

# HUFVUDSTADEN

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DAGENS NYHETER

HUFVUDSTADEN

Q2

Half-year Report  
January - June 2024

# Half-year Report January-June 2024

- Net revenue from property management was SEK 1,049 million (1,004), an increase of 5 per cent. Including intra-Group rental revenue, net revenue from property management was SEK 1,147 million (1,101).
- Gross profit from property management increased by 4 per cent, totalling SEK 701 million (675). Including intra-Group rental revenue, gross profit from property management was SEK 799 million (771).
- Net result for the period was SEK -354 million (-1,372), equivalent to SEK -1.75 per share (-6.78). 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 a 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 -994 million (-2,295) 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 (5.6).
- The rental vacancy rate at the end of the period was 7.9 per cent (7.7). Excluding current development projects, the rental vacancy rate was 5.8 per cent (4.5).

## OPERATING EVENTS DURING THE SECOND QUARTER

In Kvarteret Johanna in Gothenburg, leases were signed 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 accountancy firm EY for approximately 2,300 square metres. Vinge will move in during the spring of 2026 and EY during the autumn of 2026.

In the Femman shopping centre in Gothenburg, a lease was signed with the smartphone case and jewellery concept DRM-LND for approximately 90 square metres of retail space. Partyland and Lundbergs Väsakor are both launching new ventures by moving to a new store space of approximately 100 square metres respectively expanding to a store space of approximately 190 square metres.

A new detailed development plan has gained legal force for the Orgelpipan 7 property, located at the Central Station in Stockholm. The detailed development plan enables an extension of approximately 3,000 square metres of rentable office space.

In Bibliotekstan, the Misshumasshu restaurant concept is expanding its operations and is therefore leasing a total of about 750 square metres in Birger Jarlspassagen.

The entire Rännilen block in Bibliotekstan was environmentally certified in accordance with BREEAM In-Use with a rating of Very Good. A total of 85 per cent of the property holdings are certified.

## PERFORMANCE MEASURES

SEK m	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net revenue, property management, gross	1,147	1,101	2,216
Rent revenue, intra-Group	-98	-97	-183
Net revenue, property management, net	1,049	1,004	2,033
Gross profit, property management	701	675	1,359
Unrealised changes in property value, investment properties	-994	-2,295	-4,042
Operating result	-283	-1,606	-2,256
Net result for the period	-354	-1,372	-1,927
Fair value of properties, SEK bn	46.2	47.8	46.7
Equity ratio, %	58	59	59
Net loan-to-value ratio, properties, %	22.2	20.6	20.9
Interest coverage ratio, multiple	4.4	5.6	4.9
EPRA vacancy rate, %	5.8	4.5	5.7
EPRA EPS, SEK	2.38	2.62	7.08
EPRA NRV per share, SEK	180	189	185
EPRA LTV, %	22.0	20.7	20.7



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We have noted a somewhat tentative office rental market during the spring, but we are pleased to observe sustained demand for our high-quality properties in attractive city locations. In Gothenburg, several letting processes are in progress in Kvarteret Johanna, our large project that is expected to be completed in 2026. Two companies that chose the block and have signed leases before the summer are the law firm Vinge and the advisory and accountancy firm EY.

In Stockholm, we are pleased with the new detailed development plan for Orgelpipan 7 that allows for an extension of approximately 3,000 square metres of office premises in the best communication location at the Central Station.

Lower inflationary pressure and the Riksbank's interest rate cuts have increased confidence in the pressed retail sector. Several brands and restaurants are investing in new or expanded premises in our attractive marketplaces Bibliotekstan, NK and Femman.

**Anders Nygren**  
PRESIDENT

## GROUP

### RESULTS

#### Property management

Net revenue from property management excluding intra-Group rents of SEK 97.9 million (96.6) totalled SEK 1,049.3 million (1,003.9) 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 -348.6 million (-329.1). Gross profit was SEK 700.7 million (674.8) 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 432.1 million (368.6). Costs excluding intra-Group rents of SEK -56.3 million (-58.6) were SEK -416.9 million (-353.6). Gross profit for NK Retail excluding intra-Group rental costs was SEK 15.2 million (15.0). 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 71.4 million (68.6). Costs exclud-

ing intra-Group rents of SEK -41.6 million (-38.0) were SEK -43.8 million (-43.7). Gross profit excluding intra-Group rental costs was SEK 27.6 million (24.9).

For further information, see Segment Reporting on page 10.

#### Other profit and loss items

Central administration totalled SEK -26.2 million (-25.6). Unrealised changes in the value of investment properties amounted to SEK -994.3 million (-2,295.0) and of interest-rate derivatives to SEK -6.2 million (-). For further information, see pages 4–6.

#### Financial income and expense

Financial income and expense totalled SEK -161.0 million (-118.8). Interest income was SEK 4.5 million (4.5). Borrowing costs totalled SEK -153.9 million (-111.7). Interest expenses for leasing, primarily ground rents, totalled SEK -11.6 million (-11.6). 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 90.5 million (352.2), of which SEK -74.5 million (-38.9) in current tax and SEK 165.0 million (391.1) 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 -353.7 million (-1,372.5). 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 June 30, 2024 was SEK 46,236 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 June 30, 2024 was 7.9 per cent (8.8 at year-end) and the total floor space vacancy rate was 12.0 per cent (12.9 at year-end). The rental vacancy rate, excluding current development projects (EPRA vacancy rate), totalled 5.8 per cent (5.7 at year-end).

## Acquisitions and investments

Total investments amounted to SEK 494.1 million (617.0). 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 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.

A new detailed development plan has gained legal force 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, a solar park and rain-water collection facilities will be installed on the extension roof. Planning will begin in the near future 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. At Inom Vallgraven 12:11, parts of the extension frame have reached the fourth floor and at Inom Vallgraven 12:10 the extension frame has reached full construction height. In this part of the block, the new building is sealed and work is in progress with the atrium and glass roof together with installation work. Lifts are partly in place and planning is ongoing for future tenant adaptations. The law firm Vinge has signed an office

lease at the top of the block, on floors 6 and 7 for approximately 2,500 square metres and access is scheduled for spring 2026. The advisory and accountancy firm EY has signed a lease for approximately 2,300 square metres of office space and access is scheduled for autumn 2026. Three service concepts have already signed leases in the block. The project comprises a total of approximately 31,600 square metres of rentable floor space, of which approximately 11,600 square metres was added in the project. Completion is expected during 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 -994.3 million (-2,295.0). The total value of the property holdings as of June 30, 2024 was SEK 46.2 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 first quarter of 2024 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, second 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> The Johanna project is located in the Inom Vallgraven 12 block that comprises 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 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: June 30, 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: June 30, 2024.

#### External valuation

To assure the quality of the valuation, external estimates were obtained from three independent valuation companies: Cushman & Wakefield, Forum Fastighetsekonomi, and Newsec Advice. The external valuations at June 30, 2024 comprised ten properties, equivalent to 31 per cent of the internally assessed fair value. The corresponding proportion at year-end was 47 per cent. The basis for selection was that the properties should represent variations in property category, town, location, technical

standard, and construction standard. The properties that underwent an external valuation at June 30, 2024 were Achilles 1, Grönlandet Södra 11, Kungliga Trädgården 5, Kvasten 2, Orgelpipan 7, Oxhuvudet 18, Pumpstocken 10 (part of) and Rännilen 19 (part of) in Stockholm, and Inom Vallgraven 10:9 (NK Gothenburg) and Nordstaden 8:24 (part of) in Gothenburg.

The external valuation companies set a fair value of SEK 14.9 billion. Hufvudstaden's internal valuation of the same properties was SEK 14.4 billion. The internal valuations thus concur well with the external valuations.

#### 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 34.3 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, June 30, 2024

	SEK m	SEK/share
Equity	27,888.6	138
<i>Reversal</i>		
Interest-rate derivatives	6.2	0
Recognised deferred tax <sup>1)</sup>	8,531.5	42
<b>EPRA NRV</b>	<b>36,426.3</b>	<b>180</b>
<i>Deduction</i>		
Intangible assets	-79.9	0
Estimated actual deferred tax 5%	-2,070.7	-10
<b>EPRA NTA</b>	<b>34,275.7</b>	<b>170</b>
<i>Reversal</i>		
Interest-rate derivatives	-6.2	0
Intangible assets	79.9	0
Recognised deferred tax <sup>1)</sup> less estimated actual deferred tax	-6,460.8	-32
<b>EPRA NDV</b>	<b>27,888.6</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 second quarter of the year. The market was cautious to some extent 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 rose slightly. 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.

The outcome from the Group's renegotiations was positive for office premises and negative for retail premises. During the period, a total of 43,500 square metres were renegotiated at an annual rental value of SEK 325 million. On average, the renegotiations resulted in a rent decrease of approximately 2 per cent, compared with indexed rent for 2024.

## FINANCING

Hufvudstaden's financing requirements are met through a number of the major Nordic banks and the capital market. Total borrowings as of June 30, 2024 amounted to SEK 9,900 million (9,400 at year-end). Interest-bearing net debt was SEK 9,541 million (9,018 at year-end). In addition, the lease liability according to IFRS 16 amounted to SEK 725 million (729 at year-end), and total net debt was SEK 10,266 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 SEK 800 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 June 30, 2024, cash and cash equivalents and unutilised loan commitments amounted to SEK 5,359 million, which covers all maturities in the capital market for the next two years.

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

Loan/facility type	Framework/ facility volume	
	Framework/ facility volume	Unutilised
MTN programme	12,000	4,900
Comm. paper programme	3,000	2,200
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 3.2 per cent (3.2 at year-end) including, and 3.0 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 4,800 million carries a fixed rate of interest. The fair value of all interest-rate derivatives as of June 30, 2024 amounted to SEK -6.2 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 156.4 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, June 30, 2024

Maturity, year	Credit, SEK m	AER, %	Proportion, %
<1	4,100	4.2 <sup>1)</sup>	42
1–2	1,800	1.7	18
2–3	1,500	1.6	15
3–4	500	3.9	5
4–5	2,000	3.4	20
<b>Total</b>	<b>9,900</b>	<b>3.2<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 3.0 per cent.

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

Maturity, year	Bank loans	Bonds/ Comm.paper	Total liabilities	Unutilised commitments
<1	1,000	3,100	<b>4,100</b>	1,000
1–2	–	1,800	<b>1,800</b>	1,000
2–3	–	1,500	<b>1,500</b>	2,000
3–4	1,000	500	<b>1,500</b>	1,000
4–5	–	1,000	<b>1,000</b>	–
<b>Total</b>	<b>2,000</b>	<b>7,900</b>	<b>9,900</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 6.1 billion in green financing, corresponding to 62 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 4.1 billion and bank loans amounted to SEK 2.0 billion. The goal is to gradually increase the proportion of green financing.

## SECOND QUARTER

Net revenue from property management excluding intra-Group rents of SEK 48.8 million (48.1) totalled SEK 525.7 million (501.0), an increase of 5 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 -171.1 million (-156.9). Gross profit from property management excluding intra-Group rents of SEK 48.8 million (48.1) totalled SEK 354.6 million (344.1).

Net revenue for NK Retail amounted to SEK 220.1 million (191.1). Costs excluding intra-Group rents of SEK -28.0 million (-29.1) were SEK -203.3 million (-176.3). Gross profit for NK Retail excluding intra-Group rental costs was SEK 16.8 million (14.8).

Net revenue for other operations amounted to SEK 36.0 million (34.3). Costs excluding intra-Group rents of SEK -20.8 million (-19.0) were SEK -22.6 million (-22.8). Gross profit excluding intra-Group rental costs was SEK 13.4 million (11.5).

Changes in the value of investment properties amounted to SEK -235.5 million (-1,388.6) and of interest-rate derivatives to SEK -6.0 million (-). Net financial income and expense totalled SEK -77.6 million (-66.6).

## 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 31,945 shareholders at the end of the period. The Class A share price as of June 30, 2024 was SEK 125.50, and total market capitalisation of all shares based on the Class A share price was SEK 26.5 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 half of 2024, no Class C shares were converted into Class A shares.

### Share structure, June 30, 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 June 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, June 30, 2024

Million shares	Total number of shares	Treasury shares	Other shareholders
January 1, 2024	211.3	9.0	202.3
Buyback	–	–	–
<b>June 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 security situation in the world has deteriorated sharply due to wars in Europe and the Middle East and increased regional geopolitical tension. Inflation in large parts of the world and in Sweden has declined recently. Several central banks have begun to 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

The recruitment of a new President for the subsidiary AB Nordiska Kompaniet, NK, is ongoing. The current President, Bo Wikare – who is also the Vice President of Hufvudstaden and a member of Senior Executives – will leave the company and Senior Executives on the last of August, 2024.

## 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

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 August 22, 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	April- June 2024	April- June 2023	January- June 2024	January- June 2023	January- December 2023
<b>Net revenue<sup>1)</sup></b>					
Property management, gross	574.5	549.1	1,147.2	1,100.5	2,216.0
Rent revenue, intra-Group	-48.8	-48.1	-97.9	-96.6	-182.9
Property management, net	525.7	501.0	1,049.3	1,003.9	2,033.1
Other segments	256.1	225.4	503.5	437.2	928.5
	<b>781.8</b>	<b>726.4</b>	<b>1,552.8</b>	<b>1,441.1</b>	<b>2,961.6</b>
<b>Property management expenses</b>					
Maintenance	-12.6	-9.1	-19.1	-22.4	-46.4
Operation and administration	-94.4	-87.0	-201.4	-185.0	-383.1
Property tax	-60.4	-59.2	-120.8	-118.5	-236.4
Depreciation	-3.7	-1.6	-7.3	-3.2	-7.8
<b>Property management expenses</b>	<b>-171.1</b>	<b>-156.9</b>	<b>-348.6</b>	<b>-329.1</b>	<b>-673.7</b>
Other segments, gross expenses	-274.7	-247.2	-558.6	-493.9	-1,001.6
Rental expenses, intra-Group	48.8	48.1	97.9	96.6	182.9
Other segments, net expenses	-225.9	-199.1	-460.7	-397.3	-818.7
<b>Operating expenses</b>	<b>-397.0</b>	<b>-356.0</b>	<b>-809.3</b>	<b>-726.4</b>	<b>-1,492.4</b>
<b>Gross profit</b>	<b>384.8</b>	<b>370.4</b>	<b>743.5</b>	<b>714.7</b>	<b>1,469.2</b>
– of which Property management	354.6	344.1	700.7	674.8	1,359.4
– of which Other segments	30.2	26.3	42.8	39.9	109.8
Central administration	-13.1	-12.6	-26.2	-25.6	-53.2
<b>Operating profit before items affecting comparability and changes in value</b>	<b>371.7</b>	<b>357.8</b>	<b>717.3</b>	<b>689.1</b>	<b>1,416.0</b>
Items affecting comparability <sup>2)</sup>	–	–	–	–	370.3
Changes in value, investment properties	-235.5	-1,388.6	-994.3	-2,295.0	-4,042.4
Changes in value, interest-rate derivatives	-6.0	–	-6.2	–	–
<b>Operating result</b>	<b>130.2</b>	<b>-1,030.8</b>	<b>-283.2</b>	<b>-1,605.9</b>	<b>-2,256.1</b>
Financial income and expense	-77.6	-66.6	-161.0	-118.8	-279.1
<b>Result before tax</b>	<b>52.6</b>	<b>-1,097.4</b>	<b>-444.2</b>	<b>-1,724.7</b>	<b>-2,535.2</b>
Tax	-10.2	224.3	90.5	352.2	608.0
<b>Net result</b>	<b>42.4</b>	<b>-873.1</b>	<b>-353.7</b>	<b>-1,372.5</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>42.4</b>	<b>-873.1</b>	<b>-353.7</b>	<b>-1,372.5</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	0.21	-4.31	-1.75	-6.78	-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	June 30, 2024	June 30, 2023	December 31, 2023
Investment properties	46,235.9	47,836.9	46,742.8
Right of use assets	723.9	711.0	727.9
Other non-current assets	161.0	174.7	183.5
<b>Total non-current assets</b>	<b>47,120.8</b>	<b>48,722.6</b>	<b>47,654.2</b>
Current assets	858.3	977.1	789.4
<b>Total assets</b>	<b>47,979.1</b>	<b>49,699.7</b>	<b>48,443.6</b>
Equity	27,888.6	29,343.3	28,788.6
Non-current interest-bearing liabilities	5,800.0	7,300.0	7,300.0
Deferred tax liabilities	8,409.8	8,862.1	8,574.8
Non-current leasing liabilities	718.2	704.1	721.0
Other non-current liabilities	105.5	97.6	99.7
Other provisions	26.3	28.7	28.7
<b>Total non-current liabilities</b>	<b>15,059.8</b>	<b>16,992.5</b>	<b>16,724.2</b>
Current interest-bearing liabilities	4,100.0	2,400.0	2,100.0
Current leasing liabilities	6.8	7.8	8.0
Other liabilities	923.9	956.1	822.8
<b>Total current liabilities</b>	<b>5,030.7</b>	<b>3,363.9</b>	<b>2,930.8</b>
<b>Total equity and liabilities</b>	<b>47,979.1</b>	<b>49,699.7</b>	<b>48,443.6</b>

## REPORT ON CHANGES IN EQUITY – SUMMARY

GROUP, SEK m	January- June 2024	January- June 2023	January- December 2023
Equity, opening balance	28,788.6	31,262.0	31,262.0
Total comprehensive income or loss for the period	-353.7	-1,372.5	-1,927.2
Dividend	-546.2	-546.2	-546.2
<b>Equity, closing balance</b>	<b>27,888.6</b>	<b>29,343.3</b>	<b>28,788.6</b>

## REPORT ON CASH FLOWS – SUMMARY

GROUP, SEK m	January- June 2024	January- June 2023	January- December 2023
Income before tax	-444.2	-1,724.7	-2,535.2
Depreciation/impairments	37.7	32.3	52.8
Items affecting comparability <sup>1)</sup>	–	–	-187.8
Changes in value, investment properties	994.3	2,295.0	4,042.4
Changes in value, interest-rate derivatives	6.2	–	–
Other changes	-2.4	-3.0	-2.4
Income tax paid	-74.5	-38.9	-70.4
<b>Cash flow from current operations before changes in working capital</b>	<b>517.1</b>	<b>560.7</b>	<b>1,299.4</b>
Increase/decrease in inventory	8.5	-3.1	-38.2
Increase/decrease in operating receivables	-111.4	-76.4	-9.6
Increase/decrease in operating liabilities	106.8	77.0	133.7
<b>Cash flow from current operations</b>	<b>521.0</b>	<b>558.2</b>	<b>1,385.3</b>
Investments in properties	-487.4	-585.1	-1,238.3
Investments in other non-current assets	-6.7	-31.9	-62.7
<b>Cash flow from investments</b>	<b>-494.1</b>	<b>-617.0</b>	<b>-1,301.0</b>
Loans raised	2,000.0	3,200.0	5,200.0
Amortisation of loan debt	-1,500.0	-2,500.0	-4,800.0
Amortisation of leasing debt	-4.0	-4.9	-8.7
Dividend paid	-546.2	-546.2	-546.2
<b>Cash flow from financing</b>	<b>-50.2</b>	<b>148.9</b>	<b>-154.9</b>
<b>Cash flow for the period</b>	<b>-23.3</b>	<b>90.1</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	359.1	543.1	382.4
Cash flow from current operations per share, SEK	2.58	2.76	6.85
Cash flow for the period per share, SEK	-0.12	0.45	-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-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
<b>Property management</b>										
Net revenue	740.7	696.1	243.9	240.5	162.6	163.9	-97.9	-96.6	1,049.3	1,003.9
Property management expenses	-159.4	-152.9	-134.5	-122.1	-54.7	-54.1			-348.6	-329.1
<b>Gross profit/loss property management</b>	<b>581.3</b>	<b>543.2</b>	<b>109.4</b>	<b>118.4</b>	<b>107.9</b>	<b>109.8</b>	<b>-97.9</b>	<b>-96.6</b>	<b>700.7</b>	<b>674.8</b>
<b>NK Retail</b>										
Net revenue			432.1	368.6					432.1	368.6
Expenses			-473.2	-412.2			56.3	58.6	-416.9	-353.6
<b>Gross profit/loss NK Retail</b>			<b>-41.1</b>	<b>-43.6</b>			<b>56.3</b>	<b>58.6</b>	<b>15.2</b>	<b>15.0</b>
<b>Other operations</b>										
Net revenue	22.1	22.6	49.3	46.0					71.4	68.6
Expenses	-23.6	-21.3	-61.8	-60.4			41.6	38.0	-43.8	-43.7
<b>Gross profit/loss other operations</b>	<b>-1.5</b>	<b>1.3</b>	<b>-12.5</b>	<b>-14.4</b>			<b>41.6</b>	<b>38.0</b>	<b>27.6</b>	<b>24.9</b>
Central administration									-26.2	-25.6
Changes in value, investment properties									-994.3	-2,295.0
Changes in value, interest-rate derivatives									-6.2	-
<b>Operating result</b>									<b>-283.2</b>	<b>-1,605.9</b>
Financial income and expense									-161.0	-118.8
<b>Result before tax</b>									<b>-444.2</b>	<b>-1,724.7</b>

## BREAKDOWN OF NET REVENUE

SEK m	Group			Parent Company		
	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Rent revenue	1,052.7	1,013.7	2,047.0	798.8	760.3	1,533.2
Service revenue	68.0	58.8	125.1	27.7	26.8	52.7
Sale of goods	432.1	368.6	789.5	-	-	-
<b>Total net revenue</b>	<b>1,552.8</b>	<b>1,441.1</b>	<b>2,961.6</b>	<b>826.5</b>	<b>787.1</b>	<b>1,585.9</b>

## PERFORMANCE MEASURES

GROUP	June 30, 2024	June 30, 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, %	7.9	7.7	8.8
Floor space vacancy rate, %	12.0	12.2	12.9
Fair value, SEK bn	46.2	47.8	46.7
Surplus ratio, %	69.6	70.1	69.6
Net operating income, SEK m	798.6	771.4	1,542.3
<b>Financial</b>			
Return on equity, %	0.3	-3.0	-6.4
Return on equity, adjusted, %	3.1	2.9	3.0
Return on capital employed, %	1.1	-2.2	-5.6
Equity ratio, %	58	59	59
Interest coverage ratio, multiple	4.4	5.6	4.9
Debt/equity ratio, multiple	0.4	0.3	0.3
Net loan-to-value ratio, properties, %	22.2	20.6	20.9
Gross margin, %	47.9	49.6	49.6
<b>Data per share</b>			
Net earnings per share for the period, SEK	-1.75	-6.78	-9.53
Equity, SEK	137.85	145.04	142.30
Properties, fair value, SEK	228.54	236.46	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	482	531	1,433
EPRA Company specific Adjusted Earnings, SEK m	482	531	1,063
EPRA EPS, SEK	2.38	2.62	7.08
EPRA Company specific Adjusted EPS, SEK	2.38	2.62	5.25
EPRA NRV (Net reinstatement value), SEK m	36,426.3	38,324.7	37,484.5
EPRA NRV per share, SEK	180	189	185
EPRA NTA (Net tangible assets), SEK m	34,275.7	36,050.3	35,279.3
EPRA NTA per share, SEK	170	178	175
EPRA NDV (Net disposal value), SEK m	27,888.6	29,343.3	28,788.6
EPRA NDV per share, SEK	138	145	142
EPRA LTV, %	22.0	20.7	20.7
EPRA vacancy rate, %	5.8	4.5	5.7

## PERFORMANCE MEASURES PER QUARTER

GROUP	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022
Share price, series A share, SEK	125.50	130.00	142.10	121.00	128.10	140.70	148.30	122.30
Net revenue, SEK m	782	771	799	722	726	715	746	672
Return on equity, %	0.5	0.8	-6.4	-4.4	-3.0	0.5	2.4	4.2
Return on equity, adjusted, %	3.3	2.9	3.1	3.1	3.0	2.8	2.9	2.9
Equity ratio, %	58	58	59	59	59	60	61	61
Gross margin, %	49.2	46.5	46.8	52.7	51.0	48.2	48.1	51.2
Surplus ratio, %	70.2	69.0	66.4	71.8	71.4	68.8	68.6	71.7
Net operating income, SEK m	403.4	395.2	373.1	397.8	392.2	379.2	370.3	364.9
Net profit or loss per share for the period, SEK	0.21	-1.96	-1.69	-1.05	-4.31	-2.47	-1.63	1.46
Equity per share, SEK	137.85	137.64	142.30	143.99	145.04	149.36	154.53	156.16
EPRA EPS, SEK	1.19	1.19	3.14	1.33	1.37	1.25	1.29	1.30
EPRA Company specific Adjusted EPS, SEK	1.19	1.19	1.31	1.33	1.37	1.25	1.29	1.30
EPRA NRV per share, SEK	180	180	185	188	189	195	201	203
EPRA LTV, %	22.0	22.0	20.7	20.8	20.7	20.1	18.7	18.4
Cash flow per share from current operations, SEK	1.74	0.84	3.43	0.66	1.25	1.51	1.01	1.36

## 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	June 30, 2024	June 30, 2023	Full year 2023
<b>Net asset value, see page 5.</b>			
<b>Return on equity, adjusted</b>			
Net result for the year	-354	-1,373	-1,927
Reversal of items affecting comparability and changes in value	1,001	2,295	3,672
Reversal of tax on items affecting comparability and changes in value	-206	-473	-833
<b>Net result for the period, adjusted</b>	<b>441</b>	<b>449</b>	<b>912</b>
<b>Recalculated to full year</b>	<b>882</b>	<b>898</b>	<b>912</b>
Average equity	28,560	30,527	30,026
<b>Return on equity, adjusted, %</b>	<b>3.1</b>	<b>2.9</b>	<b>3.0</b>
<b>Net debt</b>			
Non-current interest-bearing liabilities	5,800	7,300	7,300
Non-current leasing liabilities	718	704	721
Current interest-bearing liabilities	4,100	2,400	2,100
Current lease liabilities	7	8	8
Cash and cash equivalents	-359	-543	-382
<b>Net debt</b>	<b>10,266</b>	<b>9,869</b>	<b>9,747</b>
<b>Equity ratio</b>			
Equity	27,889	29,343	28,789
Total assets	47,979	49,700	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	10,266	9,869	9,747
Carrying amount, properties	46,236	47,837	46,743
<b>Net loan-to-value ratio, properties, %</b>	<b>22.2</b>	<b>20.6</b>	<b>20.9</b>
<b>Interest coverage ratio</b>			
Profit or loss before tax	112 <sup>1)</sup>	-1,154 <sup>1)</sup>	-2,535
Reversal of items affecting comparability and changes in value	1,001	2,295	3,672
Financial expense	331 <sup>1)</sup>	247 <sup>1)</sup>	289
<b>Total</b>	<b>1,444</b>	<b>1,388</b>	<b>1,426</b>
Financial expense	331 <sup>1)</sup>	247 <sup>1)</sup>	289
<b>Interest coverage ratio, multiple</b>	<b>4.4</b>	<b>5.6</b>	<b>4.9</b>
<b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>			
Operating result	-283	-1,606	-2,256
Reversal of changes in value	1,001	2,295	4,042
Financial income and expense	-161	-119	-279
<b>Earnings from property management</b>	<b>556</b>	<b>570</b>	<b>1,507</b>
Current tax, earnings from property management	-74	-39	-74
<b>EPRA Earnings (Earnings from property mgmt. after nom. tax)</b>	<b>482</b>	<b>531</b>	<b>1,433</b>
Reversal of items affecting comparability	-	-	-370
<b>EPRA Company specific Adjusted Earnings, SEK m</b>	<b>482</b>	<b>531</b>	<b>1,063</b>
Average number of outstanding shares, million	202.3	202.3	202.3
<b>EPRA EPS, SEK</b>	<b>2.38</b>	<b>2.62</b>	<b>7.08</b>
<b>EPRA Company specific Adjusted EPS, SEK</b>	<b>2.38</b>	<b>2.62</b>	<b>5.25</b>

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

## ALTERNATIVE PERFORMANCE MEASURES

GROUP, SEK m	June 30, 2024	June 30, 2023	Full year 2023
<b>EPRA LTV</b>			
Non-current interest-bearing liabilities	5,800	7,300	7,300
Current interest-bearing liabilities	4,100	2,400	2,100
Working capital, net (if liabilities exceed receivables)	671	746	671
Cash and cash equivalents	-359	-543	-382
<b>Net debt according to EPRA LTV</b>	<b>10,212</b>	<b>9,903</b>	<b>9,689</b>
Investment properties	46,236	47,837	46,743
Intangible fixed assets	80	95	95
Working capital, net (if receivables exceed liabilities)	–	–	–
<b>Property valuation according to EPRA LTV</b>	<b>46,316</b>	<b>47,932</b>	<b>46,838</b>
<b>EPRA LTV, %</b>	<b>22.0</b>	<b>20.7</b>	<b>20.7</b>
<b>EPRA vacancy rate</b>			
Rental value for vacant space, in total	198	182	211
Rental value for vacant space, project	54	76	74
Total rental value	2,505	2,360	2,381
Vacancy rate, in total, %	7.9	7.7	8.8
Vacancy rate, project, %	2.1	3.2	3.1
<b>EPRA vacancy rate, %</b>	<b>5.8</b>	<b>4.5</b>	<b>5.7</b>

## PARENT COMPANY

### RESULT AND FINANCIAL POSITION

Net revenue amounted to SEK 826.5 million (787.1). 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 -310.7 million (-466.3). The decrease was attributable to lower maintenance costs. Gross profit was SEK 515.8 million (320.8). Net financial income and expense was SEK -125.7 million (-102.8).

Cash and cash equivalents at the end of the period amounted to SEK 342.1 million (530.1). Investments in properties and inventory amounted to SEK 402.7 million (349.3).

### 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	April- June 2024	April- June 2023	January- June 2024	January- June 2023	January- December 2023
Net revenue <sup>1)</sup>	416.0	393.3	826.5	787.1	1,585.9
Operating expenses	-102.2	-249.0	-310.7	-466.3	-934.2
<b>Gross profit</b>	<b>313.8</b>	<b>144.3</b>	<b>515.8</b>	<b>320.8</b>	<b>651.7</b>
Central administration	-13.1	-12.6	-26.2	-25.6	-53.2
Items affecting comparability <sup>2)</sup>	–	-51.4	–	-51.4	315.0
Changes in value, interest-rate derivatives	-6.0	–	-6.2	–	–
<b>Operating profit</b>	<b>294.7</b>	<b>80.3</b>	<b>483.4</b>	<b>243.8</b>	<b>913.5</b>
Other financial income and expenses	-59.9	-58.5	-125.7	-102.8	-94.7
<b>Profit after financial items</b>	<b>234.8</b>	<b>21.8</b>	<b>357.7</b>	<b>141.0</b>	<b>818.8</b>
Appropriations	–	–	–	–	-72.8
<b>Profit before tax</b>	<b>234.8</b>	<b>21.8</b>	<b>357.7</b>	<b>141.0</b>	<b>746.0</b>
Tax	-48.0	-6.3	-74.4	-30.9	-71.0
<b>Profit for the period</b>	<b>186.8</b>	<b>15.5</b>	<b>283.3</b>	<b>110.1</b>	<b>675.0</b>
<b>Statement of comprehensive income</b>					
Profit for the period	186.8	15.5	283.3	110.1	675.0
Other comprehensive income	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>186.8</b>	<b>15.5</b>	<b>283.3</b>	<b>110.1</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 quarter 2, 2023 and half year 2023 refers to the disposal of parts of a building in the Inom Vallgraven 12 block.

### BALANCE SHEET – SUMMARY

PARENT COMPANY, SEK m	June 30, 2024	June 30, 2023	December 31, 2023
Investment properties	9,420.9	8,794.6	9,108.4
Other non-current assets	6,594.5	6,084.4	6,599.1
Total non-current assets	16,015.4	14,879.0	15,707.5
Current assets	805.6	963.0	745.2
<b>Total assets</b>	<b>16,821.0</b>	<b>15,842.0</b>	<b>16,452.7</b>
Restricted equity	1,978.7	1,978.7	1,978.7
Non-restricted equity	2,301.8	1,999.9	2,564.8
Total equity	4,280.5	3,978.6	4,543.5
Untaxed reserves	48.3	51.0	48.3
Provisions	908.4	909.2	909.9
Non-current liabilities	6,114.8	7,391.5	7,609.2
Current liabilities	5,469.0	3,511.7	3,341.8
<b>Total equity and liabilities</b>	<b>16,821.0</b>	<b>15,842.0</b>	<b>16,452.7</b>

## BOARD CERTIFICATION

The Board of Directors and the President hereby certify that this Half-Year Report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, August 22, 2024

**Fredrik Lundberg**  
*Chairman*

**Claes Boustedt**  
*Board Member*

**Peter Egardt**  
*Board Member*

**Liv Forhaug**  
*Board Member*

**Louise Lindh**  
*Board Member*

**Katarina Ljungqvist**  
*Board Member*

**Anders Nygren**  
*President and  
Board Member*

**Fredrik Persson**  
*Board Member*

**Sten Peterson**  
*Board Member*

## AUDITOR'S REVIEW REPORT

Hufvudstaden AB (publ), Corp. Reg. No. 556012-8240

### Introduction

We have reviewed the condensed interim financial information (Half-Year Report) for Hufvudstaden AB (publ) as at June 30, 2024 and the six-month period then ended. The Board of Directors and the President are responsible for the preparation and fair presentation of this Half-Year Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this Half-Year Report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily involving persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different orientation and is substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. An opinion based on a review therefore does not have the certainty of an opinion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Half-Year Report for the Group has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, August 22, 2024  
PricewaterhouseCoopers AB

Magnus Svensson Henryson  
*Authorised Public Accountant*

## 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, 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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Website: [www.hufvudstaden.se/en/](http://www.hufvudstaden.se/en/)  
Company registration number: 556012-8240  
Registered office: Stockholm



**HUFVUDSTADEN**