



## **INTERIM REPORT Q2**

1 JANUARY – 30 JUNE 2024

# The period in brief

## The period January – June 2024

- Rental income increased by 20,3 percent and amounted to SEK 652m (542). For comparable portfolio rental income increased by 8,5 percent.
- Net operating income increased by 24,0 percent and amounted to SEK 392m (317). For comparable portfolio net operating income increased by 11,6 percent.
- Profit from property management amounted to SEK 38m (25).
- Changes in property values amounted to SEK -1 116m (-3 266). During the period, SEK 210m was invested.
- Profit for the period amounted to SEK -1 042m (-3 206).

## Second quarter 2024

- Rental income increased by 20,4 percent and amounted to SEK 340m (282). For comparable portfolio rental income increased by 5,8 percent.
- Net operating income increased by 23,2 percent and amounted to SEK 227m (184). For comparable portfolio net operating income increased by 9,2 percent.
- Profit from property management amounted to SEK 43m (28).
- Changes in property values amounted to SEK -538m (-2 431). During the quarter, SEK 188m was invested.
- Profit/loss for the period amounted to SEK -329m (-2 183).

## Significant events during and after the quarter

- Joint ventures and partly owned structures were dissolved and restructuring was completed during the quarter, which entailed that the Sveafastigheter Group was formed solely with wholly owned properties and setting conditions for more effective management and profitable organic growth.
- After the quarter, Sveafastigheter established itself on the bond market through the issue of SEK 1 672m with settlement after the end of the quarter. The bond provides a diversification of capital sources and contributes to potentially lower risk and cost in the future raising of capital.

- During the quarter, an agreement was signed to start two new development projects, in Stockholm and Skellefteå, and after the quarter an additional agreement was signed for a new development project in Nacka, totaling 540 apartments. On completion, the projects are anticipated to add additional rental value of SEK 83m.

## Key ratios

	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Rental income, SEKm	340	282	652	542	1,126
Net operating result, SEKm	227	184	392	317	685
Profit from property management SEKm	43	28	38	25	47
Value change investment properties, SEKm	-538	-2,431	-1,116	-3,266	-4,704
Net Profit/Loss for the period, SEKm	-329	-2,183	-1,042	-3,206	-4,384
Surplus ratio, %	67	65	60	58	61
Surplus ratio incl. property administration, %	59	59	52	53	55
Occupancy rate, %	94.3	94.3	94.3	94.3	94.8
Market value of properties, SEKbn	27.5	25.4	27.5	25.4	24.8
Number of apartments	14,467	12,512	14,467	12,512	12,562
Number of apartments currently under construction	689	1,016	689	1,016	1,293
Number of apartments currently in the project	7,223	7,456	7,223	7,456	7,795
Long-term asset value, SEKbn	15.6	12.9	15.6	12.9	14.2
Loan-to-value, %	43	47	43	47	50
Debt ratio, multiple	17	n/a	17	n/a	19
Interest-coverage ratio (12 months), multiple	2.8	n/a	2.8	n/a	2.4

For definitions and calculation of key ratios see pages 27–28.

**+20 %**

Rental income compared to jan-jun 23

**SEK 392m**

Net operating income

**SEK 27.5bn**

Market value of properties

**690**

Apartments under construction

**SEK 15.6bn**

Long-term net asset value

**43 %**

Loan-to-value

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# One of Sweden's largest residential companies has been created

The journey towards creating one of Sweden's largest pure-play residential real estate companies began last year. At the end of the quarter, we completed our restructuring and the Group was formed of properties with a value of SEK 27,5bn. One milestone remains, and that is the broadening of the shareholder base of Sveafastigheter that our owner SBB is planning during 2024.

Even though Sveafastigheter is a new company, our organisation has worked with a large proportion of our properties already for a long time. This has given us a solid foundation for developing the business plan we are working according to, with a focus on operational efficiency and organic growth. A joint venture and a co-owned company have been split up during the quarter, adding approximately 6,500 apartments to our portfolio, which now consists of entirely wholly owned properties. Of these, around 5,200 will be managed externally until the end of the year, when our property management will take over. After this, we will be able to fully utilise the operational benefits that result from being a large residential real estate company that only has wholly owned properties and an organisation that possesses considerable expertise and experience, which is expected to result in increased rental income, lower costs and a higher surplus ratio.

Although the focus in the first half of the year has primarily been to establish Sveafastigheter as an independent residential real estate company and to implement the business plan, we are already seeing strong results from the portfolio.

## Residential rents are developing strongly

During the quarter rental income increased by 20.4 percent, compared to the corresponding quarter last year, mainly driven by the completion of 280 apartments from our ongoing construction as well as the outcome of the annual rent negotiations for the existing portfolio, where the rents increased for comparable portfolios by 5,8 percent. We have successfully negotiated 2024 rents for 88 percent of the portfolio with an average rent increase of 5.1 percent. The rent increases have had a positive effect in the quarter and will have their full effect in the third quarter of this year.

“Focus on operational efficiency and organic growth”

Net operating income increased by 23,2 percent during the quarter, while for comparable portfolios it increased by 9.2 percent. This shows that we are already starting to see results from our operational focus and our efforts towards an increased surplus ratio. An important focus for us is to increase our occupancy ratio, which at the end of the quarter was 94.3 percent. Given that 94 percent of our portfolio is located in either Sweden's three metropolitan regions or university cities, we see potential to increase rental income by improving the occupancy ratio. At the same time, we can state that the occupancy ratio has been stable for many quarters, even though the properties were not previously



Erik Hävermark, CEO



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managed with the operational focus we are now applying at Sveafastigheter. This means that there is significant opportunity for increased rental income with a low risk of increased vacancies.

As the Group and the capital structure were established at the end of the period, certain aspects of our financial results are not representative for Sveafastigheter going forward, which in turn have affected among other things our profit from property management. For example, interest expenses are largely made up of interest on loans within the SBB Group, loans that to a large extent have been adjusted and renegotiated during the restructuring.

## We continue to build

During the quarter we completed 280 new apartments from our new production and at the end of the quarter we had 690 apartments under construction, with the last project being expected to be completed in the first quarter of 2025. During the spring, we decided that going forward our new construction projects will focus on the Stockholm-Mälardalen region, where 91 percent of our development portfolio is located and where there is a higher ability to pay rents and a lower risk of vacancies compared to the rest of Sweden. We may consider starting projects in selected cities outside this region in the future if we deem the demand and ability to pay.

During the quarter, we signed agreements to start the construction of three new projects in Stockholm, Nacka and Skellefteå in the autumn and in August the project was started in Skellefteå. All the projects are fully funded by the contractors during the construction phase, and we see it as evidence of strength for our development portfolio that we are planning to start construction of 540 apartments during the autumn.

## Foundation for future growth

During the recent period of high inflation, residential rents grew at a slower rate than inflation. Historically, however, and over longer periods of time, residential rents have developed stronger than inflation. We have signed two-year lease agreements in certain regions, where the average rent increase for 2025 is 4.6 percent. Given the forecast for inflation going forward, our assessment is that residential rents will have a strong real rent growth in the coming years compared to other segments. Property values have stabilised this quarter, and during the spring the transaction market began to get going again. In August, the Riksbank lowered the policy rate and announced that three additional interest rate cuts are possible this year. Thus, we have several positive trends at the moment, although there are also geopolitical concerns in some parts of the world.

Despite the fact that we are now seeing a decrease in population growth in Sweden, urbanisation is continuing and there is a structural shortage of housing in larger cities and strong labour market regions, where our portfolio is well positioned. With solely residential properties in these attractive cities and regions and combined with our operational focus and low loan-to-value ratio of 43 percent, Sveafastigheter has a strong position in the residential segment in Sweden.

We have the platform that is required to carry out our business plan with the focus on organic growth, and as a result we have the foundation to become one of Sweden's most profitable residential companies. Our vision is to become Sweden's best residential company, and this sets the level of ambition in everything we do. It is with great joy and energy that we go to work every day to create homes for more people, where current and future generations thrive and feel safe.

Erik Hävermark, VD



Haninge, Kalvsvik 16:30

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# Sveafastigheter in brief

Sveafastigheter manages and develops a range of attractive rental apartments in growing Swedish regions, focusing on tenants' well-being and our profitability, and with a commitment to the local community and strong sustainability efforts.



## Property management

**14,470** apartments

**SEK 1,505m** in rental value

**94** percent in metropolitan areas and university cities

**3,700** apartments with potential for renovations

Own organization and internal competence

## Ongoing construction

**690** apartments in production

**SEK 65m** in rental value on completion

Own organization and internal competence

## Project development

**7,220** apartments

**91** percent in Stockholm-Mälardalen's region

**24 percent** of the projects have zoning plans complete

**>15** percent estimated project profit margin (rental properties)

Own organization and internal competence

## Financial goals and risk limits

- Surplus ratio including property administration shall exceed 70 percent within the next five years
- Average annual growth of at least 12 percent in net asset value per common share over a business cycle
- Over time, the loan-to-value ratio shall be within 40–50 percent
- Debt ratio shall not exceed a multiple of 15
- Interest coverage ratio no less than a multiple of 1.5

## Operational goals

- Upgrade at least 2,000 apartments over the next five years
- Start construction of at least 600–800 apartments annually over the next five years
- Obtain land allocations for new production of at least 800 new apartments per year over the coming five years

# Sustainability

Sveafastigheter has won awards for its sustainable housing on a number of occasions. The work is continuing to make the entire portfolio sustainable through tangible action plans, for instance climate neutrality.

Sveafastigheter works to promote sustainability throughout its operations and value chain. The overall goal is to develop sustainable and safe living environments, and weave sustainability into everything that Sveafastigheter does. Sveafastigheter's sustainability efforts are an integral part of the company's management and new production.

## High focus on climate-related work

Sveafastigheter has a long-term ambition to become a climate-neutral company, and during the spring a team that focuses on climate goals in the organization was established. The team's objective is to establish targets by the end of the year for actual emission reductions for the period up to 2030, which will also be submitted to the Science Based Targets initiative (SBTi) for validation once SBTi's new methodology for the real estate sector is complete.

For new construction there is already a climate road map that sets out an annual reduction in climate-impacting emissions, in which the collection of climate data for scopes 1-3 forms

an important element. Sveafastigheter focuses on reducing energy use in the buildings.

## Social sustainability at every stage

Sveafastigheter works within social sustainability throughout the value chain – from the supply chain, through its own employees and by creating homes and neighbourhoods that take into consideration the people who live and spend time there. This is done in close dialogue with municipalities, local actors and residents. To ensure that the new production projects meet the needs of their unique location, Sveafastigheter conducts a social sustainability assessment for all new production projects.

## Preparations ahead of CSRD

Sveafastigheter is subject to the requirements of the Corporate Sustainability Reporting Directive (CSRD) and will be compliant with this sustainability reporting requirement for the financial year 2025.

## Sveafastigheter's sustainability work has been recognised

Sveafastigheter has already achieved significant milestones in sustainability, having built – among other things – Sweden's first large energy-plus building, Neptun 1 in Västerås, which is a house that produces more electricity than it uses. The house has been certified as Miljöbyggnad Gold by the Sweden Green Building Council and Sveafastigheter has won the Sustainability Award of the Year in Västerås.

Even Sveafastigheter's efforts within social sustainability have attracted attention. Among other things, the company won the Kundkristallen award for Sweden's most satisfied tenants in new development for the Hydran 2, an assisted living space project in Västerås.

These milestones confirm Sveafastigheter's outstanding position in the industry and its commitment to sustainability and social responsibility

Sveafastigheter's sustainability work is an integral part of the business model and is split into six focus areas





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# Property portfolio

Sveafastigheter owns, manages and develops long-term rental apartments in growing regions in Sweden with a value of SEK 27.5bn. Management is based on being present, committing locally as well as placing sustainability at the forefront in new construction.

## The property portfolio

At the end of the period the market value of the property portfolio amounted to SEK 27.5bn. The portfolio consists of investment properties worth SEK 24.3bn, properties classified as ongoing construction worth SEK 0.8bn, and project development and building rights worth SEK 2.4bn.

## Investment properties

The investment properties consist of both acquired and self-developed residential properties, spread across four regions, with 94 percent of the portfolio located in either Sweden's three metropolitan regions or university cities. The portfolio consists of 14,470 apartments spread over 260 properties with a total lettable area of 994,000 sqm. The investment properties have an occupancy rate of 94.3 percent and a market value totalling SEK 24.3bn, which corresponds to SEK 24,440 per square metre.

Sveafastigheter also provides external asset management for SBB covering approximately 3,950 apartments, an assignment that will have a positive impact on revenues.

## Management with local presence

Sveafastigheter has a centrally controlled management organisation that is local and present. This enables economies of scale in the business while identifying and managing local needs in order to develop and maintain attractive and safe residential environments where tenants

thrive. The mantra within the management organisation is "helt, rent, snyggt och tryggt".

Through a local and active presence and a continuous dialogue with tenants, the local community, and the municipalities, Sveafastigheter not only creates good living environments but also contributes to a positive social development.

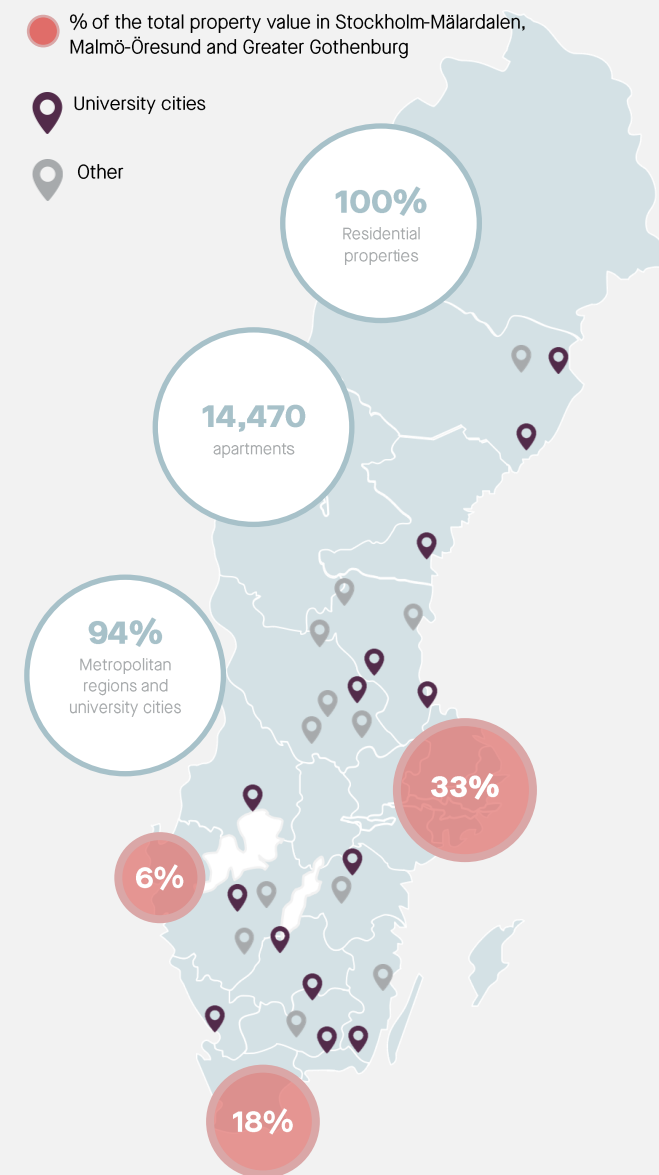
## Management with value-add

The local teams provide the right prerequisites for active and value-add property management.

The energy use in the property portfolio is continuously monitored, and measures are implemented and investments are made to reduce energy demand. As Sveafastigheter is essentially responsible for all energy costs, these investments generate a good return. During the period SEK 34m was invested in energy projects.

There is potential to increase rental income and the surplus ratio in the property portfolio by upgrading apartments when tenants move out, known as succession renovation. Sveafastigheter is preparing to upgrade 2,000 apartments over the next five years.

31 apartments were renovated during the period.



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## Investment properties per region

	Investment properties					Earning capacity								
	Number	Lettable area, m2		Market value		Rental value		Occupancy rate, %	Rental income	Property expenses		Net operating result	Surplus ratio	Average yield requirement
	Apts	Residential properties	Commercial	SEKm	SEK/m2	SEK	SEK/m2	%	SEKm	SEK	SEK/m2	SEKm	%	%
Stockholm-Mälardalen area	3,723	217,721	27,093	8,136	33,235	456	1,861	96.1	438	115	469	323	74	4.23
University cities	5,875	379,501	24,849	8,913	22,042	567	1,402	94.3	534	188	466	346	65	4.31
Malmö-Öresund area	2,677	181,708	13,227	4,257	21,839	275	1,409	95.6	263	88	452	175	66	4.34
Gothenburg metropolitan area	882	58,503	2,442	1,479	24,260	86	1,414	96.5	83	26	431	57	68	4.12
Other	1,310	82,860	6,538	1,515	16,952	121	1,357	83.1	101	43	486	57	57	5.27
<b>Total</b>	<b>14,467</b>	<b>920,293</b>	<b>74,149</b>	<b>24,300</b>	<b>24,436</b>	<b>1,505</b>	<b>1,513</b>	<b>94.3</b>	<b>1,419</b>	<b>461</b>	<b>464</b>	<b>958</b>	<b>68</b>	<b>4.34</b>
Property administration												71		
<b>Net operating result incl. property administration</b>												<b>887</b>	<b>62</b>	

The information about ongoing construction and project development on pages 9-12 is based on assessments of the size, focus and scope of ongoing construction and project development, as well as on when projects are expected to be started and completed. Furthermore, the information is based on assessments of future investments and rental value. The assessments and assumptions should not be viewed as a forecast. The assessments and assumptions entail uncertainty as regards the projects' implementation, design and size, timetables, project costs, as well as the future rental value. The information about ongoing construction and project development is reviewed regularly, and assessments and assumptions are adjusted as a result of ongoing projects being completed or added and as a result of changing conditions. For projects for which construction has not started, funding has not been signed, which means that the financing of construction investments within project development is an uncertainty factor.

The information in the table above contains details from current earning capacity on page 11, which also sets out significant assumptions that form the basis for the current earning capacity.



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## Properties under ongoing construction

Sveafastigheter is one of Sweden's leading developers of new and sustainable rental apartments. The experienced project team executes projects with sustainability solutions at the forefront, from concept to finished buildings. By understanding the needs of each location and close collaboration with municipalities, architects, and contractors a wide range of attractive homes are constructed.

Sveafastigheter's ongoing construction is focused on the Stockholm and Mälardalen region along with selected university cities that have a demand for new housing.

Sveafastigheter has a structured and well-designed process for implementing new construction projects. The organisation has long experience of urban development with a focus on building homes in attractive locations with good profitability, good design, efficient floor plans and an emphasis on sustainable solutions.

In the development of new properties, successful sustainability efforts from previous projects are used in coming projects and new solutions are evaluated and tested. Sveafastigheter was an early adopter of energy-efficient solutions, having built – among other things – Sweden's first multi-family residential building with energy-plus technology. In addition to energy efficiency in the completed buildings, efforts are made to reduce the climate impact of production, for example, by testing new climate and environmentally friendly materials. A site-specific analysis is carried out to generate social sustainability actions for these projects. During the quarter, Sveafastigheter has completed 280

apartments and now has 690 apartments under construction where the final project is expected to be completed in the first quarter of 2025. When completed, these projects are expected to add a rental value of SEK 65m and SEK 1,2bn in property value.

During the quarter Sveafastigheter signed two agreements for the new construction projects from the development portfolio, one in Kista and one in Skellefteå. After the end of the period an agreement was signed for an additional project in Nacka. The projects add 540 apartments. The project in Skellefteå started in August, others are planned to start during autumn 2024. When completed, it is estimated that the rental value will be SEK 83 million. The projects will be reported as ongoing construction when they are started. The projects are fully financed by the relevant contractor during the implementation phase.

### Remaining investments in ongoing construction

Amount in SEKm	2024	2025	2026
Assessment of remaining investment	228	78	-
Assessment of future rental value	44	22	-



Haninge, Kalvsvik 16:31

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## Ongoing construction per region

	Number		Lettable area, m2		Assessed value of investment property upon completion		Rental value, SEKm		Investments, SEKm			Yield, %	
	Apts	Project	Residential properties	Commercial	SEKm	SEK/m2	Assessment	SEK/m2	Assessment	Accumulated	SEKm	Gross yield	Gross yield on investment
Stockholm-Mälardalen area	206	1	11,599	-	450	38,767	26	2,247	441	389	397	5.8	5.9
University cities	483	3	17,483	-	729	41,710	39	2,253	670	416	448	5.4	5.9
<b>Total</b>	<b>689</b>	<b>4</b>	<b>29,082</b>	<b>-</b>	<b>1,179</b>	<b>40,536</b>	<b>65</b>	<b>2,251</b>	<b>1,111</b>	<b>805</b>	<b>845</b>	<b>5.6</b>	<b>5.9</b>



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## Current earnings capacity

Below is presented the current earnings capacity for coming 12 months taking into account Sveafastigheter's property portfolio as at 30 June 2024. Current earnings capacity is not a forecast for the next 12 months, but is to be regarded merely as a hypothetical snapshot presented to illustrate income and expenses on an annual basis given the property portfolio, financial costs, capital structure and organisation at a specific point in time. The current earnings capacity does not include an assessment of the future development of rents, vacancy rates, property costs, interest rates, changes in value, purchase or sale of properties or other factors. The Group's earnings capacity does not include the effect of unrealised and realised changes in value.

### Current earnings capacity

	Investment properties	Ongoing construction	Total
Rental value	1,505	65	1,570
Vacancy	-86	-1	-86
<b>Rental income</b>	<b>1,419</b>	<b>65</b>	<b>1,484</b>
Property expenses	-461	-11	-473
<b>Net operating result</b>	<b>958</b>	<b>53</b>	<b>1,011</b>
Property administration	-71	-2	-74
<b>Net operating result incl. property administration</b>	<b>886</b>	<b>51</b>	<b>938</b>
Other income	53	-	53
Central administration	-148	-4	-151
<b>Result before financial items, unrealized changes in property value and goodwill</b>	<b>791</b>	<b>48</b>	<b>838</b>

## Basis for calculating earnings capacity

The following is a description of the main assumptions underlying the current earnings capacity (including agreed but not yet entered acquisitions or withdrawn sales):

- Contracted rental value on an annual basis (including supplements and rent discounts) as well as other property-related income based on leases in effect on the closing date plus negotiated rents for vacant apartments and assessed rent for vacant premises. The rent for residential units where a rent increase has not been decided is assumed to increase by 5 percent for 2024 based on the average increased rents of 5.1 percent on already negotiated terms.
- Vacancies as at the balance sheet date, including temporary vacancies, have been included on a full-year basis. For project properties completed in the last three quarters the property portfolio's average vacancy rate is applied if the vacancy rate of the project property exceeds the average.
- Property costs consist of operating and maintenance costs as well as property tax. Operating and maintenance costs are based on the company's cost base in a normal year for a 12-month period. Property tax has been calculated based on the properties' latest assessed values.
- Other income relates to compensation for the external property management assignment for SBB.
- Costs for administration have been calculated based on the organisational structure as at the balance sheet date. SEK 42m under central administration refers to the cost for providing property management for SBB.
- Information about ongoing construction is based on assessments of similar properties in the same or corresponding regions or microlocations. This includes only ongoing construction that will be completed within the next 12 months corresponding regions or microlocations. Includes only ongoing construction that will be completed within the next 12 months.



Helsingborg, Leran 1

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## Properties in project development and building rights

With solid experience, broad knowledge and innovation capability, Sveafastigheter develops housing with sustainability solutions at the forefront in attractive growing regions for its own long-term management.

### Project development

In projects that are under development, active efforts are made to prepare the projects for future construction. Sveafastigheter's project organisation has long experience of identifying attractive sites, developing new homes in close cooperation with municipalities and other stakeholders, and developing projects with a focus on creating attractive living environments that prioritise sustainability. Great emphasis is placed on the site analysis that is carried out before a project concept is produced. In close dialogue with municipalities and the local community, site-specific solutions are developed for each project with regard to technical innovations, carbon-reducing solutions and also social sustainability measures. Feedback from Sveafastigheter's tenants and management organisation from completed projects is incorporated into future projects in order to continually improve the quality of accommodation and profitability.

Sveafastigheter focuses on developing new homes in the

Stockholm-Mälardalen region and in certain selected growing

regions. The portfolio covers a total of 7,220 apartments, of which 5,920 refer to rental apartments and 1,300 refer to tenant-owned residential rights and ownership rights. 91 percent of the development portfolio is located in the Stockholm-Mälardalen region. The rental projects are estimated to generate an average project profit margin above 15 percent

### Building rights

There is potential to develop building rights through densification within and adjacent to the properties. For example, this could be on parking areas that are not currently used and that can be changed to a more efficient use, thereby freeing up a land area. Today Sveafastigheter has 344 000 sqm GFA in its building rights portfolio, of which 123 000 sqm GFA has gained legal force. If it is decided that the building right is to be actively prepared for future construction, it is transferred to project development.

# 600-800

apartment construction started per year (target)

# 24 %

completed zoning plans in the development portfolio

# 800

obtained land allocations per year (target)

### Project development, rental apartments

Per region	Number		Lettable area, m2		Assessment of value of investment property upon completion		Rental value		Fair value
	Apts	Project	properties	Commercial	SEKm	SEK/m2	SEKm	SEK/m2	SEKm
	Stockholm - Mälardalen area	4,991	36	249,674	19,381	14,822	55,090	765	2,842
University cities	873	5	43,677	-	1,910	43,724	108	2,476	232
Malmö-Öresund area	14	1	656	-	25	38,160	1	2,063	-
Other	45	1	2,017	-	80	39,590	5	2,290	31
<b>Total</b>	<b>5,923</b>	<b>43</b>	<b>296,024</b>	<b>19,381</b>	<b>16,837</b>	<b>53,382</b>	<b>879</b>	<b>2,786</b>	<b>2,322</b>



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# Valuation

## Investment properties

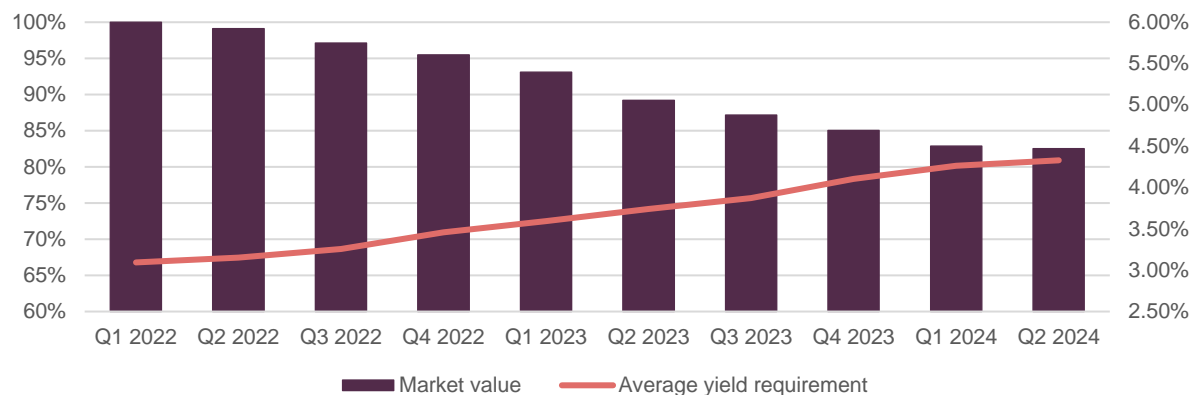
The fair value of investment properties amounted to SEK 24.3bn (20.4) at the end of the period. The value of the property portfolio has been based on external appraisals performed by Savills and Newsec. The appraisals were based on analysis of future cash flows for each property, taking into account current lease terms, the market situation, rent levels, costs for operation, maintenance and property administration, and investment needs. The average yield requirement in the valuations was 4.34 percent (3.54) at the end of the period, compared with 4.28 percent in the previous quarter. The property value includes SEK 0.2bn of building rights that have been valued according to the location price method, which means that the value is estimated by comparison with prices for similar building rights. Fair value has thus been estimated in accordance with IFRS 13 level 3.

## Sensitivity analysis

The property valuations have been made according to accepted principles based on certain assumptions. The table below presents how the value is impacted by a change in certain parameters assumed for the valuation. The table provides a simplified illustration, as a single parameter is unlikely to change in isolation.

Amount in SEKm	Change	Value impact
Rental value	+/-5%	1,496 / -1,496
Property expenses	+/-5%	-512 / 514
Cost of capital	+/-0.25%-enheter	-1,159 / 1,303
Yield requirement	+/-0.25%-enheter	-512 / 514

Value growth and average yield requirement for comparable portfolio



## Changes in the property portfolio

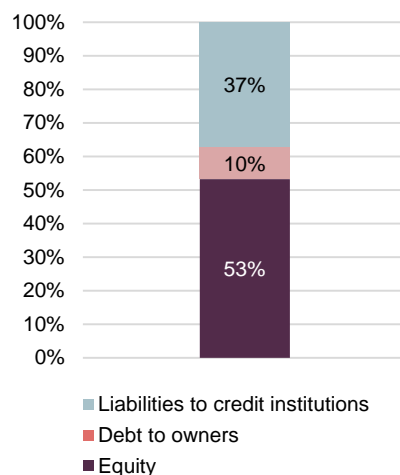
Amount in SEKm	
<b>Investment properties</b>	
<b>Opening balance, 2024-01-01</b>	<b>20,398</b>
Acquisitions	3,580
Investments	1
Unrealized changes in property value	-408
Reclassification from construction in progress	728
<b>Closing balance, 2024-06-30</b>	<b>24,300</b>
<b>Investment properties under construction</b>	
<b>Opening balance, 2024-01-01</b>	<b>1,431</b>
Acquisitions	92
Investments	156
Unrealized changes in property value	-14
Reclassification to investment property	-728
Reclassification to property held for resale	-92
<b>Closing balance, 2024-06-30</b>	<b>845</b>
<b>Project development and building rights</b>	
<b>Opening balance, 2024-01-01</b>	<b>2,956</b>
Acquisitions	65
Investments	52
Unrealized changes in property value	-694
<b>Closing balance, 2024-06-30</b>	<b>2,380</b>
<b>Total closing balance, 2024-06-30</b>	<b>27,525</b>

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# Financing

Sveafastigheter strives for a balanced financing structure. Sveafastigheter’s market position and portfolio of residential properties in a regulated market have the capacity to generate steadily increasing rental income. Combining this with a balanced financial structure guarantees low risk and long-term financial stability.

## Funding sources



## Interest-bearing liabilities

External funding in Sveafastigheter is diversified between seven Nordic banks. At the end of the period, interest-bearing liabilities amounted to SEK 12 824m whereof interest-bearing liabilities to credit institutions amounted to SEK 10 165m and liabilities to the owner amounted to SEK 2 659m. The company intends to repay all debt to owners prior to any diversification of ownership. The loan-to-value was 43 percent and the debt maturity was 3,5 years. 6 percent of the total loan volume to credit institutions is classified as green. In time, Sveafastigheter intends to increase the proportion of green financing. The company’s strong and consistent focus on sustainability lays a solid foundation for this.

Loans with credit institutions were renegotiated when creating Sveafastigheter’s legal structure with main focus on allowing the restructuring to take place, for example, switching properties in security packages.

After the end of the period, Sveafastigheter successfully established itself on the bond market through the issuance of SEK 1 672m, with settlement after the end of the period. The bonds provide further diversification of the capital sources, which in turn reduces the refinancing risk and provides the potential for lower costs when raising capital in the future.

	Targets	30 Jun 2024
Interest bearing debt, SEKm		12,824
Hedged and fixed interest ratio, %		56
Loan-to-value, %	< 50	43
Debt ratio, multiple	< 15	17
Interest-coverage ratio (12 months), multiple	>1,5	2.8
Average interest rate, %		3.60
Capital maturity per year		3.5
Interest maturity per year		1.8

Year of maturity	Interest maturity			Capital maturity	
	Nominal amount, SEKm	Interest, %	Share, %	Nominal amount, SEKm	Share, %
2024	5,689	5.69	44	1,084	8
2025	215	2.87	2	-	-
2026	261	2.72	2	1,938	15
2027	6,659	1.87	52	7,420	58
2028	-	-	-	116	1
> 2028	-	-	-	2,266	18
<b>Total /average</b>	<b>12,824</b>	<b>3.60</b>	<b>100</b>	<b>12,824</b>	<b>100</b>



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### Interest rate risk and interest rate hedges

Sveafastigheter's ambition is to minimize the cash flow effect of sudden changes in market interest rates. Sveafastigheter monitors and implements active measures to limit the interest rate risk. The interest rate risk is managed using interest rate derivatives or through long-term loans with a fixed interest rate. At the end of the period, the interest rate maturity was 1.8 years and the average interest rate was 3,60.

In connection with Sveafastigheter's legal restructuring at the end of the second quarter, many loans were also renegotiated. This in turn means that not all hedging was effective at the end of the period. The additional interest hedges are expected to further decrease the interest cost as long term interest hedges are currently priced lower than floating rates.

### Liquidity and credit facilities

A stable liquidity position is the cornerstone of a financially strong company. Sveafastigheter's capital sources must always exceed the capital uses over the next 18 months, and new projects and new development are only initiated when there is sufficient liquidity for it.

Bank loans and credit facilities must, under normal market conditions, be extended at the latest one year before the maturity. In order to limit risk, Sveafastigheter should own properties that have good liquidity over the business cycle.



Västerås, Neptun 1

# Financial statements

## Comments on the consolidated income statement

The financial statements presented in this report for periods prior to the formation of the group in June 2024 are composed of combined financial statements and thereafter consolidated financial statements.

### Income

Rental income increased to SEK 652m (542) during the period. The increase is mainly explained by the completion of 280 apartments from ongoing constructions and yearly renegotiations in the existing portfolio. In comparable portfolio rental income increased by 8.5 percent. By the end of the period the occupancy rate was 94.3 percent. Other income amounted to SEK 35m (16) of which SEK 22m relates to the external management agreement with SBB and SEK 14m relates to services provided for the joint venture that was dissolved at period end.

### Property expenses and net operating income

Property expenses for the period were SEK -260m (-226). The increase can mainly be explained by increased pre agreed fees and snow removal. Net operating income was SEK 392m (317) for the period. For comparable portfolio, net operating income increased by 11.6 percent.

### Administration

Administration costs for the period amounted to SEK -150m (-81) of which SEK -51m relates to property administration and SEK -99m relates to central administration. Costs related to other income were SEK -34m whereof SEK -21m relates to external management agreement for SBB. Furthermore, central administration includes costs of SEK -33m related to the structuring of Sveafastigheter group and starting up its organization.

### Value changes in investment properties

Value changes for investment properties was SEK -1,116m (-3,266) whereof SEK 0m (-33) was realized value changes and SEK -1,116m (-3,234) was unrealized value changes. Value changes in general rent development, re-negotiations of existing agreements and newly signed leases have generated a higher net operating income that had a positive effect on the unrealized value changes. Higher yield requirement has impacted unrealized value changes negatively. For more information see the Valuation on page 13.

## Consolidated income statement

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
<b>Rental income</b>	<b>340</b>	<b>282</b>	<b>652</b>	<b>542</b>	<b>1,126</b>
<b>Property expenses</b>					
Operating expenses	-96	-71	-220	-177	-342
Maintenance	-11	-22	-29	-39	-80
Property tax	-5	-5	-10	-10	-20
<b>Total property expenses</b>	<b>-113</b>	<b>-98</b>	<b>-260</b>	<b>-226</b>	<b>-441</b>
<b>Net operating result</b>	<b>227</b>	<b>184</b>	<b>392</b>	<b>317</b>	<b>685</b>
Other income from property management	17	9	35	16	34
Administration	-89	-43	-150	-81	-217
<b>Result before financial items and unrealized changes in property value</b>	<b>155</b>	<b>150</b>	<b>277</b>	<b>252</b>	<b>503</b>
Change in value of investment properties	-538	-2,431	-1,116	-3,266	-4,704
Write-down of Goodwill	-	-24	-0	-24	-24
<b>Operating income</b>	<b>-383</b>	<b>-2,305</b>	<b>-839</b>	<b>-3,038</b>	<b>-4,225</b>
Result from joint ventures and associated companies	166	-1	95	-138	-322
Interest income and similar profit/loss items	0	29	2	51	9
Interest expenses and similar profit/loss items	-166	-144	-286	-270	-464
Land lease agreements	-1	-1	-1	-1	-2
Change in value of financial instruments	-11	-12	-22	-62	-57
<b>Profit/loss before tax</b>	<b>-395</b>	<b>-2,434</b>	<b>-1,051</b>	<b>-3,458</b>	<b>-5,061</b>
Current tax	-31	-3	-32	-7	-23
Deferred tax	97	254	41	259	700
Deferred tax attributable to Goodwill	-	-	0	-	-
<b>Profit/loss for the period</b>	<b>-329</b>	<b>-2,183</b>	<b>-1,042</b>	<b>-3,206</b>	<b>-4,384</b>
The result of the period attributable to: The shareholders of the parent entity	-329	-2,183	-1,042	-3,206	-4,384
<b>Profit/loss for the period</b>	<b>-329</b>	<b>-2,183</b>	<b>-1,042</b>	<b>-3,206</b>	<b>-4,384</b>



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## Profit from joint ventures

The profit from joint ventures amounted to SEK 95m (-138) for the period, whereof SEK 112m relates to the dissolution of the joint venture SBB Kåpan AB that was owned together with Kåpan Tjänstepension and that was dissolved in June.

## Interest income and interest expense

Rental income for the period amounted to SEK 2m (51) and interest costs amounted to SEK -286m (-270). Interest costs to credit institutions amounted to SEK -121m (-158) and interest costs to owner amounted to SEK -165m (-112).

## Value changes in financial instruments

Value changes in financial instruments amounted to SEK -22m (-62). The line item mainly consists of changes in the fair value of listed shares.

## Tax and profit/loss for the period

Tax for the period was SEK 9m (252) out of which SEK -32m (-7) refer to current tax and SEK 41m (259) refer to deferred tax related primarily to properties and tax-loss carryforwards. Profit/loss for the period was SEK -1,042m (-3,206).

## Consolidated statement of comprehensive income

### income statement

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
<b>Profit/loss for the period</b>	-329	-2,183	-1,042	-3,206	-4,384
Items that may be reclassified to the result of the period	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-329</b>	<b>-2,183</b>	<b>-1,042</b>	<b>-3,206</b>	<b>-4,384</b>
<i>attributable to:</i>					
The shareholders of the parent entity	-329	-2,183	-1,042	-3,206	-4,384
<b>Comprehensive income for the period</b>	<b>-329</b>	<b>-2,183</b>	<b>-1,042</b>	<b>-3,206</b>	<b>-4,384</b>

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## Segment reporting

Amount in SEKm	Jan-Jun 2024			
	Property management	Construction	Intra-group items and eliminations	Group total
Rental income	652	0	-	652
Property expenses	-260	0	-	-259
<b>Net operating result</b>	<b>392</b>	<b>0</b>	<b>-</b>	<b>393</b>
Övriga intäkter			35	35
Administration			-150	-150
<b>Result before financial items and unrealized changes in property value</b>	<b>392</b>	<b>0</b>	<b>-115</b>	<b>277</b>
Unrealized change in value of investment properties	-408	-708		-1,116
Write-down of Goodwill				-
Result of production of residentials				-
<b>Operating income</b>	<b>-16</b>	<b>-708</b>	<b>-115</b>	<b>-839</b>
Result from joint ventures and associated companies			95	95
Interest income and similar profit/loss items			2	2
Interest expenses and similar profit/loss items			-286	-286
Land lease agreements			-1	-1
Unrealized change in value of financial instruments			-22	-22
<b>Profit/loss before tax</b>	<b>-16</b>	<b>-708</b>	<b>-327</b>	<b>-1,050</b>
Current tax				-32
Deferred tax				41
Deferred tax attributable to Goodwill				0
<b>Profit/loss for the period</b>	<b>-16</b>	<b>-708</b>	<b>-327</b>	<b>-1,042</b>
<b>Market value of investment property</b>	<b>24,300</b>	<b>3,225</b>	<b>-</b>	<b>27,525</b>

Amount in SEKm	Jan-Jun 2023			
	Property management	Construction	Intra-group items and eliminations	Group total
Rental income	538	4	-	542
Property expenses	-225	-1	-	-226
<b>Net operating result</b>	<b>314</b>	<b>3</b>	<b>-</b>	<b>317</b>
Other income			16	16
Administration			-81	-81
<b>Result before financial items and unrealized changes in property value</b>	<b>314</b>	<b>3</b>	<b>-65</b>	<b>252</b>
Unrealized change in value of investment properties	-3,272	6		-3,266
Write-down of Goodwill			-24	-24
Result of production of residentials				-
<b>Operating income</b>	<b>-2,959</b>	<b>9</b>	<b>-89</b>	<b>-3,038</b>
Result from joint ventures and associated companies			-138	-138
Interest income and similar profit/loss items			51	51
Interest expenses and similar profit/loss items			-270	-270
Land lease agreements			-1	-1
Unrealized change in value of financial instruments			-62	-62
<b>Profit/loss before tax</b>	<b>-2,959</b>	<b>9</b>	<b>-509</b>	<b>-3,458</b>
Current tax			-7	-7
Deferred tax			259	259
Deferred tax attributable to Goodwill			-	-
<b>Profit/loss for the period</b>	<b>-2,959</b>	<b>9</b>	<b>-257</b>	<b>-3,206</b>
<b>Market value of investment property</b>	<b>25,007</b>	<b>402</b>	<b>-</b>	<b>25,410</b>

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## Condensed consolidated balance sheet

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Goodwill	77	77	77
<b>Total intangible assets</b>	<b>77</b>	<b>77</b>	<b>77</b>
<b>Property plant and equipment</b>			
Investment property	27,525	25,410	24,786
Land lease agreements	253	54	51
Equipment, tools and installations	2	1	1
<b>Total tangible fixed assets</b>	<b>27,780</b>	<b>25,465</b>	<b>24,838</b>
<b>Financial assets</b>			
Shares in joint ventures and associated companies	-	1,798	1,795
Claims on joint ventures and associated companies	-	2	2
Derivatives	1	4	1
Financial assets valued at real value	12	29	35
Other long-term claims	25	25	24
<b>Total financial assets</b>	<b>37</b>	<b>1,858</b>	<b>1,857</b>
<b>Total non-current assets</b>	<b>27,894</b>	<b>27,400</b>	<b>26,772</b>
<b>Current assets</b>			
Property held for resale	102	13	13
Rental claims	9	19	38
Short term receivable, shareholder	-	2,921	4,029
Other claims	75	501	333
Prepaid expenses and accrued income	65	44	26
Cash and cash equivalents	916	3,104	316
<b>Total current assets</b>	<b>1,167</b>	<b>6,602</b>	<b>4,754</b>
<b>TOTAL ASSETS</b>	<b>29,060</b>	<b>34,002</b>	<b>31,526</b>

## Condensed consolidated balance sheet

Amount in SEKm	30 jun		31 Dec
	2024	2023	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	-	-
Retained earnings	15,635	14,620	17,589
Comprehensive income for the period	-1,042	-3,206	-4,384
<b>Total equity</b>	<b>14,594</b>	<b>11,414</b>	<b>13,205</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	9,086	7,713	5,741
Deferred tax liabilities	982	1,452	1,031
Debt related to site leasehold rights	253	54	51
Non-current liabilities to owners	2,659	7,087	8,265
Other long term debt	1	227	159
<b>Total non-current liabilities</b>	<b>12,981</b>	<b>16,533</b>	<b>15,248</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	1,079	709	2,652
Trade payables	45	91	54
Current tax debt	37	21	31
Short term liabilities, shareholder	-	2,465	98
Other liabilities	83	2,642	54
Accrued liabilities and deferred income	241	127	183
<b>Total current liabilities</b>	<b>1,486</b>	<b>6,055</b>	<b>3,073</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,060</b>	<b>34,002</b>	<b>31,526</b>

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## Comments on the consolidated balance sheet

*The financial statements presented in this report for periods prior to the formation of the group in June 2024 are composed of combined financial statements and thereafter consolidated financial statements.*

### Goodwill

Goodwill amounts to SEK 77m (77) at the end of the period. Recognised goodwill attributable to the difference between nominal tax and the deferred tax that is calculated on the acquisition of properties in corporate form which must be recognised in so-called business combinations. The equivalent amount is recognised as deferred tax on properties.

### Investment properties

The value of the properties amounted to SEK 27,525m (24,786). The increase in value is essentially due to the fact that properties previously owned within the SBB Kåpan Bostad AB joint venture, and therefore included in the line item Shares in associated companies/joint ventures, are now directly owned and thus classified as investment properties. For further information see Valuation on page 12 and the section on Changes in property values on page 16.

### Joint ventures

At the end of the period, shares in joint ventures and associated companies amounted to SEK 0m (1,795) and receivables from joint ventures and associated companies to SEK 0m (2).

During the period the Group's joint venture SBB Kåpan Bostad AB, owned jointly with Kåpan Tjänstepension, was dissolved.

### Cash and cash equivalents

Cash and cash equivalents consist of available bank balances and amounted to SEK 916m (316).

### Equity

At the end of period, equity attributable to the Parent Company's shareholders amounted to SEK 14,594m (13,205).

### Deferred tax

Deferred tax is calculated in Sweden using a nominal tax rate of 20.6 percent on differences between recognised values and tax values of assets and liabilities and on tax-loss carryforwards. The deferred tax liability amounted to SEK 982m (1,031) and is largely attributable to investment properties and tax-loss carryforwards.

### Interest-bearing liabilities

Interest-bearing liabilities in the Group at the end of the period amounted to SEK 12,824m (12,727), of which SEK 10,165m (8,393) related to liabilities to credit institutions and SEK 2,659m (4,334) to liabilities to owners.



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## Consolidated statement of changes in equity

Amount in SEKm	Share capital	Retained earnings	Total equity
<b>Equity, opening balance 2023-01-01</b>	-	<b>15,047</b>	<b>15,047</b>
Profit/loss for the period	-	-3,206	-3,206
Other comprehensive income	-	-	-
<b>Comprehensive income for the period</b>	-	<b>-3,206</b>	<b>-3,206</b>
Transactions with owners, SBB Group	-	-427	-427
<b>Equity, closing balance 2023-06-30</b>	-	<b>11,414</b>	<b>11,414</b>
<b>Ingående eget kapital 2023-07-01</b>	-	<b>11,414</b>	<b>11,414</b>
Profit/loss for the period	-	-1,178	-1,178
Other comprehensive income	-	-	-
<b>Comprehensive income for the period</b>	-	<b>-1,178</b>	<b>-1,178</b>
Creation of parent company	0		0
Shareholders contribution		10	10
Transactions with owners, SBB Group		2,959	2,959
<b>Equity, closing balance 2023-12-31</b>	-	<b>13,205</b>	<b>13,205</b>
<b>Equity, opening balance 2024-01-01</b>	-	<b>13,205</b>	<b>13,205</b>
Profit/loss for the period	-	-1,042	-1,042
Other comprehensive income	-	-	-
<b>Comprehensive income for the period</b>	-	<b>-1,042</b>	<b>-1,042</b>
New share issue	1		1
Shareholders contribution		15,994	15,994
Transactions with owners, SBB Group		-13,565	<b>-13,565</b>
<b>Equity, closing balance 2024-06-30</b>	<b>1</b>	<b>14,593</b>	<b>14,594</b>

## Comments on the consolidated statement of changes in equity

Equity amounts to SEK 14,594m (13,205). The equity/assets ratio was 50 percent (42).

New shares were issued on the 29 of April by a total amount of SEK 475k. The share capital thereafter totals SEK 500k.

As per 2024-06-30 the financial statements were prepared in accordance with consolidated method IFRS, it is the first period the consolidated method was used.

Comparable periods were prepared in accordance with the method for combined financial reporting. In the legal restructuring that took place on the 28<sup>th</sup> of June 2024 when Sveafastigheter purchased the legal ownership of the companies, assets and liabilities that were included in the combined statements. Since legally the assets and liabilities that were acquired are already included in the combined financial statements there is an effect on equity of SEK – 13,565m, presented as a transaction with the shareholder. In connection to the transaction, Sveafastigheter received a shareholder contribution of SEK 15,994m, which increased the equity. The shareholder contribution was settled by converting shareholder debt to equity. The net amount of these transactions was SEK 2,429m.

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## Consolidated cash flow statement

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
<b>Operating activities</b>					
Profit/loss before tax	-395	-2,433	-1,051	-3,458	-5,061
Adjustments for non-cash items					
<i>Depreciation</i>	0	-1	0	-1	-5
<i>Change in value of investment properties</i>	538	2,431	1,116	3,266	4,704
<i>Result from joint ventures and associated companies</i>	-54	1	17	138	322
<i>Change in value of financial instruments</i>	11	12	23	62	57
<i>Adjustment for other non-cash items</i>	8	5	10	12	28
Paid tax	-24	-3	-25	-7	-22
<b>Cash flow from operating activities before changes in operating capital</b>	<b>84</b>	<b>12</b>	<b>90</b>	<b>12</b>	<b>23</b>
<b>Cash flow from changes in operating capital</b>					
Change in trade receivables	304	1	258	-212	-12
Change in other operating liabilities	-53	-118	-50	-219	-220
<b>Cash flow from operating activities</b>	<b>335</b>	<b>-105</b>	<b>298</b>	<b>-419</b>	<b>-209</b>

	Apr-jun		Jan-jun		Helår
	2024	2023	2024	2023	2023
<b>Investing activities</b>					
Investments in property	-188	-331	-210	-639	-1,286
Divestments of property	-	-	-	20	20
Acquisition of investment property and subsidiaries less acquired liquid assets	-153	-609	-285	-988	-1,011
Divestment of subsidiaries less acquired liquid assets	-	-	-	-	-
Investment/divestment of equipment	-1	47	-1	48	49
Investment/divestment of associated companies and joint ventures	0	5	-	5	0
<b>Cash flow from investment activities</b>	<b>-342</b>	<b>-888</b>	<b>-496</b>	<b>-1,554</b>	<b>-2,228</b>
<b>Financing activities</b>					
New share issue	0	-	0	-	-
Expenses related to share issue					
Transactions with owners	223	2,175	491	2,936	1,242
Change in long term liability		-234	-	-118	-593
New loans	1,915	-	1,915	-	-
Amortization of loans	-1,542	-465	-1,606	-653	-809
<b>Cash flow from financing activities</b>	<b>596</b>	<b>1,476</b>	<b>800</b>	<b>2,165</b>	<b>-160</b>
<b>Cash flow for (-used in) the period</b>	<b>590</b>	<b>482</b>	<b>603</b>	<b>192</b>	<b>-2,597</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>327</b>	<b>2,623</b>	<b>316</b>	<b>2,913</b>	<b>2,913</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>916</b>	<b>3,104</b>	<b>916</b>	<b>3,104</b>	<b>316</b>

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### Parent Company income statement

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Net sales	7	-	7	-	-
Employee benefits expense	-9	-	-11	-	-1
Other operating expenses	-27	-	-30	-	-0
<b>Operating income</b>	<b>-29</b>	<b>-</b>	<b>-34</b>	<b>-</b>	<b>-1</b>
Result from financial items					
Result from shares in group companies items	-2	-	-2	-	-9
	-0	-	-1	-	-
<b>Profit/loss before tax</b>	<b>-31</b>	<b>-</b>	<b>-36</b>	<b>-</b>	<b>-10</b>
<b>Profit/loss for the period</b>	<b>-26</b>	<b>-</b>	<b>-31</b>	<b>-</b>	<b>-10</b>

### Parent Company statement of comprehensive income

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Profit/loss for the period	-26	-	-31	-	-10
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-26</b>	<b>-</b>	<b>-31</b>	<b>-</b>	<b>-10</b>

### Comments on the Parent Company's income statement and balance sheet

The Parent Company's business consists of Group-wide functions such as finance, transactions and communications. Operations in the Company started during the last quarter of 2023.

At the balance sheet date the Parent Company had 7 employees. Personnel costs amounted to SEK -11m for the period and SEK -9m for the quarter. Other operating expenses amounted to SEK -30m for the period and SEK -27m for the quarter. Other operating expenses for the period include SEK -9m in costs associated with the continuous work for broadening of the shareholder base.

### Parent Company income statement

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial assets</b>			
Investments in group companies	83	-	2
Receivables from Group companies	44,739	-	10
Deferred tax receivables	5	-	-
<b>Total financial assets</b>	<b>44,827</b>	<b>-</b>	<b>13</b>
<b>Total non-current assets</b>	<b>44,827</b>	<b>-</b>	<b>13</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable	2	-	-
Other claims	2	-	-
Prepaid expenses and accrued income	22	-	-
<b>Total current receivables</b>	<b>27</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents	2	-	-
<b>Total current assets</b>	<b>29</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>44,856</b>	<b>-</b>	<b>13</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	1	-	-
<i>Non-restricted equity</i>			
Shareholders contribution	16,004	-	10
Profit/loss carried forward	-10	-	-
Profit/loss for the period	-31	-	-10
<b>Total non-restricted equity</b>	<b>15,962</b>	<b>-</b>	<b>-0</b>
<b>Total equity</b>	<b>15,963</b>	<b>-</b>	<b>-0</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies	26,193	-	12
Non-current liabilities to owners	2,659	-	-
<b>Total non-current liabilities</b>	<b>28,852</b>	<b>-</b>	<b>12</b>
<b>Current liabilities</b>			
Trade payables	5	-	0
Accrued liabilities and deferred income	37	-	0
<b>Total current liabilities</b>	<b>42</b>	<b>-</b>	<b>1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,856</b>	<b>-</b>	<b>13</b>

## Other information

### General information

Sveafastigheter AB (publ) (“Sveafastigheter”, “the Group”, “the Company”), corp. ID no. 559449-4329, with its subsidiaries, conducts business within property management and property development. The company was formed on the 29 August 2023 and was registered with Bolagsverket (Swedish Companies Registration Office) on the 21 September 2023. The Group was established on the 28 June 2024 when all the subsidiaries were acquired from related companies. The Parent Company is a limited liability company registered in Sweden and domiciled in Stockholm.

### Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the Swedish Annual Accounts Act (ÅRL) and “RFR1 Supplementary Accounting Rules for Groups” have been applied. In connection with the formation of the Group, the Parent Company has transitioned to “RFR 2 Accounting for Legal Entities”. The transition to RFR 2 had no effects. The Parent Company applies the same accounting principles as the Group with the exceptions and additions stated in RFR 2.

The financial statements in this interim report for periods prior to the Group’s formation consist of combined financial

statements. For the interim period the financial statements are reported on a consolidated basis in accordance with IFRS 10 Business Combinations as the Group was established as per the balance sheet date 30 June 2024.

### Risks and uncertainties

Sveafastigheter’s operations, results and position are impacted by a number of risks and uncertainties. These risks and uncertainties primarily relate to the value of the properties, property development projects, taxes and financing. The company works actively to identify and manage the risks and opportunities that are of particular significance for the business. In summary, the above risks are managed as follows.

### Value of the properties

Sveafastigheter manages and refines properties in growth municipalities with high demand for housing. This generates high occupancy rate and combined with a robust letting policy, high standards in the existing portfolio lead to safer and more predictable cash flows and to reduced risk of declining values.

### Property development projects

The organisation’s long experience of property development projects, along with good insight into the future urban development of the immediate area around the property projects and limited project risk, contribute to reducing uncertainties and risks in the property development segment.

### Financing

The financing risk is managed via the financial policy and means that the Group strives to have good diversification as regards the maturity structure of loans, borrowing forms and lenders, as well as having good anticipation of refinancing and well-balanced liquidity reserves. Considering that the Group’s current financing package was completed in June 2024, the financing risk is further reduced.

### Tax

The group has procedures and processes in place to ensure compliance and to stay updated on the development of laws, practices, and court decisions regarding tax. Tax expertise is consulted to guarantee this.



# Board assurance

The Board of Directors and the CEO provide their assurance that the interim report provides a fair overview of the operations, position and results of the Parent Company and the Group and describes significant risks and uncertainties affecting the Parent Company and the companies included in the Group.

Stockholm, 30 August 2024

**Peter Wågström**  
Chair of the Board

**Per O Dahlstedt**  
Board member

**Sanja Batljan**  
Board member

**Jenny Wärme**  
Board member

**Christer Nerlich**  
Board member

**Peder Johnson**  
Board member

**Erik Hävermark**  
Chief Executive Officer

*This interim report has not been subject to review by the company's auditors. This document is a translation of a Swedish language original report. In case of any discrepancy between the two versions, the original shall take the precedence.*

## Definitions

### **Number of properties**

Number of properties at the end of the period.

### **Number of apartments**

Number of apartments at the end of the period.

### **Loan-to-value ratio, %**

Net debt in relation to investment properties.

### **Gross yield, %**

Estimated rental value in relation to the estimated property value at completion.

### **Gross yield on investment, %**

Estimated rental value in relation to investment.

### **Net operating income, SEK**

Rental income less property expenses.

### **Net operating income including property administration, SEK**

Rental income minus property expenses and property administration.

### **Property administration, SEK**

Property administration refers to the company's personnel costs for property management including letting and rent administration.

### **Properties in comparable portfolio**

Relates to investment property owned during the entire reporting period and during the entire comparable period.

### **Profit from property management, SEK**

Net operating income minus administration costs and net interest income.

### **Average interest rate, %**

Weighted average contractual interest rate for liabilities at the end of the period excluding construction loans.

### **Rental income, SEK**

Rents charged for the period with deductions for rental losses.

### **Rental value, SEK**

Contracted rent plus supplements for vacant space.

### **Debt maturity, years**

Remaining maturity of liabilities attributable to investment properties.

### **Premises, sqm**

Commercial premises as well as auxiliary structures for housing.

### **Long-term net asset value, SEKm**

Recognised equity with recognised deferred tax liability and interest rate derivatives added back.

### **Market value of properties, SEK**

Fair value of the properties at the end of the period.

### **Net debt, SEK**

Interest-bearing liabilities less cash and cash equivalents.

### **Fixed interest term, years**

Average remaining duration until an interest-adjustment point for liabilities attributable to investment properties.

Interest-bearing liabilities, SEK

Liabilities to credit institutions and owners.

### **Net interest, SEK**

Interest income and similar financial items less interest expense and similar financial items.

### **Interest coverage ratio, multiple**

Profit from property management (last 12 months) after reversal of one-off costs and net interest in relation to interest expense excl. costs subordinated debt and cost for early repayment of loans and lease expense.

### **Debt ratio, multiple**

Interest bearing debt in relation to rolling 12 months net operating income.

### **Equity/assets ratio, %**

Reported equity as a percentage of total assets.

### **Lettable area, sqm**

Total area available for letting.

### **Occupancy rate, %**

Rental income, excluding project properties completed in the last three quarters, in relation to rental value. For project properties completed in the last three quarters the property portfolio's average occupancy rate is used if the occupancy rate of the project property is below the average.

### **Surplus ratio, %**

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

### **Surplus ratio including property administration, %**

Net operating income less property administration as a percentage of rental income for the period.

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# Calculation of alternative performance measures

## Loan-to-value ratio

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Net debt	11,908	11,949	12,411
Investment property	27,525	25,410	24,786
<b>Loan-to-value, %</b>	<b>43</b>	<b>47</b>	<b>50</b>

## Net operating income

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Rental income	340	282	652	542	1,126
Property expenses	-113	-98	-260	-226	-441
<b>Net operating result</b>	<b>227</b>	<b>184</b>	<b>392</b>	<b>317</b>	<b>685</b>

## Net operating income incl. property administration

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Net operating result	227	184	392	317	685
Property administration	-27	-17	-51	-32	-64
<b>Net operating income incl. property administration</b>	<b>200</b>	<b>168</b>	<b>341</b>	<b>285</b>	<b>622</b>

## Profit from property management

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Profit/loss before tax	-395	-2,434	-1,051	-3,458	-5,061
Change in value of financial instruments	11	12	22	62	57
Value change and tax joint venture	-111	-5	-49	132	323
Change in value of investment properties	538	2,431	1,116	3,266	4,704
Write-down of Goodwill	-	24	-	24	24
<b>Profit from property management</b>	<b>43</b>	<b>28</b>	<b>38</b>	<b>25</b>	<b>47</b>

## Long-term net asset value

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Equity	14,594	11,414	13,205
Reversal of derivatives	-1	-4	-1
Reversal of deferred tax	982	1,452	1,031
<b>Long-term net asset value</b>	<b>15,575</b>	<b>12,862</b>	<b>14,235</b>

## Net debt

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Interest bearing debt	12,824	15,053	12,727
Cash and cash equivalents	916	3,104	316
<b>Net debt</b>	<b>11,908</b>	<b>11,949</b>	<b>12,411</b>

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## Net interest

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Interest income and similar profit/loss items	0	29	2	51	9
Interest expenses and similar items	-166	-144	-286	-270	-464
<b>Net interest</b>	<b>-166</b>	<b>-115</b>	<b>-284</b>	<b>-219</b>	<b>-455</b>

## Interest coverage ratio (12 months)

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Profit from property management	60	n/a	47
Extraordinary items (reverse)	33	n/a	-
Net interest (reverse)	520	n/a	455
Total	613	n/a	502
Net interest	-520	n/a	-455
Interest on forgiven debt to owners	300	n/a	247
Leasing costs	2	n/a	2
Total	-218	n/a	-207
<b>Interest-coverage ratio, multiple</b>	<b>2.8</b>	<b>n/a</b>	<b>2.4</b>

## Debt ratio

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Interest bearing debt	12,824	n/a	12,727
Net operating income (rolling 12-month)	761	n/a	685
<b>Debt ratio, multiple</b>	<b>17</b>	<b>n/a</b>	<b>19</b>

## Equity/asset ratio

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Equity	14,594	11,414	13,205
Balance sheet total	29,060	34,002	31,526
<b>Equity/assets ratio, %</b>	<b>50</b>	<b>34</b>	<b>42</b>

## Occupancy rate

Amount in SEKm	30 Jun		31 Dec
	2024	2023	2023
Contractual annual rent	1,419	1,189	1,113
Rental value	1,505	1,260	1,173
<b>Occupancy rate, %</b>	<b>94.3</b>	<b>94.3</b>	<b>94.8</b>

## Surplus ratio, %

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Net operating result	227	184	392	317	685
Rental income	340	282	652	542	1,126
<b>Surplus ratio, %</b>	<b>67</b>	<b>65</b>	<b>60</b>	<b>58</b>	<b>61</b>

## Surplus ratio, including property administration, %

Amount in SEKm	Apr-Jun		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Net operating result incl. property administration	200	168	341	285	622
Rental income	340	282	652	542	1,126
<b>Surplus ratio incl. property administration</b>	<b>59</b>	<b>59</b>	<b>52</b>	<b>53</b>	<b>55</b>



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## Financial calendar

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