents of SEK 49.1 million (48.5) totalled SEK 523.6 million (502.9) for the period. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new leases and renegotiations of offices. Since early 2022, net revenue has been charged with vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project. Operating expenses amounted to SEK -177.5 million (-172.2). Gross profit was SEK 346.1 million (330.7) excluding intra-Group rents.

The sales-based rent supplement is reported in the fourth quarter and totalled SEK 8.9 million in the preceding year, 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 212.0 million (177.5). Costs excluding intra-Group rents of SEK -28.3 million (-29.5) were SEK -213.6 million (-177.3). Gross profit/loss for NK Retail excluding intra-Group rental costs was SEK -1.6 million (0.2). The result was impacted by a higher proportion of sales at discounted prices and a low proportion of high-margin sales. 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 35.4 million (34.3). Costs excluding intra-Group rents of

SEK -20.8 million (-19.0) were SEK -21.2 million (-20.9). Gross profit excluding intra-Group rental costs was SEK 14.2 million (13.4).

For further information, see Segment Reporting on page 10.

#### Other profit and loss items

Central administration totalled SEK -13.1 million (-13.0). Unrealised changes in the value of investment properties amounted to SEK -758.8 million (-906.4) and of interest-rate derivatives to SEK -0.2 million (-). For further information, see pages 4–6.

#### Financial income and expense

Financial income and expense totalled SEK -83.4 million (-52.2). Interest income was SEK 2.8 million (1.8). Borrowing costs totalled SEK -80.4 million (-48.2). Interest expenses for leasing, primarily ground rents, totalled SEK -5.8 million (-5.8). The increase in financial expenses for borrowing was attributable to higher average interest rates and increased borrowing. For further information, see pages 5–6.

#### Tax

The Group's tax for the period was SEK 100.7 million (127.9), of which SEK -23.4 million (-26.5) in current tax and SEK 124.1 million (154.4) 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 year

The consolidated net result was SEK -396.1 million (-499.4). 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 March 31, 2024 was SEK 46,232 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 390,700 square metres (390,800 at year-end).

The total rental vacancy rate as of March 31, 2024 was 9.2 per cent (8.8 at year-end) and the total floor space vacancy rate was 12.9 per cent (12.9 at year-end). The rental vacancy rate, excluding current development projects (EPRA vacancy rate), totalled 7.1 per cent (5.7 at year-end). The increase was mainly attributable to a few office and retail premises being vacated. New leases have already been signed for some of these premises.

### Acquisitions and investments

Total investments amounted to SEK 254.0 million (283.8). Major current and planned projects are presented in the table below.

In the Hästhuvudet 13 property, at the Sveavägen and Kungsgatan intersection in Stockholm, a major redevelopment of approximately 3,100 square metres of office space and an upgrade of technical installations have been completed. The project is now in its final phase and a number of tenants moved in during the quarter. The strategy and market consulting company Simon Kucher leases approximately 900 square metres and the IT consultancy HCL Tech around 550 square metres of office space. An additional lease was signed for approximately 550 square metres of office space with a tenant set to move in during the autumn.

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

The extensive redevelopment and expansion of the Johanna project continues at the Inom Vallgraven 12 block in Gothenburg. At Inom Vallgraven 12:11, the new base plate has been cast and the basement walls completed. The extension frame at Inom Vallgraven 12:10 has reached full construction height and the new building is wind and watertight in this part of the block.

Remediation works have been completed and installation work is in progress on the basement level. Lifts are partly in place and planning is ongoing for future tenant adaptations. The project comprises a total of approximately 44,000 square metres gross area and rentable floor space is expected to increase by approximately 11,600 square metres. Completion is expected in late 2025 or early 2026.

### 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 -758.8 million (-906.4). The total value of the property holdings as of March 31, 2024 was SEK 46.2 billion, including investments for the period. The unrealised decrease in value was primarily due to increasing yield requirements, but was offset slightly by the effect of higher rents.

The average yield requirement increased 5 basis points compared to the fourth quarter of 2023 and was 4.2 per cent at the above valuation (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, first 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	Hästhuvudet 13	Completion phase	Office	3,100	–	145	2024
Stockholm	Packarhuset 4	Current	Office	9,800	–	160	2025
Stockholm	Orgelpipan 7	Local planning	Office	–	–	–	–
Gothenburg	Inom Vallgraven 12 block	Current	Office, retail & restaurant	31,600	11,600	2,200	2025/2026
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.

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 few or no deals have been concluded in the property's sub-area, transactions in the adjoining area are analysed. Even 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 the increased direct 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: March 31, 2024.

#### Sensitivity analysis

Fair value is an assessment of the probable sales price on the market at the time of 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 46.2 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: March 31, 2024.

#### Net asset value

Based on the valuation of the property holdings, the net reinstatement value (EPRA NRV) is SEK 36.4 billion or SEK 180 per share. Net tangible assets (EPRA NTA) were SEK 34.2 billion or SEK 170 per share following 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, March 31, 2024

	SEK m	SEK/share
Equity	27,846.3	138
<i>Reversal</i>		
Interest-rate derivatives	0.2	0
Recognised deferred tax <sup>1)</sup>	8,571.0	42
<b>EPRA NRV</b>	<b>36,417.5</b>	<b>180</b>
<i>Deduction</i>		
Intangible assets	-88.8	0
Estimated actual deferred tax 5%	-2,080.3	-10
<b>EPRA NTA</b>	<b>34,248.4</b>	<b>170</b>
<i>Reversal</i>		
Interest-rate derivatives	-0.2	0
Intangible assets	88.8	0
Recognised deferred tax <sup>1)</sup> less estimated actual deferred tax	-6,490.7	-32
<b>EPRA NDV</b>	<b>27,846.3</b>	<b>138</b>

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

#### RENTAL MARKET

The office rental market in Stockholm City was stable during the first quarter of the year. The letting process took somewhat longer compared with previously and the market was somewhat cautious. The demand was mainly for modern and flexible office premises in the best locations. Vacancy levels rose slightly and 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 several leases were signed. The 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 3,300–4,100 per square metre and year, excluding the property tax supplement. 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.

The Group's renegotiations for office premises has been progressed well, while renegotiations for retail premises led to lower rents.

#### FINANCING

Hufvudstaden's financing requirements are met through a number of the major Nordic banks and the capital market. Total borrowings as of March 31, 2024 amounted to SEK 10,000 million (9,400 at year-end). Interest-bearing net debt was SEK 9,650 million (9,018 at year-end). In addition, the lease liability according to IFRS 16 amounted to SEK 727 million (729 at year-end), and total net debt was SEK 10,377 million (9,747 at year-end). In addition to loans outstanding, there are unutilised loan commitments amounting to SEK 5,000 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 7,100 million and there was SEK 900 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 March 31, 2024, cash and cash equivalents and unutilised loan commitments amounted to SEK 5,350 million, which covers all maturities for the next two years.

#### Financing facilities, SEK m, March 31, 2024

Loan/facility type	Framework/ facility volume	Unutilised
MTN programme	12,000	4,900
Comm. paper programme	3,000	2,100
Bank loans and commitment	7,000	5,000

The average fixed interest period, including effects of derivative instruments, was 1.9 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 3.1 per cent (3.2 at year-end) including, and 2.9 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 an interest-rate derivative agreement 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 4,300 million carries a fixed rate of interest. The fair value of all interest-rate derivatives as of March 31, 2024 amounted to SEK -0.2 million (-). The negative value is due to a slight decrease in market interest rates. The derivatives are measured at fair value in the balance sheet. All derivatives are classified as 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 211.6 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, March 31, 2024

Maturity, year	Credit, SEK m	AER, %	Proportion, %
<1	4,700	4.0 <sup>1)</sup>	47
1–2	800	2.3	8
2–3	2,500	1.4	25
3–4	500	3.9	5
4–5	1,500	3.1	15
<b>Total</b>	<b>10,000</b>	<b>3.1<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 2.9 per cent.

#### Capital tie-up structure, SEK m, March 31, 2024

Maturity, year	Bank loans	Bonds/ Comm.paper	Total liabilities	Unutilised commitments
<1	–	2,900	<b>2,900</b>	1,000
1–2	1,000	1,600	<b>2,600</b>	1,000
2–3	–	2,500	<b>2,500</b>	2,000
3–4	1,000	500	<b>1,500</b>	1,000
4–5	–	500	<b>500</b>	–
<b>Total</b>	<b>2,000</b>	<b>8,000</b>	<b>10,000</b>	<b>5,000</b>

#### Green financing

The purpose of green financing is to finance green properties and investments in projects promoting climate transition and sustainability. Hufvudstaden has a total of SEK 5.6 billion in green financing, corresponding to 56 per cent of total borrowing. Green bonds are issued in accordance with Hufvudstaden's framework, which complies with the Green Bond Principles. The frameworks of the issuing institutions are complied with when taking up green bank loans. Out of total green financing, bonds amounted to SEK 3.6 billion and bank loans amounted to SEK 2.0 billion. The goal is to gradually increase the proportion of green financing.

#### 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 32,568 shareholders at the end of the period. The proportion of foreign ownership as of March 31, 2024 was 18.8 per cent (20.0 at year-end) of the total number of outstanding shares. The Class A share price as of March 31, 2024 was SEK 130.00, and total market capitalisation of all shares based on the Class A share price was SEK 27.5 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. In the first quarter of 2024, no Class C shares were converted into Class A shares.

#### Share structure, March 31, 2024

Share class	Number of shares	Number of votes	Equity, %	Votes, %
A (1 vote)	203,001,207	203,001,207	96.1	19.7
C (100 votes)	8,270,726	827,072,600	3.9	80.3
<b>Total</b>	<b>211,271,933</b>	<b>1,030,073,807</b>	<b>100.0</b>	<b>100.0</b>

#### Shares bought back

Treasury shares held as of March 31, 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, March 31, 2024

Million shares	Total number of shares	Treasury shares	Other shareholders
January 1, 2024	211.3	9.0	202.3
Buyback	–	–	–
<b>March 31, 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 security situation in the world has deteriorated sharply due to wars in Ukraine and the Middle East and increased regional geopolitical tension. Inflation in large parts of the world and in Sweden has declined recently. The estimation is that the central banks' policy rates have peaked and the forecast is that the policy rates will be cut going forward.

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.

## 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 remained 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

Half-year Report January-June 2024	August 22, 2024
Interim Report January-September 2024	November 7, 2024
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 May 8, 2024.

This information is also published on Hufvudstaden's website, [www.hufvudstaden.se/en](http://www.hufvudstaden.se/en)

Questions can be answered by Anders Nygren, President, and Åsa Roslund, Vice President and CFO, on telephone +46 8 762 90 00.

## REPORT ON RESULTS – SUMMARY

GROUP, SEK m	January- March 2024	January- March 2023	January- December 2023
<b>Net revenue<sup>1)</sup></b>			
Property management, gross	572.7	551.4	2,216.0
Rent revenue, intra-Group	-49.1	-48.5	-182.9
Property management, net	523.6	502.9	2,033.1
Other segments	247.4	211.8	928.5
	<b>771.0</b>	<b>714.7</b>	<b>2,961.6</b>
<b>Property management expenses</b>			
Maintenance	-6.5	-13.3	-46.4
Operation and administration	-107.0	-98.0	-383.1
Property tax	-60.4	-59.3	-236.4
Depreciation	-3.6	-1.6	-7.8
<b>Property management expenses</b>	<b>-177.5</b>	<b>-172.2</b>	<b>-673.7</b>
Other segments, gross expenses	-283.9	-246.7	-1,001.6
Rental expenses, intra-Group	49.1	48.5	182.9
Other segments, net expenses	-234.8	-198.2	-818.7
<b>Operating expenses</b>	<b>-412.3</b>	<b>-370.4</b>	<b>-1,492.4</b>
<b>Gross profit</b>	<b>358.7</b>	<b>344.3</b>	<b>1,469.2</b>
– of which Property management	346.1	330.7	1,359.4
– of which Other segments	12.6	13.6	109.8
Central administration	-13.1	-13.0	-53.2
<b>Operating profit before items affecting comparability and changes in value</b>	<b>345.6</b>	<b>331.3</b>	<b>1,416.0</b>
Items affecting comparability <sup>2)</sup>	–	–	370.3
Changes in value, investment properties	-758.8	-906.4	-4,042.4
Changes in value, interest-rate derivatives	-0.2	–	–
<b>Operating result</b>	<b>-413.4</b>	<b>-575.1</b>	<b>-2,256.1</b>
Financial income and expense	-83.4	-52.2	-279.1
<b>Result before tax</b>	<b>-496.8</b>	<b>-627.3</b>	<b>-2,535.2</b>
Tax	100.7	127.9	608.0
<b>Net result</b>	<b>-396.1</b>	<b>-499.4</b>	<b>-1,927.2</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income or loss for the period</b>	<b>-396.1</b>	<b>-499.4</b>	<b>-1,927.2</b>
Average number of outstanding shares	202,306,933	202,306,933	202,306,933
Net result for the period per share before and after dilution, SEK	-1.96	-2.47	-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	March 31, 2024	March 31, 2023	December 31, 2023
Investment properties	46,232.4	48,909.4	46,742.8
Right of use assets	725.9	713.5	727.9
Other non-current assets	175.7	167.9	183.5
<b>Total non-current assets</b>	<b>47,134.0</b>	<b>49,790.8</b>	<b>47,654.2</b>
Current assets	929.6	958.6	789.4
<b>Total assets</b>	<b>48,063.6</b>	<b>50,749.4</b>	<b>48,443.6</b>
Equity	27,846.3	30,216.4	28,788.6
Non-current interest-bearing liabilities	7,100.0	6,500.0	7,300.0
Deferred tax liabilities	8,450.6	9,098.8	8,574.8
Non-current leasing liabilities	719.3	706.1	721.0
Other non-current liabilities	103.7	102.7	99.7
Other provisions	26.6	31.3	28.7
<b>Total non-current liabilities</b>	<b>16,400.2</b>	<b>16,438.9</b>	<b>16,724.2</b>
Current interest-bearing liabilities	2,900.0	3,000.0	2,100.0
Current leasing liabilities	7.7	8.2	8.0
Other liabilities	909.4	1,085.9	822.8
<b>Total current liabilities</b>	<b>3,817.1</b>	<b>4,094.1</b>	<b>2,930.8</b>
<b>Total equity and liabilities</b>	<b>48,063.6</b>	<b>50,749.4</b>	<b>48,443.6</b>

## REPORT ON CHANGES IN EQUITY – SUMMARY

GROUP, SEK m	January- March 2024	January- March 2023	January- December 2023
Equity, opening balance	28,788.6	31,262.0	31,262.0
Total comprehensive income or loss for the period	-396.1	-499.4	-1,927.2
Dividend	-546.2	-546.2	-546.2
<b>Equity, closing balance</b>	<b>27,846.3</b>	<b>30,216.4</b>	<b>28,788.6</b>

## REPORT ON CASH FLOWS – SUMMARY

GROUP, SEK m	January- March 2024	January- March 2023	January- December 2023
Income before tax	-496.8	-627.3	-2,535.2
Depreciation/impairments	22.3	20.0	52.8
Items affecting comparability <sup>1)</sup>	–	–	-187.8
Changes in value, investment properties	758.8	906.4	4,042.4
Changes in value, interest-rate derivatives	0.2	–	–
Other changes	-2.0	-0.5	-2.4
Income tax paid	-25.4	-26.5	-70.4
<b>Cash flow from current operations before changes in working capital</b>	<b>257.1</b>	<b>272.1</b>	<b>1,299.4</b>
Increase/decrease in inventory	21.9	-4.7	-38.2
Increase/decrease in operating receivables	-201.4	-174.3	-9.6
Increase/decrease in operating liabilities	92.5	212.0	133.7
<b>Cash flow from current operations</b>	<b>170.1</b>	<b>305.1</b>	<b>1,385.3</b>
Investments in properties	-248.4	-268.9	-1,238.3
Investments in other non-current assets	-5.6	-14.9	-62.7
<b>Cash flow from investments</b>	<b>-254.0</b>	<b>-283.8</b>	<b>-1,301.0</b>
Loans raised	1,200.0	1,500.0	5,200.0
Amortisation of loan debt	-600.0	-1,000.0	-4,800.0
Amortisation of leasing debt	-2.0	-2.5	-8.7
Dividend paid	-546.2	-546.2	-546.2
<b>Cash flow from financing</b>	<b>51.8</b>	<b>-48.7</b>	<b>-154.9</b>
<b>Cash flow for the period</b>	<b>-32.1</b>	<b>-27.4</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	350.3	425.6	382.4
Cash flow from current operations per share, SEK	0.84	1.51	6.85
Cash flow for the period per share, SEK	-0.16	-0.14	-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 REPORT – 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-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023
<b>Property management</b>										
Net revenue	367.5	347.3	123.5	121.1	81.7	83.0	-49.1	-48.5	523.6	502.9
Property management expenses	-83.4	-79.6	-67.3	-64.5	-26.8	-28.1			-177.5	-172.2
<b>Gross profit/loss property management</b>	<b>284.1</b>	<b>267.7</b>	<b>56.2</b>	<b>56.6</b>	<b>54.9</b>	<b>54.9</b>	<b>-49.1</b>	<b>-48.5</b>	<b>346.1</b>	<b>330.7</b>
<b>NK Retail</b>										
Net revenue			212.0	177.5					212.0	177.5
Expenses			-241.9	-206.8			28.3	29.5	-213.6	-177.3
<b>Gross profit/loss NK Retail</b>			<b>-29.9</b>	<b>-29.3</b>			<b>28.3</b>	<b>29.5</b>	<b>-1.6</b>	<b>0.2</b>
<b>Other operations</b>										
Net revenue	10.6	11.5	24.8	22.8					35.4	34.3
Expenses	-11.7	-10.6	-30.3	-29.3			20.8	19.0	-21.2	-20.9
<b>Gross profit/loss other operations</b>	<b>-1.1</b>	<b>0.9</b>	<b>-5.5</b>	<b>-6.5</b>			<b>20.8</b>	<b>19.0</b>	<b>14.2</b>	<b>13.4</b>
Central administration									-13.1	-13.0
Changes in value, investment properties									-758.8	-906.4
Changes in value, interest-rate derivatives									-0.2	-
<b>Operating result</b>									<b>-413.4</b>	<b>-575.1</b>
Financial income and expense									-83.4	-52.2
<b>Result before tax</b>									<b>-496.8</b>	<b>-627.3</b>

## BREAKDOWN OF NET REVENUE

SEK m	Group			Parent Company		
	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Rent revenue	525.2	505.7	2,047.0	396.8	379.8	1,533.2
Service revenue	33.8	31.5	125.1	13.7	14.0	52.7
Sale of goods	212.0	177.5	789.5	-	-	-
<b>Total net revenue</b>	<b>771.0</b>	<b>714.7</b>	<b>2,961.6</b>	<b>410.5</b>	<b>393.8</b>	<b>1,585.9</b>

## PERFORMANCE MEASURES

GROUP	March 31, 2024	March 31, 2023	Full year 2023
<b>Property-related</b>			
Rentable floor space, 1,000 m <sup>2</sup>	390.7	386.1	390.8
Rental vacancy rate, %	9.2	8.5	8.8
Floor space vacancy rate, %	12.9	13.0	12.9
Fair value, SEK bn	46.2	48.9	46.7
Surplus ratio, %	69.0	68.8	69.6
Net operating income, SEK m	395.2	379.2	1,542.3
<b>Financial</b>			
Return on equity, %	0.8	0.5	-6.4
Return on equity, adjusted, %	2.9	2.8	3.0
Return on capital employed, %	1.6	1.0	-5.6
Equity ratio, %	58	60	59
Interest coverage ratio, multiple	4.0	6.2	4.9
Debt/equity ratio, multiple	0.4	0.3	0.3
Net loan-to-value ratio, properties, %	22.4	20.0	20.9
Gross margin, %	46.5	48.2	49.6
<b>Data per share</b>			
Net earnings per share for the period, SEK	-1.96	-2.47	-9.53
Equity, SEK	137.64	149.36	142.30
Properties, fair value, SEK	228.53	241.76	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	240	252	1,433
EPRA Company specific Adjusted Earnings, SEK m	240	252	1,063
EPRA EPS, SEK	1.19	1.25	7.08
EPRA Company specific Adjusted EPS, SEK	1.19	1.25	5.25
EPRA NRV (Net reinstatement value), SEK m	36,417.5	39,435.0	37,484.5
EPRA NRV per share, SEK	180	195	185
EPRA NTA (Net tangible assets), SEK m	34,248.4	37,105.4	35,279.3
EPRA NTA per share, SEK	170	183	175
EPRA NDV (Net disposal value), SEK m	27,846.3	30,216.4	28,788.6
EPRA NDV per share, SEK	138	149	142
EPRA LTV, %	22.0	20.1	20.7
EPRA vacancy rate, %	7.1	5.4	5.7

## PERFORMANCE MEASURES PER QUARTER

GROUP	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022
Share price, series A share, SEK	130.00	142.10	121.00	128.10	140.70	148.30	122.30	113.00
Net revenue, SEK m	771	799	722	726	715	746	672	684
Return on equity, %	0.8	-6.4	-4.4	-3.0	0.5	2.4	4.2	4.0
Return on equity, adjusted, %	2.9	3.1	3.1	3.0	2.8	2.9	2.9	2.9
Equity ratio, %	58	59	59	59	60	61	61	61
Gross margin, %	46.5	46.8	52.7	51.0	48.2	48.1	51.2	50.8
Surplus ratio, %	69.0	66.4	71.8	71.4	68.8	68.6	71.7	71.2
Net operating income, SEK m	395.2	373.1	397.8	392.2	379.2	370.3	364.9	361.2
Net profit or loss per share for the period, SEK	-1.96	-1.69	-1.05	-4.31	-2.47	-1.63	1.46	1.86
Equity per share, SEK	137.64	142.30	143.99	145.04	149.36	154.53	156.16	154.70
EPRA EPS, SEK	1.19	3.14	1.33	1.37	1.25	1.29	1.30	1.33
EPRA Company specific Adjusted EPS, SEK	1.19	1.31	1.33	1.37	1.25	1.29	1.30	1.33
EPRA NRV per share, SEK	180	185	188	189	195	201	203	201
EPRA LTV, %	22.0	20.7	20.8	20.7	20.1	18.7	18.4	18.5
Cash flow per share from current operations, SEK	0.84	3.43	0.66	1.25	1.51	1.01	1.36	1.45

## 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.

SEK m	March 31, 2024	March 31, 2023	Full year 2023
<b>Net asset value, see page 5.</b>			
<b>Return on equity, adjusted</b>			
Net result for the year	-396	-499	-1,927
Reversal of items affecting comparability and changes in value	759	906	3,672
Reversal of tax on items affecting comparability and changes in value	-156	-187	-833
<b>Net result for the period, adjusted</b>	<b>207</b>	<b>220</b>	<b>912</b>
<b>Recalculated to full year</b>	<b>828</b>	<b>880</b>	<b>912</b>
Average equity	28,628	31,069	30,026
<b>Return on equity, adjusted, %</b>	<b>2.9</b>	<b>2.8</b>	<b>3.0</b>
<b>Net debt</b>			
Non-current interest-bearing liabilities	7,100	6,500	7,300
Non-current leasing liabilities	719	706	721
Current interest-bearing liabilities	2,900	3,000	2,100
Current lease liabilities	8	8	8
Cash and cash equivalents	-350	-426	-382
<b>Net debt</b>	<b>10,377</b>	<b>9,788</b>	<b>9,747</b>
<b>Equity ratio</b>			
Equity	27,846	30,216	28,789
Total assets	48,064	50,749	48,444
<b>Equity ratio, %</b>	<b>58</b>	<b>60</b>	<b>59</b>
<b>Net loan-to-value ratio, properties</b>			
Net debt	10,377	9,788	9,747
Carrying amount, properties	46,232	48,909	46,743
<b>Net loan-to-value ratio, properties, %</b>	<b>22.4</b>	<b>20.0</b>	<b>20.9</b>
<b>Interest coverage ratio</b>			
Profit or loss before tax	290 <sup>1)</sup>	210 <sup>1)</sup>	-2,535
Reversal of items affecting comparability and changes in value	759	906	3,672
Financial expense	345 <sup>1)</sup>	216 <sup>1)</sup>	289
<b>Total</b>	<b>1,394</b>	<b>1,332</b>	<b>1,426</b>
Financial expense	345 <sup>1)</sup>	216 <sup>1)</sup>	289
<b>Interest coverage ratio, multiple</b>	<b>4.0</b>	<b>6.2</b>	<b>4.9</b>
<b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>			
Operating result	-413	-575	-2,256
Reversal of changes in value	759	906	4,042
Financial income and expense	-83	-52	-279
<b>Earnings from property management</b>	<b>263</b>	<b>279</b>	<b>1,507</b>
Current tax, earnings from property management	-23	-27	-74
<b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>	<b>240</b>	<b>252</b>	<b>1,433</b>
Reversal of items affecting comparability	-	-	-370
<b>EPRA Company specific Adjusted Earnings, SEK m</b>	<b>240</b>	<b>252</b>	<b>1,063</b>
Average number of outstanding shares, million	202.3	202.3	202.3
<b>EPRA EPS, SEK</b>	<b>1.19</b>	<b>1.25</b>	<b>7.08</b>
<b>EPRA Company specific Adjusted EPS, SEK</b>	<b>1.19</b>	<b>1.25</b>	<b>5.25</b>

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



## ALTERNATIVE PERFORMANCE MEASURES

SEK m	March 31, 2024	March 31, 2023	Full year 2023
<b>EPRA LTV</b>			
Non-current interest-bearing liabilities	7,100	6,500	7,300
Current interest-bearing liabilities	2,900	3,000	2,100
Working capital, net (if liabilities exceed receivables)	563	778	671
Cash and cash equivalents	-350	-426	-382
<b>Net debt according to EPRA LTV</b>	<b>10,213</b>	<b>9,852</b>	<b>9,689</b>
Investment properties	46,232	48,909	46,743
Intangible fixed assets	89	92	95
Working capital, net (if receivables exceed liabilities)	–	–	–
<b>Property valuation according to EPRA LTV</b>	<b>46,321</b>	<b>49,001</b>	<b>46,838</b>
<b>EPRA LTV, %</b>	<b>22.0</b>	<b>20.1</b>	<b>20.7</b>
<b>EPRA vacancy rate</b>			
Rental value for vacant space, in total	230	205	211
Rental value for vacant space, project	53	76	74
Total rental value	2,494	2,417	2,381
Vacancy rate, in total, %	9.2	8.5	8.8
Vacancy rate, project, %	2.1	3.1	3.1
<b>EPRA vacancy rate, %</b>	<b>7.1</b>	<b>5.4</b>	<b>5.7</b>

## PARENT COMPANY

### RESULT AND FINANCIAL POSITION

Net revenue amounted to SEK 410.5 million (393.8). The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new leases and renegotiations of offices. Since early 2022, net revenue has been charged with vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project.

Operating expenses amounted to SEK -208.5 million (-217.3). The decrease was attributable to lower maintenance costs. Gross profit was SEK 202.0 million (176.5). Net financial income and expense was SEK -65.8 million (-44.3).

Cash and cash equivalents at the end of the period amounted to SEK 339.1 million (419.0). Investments in properties and inventory amounted to SEK 143.4 million (172.4).

### 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	January- March 2024	January- March 2023	January- December 2023
Net revenue <sup>1)</sup>	410.5	393.8	1,585.9
Operating expenses	-208.5	-217.3	-934.2
<b>Gross profit</b>	<b>202.0</b>	<b>176.5</b>	<b>651.7</b>
Central administration	-13.1	-13.0	-53.2
Items affecting comparability <sup>2)</sup>	–	–	315.0
Changes in value, interest-rate derivatives	-0.2	–	–
<b>Operating profit</b>	<b>188.7</b>	<b>163.5</b>	<b>913.5</b>
Other financial income and expenses	-65.8	-44.3	-94.7
<b>Profit after financial items</b>	<b>122.9</b>	<b>119.2</b>	<b>818.8</b>
Appropriations	–	–	-72.8
<b>Profit before tax</b>	<b>122.9</b>	<b>119.2</b>	<b>746.0</b>
Tax	-26.4	-24.6	-71.0
<b>Profit for the period</b>	<b>96.5</b>	<b>94.6</b>	<b>675.0</b>
<b>Statement of comprehensive income</b>			
Profit for the period	96.5	94.6	675.0
Other comprehensive income	–	–	–
<b>Total comprehensive income for the period</b>	<b>96.5</b>	<b>94.6</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.

### BALANCE SHEET – SUMMARY

PARENT COMPANY, SEK m	March 31, 2024	March 31, 2023	December 31, 2023
Investment properties	9,209.3	8,713.3	9,108.4
Other non-current assets	6,598.1	6,084.3	6,599.1
Total non-current assets	15,807.4	14,797.6	15,707.5
Current assets	873.7	900.1	745.2
<b>Total assets</b>	<b>16,681.1</b>	<b>15,697.7</b>	<b>16,452.7</b>
Restricted equity	1,978.8	1,978.7	1,978.7
Non-restricted equity	2,115.0	1,984.4	2,564.8
Total equity	4,093.8	3,963.1	4,543.5
Untaxed reserves	48.3	51.0	48.3
Provisions	908.9	912.0	909.9
Non-current liabilities	7,413.1	6,596.6	7,609.2
Current liabilities	4,217.0	4,175.0	3,341.8
<b>Total equity and liabilities</b>	<b>16,681.1</b>	<b>15,697.7</b>	<b>16,452.7</b>

Stockholm, May 8, 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 Norrlandsplan, and which contains stores with high-class brand, restaurants and cafes.

**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 for 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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**HUFVUDSTADEN**