

INTERIM REPORT

January–September 2024



SUMMARY

Growth in Stockholm and stable net operating income

- Revenue increased to SEK 2,251 million (2,135), up 5.4%.
- Net operating income totalled SEK 1,479 million (1,402), up 5.5%. For the comparable property portfolio, net operating income rose 3.6%.
- Unrealised changes in the value of the properties during the period amounted to SEK –882 million (–4,671), corresponding to a value decline of –1.5% (–7.6).
- The change in the value of financial instruments amounted to SEK –378 million (–142).
- Profit/loss after tax for the period totalled SEK –439 million (–3,261).
- The market value of the properties was SEK 57,080 million (56,390) at the end of the period.
- Investments in the property portfolio amounted to SEK 648 million (1,170), of which SEK 350 million (690) relates to investments in existing properties and SEK 298 million (480) to property development.
- Two properties in Stockholm with 232 newly built apartments were acquired in the third quarter at a contracted property value of SEK 618 million. A previously contracted property in Malmö, with 250 apartments under production, was also taken into possession.
- In order to strengthen the company's financial strength and to be prepared for doing attractive acquisitions, Willhem have received two unconditional shareholder contributions of a total of 1.6 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

29,415

Net operating margin

65.7%

Average total return
over 10 years 2013–2023

8.6%

Market value of properties, SEK million

57,080

Loan-to-value ratio

50.5%

Reduction in energy consumption kwh
per sq m since 2012

–33.4%



CEO COMMENTS

Stable operating net development creates conditions for business opportunities

In this market, we are seeing good possibilities for growth through acquisitions, and we have now begun our expansion in the metropolitan regions, with a focus on Stockholm.

Inflation has fallen, and we were pleased to see several cuts in interest rates during the quarter. It is hoped that this will lead to more investments being made. At the end of the period, we acquired 232 newly built rental apartments in the Vega district of Haninge, a transaction that is entirely in line with our orientation on growth in the metropolitan regions, primarily in Stockholm, but also in Gothenburg and Malmö.

In parallel, we focused on our core operations, working to control costs, streamline our operations and generate revenue. We noted a certain increase in the vacancy rate in a few locations, but at the same time we see – based on trends in population growth – that we are positioned in good markets. This is a crucial issue that we are monitoring carefully. The rent negotiations this year have been initiated, and it is important that in 2025 we achieve an outcome that is well above inflation in order to offset the cost increases we have experienced.

Finances in balance

Our sharp focus on improving and streamlining our core operations continues to have a positive impact on net operating income, which was SEK 1,479 million, up 5.5%. The net operating margin was 65.7%. The change in the value of properties amounted to SEK –882 million. For the second consecutive quarter, we experienced only a very marginal drop in our property value, which will strengthen us going forward. The property value is now SEK 57,080 million.

Total financing, which comprises both bank loans and capital market financing, amounted to SEK 30,687 million. Through our focus on good cost control, in combination with the unconditional



“Our sharp focus on improving and streamlining our core operation continues to have a positive impact on net operating income.”

CEO COMMENTS



“We are now laying the groundwork for a continued digital transformation.”

shareholder contributions we received from our owners, we have good hopes of strengthening our A- rating from a negative to a stable outlook.

Popular in Kviberg

In the third quarter, we neared completion of our Kvibergs Kaserner project in Gothenburg, where we encountered strong demand and a rapid leasing process. The zoning plan for Jupiter 13, our land allocation in Jönköping, was also adopted in late September. In Malmö, production of Marsipanfabriken – our acquired project with 250 apartments in the Sorgenfri district – has commenced. At the end of the period, we had 751 apartments in production, of which 269 were on a proprietary basis. Just over 800 apartments are located in zoning plans that are in progress, and the portfolio with building rights that entered legal force amounts to approximately 700 apartments.

A focus on energy

The property industry accounts for 20% of all carbon emissions, and we are actively engaged in reducing our impact, including through investments in energy efficiency measures. These measures are having an effect, and we are seeing a good reduction in energy use. Preparations are now under way for reporting in accordance with the new Corporate Sustainability Reporting Directive (CSRD). During the year, our initiatives included a double materiality assessment that forms the basis for continuing our work.

In parallel, we are proceeding with our action plans from a social perspective, with our new matrix organisation focusing on safety measures in our most challenging areas. One concrete example are the security patrols that are now covering central

Fittja, a result of the local collaboration with other property owners, the municipality and the police.

The children and young people in our district are the future. One bright spot was 300 children in the Biskopsgården, Andersberg and Skäggetorp districts taking part in the Willhem Neighbourhood Run, which took place in September. A great tradition with a fantastic atmosphere!

Clear direction

Internally, we are focusing on strengthening our capacity in several areas. Our organisation has been supplemented with strategically important director's roles in leasing and administration. Digitisation involves us all, and intensive preparations are under way for a shift in the system environment in March of next year. As a result, we are laying the groundwork for a continued digital transformation.

After a particularly challenging period, there is significant movement in a more hopeful direction. At Willhem, we will make use of every opportunity. Our open and unpretentious employee culture makes this possible, and in the autumn we focused on honing our business focus even further. Exciting times await!

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



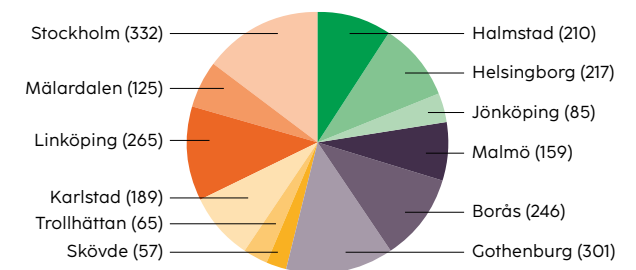
CONSOLIDATED FINANCIAL REPORTING

Consolidated income statement

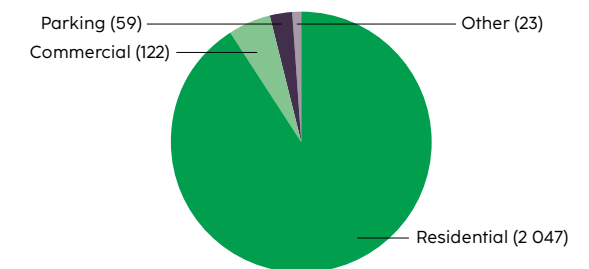
Amounts in SEK m	2024 Jul–Sep	2023 Jul–Sep	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Rental revenues	757	718	2,251	2,135	2,860
Operating expenses	–144	–142	–524	–489	–683
Repairs and maintenance	–26	–21	–74	–77	–88
Property administration	–41	–40	–134	–128	–175
Property tax	–12	–13	–40	–39	–53
Total property expenses	–223	–216	–772	–733	–999
Net operating income	534	502	1,479	1,402	1,861
Corporate administration expenses	–20	–19	–67	–69	–103
Other operating expenses	–	–	–1	0	–1
Operating profit	514	483	1,411	1,333	1,757
Interest income	13	35	44	74	100
Interest expense	–189	–229	–627	–593	–809
Leasehold fee	–4	–4	–12	–12	–16
Exchange rate effects	59	–23	52	60	114
Other financial expenses	–43	–36	–65	–77	–103
Total financial items	–164	–257	–608	–548	–714
Income from property management	350	226	803	785	1,043
Change in value of investment properties, unrealised	–137	–852	–882	–4,671	–5,227
Change in value of financial instruments	–465	119	–378	–142	–1,114
Total change in value	–602	–733	–1,260	–4,813	–6,341
Loss before tax	–252	–507	–457	–4,028	–5,298
Tax	35	66	18	767	989
Loss for the period	–217	–441	–439	–3,261	–4,309

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

Rental revenue per area 30 September 2024, SEK m



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



CONSOLIDATED FINANCIAL REPORTING

Rental revenues

The Group's rental revenues rose to SEK 2,251 million (2,135), 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 79 million, up 3.8%.

The economic occupancy rate for residential housing was 97.7% (98.7). The total occupancy rate for the entire property portfolio, including commercial premises and other areas, amounted to 97.1% (98.1).

Property expenses

Property expenses amounted to SEK –772 million (–733). Operating expenses were SEK 35 million higher compared to the previous year. This is due primarily to higher electricity, heating and water costs as well as the electricity subsidy of SEK 20 million that was received last year. Repairs and maintenance were lower compared to the previous year, largely as less maintenance work was performed due to the economic situation. Property administration increased SEK 6 million, due mainly to higher personnel costs.

For the comparable portfolio, property expenses were SEK 29 million higher, due primarily to the electricity subsidy that was received in 2023 as well as higher heating and water costs. In addition, property administration 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 1,479 million (1,402), up 5.5%. The improvement in net operating income is due to increased rental revenues. The net operating margin for the period was 65.7% (65.7). For the comparable property portfolio, net operating income rose SEK 51 million compared with the preceding year, up 3.6%.

Corporate administration expenses

Central administration costs amounted to SEK –67 million (–69).

Financial items

Interest income for the period amounted to SEK 44 million (74) and interest expenses amounted to SEK –627 million (–593).

Other financial expenses amounted to SEK –65 million (–77) and the period's exchange rate effects on bonds in NOK amounted to SEK 52 million (60). Currency risk is managed with currency derivatives, which means that when the bonds expire there are no currency effects.

The average interest rate was 2.6% (2.6). The interest coverage ratio for the period was 2.2 (2.2).

Change in value of investment properties

Unrealised changes in the value of the properties during the period amounted to SEK –882 million (–4,671), corresponding to a value decline of –1.5% (–7.6). 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

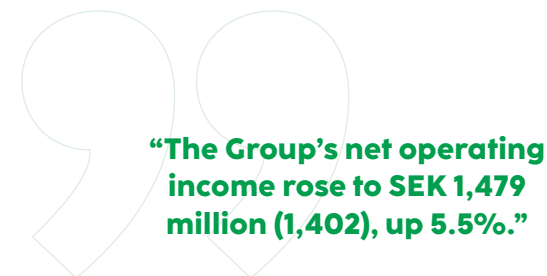
The value of derivatives decreased SEK –378 million (–142), mainly due to changes in the interest-rate market. Derivatives were redeemed early during the second quarter and a realised change in value of SEK 16 million arose. The change in value of the electricity derivatives was SEK –7 million (–60) 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 18 million (767), of which deferred tax amounted to SEK 18 million (767) and current tax to SEK 0 million (0). The reduction in deferred tax for the period is mainly due to lower investments and changes in value than the previous year.

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.



Profit/Loss

Income from property management for the period totalled SEK 803 million (785), an increase of SEK 18 million due to higher net operating income. Profit/loss after tax for the period totalled SEK –439 million (–3,261), mainly due to the negative changes in the value of the properties being 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.

Third quarter

Revenue in the third quarter rose to SEK 757 million (718), up 5.4%. 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 –223 million (–216), with the increase due primarily to repair and maintenance expenses that were higher than in the previous year. Net operating income amounted to SEK 534 million (502). For the comparable portfolio, net operating income rose 4.7% in the third quarter.

Operating profit totalled SEK 514 million (483). The unrealised change in the value of properties amounted to SEK –137 million (–852), corresponding to a value decline of –0.2% (–1.3). The change in the value of financial instruments had an impact on profit of SEK –465 million (119). Loss after tax for the quarter totalled SEK –217 million (–441).

CONSOLIDATED FINANCIAL REPORTING

Consolidated balance sheet

Amounts in SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
Non-current assets			
Investment properties	57,080	56,390	56,497
Right-of-use assets, leaseholds	544	511	510
Equipment	6	7	7
Intangible assets in progress	56	5	12
Derivatives	391	1,417	679
Non-current receivables	—	103	103
Total non-current assets	58,077	58,433	57,808
Current assets			
Inventory	24	29	27
Other current receivables	359	342	330
Derivatives	1	9	5
Cash and cash equivalents	1,870	2,953	2,313
Total current assets	2,254	3,333	2,675
Total assets	60,331	61,766	60,483

Amounts in SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Equity and liabilities			
Equity attributable to Parent Company shareholders			
Equity	23,425	22,313	22,265
Total equity	23,425	22,313	22,265
Non-current liabilities			
Interest-bearing liabilities	20,526	20,293	19,505
Deferred tax liability	4,712	4,952	4,730
Derivatives	396	56	290
Right-of-use liabilities, leaseholds	544	511	510
Total non-current liabilities	26,178	25,812	25,035
Current liabilities			
Interest-bearing liabilities	10,161	13,066	12,495
Derivatives	7	14	11
Other non-interest-bearing liabilities	560	561	677
Total current liabilities	10,728	13,641	13,183
Total equity and liabilities	60,331	61,766	60,483

CONSOLIDATED FINANCIAL REPORTING

Investment properties

Property market

The global geopolitical situation has become more turbulent and unstable. The turbulence in the housing market has decreased, and attitudes are more positive even though the market remains relatively cautious. The housing market remains affected by interest rates that are relatively high, but conditions are somewhat better for many property companies and the outlooks are brighter.

Inflation according to the consumer price index with a fixed interest rate (CPIF) decreased in September to 1.1% from August, when it was 1.2%. This is the fourth consecutive month where inflation has been under the Riksbank's long-term goal of 2.0%. A year earlier, in September 2023, inflation was at 4.0%. At the Riksbank's fiscal policy meeting at the end of September, the directors decided to lower the key interest rate a further 0.25 percentage points to 3.25%. Up through September, the key interest rate has now fallen 0.75 percentage points in 2024 on three separate occasions. At the meeting in November, the Riksbank lowered the key interest rate by 0.5 percentage points and their interest rate path signals further reductions in the future. The US Federal Reserve Bank lowered its key interest rate 0.5 percentage points in September, which was the first reduction since early 2020.

The transaction volume for the Swedish property market totalled SEK 83 billion during the first three quarters of the year, up approxi-

mately 10% over the year-earlier period. In contrast to last year and the first half of this year, residential properties are once again the segment with the greatest turnover, with residential housing changing owners for SEK 25 billion in 2024 – comprising approximately one third (30%) of the total transaction volume. Logistics, warehousing and industry accounted for 24% of the volume, and offices for 20%. The proportion of foreign investors increased from the previous quarter to 20% of the total volume.

The construction of new residential properties has decreased sharply in recent years, and in its latest forecast from May 2024 the Swedish Board of Housing Building and Planning concluded that there would be only 27,000 new housing starts this year and 32,000 in 2025. The governmental investigation into presumption rents, with the government intending to create good conditions for construction of rental apartments, is now complete. In the main, it proposes the same annual rent increase, in terms of percentage, as other rental properties, and that rental adjustments must be reviewed by a separate arbitrator. The goal is for the new regulations to enter force on 1 January 2026, if the proposal is submitted to the Riksdag after being circulated for comment.

Our properties

Willhem owns and manages 556 properties (552) in carefully chosen growth regions in Sweden. The property portfolio was valued internally on 30 September 2024. The estimated market value was SEK 57,080 million (56,390). The total lettable area was 1,991,385 sq m, of which 93.0% relates to residential housing.

Valuation

Unrealised changes in value during the period amounted to SEK –882 million (–4,671), corresponding to a value decline of –1.5% (–7.6). The average weighted yield was 4.0% (3.6). The yield for residential properties amounted to 2.6–5.7% (2.2–4.8) and for commercial properties to 3.8–10.0% (3.7–10.3).

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 648 million (1,170), of which SEK 350 million (690) relates to investments in existing properties and SEK 298 million (480) to property development. Willhemlyft accounted for SEK 96 million (221) of investments in existing property.

During the period, two properties in Stockholm with 232 newly built apartments were acquired. The contracted property value was SEK 618 million. A previously contracted acquisition, of a property in Malmö, has been taken into possession. 250 apartments are being built there, with occupancy planned for 2026/2027. In addition, final payments were also made on previous acquisitions, bringing the net amount for acquisitions for the period to SEK 817 million (5).

Investment properties

SEK million	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Market value at the beginning of the period	56,497	59,886	59,886
+ Acquisitions (incl. acquisition costs)	817	5	233
+ Investments in existing property	350	690	985
+ Investments in development projects	298	480	620
+ Unrealised changes in value	–882	–4,671	–5,227
– Divestments	–	–	–
Market value at the end of the period	57,080	56,390	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 482 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	570	Q4 2024–Q1 2025
Kviberg 28:4	Gothenburg	Development project	50	1,792	90	76	Q4 2024
Lugnet 2	Västerås	Conversion	54	2,434	62	28	Q2 2025
Krusbäret 1	Halmstad	Development project	165	5,802	295	172	Q2 2025
Författaren 1	Malmö	Development project*	250	9,611	416	21	Q4 2026–Q1 2027
Total ongoing			751	29,973	1,525	867	

* 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

Long-term interest rates in Sweden fell in the third quarter, and are now at a lower level than at the start of the year. As expected, inflation fell and the Swedish krona strengthened against the US dollar. The Federal Reserve Bank lowered its key interest rate by 0.5% in September to 4.75–5.00 percent, which is the first reduction in four years. They foresee more reductions ahead. Inflation in the euro-zone continued to fall, as expected, and the ECB lowered its key interest rate to 3.50% at its September meeting.

The Purchasing Managers Index (PMI) for the industrial sector in Sweden decreased to 51.3 in September, compared with 52.6 in the preceding month. Swedish industry is being impacted by a weaker global economy, and order intake slowed during the autumn.

The Riksbank lowered its key interest rate in both August and September, and it is now 3.25%. If the outlook for inflation and the business cycle performs in line with expectations, the interest rate can be lowered further during upcoming meetings. At the meeting in November, the Riksbank lowered the policy rate by 0.5 percentage points.

The stock exchange's OMX 30 index continued to rise slightly during the third quarter, and has risen 9.6% to date this year. The

third quarter concluded with increased share prices and falling long-term interest rates.

Cash and cash equivalents and interest-bearing liabilities

Cash and cash equivalents totalled SEK 1,870 million (2,953) at the end of the period. In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 15,800 million (18,600).

The Group's interest-bearing liabilities totalled SEK 30,687 million (33,359). Financing via the capital markets through bonds and certificates accounted for 64.6% (67.1) of financing.

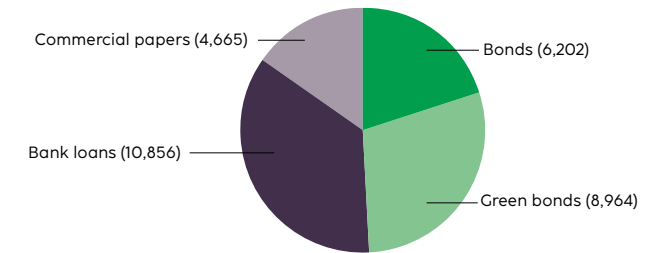
The loan-to-value ratio was 50.5% (53.9). According to Willhem's financial target, this should be below 60.0%. The average interest rate was 2.6% (2.6) on the balance-sheet date. The average fixed-interest tenor was 3.3 years (3.5) and the percentage of fixed-interest maturity was 29.3% (30.9) in the next 12 months.

The loan-to-maturity period was 2.3 years (2.3) and taking into account the commitments, the adjusted loan-to-maturity period was 3.4 years (3.0). The interest coverage ratio was 2.2 (2.2). The interest coverage ratio, rolling 12 month, was 2.1. Willhem's financial target is that this is to exceed 2.0.

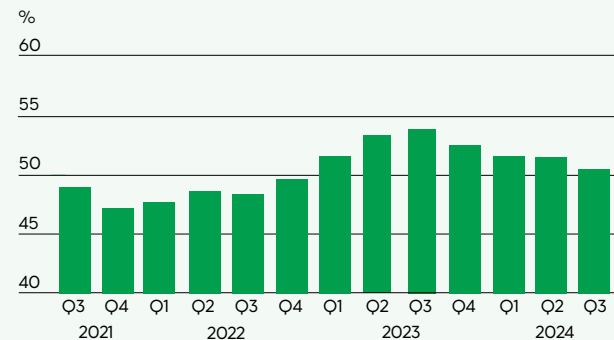
The company is subject to a number of covenants, meaning conditions required by a lender to provide credit, and if the conditions are not met, the credit falls due. All of the company's covenants were met during the quarter.

The market value of bonds totalled SEK 15,103 million (16,344). 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



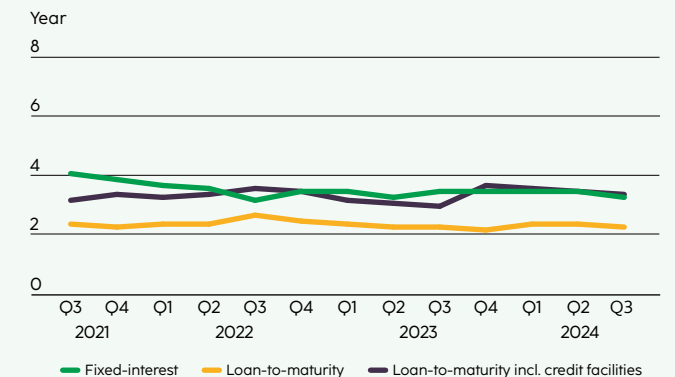
Loan-to-value ratio



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*	9,044	4.5	10,162
1–2 years	3,125	1.8	4,100
2–3 years	4,990	1.7	6,555
3–4 years	2,513	2.0	4,862
4–5 years	3,470	1.7	4,563
5–6 years	1,300	0.6	—
6–7 years	2,180	1.5	380
7–8 years	100	2.6	—
8–9 years	2,500	3.0	—
9–10 years	550	2.3	—
10–11 years	850	2.8	—
11–12 years	—	—	—
12–30 years	200	1.8	200
Total	30,822	2.6	30,822

* 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 10,162 million includes SEK 4,665 million in certificates. The statement of financial position included interest-bearing liabilities of SEK 30,687 million, the difference compared with the above table pertains to arrangement fees of SEK –28 million and exchange rate translation concerning foreign bonds of SEK –107 million.

Green financing

At the end of the period, green bonds amounted to SEK 8,964 million (7,250), which accounts for 59.1% of Willhem's total bonds outstanding.

Derivatives

The net market value of the Group's derivatives totalled SEK –11 million (1,356), of which SEK 392 million is recognised as an asset and SEK –403 million as a liability in the Group's statement of financial position. Net interest-rate and currency derivatives totalled SEK –5 million (1,356), of which SEK 391 million was recognised as an asset on the balance-sheet date.

Electricity derivatives totalled SEK –6 million (–0.2). 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	—	—
1–2 years	2,025	37
2–3 years	4,125	–41
3–4 years	2,050	–32
4–5 years	2,750	89
5–6 years	1,300	92
>6 years	5,800	–150
Total	18,050	–5

Rating

In April 2024, Standard & Poor's confirmed Willhem's long-term A- credit rating, with a negative outlook.

The negative outlook relates to highlighting a certain risk of deteriorating key metrics and uncertainty around value performance for properties going forward. The capital contributions from the owners, totalling SEK 1.6 billion, have bolstered the balance sheet. Willhem confirms its commitment to maintaining an A- and, if needed, to taking the measures required to further support the company's balance sheet and key credit metrics.

CONSOLIDATED FINANCIAL REPORTING

Consolidated cash-flow statement

Amounts in SEK m	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
OPERATING ACTIVITIES			
Operating profit	1,411	1,333	1,757
Adjustments for items not affecting liquidity	–49	–20	20
Interest paid, net	–570	–621	–807
Taxes paid	–	–	–
Cash flow from operating activities before changes in working capital	792	692	970
Change in current receivables	–51	–118	–105
Change in current liabilities	–153	–108	–70
Cash flow from operating activities	588	466	795
INVESTING ACTIVITIES			
Investments in existing property	–648	–1,170	–1,605
Acquisition of properties	–246	0	–173
Inventory	3	–29	–27
Investments in other, net	–46	–7	–11
Cash flow from investing activities	–937	–1,206	–1,816
FINANCING ACTIVITIES			
Liabilities raised	8,615	12,320	14,119
Repayments of liabilities	–10,428	–13,095	–16,255
Redemption of derivatives	16	21	23
Non-current receivables	103	–17	–17
Shareholder contributions	1,600	–	1,000
Cash flow from financing activities	–94	–771	–1,130
Cash flow for the period	–443	–1,511	–2,151
Opening balance, cash and cash equivalents	2,313	4,464	4,464
Closing balance, cash and cash equivalents	1,870	2,953	2,313

Comments

Cash flow from operating activities totalled SEK 588 million (466). Investments in properties totalled SEK –648 million (–1,170).

Gross capital formation for the period pertaining to acquisitions of properties amounted to SEK –798 million (–1) and deductions for latent tax amounted to SEK 7 million (–). SEK 551 million (–) in existing loans on acquired properties was repaid. Acquisition costs paid during the period amounted to SEK –6 million (0.5), and accordingly SEK –246 million (0) had a direct liquidity impact on cash flow.

During the period, SEK 8,615 million (12,320) was raised in new loans and SEK –9,877 million (–13,095) was repaid. As of 30 September 2024, the Group's cash and cash equivalents were SEK 1,870 million (2,953). In addition to cash and cash equivalents, Willhem has unutilised issue undertakings and credit facilities totalling SEK 15,800 million (18,600).

Consolidated statement of changes in equity

Amounts in SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening equity	22,265	25,574	25,574
Dividends	–	–	–
Shareholder contributions	1,600	–	1,000
Comprehensive income for the year	–439	–3,261	–4,309
Closing equity	23,425	22,313	22,265

Equity totalled SEK 23,425 million (22,313). The equity/assets ratio was 38.8% (36.1).

CONSOLIDATED FINANCIAL REPORTING

Segment reporting

Amounts in SEK m	2024 Jul–Sep	2023 Jul–Sep	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Rental revenues					
Southern Region	225	216	671	642	859
Western Region	227	212	669	633	848
Eastern Region	305	290	911	860	1,153
Total	757	718	2,251	2,135	2,860
Property expenses					
Southern Region	–62	–63	–211	–211	–284
Western Region	–73	–70	–255	–239	–330
Eastern Region	–88	–83	–306	–283	–385
Total	–223	–216	–772	–733	–999
Net operating income					
Southern Region	163	153	460	431	575
Western Region	154	142	414	394	518
Eastern Region	217	207	605	577	768
Total	534	502	1,479	1,402	1,861

Amounts in SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Market value investment property			
Southern Region	17,854	18,037	17,822
Western Region	15,813	15,473	15,720
Eastern Region	23,413	22,880	22,955
Total carrying amount	57,080	56,390	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 1,479 million (1,402) and profit/loss before tax of SEK –457 million (–4,028), consists of central administration costs of SEK –67 million (–69), other operating expenses of SEK –1 million (0), financial items of SEK –608 million (–548), change in property values SEK –882 million (–4,671) and change in value of financial instruments SEK –378 million (–142).

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 32 million (–1,200) in the Southern Region, SEK 93 million (–1,124) in the Western Region and SEK 458 million (–1,172) in the Eastern Region.

PARENT COMPANY FINANCIAL REPORTING

Parent Company income statement

Amounts in SEK m	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Revenues	47	47	62
Administrative expenses	–113	–117	–164
Operating loss	–66	–70	–102
Interest income	454	989	620
Interest expense	–325	–295	–437
Other financial items	–3	–8	24
Change in value of financial instruments	–85	–27	–258
Profit/loss after financial items	–25	589	–153
Appropriations, Group contributions	—	—	–445
Appropriations, principal earnings	—	—	–131
Profit/loss before tax	–25	589	–729
Tax	16	9	61
Profit/loss for the period	–9	598	–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 47 million (47), of which intra-Group revenue totalled SEK 47 million (47). The Parent Company's interest income amounted to SEK 454 million (989), of which intra-Group interest income totalled SEK 410 million (915). Other financial items includes exchange-rate effects of SEK 52 million (60) 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 –101 million (–27). Derivatives were redeemed during the year, which yielded a realised change in value of SEK 16 million (–). Loss before tax amounted to SEK –25 million (589).

Tax for the period pertains to deferred tax of SEK 16 million (9).

Parent Company balance sheet

Amounts in SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Shares and participations in Group companies	4,664	4,659	4,664
Receivables from Group companies	24,280	23,442	23,371
Deferred tax assets	83	14	67
Equipment	3	4	4
Intangible assets in progress	56	5	12
Non-current receivables	—	33	33
Total non-current assets	29,086	28,157	28,151
Current assets			
Other receivables	266	192	170
Cash and cash equivalents	1,870	2,953	2,313
Total current assets	2,136	3,145	2,483
TOTAL ASSETS	31,222	31,302	30,634
EQUITY AND LIABILITIES			
Equity	4,527	3,202	2,936
Total equity	4,527	3,202	2,936
Non-current liabilities			
Interest-bearing liabilities	11,374	11,560	11,207
Liabilities to Group companies	6,352	5,589	6,370
Derivatives	396	56	290
Total non-current liabilities	18,122	17,205	17,867
Current liabilities			
Interest-bearing liabilities	8,457	10,814	9,717
Derivatives	7	14	11
Other liabilities	109	67	103
Total current liabilities	8,573	10,895	9,831
TOTAL EQUITY AND LIABILITIES	31,222	31,302	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 September 2024, there were a total of 264 employees (307).

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. During the year, Första AP-fonden paid two unconditional shareholder contributions totalling SEK 1,600 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 with related parties took place.

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

In October, a new green financing framework was presented that replaces the green bond framework from 2021. The new framework reflects the company's overall sustainability strategy.

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, 20 November 2024

Fredrik Wirdenius
Chairman

Christel Armstrong Darvik
Member

Anders Ahlberg
Member

Ragnhild Backman
Member

Johan Temse
Member

Mariette Hilmersson
Chief Executive Officer

OTHER INFORMATION

Auditor's report

Willhem AB (publ) reg. no. 556797-1295

Introduction

We have reviewed the condensed interim financial information (interim report) of Willhem AB (publ) as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act regarding the Group, and with the Annual Accounts Act regarding the Parent Company.

Gothenburg, 20 November 2024

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant
Partner in Charge

Isa Schuman
Authorised Public Accountant

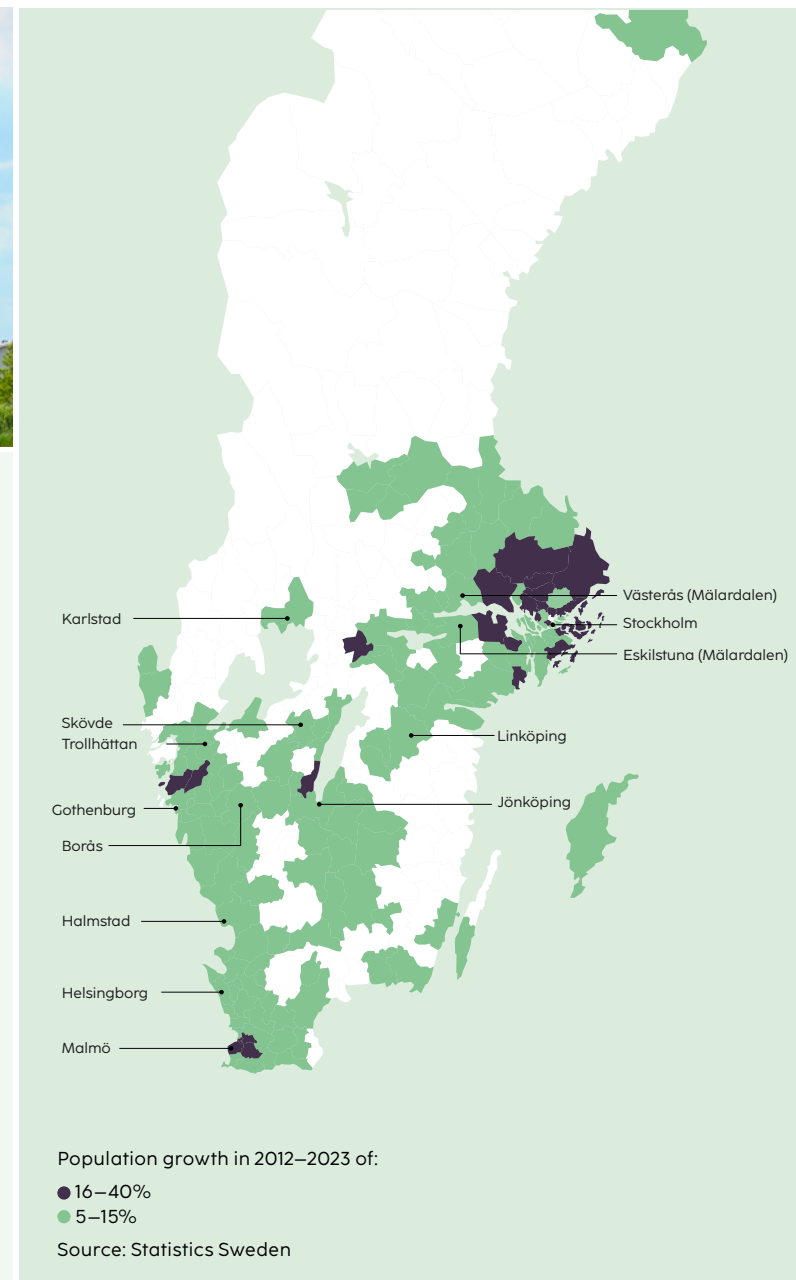
OTHER INFORMATION

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	2,855	178,514	8,406	186,919	98.8	210	5,316
Helsingborg	73	2,452	169,706	14,708	184,414	97.6	217	5,702
Jönköping	19	1,206	59,338	3,206	62,544	99.5	85	2,193
Malmö	52	1,544	107,014	12,409	119,423	99.5	159	4,643
Southern Region	186	8,057	514,572	38,729	553,300	98.7	671	17,854
Borås	152	3,364	214,423	15,914	230,336	92.9	246	6,028
Gothenburg	34	4,078	266,360	12,664	279,024	99.4	301	7,269
Skövde	15	822	56,866	2,044	58,910	99.2	57	1,303
Trollhättan	28	985	57,987	8,144	66,131	98.4	65	1,213
Western Region	229	9,249	595,636	38,766	634,401	96.7	669	15,813
Karlstad	59	2,675	155,437	11,246	166,683	99.2	189	3,995
Linköping	29	3,536	241,918	24,195	266,113	92.5	265	5,996
Mälardalen	12	1,724	102,092	16,697	118,789	92.0	125	3,335
Stockholm	41	4,174	241,492	10,607	252,099	99.6	332	10,087
Eastern Region	141	12,109	740,939	62,745	803,684	96.2	911	23,413
Total	556	29,415	1,851,146	140,239	1,991,385	97.1	2,251	57,080



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–Sep	2023 Jan–Sep	2023 Jan–Dec	2022 Jan–Dec	2021 Jan–Dec
Property-related					
Total area, sq m	1,991,385	1,953,170	1,976,659	1,942,834	1,881,077
Number of properties	556	552	552	552	533
Number of residential properties	29,415	28,649	29,095	28,451	27,134
Market value, SEK m	57,080	56,390	56,497	59,886	56,560
Market value, SEK/sq m	28,663	28,871	28,582	30,824	30,068
Rental value, SEK m	3,204	2,968	3,020	2,799	2,600
Economic occupancy rate, %	97.1	98.1	97.9	98.6	98.8
Net operating margin, %	65.7	65.7	65.1	63.6	62.0
Financial					
Average interest rate, %	2.6	2.6	2.6	2.1	1.2
Average fixed-interest tenor, years	3.3	3.5	3.5	3.5	3.9
Average loan-to-maturity, years	2.3	2.3	2.2	2.5	2.3
Loan-to-value (LTV) ratio, %	50.5	53.9	52.5	49.6	47.2
Interest coverage ratio, multiple	2.2	2.2	2.2	3.1	3.5
Equity/assets ratio, %	38.8	36.1	36.8	38.4	40.4
Other					
Number of employees	264	307	301	298	279

OTHER INFORMATION

Reconciliation of alternative performance measures

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Loan-to-value ratio			
Interest-bearing liabilities, SEK m	30,687	33,359	32,000
Cash and cash equivalents, SEK m	–1,870	–2,953	–2,313
Total interest-bearing liabilities, net	28,817	30,406	29,687
Net interest-bearing liabilities, SEK m	28,817	30,406	29,687
Market value of properties, SEK m	57,080	56,390	56,497
Loan-to-value (LTV) ratio, %	50.5	53.9	52.5
Interest coverage ratio			
Operating profit, SEK m	1,411	1,333	1,757
Net financial items excl. exchange-rate effects, SEK m	648	596	812
Interest coverage ratio, multiple	2.2	2.2	2.2
Equity/assets ratio			
Equity, SEK m	23,425	22,313	22,265
Total assets, SEK m	60,331	61,766	60,483
Equity/assets ratio, %	38.8	36.1	36.8
Net operating margin			
Net operating income, SEK m	1,479	1,402	1,861
Rental revenues, SEK m	2,251	2,135	2,860
Net operating margin, %	65.7	65.7	65.1

Partille 105:7,
Gothenburg

OTHER INFORMATION

Definitions

Property-related definitions

Total area, sq m¹

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

Rental value, SEK m¹

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

Economic occupancy rate residential property, %¹

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

Total economic occupancy rate, %¹

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 portfolio¹

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

Contracted rent, SEK m¹

Total rented objects running on the balance-sheet date.

Change in property values, %¹

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

Yield, %¹

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

Total return, %¹

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 employees¹

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

¹ This metric is operational and is not considered an alternative performance measure under ESMA's guidelines.



Report dates

Year-end report 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 21 November 2024.