

# INTERIM REPORT

January–March 2024



## SUMMARY

## Willhem reports continued stable net operating income

- Revenue increased to SEK 735 million (699), up 5.2%.
- Net operating income totalled SEK 424 million (395), up 7.3%. For the comparable property portfolio, net operating income rose 5.8%.
- Unrealised changes in the value of the properties during the period amounted to SEK –695 million (–2,108), corresponding to a value decline of –1.2% (–3.5).
- The change in the value of financial instruments amounted to SEK 196 million (–389).
- Profit/loss after tax for the period totalled SEK –272 million (–1,753).
- The market value of the properties was SEK 56,154 million (58,138) at the end of the period.
- Investments in the property portfolio amounted to SEK 285 million (355), of which SEK 153 million (209) relates to investments in existing properties and SEK 132 million (146) to property development.
- In February, Willhem received an unconditional shareholder contribution of SEK 1.0 billion from Första AP-fonden.

Viksjö 2:595, Stockholm



## This is Willhem

Willhem owns, manages and develops secure, sustainable residential properties in 13 growth regions in Sweden. We believe in a world with rental apartments for people to enjoy and be proud of. A home for everyone.

Since the outset in 2011, we have had a clear ambition to think innovatively and from a new perspective. We wanted to be inspired by other industries and create a residential real estate company for a new era. After more than a decade of business, we can look back on a journey that has made us into one of Sweden's leading private residential real estate companies.

Our starting point is the needs and expectations of customers, owners and society. The result is a living space that is economically, socially and environmentally sustainable and that creates long-term, secure and high returns for our owner, Första AP-fonden.

Number of apartments

**29,097**

Net operating margin

**57.7%**

Average total return over 10 years 2013–2023

**8.6%**

Market value of properties, SEK million

**56,154**

Loan-to-value ratio

**51.6%**

Reduction in energy consumption kwh per sq m since 2012

**–32.8%**



## CEO COMMENTS

## Stable with hopeful prospects

**The year began well and we can see that the positive trend for net operating income has continued into the first quarter. This was mainly due to stable revenue performance and good cost control. The change in the market value of properties remains negative but the pace of the decline has slowed.**

Even if we still find ourselves in an uncertain market, there are positive indications. One bright spot is that we can assume that we will soon see an interest rate cut. Many also believe that property values will not need to be amortised much more and this is naturally a very welcome signal. During the first quarter, we continued to focus on maintaining our key metrics and retaining a strong net operating income. Considering the challenges we faced, I am highly satisfied with our positive performance.

Net operating income increased 7.3% compared with the preceding year and totalled SEK 424 million. The increase for the comparable property portfolio was 5.8% year-on-year. The change in the value of properties amounted to SEK –695 million and the property value amounted to SEK 56,154 million on the balance-sheet date.

### Strong economy

Financial strength and a strong rating are crucial for us, particularly in this market. These issues were addressed in part through two unconditional capital contributions of SEK 1 billion each from our owner Första AP-fonden, the first in the final quarter of 2023 and the second in the first quarter of 2024. The contributions were used to repay loans that fall due during the year. We are active in repurchasing bonds that fall due in 2024 and refinancing the repurchased bonds with longer maturity periods. This offers us a good starting point as we move forward.

We have essentially completed this year's rent negotiations in all of our locations. Even if the outcome varies, we are as satisfied as we can be given the highly unpredictable process.



## CEO COMMENTS



**“The value of being visible on major platforms becomes even more important in these times. In February, we resolved to join HomeQ for our residential letting.”**

### Focus on digital development

We have already taken a strategic decision to renew the entire system environment to create an effective platform that will better meet future requirements and needs. With the implementation of Microsoft Dynamics 365 as our new core system for letting, case management and finances, we are taking a major step to digitalise and streamline our processes. We have now passed a milestone as we begin the development and implementation and aim to have the new platform in place in 2025.

The value of being visible on major platforms becomes even more important in times such as these. In February, we resolved to join HomeQ for our residential letting. This was in part to ensure that we obtain a wider reach for our residential properties, and also to streamline and further develop our letting process. Several digitisation projects are under way internally. The latest initiative, automated leasing of parking spaces, has produced good results.

### New projects

Property development remains cautious, but projects in production are progressing well. We are now preparing to start a conversion project in Västerås with 54 apartments. Our own Karmen 5 project in Karlstad is nearing completion. At the end of the period, we had 525 apartments in production, of which 293 were on a proprietary basis, and a portfolio of building rights that have entered legal force for just under 800 apartments.

In parallel, we are continuing to develop our Willhemlyft with a high level of profitability. The container logistics solution we have developed makes this an efficient and sustainable way to renovate. This leads to environmental savings such as less transportation and material waste and more efficient use of surplus materials.

### Sustainable for the future

We are preparing to report our sustainability initiatives in accordance with the new CSRD standard. This is a very thorough process that offers us new insights that we can take with us to make the sustainability practices even more concrete. We have carried out an overall analysis of climate risks linked to our properties. In the next stage, we are now studying in-depth analyses and action plans for the properties considered as high risk. Another focus area is to reduce energy use. Intensive work is under way here at local and central levels with the energy-optimisation of our properties.

In March, several stakeholders active in Skäggetorp and Biskopsgården met to learn from one another about social initiatives in risk areas and particularly vulnerable areas. There is the will and desire and action plans are being drawn up. Our security officers will soon be in place in Biskopsgården. As always in the spring, we are currently seeking inquisitive summer workers (Sw: minibovårdar) who can help us to create well-being in our neighbourhoods during the summer.

### Positive culture

I am proud to see how all of the committed employees are working hard to contribute in this challenging situation. Work is ongoing to strengthen the organisation by creating a central sales function that will work proactively in letting our apartments. In addition, we are also strengthening important key roles in property management, letting and rental law.

A good start to the year lays the foundation for a positive continuation. We are continuing to focus on the key topics and I am very confident that the investments we are making will result in an even more robust Willhem.

Mariette Hilmersson  
Chief Executive Officer

## VISION AND TARGETS

## Broad perspective for long-term value creation



### Vision

Rental apartments for people to enjoy and be proud of – a home for everyone.

### Business idea

Willhem owns, manages and develops safe, sustainable residential properties in growth regions in Sweden, offering a level of service that makes life easier for tenants.

### Targets



#### Finances

Willhem's target is to provide a stable total return that is higher than other privately-owned residential real estate companies.



#### Customers

Willhem is to have customers that are satisfied and loyal, who choose us and recommend us to others because we provide attractive and secure residentials and offer good service.



#### Property

Willhem's property portfolio is to be sustainable in the long term, and comprise well-maintained and attractive residential properties in carefully chosen growth regions in Sweden.



#### Employees

Willhem is to be the most attractive employer in the residential property sector, our employees recommend us to others.



#### Operating environment

Willhem is to be seen as an innovative and reliable company with a long-term perspective that contributes to sustainable development.

### Core values

#### Value creating

We create value for our customers by constantly developing our offering. We create value for our owners by working efficiently and refining the portfolio in the long term. We create value for our employees through an open and creative corporate culture.

#### Business minded

We think and act with a long-term perspective, always aiming for increased profitability. Each decision is appraised from an overall perspective.

#### Customer focused

We base our actions on what is important to the customer and strive to exceed customer expectations. We treat customers with respect, are straightforward in our dealings and responsive. In all interaction, we are engaged, inquisitive and true to our word.

#### Innovative

We are creative, daring, see opportunities where others see problems and have the courage to try new and different ideas that benefit our customers. We have a high level of motivation and job satisfaction facilitated by an accepting environment.

#### Responsible

We act with responsibility and respect towards Willhem as a company, our customers and our surroundings, by minimising the impact we have on the environment, taking a long-term approach to managing and developing our properties, and creating sustainable and safe neighbourhoods.

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## SUSTAINABILITY INFORMATION

## Sustainability on several fronts

**Willhem is firmly committed at each stage to being responsive to external demands and takes responsibility for an economically, environmentally and socially sustainable development.**

### Willhem's sustainability initiatives

The platform for our sustainability agenda rests on ten identified areas of sustainability, where each area contributes to one or more of the UN's 17 Sustainable Development Goals.

The long-term economic value creation is conditional upon operations that are environmentally and socially sustainable and each area of sustainability has therefore a clear link to one of our five overall perspectives.

### Measurable objectives important

Each area of sustainability is also broken down into one or more measurable objective that ensures that our sustainability practices reach all the way out into day-to-day operations.

A selection of these objectives and outcomes for 2023 is shown to the right.

### Guidance and policies

Willhem is to act responsibly and with respect to customers and its surroundings. Support and guidance are offered in various Codes of Conduct, guidelines and policies. These include Global Compact's ten principles, our core values and our Policy for sustainable development.

> Read more about our sustainability reporting in Willhem's Annual and Corporate Responsibility Report 2023.

### Finances

#### Total return

Long-term target: >5.5%  
Outcome 2013-2023: 8.6%

### Customer

#### Service index

Long-term target: >82.0%  
Outcome 2023: 81.5%

### Property

#### Energy consumption

Long-term target: 72 kWh/sq m Atemp  
Outcome 2023: 97 kWh/sq m Atemp

### Employees

#### ENPS

Long-term target: 40 units  
Outcome 2023: 31 units

### Operating environment

#### Emissions

Long-term target: Net zero emissions in Scope 1 and 2 by 2030  
Outcome 2023: -37% tonnes of CO<sub>2</sub>e since base year 2018



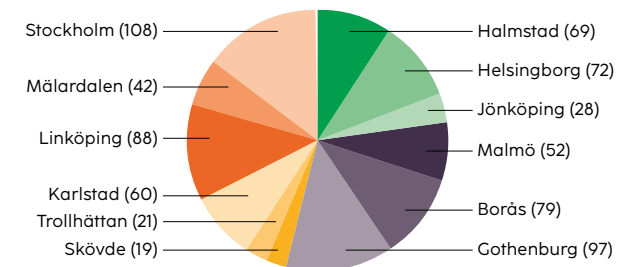
## CONSOLIDATED FINANCIAL REPORTING

## Consolidated income statement

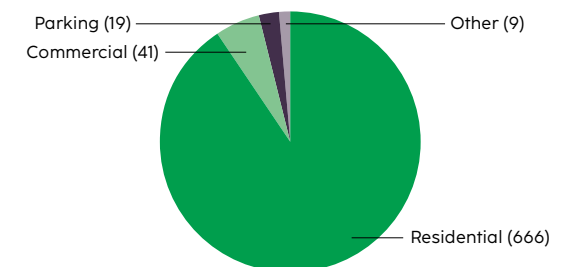
Amounts in SEK m	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Rental revenues	735	699	2,860
Operating expenses	–226	–214	–683
Repairs and maintenance	–25	–35	–88
Property administration	–46	–42	–175
Property tax	–14	–13	–53
<b>Total property expenses</b>	<b>–311</b>	<b>–304</b>	<b>–999</b>
<b>Net operating income</b>	<b>424</b>	<b>395</b>	<b>1,861</b>
Corporate administration expenses	–23	–24	–103
Other operating expenses	0	0	–1
<b>Operating profit</b>	<b>401</b>	<b>371</b>	<b>1,757</b>
Interest income	18	3	100
Interest expense	–207	–185	–809
Leasehold fee	–4	–4	–16
Exchange rate effects	7	118	114
Other financial expenses	–22	–10	–103
<b>Total financial items</b>	<b>–208</b>	<b>–78</b>	<b>–714</b>
<b>Income from property management</b>	<b>193</b>	<b>293</b>	<b>1,043</b>
Change in value of investment properties, unrealised	–695	–2,108	–5,227
Change in value of investment properties, realised	–	–	–
Change in value of financial instruments	196	–389	–1,114
<b>Total change in value</b>	<b>–499</b>	<b>–2,497</b>	<b>–6,341</b>
<b>Profit/loss before tax</b>	<b>–306</b>	<b>–2,204</b>	<b>–5,298</b>
Tax	34	451	989
<b>Profit/loss for the period</b>	<b>–272</b>	<b>–1,753</b>	<b>–4,309</b>

Profit for the period corresponds to comprehensive income for the Group.

Rental revenue per area 31 March 2024, SEK m



Rental revenue per category of revenue 31 March 2024, SEK m



## CONSOLIDATED FINANCIAL REPORTING

### Rental revenues

The Group's rental revenues rose to SEK 735 million (699), up 5.2%. The increase is due in part to growth in the property portfolio, but also to annual rent increases and the investments made in properties that have resulted in higher rents. For the comparable property portfolio, rental revenues rose SEK 23 million, up 3.2%.

The economic occupancy rate for residential housing was 98.0% (98.9). The total occupancy rate for the entire property portfolio, including commercial premises and other areas, amounted to 97.4% (98.2).

### Property expenses

Property expenses amounted to SEK –311 million (–304). Operating expenses were SEK 12 million higher compared to the previous year. This was mainly due to high maintenance costs as well as higher tariff-based costs. Repairs and maintenance were SEK 10 million lower compared to the previous year, largely as less maintenance work was performed due to the economic situation.

For the comparable portfolio, property expenses were SEK 0.3 million lower, maintenance and water costs had a negative impact on the period while reduced maintenance work had a positive impact on the period.

Operating expenses normally vary with the seasons, with higher costs in the first and fourth quarters, compared with the other quarters, when costs for heating and property management are higher.

### Net operating income

Net operating income for the period totalled SEK 424 million (395), up 7.3%. The improvement in net operating income is due to increased rental revenues. The net operating margin for the period was 57.7% (56.5). For the comparable property portfolio, net operating income rose SEK 23 million compared with the preceding year, up 5.8%.

### Corporate administration expenses

Central administration costs amounted to SEK –23 million (–24).

### Financial items

Interest income for the period amounted to SEK 18 million (3) and interest expenses amounted to SEK –207 million (–185).

Other financial expenses amounted to SEK –22 million (–10) and the period's exchange rate effects on bonds in NOK amounted to SEK 7 million (118). Currency risk is managed with currency derivatives, which means that when the bonds expire there are no currency effects.

The average interest rate was 2.7% (2.2). The interest coverage ratio for the period was 1.9 (1.9).

### Change in value of investment properties

Unrealised changes in the value of the properties during the quarter amounted to SEK –695 million (–2,108), corresponding to a value decline of –1.2% (–3.5). The negative value performance is mainly attributable to changed yield requirements and cash flow. The average weighted yield was 3.9% (3.5).

### Change in value of financial instruments

The value of derivatives increased SEK 196 million (–389), mainly due to changes in the interest-rate market. The change in value of the electricity derivatives was SEK –7 million (–42) at the end of the period.

### Tax

Current and deferred tax have been calculated based on a nominal tax rate of 20.6%.

The total tax expense for the period was SEK 34 million (45), of which deferred tax amounted to SEK 34 million (45) and current tax to SEK 0 million (0). The deferred tax is mainly attributable to the period's unrealised value change, temporary differences on investment properties and financial instruments.



**“The Group's net operating income rose to SEK 424 million (395), up 7.3%.”**

### Profit/Loss

Income from property management for the year's first quarter totalled SEK 193 million (293), a reduction of SEK 100 million due to higher financial expenses. Profit/loss after tax for the period totalled SEK –272 million (–1,753), mainly due to the negative changes in the value of the properties and as financial instruments are lower compared to the previous year.

The presentation of the consolidated income statement was changed in this interim report. Operating profit/loss is now recognised excluding changes in the value of investment properties, income from property management has been added and includes operating profit/loss and financial items and all changes in value are recognized thereafter.

## CONSOLIDATED FINANCIAL REPORTING

## Consolidated balance sheet

Amounts in SEK m	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	56,154	58,138	56,497
Right-of-use assets, leaseholds	543	510	510
Equipment	7	8	7
Intangible assets in progress	24	4	12
Derivatives	807	1,162	679
Non-current receivables	103	93	103
<b>Total non-current assets</b>	<b>57,638</b>	<b>59,915</b>	<b>57,808</b>
<b>Current assets</b>			
Inventory	26	11	27
Other current receivables	341	390	330
Derivatives	1	47	5
Cash and cash equivalents	1,424	2,319	2,313
<b>Total current assets</b>	<b>1,792</b>	<b>2,767</b>	<b>2,675</b>
<b>Total assets</b>	<b>59,430</b>	<b>62,682</b>	<b>60,483</b>

Amounts in SEK m	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Equity and liabilities</b>			
<b>Equity attributable to Parent Company shareholders</b>			
Equity	22,993	23,821	22,265
<b>Total equity</b>	<b>22,993</b>	<b>23,821</b>	<b>22,265</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	19,339	21,688	19,505
Deferred tax liability	4,696	5,268	4,730
Derivatives	218	78	290
Right-of-use liabilities, leaseholds	543	510	510
<b>Total non-current liabilities</b>	<b>24,796</b>	<b>27,544</b>	<b>25,035</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	11,034	10,656	12,495
Derivatives	12	–	11
Other non-interest-bearing liabilities	595	661	677
<b>Total current liabilities</b>	<b>11,641</b>	<b>11,317</b>	<b>13,183</b>
<b>Total equity and liabilities</b>	<b>59,430</b>	<b>62,682</b>	<b>60,483</b>

## CONSOLIDATED FINANCIAL REPORTING

## Investment properties

### Property market

The business environment remains turbulent as a result of the prevailing unstable geopolitical landscape. The situation for the housing market remains difficult with high financing costs for many property companies. Insecurity and uncertainty still remain in the market, although the outlook on the future is slightly more positive. Better conditions in the bond market for many property companies and optimism concerning falling market interest rates have resulted in a more positive outlook in the housing market.

The inflation rate continued to decline towards the Riksbank's long-term inflation target of 2.0% and in March was 2.2% (CPIF). In the same month last year, inflation was 8.0%. The Riksbank left the key interest rate unchanged at the end of March at 4.0%. At its latest meeting, the Riksbank made a sharp downward revision to its rate path, and it is now more in line with market expectations for when and how quickly interest rates will be cut. The next monetary policy meeting, when a decision is to be taken on the key interest rate, will take place at the beginning of May and thereafter at the end of June.

Transaction volume in the Swedish property market totalled SEK 27 billion during the first quarter. The year began with a relatively low volume compared with the same period during the stronger years between 2019–2022 but was higher than the first quarter last

year. The transaction market for residential housing remains cautious where sellers and buyers are attempting to agree on the price level even if the gap has narrowed at the start of the year. The share of residential property transactions of the total volume was only 17%, which is a lower share compared with recent years. Offices was the segment with the highest volume of sales with approximately 22% of the total transaction volume closely followed by warehousing, logistics and industry, which accounted for approximately 21% of volume. Foreign investors accounted for approximately 18% of the total transaction volume to date this year.

There has been a significant decrease in housing construction over the past year. The Swedish Board of Housing Building and Planning will publish a new forecast during the spring, but in its latest forecast from October last year it estimated that construction of new residential properties would fall by half in 2023 to approximately 27,000 new apartments and that the pace would decline further in 2024 to fewer than 20,000 apartments. Construction demand was estimated around that time as approximately 67,000 new residential properties per year until 2030. In June 2023, the government set up an investigation that will review the rule for how presumption rents could be changed to create favourable conditions for the construction of rental apartments. The investigation is scheduled to be completed in September of this year.

### Our properties

Willhem owns and manages 552 properties (552) in carefully chosen growth regions in Sweden. The property portfolio was valued internally on 31 March 2024. The estimated market value was SEK 56,154 million (58,138). The total lettable area was 1,977,499 sq m, of which 92.9% relates to residential housing.

### Valuation

Unrealised changes in value during the period amounted to SEK –695 million (–2,108), corresponding to a value decline of –1.2% (–3.5). The average weighted yield was 3.9% (3.5). The yield for residential properties amounted to 2.4–5.7% (2.1–4.6) and for commercial properties to 3.8–10.0% (3.5–10.1).

In accordance with Willhem's valuation model, the properties are subject to external valuation once per year at the end of the year. The valuation institutes engaged were Savills Sweden AB and Newsec Advice AB. An internal valuation is performed for the other quarters. The value assessment, both for external and for internal valuations, is derived from a cash-flow statement whereby the property's value is based on the present value of the forecast cash flows together with the residual value after the end of the calculation horizon. Valuation is conducted in accordance with level 3 of the fair value hierarchy in IFRS 13.

### Investments

Investments in the property portfolio amounted to SEK 285 million (355), of which SEK 153 million (209) relates to investments in existing properties and SEK 132 million (146) to property development. Willhemlyft accounted for SEK 45 million (76) of investments in existing property.

During the first quarter of the year, final payments of previous acquisitions were also made, bringing the net amount for acquisitions for the period to SEK 67 million (5).

### Investment properties

SEK million	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Market value at the beginning of the period	56,497	59,886	59,886
+ Acquisitions (incl. acquisition costs)	67	5	233
+ Investments in existing property	153	209	985
+ Investments in development projects	132	146	620
+ Unrealised changes in value	–695	–2,108	–5,227
– Divestments	–	–	–
<b>Market value at the end of the period</b>	<b>56,154</b>	<b>58,138</b>	<b>56,497</b>

## CONSOLIDATED FINANCIAL REPORTING

**Development projects**

Willhem's property development comprises proprietary projects and acquired projects. On the balance-sheet date, 293 apartments were in ongoing property projects on a proprietary basis and 232 apartments were in acquired projects.

**Ongoing development projects**

Property	Location	Type of project	Number of apartments	Residential area, sq m	Approved investment, SEK million	Costs incurred, SEK million	Planned occupancy
Karmen 5	Karlstad	Development project	78	3,900	140	120	Q2 2024
Smedjan 2	Ursvik	Development project*	232	10,334	662	532	Q4 2024-Q1 2025
Kviberg 28:4	Gothenburg	Development project	50	1,792	90	65	Q4 2024
Krusbäret 1	Halmstad	Development project	165	5,802	295	116	Q2 2025
<b>Total ongoing</b>			<b>525</b>	<b>21,834</b>	<b>1,187</b>	<b>833</b>	

\* Acquired development project



## CONSOLIDATED FINANCIAL REPORTING

# Financing

## Financial market

The interest-rate market recovered in the new year and long-term interest rates rose more than 30 basis points in Sweden during the quarter. As expected, inflation fell and the Swedish krona continued to be weak. In the US, the labour market remained surprisingly strong and the FED is now not expected to reduce the key interest rate until September. Eurozone inflation continued to fall as anticipated and the ECB announced that the first interest rate cut may occur in June.

The Purchasing Managers Index (PMI) for the industrial sector in Sweden rose to 50.0 in March compared with 49.2 in the preceding month. Order intake improved during the quarter and production plans became more expansive. The PMI for the service sector increased to 53.9 from 51.2 in February. This was the highest level for two years.

The Riksbank left the key interest rate unchanged in March at 4% but reduced the rate path and inflation forecast. The forecast is suggesting a reduction in the key interest rate during the second quarter of this year.

The stock exchange's OMX 30 index rose by 5.1% during the first quarter. The first quarter ended with flat share prices and rising long-term interest rates.

## Cash and cash equivalents and interest-bearing liabilities

Cash and cash equivalents totalled SEK 1,424 million (2,319) at the end of the period. In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 18,600 million (18,100).

The Group's interest-bearing liabilities totalled SEK 30,373 million (32,344). Financing via the capital markets through bonds and certificates accounted for 64.3% of financing.

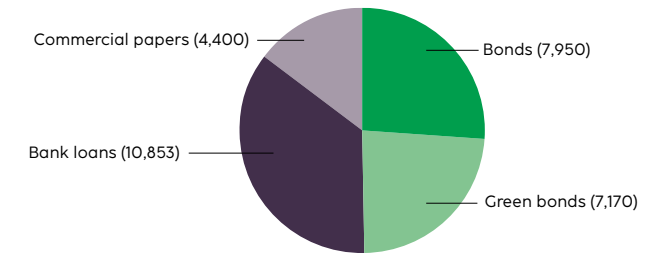
The loan-to-value ratio was 51.6% (51.6). According to Willhem's financial target, this should be below 60.0%. The average interest rate was 2.7% (2.2) on the balance-sheet date. The average fixed-interest tenor was 3.5 years (3.5) and the percentage of fixed-interest maturity was 25.2% (26.7) in the next 12 months.

The loan-to-maturity period was 2.4 years (2.4) and taking into account the commitments, the adjusted loan-to-maturity period was 3.6 years (3.2). The interest coverage ratio was 1.9 (1.9). The interest coverage ratio, rolling 12 month, was 2.2. Willhem's financial target is that this is to exceed 2.0.

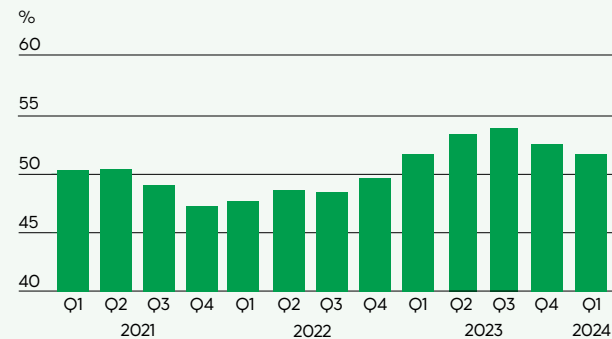
The company is subject to a number of covenants, meaning conditions required by a lender to provide credit, and if the conditions are not met, the credit falls due. All of the company's covenants were met during the quarter.

The market value of bonds totalled SEK 14,764 million (16,948). Given that the value is derived from an observable market, the valuation is conducted in accordance with level 2 of the fair value hierarchy in IFRS 13.

## Sources of financing



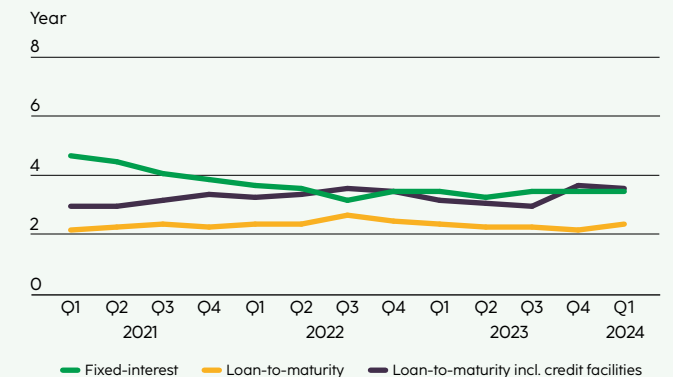
## Loan-to-value ratio



## Average interest rate



## Fixed-interest and loan-to-maturity



## CONSOLIDATED FINANCIAL REPORTING

Hörnan 2, Halmstad



## Financing (cont.)

## Interest and capital maturity structure

	Interest maturity	Interest, %	Capital maturity
Within 1 year*	7,687	5.6	11,035
1–2 years	3,400	1.3	3,979
2–3 years	4,400	1.0	4,471
3–4 years	4,628	2.2	4,087
4–5 years	2,770	1.7	3,570
5–6 years	1,700	0.6	2,743
6–7 years	2,180	1.5	380
7–8 years	100	2.6	–
8–9 years	1,050	2.9	–
9–10 years	1,500	3.1	–
10–11 years	850	2.8	–
11–12 years	–	–	–
12–30 years	200	1.8	200
<b>Total</b>	<b>30,465</b>	<b>2.7</b>	<b>30,465</b>

\* Interest rates shorter than one year are not comparable with other durations, the average interest rate also includes credit margins with longer maturity periods. Capital maturity of SEK 11,035 million includes SEK 4,400 million in certificates. The statement of financial position included interest-bearing liabilities of SEK 30,373 million, the difference compared with the above table pertains to arrangement fees of SEK –30 million and exchange rate translation concerning foreign bonds of SEK –62 million.

## Green financing

At the end of the period, green bonds amounted to SEK 7,170 million (6,800), which accounts for 47.4% of Willhem's total bonds outstanding.

## Derivatives

The net market value of the Group's derivatives totalled SEK 578 million (1,131), of which SEK 808 million is recognised as an asset and SEK –230 million as a liability in the Group's statement of financial position. Net interest-rate and currency derivatives totalled SEK 584 million (1,113), of which SEK 807 million was recognised as an asset on the balance-sheet date.

Electricity derivatives totalled SEK –6 million (18). Derivatives are used to address the Group's risk exposure with respect to interest rates, currencies and electricity prices. The valuation is conducted in accordance with level 2 of the fair value hierarchy in IFRS 13.

## Group's interest-rate and currency derivatives outstanding (net volume)

	Nominal amount	Market value
Within 1 year	1,220	–5
1–2 years	1,200	45
2–3 years	3,950	195
3–4 years	3,588	–18
4–5 years	2,350	141
5–6 years	1,700	186
>6 years	5,300	40
<b>Total</b>	<b>19,308</b>	<b>584</b>

## Rating

In September 2023, Standard & Poor's confirmed Willhem's long-term credit rating of A- while its outlook was adjusted from stable to negative.

The change to a negative outlook relates to highlighting a certain risk of deteriorating key metrics and uncertainty around value performance for properties going forward. Willhem confirms its commitment to maintaining an A- and, if needed, to taking the measures required to support the company's balance sheet and key credit metrics.

## CONSOLIDATED FINANCIAL REPORTING

## Consolidated cash-flow statement

Amounts in SEK m	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
<b>OPERATING ACTIVITIES</b>			
Operating profit/loss	401	371	1,757
Adjustments for items not affecting liquidity	–27	–13	20
Interest paid, net	–215	–175	–807
Taxes paid	0	–	–
<b>Cash flow from operating activities before changes in working capital</b>	<b>159</b>	<b>183</b>	<b>970</b>
Change in current receivables	–69	–165	–105
Change in current liabilities	–55	–50	–70
<b>Cash flow from operating activities</b>	<b>35</b>	<b>–32</b>	<b>795</b>
<b>INVESTING ACTIVITIES</b>			
Investments in existing property	–285	–355	–1,605
Acquisition of properties	–10	0	–173
Inventory	1	–11	–27
Investments in other, net	–12	–4	–11
<b>Cash flow from investing activities</b>	<b>–306</b>	<b>–370</b>	<b>–1,816</b>
<b>FINANCING ACTIVITIES</b>			
Liabilities raised	3,570	3,240	14,119
Repayments of liabilities	–5,189	–4 975	–16,255
Redemption of derivatives	–	–	23
Non-current receivables	–	–8	–17
Shareholder contributions	1,000	–	1,000
<b>Cash flow from financing activities</b>	<b>–619</b>	<b>–1,743</b>	<b>–1,130</b>
<b>Cash flow for the period</b>	<b>–889</b>	<b>–2,145</b>	<b>–2,151</b>
Opening balance, cash and cash equivalents	2,313	4,464	4,464
<b>Closing balance, cash and cash equivalents</b>	<b>1,424</b>	<b>2,319</b>	<b>2,313</b>

### Comments

Cash flow from operating activities totalled SEK 35 million (–32). Investments in properties totalled SEK –285 million (–355).

During the quarter, final payments were made for previous acquisitions, for which reason SEK 10 million (0) had a direct liquidity impact on cash flow.

During the period, SEK 3,570 million (3,240) was raised in new loans and SEK –5,189 million (–4,975) was repaid. As of 31 March 2024, the Group's cash and cash equivalents were SEK 1,424 million (2,319). In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 18,600 million (18,100).

## Consolidated statement of changes in equity

Amounts in SEK m	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Opening equity</b>	<b>22,265</b>	<b>25,574</b>	<b>25,574</b>
Dividends	–	–	–
Shareholder contributions	1,000	–	1,000
Comprehensive income for the year	–272	–1,753	–4,309
<b>Closing equity</b>	<b>22,993</b>	<b>23,821</b>	<b>22,265</b>

Equity totalled SEK 22,993 million (23,821). The equity/assets ratio was 38.7% (38.0).

## CONSOLIDATED FINANCIAL REPORTING

## Segment reporting

Amounts in SEK m	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
<b>Rental revenues</b>			
Southern Region	221	211	859
Western Region	216	208	848
Eastern Region	298	280	1,153
<b>Total</b>	<b>735</b>	<b>699</b>	<b>2,860</b>
<b>Property expenses</b>			
Southern Region	–85	–88	–284
Western Region	–102	–98	–330
Eastern Region	–124	–118	–385
<b>Total</b>	<b>–311</b>	<b>–304</b>	<b>–999</b>
<b>Net operating income</b>			
Southern Region	136	123	575
Western Region	114	110	518
Eastern Region	174	162	768
<b>Total</b>	<b>424</b>	<b>395</b>	<b>1,861</b>

Amounts in SEK m	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Market value investment property</b>			
Southern Region	17,637	18,664	17,822
Western Region	15,614	16,029	15,720
Eastern Region	22,903	23,445	22,955
<b>Total carrying amount</b>	<b>56,154</b>	<b>58,138</b>	<b>56,497</b>

The Group's internal reporting of operations is broken down into the segments above. Southern Region comprises Halmstad, Helsingborg, Jönköping and Malmö. Western Region comprises Borås, Gothenburg, Skövde and Trollhättan. Eastern Region comprises Karlstad, Linköping, Mälardalen and Stockholm.

The total net operating income corresponds to the recognised net operating income in the consolidated income statement. The difference between the net operating income of SEK 424 million (395) and profit before tax of SEK –306 million (–2,204), consists of central administration costs of SEK –23 million (–24), other operating expenses of SEK 0 million (0), financial items of SEK –208 million and (–78), change in property values SEK –695 million (–2,108) and change in value of financial instruments SEK 196 million (–389).

During the period, the carrying amount of the properties changed as a result of investments completed, acquisitions, sales and unrealised changes in value totalling SEK –185 million (–573) in the Southern Region, SEK –106 million (–568) in the Western Region and SEK –52 million (–607) in the Eastern Region.

## PARENT COMPANY FINANCIAL REPORTING

## Parent Company income statement

Amounts in SEK m	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Revenues	16	15	62
Administrative expenses	–39	–39	–164
<b>Operating profit/loss</b>	<b>–23</b>	<b>–24</b>	<b>–102</b>
Interest income	149	334	620
Interest expense	–102	–159	–437
Other financial items	–11	109	24
Change in value of financial instruments	71	–57	–258
<b>Profit/loss after financial items</b>	<b>84</b>	<b>203</b>	<b>–153</b>
Appropriations, Group contributions	–	–	–445
Appropriations, principal earnings	–	–	–131
<b>Profit/loss before tax</b>	<b>84</b>	<b>203</b>	<b>–729</b>
Tax	–15	12	61
<b>Profit/loss for the period</b>	<b>69</b>	<b>215</b>	<b>–668</b>

The Parent Company's operations consist of the performance of Group-wide services and analysing and conducting acquisitions and investments, as well as developing and managing strategy and ownership issues. Since January 2019, the Parent Company operates, in fiscal terms, on commission with its subsidiaries, with the exception of limited and general partnerships. All companies included in this arrangement are also members of a VAT group.

Sales for the year amounted to SEK 16 million (15), of which intra-Group revenue totalled SEK 16 million (15). The Parent Company's interest income amounted to SEK 149 million (334), of which intra-Group interest income totalled SEK 131 million (271). Other financial items includes exchange-rate effects of SEK 8 million (118) pertaining to bonds in NOK. Currency risk is managed with currency derivatives, which means that when the bonds expire there are no currency effects.

The unrealised change in the value of financial instruments, which predominantly pertains to interest-rate and currency derivatives, amounted to SEK 71 million (–57). The value of the derivatives developed positively during the period due to rising market interest rates. Profit before tax amounted to SEK 84 million (203).

No current tax has arisen in the Parent Company, since there is a possibility of making Group contributions and utilising deficits. Tax for the period pertains to deferred tax of SEK –15 million (12).

## Parent Company balance sheet

Amounts in SEK m	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares and participations in Group companies	4,664	4,657	4,664
Receivables from Group companies	23,688	23,961	23,371
Deferred tax assets	52	18	67
Equipment	3	5	4
Intangible assets in progress	24	4	12
Non-current receivables	33	23	33
<b>Total non-current assets</b>	<b>28,464</b>	<b>28,668</b>	<b>28,151</b>
<b>Current assets</b>			
Other receivables	203	107	170
Cash and cash equivalents	1,424	2,319	2,313
<b>Total current assets</b>	<b>1,627</b>	<b>2,426</b>	<b>2,483</b>
<b>TOTAL ASSETS</b>	<b>30,091</b>	<b>31,094</b>	<b>30,634</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	4,005	2,819	2,936
<b>Total equity</b>	<b>4,005</b>	<b>2,819</b>	<b>2,936</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	10,820	13,921	11,207
Liabilities to Group companies	6,237	5,143	6,370
Derivatives	218	78	290
<b>Total non-current liabilities</b>	<b>17,275</b>	<b>19,142</b>	<b>17,867</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	8,699	9,035	9,717
Derivatives	12	–	11
Other liabilities	100	98	103
<b>Total current liabilities</b>	<b>8,811</b>	<b>9,133</b>	<b>9,831</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,091</b>	<b>31,094</b>	<b>30,634</b>

## Other information

### Personnel and organisation

Property management is organised into three regions comprising 12 management areas. The head office is located in Gothenburg and provides Group-wide functions. As of 31 March 2024, there were a total of 289 employees (302).

### Significant risks and uncertainties

In its operations, Willhem is exposed to different types of risks. These risks are described in the 2023 annual report on pages 26–29. To be able to prepare statements in accordance with generally accepted accounting policies, executive management must make assessments and assumptions that may impact the content of the financial statements. For Willhem, the valuation of properties is such a material item.

### Transactions with related parties

Relationships with related parties are described in Willhem's 2023 annual report on page 59. Första AP-fonden has an issue undertaking of SEK 8,000 million. During the period, fees were paid pertaining to the issue undertaking to Första AP-fonden. In February, Första AP-fonden paid an unconditional shareholder contribution of SEK 1,000 million.

The Parent Company invoiced subsidiaries for Group-wide services. An internal rate of interest was charged between Group companies. Other than this, no other material transactions took place with related parties.

### Accounting policies

The Group's interim report is presented in accordance with IAS 34 and for the Parent Company in accordance with RFR 2, published by Swedish Financial Reporting Board and follows the principles set out in Willhem's 2023 annual report.

The presentation of the consolidated income statement was changed in this interim report. Operating profit/loss is now recognised excluding changes in the value of investment properties, income from property management has been added and includes operating profit/loss and financial items and all changes in value are recognized thereafter.

### Events after the balance-sheet date

No significant events have occurred.

## Report signatures

The Board of Directors and CEO give their assurance that the interim report provides a true and fair account of the performance of the Parent Company's and Group's operations, financial position and earnings, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies that form the Group.

Gothenburg, 7 May 2024

Fredrik Wirdenius  
*Chairman*

Christel Armstrong Darvik  
*Member*

Anders Ahlberg  
*Member*

Ragnhild Backman  
*Member*

Johan Temse  
*Member*

Mariette Hilmersson  
*Chief Executive Officer*

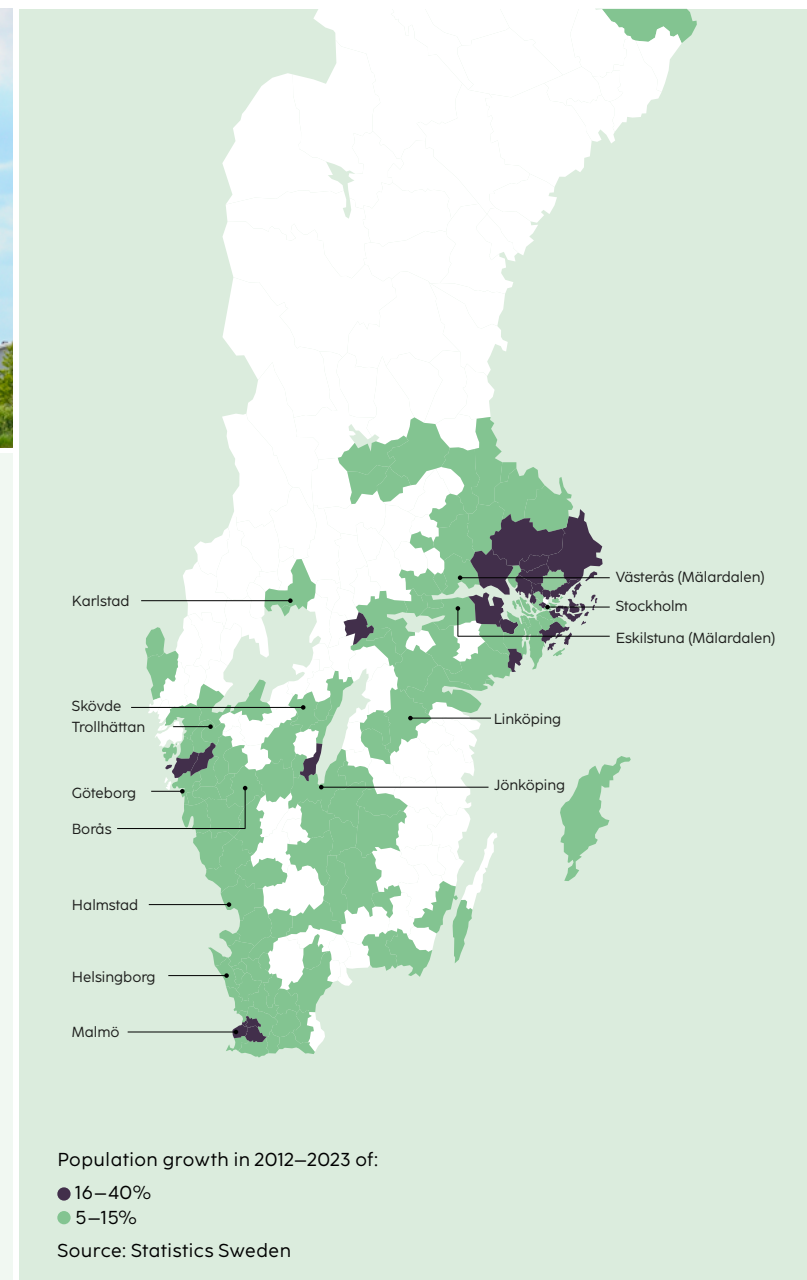
This interim report has not been subject to examination by the company's auditors.

Isstadion 21, Linköping



### Property portfolio

Property portfolio	Number of properties	Number of apartments	Residential area, sq m	Commercial premises area, sq m	Total area, sq m	Total economic occupancy rate, %	Revenue, SEK m	Market value, SEK m
Halmstad	42	2,849	178,235	8,477	186,712	99.1	69	5,202
Helsingborg	73	2,452	169,706	14,698	184,404	98.2	72	5,721
Jönköping	19	1,206	59,338	3,206	62,544	99.5	28	2,192
Malmö	51	1,544	107,014	12,357	119,371	99.5	52	4,522
<b>Southern Region</b>	<b>185</b>	<b>8,051</b>	<b>514,293</b>	<b>38,738</b>	<b>553,031</b>	<b>98.9</b>	<b>221</b>	<b>17,637</b>
Borås	152	3,364	214,423	15,896	230,319	93.3	79	5,950
Gothenburg	34	4,077	266,340	12,825	279,165	99.4	97	7,158
Skövde	15	821	56,831	2,044	58,875	99.1	19	1,296
Trollhättan	28	985	57,987	8,175	66,162	98.4	21	1,210
<b>Western Region</b>	<b>229</b>	<b>9,247</b>	<b>595,581</b>	<b>38,940</b>	<b>634,521</b>	<b>96.9</b>	<b>216</b>	<b>15,614</b>
Karlstad	59	2,597	151,497	10,956	162,453	99.0	60	3,982
Linköping	29	3,536	241,918	24,199	266,117	94.0	88	6,013
Mälardalen	12	1,724	102,092	16,697	118,789	91.1	42	3,330
Stockholm	38	3,942	231,933	10,655	242,588	99.6	108	9,578
<b>Eastern Region</b>	<b>138</b>	<b>11,799</b>	<b>727,440</b>	<b>62,507</b>	<b>789,947</b>	<b>96.5</b>	<b>298</b>	<b>22,903</b>
<b>Total</b>	<b>552</b>	<b>29,097</b>	<b>1,837,314</b>	<b>140,185</b>	<b>1,977,499</b>	<b>97.4</b>	<b>735</b>	<b>56,154</b>



## Key metrics

Willhem presents certain financial metrics that are outside IFRS definitions (known as alternative performance measures, according to ESMA guidelines). The company believes these metrics offer valuable supplementary information for investors and the company's management as they enable an effective evaluation of the company's financial position and performance. Given that not all companies calculate financial metrics in the same way, these are not always comparable with metrics used by other companies but should be viewed as a complement to metrics defined under IFRS.

	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec	2022 Jan–Dec	2021 Jan–Dec
<b>Property-related</b>					
Total area, sq m	1,977,499	1,949,317	1,976,659	1,942,834	1,881,077
Number of properties	552	552	552	552	533
Number of residential properties	29,097	28,565	29,095	28,451	27,134
Market value, SEK m	56,154	58,138	56,497	59,886	56,560
Market value, SEK/sq m	28,396	29,825	28,582	30,824	30,068
Rental value, SEK m	3,086	2,879	3,020	2,799	2,600
Economic occupancy rate, %	97.4	98.2	97.9	98.6	98.8
Net operating margin, %	57.7	56.5	65.1	63.6	62.0
<b>Financial</b>					
Average interest rate, %	2.7	2.2	2.6	2.1	1.2
Average fixed-interest tenor, years	3.5	3.5	3.5	3.5	3.9
Average loan-to-maturity, years	2.4	2.4	2.2	2.5	2.3
Loan-to-value (LTV) ratio, %	51.6	51.6	52.5	49.6	47.2
Interest coverage ratio, multiple	1.9	1.9	2.2	3.1	3.5
Equity/assets ratio, %	38.7	38.0	36.8	38.4	40.4
<b>Other</b>					
Number of employees	289	302	301	298	279

## Reconciliation of alternative performance measures

	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
<b>Loan-to-value ratio</b>			
Interest-bearing liabilities, SEK m	30,373	32,344	32,000
Cash and cash equivalents, SEK m	-1,424	-2,319	-2,313
<b>Total interest-bearing liabilities, net</b>	<b>28,949</b>	<b>30,025</b>	<b>29,687</b>
Net interest-bearing liabilities, SEK m	28,949	30,025	29,687
Market value of properties, SEK m	56,154	58,138	56,497
<b>Loan-to-value (LTV) ratio, %</b>	<b>51.6</b>	<b>51.6</b>	<b>52.5</b>
<b>Interest coverage ratio</b>			
Operating profit, SEK m	401	371	1,757
Net financial items excl. exchange-rate effects, SEK m	211	192	812
<b>Interest coverage ratio, multiple</b>	<b>1.9</b>	<b>1.9</b>	<b>2.2</b>
<b>Equity/assets ratio</b>			
Equity, SEK m	22,993	23,821	22,265
Total assets, SEK m	59,430	62,682	60,483
<b>Equity/assets ratio, %</b>	<b>38.7</b>	<b>38.0</b>	<b>36.8</b>
<b>Net operating margin</b>			
Net operating income, SEK m	424	395	1,861
Rental revenues, SEK m	735	699	2,860
<b>Net operating margin, %</b>	<b>57.7</b>	<b>56.5</b>	<b>65.1</b>



Partille 105:7,  
Gothenburg

# Definitions

## Property-related definitions

### Total area, sq m<sup>\*</sup>

Total lettable floor space in residential housing and commercial premises at the end of the period.

### Rental value, SEK m<sup>\*</sup>

Contracted rent together with the estimated market rent for unlet objects.

### Economic occupancy rate residential property, %<sup>\*</sup>

Contracted rent for residentials in relation to the total rental value of residentials on the balance-sheet date.

### Total economic occupancy rate, %<sup>\*</sup>

Total contracted rent in relation to the total rental value on the balance-sheet date.

### Net operating margin, %

Net operating income as a percentage of rental revenues for the period.

### Net operating income, SEK m

Rental revenues less operating and maintenance expenses, property administration and property tax.

### Comparable property portfolio<sup>\*</sup>

The property portfolio included for the entire reporting period and for the comparative period.

### Contracted rent, SEK m<sup>\*</sup>

Total rented objects running on the balance-sheet date.

### Change in property values, %<sup>\*</sup>

Change in value for the period relative to closing market value less change in value for the period.

### Yield, %<sup>\*</sup>

Net operating income divided by the properties' closing market value less changes to the market value of properties.

### Total return, %<sup>\*</sup>

Yield as a percentage plus change in value as a percentage.

## Financial definitions

### Average interest rate, %

Average interest rate on the interest-bearing loan and derivative portfolio on the balance-sheet date.

### Average fixed-interest tenor, years

The remaining average tenor until it is time to reset interest rates for all credits in the debt portfolio.

### Average loan-to-maturity, years

The remaining average tenor until final maturity on interest-bearing liabilities and derivatives on the balance-sheet date.

### Loan-to-value (LTV) ratio, %

Interest-bearing liabilities less cash and cash equivalents relative to the market value of properties at the end of the period.

### Interest coverage ratio, multiple

Operating profit for the period in relation to financial income and expenses, excluding exchange-rate effects.

### Equity/assets ratio, %

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

## Other definitions

### Number of employees<sup>\*</sup>

Number of permanent employees and employees with a fixed-term of more than six months at the end of the period.

<sup>\*</sup> This metric is operational and is not considered an alternative performance measure under ESMA's guidelines.



## Report dates

Interim report Jan–Jun 2024  
Interim report Jan–Sep 2024  
Year-end report 2024

22 August 2024  
13 November 2024  
20 February 2025

This information is such that Willhem AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.

The information was submitted for publication at 9.00 a.m. on 8 May 2024.

[www.willhem.se](http://www.willhem.se)

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