

INTERIM REPORT

January–June 2024



SUMMARY

Willhem reports a stable half-year result

- Revenue increased to SEK 1,494 million (1,417), up 5.4%.
- Net operating income totalled SEK 945 million (900), up 5.0%. For the comparable property portfolio, net operating income rose 3.1%.
- Unrealised changes in the value of the properties during the period amounted to SEK –745 million (–3,819), corresponding to a value decline of –1.3% (–6.3).
- The change in the value of financial instruments amounted to SEK 87 million (–261).
- Profit/loss after tax for the period totalled SEK –222 million (–2,820).
- The market value of the properties was SEK 56,304 million (56,858) at the end of the period.
- Investments in the property portfolio amounted to SEK 485 million (786), of which SEK 266 million (403) relates to investments in existing properties and SEK 219 million (383) to property development.
- In February, Willhem received an unconditional shareholder contribution of SEK 1.0 billion from Första AP-fonden.

Viksjo 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

29,176

Net operating margin

63.3%

Average total return
over 10 years 2013–2023

8.6%

Market value of properties, SEK million

56,304

Loan-to-value ratio

51.5%

Reduction in energy consumption kwh
per sq m since 2012

–33.0%



CEO COMMENTS

Looking towards brighter times

During the first half of the year, we streamlined our operations to maintain our strong rating and the positive performance of our net operating income, which improved by 5.0%. We are now seeing signals indicating that the market is easing somewhat.

The Riksbank lowered the key interest rate in May, and even though the latest announcement in June did not mention any further reductions there are strong indications of stabilisation. We entered the new year expecting that the fall in property values would be significantly more drastic than it has been. Fortunately the value decline was only -1.3%. This is a key factor that influences the willingness to invest, both in terms of starting development projects and with respect to new business prospects. On the whole, we are feeling somewhat more optimistic winds blowing and we can now turn our focus to issues that until now had been put on hold.

Stable figures

Net operating income totalled SEK 945 million, up 5.0%, which is due largely to our ability to reduce costs and streamlining operations. The net operating margin was 63.3%. The change in the value of properties amounted to SEK -745 million and the property value is now SEK 56,304 million.

Total financing, which comprises both bank loans and capital market financing, amounted to SEK 30,503 million. The company has good access to financing, both from banks and in the capital market, and our rating held fast at a strong A- with a negative outlook. Where transactions are concerned, this has been a very calm first half of the year. No transactions took place and no new properties were taken into possession during the period, but going forward we see an opening for conducting business in the metropolitan regions, primarily Stockholm.



“We are now seeing signals indicating that the market is easing somewhat.”

CEO COMMENTS



“Going forward, we will focus on continuing to develop projects on our own land and increasing our efforts at an early stage in order to put more zoning plans into motion.”

New projects

We have begun a conversion project in Västerås, where we are turning commercial premises into 54 apartments, and have also begun letting space in KviBERGS Kaserner, our first development project in Gothenburg. We also celebrated the completion of Kar-men 5 in Karlstad, where 78 apartments now stand ready. Demand has been good, and all the apartments have been let. At the end of the period, we had 501 apartments in production, of which 269 were on a proprietary basis, and a portfolio of building rights that have entered legal force for approximately 700 apartments. Going forward, we will focus on continuing to develop projects on our own land and increasing our efforts at an early stage in order to put more zoning plans into motion.

The work on our climate targets is continuing. In our development projects, previously completed projects are being reviewed to see how we can learn from them and increase our know-how so that in future we can reduce our emissions further. Our target is a 50% reduction in Scope 3 carbon emissions by 2030.

Security is a priority

The lack of security in our vulnerable districts is a core issue. That is why we have formed a matrix organisation that will develop a methodology for managing the districts where we see problems with security issues. A new working model will support us in our work, and it will be exciting to watch these developments.

Together with the police, the municipality and other actors in the Skäggetorp district of Linköping, we have mobilised around a shared promise to the citizens of the district. Many people are involved, and by signing this promise we commit to implementing improvement measures. In addition, we are working arm-in-arm with Bostadsbolaget in the Biskopsgården district of Gothenburg, where we are further increasing our presence through a collabo-

ration with neighbourhood safety patrols, which lets us combine forces to cover the entire district.

Another material sustainability issue is reducing water consumption. In the spring, we joined Waterhack, an informational campaign in which several residential real estate companies united to promote reduced water consumption in the community.

Efficient services for customers

We are continuing our strategic focus on utilising new technology to streamline and improve our operations. Preparations have been made to digitise our leasing process, including a shift of key elements in the process to the central support functions, and in parallel continuing our efforts at renovating our entire system environment. This is a prerequisite for achieving the ambitious goals we have set as regards technological development and more efficient customer service. We have taken several steps to improve our case management so that our customers are helped quickly and receive clear feedback.

Activities to create an atmosphere of well-being in and around our buildings and courtyards are in full swing. I would like to take this opportunity to extend my warmest thanks to all of our wonderful employees in the company, who work every day to take fantastic care of our customers and our properties! The first half of this year presented challenges that we managed very well. Now, I am looking forward to an interesting rest of the year.

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.

THE NATURAL HO

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 objectives 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 CO₂e since base year 2018



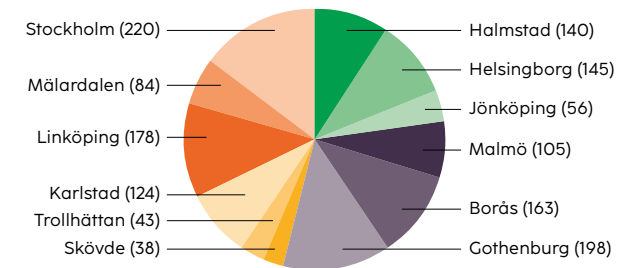
CONSOLIDATED FINANCIAL REPORTING

Consolidated income statement

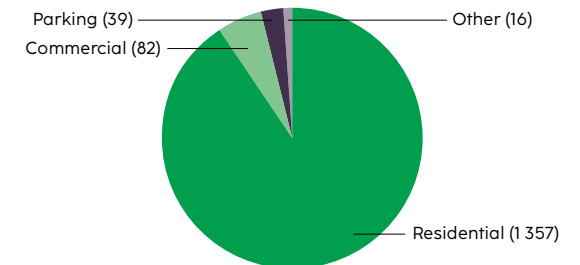
Amounts in SEK m	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Rental revenues	759	718	1,494	1,417	2,860
Operating expenses	–154	–133	–380	–347	–683
Repairs and maintenance	–23	–21	–48	–56	–88
Property administration	–47	–46	–93	–88	–175
Property tax	–14	–13	–28	–26	–53
Total property expenses	–238	–213	–549	–517	–999
Net operating income	521	505	945	900	1,861
Corporate administration expenses	–24	–26	–47	–50	–103
Other operating expenses	—	—	–1	0	–1
Operating profit/loss	497	479	897	850	1,757
Interest income	13	42	31	45	100
Interest expense	–231	–205	–438	–390	–809
Leasehold fee	–4	–4	–8	–8	–16
Exchange rate effects	–14	35	–7	83	114
Other financial expenses	0	–81	–22	–21	–103
Total financial items	–236	–213	–444	–291	–714
Income from property management	261	266	453	559	1,043
Change in value of investment properties, unrealised	–50	–1,711	–745	–3,819	–5,227
Change in value of investment properties, realised	—	—	—	—	—
Change in value of financial instruments	–109	128	87	–261	–1,114
Total change in value	–159	–1,583	–658	–4,080	–6,341
Profit/loss before tax	102	–1,317	–205	–3,521	–5,298
Tax	–51	250	–17	701	989
Profit/loss for the period	51	–1,067	–222	–2,820	–4,309

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

Rental revenue per area 30 June 2024, SEK m



Rental revenue per category of revenue 30 June 2024, SEK m



CONSOLIDATED FINANCIAL REPORTING

Rental revenues

The Group's rental revenues rose to SEK 1,494 million (1,417), up 5.4%. 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 51 million, up 3.6%.

The economic occupancy rate for residential housing was 97.9% (98.9). The total occupancy rate for the entire property portfolio, including commercial premises and other areas, amounted to 97.3% (98.2).

Property expenses

Property expenses amounted to SEK –549 million (–517). Operating expenses were SEK 33 million higher compared to the previous year. This is due primarily to higher tariff-based costs and the electricity subsidy of SEK 20 million that was received last year. Repairs and maintenance were SEK 8 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 24 million higher due to the electricity subsidy that was received in 2023. In addition, heating 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 945 million (900), up 5.0%. The improvement in net operating income is due to increased rental revenues. The net operating margin for the period was 63.3% (63.5). For the comparable property portfolio, net operating income rose SEK 27 million compared with the preceding year, up 3.1%.

Corporate administration expenses

Central administration costs amounted to SEK –47 million (–50).

Financial items

Interest income for the period amounted to SEK 31 million (45) and interest expenses amounted to SEK –438 million (–390).

Other financial expenses amounted to SEK –22 million (–21) and the period's exchange rate effects on bonds in NOK amounted to SEK –7 million (83). 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% (2.5). The interest coverage ratio for the period was 2.1 (2.3).

Change in value of investment properties

Unrealised changes in the value of the properties during the period amounted to SEK –745 million (–3,819), corresponding to a value decline of –1.3% (–6.3). The negative value performance is mainly attributable to changed yield requirements and cash flow. The average weighted yield was 4.0% (3.6).

Change in value of financial instruments

The value of derivatives increased SEK 87 million (–261), mainly due to changes in the interest-rate market. Derivatives were redeemed early during the second quarter and a realised change in value of SEK 16 million arose. The change in value of the electricity derivatives was SEK –7 million (–43) 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 –17 million (701), of which deferred tax amounted to SEK –17 million (701) and current tax to SEK 0 million (0). The tax calculation for the period includes non-deductible interest expenses totalling SEK 335 million, which means the Group had taxable earnings and utilised tax loss carry-forwards from previous years.

The deferred tax is mainly attributable to the period's unrealised value change, temporary differences on investment properties and financial instruments, as well as changes to deficits.



“The Group's net operating income rose to SEK 945 million (900), up 5.0%.”

Profit/Loss

Income from property management for the period totalled SEK 453 million (559), a reduction of SEK 106 million due to higher financial expenses. Profit/loss after tax for the period totalled SEK –222 million (–2,820), 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 has been changed for the 2024 interim reports. Read more on page 17.

Second quarter

Revenue in the second quarter rose to SEK 759 million (718), up 5.7%. The increase is mainly due 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 portfolio, revenue rose 4.0%.

Property expenses amounted to SEK –238 million (–213), with the increase due primarily to the electricity subsidy of SEK 20 million that was received last year. Net operating income amounted to SEK 521 million (505). For the comparable portfolio, net operating income rose 0.9% in the second quarter. Operating profit totalled SEK 497 million (479). The unrealised change in the value of properties amounted to SEK –50 million (–1,711), corresponding to a value decline of –0.1% (–2.8). The change in the value of financial instruments had an impact on profit of SEK –109 million (128). Profit after tax for the quarter totalled SEK 51 million (–1,067).

CONSOLIDATED FINANCIAL REPORTING

Consolidated balance sheet

Amounts in SEK m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
Non-current assets			
Investment properties	56,304	56,858	56,497
Right-of-use assets, leaseholds	544	510	510
Equipment	6	8	7
Intangible assets in progress	42	5	12
Derivatives	691	1,311	679
Non-current receivables	103	103	103
Total non-current assets	57,690	58,795	57,808
Current assets			
Inventory	25	21	27
Other current receivables	345	475	330
Derivatives	1	44	5
Cash and cash equivalents	1,514	3,590	2,313
Total current assets	1,885	4,130	2,675
Total assets	59,575	62,925	60,483

Amounts in SEK m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity and liabilities			
Equity attributable to Parent Company shareholders			
Equity	23,043	22,754	22,265
Total equity	23,043	22,754	22,265
Non-current liabilities			
Interest-bearing liabilities	19,934	21,773	19,505
Deferred tax liability	4,747	5,018	4,730
Derivatives	230	52	290
Right-of-use liabilities, leaseholds	544	510	510
Total non-current liabilities	25,455	27,353	25,035
Current liabilities			
Interest-bearing liabilities	10,569	12,189	12,495
Derivatives	8	44	11
Other non-interest-bearing liabilities	500	585	677
Total current liabilities	11,077	12,818	13,183
Total equity and liabilities	59,575	62,925	60,483

CONSOLIDATED FINANCIAL REPORTING

Investment properties

Property market

The turbulence in the business environment remains relatively significant. In Sweden, the state of uncertainty that has prevailed in the housing market over the last two years has stabilised somewhat, and the future prospects are more positive. While the conditions are better for many property companies – including more favourable financing terms – the housing market remains relatively cautious, even if improvements can be glimpsed.

The rate of inflation according to the CPIF (consumer price index with a fixed interest rate) hovered around the Riksbank's long-term goal of 2.0% throughout the spring, totalling 2.3% in May. This was unchanged from April. In May of last year, inflation was at 6.7%. At the Riksbank's fiscal policy meeting at the end of June, the directors left the key interest rate unchanged at 3.75% after lowering it 25 points in May. At that time, the Riksbank also signalled that there could be two or three additional reductions to the key interest rate during the second half of the year, provided that the inflation outlook holds fast. A few weeks later, the ECB followed the Riksbank's lead and lowered the rate by 25 points in early June.

The total transaction volume for the Swedish property market totalled SEK 58 billion during the first half-year, which is slightly more than double the volume from the first quarter. The share of residential properties that changed owners amounted to only 18% (approx-

mately SEK 10 billion). The segment with the greatest turnover was Warehouse/Logistics/Industry, with 28% of the volume. Offices accounted for 22% of the volume. Even though interest from abroad remained significant, foreign investors accounted for only 13% of the total transaction volume, a clear decrease year-on-year.

Though it has grown rapidly over the past few years, the population is now expected to increase at a slower pace. A large proportion of the population increase is expected to be older individuals, age 60 and up. Construction of residential properties has decreased drastically since 2022. Construction overall has dropped by half compared to previous years. According to the new May 2024 forecast from the National Board of Housing, Building and Planning, a total of 27,000 new residential properties will be commenced this year and 32,000 next year. Only 13,500 rental properties are expected to commence in 2024. The low levels of construction of residential properties will likely increase the already excessive housing shortage in expanding regions, thus increasing the need for new residential properties. To create favourable conditions for the construction of rental apartments, the Swedish government set up an investigation that will produce recommendations for how the regulations around the annual rent increases for presumption rents can be restored. The investigation is scheduled to be completed in September 2024.

Our properties

Willhem owns and manages 552 properties (552) in carefully chosen growth regions in Sweden. The property portfolio was valued internally on 30 June 2024. The estimated market value was SEK 56,304 million (56,858). The total lettable area was 1,981,708 sq m, of which 92.9% relates to residential housing.

Valuation

Unrealised changes in value during the period amounted to SEK –745 million (–3,819), corresponding to a value decline of –1.3% (–6.3). The average weighted yield was 4.0% (3.6). The yield for residential properties amounted to 2.5–5.7% (2.2–4.7) and for commercial properties to 3.8–10.0% (3.6–10.2).

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 485 million (786), of which SEK 266 million (403) relates to investments in existing properties and SEK 219 million (383) to property development. Willhemlyft accounted for SEK 77 million (148) of investments in existing property.

During the first half 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–Jun	2023 Jan–Jun	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	266	403	985
+ Investments in development projects	219	383	620
+ Unrealised changes in value	–745	–3,819	–5,227
– Divestments	–	–	–
Market value at the end of the period	56,304	56,858	56,497

CONSOLIDATED FINANCIAL REPORTING

Development projects

Willhem's property development comprises proprietary projects and acquired projects. On the balance-sheet date, 269 apartments were in ongoing property projects on a proprietary basis and 232 apartments were in acquired projects.

78 properties in Karlstad were completed in May.

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
Smedjan 2	Ursvik	Development project*	232	10,334	662	561	Q4 2024–Q1 2025
Kviberg 28:4	Gothenburg	Development project	50	1,792	90	69	Q4 2024
Lugnet 2	Västerås	Conversion	54	2,434	62	14	Q2 2025
Krusbäret 1	Halmstad	Development project	165	5,802	295	144	Q2 2025
Total ongoing			501	20,362	1,109	788	

* Acquired development project

Completed development projects

Property	Location	Type of project	Number of apartments	Residential area, sq m	Approved investment, SEK million	Costs incurred, SEK million	Completion
Karmen 5	Karlstad	Development project	78	3,906	140	132	Q2 2024
Total completed			78	3,906	140	132	



CONSOLIDATED FINANCIAL REPORTING

Financing

Financial market

The interest-rate market experienced an upturn after the start of the year, and long-term interest rates in Sweden initially rose during the second quarter, only to then decline slightly. 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 expected to reduce the key interest rate in September at the earliest. Inflation in the eurozone continued to fall, as expected, and the ECB lowered the key interest rate at its June meeting.

The Purchasing Managers Index (PMI) for the industrial sector in Sweden decreased slightly to 53.6 in June, compared with 54.0 in the preceding month. This means that industry was in a zone of growth for the fourth consecutive month. The PMI for the service sector increased to 51.8 from 49.8 in May.

The Riksbank lowered the key interest rate to 3.75% in May, and then left it unchanged at its meeting in June. They stated that inflation was close to the target and that economic activity was weak. If the forecast holds, the Riksbank could lower the key interest rate an additional two or three times during the second half of the year.

The stock exchange's OMX 30 index continued to rise slightly during the second quarter, and has risen 7.2% to date this year. The second quarter ended with flat share prices and long-term interest rates.

Cash and cash equivalents and interest-bearing liabilities

Cash and cash equivalents totalled SEK 1,514 million (3,590) at the end of the period. In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 16,800 million (17,400).

The Group's interest-bearing liabilities totalled SEK 30,503 million (33,962). Financing via the capital markets through bonds and certificates accounted for 64.3% (67.6) of financing.

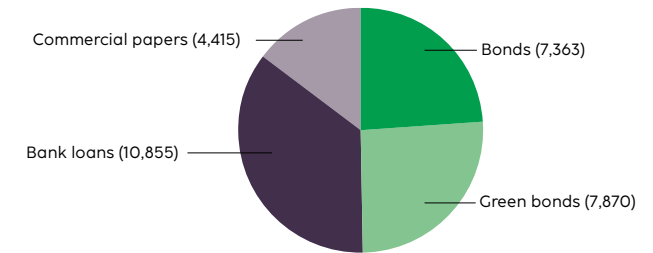
The loan-to-value ratio was 51.5% (53.4). According to Willhem's financial target, this should be below 60.0%. The average interest rate was 2.7% (2.5) on the balance-sheet date. The average fixed-interest tenor was 3.5 years (3.3) and the percentage of fixed-interest maturity was 27.3% (33.8) in the next 12 months.

The loan-to-maturity period was 2.4 years (2.3) and taking into account the commitments, the adjusted loan-to-maturity period was 3.5 years (3.1). The interest coverage ratio was 2.1 (2.3). The interest coverage ratio, rolling 12 month, was 2.0. Willhem's financial target is that this is to exceed 2.0.

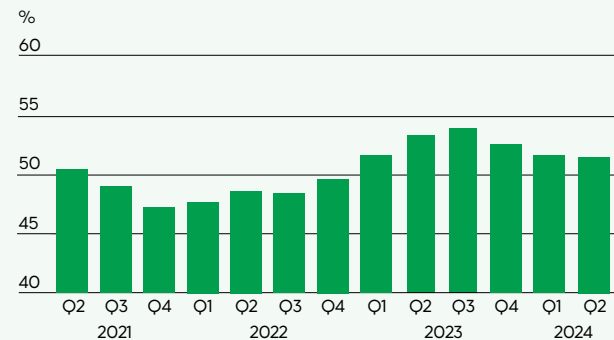
The company is subject to a number of covenants, meaning conditions required by a lender to provide credit, and if the conditions are not met, the credit falls due. All of the company's covenants were met during the quarter.

The market value of bonds totalled SEK 14,994 million (17,543). 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



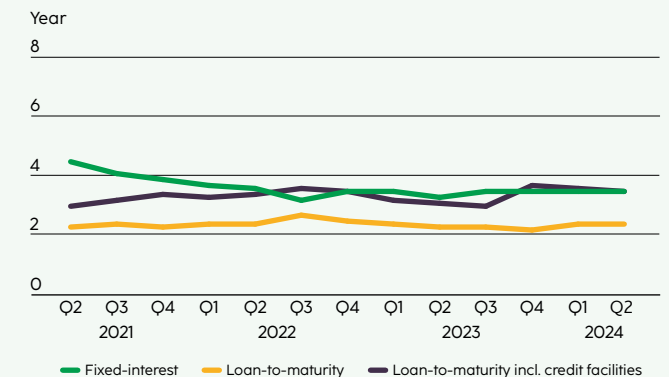
Loan-to-value ratio



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*	8,352	5.0	10,570
1–2 years	3,375	1.7	4,050
2–3 years	4,275	1.5	5,580
3–4 years	3,628	2.0	4,537
4–5 years	3,070	1.7	2,520
5–6 years	1,500	0.6	2,743
6–7 years	2,180	1.5	380
7–8 years	100	2.6	—
8–9 years	1,550	2.9	—
9–10 years	1,500	2.8	—
10–11 years	850	2.8	—
11–12 years	—	—	—
12–30 years	200	1.8	200
Total	30,580	2.7	30,580

* 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 10,570 million includes SEK 4,415 million in certificates. The statement of financial position included interest-bearing liabilities of SEK 30,503 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 –47 million.

Green financing

At the end of the period, green bonds amounted to SEK 7,870 million (8,278), which accounts for 51.7% of Willhem's total bonds outstanding.

Derivatives

The net market value of the Group's derivatives totalled SEK 454 million (1,259), of which SEK 692 million is recognised as an asset and SEK –238 million as a liability in the Group's statement of financial position. Net interest-rate and currency derivatives totalled SEK 459 million (1,242), of which SEK 691 million was recognised as an asset on the balance-sheet date.

Electricity derivatives totalled SEK –5 million (17). 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	–2
1–2 years	1,625	54
2–3 years	3,025	124
3–4 years	3,588	–31
4–5 years	2,550	138
5–6 years	1,500	152
>6 years	5,800	24
Total	19,308	459

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–Jun	2023 Jan–Jun	2023 Jan–Dec
OPERATING ACTIVITIES			
Operating profit/loss	897	850	1,757
Adjustments for items not affecting liquidity	–47	–24	20
Interest paid, net	–476	–363	–807
Taxes paid	–	–	–
Cash flow from operating activities before changes in working capital	374	463	970
Change in current receivables	–62	–250	–105
Change in current liabilities	–88	–106	–70
Cash flow from operating activities	224	107	795
INVESTING ACTIVITIES			
Investments in existing property	–485	–786	–1,605
Acquisition of properties	–21	0	–173
Inventory	2	–20	–27
Investments in other, net	–31	–6	–11
Cash flow from investing activities	–535	–812	–1,816
FINANCING ACTIVITIES			
Liabilities raised	6,415	9,275	14,119
Repayments of liabilities	–7,919	–9,427	–16,255
Redemption of derivatives	16	–	23
Non-current receivables	–	–17	–17
Shareholder contributions	1,000	–	1,000
Cash flow from financing activities	–488	–169	–1,130
Cash flow for the period	–799	–874	–2,151
Opening balance, cash and cash equivalents	2,313	4,464	4,464
Closing balance, cash and cash equivalents	1,514	3,590	2,313

Comments

Cash flow from operating activities totalled SEK 224 million (107). Investments in properties totalled SEK –485 million (–786).

During the period, final payments were made for previous acquisitions, for which reason SEK 21 million (0) had a direct liquidity impact on cash flow.

During the period, SEK 6,415 million (9,275) was raised in new loans and SEK –7,919 million (–9,427) was repaid. As of 30 June 2024, the Group's cash and cash equivalents were SEK 1,514 million (3,590). In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 16,800 million (17,400).

Consolidated statement of changes in equity

Amounts in SEK m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening equity	22,265	25,574	25,574
Dividends	–	–	–
Shareholder contributions	1,000	–	1,000
Comprehensive income for the year	–222	–2,820	–4,309
Closing equity	23,043	22,754	22,265

Equity totalled SEK 23,043 million (22,754). The equity/assets ratio was 38.7% (36.2).

CONSOLIDATED FINANCIAL REPORTING

Segment reporting

Amounts in SEK m	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Rental revenues					
Southern Region	225	215	446	426	859
Western Region	226	213	442	421	848
Eastern Region	308	290	606	570	1,153
Total	759	718	1,494	1,417	2,860
Property expenses					
Southern Region	–64	–60	–149	–148	–284
Western Region	–80	–71	–182	–169	–330
Eastern Region	–94	–82	–218	–200	–385
Total	–238	–213	–549	–517	–999
Net operating income					
Southern Region	161	155	297	278	575
Western Region	146	142	260	252	518
Eastern Region	214	208	388	370	768
Total	521	505	945	900	1,861

Amounts in SEK m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Market value investment property			
Southern Region	17,687	18,169	17,822
Western Region	15,731	15,642	15,720
Eastern Region	22,886	23,047	22,955
Total carrying amount	56,304	56,858	56,497

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 945 million (900) and profit/loss before tax of SEK –205 million (–3,521), consists of central administration costs of SEK –47 million (–50), other operating expenses of SEK –1 million (0), financial items of SEK –444 million (–291), change in property values SEK –745 million (–3,819) and change in value of financial instruments SEK 87 million (–261).

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 –135 million (–1,068) in the Southern Region, SEK –11 million (–955) in the Western Region and SEK –69 million (–1,005) in the Eastern Region.

PARENT COMPANY FINANCIAL REPORTING

Parent Company income statement

Amounts in SEK m	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Revenues	31	31	62
Administrative expenses	–79	–82	–164
Operating profit/loss	–48	–51	–102
Interest income	301	642	620
Interest expense	–231	–200	–437
Other financial items	–25	61	24
Change in value of financial instruments	79	–75	–258
Profit/loss after financial items	76	377	–153
Appropriations, Group contributions	—	—	–445
Appropriations, principal earnings	—	—	–131
Profit/loss before tax	76	377	–729
Tax	–13	14	61
Profit/loss for the period	63	391	–668

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 31 million (31), of which intra-Group revenue totalled SEK 31 million (31). The Parent Company's interest income amounted to SEK 301 million (642), of which intra-Group interest income totalled SEK 270 million (597). Other financial items includes exchange-rate effects of SEK –7 million (83) 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 63 million (–75). Derivatives were redeemed early during the second quarter, which yielded a realised change in value of SEK 16 million (–). The value of the derivatives developed positively during the period due to rising market interest rates. Profit before tax amounted to SEK 76 million (377).

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 –13 million (14).

Parent Company balance sheet

Amounts in SEK m	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Shares and participations in Group companies	4,664	4,659	4,664
Receivables from Group companies	23,679	24,234	23,371
Deferred tax assets	54	20	67
Equipment	3	4	4
Intangible assets in progress	42	5	12
Non-current receivables	33	33	33
Total non-current assets	28,475	28,955	28,151
Current assets			
Other receivables	227	186	170
Cash and cash equivalents	1,514	3,590	2,313
Total current assets	1,741	3,776	2,483
TOTAL ASSETS	30,216	32,731	30,634
EQUITY AND LIABILITIES			
Equity	3,999	2,995	2,936
Total equity	3,999	2,995	2,936
Non-current liabilities			
Interest-bearing liabilities	10,784	13,607	11,207
Liabilities to Group companies	6,269	5,397	6,370
Derivatives	230	96	290
Total non-current liabilities	17,283	19,100	17,867
Current liabilities			
Interest-bearing liabilities	8,864	10,567	9,717
Derivatives	8	0	11
Other liabilities	62	69	103
Total current liabilities	8,934	10,636	9,831
TOTAL EQUITY AND LIABILITIES	30,216	32,731	30,634

OTHER INFORMATION

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 30 June 2024, there were a total of 275 employees (310).

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 recognised thereafter.

Events after the balance-sheet date

Willhem has previously agreed to acquire a total of 385 newly produced apartments distributed over two stages in Malmö. The parties have now agreed not to carry out the second stage together, which means that the project now includes 250 apartments in total.

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, 22 August 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.

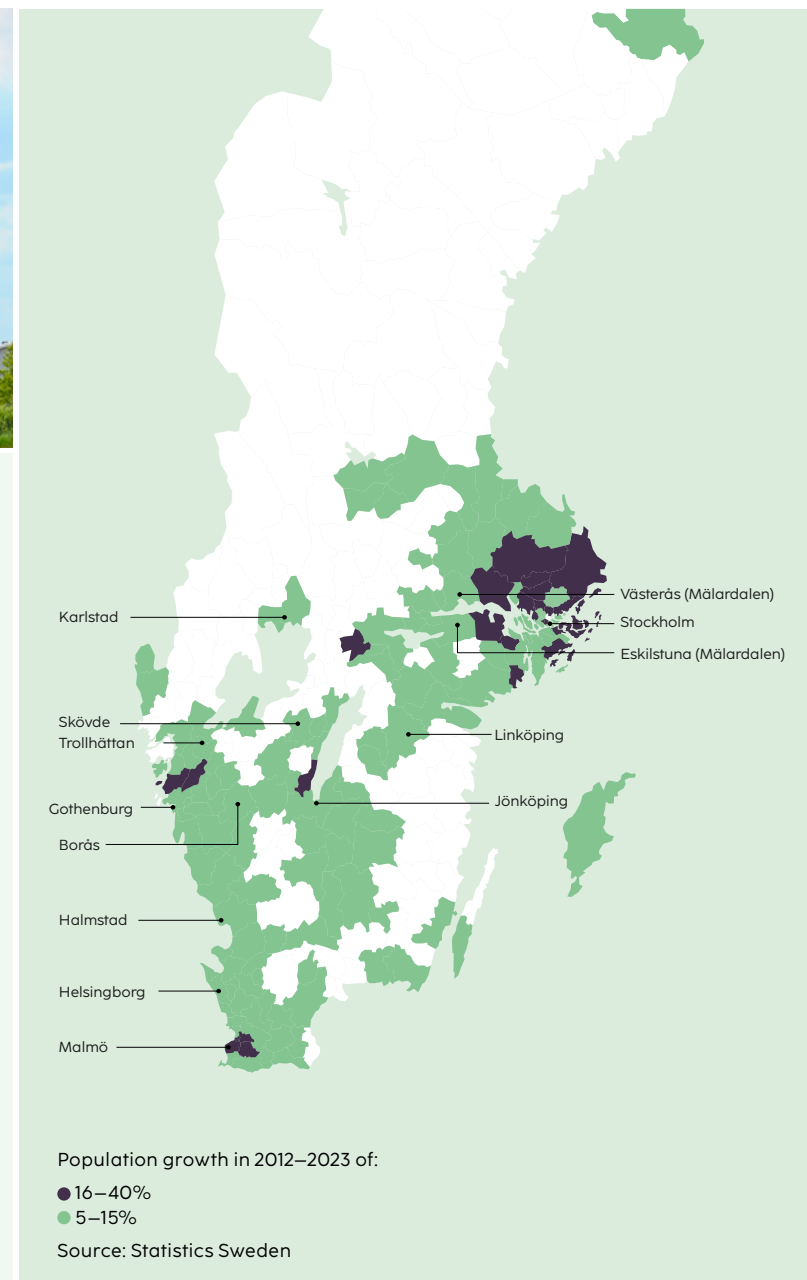
OTHER INFORMATION

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	8,480	186,715	99.1	140	5,263
Helsingborg	73	2,452	169,706	14,713	184,419	98.1	145	5,706
Jönköping	19	1,206	59,338	3,206	62,544	99.5	56	2,197
Malmö	51	1,544	107,014	12,397	119,411	99.6	105	4,521
Southern Region	185	8,051	514,293	38,796	553,089	98.9	446	17,687
Borås	152	3,364	214,423	15,914	230,337	93.3	163	6,031
Gothenburg	34	4,077	266,340	12,834	279,174	99.5	198	7,185
Skövde	15	822	56,866	1,944	58,810	99.1	38	1,301
Trollhättan	28	985	57,987	8,190	66,177	98.4	43	1,214
Western Region	229	9,248	595,616	38,882	634,498	97.0	442	15,731
Karlstad	59	2,675	155,437	11,246	166,683	99.2	124	4,007
Linköping	29	3,536	241,918	24,197	266,115	93.4	178	6,002
Mälardalen	12	1,724	102,092	16,697	118,789	92.0	84	3,327
Stockholm	38	3,942	231,933	10,601	242,534	99.6	220	9,550
Eastern Region	138	11,877	731,380	62,741	794,121	96.5	606	22,886
Total	552	29,176	1,841,289	140,419	1,981,708	97.3	1,494	56,304



OTHER INFORMATION

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–Jun	2023 Jan–Jun	2023 Jan–Dec	2022 Jan–Dec	2021 Jan–Dec
Property-related					
Total area, sq m	1,981,708	1,952,698	1,976,659	1,942,834	1,881,077
Number of properties	552	552	552	552	533
Number of residential properties	29,176	28,644	29,095	28,451	27,134
Market value, SEK m	56,304	56,858	56,497	59,886	56,560
Market value, SEK/sq m	28,412	29,118	28,582	30,824	30,068
Rental value, SEK m	3,168	2,964	3,020	2,799	2,600
Economic occupancy rate, %	97.3	98.2	97.9	98.6	98.8
Net operating margin, %	63.3	63.5	65.1	63.6	62.0
Financial					
Average interest rate, %	2.7	2.5	2.6	2.1	1.2
Average fixed-interest tenor, years	3.5	3.3	3.5	3.5	3.9
Average loan-to-maturity, years	2.4	2.3	2.2	2.5	2.3
Loan-to-value (LTV) ratio, %	51.5	53.4	52.5	49.6	47.2
Interest coverage ratio, multiple	2.1	2.3	2.2	3.1	3.5
Equity/assets ratio, %	38.7	36.2	36.8	38.4	40.4
Other					
Number of employees	275	310	301	298	279

OTHER INFORMATION

Reconciliation of alternative performance measures

	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Loan-to-value ratio			
Interest-bearing liabilities, SEK m	30,503	33,962	32,000
Cash and cash equivalents, SEK m	–1,514	–3,590	–2,313
Total interest-bearing liabilities, net	28,989	30,372	29,687
Net interest-bearing liabilities, SEK m	28,989	30,372	29,687
Market value of properties, SEK m	56,304	56,858	56,497
Loan-to-value (LTV) ratio, %	51.5	53.4	52.5
Interest coverage ratio			
Operating profit, SEK m	897	850	1,757
Net financial items excl. exchange-rate effects, SEK m	429	366	812
Interest coverage ratio, multiple	2.1	2.3	2.2
Equity/assets ratio			
Equity, SEK m	23,043	22,754	22,265
Total assets, SEK m	59,575	62,925	60,483
Equity/assets ratio, %	38.7	36.2	36.8
Net operating margin			
Net operating income, SEK m	945	900	1,861
Rental revenues, SEK m	1,494	1,417	2,860
Net operating margin, %	63.3	63.5	65.1

Partille 105:7,
Gothenburg

OTHER INFORMATION

Definitions

Property-related definitions

Total area, sq m^{*}

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

Rental value, SEK m^{*}

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

Economic occupancy rate residential property, %^{*}

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

Total economic occupancy rate, %^{*}

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^{*}

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

Contracted rent, SEK m^{*}

Total rented objects running on the balance-sheet date.

Change in property values, %^{*}

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

Yield, %^{*}

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

Total return, %^{*}

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^{*}

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

^{*} This metric is operational and is not considered an alternative performance measure under ESMA's guidelines.



Report dates

Interim report Jan–Sep 2024
Year-end report 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 and the Securities Market Act.

The information was submitted for publication at 1.00 p.m. on 22 August 2024.