



AR.24

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Homes for every stage of life

Heba is a sustainable and long-term player in the property market. We develop modern, sustainable housing with good transport links in attractive areas of the Stockholm and Mälaren regions. We create value both for our shareholders and for society through satisfied tenants, safer communities and trust based partnerships.

2024 at a glance



Heba builds 128 rental apartments in Källberga

Construction of Smedjan in Källberga, Heba's first establishment in Nynäshamn, started in the Autumn of 2024. Of the 128 rental apartments, 13 are located in cosy terraced houses. Källberga is a new neighbourhood that is close to nature, with a focus on social and ecological sustainability. Read more on pages 54–56.

Heba gives more people the opportunity to have a home

Heba has lowered the income requirements for renting. Now, a single household need only have retained Kronofogden's (The Enforcement Authority's) standardised amount after the rent has been paid in order to be approved as a tenant. Heba wants to give more people the opportunity to have a home. Read more on page 39.



Income from property management, SEKm

215.5
(270.7)

Loan-to-value (LTV) ratio

44.7%
(44.1)

Development is driven by ambitious sustainability targets

Future-proofing the business is entwined with successful enterprise. Turn to pages 17 and 27 to read more about our new sustainability targets.

Rådsbacken in Huddinge is as good as new

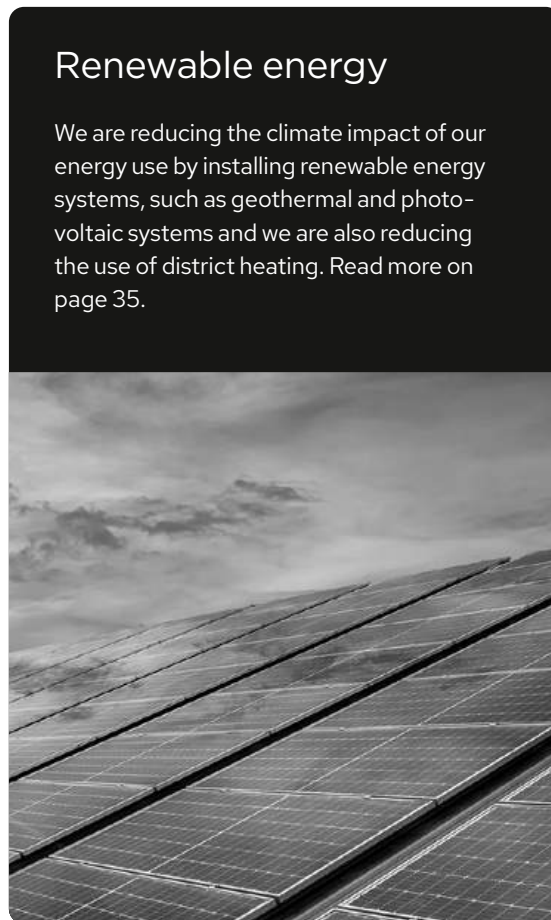
During the year, Heba completed the renovation of 385 apartments in Rådsbacken, Huddinge. The buildings have new plumbing, energy-saving ventilation and heating systems as well as new finishes. Only 98 apartments from the company's renovation program remain to be completed. Read more on page 53.





Heba expands with elderly care facilities

During the year, Heba acquired four new elderly care facilities in Täby, Tyresö and Enköping. By the end of 2024, 30% of net operating income came from community service properties, mainly elderly care facilities. Read more on pages 10, 14–15.



Renewable energy

We are reducing the climate impact of our energy use by installing renewable energy systems, such as geothermal and photovoltaic systems and we are also reducing the use of district heating. Read more on page 35.

Record low energy use: 75 kWh/m²

At the end of the year, Heba's energy consumption was a record low 75 kWh/m². That is a sign of effective work. The target for 2030 is to reach an energy consumption of 40 kWh/m². Read more on page 33.

Heba sets requirements for sustainable suppliers

A sustainable company needs to use sustainable suppliers; anything else is unsustainable. Heba is now setting requirements for suppliers in order to influence them to act sustainably. During the year, the Code of Conduct was signed by all key suppliers. Read more on page 40.

During the year, Heba successfully issued green bonds totalling SEK 350m.

Heba has sustainable rental agreements

Since 2022, all new tenants have signed sustainable rental agreements. Tenants commit to recycling, signing a green electricity contract and contributing to a smoke-free property. By the end of 2024, 47% of rental agreements were sustainable. Read more on page 34.

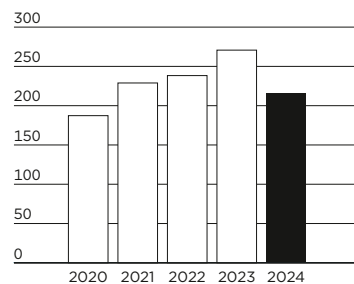


Sonfjället 1, Norra Djurgårdsstaden

Key performance indicators (KPIs) 2024

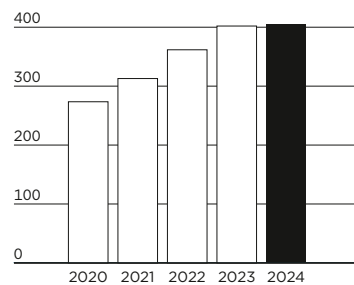
Income from property management, SEKm

216



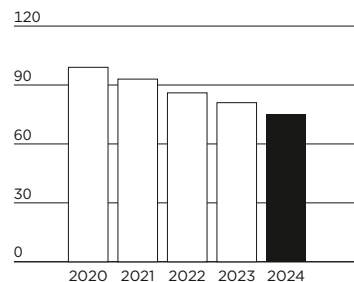
Net operating income (NOI), SEKm

404



Energy consumption
degree-day corrected, kWh/m²

75



Property-related key performance indicators

Rental income, SEKm

2024

2023

561.8

565.7

Lettable time-weighted area, thousand m²

257.5

284.6

Property yield, %

3.0

3.2

Carrying amount per m², SEK

51,599

50,967

Financial key performance indicators

Cash flow, SEKm

214.2

235.4

Investments, SEKm

899.5

327.4

Average interest rate, %

2.81

2.21

Property management margin, %

38.4

47.9

Loan-to-value (LTV) ratio, %

44.7

44.1

Net loan-to-value ratio, %

44.5

43.1

NOI margin, %

71.9

71.1

Sustainability data

Greenhouse Gas (GHG) Emissions
(Scope 1, 2 and 3), tonnes CO₂e

1,361

5,619

Environmentally certified area, %

26

21

CSI (conducted every two years)

85.7

85.7

Total sickness absence, %

2

2

Data per share

Profit after tax, SEK

0.60

-4.31

Dividend (2024 proposal), SEK

0.52

0.52

Share price at 31 December, SEK

32.75

35.45

Net asset value (NAV), SEK

47.02

46.42

Definitions of the key performance indicators

Things are going well now,
and will only get better.



2024 was another good year for Heba. In many ways, the best in our history so far. The financial situation brightened and, thanks to several strategic property sales in 2023, we were well positioned to move on to the offensive in 2024. So that is what we have done; financially, structurally, digitally, sustainably and brand-wise.

■ can proudly state that 2024 was financially stronger than 2023. We increased our NOI margin from 71.1% to 71.9% and our income from property management ended up at SEK 216m, well above the target level of SEK 200m. That result is in line with our best years, excluding commonhold apartment income. It is particularly good if you consider that in 2023 we divested ourselves of buildings that accounted for almost SEK 100 million of our rental income. The full-year effect of the property sales is now fully integrated, which makes the profit for the year particularly impressive. The explanation lies in more efficient management, rent adjustments and carefully considered property transactions that have optimised our property holdings.

The property market came to life in 2023 and, with excellent timing, in 2023 and 2024 we were able to

sell 19 of our properties and property projects. These were not impulse deals but rather long-term, structural deals. We chose to sell low-yield properties in need of renovation and projects in areas where we were not yet well established. We continued our reallocation to other property segments, for risk diversification and to reduce cyclical dependence. We are seeing strong growth within community service properties, which offer inflation-protected income, and specifically in elderly care facilities. The logic behind it is interesting: Sweden is facing an 'elderly boom'. We expect that by 2030 more than 50% of the population will be over the age of 80. The need for good elderly care facilities will increase dramatically, and that is not something that we in Sweden have prepared for. We are convinced that strategic, long-term investment in this niche is a very wise move.

Heba's sustainability work is reflected in everything the company does, both day-to-day and in the long-term. During the year, we also worked hard on our green transition. Within the environmental area, for example, energy use per square metre has fallen by almost 40% in 10 years. On the social side, we have lowered the income requirements for new tenancy agreements. More people should have the opportunity to live in our houses.

Even though Europe is slowing down the introduction of the intended CSRD reporting standard with the Omnibus proposal, we have continued to move forward. The reliefs that may be introduced mean that the CSRD will not apply to the same extent as was originally intended – and Heba will therefore not be covered. But for us, that doesn't change anything. We already have a systematic and ambitious

sustainability program and see the CSRD as a guide rather than an obligation. We know that the industry faces major opportunities for improvement, especially in new builds, where we can tighten the requirements for green concrete, transport and waste management. We will continue to move forward together with our suppliers, and our sustainability targets remain firm: Property management must be climate-neutral by 2030 and all operations must be climate-neutral by 2045.

Digitalisation and AI are a prerequisite for successful sustainability, and digitalisation is on the rise in the real estate sector. With the help of digital twins – a system that contains all the information about each of our properties – the management can see how the buildings are doing, what the energy consumption is, what needs to be repaired and what



“Profitable, financially strong, sustainable and digitalised. This is what makes us a modern property company, and hopefully a role model for other companies in our sector.”

needs to be maintained – at any time. All documented and in real time. It lays the foundations for more efficient, more coherent, more structured and more sustainable property management. It saves a lot of time, travel and energy, and allows us to stay ahead of the needs of our customers and to fix small problems early, before they become big ones. This is popular. The latest tenant survey showed that our tenants are more satisfied than ever before. We also recognise the increasing strength of our brand, which is particularly important in transactions and also for our ability to attract good tenants and skilled staff.

Profitable, financially strong, sustainable and digitalised. That is what makes us a modern property company, and hopefully a role model for other companies in our sector. In a brightening capital market, financially strong companies like Heba are in an excellent position to get financing. Now we’re taking the next big step. In addition to the improving economy, there is also a structural need for housing in Stockholm. Considerably more elderly care facilities

will be needed. As mentioned, we are also facing a green transition, where Heba is already playing a leading role. All this has led the Board to set new aggressive financial targets for the period 2025–2030. Among other things, our investment performance must improve by an average of 5% per year and the NOI margin must be above 70%. On average, our leverage must not exceed 45% over that period. At least 20% of net operating income should come from community service properties. The market value of our properties must exceed SEK 20bn by 2030. Each year we will issue an annual dividend of at least 50% of the profit from property management, adjusted for tax.

We have mapped out the road ahead, and the Board, myself, the management and our talented employees all look forward to leading Heba along it.

Patrik Emanuelsson
Chief Executive Officer, Heba

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Global environment, targets and strategy

The global environment and Heba – Opportunities in changing times

Through the use of AI and digital tools, we optimise energy and water consumption, carry out digital inspections and improve services for our tenants.

Heba operates in a dynamic and growing region where we see great opportunities to contribute both to social development and to increased quality of life. Despite geopolitical uncertainties and turmoil, we have continued to strengthen our position through strategic investments and sustainable transformation.

**The housing market:
Long-term needs and opportunities**

The Stockholm region faces a continuing housing shortage, particularly in rental apartments and community service properties in the form of elderly care facilities. At the same time, residential construction has declined due to higher construction costs and the economic uncertainty. Heba has a strong portfolio of modern properties and is ready to start new projects as soon as market conditions become more favourable.

**The climate transition:
A leader in sustainability**

All stakeholders in society need to make changes and work to reduce greenhouse gas emissions. Heba has long had a clear sustainability strategy where we actively work to reduce our climate impact. Our ambition is that our property management must be climate-neutral by 2030 and all operations must be climate-neutral by 2045.

**Technological developments and AI:
Smart property management**

Technological developments are creating new opportunities to streamline property management. Heba calls it Smart Management. Through the use of AI and digital tools, we optimise energy and water consumption, carry out digital inspections and improve services for our tenants.

**Demographic changes:
Growth in elderly care facilities**

The number of people aged over 80 in Sweden is expected to increase by 50% by 2030, creating a great need for elderly care facilities. Heba has a clear strategy for growth in this segment both through new builds and through acquisitions.

**Safety and social responsibility:
A central part of our mission**

Insecurity and gang crime have been a challenge in some parts of the community, but Heba has continued to work actively to create safe and pleasant living environments. By working closely with our tenants and municipalities, we create positive social environments.

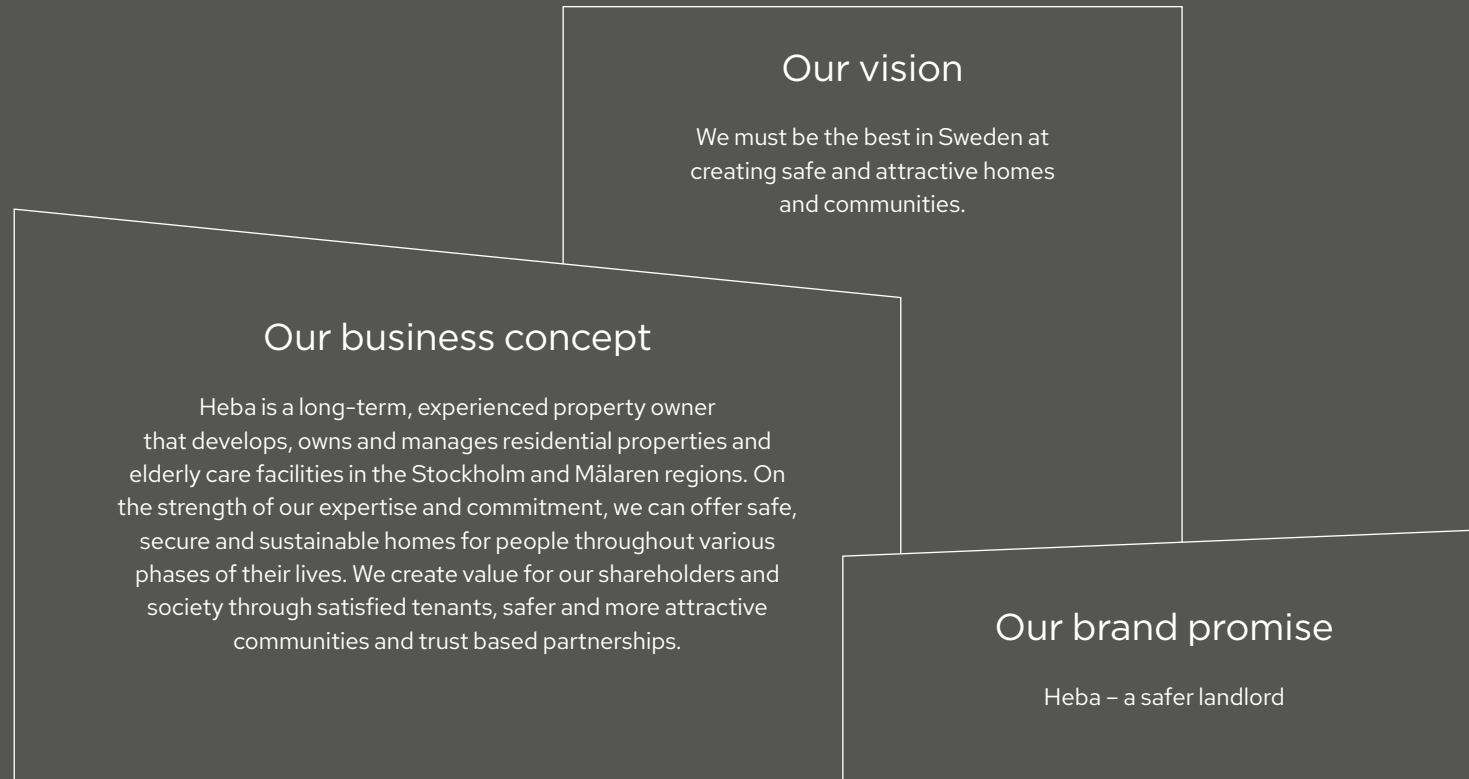
**The energy issue:
A strategic challenge and opportunity**

The continued electrification of society is increasing the demand for energy, which means that the property sector needs to work actively on energy efficiency and sustainable energy production. Heba is part of the solution and is driving progress with challenging targets to reduce energy use.

**Rent regulation is challenging:
Heba adapts and develops**

The Swedish rental market is heavily regulated, which limits pricing and inhibits mobility. This creates lock-in effects and hampers investment in long-term residential properties. Despite this, by adapting to the regulatory framework, investing in renovation and energy efficiency and investing in new builds, Heba has been a successful operator for over 70 years. We continue to develop attractive residential properties and community service properties – even in a challenging market. In addition, we actively participate in the debate to develop rental property.

Strategic framework



Our core values

Close at hand

We are close at hand, visible and accessible in all our relationships and contacts.

Safe

We are reliable, experienced and have a long-term perspective for everything we do.

Dedicated

We are open, considerate, hard-working and driven by a desire to develop. There is always another step to take.

Financial targets 2023–2024

Heba has been restructuring its operations in recent years. In 2018, work began on a new strategy for growth through the disposal of low-yielding properties, renovation program and the acquisition of new builds. That work intensified as interest rates rose, inflation increased and construction came to a halt in response to a period of overly generous fiscal policy, as well as the pandemic and Russia's invasion of Ukraine. Heba started proactive work early to maintain financial stability. We disposed of low-yielding properties that were unleveraged, to pay off loans, reduce interest costs and to free up space for investment. In parallel, we acquired elderly care facilities, where yields are higher and leases are long and index-linked. In 2024, the company's extensive renovation program has almost been completed. The company now has a modern portfolio in attractive locations in the Stockholm and Mälaren regions. Heba has delivered on its targets for 2024. Thanks to the company's restructuring and a market characterised by better interest rates and cautious optimism, Heba is now poised for further growth. During the year, Heba adopted new financial and sustainability targets.

	Targets 2023–2024	Outcome 2024
Income from property management	>200 SEKm	216 SEKm
Loan-to-value (LTV) ratio	≤50%	45%
NOI margin	>70%	72%
Net operating income	Increased share of net operating income from community service properties	30%
Dividend	Dividend to shareholders: at least 40% of income from property management adjusted for tax	50%

During 2024: Decision on new financial and sustainability targets

Sustainable growth with financial stability

New financial targets 2025–2030

Income from property management
to achieve annual growth of 5% per year

at least **5%**

Loan-to-value ratio not to exceed 45% on
average and never above 50%

45–50%

NOI margin above 70%

>70%

The market value of the properties should
exceed SEK 20bn

>SEK 20bn

At least 20% of net operating income must
come from community service properties

at least **20%**

Dividend to shareholders: at least 50% of
property management profit adjusted for tax

at least **50%**



Sustainable growth strategy, how to reach the financial targets

Heba has a modern property portfolio in attractive locations, mainly in the Stockholm and Mälaren regions. Thanks to the company's restructuring and the market being characterised by better interest rates and cautious optimism, Heba is now poised for further sustainable growth with maintained financial stability. The strategy is to continue to grow with modern properties through the acquisition of new builds and land allocations, in areas where we have our own portfolio and by building both to own and to sell.

Expanding the modern property portfolio

Heba is actively working on a strong project portfolio that includes new builds of residential rental properties, commonhold apartments and elderly care facilities. Commonhold apartments are interesting if the deal is good or provides other upsides. We create growth through profitable acquisitions of modern residential properties in parallel with disposals of low-yielding properties.

Growth in Heba's geographical areas

Heba's strategy is to grow in those geographic areas where we have our portfolio and the possibility of densification, as well as through co-operation with existing and new partners. We carry out careful micro-analyses of a location, to select sites where there is a target group that can pay for new apartments. Growing where we are already established also contributes to efficient management.

Master builder strategy for economic sustainability

To maintain a strong balance sheet, we are adopting a master builder strategy where we build to own part and sell part. Projects are preferably run in Joint Venture form.



Overall sustainability targets 2025–2030

Climate-neutral property management by 2030.

100% by 2030

All our operations to be climate neutral by 2045.

100% by 2045

Reduce energy consumption to 40 kWh/m² (Dec 2024: 75 kWh/m²)

40 kWh/m²

All properties shall be environmentally certified during 2025.

100% by 2026

Heba's stock and financing must be entirely green as of 2030.

100% by 2030

All tenants must have sustainable rental agreements by 2030 (Dec 2024 approx. 50%).

100% by 2030

[Read more about Heba's sustainability targets](#)



Overall strategy to achieve our sustainability targets

For Heba, sustainability is about taking responsibility for the environment and the world we live in. We divide that responsibility into three parts: environmental responsibility, social responsibility and employer responsibility. We must be fully climate neutral by 2045. We must contribute to an ethical and socially sustainable society. And we must be a fair employer. Our tough sustainability targets and the transition based on CSRD reporting help us to prioritise. Knowledge and digitalisation are needed to succeed.

We are working towards a climate-neutral business

Green is not just a vision, it's a deadline. Heba's climate target is that property management must be climate-neutral by 2030 and all operations must be climate-neutral by 2045. Heba supports the 1.5 degree target of the Paris Agreement. To achieve this, we need to limit both the indirect and the direct emissions from our activities. We are steadily reducing energy use, while emissions from materials in new builds are a bigger challenge. It is also important to prepare the organisation for the various scenarios caused by climate impact. Heba's climate targets have been approved by the Science Based Target initiative (SBTi), which means that the climate targets are perceived to be in line with the emission reductions required to meet the Paris Agreement.

We contribute to an ethical and socially sustainable society

To Heba, social sustainability means running the business in an ethically, socially and environmentally correct manner. We build communities, and provide homes for different stages of life – safe and appropriate housing for people of different ages and with varying care or service needs. We also make social contributions in the form of collaborations with, and support for, various organisations that work to strengthen equal conditions.

Our employees are our most important resource

Being a fair employer is important to Heba. Our employees should be able to develop and feel good. Enjoying your job breeds commitment. Heba is working actively to be an equal and inclusive workplace, which creates the conditions to be a sustainable, customer-oriented company. Our working environment must be safe and secure from physical, psychological and social perspectives. That is why we take a proactive approach to avoiding occupational accidents, illness and preventing risks.

[Read more about Heba's roadmap to the sustainability targets](#)



Heba's new financial targets have been set. Now it's time to go for it.

Hanna Franzén

Role at Heba: CFO since 2021.

Employed since: 2019.

20 years of experience in the property sector.

Previous employers: Magnolia Bostad AB, Sveafastigheter, Kungsleden, GE Capital Real Estate.

Education: MBA, Stockholm University.

Born: 1977

After the property market crash of 2023, the capital market eased in 2024 and investors came back. Finance is now starting to normalise. For Heba, which went through the period with restraint and stability, new opportunities are now opening up. And now there are new financial targets. Hanna Franzén, Heba's CFO, talks about the plans ahead.

Relief from investors and banks gradually became apparent in 2024. It is now important to be smart and to dare to invest, but while maintaining the strong financial position that is Heba's guiding principle, regardless of how the market looks.

"We have a good reputation in the capital markets because we managed to play our cards right during the difficult years of 2022 and 2023. We now have good plans for both short-term and long-term financing," says Hanna Franzén, CFO at Heba.

Short-term financing consists of certificates, which are the most cost-effective source of finance. Bank loan prices are monitored and interest rate hedging is continuously reviewed by working effectively with interest rate swaps. Heba always endeavours to achieve an even spread over the years for both interest and tied-up capital.

"Having experienced the capital supply situation in recent years, we are well aware of how quickly the capital market can turn. That is why we are working intensively to continuously assess our exposure to the capital market and to ensure that we have our back-up facilities in place if sentiment changes," says Hanna Franzén.

Heba's long-term financial strength has been built on a mix of capital market loans and traditional bank loans, among other things. The loan-to-value ratio of the portfolio must be moderate, and not exceed an average of 45%, during the period 2025–2030. Interest and capital tie-ups are slightly longer compared to our competitors and interest rate hedging is higher.

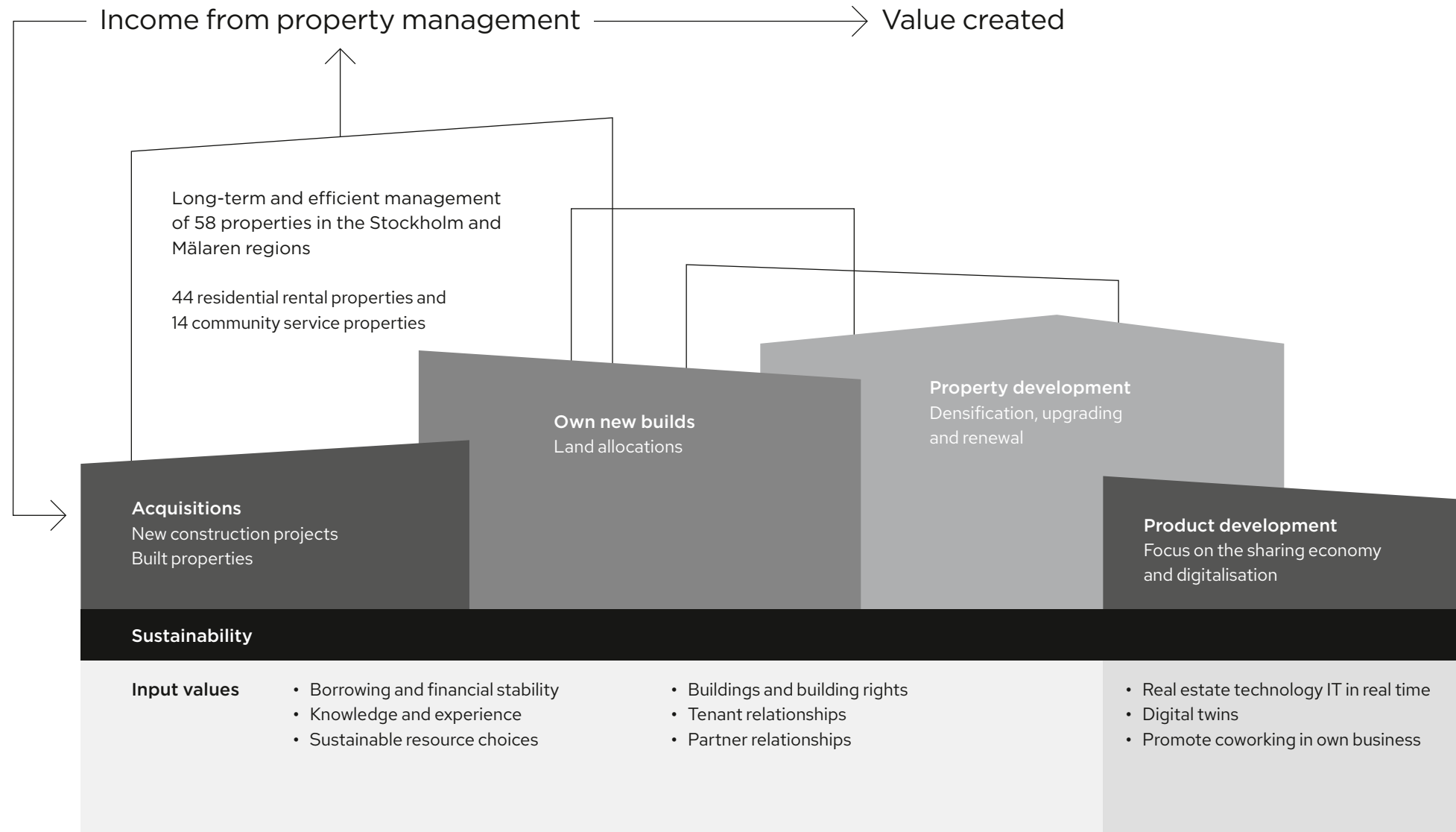
Heba launched new financial targets in 2024. They are the logical consequence of increasingly efficient property management and investments that increase profitability and earnings.

"When we manage our net operating income efficiently, we achieve a good NOI margin, which leads to an increase in income from property management. The increased income from property management results in higher dividends to shareholders. Completing projects within our own portfolio, as well as acquiring properties that increase our economic efficiency, results in a higher market value for Heba. So all financial objectives are inter-linked," says Hanna Franzén.

Heba shall be the most modern and most sustainable property company. One might ask what this will cost?

"The question is rather what the costs will be if we don't invest in this. Our green transition and digitalisation, which is a prerequisite for the transition to happen, involve business investments. That is good, both for the environment and for the company's long-term future. We will also become a company that is more interesting to existing and potential shareholders and investors, employees, customers, suppliers and partners," says Hanna Franzén.

Our value-creating business model



We are the modern property company. Time to take the next step.



Eva Wase

Role: Head of Communications.
Employed since: 2020.
Previous employers: Ludvig & Co,
Stadsledningskontoret Stockholms stad,
Micasa Fastigheter AB, Stockholm Visitors
Board AB.
Education: Journalist.
Born: 1969

The Heba brand should be characterised by quality, order and modernity. That is what tenants, employees and partners should perceive and feel. Heba has worked hard to put the visual expression, communication channels and content in place. Eva Wase, Head of Communications at Heba, explains that brand development is part of the restructuring the company has been undergoing.

They say that your brand is what people say about you when you leave the room, what impression you leave. As a business, it's about how you behave and what you say about yourself. Both those elements must go hand in hand. Words must match actions and must be rooted in reality.

"We develop a strong brand by delivering what the market expects. We manage expectations through what we say and do. For Heba, it's about being credible and forward-looking," says Eva.

"If we say the apartments are modern, then modern they must be. If we claim to take responsibility for society, we must make concrete social contributions. For example, by lowering income requirements for renting to allow more people to have access to housing. In short, everything that we do and that we communicate must be consistent and also maintain a consistent level across the board," she states.

Heba's brand stands for safety and at the same time must exude modernity, but what does it really mean to be the modern property company? Given the rapid pace of change in society, it is important to be adaptable and to be able to respond to changing conditions.

"Staying modern requires being up-to-date and wanting to be at the forefront of developments. We need to be analytical and understand where the world is going, as well as being able to change and adapt. We need to be both curious and on the ball".

Eva says this applies to everything, from how the country's economy is doing, to new building requirements for sustainability, to new ideas about how people want to live and the opportunities that new technology can provide. It is also about changing values. Sustainability is a good example of this, with more and more people realising that we need to take care of our planet.

"We all need to take responsibility for the world. It means changing behaviours and learning to value new things. Heba has been working on this issue for many years. We must be at the forefront and be the property company that works actively and operationally, in a structured and forward-looking way, to do everything we can to help the climate," says Eva.

Being modern also means being visible in the right and relevant channels. Brick by brick, Heba has built up its operational communication. The logo and visual identity are in place. The website has received a major boost and is increasingly the hub of communication. Financial reporting has been improved and the website provides quick and accessible information for investors, tenants and home seekers. There is a housing app for tenants and it is improving all the time. Heba is now improving digital communication with the market and there is a structured plan for social media communication.

Brand development is running in parallel with the reorganisation that Heba has undertaken to achieve the overall objective: Sustainable growth. Now it's time for the next step in branding. To open up the communication channels and say more about Heba and everything it does.

"When we do something, we do it thoroughly and properly, with structure and consistency, in order to set the right expectations. We've come a long way in a few years, but this job will never be finished. There is always room for improvement, and we will. We are moving forward," says Eva.



Modern properties in attractive locations in the Stockholm and Mälaren regions

At the end of 2024, Heba owned 58 properties with a total value of SEK 13.6bn. The property portfolio consists of residential properties and community service properties specialising in elderly care facilities. Signum are modern properties in attractive

locations in the Stockholm and Mälaren regions. The image shows Heba's youth housing units in the Capella 2 property in Tullinge. Heba offers youth housing units for people aged 18–25 to help younger people enter the rental market.

[Read more about Heba's properties and new builds on the website](#)



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Sustainability

Development is driven by ambitious sustainability targets

Sustainability is reflected in everything Heba does. It is our way of taking responsibility for the environment and the world we live in, here and now and for the generations to come. Future-proofing the business is intertwined with successful enterprise. Tough sustainability targets and the transition based on CSRD reporting help us to prioritise. Knowledge and digitalisation are needed to succeed.



Sustainability Targets 2025–2030

Environment

Climate-neutral property management by 2030

All our operations to be climate neutral by 2045

Reduced energy use

From 75 kWh/m² (Dec 2024) to 40 kWh/m² in 2030

Green buildings

an energy class C or better from 2030

Green financing

100% green financing from 2030

Green shares

Heba's shares to be green as of 2030

Reducing emissions in construction processes

100% of new builds started from 2025 must have halved emissions from the construction phase, with the National Board of Housing, Building and Planning's current values as a reference. 100% of construction waste must be sorted and enable recycling.

Sustainable property management

to be environmentally certified in operation during 2025 and climate risk analysed

Contribute to the energy transition in society

100% of car parks to have charging facilities from 2030

Social sustainability

Safety

The safety index in Heba's housing should be at least 80

Tenant satisfaction

Service index on a par with or above average for private housing companies in metropolitan areas

Sustainable rental agreements

100% sustainable rental agreements from 2030, including recycling, green electricity contracts and contributing to smoke-free buildings

Social responsibility

At least 10 apartments per year are provided for people experiencing structural homelessness, with a focus on vulnerable women and children

Suppliers' value chains

From 2025, the value chains of significant suppliers must be audited against the Property Owners' Code of Conduct

Organisation

An attractive employer

Focus on employee satisfaction, professional development and gender equality

Employee satisfaction index (ESI)

ESI in line with industry average

Training

30 training hours per employee per year

Gender balance

Women/men: 50/50 +–10%. Managers, Women/Men: 50/50 +–10%

Staff turnover

Maximum 10%

Absence due to illness

Between 2–4%

Diversity

The company's needs from the perspective of equal opportunity, diversity, gender and age are considered in connection with every recruitment

Sustainability in brief

Reduced energy use

Over the past three years, Heba has reduced energy use by almost 20%. Energy consumption at year-end was 75 kWh/m². Target 2030: 40 kWh/m². To meet the targets, the buildings must have an energy class of C or better. Read more on page 33.



Green district heating

We have signed an agreement with Stockholm Exergi to allocate green district heating. Read more on page 35.

Renewable energy

We are reducing the climate impact of our energy use by installing renewable energy installations, such as geothermal and photovoltaic systems, and we are reducing the use of district heating. Read more on page 33.

Carbon capture

Heba was one of the first companies to sign a Memorandum of Understanding with Stockholm Exergi to purchase negative emissions in the future Bio-CCS plant. This is an important complementary step to the long term objective of achieving net-zero emissions throughout the organisation. Read more on page 35.

Lower income requirements for prospective tenants

Heba has lowered the income requirements for tenants. Now, a single household must have retained Kronofogden's (The Enforcement Authority's) standardised amount after the rent has been paid. Read more on page 39.

Record tenant satisfaction

We conduct a tenant survey every two years. The response rate to the most recent survey was 76.1% and our tenants' satisfaction was at record levels. The service index was 85.7 (85)% and the product index was 80.8 (78.8)%. The next survey will be conducted in 2025. Read more on page 38.



Scientifically validated climate targets

Heba's climate targets have been approved by the Science Based Target initiative (SBTi), which means that the climate targets are perceived to be in line with the emission reductions required to meet the Paris Agreement. Read more about the targets on page 27.



Sustainable rental agreement

Since 2022, all new tenants have signed sustainable rental agreements, which require tenants to recycle, sign green electricity contracts and contribute to a smoke-free building. 47% of rental agreements were sustainable by the end of 2024. Read more on page 34.

All car parks to have charging facilities

To contribute to the expansion of infrastructure, so that more people choose fossil-free cars, all car parks in Heba's property portfolio will offer charging facilities by 2030. Read more on page 34.



Environmental certifications

During 2024, we established our own environmental certification scheme for our existing buildings. Our new builds are environmentally certified to the Nordic Swan Ecolabel, Miljöbyggnad Silver or an assessed equivalent level. Read more on page 33.

Homes for people experiencing structural homelessness

During the year, Heba donated five apartments to the Stockholm City Mission's Bobyrån, which provides housing for people experiencing structural homelessness, with a focus on women and children. Read more on page 40.

Code of conduct for suppliers

Heba's important suppliers have signed the Code of Conduct and are thus committed to following Heba's values and sustainability requirements. Read more on page 40.



Patrik Emanuelsson, CEO Heba

Proud main sponsor of Laxsläppet

Heba is the main sponsor of Laxsläppet, an event where the City of Stockholm releases 140,000 young salmon and trout into Stockholm's coastal waters. The release contributes to the biodiversity and balance of the sea. We think this is important. Heba has supported the release since 2013. Read more on page 37.

CSRD helps us prioritise

Heba works based on the requirements for sustainability reporting according to CSRD. The green transition is not an option, it is necessary. Heba uses the full power of digitalisation to work in a structured and systematic way. This results in real-time, documented control of our buildings, allowing us to be both sustainable and efficient. Read more on pages 27 and 48.

Framework for Green and Sustainability-Linked Financing

In early 2024, Heba's new framework for green and sustainability-linked finance was finalised and received the highest rating from Morningstar Sustainability.

Climate risk analyses

Heba has mapped the exposure of its entire property portfolio to a changing climate, to know what measures will be needed going forward. We link climate risks to financial impact materiality. Read more on page 36.



Talking about
sustainability is not
enough.
Action is what
counts, for everyone.

Andréa Uggla

Role: Financial Economist and Acting Head of Sustainability during 2024.

Employed since: 2021.

Previous employers: Slättö Förvaltning AB, Unibail Rodamco Westfield, Structor Projektutveckling AB.

Education: Master's degree in Real Estate and Construction at KTH.

Born: 1993

Property management must be climate-neutral by 2030 and all operations must be so by 2045. To achieve this, there is a concrete roadmap on the table with clear activities to achieve the targets. The roadmap is challenging, but also inspiring. Andréa Uggla, Acting Sustainability Manager at Heba, tells us more.

“The green transition has a clear deadline. We need to act now, in order to live in the world we want in the future. This applies to both the environment and society at large,” says Andréa Uggla, Acting Sustainability Manager at Heba.

The environmental activities linked to the roadmap consist of three parts, the first of which is about reducing energy use. Heba must move from 75 to 40 kWh/m² A temperature between 2025 and 2030. To succeed, all buildings need to be energy class C or better, and the way to get there is by investment in solar panels and geothermal heating.

The second part is about taking responsibility for the climate impacts in Heba’s value chain that lie outside the company’s walls. This involves influencing suppliers and the market, for example by setting requirements linked to new builds.

Heba aims to halve emissions from the construction phase of new builds for projects starting from 2025. To test the waters, Heba launched a pilot project in 2024 where a newly built building in the portfolio was defined based on the level of emissions and what measures could reduce that level by half.

“To put it bluntly, by utilising new, more climate-friendly variants of materials available on the market: concrete, insulation and steel, we expect to be able to achieve a halving of the Swedish National Board of Housing, Building and Planning’s reference value today,” says Andréa Uggla.

Taking responsibility for the climate value chain outside the company is also about finding solutions for reuse during renovation, as well as influencing tenants to make climate-friendly choices.

“For some years now, our new tenants have been signing sustainable rental agreements, in which they undertake to choose green electricity and to sort waste. Sustainable contracts will apply to all tenants in the future, including commercial tenants,” Andréa says.

The third part is about the interest in finding new innovative solutions that can contribute to sustainability going forward. One example is carbon capture. Heba is one of the first Swedish companies to have signed a letter of intent with Stockholm Exergi on carbon capture. A small residual amount of carbon dioxide emissions may remain and the company will compensate for this by carbon capture.

Finding innovative solutions is not only necessary for the climate but also for social sustainability.

“We have lowered the financial requirements for new tenants so that more people can afford to come and live in our buildings. We are now also increasing the number of contracts we give to homeless people. There will be ten this year and the focus is on vulnerable women and children. So we are getting a little better all the time. And it’s no use just talking about it, concrete action is what counts,” concludes Andréa.

Our focus areas

Environment

Social
sustainability

Organisation

Roadmap to reach our sustainability targets

Tough sustainability targets and a baseline in CSRD reporting help us to prioritise as we lay out our roadmap ahead. Knowledge and digitalisation are needed to succeed. We use the power of digitalisation to maintain documented control of buildings in real time. This allows us to work efficiently and proactively, providing both sustainability and profitability. We call it Smart Management.



Environment

Activities to reduce our climate impact

Reduced energy use

During the year, Heba achieved its energy target of reducing energy use by 18% (2021 as base year). Energy use at the end of the 2024 was 75 kWh/m². Our new target is to reduce average energy use to 40 kWh/m² by 2030.

The buildings must be at least energy class C. With modern technology connected to each apartment, Heba can monitor and control the buildings in real time, making it easy to catch any anomalies. Energy-saving investments are being made in geothermal heating and solar panels. To stay at the forefront, we follow the development of energy-saving measures on the market.

The energy performance of new builds must be 20% below the current building standards (BBR). This requires good quality windows and well-insulated walls, as well as various types of energy recovery, such as heat recovery from wastewater and from ventilation.

Only 98 apartments remain in Heba's renovation program. The renovation includes the installation of energy-efficient solutions such as well-insulated windows, ventilation systems with exhaust air heat recovery. All renovation waste must be sorted and prepared for recycling.

Hebahuset reduces emissions

The majority of Heba's emissions can be attributed to new builds. Heba works to minimise, improve and influence in order to reduce emissions. No new projects were completed in 2024, so emissions from new builds are zero, because emissions are reported in the year the property is occupied.

We build new builds that are adapted to the climate and environmental needs of the future. From 2025 all new builds must halve the emissions from the construction phase, with the National Board of Housing, Building and Planning's current values as a reference. We produce our own product catalogue, Hebahuset, in collaboration with our suppliers and contractors. Hebahuset provides peace of mind that the products and materials used have lower emissions, are both sustainable and economically viable. All construction waste must be sorted and prepared for recycling.

Halved emissions in the management since 2018

Since 2018, Heba has halved emissions from its management. This is mainly due to the reduction in energy consumption and the fact that all corporate vehicles run on electricity and, in the coming year,

Outcome 2024

Reduction in total emissions compared to 2023

-76%

Reduction of emissions from energy during the year

-33%

Do you want to rent garage space? We have spaces with and without a charging post.



hebafast.se
info@hebafast.se

all company cars will also run on electricity. During 2024, we reduced total emissions by 76%, compared to 2023. The decrease is largely due to the fact that no new projects were finalised during the year. Emissions from energy have fallen by 33% over the year.

Environmentally certified buildings

In 2024, Heba has developed its own certification for sustainable operation in the properties, HållFast certification. Through this certification, we assure documented, sustainable operation aligned with our existing management systems, in accordance with ISO 14001 and 9001. During 2025, all properties will be certified according to HållFast.

For new builds, Heba provides environmental certification in accordance with the Nordic Swan Ecolabel, Miljöbyggnad Silver or an assessed equivalent level. Each project is audited by an environmental auditor who ensures that environmental requirements are met. Through environmental certification, Heba ensures quality-controlled construction and sustainable properties.

Sustainable rental agreement

Heba's tenants commit to recycling and signing green electricity contracts through sustainable rental agreements. A large part of Heba's indirect climate impact is determined by the tenants' choice of electricity supplier. To make the choice easy, tenants can use the housing app to choose electricity directly from a company that provides 100% origin-labelled electricity from fossil-free sources. At the end of the year, 47% of all rental agreements were sustainable. By 2030, all tenants will have sustainable rental contracts. Work is ongoing to ensure that non-residential contracts are also sustainable.

Sustainable transport, car parks with charging

Heba's corporate vehicles are electric vehicles and the company cars are electric or hybrid cars. By the end of 2025, all the vehicles will be electric. In addition, Heba wants to be involved in building the infrastructure needed for more and more people to choose a fossil-free alternative. All car parks in the property portfolio should offer charging facilities by 2030. By the end of 2024, a total of 354 charging points had been installed, representing 26% of all Heba's car parks.

Outcome 2024

Proportion of sustainable rental agreements

47%

Proportion of car parks with charging

26%

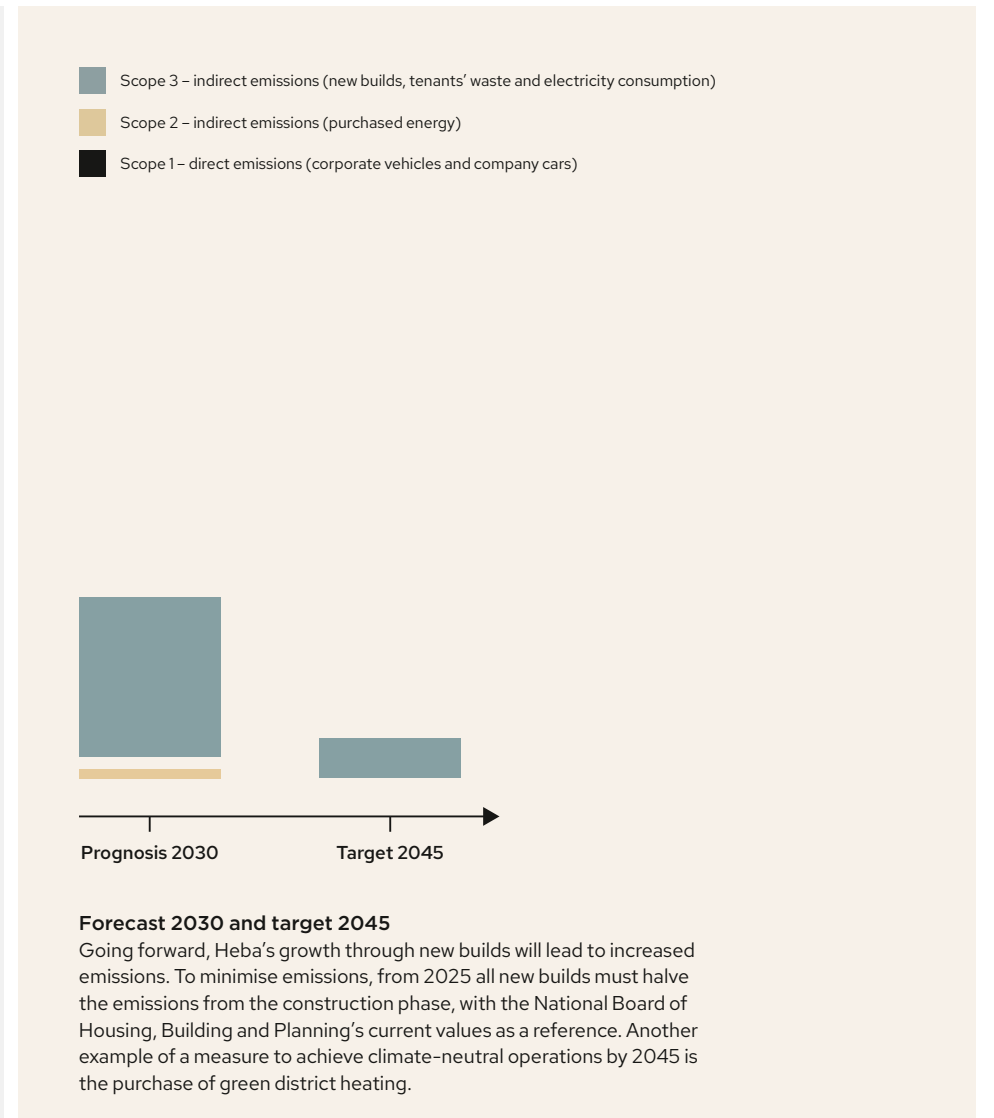
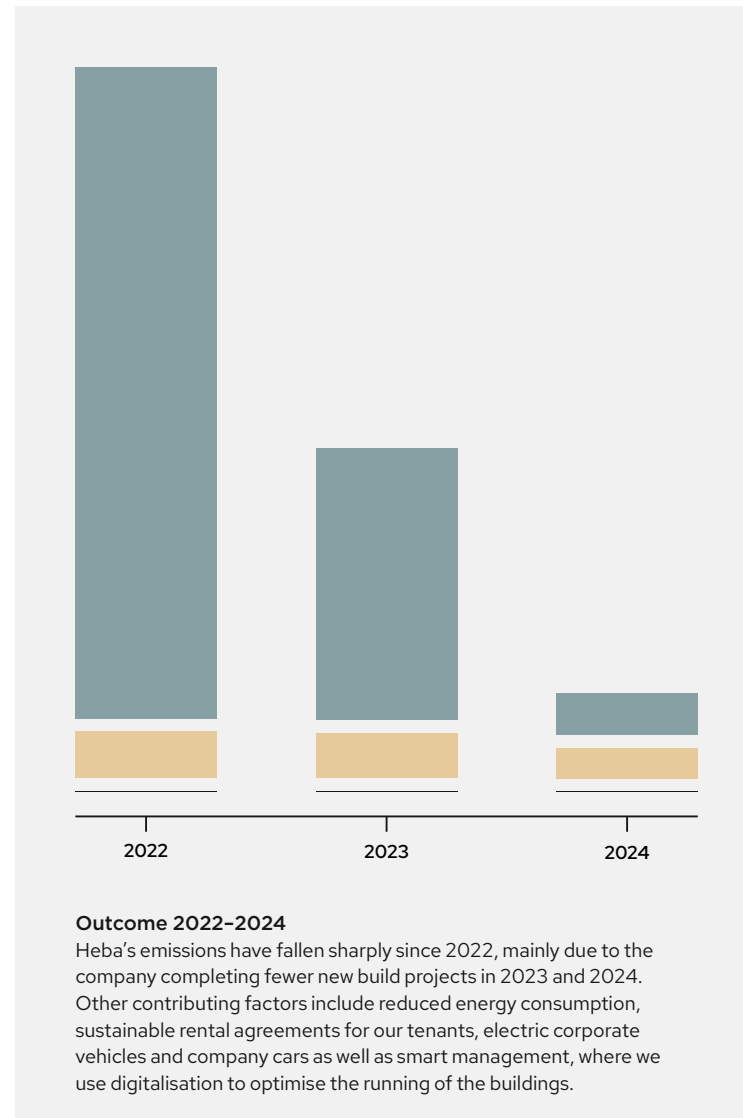
Green district heating and carbon capture

Heba’s climate impact from purchased energy, mainly district heating, is governed by the waste that the district heating suppliers burn during energy recovery. The plastics contained in the waste give rise to greenhouse gas emissions. Heba has signed a green district heating agreement with Stockholm Exergi, which means that the district heating purchased by Heba for its properties is origin-labelled and renewable.

Heba has also signed a letter of intent with Stockholm Exergi to purchase carbon capture and storage (Bio-Energy with Carbon Capture and Storage). Bio-CCS involves separating carbon dioxide from combustion from the flue gases and storing it permanently in the bedrock. This is an important complementary step to the long term objective of achieving net-zero emissions throughout the organisation.

Green electricity

All the electricity that Heba buys for its properties is origin-labelled and renewable. Together with our partner, who manages Heba’s electricity purchases, we secured a fixed price level for 2023–2025.



Activities to adapt ourselves to climate change

Climate risk analyses

Heba future-proofs buildings and new builds by assessing climate risks that may affect the company. A lot of work has been done to comprehensively map the exposure of the entire property portfolio to a changing climate. The mapping was carried out using the County Administrative Board's mapping tool for physical climate change as well as map data from SMHI and MSB. The analysis highlights specific buildings and areas at risk of being affected by rising water levels or experiencing temperature increases that may require measures to maintain a good indoor climate. This work allows us to prepare for different societal developments and to have a clear picture of what actions may be needed going forward. We link climate risks to financial impact materiality and present them each year in the annual report.

Heba conducts annual site visits and interviews with the management teams to document current climate risks systematically. The analyses form the basis for risk mitigation measures that are integrated into the property plan. Read more about climate risks and TCFD on pages 60–61.



Climate adaptations in the Pennvässaren property in Vällingby

The Pennvässaren building in Vällingby was identified as high risk in the climate audit. The building is built on an old lake bed and the yard had difficulty dealing with stormwater, which became noticeable during heavy rainfall. During 2024, we completed an extensive renovation of the yard. Gutters with the right soil and plants now manage water naturally without affecting the stormwater system. In addition to the gutters, the building has been drained, car parks have been graded, and downpipes that previously led into the building now lead out to the rain gutters.

Activities for biodiversity

Biological diversity

Heba contributes to vibrant wildlife and biodiversity in the region by being the main sponsor of Laxsläppet, the City of Stockholm's release of salmon and sea trout into Stockholm's waters.

Studies are carried out in the detailed planning process for new build projects to ensure that biodiversity is not impaired after the project is completed. In the management of our properties, we monitor the greenness factor to find solutions that promote biodiversity as needed.

Activities to reduce resource use

Starting with waste hierarchy

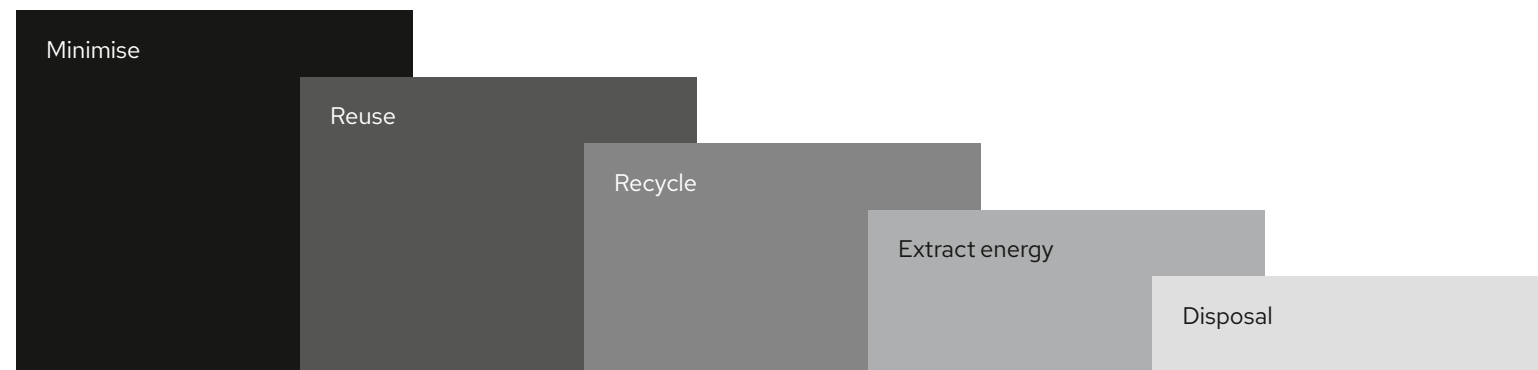
Heba's activities generate waste. As a policy tool to minimise the climate impact of waste, we use 'waste hierarchy'. This is an EU directive that has been adopted in the Swedish Environmental Code and governs how our waste should be managed. Some waste we can deal with directly ourselves. We can influence the proper disposal of other waste by creating conditions and incentives for sorting.

We minimise waste in renovation and new builds through good planning of project implementation.

In climate calculations, spills must be reported, which gives us an overview of the development. We are also exploring the possibility of using products with a high proportion of recycled materials in new builds, in order to reduce climate impact and be part of the work for circular construction. When renovating, we carry out a reuse inventory to identify materials we can reuse ourselves or pass on for reuse via another party. We carry out renovation to keep the buildings in good condition for many years to come. We follow up on the waste generated in renovation projects on a monthly basis and reporting is done quarterly.

We can influence how tenants manage their household waste by creating the best possible conditions for sorting. The recycling rooms should be kept clean, tidy and safe. Heba's recycling rooms are updated for today's waste and the emptying frequencies are adjusted as needed. To influence the willingness to sort, Heba will have continuous communication that informs and inspires people to take responsibility and sort.

Waste hierarchy



Social sustainability

Activities for safe housing

Safe housing and outdoor environments

Feeling safe in your neighbourhood is important. Safety leads to well-being, and for Heba it is therefore crucial to have a safe and secure experience when moving in and around our buildings. The safety work includes keeping things orderly and tidy, for example through cleaning, gardening, lighting, removing graffiti and other remedial measures. Heba also works closely with the police, including training in neighbourhood watch. Some properties have CCTV for safety purposes.

Tenant satisfaction

Heba conducts a tenant survey every two years. The latest results in 2023 were record highs, with a service index of 85.7% (85) and a safety index of 87.4% (84.7). The response rate was 76.1%, placing Heba in the top three of property companies that conducted a survey during the year. The next survey will be conducted in 2025.

Customer-focused organisation

We base our property management on having accessible and knowledgeable management teams, who create long-term, good relationships with tenants. Heba's property technicians are located in local property offices close to the tenants. The proximity

facilitates dialogue and understanding, as well as the ability to address problems and offer solutions.

The residential properties are divided between four managers. The management team includes a management assistant and a property technician, who work on the day-to-day management and meet the tenants. Cleaning, grounds maintenance and major repairs or maintenance are mainly carried out by contractors. Our community service properties are also looked after by a dedicated management team.



Outcome last CSI, 2023

Service index, % satisfied tenants

85.7% (85)

Safety index, %

87.4% (84.7)

Activities for more people to get a home

Homes for all phases of life

Heba offers sustainable housing for different stages of life. Our youth housing units provide young people aged 18–25 with the opportunity to live on their own for the first time, and our community service properties provide elderly people with the opportunity to live in elderly care facilities. We care about our tenants and have an internal exchange queue so that our tenants can remain in our portfolio, even when their life situation changes.

Lower income requirement for rental

During the year, Heba lowered the income requirements for renting, so that more people can have the opportunity to rent a home. To be approved as a tenant, the standardised amount of income set by Kronofogden (the Swedish Enforcement Agency) will now apply. If more than one adult and children live in the household, the required amount left over to live on after the rent is paid will increase.



Activities for ethical responsibility



Heba head office, Draken 24, Södermalm

Ethics, anti-corruption and human rights

Heba has zero tolerance for corruption and human rights violations. To ensure ethical behaviour among employees and suppliers, Heba works systematically according to ethical rules of conduct concerning bribery, corruption and human rights.

Heba's Code of Conduct and Sustainability Policy clarify how the organisation and employees should act sustainably and in accordance with Heba's values. All employees receive annual training in the Code of Conduct, with a focus on anti-corruption. The majority of Heba's apartments are mediated via the City of Stockholm's housing agency, which reduces the risk of employees being exposed to bribery attempts.

Code of conduct for suppliers

To ensure that Heba's suppliers work in a way that is consistent with the company's values and goals, we apply the Swedish Property Federation's Code of

Conduct to our suppliers. The Code of Conduct is industry-wide and lists requirements and conditions to ensure that suppliers work with sustainable and ethical practices. During 2024, all Heba's significant suppliers signed the Code of Conduct and will thus be audited annually.

Whistleblower function

If there is any suspicion of non-compliance with laws, regulations or policies, Heba ensures that it is safe and secure to report this via an external whistleblowing function. Employees, partners and tenants can anonymously report misconduct that violates legislation, ethics, morals or Heba policies through this channel. The whistleblowing service was introduced in the autumn of 2020 and is managed by an external operator which allows the whistleblower to remain anonymous. No whistleblowing cases were reported during 2024.

Activities for equality

Supporting organisations that make a difference

Heba supports various organisations that work to strengthen equal conditions. This includes helping people experiencing structural homelessness to find housing, with a focus on financially vulnerable women and children. During the year, Heba donated five apartments to the Stockholm City Mission's Bobyrån, which provides housing for people experiencing structural homelessness. Heba also provides apartments to people who have fled Ukraine. Support is also provided to the Women's Network, which supports women who are victims of honour-based violence.

To promote opportunities for girls and women in sport, Heba sponsors Brommapojkarnas women's football and Skurus women's handball. It is important that everyone has equal access to sport in the best possible organisation. Heba also supports Hammarby Bandy, which has its home ground in Södermalm.

The 2024 Christmas gifts went to three organisations that work for a better world in different ways. Äldrekontakt (Elder Contact) for their work in breaking involuntary loneliness and isolation amongst elderly people. WWF and their work for cleaner oceans, and Cancerfonden (the Cancer Foundation), which works to battle cancer.

Organisation

Activities for well-being and engagement

Employees who thrive and feel good

Being a fair employer is important to Heba. Our employees should be able to develop and feel good. Enjoying your job breeds commitment. Our company culture is open and inclusive, and our values are simple and are embedded in the organisation.

Day-to-day work is characterised by short decision-making pathways, with delegated responsibility. Operations will be run in a sustainable manner at all levels, including the working environment of employees. All employees and job applicants should be treated equally, given equal opportunities for development and receive equal pay for equal work. All employees should have the same opportunity to develop together with the company. Heba works on gender equality by recruiting, internally and externally, more women to male-dominated positions and men to female-dominated positions.

Professional development and monitoring

Heba invests in employees' career and professional development in order to continue to be an attractive employer, where employees thrive and feel good. Employees have at least one performance appraisal each year, focusing on the work situation and professional development. All staff members have an annual budget for professional development, which



Each employee has an annual budget for professional development.

allows them to undergo training every year. We encourage our staff to get further training and the budget can be increased if needed. Heba has an internal training program with company-wide training in areas that are essential to the business. During the year, eight training sessions with different themes were held; crisis management, AI, conflict knowledge

parts 1 and 2, domestic violence, tenant communication, CSRD as well as the annual training in the Code of conduct, anti-corruption and human rights. The training program will continue in 2025. Professional development ensures that Heba has access to the right skills, but also that the company contributes to the goals and wishes of each individual employee.

Activities for a safe workplace

A healthy and safe working environment

Heba employees have the right to a safe and secure working environment that provides professional and personal development. Heba's goal is to be an attractive employer and to have employees who are satisfied with their workplace and with their personal development. The work environment program is concerned with both physical safety and ensuring the psychosocial well-being of employees. Heba works actively and preventatively to minimise the risks of occupational injury, accidents and incidents, as well having activities that promote employee health, job satisfaction and efficiency. Heba has a collective agreement and all employees are offered a wellness allowance and occupational health care.

Heba employees undergo basic health and safety training and learn how to deal with situations where there is a risk of threats and violence. Those work groups most at risk of work-related injuries and accidents receive specific training to avoid dangerous situations. Heba's property technicians and property managers are trained in hot work, for operations where there is a risk of fire. The aim is also to ensure that all building technicians have basic electrical training. Training in CPR and the use of defibrillators is also offered.

Activities for equality and diversity

Gender equality and diversity

At Heba, we are open and welcome all people. We start by fulfilling skills requirements and strive for diversity in staff composition during recruitment and when creating teams. We see diversity as both a given and a strength. Differences create opportunities and innovation.

When Heba recruits new employees, we always question our own frames of reference and look at equality across the company as a whole. All employees should have the same opportunity to develop together with the company. Heba works on gender equality by recruiting, both internally and externally, more women to male-dominated positions and men to female-dominated positions. Heba's Board of Directors includes three women and two men, and the executive management team includes five women and two men.

Committed employees

At the 2024 Annual General Meeting, it was decided to continue the share savings program for all Heba employees, to strengthen employee engagement and participation in the company's success. In total, 64% of Heba employees participate in the program.

Heba conducts an employee survey every two years to evaluate employee satisfaction and



In 2024, the average number of employees was 42, of which 21 were women and 21 men.

well-being and to identify potential areas for improvement. The 2023 employee survey resulted in an Employee Satisfaction Index of 4.1 (4.4). A full 88% of our employees would recommend Heba as an employer. The next survey will be conducted in 2025.

Outcome last ESI, 2023

Employee satisfaction index (ESI), scale 1-5

4.1 (4.4)

Recommend Heba as an employer, %

88%

Heba's contribution to the UN Sustainable Development Goals

The 2030 Agenda is a universal agenda with 17 goals for economically, socially and environmentally sustainable development. The goals aim to reduce poverty, inequality and injustice and to solve the climate crisis by 2030. We are actively working to contribute to the UN Sustainable Development Goals, focusing on those goals that are most relevant to our business. Heba has analysed and identified the following eight goals as being most significant to the business and those where we can contribute the most:



3. Good health and well-being

Heba's employees are offered health checks and we encourage wellness. We create initiatives to improve well-being and prevent stress-related disorders. The neighbourhood around our properties should be safe. At Heba, we provide financial support to vulnerable groups in society and provide housing for vulnerable women.

5. Gender equality

Heba strives for gender balance in all positions. We have zero tolerance for discrimination and harassment of any kind.

7. Sustainable energy for everyone

Heba focuses on reducing the energy consumption of its properties, increasing energy efficiency and the proportion of renewable energy used through daily operational optimisation, extensive renovation program and investment in the existing portfolio.

8. Decent labour practices and economic growth

Heba practices equal opportunity and all employees are covered by collective agreements. We work to minimise the risk of occupational injury and to promote a safe and secure working environment. Heba's activities contribute to a well-functioning housing market, enabling people to have their own homes and to contribute to economic growth.

11. Sustainable cities and communities

Through Heba's renovation program, we have a long-term perspective of ownership and preservation with a focus on sustainability. We create conditions for our tenants to live sustainably and we work actively on social sustainability. We develop youth housing units and community service properties that provide appropriate homes for people with special needs.

12. Sustainable consumption and production

Heba's properties are built to last and Heba has a clear focus on sustainability in all our property development projects. We are reducing water consumption, switching to electric vehicles and setting high standards for environmental performance in new builds. We choose materials carefully, we manage our waste and we reduce the energy consumption of our buildings.

13. Fighting climate change

In the long-term, Heba will not have a negative impact on the climate. Our property management must be climate-neutral by 2030 and all operations must be climate-neutral by 2045 at the latest. This is a journey we need to take together with our suppliers, partners and tenants.

15. Ecosystems and biodiversity

Heba is the main sponsor of the City of Stockholm's salmon and sea trout stocking program in Stockholm waters. This is how we contribute to vibrant wildlife and biodiversity conservation in the region.



Introduction

Global environment, targets and strategy

Sustainability

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Activities

Our properties

Heba has a modern property portfolio in attractive locations in the Stockholm and Mälaren regions. We are a long-term and experienced property owner that develops, owns and manages residential rental properties and community service properties with a focus on elderly care facilities. We manage the properties ourselves, which makes management cost-effective and customer-oriented. Heba provides tenants with sustainable and safe homes to enjoy during different phases of life. With the power of digitalisation, we have real-time control of properties, allowing us to act sustainably and efficiently. We live by our core values – close at hand, dedicated and safe.

Total lettable space, m²

263,400 (250,600)

Rental apartments

share of total lettable area

3,110 (3,148)

72%

Elderly care apartments

share of total lettable area

825 (602)

22%

Non-residential units

share of total lettable area

117 (116)

6%

Modern properties in attractive locations in the Stockholm and Mälaren regions

Heba owns and manages a modern property portfolio of residential properties and community service properties, with a focus of elderly care facilities in attractive locations in the Stockholm and Mälaren regions. The properties are mainly located near railway lines.

We operate in 13 municipalities, from Nynäshamn in the south to Uppsala in the north and Enköping in the west, all within one hour of Stockholm. Most of the properties are located in the City of Stockholm and its neighbouring municipalities.

The majority of properties are new builds or renovated. Only two properties, with a total of 98 apartments, remain outstanding in Heba's renovation program.

3
Enköping

2
Uppsala

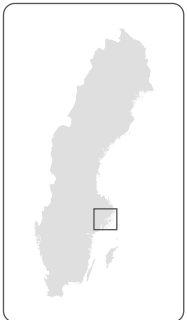
2
Norrtälje

1
1
5
36
1
3
2

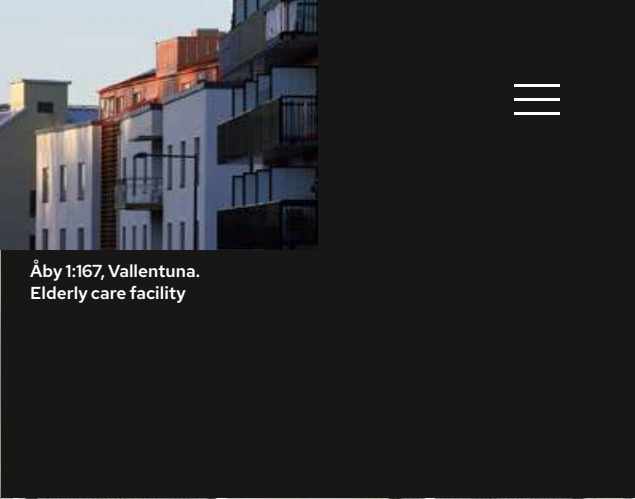
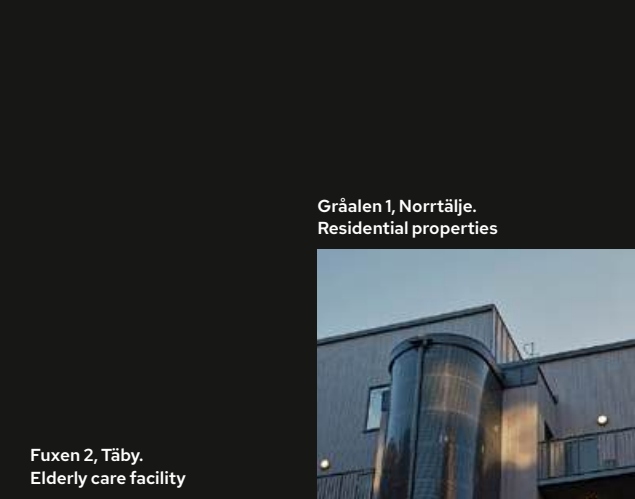
Stockholm

1
Nynäshamn

Facts about Heba's properties can be found in the property list



Activities



Gråalen 1, Norrtälje.
Residential properties

Fuxen 2, Täby.
Elderly care facility

Åby 1:167, Vallentuna.
Elderly care facility

Romberga 23:58 Älvdansen,
Enköping. Residential properties



Opalen 2, Täby.
Residential properties

Modern properties in good locations

[Read more about Heba's properties on the website](#)



Gränby 10:7, Uppsala.
Residential properties

Sonfjället 1, Norra Djurgårdsstaden.
Residential properties

Borrvängen 14, Gubbängen.
Residential properties

Sötmandeln 2, Hökarängen.
Youth housing units



Galeasen 4, Lidingö.
Residential properties

Näs 7:7, Österåker.
Elderly care facility



From analogue
to digital.
And further
into AI.



Ulrika Thorildsson

Role: Property manager.

Employed since: 2019.

Previous employers: Micasa Fastigheter AB,
Svenska Bostäder, Ericsson.

Education: Operations engineer KTH.

Born: 1968

Digitalising property management is a win-win for all parties: tenants, managers, property owners and Mother Earth. So far, Heba has thought right and done right. Now it's time to take the next big step forward. Property manager, Ulrika Thorildsson, is passionate about using the power of digitalisation for smart management that is both efficient and sustainable.

The property industry is grappling with the analogue tradition. Heba saw the potential of digitalisation early on, but there was a limited range of smart end-to-end management solutions available. Now Heba is taking matters into its own hands and is developing its own comprehensive solution where smart subsystems contribute to the delivery of data.

"A property can have hundreds of computer systems to manage its financial and operational management. We call them stand alone systems. They deliver well on their own, but we want to connect the systems to get a digital overview of the whole in real time," says Ulrika Thorildsson, Property manager at Heba.

Heba has been working with digital twins for a few years. A digital twin is a virtual 3D model of

a property. Intensive work has taken place to fill the models with components. Now we are seeing the results. With an on-screen twin, the property manager can remotely monitor buildings, diagnose problems and make decisions without having to physically inspect on site.

"We save a lot of kilometres and time that we would otherwise have spent in the Stockholm traffic. But the big win is: Proactivity. We see if a fault occurs or if damage has occurred at an early stage. This way, we can stay ahead of the game and address issues before they become noticeable to many. This benefits both the tenants and the property," says Ulrika.

Another system is based on Business Intelligence (BI), where statistics provide real-time comparative data. The property manager can see the day-to-day

energy use and costs of each property and follow the progress.

The buildings are also equipped with cameras, lights, locking systems and sensors of various kinds.

"What we have been looking for, and now found, is an integration platform where all systems and sensors are connected in one hub. We bring everything together in one interface for real-time overview and control. We are getting closer to what we have been working towards for years: Smart management. During 2024, one property was used as a test dummy," Ulrika says.

Using AI in the property world opens up new and interesting opportunities, especially given all the data Heba has collected over the years. All that data can be put together in new different combinations

to find new ways to manage and optimise properties. This way, for example, all the electric cars charged in the buildings can be used as battery backup in case of a power cut. Or link all properties together and what you learn in one property can be directly applied to all other properties.

"The property industry is entering a new digital world where we and everyone else have much to gain. In addition to saving time and money, we are saving the earth's resources. And seeing happier tenants. It is not difficult to justify why we should be among the leaders in the property industry when it comes to digitalisation," says Ulrika Thorildsson.



Heba's coworking concept - Close to home

In the summer of 2024, Heba's coworking concept, Close to Home, was inaugurated in Norrtälje Harbour and there was a lot of interest. It is possible to rent a single desk or an entire office. The number of members gradually increased during the autumn

and in 2025 the concept will be developed further. The investment is a business line that gives the opportunity to increase the earning capacity of properties.

[Read more, external link](#)

Property development

Property development is a key part of ensuring safe, sustainable and comfortable housing and elderly care facilities for our tenants, while increasing the company's profitability and net operating income. Through our expertise in developing and implementing new build projects and maintaining our existing properties, we create long-term value for owners and assurance for tenants. We contribute to safer neighbourhoods and trusted partnerships which have a value for society.

Growth in modern portfolio

Heba creates growth through the acquisition of residential properties and elderly care facilities, as well as new builds through building rights and land allocations. We have a modern property portfolio, with

only 98 apartments remaining in our renovation program. Moving forward, we are working on a master builder strategy where we build properties both to own and sell. Our own new build projects enable Heba to achieve a higher return on investment as well as a product that meets Heba's design, sustainability and management requirements.

The total investment for 2024 amounts to SEK 900 million. In 2024, Heba completed the renovation of 40 apartments in the existing portfolio. During 2024, Heba sold two wholly-owned properties with future renovation needs and signed agreements for the sale of two properties within Joint Venture companies, one of which was exited in autumn 2024 and the other is planned to be exited in June 2025.

High rate of new builds

New builds are part of Heba's property portfolio. New build properties generate higher returns and have lower operating costs than older properties. By the end of 2024, Heba's new build portfolio will amount to 1,400 apartments. 400 apartments are our own and are at various stages from detailed plan to production. 1000 apartments are in a joint project portfolio with Åke Sundvall Byggnads AB. Of these, 560 are residential rental properties and 440 are commonhold apartments. These are also at different stages of development, from detailed plan to production.

Strategic co-operation

Heba wants to create value for owners and society through trusted partnerships. The collaboration projects include a variety of tenure types and properties of different character in Stockholm. The projects include both residential rental properties and commonhold apartments. In 2024, work continued on the joint project portfolio with Åke Sundvall Byggnads AB, in jointly owned companies (50/50).

Number of new build apartments in progress at the end of 2024

1,400

Heba's total investment in 2024, SEK million

900

Number of newly renovated apartments completed by Heba in 2024

40



Elderly care facilities: stable demand and secure income

Heba owns and manages a modern portfolio of residential properties and community service properties, with a focus on elderly care facilities in attractive locations in the Stockholm and Mälaren regions. The focus is to get a good mix between

the two categories. Community service properties generate 30% of Heba's net operating income. The Tärnö 1 building in Farsta houses an elderly care facility with 76 apartments.



[Read more about Heba's community service properties on the website](#)

High pace of the renovation program

Heba has carried out an extensive renovation program over the last ten years. By the end of 2024, 1,440 apartments were re-plumbed and renovated. There are now only 98 apartments remaining. Through renovations and acquisitions, Heba has created a modern portfolio that can meet the needs for several decades to come.

By the end of 2024, Heba had carried out 1,440 plumbing replacements and renovations to apartments over the past ten years. After the completion of the renovation of Rådsbacken property in Huddinge, only 98 apartments remain, which the company intends to renovate after 2025. The ambition is to complete the entire renovation program by 2029.

Focus on sustainability

The renovations extend the life of the properties and enable older properties to continue generating returns for another 50 years. Heba is working to reduce its carbon footprint and to make it easier for its tenants to live green. Therefore, increased sustainability and reduced environmental impact are clear objectives when we implement renovations and we always make climate calculations. In order to achieve lasting climate neutrality, Heba places great focus and responsibility on the long-term reduction of energy consumption in its properties. The average reduction in energy consumption resulting from renovation is 30%.

Since 2020, Heba has run an environmental program that is used in all renovation projects. Among other things, the environmental program ensures responsible waste management and that projects only use materials approved according to the building materials assessment for renovations. In most cases, the renovations fulfil the sustainability requirements for green financing, and therefore the renovation projects can be financed with green loans, among others.



Rådsbacken 12, Huddinge

Customers appreciate renovations

Each property undergoing renovation has had different needs and conditions. The properties to be renovated are first inventoried to determine which renovation measures are necessary and what energy efficiency improvements should be prioritised. The projects usually involve the tenants being moved out. Despite the move, Heba's ongoing customer surveys show that tenants are satisfied with their newly renovated apartments and almost all tenants move back in again. 87% of tenants say they are satisfied with their apartment after moving back in.

Renovation projects – completed in 2024 and ready to start

Property name and address	Year of construction	Number of apartments	Completion, date
Rådsbacken 12, building 9, Huddinge	1960s	40	2024
Höken 30, Södermalm	1930s	20	2026
Draken 24, Södermalm	1960s	78	2029
Total		138	

Källberga – a new town. In the countryside.

There will be sustainable residential properties at affordable prices. People will be able to live and work here, take their children to school, shop in the market and grow things in their allotment. People will walk or cycle instead of driving. The Källberga district is now emerging in the countryside just outside Nynäshamn and Heba is on site building 128 rental apartments. Fanny Sachs, one of the initiators of the neighbourhood, is driven by the opportunities of shaping a whole new town from scratch.



Fanny Sachs

Occupation: Architect

Current: One of the creators and driving forces behind the new Källberga neighbourhood outside Nynäshamn

“You should be able to be part of the community here whether you are old or young, single or a family.”



The idea of a completely new neighbourhood, a small town even, came from discussions between Nynäshamn municipality and two farms with a lot of land on the outskirts of the expanding municipality. Together, they saw the opportunity to create an idyllic area, located close to Nynäshamn and within commuting distance of Stockholm. But how do you create a whole new town “from scratch” on a piece of farmland outside the urban centre? And not just any town, but a town in step with the times; sustainable, highly functional and, above all, homely?

“When you start with a blank sheet, you have enormous opportunities to shape something really thoughtful and special. For us, it was fundamentally important to create a community – not just a community of bedrooms. Good quality housing where people thrive is a given, and good community services build engagement and proximity. Establishing a school was a way of making Källberga more than just a new neighbourhood in a field. This is one of the things we have succeeded in doing, and we also hope to attract the businesses and shops that belong in a small town,” says Fanny Sachs, one of the creators and driving forces behind Källberga.

These days it is obvious that sustainability should be a key element in the development of a new neighbourhood. At Källberga, environmental sustainability is built in through sustainable materials and methods, which is fully in line with Heba’s policies. But for Heba, social sustainability is also important.

“Together with Heba and the other builders, we’ve really built social sustainability into the neighbourhood from the start. It should feel safe with good lighting and common areas. Here, you should be able to be part of the community whether you are old or young, single or a family. But there are also opportunities for doing things together, growing things in the allotments, sharing tools and equipment, maybe creating a car pool,” Fanny says.

Heba’s 128 apartments will be ready for occupation in autumn 2026. The apartments have between 1 and 5 rooms, in sizes between 40–100 square metres. 13 of the apartments are in cosy terraced houses that suit the small scale of Källberga well. All apartments have a balcony or private patio. The neighbourhood includes four commercial premises close to the central Källberga square.

“The conditions in Källberga fit well with our strategy of offering housing for all the different phases of life. Our first establishment in Nynäshamn will have an attractive location in the countryside, but is still close to Nynäshamn and has commuting opportunities to Stockholm. It will be very exciting to be involved and contribute our expertise and ideas to the emergence of Sweden’s newest town,” says Fredrik Hagel, Heba’s Project Manager for Källberga.

New builds



Spöksonaten, Axelsberg

Heba was awarded land allocation in 2022 for a new property with 85 apartments next to Heba's existing property at Kv. Spöksonaten. The location is excellent, with good transport links, public services and it is also close to Lake Mälaren. The project consists of two apartment blocks, partly with garages underneath. The project is at the detailed plan stage. The property will be environmentally certified with the ambition of reducing the climate footprint during construction.



Skridskon, Västertorp

In Västertorp, Heba has pursued a detailed plan on an existing property to enable new builds of 48 apartments on its own land. The detailed plan has come into force and production is expected to start in the first half of 2025. The new property will be located next to the main street in Västertorp, close to services, shops and the metro. Here we will build attractive homes in a sustainable property that will be environmentally certified according to the Nordic Swan Ecolabel.



Filipstadsbacken, Farsta

Heba was awarded land allocation in 2022 for three environmentally certified properties next to Heba's existing property at Kv. Tärnö. The detailed plan is being run together with Familjebostäder, Byggvesta and Nordr. The plan allows for around 500 new homes, a pre-school and a mobility centre. The location is excellent, with proximity to the metro and commuter train and it is close to nice parks. The ambition of Heba's part of the detailed plan is to build around 140 rental apartments.



Källberga, Nynäshamn

Källberga is a brand new residential area close to nature in the municipality of Nynäshamn that, when fully developed, will have 600–700 residential properties around a village centre with businesses, public services, shops and a pre-school. It is small-scale and close to nature in an exciting and new form, putting ecological and social sustainability at the centre of the plan. Heba has acquired 128 newly build rental apartments at Smedjan in Källberga. Construction started in autumn 2024 with completion planned in 2026–2027. Letting will start in autumn 2025. The acquisition is our first establishment in Nynäshamn, in an attractive location in the countryside, but still close to Nynäshamn and with commuting opportunities to Stockholm.

Collaborative project with Åke Sundvall



Skärgårdsskogen, Skarpnäck

At the end of 2020, Heba with Åke Sundvall were awarded a land allocation in Skärgårdsskogen, Skarpnäck. Around 100 commonhold apartments will be built here as a joint venture partnership. In total, around 700 new homes are being built in the area, which is located in the southern part of Skärgårdsskogen. The goal is a dynamic residential neighbourhood, combining innovative architecture with social engagement to create a vibrant living environment, which coincides with Heba's business concept of creating value through safe and attractive residential areas. Interest in building on the site has been very high. Åke Sundvall and Heba, together with several other players, were awarded a land allocation against strong competition. The project is at the detailed plan stage.

Heba wants to create value for owners and society through trusted partnerships. The collaboration operation with Åke Sundvall Byggnads AB in jointly owned companies (50/50) continued during 2024. The collaboration projects include a variety of tenure types and properties of different character in Stockholm.



Stora Sköndal

A new neighbourhood is emerging in Stora Sköndal in southern Stockholm. Heba and Åke Sundvall will collaborate in a joint venture to operate and own a project of approximately 600 homes in the new neighbourhood. Around 260 of these homes are rental apartments and 340 are commonhold apartments. The project is part of the second phase of the development of Framtidens Stora Sköndal, which covers a total of around 1,400 homes. The detailed plan is expected to enter into force in the first half of 2025. When Stora Sköndal is completed around 2035, the neighbourhood will have around 4,500 homes and 1,500 workplaces. The district is designed based on an idea of social sustainability with a focus on inclusion, variety and proximity to greenery and water. It will be a neighbourhood built for meetings and community, with varied architecture, a strong focus on environmental sustainability and where new technologies are used to create quality of life. The project is in line with Heba's vision to be the best in Sweden at creating safe and attractive homes and communities.



Vårbergstoppen

The City of Stockholm is undertaking a major regeneration program in Vårbergstoppen park to create an urban park with something for everyone. In Vårbergstoppen, in collaboration with Åke Sundvall, Heba will build a large courtyard quarter, with lush residential courtyards surrounding a public, sloping nature park. The project is divided into two residential properties, Viggolmen 1 and Loholmen 1. In total, the properties will house around 300 rental apartments of varying sizes. For Heba, the key words when planning the homes have been that they should be; affordable, environmentally sustainable and socially sustainable. The properties will be Nordic Swan Ecolabelled and are due for completion in 2024 and 2025. In March 2024, an agreement was signed for the transfer of the project jointly owned with Åke Sundvall Byggnads AB. The transaction is being carried out as a corporate transaction and the first property was exited in September 2024 and the second is to be exited in June 2025.

Risks

Heba is a stable company with a low risk profile. This is due to a combination of the company’s high equity ratio, long-term ownership perspective, residential rental and community service properties with low vacancy rates, focus on core operations, and efficient in-house property management, among other things. Below are some of the risk areas that may affect the business.

Strategic risks

Risk	Management
<p>Valuation of property The market value of property fluctuates depending on factors such as the financial situation and interest rates. Changes in market yield requirements have a major impact on earnings.</p>	<p>In order to obtain a fair market value, 2/3 of the property portfolio is internally valued and 1/3 of the property portfolio is externally valued at the close of each quarter. All properties owned by the Group are externally valued at year end. Properties undergoing renovation and project properties in the early phases are always valued internally.</p>
<p>Brand A strong brand is characterised by awareness, clarity and consistency that is recognised both among employees and by the market. A strong brand helps the company to fulfil its business objectives. If the brand were to be associated with undesirable characteristics, there is a risk that our growth would be negatively affected.</p>	<p>We work continuously to communicate the company’s overall message through various channels, both internally and externally. We continuously develop our channels to be accessible and up-to-date. We are proactive in dealing with potentially sensitive issues that could damage the brand.</p>
<p>Digitalisation We constantly need new innovations and technologies that can improve and streamline our daily work. Meeting the expectations and needs of our stakeholders is essential to the success of our operations. If we don’t keep up with digital developments, we may struggle to attract the workforce of the future.</p>	<p>We have a vision for a desired future scenario. We invest resources in business intelligence and draw inspiration from the industry. We carry out pilot projects to evaluate systems and technologies in operation.</p>
<p>Growth One of Heba’s strategic goals is to continue to grow in the Stockholm and Mälaren regions. This requires land allocations for new construction, good market knowledge, the right rent levels and well-functioning partnerships.</p>	<p>A common approach with open, close dialogue with our partners ensures that we are working towards the same goals and promotes the exchange of expertise. Together, we create opportunities to win land allocation tenders and to achieve the right rent levels.</p>

Operational risks

Risk	Management
<p>Rental income 76% of Heba’s rental income is derived from residential tenants. The Stockholm and Mälaren regions account for all the Group’s rental income. Because the rent level relates to the negotiated utility rent, Heba’s income is greatly influenced by these rent negotiations.</p>	<p>Heba is working towards more consistent rent setting, which better reflects tenants’ values and preferences. Heba’s strategy is to have attractive locations where there is a high demand for rental apartments, which means that we can improve the rent level in the long term. Efficient in-house letting reduces the risk of vacancies. With a portfolio of soon-to-be fully renovated or new build properties with renegotiated rents, rental income is increasing.</p>
<p>Vacancies At the turn of the year 2024/2025, Heba owned 14 community service properties and is otherwise a purely residential company with a homogeneous property portfolio. A high vacancy rate for residential properties would therefore have a negative impact on Heba’s results.</p>	<p>Demand for residential rental properties in the Stockholm region is very high, and is expected to remain so for the foreseeable future. Heba continues to have a very low vacancy rate, 0.06% for housing and 0.48% for non-residential units. The community service properties are let to the City of Stockholm and reputable elderly care companies on 15- and 20-year leases.</p>
<p>Property costs Heba’s single largest operating cost item is heating. The majority of the property portfolio is connected to a district heating network. Heating costs represent about 13% of total operating costs. These can vary greatly from year to year depending on weather conditions and energy prices.</p>	<p>The heating systems in most of Heba’s properties are very modern and all have remotely monitored operations sub-centres. Heba works continuously to reduce energy consumption in its properties, for example through efficient energy investments and optimisation of technical installations. The company also installs alternative energy sources, such as solar systems in combination with geothermal heating. A total of eleven properties use geothermal heat pumps as their main heat source.</p>



Financial risks

Risk	Management
<p>Financing costs Increased financing costs, as a result of changing market conditions, such as rising market interest rates or deteriorating capital market conditions, represent the risk of a negative impact on the Company’s financial position. Heba’s exposure to the credit market amounted to SEK 6,076.9 million at the end of 2024 – start of 2025, corresponding to a loan-to-value ratio of 44.7% of the market value of the properties.</p>	<p>Heba’s financial policy governs how financial risks must be managed and sets limits, as well as determining which financial instruments can be used. Heba is actively working to reduce the company’s interest rate risk and to create an even maturity structure in the debt portfolio. This is done through interest rate hedging in the derivatives market, the use of diversified financing sources and by increasing the company’s green financing. Senior management, the Finance Committee and the Board of Directors monitor the situation on an ongoing basis. The cost of financing is at 2.8%, the fixed-rate period is 3.1 years and the interest coverage ratio is 2.3 times. Heba has a long-term issuer credit rating of BBB, Stable outlook, by Nordic Credit Rating.</p>

Sustainability risks

Risk	Management
<p>Employees Employees are the company’s most important asset. At Heba, employees should feel good and enjoy their work. If Heba were to lose its attractiveness as an employer and thus experience difficulties in recruiting, retaining and developing employees, it could have major negative consequences for the organisation.</p>	<p>Heba’s Code of Conduct is based on the company’s core values and provides clear guidelines for how the business should be conducted. Each employee has an individual training plan to enable them to develop together with the company, and the plan is followed up at the annual appraisal. Since 2022, Heba has had an internal training program that ensures knowledge development. Employee surveys are conducted every two years and identify areas for improvement. The 2023 score was 4.1 (4.4) on a scale of 1-5. A new survey will be conducted in 2025.</p>
<p>Customer Satisfaction Heba should be close at hand and available to tenants. Being a Heba tenant means having a safe and cosy home and getting help when you need it. High levels of tenant dissatisfaction would damage the Heba brand and lead to high turnover.</p>	<p>Heba endeavours to be available and close at hand to ensure that tenants feel safe in their homes and receive prompt feedback and assistance when needed. Initiatives such as safety walks and environmental engagement are promoted together with the tenants. Heba conducts customer surveys every two years, or six months after a renovation project and completion of a new build. All properties with a safety index below 80% have a documented action plan. The service index for the 2023 survey was 85.7% (85.0%). A new survey will be conducted in 2025.</p>
<p>Human rights, anti-corruption and supplier risks Heba’s activities involve a number of operators and sub-contractors, particularly in the context of new build projects. Abuses, such as human rights violations and possible bankruptcies of suppliers in the value chain, can have serious consequences for individuals, in addition to disrupting Heba’s operations.</p>	<p>Heba’s sustainability policy is both the basis for the company’s operations being, and ensuring they are, conducted in a responsible manner. All employees are trained annually in the company’s Code of Conduct, together with the anti-corruption and sustainability policy. Heba applies the Swedish Property Federation’s Code of Conduct for Suppliers and conducts audits to ensure that all the suppliers and subcontractors act ethically. There is a whistleblowing function, managed by a third party, to detect irregularities.</p>

Sustainability risks, cont.

Risk	Management
<p>Environmental risks associated with new builds When Heba builds a new building, the construction and the building must be adapted to the climate and environmental needs of the future, which needs to be ensured. Without control of how the company’s new builds impact the climate, the company will not meet current or future requirements.</p>	<p>All new builds must be environmentally certified according to Miljöbyggnad Silver, or an assessed equivalent level, and have an energy consumption 20% below the current Building regulation requirements. Materials used must be selected from a sustainability perspective and be approved according to Byggsvarubedömningen, or based on the company’s own Heba standard, with approved products. From 2025, the climate impact of the construction process for each new project must be halved compared to the current reference value developed by the Swedish National Board of Housing, Building and Planning. An external environmental controller must check that Heba complies with the environmental program and the requirements set for each project. The company will react and address the gaps and opportunities that arise by increasing understanding of the nature of indirect climate impacts.</p>
<p>Environmental risks linked to renovation programs Heba’s properties undergoing renovation are between 50 and 70 years old and intervention to keep them functioning well. The company needs to renovate for the future. Heba needs to consider how materials and methods used today may prove inadequate in the future. Otherwise, there is a risk that the buildings will neither fulfil future energy requirements nor the wishes and needs of stakeholders.</p>	<p>When Heba performs renovation work, it removes the old built-in environmental liabilities. As with new builds, there is an external environmental controller and an environmental program throughout the project to quality assure the work. Before each renovation, a reuse inventory is carried out to minimise waste and save resources. Heba analyses and sorts the waste generated and follows up with quarterly reports. The aim is to recycle all materials that can be recycled. Any new products in the buildings are approved according to Byggsvarubedömningen or comply with the Heba standard. Heba implements measures that improve energy performance such as window replacements, additional insulation and replacement of ventilation units, decisions that should be taken together with consideration of the climate impact of the products.</p>

Risk	Management
<p>Environmental risks associated with management The day-to-day management of buildings involves situations that can affect people and the environment in various ways. Heba needs to be aware of how the company controls and manages environmental risks that arise in the daily work of the management teams.</p>	<p>The management practices are checked and monitored through a structured approach to procedures and self-monitoring. Each property has its own management plan charting the in-built environmental liabilities. The management’s largest item is energy use, which is managed remotely to optimise energy performance. Heba develops the tenants’ opportunities to sort at source and how, as a property owner, the company can create incentives to recycle more materials, not least plastics. Each year, Heba aims to launch two projects involving the installation of renewable energy sources, such as geothermal heating combined with solar panels.</p>
<p>Risks linked to climate change As the climate changes, there are risks of increased energy costs due to increased taxes and increased operational costs linked to regulations, taxation or emissions, as well as increased water costs. There are physical risks to properties located in areas where water levels are expected to rise and where increased rainfall results in properties becoming temporarily unusable. A warmer climate means an increased need for refrigerants, which will mean both an initial investment cost and then ongoing higher energy costs.</p>	<p>The property portfolio is analysed annually based on different climate scenarios, using the County Administrative Board’s map data for climate adaptation and data from the Swedish Meteorological and Hydrological Institute (SMHI) and MSB. Physical climate risks are assessed in both the short and long term to ensure that the right adaptations are planned and implemented in time. Overall sustainability targets and climate-related issues are reflected in the strategic work, as well as in the daily work and are integrated into the business, for example with measures in the property plan. Analyses and target-setting are carried out in the short and long term and followed up by executive management team and the Board at least once a quarter. See further data in the table on page 61.</p>



Climate change

Risk	Category	Model and unit of measurement	Financial impact	
Transition risks	Increased energy costs	Costs	Total energy consumption (heating, cooling and electricity for buildings) expressed in GWh, SEK million per year.	Energy consumption in 2024 totalled 23 GWh, corresponding to a cost of SEK 39 million.
		Costs	Change in energy costs due to increase in energy prices by 0.5 SEK/kWh. Calculation based on 2024 energy use and SEKm/year.	A price increase of SEK 0.5/kWh would result in increased energy costs of SEK 12 million.
		Assets/ Liabilities	Investments linked to reducing energy use and increasing the share of renewable energy.	In 2024, SEK 300 thousand was invested in renewable energy installations. For the buildings with renewable energy systems it is estimated there will be annual savings of 60%. Within Heba's portfolio, 10 properties have geothermal heating, of which 2 are combined with solar panels, and there are 3 properties with solar panels.
	Increased costs linked to regulations, taxation or emissions	Costs	Increased costs for carbon offsetting, based on 2024 offset emissions in scope 1 and scope 2.	If the price for carbon offsetting rises to SEK 1500/tonne, this would correspond to a cost of SEK 858 thousand.
		Costs	Increased costs for building materials if carbon offsets are added to the purchase price. 2024 climate impact of building materials.	If the price of carbon offsetting rises to SEK 1,500/tonne, the cost of the climate impact of construction products will correspond to around SEK 600 thousand.
	Increased water costs	Costs	Total water consumption in 2024, where there is an assumed increase in the price of water of 50% per m ³ /year.	During the year, water consumption totalled 300,000 m ³ , representing a cost of SEK 12.5 million. The price increase would mean increased water costs of SEK 6 million.

Risk	Category	Model and unit of measurement	Financial impact	
Physical risks	Properties will be submerged due to rising sea levels	Assets	Properties located in areas where sea levels are expected to rise. Expressed in terms of loss of revenue SEKm/year. Share of rental income based on outcomes in 2024.	Outcome of the analysis of the whole portfolio. Four properties where there is a risk of very high water levels have been identified. Equivalent to annual revenues of SEK 77 million, 14% of total rental income in 2024.
	A warmer climate means increased energy demand linked to refrigerants	Assets/ Liabilities	The need for refrigerants is increasing, which means an initial investment for installation and an annual increase in energy costs.	One of the elderly care facilities we acquired in 2024 has an identified need for refrigerant, corresponding to an investment of SEK 1 million and increased energy costs of SEK 20 thousand/year.
	Increased rainfall results in properties becoming temporarily unusable	Revenue	Loss of revenue from vacant apartments and non-residential units.	Based on the analysis of the portfolio, there is an elevated risk in one property. The loss of revenue from vacating is estimated at SEK 2.6 million.
		Costs	Repair costs increase, due to increased water volumes.	Based on the analysis of the portfolio, there is an elevated risk in one property. The cost of repair is estimated at SEK 8 million.

Valuation of the property portfolio

The valuation of properties in Heba’s property portfolio as of 31 December 2024 has been carried out by authorised property valuers within Savills Sweden AB and Novier Property Advisors AB.

Transaction market

Heba’s property portfolio is mainly located in the Greater Stockholm area. In 2024, the transaction volume for residential properties in Greater Stockholm amounted to approximately SEK 17.6 billion. This is an increase of around 80% compared to the previous year. The average for the last ten years is approximately 20.7 billion.

Over the past five years, the volume of residential property has ranged from 9.8–69.3 billion, representing 22–38% of the total transaction volume in the sector. There has been great interest in the segment and supply has struggled to match investor interest for several years.

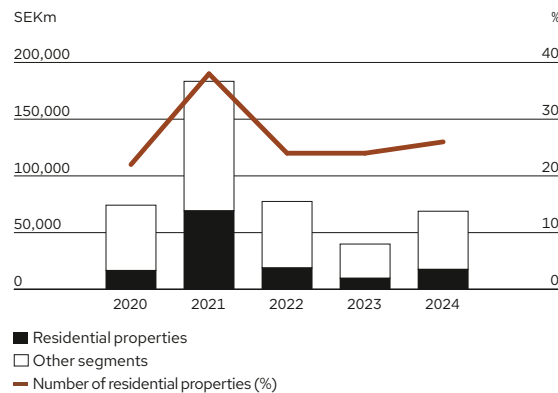
However, in 2022 and 2023, the residential property transaction market slowed down significantly, reflecting higher costs and interest rates and general uncertainty about future global environment conditions. The increase in transaction volumes in 2024 is a clear sign that the market is now recovering and entering a more normalised state. While significant geopolitical uncertainty still remains, financing opportunities and conditions have stabilised and improved significantly.

High prices on the commonhold apartment market and the desire of residents to be able to influence their own housing finances and environment provide incentives for residents of residential rental

properties to form commonhold housing associations and to acquire the properties in which they live. The acquisition decision of commonhold housing associations differs from that of other investors because, instead of looking at a market yield, they primarily look at the cost of housing and the price per square metre.

In the Greater Stockholm area, commonhold housing associations accounted for just over one billion of the segment’s total volume of SEK 17.6 billion in 2024, which corresponds to around 6%. The share is at the same level as last year but is low from a historical perspective. Over the last decade, the share has varied between 2–48% with an average of

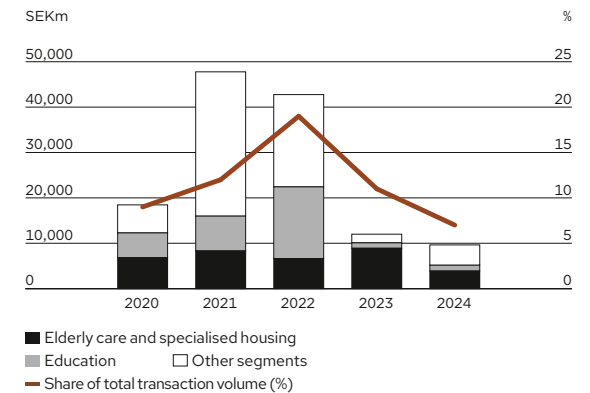
Transaction volume Greater Stockholm



Transaction volume Greater Stockholm
Residential properties – by type of buyer



Transaction volume community service properties Sweden





Svånghjulet 4, Täby

around 16%. However, the long-term trend shows a decreasing share of the transaction volume for commonhold housing associations.

The secondary market for commonhold apartments stabilised in 2024 and prices increased in the Stockholm area by around 7% over the full year 2024, although the prices fell by 1.5% in December 2024. The transaction volume for conversion deals of just over a billion is a doubling compared to 2023 and three times higher when compared to the 2022 low of around SEK 350 million. However, it can be observed that the transactions being done are at new and lower levels compared to the situation a few years ago. This may be interpreted to mean that the new interest rate situation and rules on amortisation requirements, combined with a more uncertain price trend on the secondary market, are limiting what associations are prepared to pay for conversion processes. In light of this, Savills believes that the value of residential property, even in attractive conversion locations, is currently mainly determined by the willingness of investors to pay, rather than by the ability of a commonhold housing association to pay.

Community service properties have gradually emerged as an established property segment in Sweden. Community service properties are associated with a lower risk profile compared to the traditional property segments due to steady tenants and long lease terms that are generally index-linked.

Transaction volumes in the segment have grown gradually over several years, driven by the prevailing market conditions and the segment's favourable risk profile. There was a marked increase in volume in

2021 and 2022, with levels of around SEK 48 and 43 billion respectively, before falling back in the last two years. In 2023 the transaction volume amounted to around SEK 12 billion and in 2024 it decreased further to around SEK 9.6 billion. However, more than half of the volume in 2023 was from two major structural transactions. The share of community service properties in the total transaction volume in Sweden was around 7% in 2024. Of the various types of activity in the segment, elderly and specialised housing has by far the largest share during the year with around 46%, followed by office properties with public sector tenants at 21% and properties used for education, which account for around 16% of the segment's total transaction volume.

The Greater Stockholm area's share in 2024 amounts to approximately 44% of the segment's total transaction volume. This is significantly higher than the previous year when the share was around 8% and also higher than the average share for the Greater Stockholm area over the last 5-year period, which is around 37%. The few transactions made in the segment in 2024 suggest that yield requirements have been raised in the segment. Savills estimates that the yield requirement for attractive properties with elderly care facilities in the Greater Stockholm area is around 4.15–4.75%.

Market valuation

Savills Sweden AB and Novier Property Advisors AB have, on behalf of Heba, valued 24 and 34 properties respectively in the Group's property portfolio. All the Group's properties, excluding one early-stage project property and one property newly taken on, have been externally valued, each of the valuation companies doing half of the properties. Two properties were valued by both valuation companies and the carrying amount is an average of these valuations.

Market value refers to the most probable price at the time of valuation which a buyer and a seller are prepared to enter into a transaction independently of each other. This is after the property has been marketed in an open market, where the parties have acted knowledgeably, with insight and without coercion.

Valuation basis

The basis for the valuation consists of information from Heba regarding income and costs per property.

For non-residential units, the revenue data consist of closing rent, area, contract period, indexation and any supplements and discounts per premises. For residential properties, it includes information by property on the closing rent, type of apartment, area, specified rent supplements and rent discounts. Information on vacant space has also been provided.

The cost base consists of historical consumption and maintenance costs at the property level as well as major planned or recent investments and maintenance measures. For some costs, Heba has also pro-

vided the budget for the year following. Information on current assessed values was obtained from the official property register.

In addition, the valuation companies have utilised information from internal and market-based data sources.

Valuation method

The valuations were carried out by analysing the status of each property and the rental and market situation. In addition, comparisons and analyses of sold properties (local prices) are made in combination with knowledge of the market players' views on the different types of property, their reasoning about these and a knowledge of market rent levels.

The main methodology used for the individual valuations are cash flow calculations. The calculations include the present value estimated future net operating income and the investment needs. This calculation takes into account each property's actual rent and cost levels, vacancies etc., and then compares and possibly adjusts these against market levels and the valuer's view of future developments. The value is derived as the sum of the present value of each year's net operating income and investments during the calculation period, as well as the present value of the property's residual value at the end of the calculation period. As a rule, the present value of the residual value and the present value of the net operating income of the calculation are calculated using a discount rate



Bonden Mindre 8, Södermalm

estimated by adjusting the required rate of return estimated by the valuer for inflation. The yield requirement is assessed by studying sales of similar properties in combination with analyses of the commonhold housing market and knowledge of market players.

In the valuation of Heba's properties, 5–15 year calculation periods have been used. The valuations do not take into account the tax situation of the individual properties.

Assumptions

The following assumptions and judgements have been used in the individual valuations:

- The inflation rate has been estimated by the valuation companies to be 1.0 and 2.0% respectively for the year 2025 and 2% per year for the remainder of the projection period.
- For the residential properties that do not have their own rent setting, the rent increase for 2025 was only known for two properties at the time of the valuation. In cases where the rent increase was known, the valuers obtained information from Heba. For properties where the rent increase was not known, Novier increased rents by 2.25 to 4.5% for 2025. For the following years, it is assumed that rents will follow inflation. Savills assumed an estimated rent increase for 2025 of 3.0 to 5.0% and 2.0 to 3.5% for 2026. Rent increases are expected to follow inflation for the remainder of the projection period. The valuers made an assessment of the rent trend or properties with multi-year agreements for housing, i.e. rents that have not been negotiated with the tenants' association, but directly with the individual tenants.

- For non-residential units, future rent development has been based on the current contracts. Rents at the end of the current term are adjusted to the estimated market rent. The valuer has assessed vacant non-residential units at a reasonable market rent.
- The long-term economic vacancy rate within the portfolio varies between 0.1 and 5.0%, with an average of 1.1%.

The discount rate and required rate of return are based on analyses of completed transactions, as well as individual assessments of the level of risk and the market position of the property. The external valuations use a discount rate ranging from 3.8 to 6.8%, with an average of 5.5% and a required rate of return ranging from 1.8 to 4.9%, with an average of 3.6%.

Market value

The total market value of Heba Group's property portfolio, valued by Savills Sweden AB and Novier Property Advisors AB, amounts to SEK 13,291,784 thousand. As of the reporting date, two of the properties had been valued by both the valuation companies and the reported fair value of these two properties is the average of the aforementioned valuations. The market value, including internally valued project property and a newly acquired property, amounts to SEK 13 589 186 thousand.



Bonden Mindre 8, Södermalm

Sensitivity analysis

Parameter	unit	number	Change in value residential properties		Change in value community service properties	
			SEK thousand	%	SEK thousand	%
Discount rate	%-units	0.5	-361,971	-3.5%	-120,551	-4.1%
Discount rate	%-units	-0.5	381,105	3.7%	127,953	4.3%
Yield requirement	%-units	0.5	-1,181,511	-11.5%	-246,616	-8.3%
Yield requirement	%-units	-0.5	1,661,631	16.1%	310,744	10.5%
Rental value	%	2	253,731	2.5%	57,496	1.9%
Rental value	%	-2	-251,731	-2.4%	-55,496	-1.9%
Operation and maintenance cost	%	10	-291,118	-2.8%	-31,952	-1.1%
Operation and maintenance cost	%	-10	294,123	2.9%	32,952	1.1%

Heba's shares

As of 31 December 2024, the share capital amounted to SEK 34,400,000 divided into 15,581,640 Class A shares and 149,538,360 Class B shares. Heba shares have been listed on Nasdaq Stockholm Nordic Mid Cap since 13 June 1994.

Pre-emption clause and conversion clause

Heba's Articles of Association contain a pre-emption clause regarding the company's A shares, essentially meaning that if the A shares are transferred to someone who is not a shareholder of A shares, the shares must be offered to the current shareholders of A shares. If the pre-emption A share is not redeemed, the share is automatically converted into a B share. The Articles of Association also contain a conversion clause, which means that the A share shall be converted into a B share at the request of the holder of such share.

Ownership structure

The number of shareholders in Heba at year-end totalled 5,884. The ten largest shareholders represented 57% of the capital, i.e. the ownership share, and 67% of the votes. Institutional ownership amounted to 10.59% of the capital and 5.72% of the votes. Foreign shareholders accounted for 6.59% of the capital and 3.56% of the votes.

Dividend policy

Heba's target is that the share dividend must be at least 40% of income from property management, adjusted for tax. However, in determining the dividend, the need to invest, the need to consolidate, the position in general, as well as the material impact of non-recurring items on the result must also be taken into consideration.

For the 2024 financial year, the Board of Directors proposes a dividend of SEK 0.52 per share. The dividend corresponds to a dividend yield of about 1.6%, based on the share price as at 31 December 2024. If the Annual General Meeting resolves to pay the dividend in accordance with the Board of Directors' proposal, the dividend is expected to be paid on 2 May 2025, with a record date of 28 April 2025.

Net asset value (NAV)

Net asset value per share is estimated at SEK 47.02 (46.42). Deferred tax has not been taken into account in this calculation in view of the possibility of selling property in a tax-efficient manner.

Share buyback

The 2024 AGM authorised the Board of Directors to acquire a maximum of 10,000 shares before the next AGM. As at 31 December, the company's holding of its own shares was 9,400 shares, corresponding to 0.01% of the number of registered shares.

The largest shareholders as at 31 December 2024

	Number of Class A shares	Number of Class B shares	Total	Ownership share %	Vote share %
IC Industricentralen Holding AB		22,520,618	22,520,618	13.46	7.38
Ericsson, Charlotte	1,998,320	8,661,897	10,660,217	6.46	9.38
Vogel, Johan	1,866,240	8,340,978	10,207,218	6.18	8.84
Vogel, Anna	1,866,240	8,220,992	10,087,232	6.11	8.80
Holmbergh, Christina	1,848,320	7,819,608	9,667,928	5.86	8.61
Eriksson, Anders	1,828,320	6,621,836	8,450,156	5.12	8.16
Härnblad, Birgitta	2,065,640	6,059,936	8,125,576	4.92	8.75
Ericsson, Ulf		6,290,000	6,290,000	3.81	2.06
Spiltan Aktiefond Stabil		4,903,671	4,903,671	2.97	1.61
Sundström, Maria	635,680	2,890,000	3,525,680	2.14	3.03
Georgsson, Charlotta	635,680	2,857,320	3,493,000	2.12	3.02
Andersson, Rolf H		3,422,600	3,422,600	2.07	1.12
Arnhult, Rutger		3,087,202	3,087,202	1.87	1.01
Handelsbanken Fonder		2,903,708	2,903,708	1.76	0.95
Danielsson, Steve	619,360	1,934,196	2,553,556	1.55	2.66
Eriksson, Eric Victor		2,378,980	2,378,980	1.44	0.78
Fidelity Investment (FMR)		2,126,447	2,126,447	1.29	0.70
Life insurance company Skandia, mutual		1,667,788	1,667,788	1.01	0.55
Osterholm, Denise	317,840	1,195,160	1,513,000	0.92	1.43
Anttila, Linda	317,840	1,195,160	1,513,000	0.92	1.43
Total, largest shareholders	13,999,480	105,098,097	119,097,577	72.13	80.26
Repurchased shares		9,400	9,400	0.01	0.00
Total other	1,582,160	44,430,863	46,013,023	27.86	19.74
Total	15,581,640	149,538,360	165,120,000	100.00	100.00



Distribution of shares as at 31 December 2024

	Number of shareholders	Share in %	Number of shares	Share in %
1-500	3,539	60.41	411,387	0.25
501-1,000	635	10.84	507,944	0.31
1,001-2,000	496	8.47	760,872	0.46
2,001-5,000	544	9.29	1,922,975	1.16
5,001-10,000	218	3.72	1,681,611	1.02
10,001-20,000	142	2.42	2,090,753	1.27
20,001-50,000	109	1.86	3,659,023	2.22
50,001-100,000	62	1.06	4,414,842	2.67
100,001-500,000	80	1.37	16,761,236	10.15
500,001-1,000,000	10	0.17	6,655,484	4.03
1,000,001-5,000,000	15	0.26	36,320,818	22.00
5,000,001-10,000,000	4	0.07	32,533,660	19.70
10,000,001-	4	0.07	53,475,285	32.39
Holding unknown	-	-	3,924,110	2.38
Total	5,858	100.00	165,120,000	100.00

Data per share

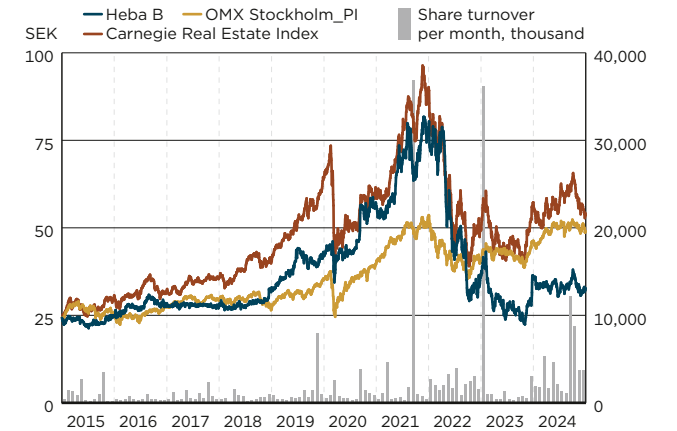
Amount in SEK/share	2024	2023	2022	2021	2020
Profit or loss before tax	0.86	-6.32	-0.84	10.74	5.51
Profit or loss after tax	0.60	-4.31	-0.82	8.94	4.35
Cash flow	1.30	1.43	1.19	1.41	1.14
Shareholders' equity	39.07	38.99	43.75	45.38	37.10
Carrying amount, properties	82.30	77.36	95.19	88.87	72.96
Dividend (2024 proposal)	0.52	0.52	0.45	0.80	0.65
Share price at 31 December	32.75	35.45	36.30	78.80	57.25
P/E ratio I	38.1	-5.6	-43.2	7.3	10.4
P/E ratio II	54.6	-8.2	-44.3	8.8	13.2
Total return, %	-6.1	-1.1	-52.9	38.8	34.2

Share capital performance

	Number of new shares	Total shares	Increase Share capital, SEK	Total Share capital, SEK
1993		1,620,000		16,200,000
1994 Split 4:1		6,480,000		16,200,000
1994 New issue	400,000	6,880,000	1,000,000	17,200,000
1999 Funding issue	6,880,000	13,760,000	17,200,000	34,400,000
2008 Split 3:1	27,520,000	41,280,000		34,400,000
2019 Split 2:1	41,280,000	82,560,000		34,400,000
2022 Split 2:1	82,560,000	165,120,000		34,400,000

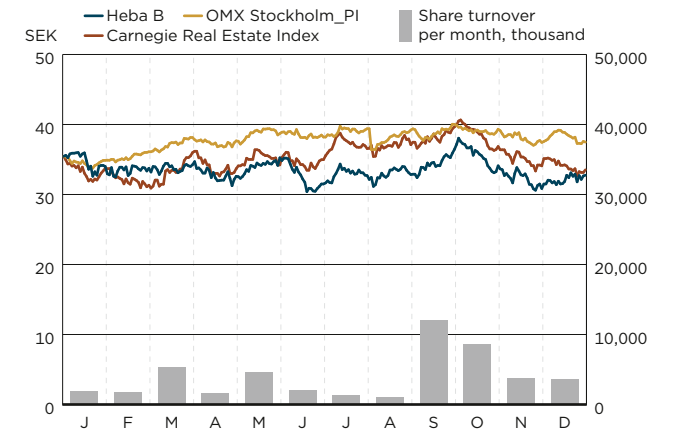
Share performance

Heba B, 1 January 2015 - 31 December 2024



Source: WebfinancialGroup

Heba B, 1 January - 31 December 2024



Source: WebfinancialGroup

Capital structure and financing

Financial position

Heba will safeguard its financial strength, stable cash flows and high creditworthiness. The Company must actively work on the maturity structure of its borrowing, meaning that fixed-interest periods and the purchase of derivatives must be optimised with regard to expected developments in the interest rates, risk and cash flow, and that good loan terms and rational loan management are achieved. Heba’s financial policy governs how the financial risks must be managed and sets limits, as well as determining which financial instruments can be used. Continuous monitoring is carried out by Senior management, the Finance Committee and the Board of Directors.

Capital structure

As of 31 December 2024, Heba’s assets amounted to SEK 14,166.4 (13,625.0) million and are financed partly through equity of SEK 6,437.5 (7,715.9) million and partly through liabilities of SEK 7,187.6 (6,076.9) million, of which SEK 5,628.5 (6,450.5) million are interest-bearing liabilities. Heba continues to have a good financial position, with a high equity ratio and a low loan-to-value ratio.

Credit rating BBB Stable outlook

In the first quarter of 2024, Nordic Credit Rating conducted an annual review of Heba’s credit rating. As a result, Heba’s outlook improved to Stable outlook.

Loan structure

Interest-bearing liabilities consist of traditional bank borrowings combined with interest rate derivatives, commercial paper and bonds. Heba has established a commercial paper program with a framework amount of SEK 4,000m. At year-end, interest-bearing liabilities totalled SEK 6,076.9 (5,628.5) million, corresponding to 44.1% (44.7%) of the market value of the properties.

The average interest rate at year-end was 2.81% (2.21%). The loans are divided between three of the country’s largest banks, with whom very good, trusting relationships have been built up. In order to limit interest rate risks, the floating rate on underlying loans has been fixed by means of interest rate derivatives. In total, Heba had signed interest rate swaps totalling SEK 3,400.0 (4,450.0) million at the end of the full-year period. Outstanding commercial paper amounted to SEK 523 (50) million. Heba always has liquidity or unused credit commitments to cover outstanding commercial paper upon maturity.

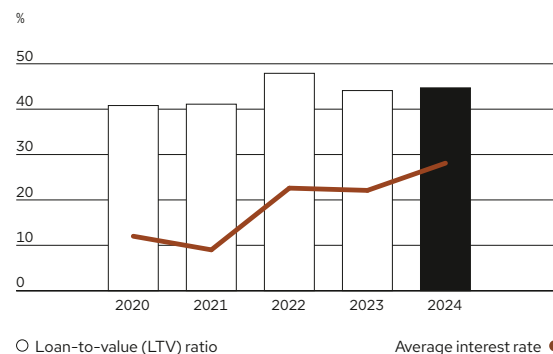
Heba has no foreign currency loans.

The loan structure and average interest rates of Heba’s property loans as at 31 December 2024 are shown in the tables on page 69.

Loan-to-value ratio

The loan-to-value ratio was 44.7% (44.1%) and the net loan-to-value ratio was 44.5% (43.1%). Heba’s Board of Directors has determined that the benchmark should be that the loan-to-value ratio, over time, must not exceed 50%.

Loan-to-value ratio and average interest rate



Bond program

Heba established an MTN (Medium Term Notes) program in January 2021 with a framework amount of SEK 2,000 million. In January 2022, Heba expanded the existing bond program to a total framework amount of SEK 5,000 million. The MTN program enables Heba to issue bonds in the capital market.

Framework for EU Green and Sustainability-Linked Financing

Heba launched an EU Green and Sustainability-Linked Financing Framework in February 2024. The framework was prepared in accordance with the current EU Taxonomy and the European Green Bond Standard and replaces Heba’s previous green financing framework that was prepared in 2021. Heba’s aim is to reinforce the link between financing and sustainability strategies and objectives using this framework. The framework was prepared in partnership with Handelsbanken and was reviewed by Morningstar Sustainalytics, an independent organisation. Their assessment is that the framework will lead to positive environmental change, and assessed Heba’s key figures as “Very Strong” and the company’s sustainability targets as “Highly Ambitious”.

Capital structure

SEKm	2024	2023
Non-interest-bearing liabilities	268.4	232.9
Interest-bearing liabilities	6,076.9	5,628.5
Deferred tax liabilities	1,367.6	1,326.2
Tax liabilities	3.1	-
Shareholders' equity	6,450.5	6,437.5
Total liabilities and equity	14,166.4	13,625.0

Fixed interest rate structure 31 December 2024

Maturity	Volume (SEKm)	Average interest rate (%)	Share (%)
< 1 year	1,617.1	5.94	27
1-2 years	650.0	1.64	11
2-3 years	750.0	1.76	12
3-4 years	400.0	1.97	7
4-5 years	1,100.0	2.06	18
5-6 years	630.0	1.57	10
6-7 years	580.0	1.97	10
7-8 years	349.8	2.59	6
8-9 years	-	-	-
9-10 years	-	-	-
Total	6,076.9	2.98	100

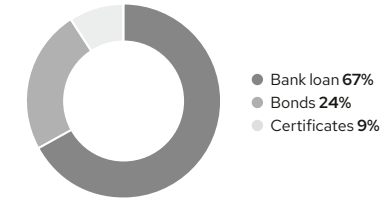
The table shows all agreed rates for the respective maturities via loans and interest rate derivatives. The table also includes interest rate derivatives with future start dates, consequently the average interest rate may differ from the rate that Heba is currently paying. The average rate for period 1 includes the credit margin for all loans at variable rates. This also includes the variable component of interest rate swaps, which are traded at no margin, so the average interest rate within 1 year does not reflect the current borrowing rate. The average fixed-rate period is 3.1 (3.5) years.

Cash conversion cycle structure 31 December 2024

Maturity	Credit agreement (SEKm)	Utilised (SEKm)
Commercial paper program	4,000.0	523.0
< 1 year	1,333.0	1,201.0
1-2 years	1,930.0	1,030.0
2-3 years	1,560.0	560.0
3-4 years	440.0	440.0
4-5 years	321.4	321.4
5-6 years	1,138.0	1,138.0
6-7 years	330.0	330.0
7-8 years	533.5	533.5
8-9 years	-	-
9-10 years	-	-
Total	11,585.9	6,076.9

The average period for capital tie-up is 3.3 (4.0) years.

Financing



Interest-bearing liabilities SEK 6,076.9 (5,628.5) million. Loan-to-value ratio 44.7% (44.1%).

Proportion of secured borrowing in relation to total property values





Introduction

**Global environment,
targets and strategy**

Sustainability

Activities

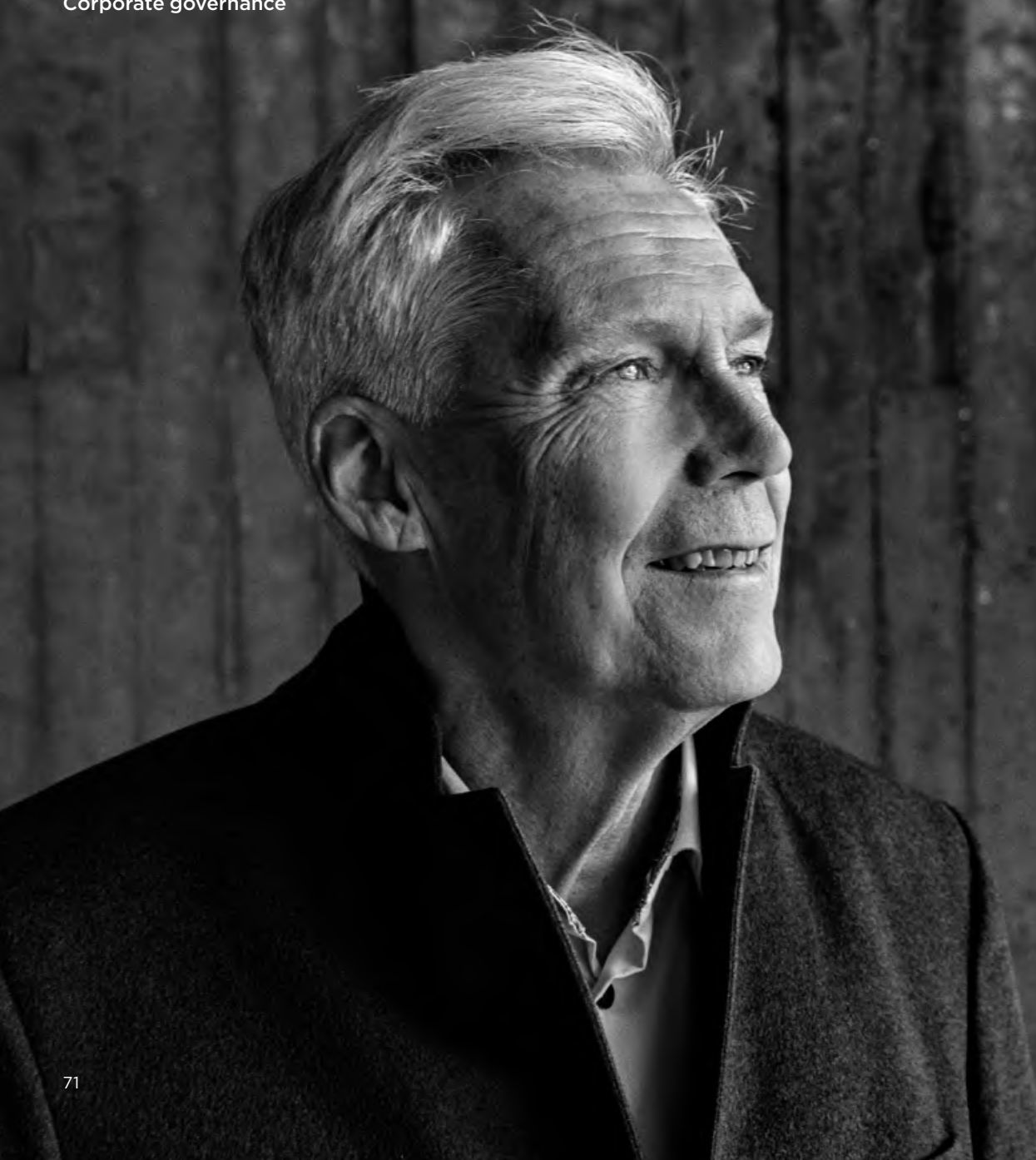
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Sustainability statements

Other

Corporate governance



A word from the Chairman:

Heba is in a strong position. We are setting new targets for continued growth.

The property sector has had a tough couple of years, with higher interest rates and falling property values putting stress on property companies. Heba has done well thanks to the smart and hard work of its management, staff and Board.

Active management of our financial instruments has limited the increase of interest costs, and the divestment of a number of properties has helped to strengthen our equity ratio. We are now seeing the property market take a turn for the better. Falling interest rates are likely to be followed by higher property values.

Tough times come and go, but Heba endures

Looking back, we had a major property crisis in 1993, then the Lehman Brothers crisis in 2008 and more recently the crisis of 2023. It seems that crises in the property market come at 15 year intervals. What is reassuring to me, as Chairman of the Board of Heba, is that the company has emerged stronger from the crises that have occurred over the years. Safe and stable, thanks to a strong presence and the ability to adapt.

Today, Heba is in a strong position. We are well positioned to take the next step in our growth. Our business is based on a solid foundation of a master builder's ethos and in-house property management. We have active principal owners, professional and committed staff and very satisfied tenants. We are at the forefront of our industry's green transition, and we are gearing up our sustainability efforts even further. Our properties are in very good condition following an extensive renovation program. We have sold older properties and built or acquired several modern residential properties and elderly care facilities. Construction is now getting back on track and our attractive project portfolio is ready to be acti-

vated. In 2024, we started construction for a new housing project and acquired four new elderly care facilities. We have sound finances and a good earning capacity, which gives us access to financing on favourable terms.

During the year, Heba has set new financial targets and the focus is on sustainable and profitable growth. In five years' time, the company's property value should amount to SEK 20 billion, the loan-to-value ratio should not exceed 45%, the average income from property management during the period should increase by at least 5% per year and the dividend should be 50% of the income from property management, adjusted for tax.

After ten years as CEO and then seven years as Chairman of the Board of Heba Fastighets AB, I will stand down from the Board at the Annual General Meeting in April 2025. Given the new period of growth that the company is facing, now is the right time to hand over to a new Chairman. I am convinced that Heba, with its Master builder ethos and solid foundation, will continue to grow and achieve its goals.

I would like to take this opportunity to thank our shareholders, employees, Board of Directors and partners for the time we have spent together and I wish the new Chairman of Heba the greatest of success.

Lennart Karlsson

Chairman of the Board of Directors



Corporate governance report

Heba Fastighets AB (publ) is a Swedish limited company listed on Nasdaq Stockholm AB, Nordic Midcap. Heba applies the Swedish Code of Corporate Governance (the Code). In addition to the Code, the rules of the Swedish Annual Accounts Act (ÅRL) for corporate governance reporting also apply.

This is Heba's corporate governance report in accordance with the rules of the Code and the Annual Accounts Act for the financial year 2024.

Shareholders

Heba's B share has been listed since 1994. As of 31 December 2024, Heba's share capital amounts to SEK 34,400,000; divided into 149,538,360 B shares with one vote each and 15,581,640 A shares with 10 votes each. The total number of shares is 165,120,000. The quota value per share is 0.20833.

During the year, holders of A shares chose to convert 399,000 A shares into 399,000 B shares, as governed by the Articles of Association.

At the end of 2024/beginning of 2025, Heba had 5,858 shareholders. The shareholdings of the largest shareholders are shown on pages 66 of the printed Annual Report. Institutions accounted for 10.59% of shareholdings in terms of capital and 5.72% of shareholdings in terms of votes.

No shareholder in Heba holds shares representing more than one tenth of the votes for all shares in the company.

Articles of Association

In addition to legislation, the Code and the Stockholm Stock Exchange's rules for issuers, the Articles of Association are a key document for the governance of the company.

Heba's Articles of Association state, inter alia, that the company is public and has its registered office in Stockholm. The object of the company's business is to construct, own, manage, purchase and sell properties, either itself or through wholly or partly owned companies, and to conduct activities compatible therewith.

Heba's shares are divided into two categories; A and B. Each A share carries ten votes and each B share one vote. The Articles of Association contain a pre-emption clause regarding the company's A shares, essentially meaning that if the A shares are transferred to someone who is not a shareholder of A shares, the shares (subject to certain exceptions set out in the Articles of Association) must be offered to the current shareholders of A shares. If the pre-emption A share is not redeemed, the share is automatically converted into a B share. The Articles of Association also state that the A share

can be converted into a B share at the request of the holder of such share (a conversion clause). The Board of Directors shall be composed of a minimum of three and a maximum of seven members, with a maximum of three alternates. Notice of a General Meeting shall be given through an announcement in Post- och Inrikes Tidningar and on Heba's website. The fact that a notice has been issued shall be announced in Svenska Dagbladet.

Heba's current Articles of Association are available in their entirety on the website; hebafast.se

Annual General Meeting

Heba's Annual General Meeting took place in Stockholm on 24 April 2024. Jan Berg, Secretary to the Board of Directors, was elected to chairman of the meeting.

Those entitled to vote at the AGM represented 71% of the voting rights and 67% of the capital for all shares in the company. At a General Meeting, each person entitled to vote may vote for the full number of shares represented without restriction.

The minutes of the meeting are available on the company's website; hebafast.se

The General Meeting decided, inter alia:

- to fix the dividend at SEK 0.52 per share;
- to re-elect Christina Holmbergh, Lena Hedlund, Johan Vogel and Lennart Karlsson as members of the Board of Directors;
- to elect Birgitta Leijon as a new member of the Board of Directors
- to re-elect Lennart Karlsson as Chairman of the Board of Directors;

Heba's decision-making bodies are hierarchically related and consist of the General Meeting, the Board of Directors and the Chief Executive Officer.



¹⁾ The Board fulfils the tasks normally falling to the Audit and Remuneration Committees.

- that a fee of SEK 540,000 be paid to the Chairman of the Board and SEK 240,000 be paid to each of the other Board members;
- to adopt principles for the remuneration of senior executives in accordance with the Board's proposal;
- to establish a new share savings program for all employees of the company in accordance with the proposal of the Board of Directors;
- to authorise the Board of Directors to issue Class B shares representing up to 5% of the registered share capital. The authorisation is valid until the 2025 Annual General Meeting;
- to appoint Lennart Karlsson, Charlotte Ericsson, Leif Mellqvist and Rolf Andersson as members of the Nomination Committee for the 2025 Annual General Meeting.

Nomination Committee

The 2024 AGM decided to appoint a Nomination Committee consisting of Lennart Karlsson (Chairman of the Board), Charlotte Ericsson, Leif Mellqvist och Rolf Andersson. The Nomination Committee appointed Charlotte Ericsson as Chairman of the Nomination Committee.

The Nomination Committee is tasked with preparing proposals regarding: Chairman of the Annual General Meeting; Chairman of the Board and other members of the Board of Directors; Nomination Committee; auditor; remuneration for the Board of Directors and auditors; and a proposal for instructions for the appointment of the Nomination Committee for the 2025 Annual General Meeting. The notice for the 2025 Annual General Meeting presents the Nomination Committee's proposals for the

forementioned issues. The Nomination Committee found no reason to propose any changes to the instructions for the Nomination Committee.

All members of the Nomination Committee are independent in relation to the company and its executive management team. The names of the members of the Nomination Committee have been published on the company's website in good time, more than six months in advance of the Annual General Meeting. The website also provides information on how shareholders can submit proposals to the Nomination Committee. The Nomination Committee has held four meetings, including one statutory meeting. In addition, there have been informal contacts.

Board of Directors

The Board of Directors of Heba consists of five (5) members elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. The current Chief Executive Officer of the company is not a member of the Board. The members of the Board of Directors have long and varied experience in areas of activity relevant to the Company and its business. The members of the Board of Directors represent financial, property, management, legal and accounting expertise. All members have experience of board work in listed companies. All Board members have completed the Stockholm Stock Exchange's training program for Board members. The members of the Board of Directors and their duties, in accordance with section 2.6 of the Code, are presented on page 76 of the printed Annual Report and on the company's website. All members are independent of both the company and of major shareholders.

Under the Companies Act, the Board of Directors bears ultimate responsibility for the organisation and management of Heba. Among other things, the rules of procedure set out the general duties of the Board of Directors, its working methods, the division of labour within the Board, the basis for the Board's work and the principles for financial reporting. The Chief Executive Officer is responsible for the day-to-day management, taking into account the guidelines and instructions laid down by the Board of Directors and set out in the instructions for the division of labour between the Board of Directors and the CEO. The Chief Executive Officer acts as rapporteur to the Board of Directors. The Secretary of the Board of Directors is a lawyer who works for an independent law firm.

In 2024, the Board held 17 meetings, of which 5 were per capsulam meetings, one was a constitutive meeting and one was a meeting that mainly discussed strategic issues. All members were present at all meetings, except for two members who were absent on one occasion each.

The company's auditor attended two Board meetings, where the Board of Directors also met with the auditor without the Chief Executive Officer or any other member of management being present.

In addition to Board meetings, there has also been regular contact between Board members. The Board of Directors has carried out an evaluation of the work of the Board and the Chief Executive Officer with the aim of streamlining and developing the work of the Board of Directors. All members of the Board of Directors, including the Chief Executive Officer, answered questions and provided feedback in indi-

vidual discussions with the Chairman on issues such as the Board's working methods, composition, documentation for meetings, presentations at meetings and the division of roles between the Chairman and the Chief Executive Officer. The results of the evaluation have been discussed by the Board of Directors and also presented to the Nomination Committee.

At a meeting in June 2024, the Board of Directors adopted Rules of Procedure for the Board of Directors and the Chief Executive Officer, together with instructions on the division of labour between the Board of Directors and the Chief Executive Officer and other bodies appointed by the Board. In order to minimise the risk of disruption in day-to-day operations and to ensure the "backup" function, the company has an agreement with an external party for IT operations.

The Board of Director's work has included consideration of proposals for interim reports, year-end reports and annual reports.

The year-end report for 2024 was published on 5 February 2025 and interim reports in 2024 were published on 23 April, 10 July and 23 October. The Board of Directors has also taken a position on investment regarding both new properties and investment in the existing portfolio. The Board has also taken decisions on the sale of property. A significant part of the Board of Director's work has concerned the adaptation of the company's financing strategy as a result of the changed interest rate situation on the financial market, as well as issues relating to the company's sustainability work. During the year, the Board of Directors decided to adjust the financial, dividend, sustainability and growth targets for the period 2025–2030.

Remuneration Committee

The Board of Directors of Heba has not appointed a specific Remuneration Committee, but the tasks that normally fall to a Remuneration Committee are performed by the Board as a whole. The Board of Directors is responsible for the preparation and monitoring of agreements with the Chief Executive Officer and other remuneration agreements that are material to the company, such as incentive and bonus agreements. New remuneration contracts and changes to existing contracts are decided by the Board of Directors.

Finance Committee

The Board has appointed a Finance Committee consisting of the Chairman of the Board, Lennart Karlsson, Johan Vogel and Birgitta Leijon. The Finance Committee is responsible for monitoring the financial markets and reporting developments to the Board of Directors. The Finance Committee makes recommendations to the Board of Directors, which decides on the strategy and planning of the company's long-term and short-term financing. The Finance Committee did not hold a single meeting in 2024. Financial matters have been dealt with by the Board as a whole.

Chief Executive Officer

Details of the Chief Executive Officer are presented on page 77 of the printed Annual Report and on the company's website. The remuneration of the Chief Executive Officer is disclosed in note 8, Employees and staff costs, on page 98.

Audit Committee

The Board of Directors of Heba has not appointed a specific Audit Committee, but the tasks that normally fall to an Audit Committee are performed by the Board as a whole. The company's auditor attends two Board meetings per year, at which time the Board of Directors also meets with the auditor without any member of the executive management team present.

The Board of Directors, in its role of performing the duties of the Audit Committee, has decided that the Nomination Committee shall submit a proposal for an auditor to the Annual General Meeting and has recommended that Ernst & Young AB be appointed as auditor.

Auditor

Ernst & Young AB was elected as auditor at the Annual General Meeting in May 2024, for the period until the Annual General Meeting in 2025. The auditor in charge is the authorised public accountant Fredric Hävrén. The auditor has no assignments with other companies that affect his independence as auditor of Heba.

Remuneration of the auditor is shown in Note 10, Central Administration, on page 99.

The Board of Director's report on internal controls for financial reporting

According to the Swedish Companies Act and the Code, the Board of Directors is responsible for internal controls. This report has been prepared in accordance with the Swedish Annual Accounts Act and is therefore limited to internal controls for financial reporting.

The basis for the company's internal controls is the control environment by which Heba is governed. The rules of procedure adopted by the Board of Directors for the Board of Directors and the Chief Executive Officer, together with instructions for the division of labour between the Board of Directors and the Chief Executive Officer and other bodies appointed by the Board of Directors, aim to ensure a clear division of responsibilities for more effective business risk management. The Board of Directors has established the policy and guidelines for the work on internal controls, such as financial policy, investment guidelines and financial reporting guidelines. The executive management team is responsible for the internal controls and procedures required to manage significant risks in day-to-day management, such as decision-making procedures, authorisation rights, reporting instructions and the staff handbook. Furthermore, the executive management team is responsible for the development of guidelines for different managers and employees to help them better understand and realise the importance of their respective roles in maintaining good internal control. The executive management team reports to the Board of Directors on the internal control procedures applicable to financial reporting and their effectiveness at least once a year.

Heba has charted its material business processes with, among other things, the aim of identifying and eliminating risks in the financial reporting. The process where estimates and assumptions could result in an increased risk of adjustments to the carrying amounts of assets and liabilities is mainly in the valuation of investment properties. These assessments

may have a significant impact on the Group's results and financial position. Particular emphasis has therefore been placed on this control to ensure that the financial reporting is free from material errors. Independent external consultants value one third of the company's properties at the close of each quarter and the entire property portfolio at the end of the annual reporting period. This means that each property is externally valued twice per calendar year.

The financial reporting policy and guidelines are updated and communicated to the relevant employees on an ongoing basis. Heba's organisation is characterised by short decision-making paths, which make it easier for the Board of Directors and executive management team to obtain essential information from employees. External disclosure guidelines are in place to ensure that the company provides accurate information to the market. The company keeps a log of who accesses sensitive information, such as financial reports not yet published.

Ongoing monitoring takes place continuously at both property level and Group level. The company's lead auditor reports personally, both to the Board of Directors and to the executive management team, on his audit findings and his assessment of internal controls at least twice a year. Interim reports are reviewed by the auditor, who also issues a separate audit report published together with the interim reports.

Internal controls are deemed to be appropriate for an organisation of Heba's size, which is why the Board of Directors and executive management team see no need for a separate internal audit function.

Board of Directors



JOHAN VOGEL

Board member since 2018

Täby, born 1974

Current position: Real estate agent and partner in Sjönära Fastigheter AB and Sjönära Fastighetsmäklare Johan Vogel AB.

Other board assignments:

Board member of Sjönära Fastigheter AB, Sjönära Fastighetsmäklare Johan Vogel AB and Mirmor Holding AB and its property-owning subsidiaries.

Education: Real estate agent.

Shareholding in Heba Fastighets AB:

1,866,240 A shares, 8,211,778 B shares.

Independent of both the company and major shareholders.

LENA HEDLUND

Board member since 2008

Danderyd, born 1961

Current position: Head of Communications Länsförsäkringar AB.

Previous positions: Head of Communication Alecta,

Head of Communication SBAB Bank,

Head of Corporate Marketing SBAB Bank.

Other board assignments:

Chair of Cleova Consulting AB and Stubboda Bostad AB.

Education: MBA, Civil Engineer.

Shareholding in Heba Fastighets AB: 50,000 B shares.

Independent of both the company and major shareholders.

CHRISTINA HOLMBERGH

Board member since 2005

Lidingö, born 1967

Current position: Co-owner and CEO of Lansen Förvaltnings AB.

Other board assignments:

Board member of Lansen Förvaltnings AB,

board member of LFE Fastighets AB.

Education: Bachelor of Law.

Shareholding in Heba Fastighets AB:

1,848,320 A shares, 7,819,608 B shares.

Independent of both the company and major shareholders.

BIRGITTA LEIJON

Board member since 2024

Bromma, born 1961

Previous positions: Nordic Head of Landesbank Hessen-Thüringen in Stockholm, Nordic Head of Aareal Bank in Stockholm

Other board assignments:

Board member Colony Real Estate AB

Education: Master of Engineering KTH Surveying.

Shareholding in Heba Fastighets AB: 0

Independent of both the company and major shareholders.

LENNART KARLSSON

Chairman, Board member since 2017

Stockholm, born 1954

Previous positions: CEO Heba Fastighets AB, CEO Akademiska Hus Stockholm AB and CEO Förvaltnings AB Galären.

Other board assignments: Board member of Galären Luleå AB.

Education: Civil Engineer, Executive MBA.

Shareholding in Heba Fastighets AB: 100,000 B shares.

Shareholdings including related parties:

160,000 B shares.

Independent of both the company and major shareholders.

Management



AUDITOR (NOT PICTURED)

Ernst & Young AB, elected 2011
Auditor in charge:
Fredric Hävrén. Born 1971
Authorised Public Accountant
Ernst & Young AB

EVA WASE

Head of Communications
Born 1969
Employed since 2020
Previous employment:
Ludvig & Co, Stockholm City
Executive Office, Micasa Fastigheter
AB, Stockholm Visitors Board AB.
Education: Journalist
Shareholding in Heba Fastighets AB:
1,000 B shares

HANNA FRANZÉN

CFO
Born 1977
Employed since 2019
Previous employment:
Magnolia Bostad, Kungsleden,
GE Real Estate.
Education: MBA.
Shareholding in Heba Fastighets AB:
1,048 B shares

HENRIK FERNSTRÖM

Property Development Manager
Born 1984
Employed since 2017
Previous employment:
CA Fastigheter AB, Locum AB.
Previous management positions:
Project Manager New Södertälje Hospital,
Locum.
Education: Construction engineer.
Shareholding in Heba Fastighets AB:
1,700 B shares

ANDRÉA UGGLA

Acting Head of Sustainability
Born 1993
Employed since 2021
Previous employment:
Slättö Förvaltning AB, Unibail
Rodamco Westfield
Education: Master's degree,
Real Estate and Construction.
Shareholding in Heba Fastighets AB:
1,634 B shares

PATRIK EMANUELSSON

CEO
Born 1966
Employed since 2017
Previous employment:
Deputy CEO Svenska Bostäder,
CEO Locum, CEO Micasa Fastigheter.
Board assignments: Board member
of Fastighets AB Trianon.
Education: Studies at the Military
Academy and IHM.
Shareholding in Heba Fastighets AB:
44,200 B shares

ULRIKA THORILDSSON

Property manager
Born 1968
Employed since 2019
Previous employment:
Micasa Fastigheter AB, Svenska
Bostäder, Ericsson.
Previous management positions:
Property Manager, Operations
Manager, Business Area Manager.
Education: Operations engineer.
Shareholding in Heba Fastighets AB:
1,400 B shares



Introduction

**Global environment,
targets and strategy**

Sustainability

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Management report

The Board of Directors and the Chief Executive Officer of Heba Fastighets AB (publ), corporate identity number 556057-3981, hereby submit the Annual Report and consolidated financial statements for the financial year 2024.

Description of activities and organisation

Heba owns and manages residential properties in the Stockholm and Mälaren regions. Heba also manages the community service properties of the wholly owned Group companies. The Group also includes a project property in Nynäshamn.

The Group's property portfolio at the end of the year comprised 58 (56) properties, of which 43 (46) were residential properties and 14 (10) were community service properties in the form of LSS and elderly care facilities. One of the 58 properties listed above is a project property.

The lettable area is 263,400 (250,600) m², comprising 3,110 (3,148) residential units and 117 (116) non-residential units. The average rent per square metre is SEK 2,032 (1,928) per m². The vacancy rate for residential and non-residential units remains very low, at 0.06% for residential and 0.48% for non-residential at the close of the reporting period.

Both property administration and maintenance are handled by our own staff. Head office is located in its own property on Södermalm in Stockholm and maintenance is managed from four customer-facing offices.

Personnel

Specific information on the average number of employees and salaries and benefits is provided in note 8.

Revenue and profit

Rental income amounted to SEK 561.8m (565.7). Property costs amounted to SEK 158.0m (163.5). Profit from property management decreased to SEK 215.5m (270.7). The decrease is due to lower rental income as a result of divestments in 2023, as well as to the results of interests in joint ventures where residential property projects were exited in 2023. The loss on property divestment amounted to SEK -7.2m (-75.4). Unrealised changes in the value of investment properties amounted to SEK -37.9m (-1,084.5) and for interest rate derivatives SEK -44.5m (-128.3). The loss before tax was SEK -142.4m (-1,044.1), corresponding to SEK -0.86 per share (-6.32). The loss after tax was SEK -98.7m (-712.3) or SEK -0.60 per share (-4.31).

Investments and disposals

Heba concluded an agreement in November 2024 with Krusleden Fastighets AB, a company in the Hemsö Group, to acquire an elderly care facility in Romberga, Enköping. The facility comprises 54 apartments. Ownership was transferred in December 2024 when Heba acquired the shares in the company. The agreed property value corresponds to SEK 206m. Costs incurred in 2024 amount to SEK 198.8m in consideration of received rebates. The investment is estimated at about SEK 200m.

Heba concluded an agreement with Slättö Sam Holding 2 AB in June 2024 to acquire an elderly care facility in Näsby Slottspark, Täby, Stockholm. The facility comprises 54 apartments. Ownership was transferred in September 2024 when Heba acquired all shares in the company. The agreed property value corresponds to SEK 252m. Costs incurred in 2024 amount to SEK 242.1m in consideration of received rebates. The investment is estimated at just over SEK 242m.

Heba concluded an agreement with Hemsö Fastighets AB in February 2024 to acquire two elderly care facilities in Tyresö, Stockholm. The facilities consist of 115 apartments. Ownership was transferred in March 2024 when Heba acquired all shares in the company. The agreed property value was SEK 347m. Costs incurred in 2024 amount to SEK 336.6m in consideration of received tax rebates. The investment is estimated at about SEK 337m.

Heba concluded an agreement in October 2021 with a company controlled by MAMA Management AB to acquire rental apartments in Källberga, Nynäshamn. The deal was executed as a forward funding transaction in which Heba acquired the shares in the company, which entered into a turnkey contract. Ownership was transferred in November 2022. The parties agreed in Q2 2024 that Heba would take over and execute the project under its own management. The properties comprise 128 rental apartments, 13 of which are located in terraced houses. A general contract was signed in Q2 2024 and production began in Q3 for completion in 2026. Costs incurred amount to SEK 90.6m, including 20.2m in 2024. The estimated investment has risen to SEK 400m due to the increase in lettable space for the project and the increase in costs since 2021.

Other new investments amount to SEK 10.4m (35.9).

SEK 80.0m (226.5) was invested in value-add measures in other properties during the period.

The total investment in investment properties during the period was SEK 888.1m (327.4).

SEK 11.4m (3.8) was invested in other non-current assets during the period.

A contract with Sarak Fastigheter AB for the sale of two properties was signed in June 2024. The deal was executed as a corporate transaction in which Heba sold the shares and thus, indirectly, the properties. Withdrawal occurred in September 2024.

Partnerships

Heba and Åke Sundvall Byggnads AB are running a rental property project in Vårbergstoppen through a partnership agreement. The rental property project, comprising 300 apartments, is distributed between two buildings. Construction of the project began in Q2 2021. Under the agreement, the parties each own 50% of the project. The total investment is estimated at about SEK 800m and will be completed in 2024 and 2025. A contract with Svenska Bostäder for the sale of these two properties was signed in February 2024. The deal was executed as a corporate transaction in which Svenska Bostäder acquires the shares and thus, indirectly, the properties. Withdrawal from the first building took place in September 2024 and withdrawal from the second building is planned for June 2025.

Heba and Åke Sundvall Byggnads AB are building 600 homes in Framtidens Stora Sköndal, phase 2a, through a partnership agreement. The housing project is divided into 260 rental apartments and 340 commonhold apartments. Under the agreement, the parties each own 50% of the project. The project is currently in the process of detailed development planning and the total investment is estimated at about SEK 2bn.

Heba and Åke Sundvall Byggnads AB are running a commonhold apartment project consisting of approximately 100 apartments in Skärgårdsskogen Skarpnäck, through a partnership agreement. Under the agreement, the parties each own 50% of the project. The project is currently in the process of detailed development planning and the total investment is estimated at about SEK 250m.

Financial position

Cash and cash equivalents amounted to SEK 36.5m (247.2). Equity amounted to SEK 6,450.5m (6,437.5), corresponding to an equity ratio of 45.5% (47.2%).

Cash flow from operating activities after changes in working capital amounted to SEK 214.2m (235.4). Interest bearing liabilities increased to SEK 6,076.9m (5,628.5), of that amount SEK 0.0m (0.0) is the used portion of an overdraft facility of SEK 132.0m (132.0) and SEK 1497.1m (103.9) accrues interest at a variable rate.

Heba has a commercial paper program with a distributable amount framework of SEK 4,000m. Heba had outstanding commercial paper of SEK 523m (50) at the end of the reporting period. Heba always has sufficient liquidity or unused credit commitments to cover outstanding commercial paper upon maturity.

At the end of the reporting period, the average interest rate was 2.81% (2.21). Unused credit commitments amount to SEK 2,032.0m (2,232.0), including the unused portion of the overdraft facility of SEK 132.0m (132.0).

There are no liabilities denominated in foreign currencies.

The Group is exposed to financing and interest rate risks. The management of these risks is described in Note 3.

Collateral pledged for interest-bearing liabilities amounted to SEK 4,302.3m (4,422.3). The parent company has issued guarantee commitments for credit facilities of SEK 277m in relation to a residential project in Vårbergstoppen. As in the previous year, there are no contingent liabilities, see also note 33.

Environment

Heba must be at the forefront and be committed to following developments in order to reduce its emissions. A gradual review of the properties is under way from various environmental aspects, including choice of materials, energy use (district heating/geothermal heating and electricity), waste management, water consumption and environmentally

hazardous substances, as well as climate-proofing properties for future weather.

More information about Heba's sustainability work can be found in the Sustainability Report on pages 117–127 and pages 25–43. The report is a sustainability report in accordance with the older version of the Annual Accounts Act that applied before 1 July 2024, when Heba was subject to the legal requirement to prepare a sustainability report. Heba's Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards.

Events after financial year-end

No significant events after the balance sheet date to report.

The future

Heba's intention is to continue to grow in the Stockholm and Mälaren regions. This can be done by developing and refining the existing property portfolio and our own project portfolio, among other things. Furthermore, growth can be achieved through land allocation or the acquisition of residential rental properties and elderly care facilities.

Parent company

Rental income in the parent company amounted to SEK 237.1m (245.0) and profit before appropriations and tax was SEK 91.7m (636.2).

Property valuation

The market value of the properties was SEK 13,589.2m as at 31 December 2024 according to valuations performed, as compared to SEK 12,773.2m at the end of 2023. All of the Group's properties, excluding properties undergoing renovation and project properties in the early stages, have been valued externally – half by Savills Sweden AB and half by Novier Property Advisors AB. Properties undergoing renovation and project properties in early phases were valued internally. All properties are categorised at Level 3 of the fair value hierarchy according to IFRS

13, meaning that the value is based on an analysis of each property's status and rental/market situation.

Heba has decided that an internal valuation of two thirds of the property portfolio and external valuation of one third of the portfolio should be performed at the end of each quarterly reporting period. At the end of the annual reporting period, all properties owned by the Group will be externally valued, apart from the exceptions mentioned above. As of the reporting date, two of the properties had been valued by external, independent valuation firms and the reported fair value of these two properties is the average of the aforementioned valuations.

Discounted cash flow (DCF) is the principal valuation method applied, where an estimated future net operating income is calculated over an estimation period of five to fifteen years that takes into account the present value of an assessed market value at the end of the estimation period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the properties. Comparison and analysis of completed property transactions in each sub-market were also performed. The average yield requirements were 4.5% (4.2%) for externally valued community service properties and 3.3% (3.2%) for residential properties. The total average yield requirement for externally valued properties is 3.6% (3.4%). The total valuation uplift was 0.3% (-6.9%) during the period of January–December. See more information in note 18.

Risks and uncertainties

Approximately 76% of Heba's total rental income is derived from residential tenants. The vacancy rate is very low and rents are relatively certain and predictable. All of Heba's properties are located in the Stockholm and Mälaren regions and are in desirable locations where demand is high. A 1% change in residential rental income is equivalent to approximately SEK 5.6m.

Heba's single largest operating cost item is heating. The majority of the property portfolio is connected to a district heating network. A total of eight properties use geothermal heat pumps as their main heat

source. Heba is actively engaged in reducing energy use in the property portfolio but heating costs can vary from year to year depending on weather conditions and energy prices. A 1% change in heating costs is equivalent to approximately SEK 0.2m.

All properties, excluding properties undergoing renovation and project properties in the early stages, are valued at year-end at fair value by an external valuer. In quarters 1, 2 and 3, a rolling external valuation is made of one third of the portfolio and the remaining two thirds are valued internally. Changes in value are reported quarterly in the statement of comprehensive income. A 1% change in residential rental income is equivalent to approximately SEK 136m.

Heba is also exposed to financing and interest rate risks. The management of these risks is described in Note 3.

Guidelines for the remuneration of senior executives

The 2024 AGM adopted the following guidelines for the remuneration of senior executives:

The Chairman and members of the Board of Directors shall be remunerated in accordance with the decision of the Annual General Meeting.

Remuneration of the CEO and other senior executives may consist of fixed monthly base salary, variable remuneration, other benefits and pension. The remuneration for each individual must be in line with market conditions. Where variable remuneration is paid, it should be related to measurable targets such as performance, paid in cash and maximised to no more than half of the fixed annual salary.

Other benefits may include a pension and the right to a company car for private use and other benefits of limited value, as well as the right to severance pay.

Pensions can be paid either as defined benefit or defined contribution pensions with a retirement age between 60 and 65. Defined benefit pensions may be linked to the ITP plan (currently contracted pension benefits are shown in note 8).

In addition to salary during the notice period, which shall not exceed twelve months, severance pay, not exceeding the equivalent of twelve

months' fixed salary, may be payable in the event of termination of employment by the company (the notice periods and rules for severance pay currently agreed with the CEO are set out in note 8).

What is stated about remuneration according to these guidelines shall apply in total to all remuneration regardless of whether it is received from the parent company or another company in the Group.

The Board of Directors is authorised to depart from these guidelines in individual cases, if there are special reasons for doing so.

The remuneration report for Heba Fastighets AB is published on the company's website, www.hebafast.se.

For the 2025 Annual General Meeting, the Board of Directors proposes the following guidelines for remuneration to senior executives:

Heba's business strategy is to own, develop and manage residential properties and community service properties in the Stockholm and Mälaren regions in a long-term and sustainable manner. The guidelines and, indirectly, the forms of remuneration set out in them aim to create the right incentives to comply with the strategy and to ensure that the company can retain and recruit employees with the right skills and experience.

The Board of Directors as a whole performs the tasks that normally fall to the Remuneration Committee. The CEO reports at the company's Board meetings but is not a member of the Board of Directors. The CEO and other senior executives are not present when remuneration-related issues are discussed.

The Board of Directors shall prepare proposals for guidelines for salaries and other remuneration to senior executives at least every four years and present the proposal for adoption at the Annual General Meeting. The guidelines shall remain in force until new guidelines are adopted by the Annual General Meeting. The guidelines shall apply to employment contracts signed after the Annual General Meeting and any amendments to existing employment contracts made after the Annual General Meeting. The guidelines do not cover remuneration decided by the Annual General Meeting, including Board fees and long-term share-based incentive programs.

In preparing the Board's proposal for these guidelines, the salaries and employment conditions of the Company's employees have been taken into account. The evolution of the gap between the remuneration of senior executives and that of other employees is reported annually in the remuneration report prepared for the Annual General Meeting.

The evaluation of senior executives covers the company's financial performance, the functioning of the economic and financial reporting, the company's sustainability work, customer relations and the situation of employees. The evaluation is based on financial performance reports, the Board's contacts with the auditor when the CEO is not present, follow-up of KPIs in sustainability, customer and employee surveys.

The Board of Directors decides on the CEO's salary, which must be on market terms, taking into account the company's activities and size. The CEO decides on the salaries of other senior executives in consultation with the Chairman of the Board. The Board of Directors is authorised to deviate from these guidelines in individual cases, in whole or in part if there are special reasons for doing so and a deviation is necessary to meet long-term interests, sustainability and to ensure the company's financial viability.

Remuneration of the CEO and other senior executives may consist of fixed monthly base salary, other benefits and pension. The CEO must also have health insurance. In addition – and independently of these guidelines – the general meeting may decide on, for example, share and share price related remuneration.

Pensions can be paid either as defined benefit or defined contribution pensions with a retirement age between 60 and 65. Pensions can be linked to the ITP plan. Other benefits may include the right to a company car for private use, medical insurance and other allowances and, where they exist, shall constitute a limited part of the total remuneration. No variable remuneration shall be paid. The remuneration for each individual must be in line with market conditions.

In addition to salary during the notice period, which shall not exceed twelve months, severance pay, not exceeding the equivalent of twelve months' fixed salary, may be payable in the event of termination of employment by the company. In the event of resignation by the executive, the period of notice may not exceed six months.

The Company does not currently have any variable or share-based remuneration (except for long-term share-based incentive programs decided by the Annual General Meeting and not governed by these guidelines). Should it become necessary to introduce such forms of remuneration, the Board of Directors shall prepare proposals for criteria to be applied to such remuneration for the Annual General Meeting to decide on.

If a Board member performs work for Heba in addition to their Board duties, the Board may authorise the payment of a reasonable fee for such work. In such cases, remuneration shall be paid on current account.

What is stated about remuneration according to these guidelines shall apply to all remuneration regardless of whether it is received from the parent company or another company in the Group.

Heba shares

The share capital amounts to SEK 34,400 thousand, divided into 15,581,640 A shares and 149,538,360 B shares. Class A shares carry ten votes and Class B shares carry one vote.

Heba's Articles of Association contain a pre-emption clause regarding the company's A shares, essentially meaning that if the A shares are transferred to someone who is not a shareholder of A shares, the shares must be offered to the current shareholders of A shares. If the A share is not redeemed, it is automatically converted into a B share.

The Articles of Association also contain a conversion clause, which means that the A share must be converted into a B share at the request of the holder of such a share.

All shares are fully paid up.

The number of outstanding Heba shares amounts to 165,110,600 (165,104,000). As at 31 December 2024, the company's holding of its own shares was 9,400 shares, corresponding to 0.01% of the number of registered shares.

Heba's target is that the share dividend must be at least 40% of income from property management, adjusted for tax. However, in determining the dividend, the need to invest, the need to consolidate, the position in general, as well as the material impact of non-recurring items on the result must also be taken into consideration. For the 2024 financial year, the Board of Directors proposes a dividend of SEK 0.52 per share.

Heba capital management

Heba is financially strong with properties valued at significantly higher amounts than the loans taken out.

Heba will safeguard its financial strength, stable cash flows and high creditworthiness. The Company must actively work on the structure of its borrowing, meaning that fixed-interest periods and the purchase of derivatives must be optimised with regard to expected developments in the interest rates, risk and cash flow, and that good loan terms and rational loan management are achieved.

Financing takes the form of equity, bank overdrafts, bank loans, commercial papers and bonds. Equity totalled SEK 6,450.5m (6,437.5) and interest-bearing loans, bonds and commercial papers amounted to SEK 6,076.9m (5,628.5). The equity ratio at the end of the year was 45.5% (47.2).

According to Heba's financial policy, the equity ratio must not fall below 40%.

Consolidated statement of comprehensive income

Amount in SEK thousand	Note	2024	2023
Rental income	4, 5, 6	561,761	565,655
Property costs			
Operating costs	7, 8	-150,649	-154,043
Maintenance costs		-2,307	-3,398
Property tax		-5,054	-6,082
Net operating income (NOI)		403,751	402,132
Central administration	8, 10	-38,922	-36,515
Income from interests in associated companies and joint ventures	20	-49,939	35,929
<i>of which change in value</i>		<i>-41,310</i>	<i>-15,946</i>
Financial income	12	25,203	34,335
Interest expenses	13	-162,051	-177,024
Interest expenses leases	9	-3,823	-4,124
Profit including changes in value in jointly controlled entities		174,219	254,733
<i>of which income from Property management</i>		<i>215,522</i>	<i>270,679</i>
Impairment financial assets	22	-18,000	-10,632
Gain or loss from divestment of property	11	-7,156	-75,356
Change in value, investment properties	14	37,853	-1,084,528
Change in value, interest rate derivatives	3, 14	-44,469	-128,326
Profit or loss before tax		142,447	-1,044,109
Tax on profit for the year	16	-43,772	331,788
Profit or loss for the year		98,675	-712,321
Other comprehensive income		-	-
Total comprehensive income		98,675	-712,321
There is no minority interest, so the entire result is attributable to the parent company's shareholders. There is no dilutive effect, because there are no potential shares.			
Earnings per share after tax, SEK		0.60	-4.31
Dividend per share (2024 proposal), SEK		0.52	0.52
Total dividend (2024 proposal), SEK thousand		85,858	85,854
Shares outstanding at the end of the period, thousand		165,111	165,104
Average number of shares, thousand		165,104	165,117

Comments, consolidated statement of comprehensive income

Rental income

The Group's rental income comes exclusively from properties in the Stockholm region and the rental value is distributed as follows:

	2024	SEK/m ²	2023	SEK/m ²
Residential properties	394,716		422,561	
Non-residential units	156,700		137,451	
Garages and car parking spaces	15,032		12,051	
Unrented, internal contracts, etc.	-4,687		-6,408	
Total rental income	561,761	2,182	565,655	1,987

The rental value of housing has decreased by 7 % compared to the previous year. The change is attributable to the property sales made in 2023.

Approximately 70% of Heba's rental income is derived from residential tenants. The rental value of non-residential units has increased by 14% compared to the previous year. Unrented corresponds to approximately 1.0% of the rental value.

Operating costs

Operating costs totalled SEK 150,649 thousand (154,043) as shown below:

	2024	SEK/m ²	2023	SEK/m ²
Heating costs	19,926	77	20,285	71
Property management	43,625	169	40,389	142
Other operating costs ¹⁾	87,098	338	93,369	328
Total operating costs	150,649	585	154,043	541

¹⁾ Other operating expenses include costs of SEK 1,029 thousand (972) for losses on rent receivables.

Property tax

Property taxes, including property tax, totalled SEK 5,054 thousand (6,082). For residential properties, the property tax amounts to SEK 1,630 (1,589) per apartment, but no more than 0.3% of the assessed value. No property tax is levied on new builds for the first fifteen years. For non-residential units, the property tax levy is 1.0% on the part of the assessed value that relates to non-residential units.

Ground rents

Total ground rents amounted to SEK 3,823 thousand (4,124), which is reported as interest cost leasing. Of the company's 58 (56) properties, 45 (43) are owned and 13 (13) are leasehold. For further information, see Note 9 Right-of-use assets and lease liabilities.

Central administration

Central administration refers to common costs that are not directly attributable to the properties. The amount of SEK 38,922 thousand (36,515) includes the executive management function, company costs (annual report, stock exchange costs, board, etc.).

Net financial income (-expenses)

Net financial income totalled SEK -136,847 thousand (-142,689), an improvement of SEK 5,842 thousand. The change is due to lower interest costs.

Capitalised interest costs relating to ongoing new construction and renovation projects amounted to SEK 223 thousand (2,216). Details of Heba's loans and interest costs are provided in Note 3.

Income from property management

The income from property management is 20% lower than the previous year and amounted to SEK 215,522 thousand (270,679).

Change in value, investment properties

The total valuation uplift was 0.3% (-6.9) during the year.

Discounted cash flow (DCF) is the principal valuation method applied. An estimated future net operating income is calculated over a period of five to fifteen years that takes into account the present value of an assessed market value at the end of the estimation period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the properties.

Comparison and analysis of completed property transactions in each sub-market were also performed. The average yield requirements were 4.5% (4.2%) for externally valued community service properties and 3.3% (3.2%) for residential properties. The total average yield requirement for externally valued properties is 3.6% (3.4%). See also the text on market valuation on pages 62-65 and note 18.

Change in value, interest rate derivatives

The change in value of interest rate derivatives totalled SEK -44,469 thousand (-128,326). The derivatives portfolio remains overvalued as a result of higher market interest rates. Information on Heba's derivative instruments is provided in Note 3.

Profit or loss before tax

The profit before tax was SEK 142,447 thousand (-1,044,109). The change is primarily explained by the sharp change in the value of investment property. However, changes in the value of investment property do not affect cash flow.

Tax on profit for the year

Total tax on the profit for the year amounted to SEK -43 772 thousand (331,788).

Total tax consists of current tax and deferred tax. Current tax relates to tax paid and totalled SEK -2,462 thousand (338).

The tax rate Heba used is 20.6%.

Consolidated statement of financial position

Amount in SEK thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Balanced expenditure	17	9,809	5,332
		9,809	5,332
<i>Tangible fixed assets</i>			
Investment properties	18	13,589,186	12,773,245
Right-of-use assets leasehold land	9	143,917	126,284
Inventories	19	10,356	7,470
		13,743,459	12,906,999
<i>Financial non-current assets</i>			
Interests in associated companies and joint ventures	20	1,027	14,296
Receivables from associated companies and joint ventures	21	244,774	275,655
Other non-current securities holdings	22	73	18,073
Other long-term receivables	23	31,179	31,639
Derivative instruments	3	54,983	99,452
		332,036	439,115
Total fixed assets		14,085,304	13,351,446
Current assets			
Rent receivables	26	2,619	1,759
Other receivables	27	16,091	7,204
Prepaid expenses and accrued income	28	25,916	17,451
		44,626	26,414
Cash and cash equivalents	29	36,469	247,172
		36,469	247,172
Total current assets		81,095	273,586
TOTAL ASSETS		14,166,399	13,625,032

Amount in SEK thousand	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Shareholders' equity	30		
Share capital		34,400	34,400
Other capital contributions		6,880	6,880
Retained earnings including profit for the year		6,409,217	6,396,188
Total equity attributable to shareholders of the parent company		6,450,497	6,437,468
Liabilities			
<i>Non-current liabilities</i>	32		
Non-current interest-bearing liabilities	33	4,352,913	4,916,509
Lease liability	9	143,917	126,284
Deferred tax liabilities	35	1,367,556	1,326,247
Liabilities from investments in associated companies and joint ventures	21	8,250	-
Total non-current liabilities		5,872,636	6,369,040
<i>Current liabilities</i>	32		
Trade payables		16,520	18,647
Current interest-bearing liabilities	33	1,724,000	711,967
Tax liabilities		3,108	-
Other liabilities	34	3,984	6,033
Accrued expenses and prepaid income	36	95,654	81,877
Total current liabilities		1,843,266	818,524
TOTAL EQUITY AND LIABILITIES		14,166,399	13,625,032

Comments, consolidated statement of financial position

Investment properties

Changes in the carrying amount of investment properties:

	2024	2023
Carrying amount at year-start	12,773,245	15,718,184
Acquisitions and new builds	809,252	102,577
Investments in existing properties	78,837	224,790
Disposals	-110,000	-2,187,777
Change in value	37,852	-1,084,528
Carrying amount at year-end	13,589,186	12,773,245

Property investments during the year totalled SEK 888,089 thousand (327,366), of which SEK 809,252 thousand (102,577) related to acquisitions and investments in ongoing new construction projects and SEK 78,837 thousand (224,790) to investments in existing properties.

Investment in the existing property portfolio relates mainly to renovation work.

The property portfolio broken down by area:

Area	2024-12-31	SEK/m ²
City centre	1,774,323	67,930
Stockholm Immediate suburbs	3,660,143	50,375
Northwest	999,018	48,468
Northeast	4,460,842	52,794
Southwest	2,237,458	47,444
Southeast	457,402	48,317
Total	13,589,186	52,545

All of the investment properties, excluding properties currently undergoing renovation and project properties in early phases, were valued externally – half by Savills Sweden AB and half by Novier Real Estate AB. See also pages 62–65 and Note 18.

Shareholders' equity

Equity totalled SEK 6,450,497 thousand (6,437,468) as a result of comprehensive income of SEK 98,675 thousand (-712,321) less the dividend paid for the year of SEK 85,854 thousand (74,304) or SEK 0.60 (-4.31) per share. The equity ratio was 45.5% (47.2) and the loan-to-value ratio was 44.7% (44.1).

Interest-bearing liabilities

Interest-bearing liabilities increased to SEK 6,076,913m (5,628,476) of which SEK 0 thousand (0) makes up the used portion of an overdraft facility of SEK 131,975 thousand (131,975). A total of SEK 1,497,117 thousand (-103,850) is at variable interest rates. The average period for capital tie-up is 3.3 (4.0) years. The proportion of loans maturing in the next 12 months amounts to 28% (13). Investments linked to projects have been financed with proceeds from company and property sales, bank loans and capital market financing. A detailed breakdown of Heba's financing is provided in Note 3.

Deferred tax liabilities

Deferred tax liabilities decreased to SEK 1,367,556 thousand (1,326,247). Deferred tax liabilities are reported at their nominal amount (20.6%) and are calculated on the basis of temporary differences between the carrying amounts and tax bases of assets and liabilities. Changes in deferred tax liabilities do not affect cash flow.

Changes in equity, Group

Amount in SEK thousand	Note	Share capital	Other capital contributions	Retained earnings	Total equity attributable to shareholders in the parent	Shareholders' equity
Group	30					
Opening equity 1 January 2023		34,400	6,880	7,183,190	7,224,470	7,224,470
Total comprehensive income for the year		-	-	-712,321	-712,321	-712,321
Transactions with shareholders						
Share buyback		-	-	-377	-377	-377
Dividend		-	-	-74,304	-74,304	-74,304
Closing equity 31 December 2023		34,400	6,880	6,396,188	6,437,468	6,437,468
Opening equity 1 January 2024		34,400	6,880	6,396,188	6,437,468	6,437,468
Total comprehensive income for the year		-	-	98,675	98,675	98,675
Transactions with shareholders						
Share reissuance		-	-	208	208	208
Dividend		-	-	-85,854	-85,854	-85,854
Closing equity 31 December 2024		34,400	6,880	6,409,217	6,450,497	6,450,497

Consolidated statement of cash flows

Amount in SEK thousand	Note	2024	2023
OPERATING ACTIVITIES			
Profit or loss before tax		142,447	-1,044,109
Adjustment for non-cash items			
Less share of profits in associated companies and joint ventures		49,939	-35,929
Depreciation and amortisation of assets		3,804	1,601
Impairments of assets		18,000	25,420
Changes in value		6,616	1,212,855
Other profit and loss items not affecting liquidity	39	-3,188	49,725
Tax paid		-529	338
Cash flow from operating activities before changes in working capital		217,089	209,901
Change in current receivables		-15,105	49,802
Change in current liabilities		12,208	-24,267
Cash flow from operating activities		214,192	235,436
INVESTMENT ACTIVITIES			
Investments in investment properties	18	-900,456	-327,366
Investments in financial assets		-360	-3,518
Other investments		-9,021	-3,828
Sales of investment properties		104,797	2,062,645
Change in non-current receivables		3,419	119,495
Dividends received from associated companies		13,512	58,000
Investments in associated companies		-	-16,063
Disposals of other non-current assets		631	2,841
Cash flow from (-used in) investment activities		-787,478	1,892,206
FINANCING ACTIVITIES			
Borrowings	33	1,093,000	1,409,013
Repayment of loans	33	-644,563	-3,315,553
Share buyback		-	-377
Dividend paid		-85,854	-74,304
Cash flow from financing activities		362,583	-1,981,221
Cash flow for the year		-210,703	146,421
Cash and cash equivalents at year-start		247,172	100,751
Cash and cash equivalents at year-end		36,469	247,172

Interest received amounts to 21,643 (38,303). Interest paid amounts to -161,849 (-175,507).

Income statement, parent company

Amount in SEK thousand	Note	2024	2023
Rental income	6	237,127	245,008
Property costs			
Operating costs	7, 8	-90,275	-94,687
Maintenance costs		-3,170	-4,523
Property tax		-3,383	-3,886
Ground rents	9	-2,530	-2,421
Net operating income		137,769	139,490
Depreciation and amortisation		-26,233	-26,993
Gross profit		111,536	112,497
Central administration	8, 10	-38,387	-36,158
Gain or loss from divestment of property	11	-8,791	-31,880
Operating result		64,358	44,458
Financial income	12	132,018	800,720
Interest expenses	13	-60,431	-80,687
Change in value, derivatives	14	-44,469	-128,326
		27,118	591,707
Profit or loss after financial items		91,476	636,167
Appropriations	15	43,076	-50,268
Tax on profit for the year	16	-13,345	33,432
Profit or loss for the year		121,207	619,330

Statement of comprehensive income, parent company

Amount in SEK thousand	2024	2023
Profit or loss for the year	121,207	619,330
Other comprehensive income	-	-
Total comprehensive income	121,207	619,330

Balance sheet, parent company

SEK thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Balanced expenditure	17	9,809	5,332
		9,809	5,332
<i>Tangible fixed assets</i>			
Investment properties	18	2,358,019	2,378,027
Inventories	19	7,843	7,470
		2,365,862	2,385,497
<i>Financial non-current assets</i>			
Shares in subsidiaries	24	38,567	45,967
Derivative instruments	3	54,983	99,452
Receivables from Group companies	25	3,636,021	2,943,332
Receivables from associated companies and joint ventures	21	10,420	13,795
		3,739,991	3,102,545
Total fixed assets		6,115,662	5,493,374
Current assets			
<i>Current receivables</i>			
Rent receivables	26	1,603	927
Receivables from Group companies	27	118,100	776,876
Other receivables	27	2,951	2,980
Prepaid expenses and accrued income	28	13,893	11,089
		136,547	791,872
Cash and cash equivalents	29	30,059	246,455
		30,059	246,455
Total current assets		166,606	1,038,327
TOTAL ASSETS		6,282,268	6,531,701

SEK thousand	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital		34,400	34,400
Reserve Fund		6,880	6,880
		41,280	41,280
<i>Unrestricted equity</i>			
Retained earnings		2,042,228	1,508,544
Profit for the year		121,207	619,330
		2,163,436	2,127,874
Total Shareholders' equity		2,204,716	2,169,154
Untaxed reserves	31	2,505	2,716
Provisions			
Deferred tax liabilities	35	217,735	204,390
Total provisions		217,735	204,390
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	33	2,161,947	2,229,509
Liabilities to Group companies	25	712,152	1,267,582
Total non-current liabilities		2,874,099	3,701,481
<i>Current liabilities</i>			
Trade payables		4,159	8,699
Current interest-bearing liabilities	33	938,000	528,500
Other liabilities	34	5,530	90,020
Accrued expenses and prepaid income	36	35,524	30,130
Total current liabilities		983,213	658,350
TOTAL EQUITY AND LIABILITIES		6,282,268	6,531,701

Changes in equity, parent company

Amount in SEK thousand	Note	Share capital	Reserve Fund	Retained earnings	Total Shareholders' equity
Parent company	30				
Shareholders' equity, 31 December 2022		34,400	6,880	1,583,225	1,624,505
Profit for the year				619,330	619,330
Transactions with shareholders					
Share buyback				-377	-377
Dividend				-74,304	-74,304
Shareholders' equity 31 December 2023		34,400	6,880	2,127,874	2,169,154
Profit for the year				121,207	121,207
Transactions with shareholders					
Share reissuance				208	208
Dividend				-85,854	-85,854
Shareholders' equity 31 December 2024		34,400	6,880	2,163,435	2,204,715

Discounted cash flow (DCF), parent company

Amount in SEK thousand	Note	2024	2023
OPERATING ACTIVITIES			
Profit or loss before tax		134,553	585,898
Amortisation, depreciation and impairments of assets		68,831	86,882
Changes in value		44,469	128,326
Other profit and loss items not affecting liquidity	39	-110,425	-699,712
Tax paid		-	-
Cash flow from operating activities before changes in working capital		137,428	101,394
Change in current receivables		22,273	-28,355
Change in current liabilities		-84,873	69,915
Cash flow from operating activities		74,828	142,953
INVESTMENT ACTIVITIES			
Investment in land and buildings	18	-49,669	-110,010
Investments in financial assets/subsidiaries		-	-63,200
Other investments		-6,303	-3,898
Change in non-current receivables		6,152	1,204
Change in non-current receivables, group companies		-568,767	1,041,975
Sales of investment properties		-	102,000
Disposals of other non-current assets		631	2,841
Cash flow from (-used in) investment activities		-617,956	970,911
FINANCING ACTIVITIES			
Borrowings	33	883,000	1,380,263
Repayment of loans	33	-541,063	-3,247,654
Change in non-current liabilities, group companies		70,648	974,670
Dividend paid		-85,854	-74,304
Share buyback		-	-377
Cash flow from financing activities		326,731	-967,401
Cash flow for the year		-216,396	146,463
Cash and cash equivalents at year-start		246,555	99,992
Cash and cash equivalents at year-end		30,059	246,555

Notes

Note 1 General information

Heba Fastighets AB (publ) (corporate identity number 556057-3981) is a limited liability company registered in Sweden. The company's registered office is in Stockholm, Sweden. The postal address of the head office is Box 17006, SE-104 62 Stockholm. Heba's shares are listed on the Stockholm Stock Exchange, Nordic List, MidCap, and the Group's largest shareholders are Industricentralen Holding AB, Charlotte Ericsson, Anna Vogel and Johan Vogel.

Heba's business is the ownership and management of residential rental and community service properties, primarily in the Stockholm area.

The consolidated financial statements for the financial year and the calendar year 2024 were approved for publication by the Board of Directors on 19 March 2025 and will be finally adopted by the Annual General Meeting on 24 April 2025.

Accounting and valuation principles

The consolidated financial statements have been prepared in accordance with EU-endorsed IFRS Accounting standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as at 31 December 2024. Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, which specifies the additions to IFRS disclosures required by the provisions of the Swedish Annual Accounts Act.

Other new and amended standards approved by the EU and interpretations issued by the IFRS Interpretations Committee are not currently expected to have a material impact on the Group's or the parent company's financial position or results.

Changes to accounting policies

New or revised existing standards effective from 1 January 2024 have not had a material impact on the consolidated financial statements.

New and amended standards not yet applied by the Group

As of 2027, Heba will be subject to the adopted amendments to IFRS 18 Presentation and Disclosures in Financial Statements, which replaces IAS 1. IFRS 18 is expected to have a material impact on the presentation of the consolidated financial statements. The Group has started to evaluate the effects of IFRS 18.

The functional currency of the parent company is the Swedish krona (SEK), which is also the reporting currency of the Group. All amounts are in thousands of SEK unless otherwise stated.

In the Annual Report, items have been valued at cost, except for investment properties and certain financial instruments, which have been valued at fair value. The reports are prepared on a going concern basis.

Fixed assets and non-current liabilities comprise amounts expected to be recovered or due more than 1 year after the balance sheet date. Current assets and non-current liabilities comprise amounts expected to be recovered or due more than 1 year after the balance sheet date.

Corporate acquisitions can be classified as either business combinations or asset acquisitions. Corporate acquisitions whose primary purpose is to acquire the company's property and where the company's management organisation and administration, if any, are of secondary importance to the acquisition, are classified as asset acquisitions. Other corporate acquisitions are classified as business combinations.

Joint arrangements are classified as joint ventures. Joint ventures are companies in which Heba, together with another party, has a joint controlling influence over the business by agreement. A joint venture entitles the joint owners to the net assets of the investment. Joint ventures are accounted for using the equity method, which means that a net item, including any goodwill, is reported in the balance sheet under *Interests in jointly controlled entities*. In the Profit and Loss Account, the share of profit or loss is reported under *Profit or loss from interests in jointly controlled entities*. Joint ventures accounted for using the equity method are initially measured at cost.

Note 2 Accounting policies

2.1 Significant estimates and assumptions for accounting purposes

The preparation of financial statements in conformity with generally accepted accounting principles requires the executive management team and the Board of Directors to make judgements and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and other disclosures. Actual outcomes may differ from estimates made. The area where estimates and assumptions could result in an increased risk of adjustments to the carrying amounts of assets and liabilities is mainly in the valuation of investment properties. These assessments may have a significant impact on the Group's results and financial position. The valuation requires an assessment of future cash flows and the determination of a discount rate (required rate of return). The assumptions and judgements made are set out in Note 18.

2.2 Consolidation

Subsidiaries

In addition to the parent company, the consolidated accounts, which have been prepared in accordance with the acquisition method, include the wholly owned subsidiaries Heba Förvaltnings AB, Heba Stockholm AB, Heba Hyresrätten AB, Heba Bostads AB, Heba Hyreshus AB, Heba Hyresfastigheter AB, Heba Bostadsfastigheter AB, Heba Hyreslägenheter AB, Heba Fastighetsutveckling AB, Heba Fastighetsutveckling Söderort AB, Heba Förvaltning 10 AB, Heba Förvaltning 11 AB, Heba Equity AB as well as Heba Foxtrot AB, with associated wholly owned subsidiaries. Intra-group sales, gains, losses and balances are eliminated in the consolidated accounts. Acquisitions are consolidated from the date on which we obtain control and divestments are consolidated up to the date on which control ceases. Corporate acquisitions can be classified as either business combinations or asset acquisitions. Acquisitions of companies where the main asset is one or more properties without any major property management or administration are usually classified as asset acquisitions. Acquisitions of companies have been classified as asset acquisitions, which means that no deferred tax attributable to the acquisition is reported.

Associated companies and joint ventures

Associated companies and joint ventures are accounted for using the equity method and include companies in which the Group exercises significant influence, but not control, which exists when the holding amounts to at least 20 and at most 50% of the votes and where ownership is part of a lasting relationship. Under the equity method, investments in associated companies and joint ventures are initially reported in the consolidated balance sheet at cost. The carrying amount is subsequently increased or decreased to recognise the Group's share of the results of its associated companies

and joint ventures after the acquisition date. The Group's share of the profit or loss is included in the consolidated result. Dividends from associated companies and joint ventures are reported as a reduction in the carrying amount of the investment. When the group's share of losses in an associated company or joint venture equals or exceeds its interest in that associated company or joint venture (including any non-current receivables that are effectively part of the group's net investment), the group reports no further losses unless it has incurred obligations on behalf of the associated company and joint venture. Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides an indication of impairment of the asset being transferred.

2.3 Revenue

Rental income is reported on a straight-line basis over the rental term. Prepayments of rent are reported as deferred income. Revenue from the sale of property is reported on the date of possession unless the risks and rewards incidental to ownership of the property were transferred to the purchaser at an earlier date. Dividends received are reported as financial income. Interest income and interest subsidies are reported in the income statement in the period to which they relate.

2.3.1 Results from jointly controlled operations and joint ventures

The following describes the policies applied to associated companies and joint ventures engaged in residential property development of commonhold apartments, where Heba then reports its share of the profit or loss in the income statement, Profit or loss from interests in associated companies and joint ventures. In the case of property development of commonhold apartments, revenue is generated from the sale of commonhold apartments to home buyers, who are usually private individuals. Contracts for the purchase of commonhold apartments are concluded with customers on an ongoing basis, usually starting before construction begins. Heba has identified a distinct performance obligation in the agreements: the sale of commonhold apartments. The transaction price is fixed in its entirety. Revenue is reported when the customer has obtained control of the commonhold apartment by virtue of the fact that the customer can use or benefit from the goods, in which case control is deemed to have been transferred. Heba has made the judgement that control of the commonhold apartment passes to the customer at the time the commonhold apartment purchaser gains access to the property. This usually takes place over a short period of time once the residential property has been completed.

2.4 Leasing

Leases are classified as either finance or operating leases for lessors. Leases in which all the risks and rewards incidental to ownership are substantially transferred to the lessee, with some exceptions, IFRS 16 Leases is applied, which means that they are reported in the balance sheet as right-of-use assets. Reported right-of-use assets have been measured at the same value as the reported lease liability as per 1 January 2019. As a lessee, Heba has identified leaseholds as the most significant. Under IFRS 16, leaseholds are considered perpetual leases and are reported at fair value and will therefore not be depreciated. The value of the right-of-use asset remains until the next renegotiation of the relevant ground rent. The lease liability is not amortised, but the value remains unchanged until the relevant ground rent is renegotiated. Heba continuously analyses the valuation of the lease liability based on changes or additional leases. Short-term and low-value leases are reported as an expense on a straight-line basis over the term of the lease, in accordance with practical exceptions available for application.

With regard to assets and liabilities attributable to all leases where Heba is the lessee, with some exceptions, IFRS 16 Leases is applied, which means that they are reported in the balance sheet as right-of-use assets. Reported right-of-use assets have been measured at the same value as the reported lease liability as per 1 January 2019. As a lessee, Heba has identified leaseholds as the most significant. Under IFRS 16, leaseholds are considered perpetual leases and are reported at fair value and will therefore not be depreciated. The value of the right-of-use asset remains until the next renegotiation of the relevant ground rent. The lease liability is not amortised, but the value remains unchanged until the relevant ground rent is renegotiated. Heba continuously analyses the valuation of the lease liability based on changes or additional leases. Short-term and low-value leases are reported as an expense on a straight-line basis over the term of the lease, in accordance with practical exceptions available for application.

2.5 Capitalised expenditure

Balanced expenditure on computer software acquired, developed and adapted on behalf of the Group is reported at cost less depreciation and any impairment losses.

Depreciation according to plan is based on the estimated useful life and is applied to the cost at a rate of 10% per year.

2.6 Investment properties

The Group's properties are held for the purpose of generating rental income and capital appreciation. All properties are classified as investment properties, see Note 18.

Investment properties are reported at fair value at the balance sheet date. Fair value is determined by assessing the market value of each individual valuation object. Discounted cash flow (DCF) is the principal valuation method applied. An estimated future net operating income is calculated over a period of five to fifteen years that takes into account the present value of an assessed market value at the end of the estimation period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the property. All properties, excluding properties under renovation and project properties in the early stages, are valued at year-end at fair value by an external valuer. Savills Sweden AB and Novier Property Advisors AB, independent consultancies with authorised property valuers, have been engaged as external property valuers. Other properties have been valued

internally. In quarters 1, 2 and 3, a rolling external valuation is made of one third of the portfolio and the remaining two thirds are valued internally. Changes in value are reported quarterly in the consolidated statement of comprehensive income, net of investments made during the quarter.

Expenditure that is value-enhancing is capitalised. Regular maintenance, repairs and replacement of minor parts are reported as an expense in the period in which they are incurred. Interest costs are capitalised in the case of major new buildings, extensions or renovations.

The profit on property sales is the difference between the sales price and the fair value according to the most recent quarterly accounts, less investments made during the quarter and direct transaction costs.

The IFRS valuation hierarchy is divided into three levels where, at level 1, quoted prices are available for identical assets in an active market. At Level 2, the valuation is not based solely on observable prices but requires adjustment for the specific asset. At Level 3 valuation, identical assets do not exist and the valuation is based on estimates and valuation techniques.

All properties are categorised at Level 3 of the fair value hierarchy according to IFRS 13, meaning that the value is based on an analysis of each property's status, rental and market situation. There was no reclassification during the year.

2.7 Inventories

Equipment is reported at cost less depreciation and any impairment losses.

Depreciation according to plan is based on the estimated useful life and is applied to the cost at a rate of 20% per year.

2.8 Impairment of non-financial assets

An impairment loss is reported when the carrying amount exceeds the recoverable amount. Assessment is carried out for each individual asset.

2.9 Financial instruments

A financial asset or financial liability is reported in the statement of financial position/balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is removed from the statement of financial position/balance sheet when the rights in the contract are realised, expire or the company loses control over them. A financial liability is removed from the statement of financial position/balance sheet when the contractual obligation is discharged or otherwise extinguished. Financial instruments are reported at amortised cost or fair value, depending on the initial categorisation (categorisation is shown under each financial asset/financial liability below).

Fair value measurement of financial instruments

Official market quotations at the balance sheet date are used to determine the fair value of financial assets and liabilities. Where these are not available, valuation is performed using generally accepted methods such as discounting future cash flows at the quoted market interest rate for the relevant maturity. Fair value is classified from level 1 to level 3 according to IFRS 13 where level 1 is quoted prices for identical assets and liabilities in an active market and where level 3 is fair value based on an analysis of the market situation of the asset and liability. There are no foreign currency assets or liabilities.

Amortised cost

Amortised cost is calculated using the effective interest method, whereby any premiums or discounts and directly attributable costs or income are amortised over the term of the contract using the estimated effective interest rate. The effective interest rate is the interest rate that results in the cost of the instrument when discounting future cash flows.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported at a net amount in the statement of financial position/balance sheet when there is a legal right to offset and when there is an intention to settle the items on a net basis or to realise the asset and settle the liability simultaneously.

2.9.1 Cash and cash equivalents

Cash and bank balances and short-term liquid investments with a maximum maturity of 3 months are classified as cash and cash equivalents. Bank overdrafts are included in loans payable under current interest-bearing liabilities.

2.9.2 Rent receivables

Rent receivables are categorised as financial assets, which means they are reported at amortised cost. As the expected term of the rent receivable is short, it is reported at the amount expected to be received without discounting using the amortised cost method. Impairment losses on rent receivables are reported as an operating expense.

2.9.3 Derivative instruments

Swap contracts entered into where variable interest rates are exchanged for fixed interest rates have not been hedged. Changes in value are therefore reported in the statement of comprehensive income. All interest rate derivatives are valued based on quoted prices in official markets or according to generally accepted calculation methods. The derivatives are classified at Level 2 according to IFRS 13.

2.9.4. Trade payables

Trade payables are categorised as financial assets, which means they are reported at amortised cost. The expected term of trade payables is short, so the liability is reported at its nominal amount without discounting.

2.9.5. Other financial liabilities

Non-current interest-bearing liabilities and current interest-bearing liabilities are categorised as financial liabilities and measured at amortised cost. Interest expense is reported on an ongoing basis in the statement of comprehensive income. Capitalisation occurs when the interest expense is attributable to major new construction, extension or renovation work. Mortgage costs are included in the cost of the property to the extent that they are deemed to add value. Non-current liabilities have an expected maturity of more than 1 year, while current liabilities have a maturity of less than 1 year.

2.10 Segment reporting

Heba's activities include the management of a homogeneous property portfolio. No material differences in terms of risks and opportunities are deemed to exist. The Group's internal reporting system is structured to track geographical areas. Segment reporting according to Note 4 is consistent with internal reporting to the executive management. The segment accounts are consolidated according to the same principles as the consolidated accounts.

2.11 Pensions

Retirement and family pension benefits for employees are covered by insurance with Alecta. According to the statement by the Council for Sustainability and Financial Reporting, UFR 10, this is a multi-employer defined benefit plan. For the financial year 2024, Alecta has not been able to produce the values that make it possible to report this plan as a defined benefit plan. The pension plan under ITP, which is secured through insurance with Alecta, is therefore reported as a defined contribution plan. As at 31 December 2024, Alecta's collective consolidation level was 162% (158).

2.12 Tax

Total tax consists of current tax and deferred tax. Current tax is tax payable or receivable for the current year. It also includes adjustments to current tax relating to prior periods. Deferred tax is calculated using the balance sheet liability method on the basis of temporary differences between the carrying amounts and tax bases of assets and liabilities. Untaxed reserves, including deferred tax liabilities, are reported in the parent company. In the consolidated accounts, however, untaxed reserves are split between deferred tax liabilities and equity. Deferred tax liabilities are reported at the

nominal amount of the difference between the book value and the taxable value of the properties and are included in the statement of financial position/balance sheet. The change in deferred tax for the year is reported in the statement of comprehensive income/income statement.

2.13 Statement of cash flows

The discounted cash flow (DCF) is prepared using the indirect method.

2.14 Parent company accounting policies

The Annual Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and statements from the Swedish Financial Reporting Board. RFR 2 means that the parent company in the annual report for the legal entity shall apply all EU-approved IFRS reporting standards and statements as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made to IFRS Reporting Standards. Under IFRS 9, derivative instruments are also reported at fair value in the legal entity. No hedge accounting is applied and changes in value are reported in the statement of comprehensive income. The differences between the Group's and the Parent Company's accounting policies are as follows:

2.14.1 Investment properties

Buildings and land are reported at cost less depreciation and any impairment losses.

In the case of repairs and alterations, only those works which result in a lasting improvement in performance, through increased rent or reduced costs, are capitalised. In the case of property acquisitions, the buildings are carefully inspected and the necessary measures are costed. The valuation takes the need for repairs and maintenance into account, which are then capitalised after they have been carried out in connection with taking possession.

Depreciation according to plan is based on the estimated useful life and is applied to the cost as follows: buildings 1%, capitalised standard improvements in apartments and public areas 3%. For tax purposes, the maximum allowable depreciation is deducted.

2.14.2 Inventories

The difference between the maximum depreciation allowed for tax purposes and the planned depreciation of equipment is reported in the parent company as accumulated excess depreciation under untaxed reserves.

2.14.3 Shares in subsidiaries

Shares in subsidiaries are reported at cost less any impairment losses. Dividends received are reported as financial income.

2.14.4 Group contributions

Group contributions within the Group are reported in accordance with the alternative rule, i.e. both received and paid Group contributions are reported as appropriations.

2.14.5 Leasing

The parent company does not apply IFRS 16 but uses the exemption in RFR 2 and reports the lease payments from any leases as an expense on a straight-line basis over the term of the lease. The cost of leases relating to leasehold agreements and the cost of other leases are reported in operating profit. Thus, any right-of-use asset and lease liability are not reported in the balance sheet. The parent company is a lessor in respect of rental agreements, see Note 2.3, and a lessee in respect of ground rents, see Note 9. There are also a few leases of minor value, where the parent company is the lessee, that refer primarily to office equipment.

Note 3 Financial risk management and financial derivative instruments

As a net borrower, Heba is exposed to financial risks. In particular, Heba is exposed to interest rate risk, refinancing and liquidity risk, credit and counterparty risk. The Group's financial policy governs how the financial risks must be managed and sets limits, as well as determining which financial instruments can be used.

Interest rate risk

Heba has a relatively low loan-to-value ratio, 44.7%, at year-end. However, the Group is exposed to interest rate risk due to interest-bearing borrowings. Interest rate risk refers to the risk of adverse impact on the Group's financial performance and cash flows due to changes in the market interest rate. How quickly a persistent change in interest levels affects consolidated net financial income depends on the fixed interest duration of borrowings.

In order to limit the effects of interest rate changes, SEK 650.0m has been fixed for 2 years and SEK 3,809.8m for 3 years and longer. The average interest rate for the total loan stock at year-end was 2.81% (2.21). The average fixed interest period was 3.1 (3.5) years. A change in the market interest rate of one percentage point would have an impact on the result of SEK 60.8m for 2024.

Of the interest-bearing liabilities of SEK 6,076.9m (5,628.5), SEK 1,497.1m (-103.9) and overdraft facilities of SEK 0m (0) carry variable interest rates.

Heba has established a commercial paper program with a framework amount of SEK 4,000m. Heba had outstanding commercial paper of SEK 523m (50) at the end of the reporting period. Heba always has unused credit commitments to cover outstanding commercial paper. Unused credit commitments amount to SEK 2,032.0m (2,232.0), including the unused portion of the overdraft facility of SEK 132.0m (132.0).

The fixed interest rate structure and average interest rates as at 31 December 2024 are shown on the following table.

Fixed interest rate structure 31 December 2024

Maturity	Volume, SEKm	Average interest rate %	Share %
< 1 year	1,617.1	5.94	27
1-2 years	650.0	1.64	11
2-3 years	750.0	1.76	12
3-4 years	400.0	1.97	7
4-5 years	1,100.0	2.06	18
5-6 years	630.0	1.57	10
6-7 years	580.0	1.97	10
7-8 years	349.8	2.59	6
8-9 years	-	-	-
9-10 years	-	-	-
Total	6,076.9	2.98	100

The table shows all agreed rates for the respective maturities via loans and interest rate derivatives. The table also includes interest rate derivatives with future start dates, consequently the average interest rate may differ from the rate that Heba is currently paying. The average rate for period 1 includes the credit margin for all loans at variable rates. This also includes the variable component of interest rate swaps, which are traded at no margin, so the average interest rate within 1 year does not reflect the current borrowing rate.

Derivative financial instruments

In order to limit interest rate risks, the floating rate has been fixed by means of interest rate derivatives (interest swaps). In total, Heba has signed interest rate swaps totalling SEK 3,400.0m (4,450.0), of which SEK 400m relates to interest rate swaps with future start dates in 2025 and 2026. As at 31 December 2024, the fair value of the derivatives amounted to SEK 55.0m (99.5).

Interest rate derivatives are reported at fair value in the statement of financial position. Fair value has been calculated based on quoted prices in official markets or according to generally accepted calculation methods. The derivatives are classified at Level 2 according to IFRS 13. Offsetting for all derivatives is provided for in ISDA agreements, which gives the right to offset receivables against payables to the same counterparty. Swap contracts signed involve the exchange of floating interest rates on underlying loans for fixed interest rates. Hedge accounting is not applied and changes in value are reported in the statement of comprehensive income.

Refinancing and liquidity risk

Refinancing and liquidity risk refers to the risk of higher costs and limited funding opportunities when loans are rolled over and the risk that payment obligations cannot be met due to insufficient liquidity. Heba minimises risk through good profitability and an equity ratio of at least 40%. Loans are raised only from highly rated lenders and the maturity structure of the loan debt is managed. Interest-bearing liabilities at 31 December 2024 amounted to SEK 6,076.9m (5,628.5), of which SEK 0m (0) is the utilised portion of the overdraft facility of SEK 132.0m (132.0).

The cash conversion cycle structure for Heba's property loans as at 31 December 2024 is shown on the following table.

Cash conversion cycle structure 31 December 2024

Maturity	Credit agreement SEKm	Utilised SEKm
Commercial paper program	4,000.0	523.0
< 1 year	1,333.0	1,201.0
1-2 years	1,930.0	1,030.0
2-3 years	1,560.0	560.0
3-4 years	440.0	440.0
4-5 years	321.4	321.4
5-6 years	1,138.0	1,138.0
6-7 years	330.0	330.0
7-8 years	533.5	533.5
8-9 years	-	-
9-10 years	-	-
Total	11,585.9	6,076.9

The fair value does not deviate significantly from the nominal value. For non-current interest-bearing liabilities, the deficit amounts to SEK 47.7m (79.4).

Cash flows projected as at 31 December 2024 (amounts in SEKm)

Year	Maturing loans	Interest on loans	Interest rate derivatives	Total
2025	1,724.0	159.0	-28.9	1,854.0
2026	1,030.0	121.5	-25.8	1,125.7
2027	560.0	98.1	-20.0	638.1
2028	440.0	80.4	-13.5	506.9
2029	321.4	59.8	-6.0	375.1
2030	1,138.0	30.5	-1.9	1,166.7
2031	330.0	20.4	-1.2	349.2
2032	533.5	7.4	-	541.0
2033	-	-	-	-
Total	6,076.9	577.2	-97.3	6,556.8

When calculating interest on loans, an unchanged Stibor rate has been assumed during the credit period. The liquidity flow for interest rate derivatives consists of a fixed paid part minus a variable paid/retained part. When calculating the variable part, the Stibor rate on the balance sheet date has been used over the entire term of the derivative.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that the counterparty in a transaction is unable to fulfil its obligations and thus causes a loss to the Group. To limit counterparty risk, only counterparties with high credit ratings are accepted and exposure per counterparty is limited.

Commercial credit risk within the Group is limited because there is no significant concentration of credit risk in relation to any particular customer or other counterparty. The single largest contract accounted for by the single largest tenant is slightly less than 2.8% of the Group's total rental income.

Impairment losses

Accumulated impairment losses have been reported on rent receivables as follows (see also Note 26):

	Group		Parent company	
	2024	2023	2024	2023
Rent receivables	5,604	3,960	3,281	2,296
Expected credit losses	-2,985	-2,201	-1,678	-1,369
Total rent receivables	2,619	1,759	1,603	927

Note 4 Segment reporting

Group 2024	City centre	Stockholm Immediate suburbs	Northwest	Northeast	Southwest	Southeast	Total Group
Rental income	62,428	155,627	36,103	189,149	102,853	15,601	561,761
Property costs							
Operating costs	-16,539	-44,925	-10,337	-46,742	-28,775	-3,331	-150,649
Maintenance costs	-532	-869	-133	-524	-248	-	-2,307
Property tax	-1,504	-1,323	144	-1,011	-1,285	-76	-5,054
Net operating income (NOI)	43,853	108,510	25,777	140,872	72,545	12,194	403,751
Change in value							
Property, unrealised	-29,400	45,712	27,898	4,250	1,668	-12,275	37,853
Profit/Loss	14,453	154,222	53,675	145,122	74,213	-81	441,604
Assets							
Investment properties	1,774,323	3,660,143	999,018	4,460,842	2,237,458	457,402	13,589,186
Right-of-use asset leasehold	58,933	84,983	-	-	-	-	143,916
Financial non-current assets	-	123,473	13	-	121,288	-	244,774
Other fixed assets ¹⁾	2,098	5,851	1,321	6,560	3,840	494	20,165
Other current receivables ¹⁾	4,644	12,948	2,923	14,518	8,499	1,093	44,626
Unallocated assets	-	-	-	-	-	-	123,732
Total assets	1,839,998	3,887,398	1,003,275	4,481,920	2,371,085	458,989	14,166,399
Current non-interest-bearing liabilities							
Distributed liabilities ¹⁾	12,411	34,604	7,812	38,800	22,714	2,925	119,266
Total current non-interest-bearing liabilities	12,411	34,604	7,812	38,800	22,714	2,925	119,266
Investments	10,130	33,156	358,153	22,535	255,466	208,648	888,088

¹⁾ The items are distributed according to a distribution key, weighted area for each area.

Consolidated net operating income (NOI) as above coincides with reported NOI in the statement of comprehensive income. The difference between the net operating income (NOI) of SEK 403,751 thousand (402,132) and the profit before tax of SEK 142,447 thousand (-1,044,109) consists of central administration of SEK -38,922 thousand (-36,516), interest expense on leases of SEK -3,823 thousand (-4,124), net financial items of SEK -136,847 thousand (-142,689), impairment of financial assets SEK -18,000 thousand (-10,632), result from property sales SEK -7,156 thousand (-75,355), interests in associated companies and joint ventures SEK -49,939 thousand (35,929) and unrealised change in value SEK -6,616 thousand (-1,212,854).

Group 2023	City centre	Stockholm Immediate suburbs	Northwest	Northeast	Southwest	Southeast	Total Group
Rental income	57,440	179,851	14,189	89,408	188,638	36,130	565,656
Property costs							
Operating costs	-13,919	-55,524	-4,703	-25,023	-45,222	-9,652	-154,043
Maintenance costs	-392	-1,730	-4	-248	-990	-34	-3,398
Property tax	-1,502	-1,914	-9	-1,269	-868	-520	-6,082
Net operating income (NOI)	41,627	120,683	9,473	62,868	141,558	25,924	402,133
Change in value							
Property, unrealised	-103,786	-353,774	-11,252	-367,830	-224,620	-23,265	-1,084,528
Profit/Loss	-62,159	-233,091	-1,779	-304,962	-83,062	2,659	-682,395
Assets							
Investment properties	1,792,967	3,695,544	802,251	4,201,751	2,209,528	71,204	12,773,245
Right-of-use asset leasehold	44,574	81,710	0	0	0	0	126,284
Financial non-current assets	0	119,722	13	0	156,271	0	276,005
Other fixed assets ¹⁾	1,374	3,864	843	4,220	2,502	0	12,803
Other current receivables ¹⁾	6,053	17,026	3,717	18,595	11,024	0	56,414
Unallocated assets	0	0	0	0	0	0	247,172
Total assets	1,844,968	3,917,866	806,824	4,224,566	2,379,325	71,204	13,491,924
Current non-interest-bearing liabilities							
Distributed liabilities ¹⁾	11,433	32,159	7,021	35,123	20,822	0	106,557
Total current non-interest-bearing liabilities	11,433	32,159	7,021	35,123	20,822	0	106,557
Investments	9,103	112,062	3,694	20,812	114,965	4,782	265,419

¹⁾ The items are distributed according to the distribution key.

Note 5 Rental income

31 December 2024 Contract maturity structure	Number of contracts	Contract value	Share of value
Commercial, maturity			
Year 2025	225	2,369	0%
Year 2026	26	5,154	1%
Year 2027	25	22,477	4%
Year 2028	20	2,873	0%
Other ¹⁾	20	142,472	25%
Total non-residential units	316	175,345	30%
Vacant non-residential units	18	511	0%
Internal contracts	12	3,980	1%
Remodelling project	2	110	0%
Residential properties	3,110	383,955	66%
Garages and car parking spaces	1,382	15,880	3%
Total	4,840	579,780	100%

¹⁾ The greater part refers to contract value of 15 year lease (until 30 November 2029) with tenant Attendo Sverige AB for elderly care facilities in Täby, 15 year lease (until 31 December 2030) with tenant Vardaga Silverhemmet AB for elderly care facilities in Täby, 15 year lease (until 21 April 2031) with tenant Vardaga AB for elderly care facilities in Farsta, 15 year lease (until 30 November 2031) with tenant Frösunde Omsorg AB for elderly care facilities in Sollentuna, 15 year lease (until 31 December 2032) with tenant Vardaga Opalen AB for elderly care facilities in Tyresö, 16 year lease (until 30 September 2034) with tenant Vardaga AB for elderly care facilities in Enköping, 15 year lease (until 14 April 2036) with Vardaga Nytida Omsorg for elderly care facilities in Österåker, 15 year lease (until 03 May 2036) with Humana Omsorg for elderly care facilities in Vallentuna, 20 year lease (until 28 February 2037-02-28) with tenant Stockholms Kommun for Sheltered living in Stockholm, 15 year lease (until 30 April 2037) with Attendo Sverige AB for elderly care facilities in Norrtälje, a 15-year lease (until 31 May 2038) with the tenant Vardaga Opalen AB for elderly care facilities in Tyresö, a 20-year lease (until 04 April 2039) with the Municipality of Salem for elderly care facilities in Salem and a 20-year lease (until 31 October 2040) with the tenant Stiftelsen Stockholms Sjukhem for elderly care facilities in Täby.

The single largest contract accounted for by the single largest tenant is slightly less than 3% of the group's total rental income.

Note 6 Rental income by contract group

	Group		Parent company	
	2024	2023	2024	2023
Residential properties	394,716	422,561	187,041	195,126
Non-residential units, other	25,353	28,787	18,744	21,323
Non-residential units, community service properties	131,347	108,664	-	-
Garages and car parking spaces	15,032	12,051	8,408	6,107
Intra-group services	-	-	28,844	26,252
Other income	-	-	443	1,942
Unrented, internal contracts, etc.	-4,687	-6,408	-6,353	-5,742
Total	561,761	565,655	237,127	245,008

Note 7 Operating costs

	Group		Parent company	
	2024	2023	2024	2023
Heating costs	19,926	20,285	9,965	9,486
Property maintenance	76,097	81,483	36,113	40,953
Property management	43,625	40,389	38,237	37,759
Other operating costs	11,002	11,887	5,960	6,489
Total	150,650	154,044	90,275	94,687

Note 8 Employees and personnel costs

	Group		Parent company	
	2024	2023	2024	2023
Number of employees				
Average number of employees	42	46	42	46
Of which women	21	20	21	20

Wages, salaries and social security costs have been reported as expenses as follows:

	Group		Parent company	
	2024	2023	2024	2023
Salaries and allowances	35,326	36,203	35,326	36,203
Social costs	19,095	19,302	19,095	19,302
(of which pension costs)	7,753	7,496	7,753	7,496

ITP premiums charged for the year, excluding premiums for the CEO, totalled SEK 2,864 thousand (2,436). See also Note 2.11 regarding reporting of ITP plan at Alecta. Of the Group's and Parent Company's pension costs, SEK 1,213 thousand (1,161) relates to the CEO and SEK 1,668 thousand (1,553) to other senior executives.

The Board of Directors of Heba consists of 5 (5) members. Other senior executives totalled 6 (6) during the year.

Salaries and other remuneration distributed between the Board of Directors and other employees have been expensed as follows:

	Group		Parent company	
	2024	2023	2024	2023
Chairman of the Board of Directors	540	510	540	510
Board of Directors	960	920	960	920
CEO	4,277	4,142	4,277	4,142
Other senior executives, 5 (5)	5,941	5,835	5,941	5,835
Other employees, 42 (41)	23,608	24,796	23,608	24,796
Total	35,326	36,203	35,326	36,203

Chairman and other members of the Board of Directors

In accordance with the decision of the Annual General Meeting, fees to the Board totalled SEK 1,500 thousand (1,430), of which SEK 540 thousand (510) was paid to the Chairman of the Board, Lennart Karlsson, and SEK 240 thousand (230) each to Board members Lena Hedlund, Christina Holmbergh, Birgitta Leijon and Johan Vogel. There are no other benefits or variable remuneration for the Board of Directors.

The fees are paid half-yearly in arrears, with 50% in December and 50% after the next year's Annual General Meeting. There is no special fee for committee work.

Chief Executive Officer

Salary and other taxable benefits totalling SEK 4,457 thousand were paid to CEO Patrik Emanuelsson. No variable remuneration has been paid. Taxable benefits in addition to salary to the CEO totalled SEK 170 thousand (165). For the CEO, pension contributions and health insurance are paid at 28% of the fixed monthly salary. The retirement age is 65 and the pension cost in 2024 totalled SEK 1,213 thousand (1,161) for the CEO.

The period of notice to be given by the Chief Executive Officer is 6 months and 12 months to be given by the company. In the event of termination by the company, a severance payment amounting to six months' cash salary is received. In the event of the Chief Executive Officer resigning, no severance pay is payable. The Board of Directors decides on the CEO's salary and other conditions.

Other senior executives

Taxable benefits in addition to salary totalling SEK 498 thousand (461) have been paid to five other senior executives. Defined benefit pension is paid according to ITP plan. The retirement age is 65 and the pension cost in 2024 totalled SEK 1,408 thousand (1,188). The defined contribution pension cost in 2024 totalled SEK 259 thousand (365).

Share-based payments

Long-term incentive program - LTI 2021

The program covered all employees within the Heba Group during the vesting period 30 September 2021 - 30 September 2024. Participation required a personal investment in the company's shares. Each share held (maximum 200) gave a savings share right for which the employee receives one share in the company free of charge provided that the vesting conditions of the LTI program are met. In December 2024, 6,600 shares were issued to 32 participants.

Gender distribution among senior executives

Group and parent company	2024	2023
Percentage of women		
Board of Directors	60%	40%
Senior executives	69%	67%

Absence due to illness

Group and parent company	2024	2023
Total sickness absence	2%	2%
- absence due to illness, women	2%	2%
- absence due to illness, men	3%	2%
- employees -29 years old	4%	4%
-- employees 30-49 years old	3%	2%
- employees 50+ years old	2%	1%

Note 9 Right-of-use assets and lease liabilities

	Group	
	2024	2023
Opening value 1 January 2023	126,284	156,733
Change for the year	17,632	2,584
Less sold properties	-	-33,033
Total	143,917	126,284

Under IFRS 16, all leases longer than 12 months must be reported in the consolidated statement of financial position. The standard also covers the accounting for leasehold agreements. Heba's leasehold agreements are the most important leasehold agreements where Heba is the lessee. There are also a few leases of minor value that refer primarily to office equipment. Leasehold agreements are reported at the estimated present value of future ground rents. An average discount rate of 3% is used in the present value calculation. See also Note 1, Accounting and valuation principles.

Maturity structure of lease liabilities

	Group		Parent company	
	2024	2023	2024	2023
Maturity date 1 year	-	1,108	-	1,108
Maturity date 2-5 years	1,042	1,042	297	297
Maturity date after 5 years	3,276	1,639	2,794	1,090
Sold properties	0	-	0	-
Total	4,318	3,789	3,091	2,495

Note 10 Central administration

The costs of central administration include, among other things, the costs of the executive management team, the Board of Directors, data, marketing, stock exchange costs, financial statements, audit fees and depreciation of office equipment.

The remuneration of the Group's auditors is set out below:

	Group		Parent company	
	2024	2023	2024	2023
The audit assignment	2,577	2,179	2,577	2,179
Audit activities over and above the audit assignment	-	313	-	-
Other services	244	402	244	402
Total	2,821	2,894	2,821	2,581

The audit assignment means the statutory audit of the annual and consolidated accounts and the accounting records, as well as audits and other reviews performed in accordance with an agreement or contract. This includes other tasks that are incumbent on the company's auditor, as well as advice or other assistance arising from observations made during such an audit, or the performance of such other tasks. Everything else is other assignments.

Note 11 Gain or loss from divestment of property

	Group		Parent company	
	2024	2023	2024	2023
Profit/Loss on divestment of property	-7,156	-75,355	-8,791	-31,880
Total	-7,156	-75,355	-8,791	-31,880

Note 12 Financial income

	Group		Parent company	
	2024	2023	2024	2023
Dividends from shares in subsidiaries	-	-	75,000	750,000
All-inclusive fire insurance dividend	795	747	795	747
Interest income	4,448	8,660	2,692	8,287
Interest income, associated companies	19,960	24,928	4,197	7,680
Interest income, group companies	-	-	88,333	90,507
Total	25,203	34,335	171,018	857,220

Note 13 Interest expenses

	Group		Parent company	
	2024	2023	2024	2023
Interest expense, credit institutions	162,178	179,178	33,879	63,848
Capitalised interest expense	-223	-2,216	-223	-2,216
Interest expense, subsidiaries	-	-	26,757	19,039
Other interest expenses	95	63	18	16
Total	162,050	177,024	60,431	80,687

Note 14 Changes in value

Investment properties

The total change in value during the year amounted to SEK 37,853 thousand (-1,084,528) thousand, corresponding to 0.3% (-6.9). As at year-end, all of the investment properties, excluding properties currently undergoing renovation and project properties in early phases, were valued externally – half by Savills Sweden AB and half by Novier Real Estate AB. All properties are categorised at Level 3 of the fair value hierarchy according to IFRS 13, meaning that the value is based on an analysis of each property's status and rental/market situation. Discounted cash flow (DCF) is the principal valuation method applied. An estimated future net operating income is calculated over a period of five to fifteen years that takes into account the present value of an assessed market value at the end of the estimation period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the properties. Comparison and analysis of completed property transactions in each sub-market were also performed. The average yield requirements were 4.5% (4.2%) for externally valued community service properties and 3.3% (3.2%) for residential properties. The total average yield requirement for externally valued properties is 3.6% (3.4%). There were relatively few transactions related to community service properties used for elderly care facilities in 2024, but quoted transactions showed that yield requirements had been increased which is why this category decreased in value during 2024. Average property yields for residential properties also increased, but considering rent uplifts, there was less impact on nominal values. The total change in value was also affected by Heba's acquisition of four community service properties used for elderly care facilities and sale of two residential properties during the year. For more information see also pages 62–65 and Note 18.

Interest rate derivatives

The change in value of interest rate derivatives totalled SEK -44,469 thousand (-128,326). The derivatives portfolio remains overvalued as a result of higher market interest rates.

All interest rate derivatives are valued according to the IFRS Level 2 valuation hierarchy. Hedge accounting is not applied and changes in value are reported in the statement of comprehensive income.

Note 15 Appropriations

	Parent company	
	2024	2023
Over-depreciation of equipment	211	-868
Group contribution	42,865	-49,399
Total	43,076	-50,267

Note 16 Tax

	Group		Parent company	
	2024	2023	2024	2023
Current tax				
Tax expense for the year	-928	-	-	-
Tax attributable to previous years	-1,534	338	-	-
Deferred tax				
Untaxed reserves in Group companies	-721	2,072		
Financial instruments	9,161	26,435	9,161	26,435
Loss carry-forwards	-10,293	-1,343	-21,753	11,084
The difference between the book and tax values of the properties	-39,456	304,285	-753	-4,087
Total	43,772	331,788	-13,345	33,432
Reported profit or loss before tax	142,447	-1,044,089	134,553	585,898
Tax at current rate, 20.6%	-29,344	215,082	-27,718	-120,695
Tax attributable to previous years	-1,534	338	-	-
Tax effect of interest deduction limitation	-7,324	-15,175	15,808	5,307
Tax-free anticipated dividends on shares in subsidiaries			7,416	142,861
Tax effect of interests in associated companies	-10,288	-		
Reversal of deferred tax on sale	17,459	135,261	-	-
Unreported deferred tax on temporary differences	747	-7,534	-	-
Tax effect of unreported taxable income	-8,648	-	-8,648	6,169
Tax effect on non-taxable income	221	176	208	159
Tax effect of non-deductible expenses	-4,225	-2,571	-311	-369
Other tax adjustments	195	6,210	-101	-
Total	-43,772	331,788	-13,345	33,432
Effective tax rate	30.7%	31.8%	9.9%	-5.7%

Note 17 Balanced expenditure

	Group		Parent company	
	2024	2023	2024	2023
Opening acquisition cost	12,447	12,447	12,447	12,447
Investments	5,707	0	5,707	0
Closing acquisition cost	18,154	12,447	18,154	12,447
Opening accumulated amortisation	-7,115	-6,060	-7,115	-6,060
Amortisation for the year	-1,230	-1,055	-1,230	-1,055
Closing accumulated amortisation	-8,345	-7,115	-8,345	-7,115
Closing planned residual value	9,809	5,332	9,809	5,332

Balanced expenditure relates mainly to IT costs where Heba has acquired software developed and used on behalf of the group.

Note 18 Investment properties

	Group	
	2024	2023
Investment properties		
Opening balance	12,773,245	15,718,184
Investments	888,089	327,367
Disposals	-110,000	-2,187,777
Unrealised change in value	37,852	-1,084,529
Closing balance	13,589,186	12,773,245
Taxable values		
Buildings	4,236,213	4,059,040
Land	2,357,129	2,395,881
Of which land leaseholds	-523,779	-523,779
Total	6,069,563	5,931,142

Investment properties in the parent company are considered as inventory assets for tax purposes.

The Group's properties are held for the purpose of generating rental income and capital appreciation. All properties are classified as investment properties.

The property portfolio consists of residential properties and elderly care facilities in the Stockholm and Mälaren regions. Half of the properties were built in the 1940s, 1950s and 1960s. More than 90% of the portfolio consists of either newly built properties or properties renovated to as new condition. The renovation work has been carried out at a high pace over the past ten years and can be summarised as Heba having carried out plumbing replacements for, and renovated, around 1,440 apartments.

Capitalised interest expense during the year amounts to SEK 223 thousand (2,216).

Material commitments

The Group has no material commitments to report.

Property valuation

56 properties have been externally valued by Savills Sweden AB or Novier Real Estate AB, both of which are independent consulting firms with authorised property valuers. As of the reporting date, two of the properties had been valued by external, independent valuation firms and the reported fair value of these two properties is the average of the aforementioned valuations. A property that constitutes an ongoing new construction project has been internally valued by Heba. The purpose of the valuation is to assess the market value of the various valuation objects. Market value means the most likely price in a normal sale of the valuation object on the open market.

The valuations were carried out by analysing the status, rental and market situation of each property.

The main method used in the valuation was a cash flow calculation of each property, which involves calculating the present value of estimated future net operating income and investments. To this is added the present value of an estimated residual value at the end of the calculation period. For most of the valuations, a five to fifteen year projection period has been used. Comparison and analysis of completed property transactions in each sub-market were also performed.

The following assumptions and judgements have been used in the individual valuations;

- The inflation rate for 2025 has been estimated at 1.0–2.0% and for the remainder of the projection period at 2.0% per year.
- For the residential properties that do not have their own rent setting, the rent increase for 2025 was only known for two properties at the time of the valuation. In cases where the rent increase was known, the valuers obtained information from Heba. For properties where the rent increase for 2025 was not known, Novier increased rents for 2025 by 2.25 to 4.5%. For the following years, it is assumed that rents will follow inflation. Savills assumed an estimated rent increase for 2025 of 3.0 to 5.0% and 2.0 to 3.5% for 2026. Rent increases are expected to follow inflation for the remainder of the projection period. For properties with multi-year agreements for residential properties, known as self-assessed rent, the valuers have made their own assessment of the rent trend. For non-residential units, future rent development has been based on the current contracts. Rents at the end of the current term are adjusted to the estimated market rent.
- The long-term economic vacancy rate within the portfolio varies between 0.1 and 5.0%, with an average of 1.1%.
- The discount rate and required rate of return are based on analyses of completed transactions, as well as individual assessments of the level of risk and the market position of the property. The valuations use a discount rate ranging from 3.8 to 6.8%, with an average of 5.5% and a required rate of return ranging from 1.8 to 4.9%, with an average of 3.6%.

Heba's activities include the management of a homogeneous property portfolio. No material differences in terms of risks and opportunities are deemed to exist. All properties are classified at Level 3 according to IFRS 13. See also Note 2.10 Segment reporting.

The required rate of return, the increase in value and the book value excluding ongoing projects break down as follows:

Area	Property yield (%)	Value increase (%)	Area (m ²)	Book value (SEK/m ²)
City centre	1.8–4.2	-1.6	26,790	66,200
Stockholm Immediate suburbs	2.6–4.7	1.2	72,688	50,400
Northwest	3.4–4.7	39.2 ¹⁾	20,735	48,200
Northeast	2.9–4.9	0.2	86,541	51,500
Southwest	3.7–4.4	0.0	49,032	45,600
Southeast	4.6–4.7	-1.5	7,575	48,300
Total	1.8–4.9	0.3	263,361	51,300

¹⁾ Relates to acquisitions made during the year.

Sensitivity analysis

Parameter	unit	number	Change in value residential properties		Change in value community services	
			SEK thousand	%	SEK thousand	%
Discount rate	%-units	0.5	-361,971	-3.5%	-120,551	-4.1%
Discount rate	%-units	-0.5	381,105	3.7%	127,953	4.3%
Yield requirement	%-units	0.5	-1,181,511	-11.5%	-246,616	-8.3%
Yield requirement	%-units	-0.5	1,661,631	16.1%	310,744	10.5%
Rental value	%	2	253,731	2.5%	57,496	1.9%
Rental value	%	-2	-251,731	-2.4%	-55,496	-1.9%
Operation and maintenance cost	%	10	-291,118	-2.8%	-31,952	-1.1%
Operation and maintenance cost	%	-10	294,123	2.9%	32,952	1.1%

The required rate of return, discount rate, long-term vacancy and operation and maintenance are broken down by our categories as follows:

Category	Property yield (%)	Discount rate (%)	Long-term vacancy rate (%)	Operation and maintenance (SEK/m ²)
Residential properties	1.8–4.3	3.8–6.1	0.1–1.6	384–600
Community service properties	4.2–4.9	6.1–6.8	2.0–5.0	185–413
Average	3.6	5.5	1.1	422

	Parent company	
	2024	2023
Buildings		
Opening acquisition cost	2,573,468	2,710,393
Investments	47,820	106,352
Reclassification	-11,083	-7,376
Disposals	-36,306	-235,901
Closing acquisition cost	2,573,900	2,573,468
Opening accumulated amortisation	-246,800	-250,409
Disposals	5,075	30,602
Amortisation for the year	-25,038	-26,993
Closing accumulated amortisation	-266,763	-246,800
Total building	2,307,136	2,326,668
Land		
Opening acquisition cost	51,359	62,112
Investments	1,849	3,717
Disposals	-2,325	-14,469
Closing acquisition cost	50,882	51,359
Closing planned value	2,358,019	2,378,027
Taxable values		
Buildings	2,021,984	2,021,022
Land	1,647,880	1,696,126
Of which land leaseholds	-379,321	-379,321
Total	3,290,543	3,337,827

Investment properties in the parent company are considered as inventory assets for tax purposes. Capitalised interest expense during the year amounts to SEK 223 thousand (353).

Note 19 Inventories

	Group		Parent company	
	2024	2023	2024	2023
Opening acquisition cost	15,153	15,703	14,840	15,390
Investments	5,659	3,898	2,941	3,898
Sales and disposals	-1,801	-4,448	-1,801	-4,448
Closing acquisition cost	19,011	15,153	15,980	14,840
Opening accumulated amortisation	-7,683	-8,614	-7,370	-8,301
Sales and disposals	1,602	3,265	1,602	3,265
Amortisation for the year	-2,574	-2,334	-2,369	-2,334
Closing accumulated amortisation	-8,655	-7,683	-8,137	-7,370
Closing planned residual value	10,356	7,470	7,843	7,470

Depreciation on equipment has been allocated as follows:

	Group		Parent company	
	2024	2023	2024	2023
Operating costs	1,821	1,601	1,616	1,601
Central administration	753	733	753	733
Total	2,574	2,334	2,369	2,334

Note 20 Interests in associated companies and joint ventures

Company	Company registration number and registered office	Ownership share %	Carrying amount 2024
ÅSF 2 AB	556952-8382, Stockholm	50.0	324
VBT Utvecklings AB	559273-5160, Stockholm	50.0	610
Åke Sundvall i Rosendal 1 AB	559257-1607, Stockholm	50.0	58
Big Valley AB	559274-0244, Stockholm	50.0	26
Fastighets AB Archipelwald	559307-3736, Stockholm	50.0	9
Total	Total		1,027

	Group	
	2024	2023
Carrying amount at year-start	14,296	20,305
Acquisitions	0	-
Supplements	50,920	16,062
Dividends	-14,250	-58,000
Share of profit of associated companies for the year	-49,939	35,929
Divestment	-	-
Value at year-end	1,027	14,296

Summary of the financial position of associated companies as at 31 December 2024

Balance sheet

	ÅSF 2 AB	VBT Utvecklings AB	Åke Sundvall i Rosendal 1 AB	Big Valley AB	Fastighets AB Archipelwald
Fixed assets	25	340		123,507	12
Current assets	84	41,971			
Cash and cash equivalents	149	43	177	19	25
Shareholders' equity	37	311	127	52	18
Liabilities	221	42,043	50	123,474	19

Income statement

	ÅSF 2 AB	VBT Utvecklings AB	Åke Sundvall i Rosendal 1 AB	Big Valley AB	Fastighets AB Archipelwald
Turnover					
Operating costs	-35	-24	-25	-29	-13
Profit or loss from interests in Group companies	-821	-93,787	37		
Interest income				397	
Interest expenses	-3		-4	-7,154	
Tax					
Profit or loss for the year	-859	-93,811	8	-6,786	-13

Note 21 Receivables from associated companies and joint ventures

Receivables from associated companies and joint ventures	Group		Parent company	
	2024	2023	2024	2023
Non-current receivables				
Joint Venture project Bredäng, Panorama	111	-	-	-
Joint Venture project, Vårbergstoppen	112,921	155,958	10,420	13,795
Joint Venture project Rosendal, Uppsala	-	-	-	-
Joint Venture project Skarpnäck	20	6	-	-
Joint Venture project Big Valley	123,473	119,691	-	-
Total	236,525	275,655	10,420	13,975

The receivables bear interest at market rates. The receivable from the Joint Venture project Vårbergstoppen has been reduced by SEK 8,250 thousand (-) due to a debt to a company within the project.

Maturity structure of non-current receivables	Group		Parent company	
	2024	2023	2024	2023
Maturity date 1-5 years	113,052	155,964	10,420	13,795
Maturity date > 5 years	123,473	119,691	-	-
Total	236,525	275,655	10,420	13,795

Non-current receivables are measured at amortised cost.

Note 22 Other non-current securities holdings

	2024	2023
Carrying amount at year-start	18,073	25,197
Acquisitions	-	3,509
Impairment losses	-18,000	-10,633
Carrying amount at close of year	73	18,073

Heba owns two unlisted shareholdings, Colive AB and Nya Boendet Development Eftr AB. The shares are valued at amortised cost plus acquisition costs.

As of 31 December 2024, an impairment requirement of SEK 18,000 thousand (10,633) was identified in Colive AB as a result of changed market conditions.

Note 23 Other non-current receivables

	2024	2023
Other non-current receivables	31,179	31,638
Total	31,179	31,638

Non-current receivables are measured at amortised cost. The amount includes the receivable from the seller. The claim falls due for payment in October 2025.

	2024	2023
Opening balance	31,638	19,154
Incoming	360	30,000
Outgoing	-819	-17,516
Closing balance	31,179	31,638

Note 24 Shares in subsidiaries

Specification of the parent company's holdings of shares in subsidiaries

Directly owned subsidiaries	Company reg. no./ Registered Office/Business	Number	Share (%)	Book value	Shareholders' equity
Heba Förvaltnings AB	556601-0657, Stockholm	1,000	100	270	13,061
Heba Stockholm AB	556793-0374, Stockholm	1,000	100	7,090	56,734
Heba Hyresrätten AB	556861-6121, Stockholm	500	100	6,600	13,427
Heba Bostads AB	559067-9543, Stockholm	500	100	50	3,932
Heba Hyreshus AB	559099-4207, Stockholm	500	100	6,212	9,624
Heba Hyresfastigheter AB	559152-9358, Stockholm	500	100	5,710	4,208
Heba Bostadsfastigheter AB	559183-3727, Stockholm	500	100	50	2,045
Heba Hyreslägenheter AB	559183-3610, Stockholm	500	100	2,135	3,728
Heba Fastighetsutveckling AB	559239-0115, Stockholm	500	100	25	25,824
Heba Fastighetsutveckling Söderort AB	559272-3570, Stockholm	500	100	150	8,269
Heba Förvaltning 10 AB	559325-3973, Stockholm	500	100	9,050	4,735
Heba Förvaltning 11 AB	559336-6064, Stockholm	500	100	650	83,030
Heba Equity AB	559345-5776, Stockholm	500	100	550	608
Heba Foxtrot AB	559408-0854, Stockholm	25,000	100	25	17,463
Total				38,567	246,688

Subsidiaries' sub-groups	Company reg. no./ Registered Office/Business	Number	Share (%)	Book value	Shareholders' equity
Heba Hägernäs Strand AB	556694-1786, Stockholm	1,000	100	7,221	14,322
Heba Liljeholmsplan AB	556675-5509, Stockholm	1,000	100	586	18,267
Heba Huddinge AB	556988-2508, Stockholm	500	100	50	86,437
Heba Råcksta AB	556847-7730, Stockholm	500	100	25,803	351
Heba Farsta AB	556866-2794, Stockholm	500	100	129,096	18,703
Heba Enhagen AB	556896-7466, Stockholm	50,000	100	43,289	11,048
Heba Viby AB	556987-6260, Stockholm	500	100	64,232	15,743
Heba Flemingsberg AB	556950-2163, Stockholm	500	100	58,660	42,080
Heba Enköping Ilian AB	559334-6595, Stockholm	25,000	100	23,243	582
Heba Romberga Enköping AB	559194-9036, Stockholm	500	100	47,413	6,341
Heba Tullinge AB	559075-2753, Stockholm	50,000	100	18,999	10,647
Heba Årstaberget	556829-1016, Stockholm	1,000	100	3,798	2,869
Heba Tibble AB	556877-6024, Stockholm	500	100	104,556	9,264
Heba Salem AB	556957-5763, Stockholm	4,000	100	96,009	6,070
Heba Hökarängen Ungdomsbostäder AB	559159-9898, Stockholm	50,000	100	6,729	7,342
Heba Norr 1 AB	559090-6607, Stockholm	50,000	100	34,576	2,737
Heba Norrtälje AB	559041-8504, Stockholm	50,000	100	54,243	10,595
Heba Silverdal AB	559160-5943, Stockholm	500	100	20,667	11,282
Heba Norr 2 AB	559142-6407, Stockholm	1,000	100	8,194	1,065
Heba Täby Park AB	559107-8372, Stockholm	500	100	63,921	19,693
Heba Österåker AB	556951-8003, Stockholm	50,000	100	16,206	4,159
Heba Gråalen 1 AB	559041-8538, Stockholm	50,000	100	5,654	9,119
Heba Vallentuna Blå AB	559152-8939, Stockholm	50,000	100	77,501	351
Heba Liljefors Torg AB	556802-9747, Stockholm	5,000	100	268,948	5,412
Heba Sittesta Gul AB	559323-7687, Stockholm	25,000	100	2,229	337
Heba Sittesta Vit AB	559332-6001, Stockholm	25,000	100	799	193
Heba Sittesta Röd AB	559332-6027, Stockholm	25,000	100	1,670	453
Heba Gränby Bostad AB	559461-4231, Stockholm	50,000	100	300	1,739
Heba Tyresö AB	556963-0246, Stockholm	50,000	100	208,869	17,699
Heba Äppelträdgården 1 AB	559137-8517, Stockholm	50,000	100	94,674	1,359
Heba Enköping Idun AB	556712-4986, Stockholm	100,000	100	142,035	5,403
Heba Sittesta Förvaltning AB	559484-4101, Stockholm	500	100	250	204
Heba Close to Home Coworking AB	559262-8472, Stockholm	1,000	100	1,250	1,250
Total				1,631,670	343,116

Note 25 Non-current receivables from and payables to Group companies

	Parent company	
	2024	2023
Receivables at year-start	2,943,332	3,983,580
Amortisation	-342,314	-1,150,153
New lending	1,035,003	109,905
Total	3,636,021	2,943,332

	Parent company	
	2024	2023
Liabilities at year-start	1,267,582	384,390
Amortisation	-640,251	-117,384
New loans	84,821	1,000,576
Total	712,152	1,267,582

Specification of receivables from Group companies

	Parent company	
	2024	2023
Heba Bostads AB	28,676	29,316
Heba Bostadsfastigheter AB	24,962	26,007
Heba Enköping Ilian AB	12,863	13,339
Heba Close to Home Coworking AB	4,405	-
Heba Romberga Enköping AB	221,128	225,111
Heba Equity AB	332	9,362
Heba Fastighetsutveckling AB	77,181	89,120
Heba Fastighetsutveckling i Söderort AB	123,800	120,434
Heba Flemingsberg	263,276	274,783
Heba Foxtrot AB	12,462	-
Heba Förvaltnings AB	35,964	34,994
Heba Förvaltning 10 AB	488,497	295,221
Heba Förvaltning 11 AB	-	64,533
Heba Gråalen AB	2,736	2,921
Heba Gränby Bostad AB	-	283
Heba Hyresfastigheter AB	133,425	131,012
Heba Hyreshus AB	179,272	174,489
Heba Hyreslägenheter AB	842,587	379,503
Heba Hyresrätten AB	301,147	291,216
Heba Hökarängen Ungdomsbostäder AB	111,325	12,949
Heba Norr 1 AB	46,581	45,556
Heba Norr 2 AB	3,938	3,831
Heba Norrtälje AB	-	981
Heba Silverdal AB	138,056	143,054
Heba Sittesta Gul AB	12,389	4,115
Heba Sittesta Röd AB	8,471	2,894
Heba Sittesta Vit AB	3,213	1,133
Heba Stockholm AB	110,985	0
Heba Tullinge AB	27,844	31,626
Heba Tyresö AB	113,890	-
Heba Täby Park AB	114,894	336,981
Heba Österåker AB	191,722	198,567
Total	3,636,021	2,943,332

Specification of liabilities with Group companies

	Parent company	
	2024	2023
Heba Enhagen AB	32,230	20,563
Heba Enköping Idun AB	2,806	-
Heba Farsta AB	54,254	50,416
Heba Foxtrot AB	-	506,622
Heba Förvaltning 11 AB	12,185	-
Heba Gränby Bostad AB	2,428	-
Heba Huddinge AB	85,702	53,359
Heba Hägernäs Strand AB	25,460	24,134
Heba Liljeholmsplan AB	79,364	82,840
Heba Liljefors Torg AB	39,176	50,402
Heba Norrtälje AB	10,169	-
Heba Räcksta AB	11,866	14,923
Heba Salem AB	93,846	93,039
Heba Stockholm AB	-	115,870
Heba Tibble AB	94,773	94,334
Heba Vallentuna Blå AB	152,460	148,631
Heba Viby AB	10,592	9,850
Heba Årstaberget AB	3,301	2,600
Heba Äppelträdgården 1 AB	1,540	-
Total	712,152	1,267,582

Receivables from and payables to Group companies bear interest at market rates.

For market rates, Heba has assumed the interest rate (average) to the Group companies at which the parent company borrows from external parties.

Note 26 Rent receivables

	Group		Parent company	
	2024	2023	2024	2023
Rent receivables	5,604	3,960	3,281	2,296
Unsecured receivables				
Provisions at year-start	2,201	2,275	1,369	1,460
Sold properties	-	-334	-	-
Provisions for the year	932	486	420	65
Reversal of provisions	-121	-184	-85	-115
Recognised losses	-27	-42	-27	-42
Provisions at year-end	2,985	2,201	1,678	1,369
Total	2,619	1,759	1,603	927

Maturity structure of rent receivables

	Group		Parent company	
	2024	2023	2024	2023
Amount due	3,232	2,775	1,709	1,456
Of which 0–90 days past due date	276	327	43	136
Of which 90–180 days past due date	162	221	9	11
Of which 180 days past due date	2,795	2,227	1,657	1,309
Provisions for expected credit losses	-2,985	-2,201	-1,678	-1,369
Total	247	574	31	87

Rental receivables are reported at amortised cost less individually assessed expected credit losses.

Note 27 Other receivables

	Group		Parent company	
	2024	2023	2024	2023
Tax receivables	3,953	3,171	1,294	903
VAT receivable	1,000	1,185	1,000	1,185
Other receivables	11,139	32,849	657	892
Receivable from Group companies	-	-	-	776,876
Total	16,092	37,204	2,951	779,856

Note 28 Prepaid expenses and accrued income

	Group		Parent company	
	2024	2023	2024	2023
Accrued income	9,624	4,040	119	181
Prepaid interest expense	9,200	7,843	7,868	6,159
Prepaid ground rent	1,067	937	761	615
Prepaid other expenses	6,025	4,631	5,145	4,134
Total	25,916	17,451	13,893	11,089

Note 29 Cash and cash equivalents

Cash and cash equivalents amount to SEK 36,469 (247,172) thousand in the Group and SEK 30,059 (246,455) thousand in the Parent Company and consist of bank balances at the balance sheet date. The credit is reported at nominal value.

Note 30 Shareholders' equity

Share capital	Number, thousands	SEK thousand	Votes at	Total votes thousands
Class A	15,582	3,246	10	155,816
Class B	149,539	31,154	1	149,539
Total	165,120	34,400		305,355

At the end of the year, Heba Fastighets AB owned 9,400 (16,000) B shares. At the end of the year, the number of outstanding shares totalled 165,110,600 (165,104,000). The weighted number of shares outstanding for the period 1 January 2024 – 31 December 2023 was 165,104,397 (165,116,734). Earnings per share totalled SEK 0.60 (-4.31) for the Group and SEK 0.73 (3.75) for the parent company.

The Board of Directors and the CEO have proposed that the profits of SEK 2,163,436 million at the disposal of the Annual General Meeting be appropriated as follows: Shareholders will receive a dividend of SEK 0.52 per share, a total of SEK 85,858 thousand. Transferred to the new account SEK 2,077,578 thousand.

Note 31 Untaxed reserves

	Parent company	
	2024	2023
Excess depreciation on machinery and equipment	2,505	2,716
	2,505	2,716

Note 32 Liabilities

	Group		Parent company	
	2024	2023	2024	2023
Interest-bearing liabilities due within one year	1,724,000	711,967	938,000	528,500
(of which overdraft facilities)	(0)	(0)	(0)	(0)
Other Non-interest-bearing liabilities due within one year	124,408	106,557	45,213	129,850
Other Non-interest-bearing liabilities due within 1–5 years	2,351,367	2,591,000	1,457,150	1,253,250
Interest-bearing liabilities due after five years	2,001,547	2,325,509	704,797	976,259
Other Non-interest-bearing liabilities due after five years	-	-	-	-
Total excl. deferred tax liabilities, leases and interest rate derivatives	6,201,321	5,735,033	3,145,160	2,887,859

For interest-bearing liabilities, see also Note 3 financial risk management and financial derivative instruments.

Note 33 Non-interest-bearing liabilities

	Group		Parent company	
	2024	2023	2024	2023
Opening value	5,628,476	7,535,017	2,758,009	4,625,400
Change in long-term property loans	-563,596	-36,507	-67,563	-40,891
Change in short-term property loans	441,033	-32,033	-161,500	11,500
Change in commercial paper	473,000	-890,000	473,000	-890,000
Change in bonds	98,000	-948,000	98,000	-948,000
Change in overdraft facilities	-	-	-	-
Closing value	6,076,913	5,628,476	3,099,947	2,758,009

The overdraft facility limit amounts to SEK 131,975 (131,975) thousand. For interest-bearing liabilities, see also Note 3 financial risk management and financial derivative instruments.

Note 34 Other liabilities

	Group		Parent company	
	2024	2023	2024	2023
Staff withholding tax and social security contributions	2,413	2,194	2,413	2,194
VAT	-997	355	797	17
Liabilities to Group companies	-	-	-	86,675
Other items	2,568	3,484	2,084	1,134
Total	3,984	6,033	5,294	90,020

Note 35 Deferred tax liabilities

	Group		Parent company	
	2024	2023	2024	2023
Tax related:				
Untaxed reserves in Group companies				
Opening balance	560	2,632		
Change in statement of comprehensive income	720	-2,072		
Closing balance	1,280	560		
Financial instruments				
Opening balance	20,487	46,922	20,487	46,922
Change in statement of comprehensive income	-9,161	-26,435	-9,161	-26,435
Closing balance	11,326	20,487	11,326	20,487
Loss carry-forwards				
Opening balance	-36,983	-38,326	-22,739	-11,653
Change in statement of comprehensive income	10,293	1,343	21,753	-11,086
Closing balance	-26,690	-36,983	-986	-22,739
The difference between the book and tax values of the properties				
Opening balance	1,580,558	1,953,164	206,642	202,553
Change in statement of comprehensive income	39,458	-358,154	753	4,089
Sales via companies	-	-24,135		
Acquisitions via companies	6,443	9,683		
Closing balance	1,626,459	1,580,558	207,395	206,642
Less asset acquisition companies				
Opening balance	-238,376	-254,789		
Sales for the year	-	26,096		
Acquisitions for the year	-6,443	-9,683		
Closing balance	-244,819	-238,376		
Total closing balance	1,367,556	1,326,246	217,735	204,390

All tax losses carried forward are included in the reported tax asset. Loss carry-forwards consist of losses from previous years. The losses, which are not time-limited, are carried forward to next year and utilised by offsetting against future taxable profits.

Note 36 Accrued expenses and prepaid income

	Group		Parent company	
	2024	2023	2024	2023
Accrued salary related costs	6,731	6,072	6,731	6,072
Accrued interest	9,742	9,915	3,064	1,943
Dormant stamp duty	11,943	11,943	-	-
Prepaid rental income	54,277	42,311	17,439	17,125
Accrued operating costs, electricity, heating, water	5,627	4,612	2,535	2,397
Other interim liabilities	7,333	7,024	5,755	3,593
Total	95,653	81,877	35,524	31,130

Note 37 Collateral pledged for interest-bearing liabilities

	Group		Parent company	
	2024	2023	2024	2023
Property mortgages	4,302,348	4,422,348	1,273,006	1,499,506
Total	4,302,348	4,422,348	1,273,006	1,499,506
(of which mortgages on leasehold land)	(781,325)	(1,007,825)	(315,925)	(542,425)

Note 38 Financial assets and liabilities

The fair value of financial assets and liabilities is shown in the table below. See also Note 3 financial risk management and financial derivative instruments.

	Financial assets are measured at amortised cost		Financial liabilities and assets are valued at fair value through profit or loss		Financial liabilities and assets are valued at amortised cost	
	2024	2023	2024	2023	2024	2023
Receivables						
Derivative instruments			54,983	99,452		
Rent receivables	2,619	1,759				
Other receivables	16,091	2,849				
Prepaid expenses and accrued income	25,916	17,451				
Cash and cash equivalents	36,469	247,172				
Liabilities						
Non-current liabilities					-4,398,496	-4,995,472
Derivative instruments						
Trade payables					-16,520	-18,647
Other liabilities					-4,599	-713,875
Accrued expenses and prepaid income					-95,654	-81,876
Total	81,095	269,231	54,983	99,452	-4,515,268	-5,809,870

The carrying amounts shown in the statement of financial position are deemed to correspond in all material respects to fair value. The fair value of derivative instruments has been calculated according to the IFRS Level 2 valuation hierarchy. Hedge accounting is not applied and changes in value are reported in the statement of comprehensive income. Derivative instruments in the form of interest rate swaps are used to convert floating interest rates on underlying loans into fixed interest rates.

For current and non-current interest-bearing liabilities, the deficit amounts to SEK 47.7 million. The calculation is based on discounted future cash flows.

Note 39 Supplementary cash flow information

	Group		Parent company	
	2024	2023	2024	2023
Amortisation and depreciation			770	2,454
Profits from the sale of cars	-432	-1,728	-432	-1,728
Appropriations for the financial year			-43,076	49,399
Anticipated dividends			-75,000	-750,000
Other items not affecting cash flow	-2,756	-47,997	7,312	163
Total	-3,188	-49,725	-110,426	-699,712

Note 40 Proposed appropriation of profit

The Board of Directors submits the following proposal for the appropriation of profits to the Annual General Meeting. Read more about the Board's statement below.

At the disposal of the General Meeting in the Parent Company are:

Retained earnings	SEK	2,042,228,361
Profit for the year	SEK	121,207,182
	SEK	2,163,435,543

The Board of Directors and the Chief Executive Officer propose that the profits be appropriated as follows:

Shareholders will receive a dividend of SEK 0.52 per share	SEK	85,857,512
Transferred to the new account	SEK	2,077,578,031
	SEK	2,163,435,543

Statement of the Board of Directors regarding the proposed dividend

The proposed dividend amounts to SEK 85,858 million and represents 50.2% of the Group's profit after estimated tax, but before changes in value and non-recurring items. The Board of Directors' established dividend policy is that the dividend, seen over time, shall amount to 40% of the Group's profit after estimated tax, but before changes in value and non-recurring items. However, in determining the dividend, the need to invest, the need to consolidate, the position in general, as well as the material impact of non-recurring items on the result, must also be taken into consideration.

The Group and the Parent Company have good access to liquidity reserves and, after the proposed dividend, the Group's equity ratio is 45.2% and the Parent Company's equity ratio is 34.2%. According to the financial policy, the Group's equity ratio must not fall below 40%.

It is the opinion of the Board of Directors that, taking into account liquidity requirements, the budget presented, investment plans and the ability to raise long-term loans, there is no indication that the Group's and the Parent Company's equity would not be sufficient in relation to the nature, scope and risks of the business, after issue of the proposed dividend. The Board of Directors therefore considers the proposed dividend to be justifiable in accordance with Chapter 17, Section 3 of the Companies Act.

Note 41 Events after the balance sheet date

No significant events after the balance sheet date to report.

Proposal for the appropriation of profits

At the disposal of the General Meeting in the Parent Company are:

Retained earnings	SEK	2,042,228,361
Profit for the year	SEK	121,207,182
	SEK	2,163,435,543

The Board of Directors and the Chief Executive Officer propose that the profits be appropriated as follows:

Shareholders will receive a dividend of SEK 0.52 per share	SEK	85,857,512
Transferred to the new account	SEK	2,077,578,031
	SEK	2,163,435,543

Statement of the Board of Directors regarding the proposed dividend

The proposed dividend amounts to SEK 85.9 million and represents 50.2% of the Group's profit after estimated tax, but before changes in value and non-recurring items. The Board of Directors' established dividend policy is that the dividend, seen over time, shall amount to approximately 40% of the Group's profit after estimated tax but before changes in value and non-recurring items. However, in determining the dividend, the need to invest, the need to consolidate, the position in general, as well as the material impact of non-recurring items on the result must also be taken into consideration.

The Group and the Parent Company have good access to liquidity reserves and, after the proposed dividend, the Group's equity ratio is 45.2% and the Parent Company's equity ratio is 34.2%. According to the financial policy, the Group's equity ratio must not fall below 40%.

It is the opinion of the Board of Directors that, taking into account liquidity requirements, the budget presented, investment plans and the ability to raise long-term loans, there is no indication that the Group's and the Parent Company's equity would not be sufficient in relation to the nature, scope and risks of the business, after issue of the proposed dividend. The Board of Directors therefore considers the proposed dividend to be justifiable in accordance with Chapter 17, Section 3 of the Companies Act.

Signing of the annual report

The undersigned declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Financial Reporting Board's recommendation RFR 1, and that the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. The consolidated accounts and Annual Report have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the Group's and the

company's financial position and results of operations, and that the Group Administration Report and the Administration Report give a true and fair view of the development of the Group's and the company's operations, financial position and results of operations and describe the significant risks and uncertainties faced by the companies included in the Group. The statutory Sustainability Report, which covers the areas of Heba Fastighets AB's Annual Report whose contents are listed on page 126, has been authorised for issue by the Board of Directors.

Stockholm, 19 March 2025

Lennart Karlsson
Chairman of the Board of Directors

Birgitta Leijon
Director

Lena Hedlund
Director

Christina Holmbergh
Director

Johan Vogel
Director

Patrik Emanuelsson
Chief Executive Officer

Our audit report was issued on 20 March 2025

Ernst & Young AB

Fredric Hävrén
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Heba Fastighets AB, corporate identity number 556057-3981

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Heba Fastighets AB (publ) except for the corporate governance statement on pages 73–77 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 78–112 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 73–77. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

Description

The fair value of investment properties in the Group as at 31 December 2024 amounted to SEK 13 589,2 million and the change in value to SEK 37,9 million. Investment properties are the most significant item in the consolidated balance sheet. The valuations are based on the discounted cash flow method, which means that future cash flows are forecasted. The properties' yield is assessed on the basis of each property's unique risk and transactions made in the market for objects of a similar nature. Due to the high degree of assumptions and assessments that take place in connection with the valuation of investment properties, we consider this area as a key audit matter in the audit. A description of the valuation principles of the investment properties can be found in the section accounting principles and section important estimates and assumptions for accounting purposes in Note 2.1 and Note 18 Investment properties.

How our audit addressed this key audit matter

In our audit, we have evaluated and reviewed the company's process for property valuation, by evaluating the valuation method, model and input data in the externally prepared valuations for a selection of properties. The selection was made based on the criteria risk and size. We have discussed important assumptions and assessments with the company's valuation managers and management. We have made comparisons with known market information. We have evaluated the competence and objectivity of the externally hired valuation experts. With the support of valuation specialists within the audit team, we have reviewed the used model for property valuation. With the support of our valuation specialists, we have for a selection of the properties, also examined the assumptions made such as yield, vacancy rates, rental income and operating costs. We have reviewed the disclosures in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–72 and 117–132. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Heba Fastighets AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Heba Fastighets AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Heba Fastighets AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the audi-

tor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 73–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Heba Fastighets AB by the general meeting of the shareholders on the 24 April 2024 and has been the company's auditor since the 5 May 2011.

Stockholm 19 March 2025

Ernst & Young AB

Fredric Hävrén
Authorised Public Accountant

Five years in review

Amount in SEK million	2024	2023	2022	2021	2020
INCOME STATEMENTS					
Rental income	562	566	510	450	394
Operation and maintenance expenses	-153	-157	-142	-131	-114
Property tax	-5	-6	-7	-6	-6
Net operating income (NOI)	404	402	361	313	274
Central administration costs	-39	-37	-38	-37	-34
Income from interests in associated companies and joint ventures	-50	36	-1	-1	-
Financial income	25	34	25	19	4
Financial expenses	-162	-177	-104	-60	-52
Ground rents	-4	-4	-5	-5	-5
Profit from property management incl. change in value	174	255	238	229	187
Of which income from property management	216	271	238	229	187
Impairment financial assets	-18	-	-	-	-
Gain or loss from divestment of property	-7	-75	-	-2	-
Change in value, investment properties	38	-1,085	-603	1,491	744
Change in value, interest rate derivatives	-45	-128	227	56	-21
Profit or loss before tax	142	-1,044	-138	1,774	910
Tax	-43	332	2	-299	-192
Profit or loss for the year	99	-712	-136	1,475	718
BALANCE SHEETS					
Assets					
Investment properties	13,589	12,773	15,718	14,673	12,046
Right-of-use asset leasehold	144	126	157	158	167
Other fixed assets	351	452	698	471	344
Current assets	45	27	82	55	122
Cash and cash equivalents	37	247	101	159	97
Total assets	14,166	13,625	16,756	15,516	12,776
Equity and liabilities					
Shareholders' equity	6,451	6,438	7,225	7,493	6,125
Lease liability	144	126	157	158	167
Interest rate derivatives	-	-	-	-	55
Deferred tax liabilities	1,368	1,326	1,709	1,710	1,412
Interest-bearing liabilities	6,077	5,628	7,535	6,025	4,915
Non-interest-bearing liabilities	126	107	130	130	102
Total equity and liabilities	14,166	13,625	16,756	15,516	12,776

Amount in SEK million	2024	2023	2022	2021	2020
KEY PERFORMANCE INDICATORS (KPIs)					
Property-related key performance indicators					
Lettable time-weighted area, thousand m ²	257	285	283	261	241
Property yield, %	3.0	3.2	2.3	2.2	2.3
Rental income per m ² , SEK	2,182	1,987	1,802	1,726	1,636
Operation and maintenance per m ² , SEK	594	574	524	525	499
Carrying amount per m ² , SEK	51,599	50,068	51,344	53,767	46,560
Financial key performance indicators					
Cash flow, SEKm	214.2	252.1	196.6	232.7	187.7
Investments, SEKm	899.5	327.4	1,648.4	1,404.6	1,272.9
NOI margin, % ¹⁾	71.9	71.1	70.9	69.6	69.5
Property management margin, %	38.4	47.9	46.7	50.9	47.6
Interest coverage ratio, multiplier ¹⁾	2.3	2.5	3.3	4.8	4.6
Average interest rate on property loans, % ¹⁾	2.8	2.2	2.3	0.9	1.1
Debt/equity ratio, multiplier ¹⁾	0.9	0.9	1.0	0.8	0.8
Loan-to-value (LTV) ratio, %	44.7	44.1	47.9	41.1	40.8
Net loan-to-value ratio, %	44.5	43.1	48.3	41.1	41.4
Equity ratio, % ¹⁾	45.5	47.2	43.1	48.3	47.9
Return on equity, % ¹⁾	1.5	-10.4	-1.9	21.7	12.3
Return on total assets, % ¹⁾	2.2	-5.7	-0.2	13.0	8.3
Data per share					
Profit after tax, SEK	0.60	-4.31	-0.82	17.87	8.70
Cash flow, SEK ¹⁾	1.30	1.43	1.19	1.41	1.14
Shareholders' equity, SEK ¹⁾	39.07	38.99	43.75	45.38	37.10
Net asset value (NAV), SEK ¹⁾	47.02	46.42	52.73	55.73	45.98
Share price, SEK	32.75	35.45	36.30	78.80	57.25
Carrying amount, properties, SEK ¹⁾	82.30	77.36	95.19	88.87	72.96
Shares outstanding at the end of the period, thousand	165,111	165,104	165,120	165,120	165,120
Average number of shares, thousand	165,104	165,117	165,120	165,120	165,120

¹⁾ Calculations of APMs are available on Heba's website, www.hebafast.se



Introduction

**Global environment,
targets and strategy**

Sustainability

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Sustainability statements

Sustainability Report

The Sustainability Report has been prepared by the Heba executive management team and approved by the Board of Directors. Heba's Sustainability Report 2024 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, and covers the entire Heba Group. The Sustainability Report also constitutes Heba's statutory sustainability report in accordance with the older wording of the Annual Accounts Act that applied before 1 July 2024 and can be found on pages 25–43 and 118–127. Standard information that is mandatory, as well as additional indicators that are material to Heba in the economic, environmental and social fields, is presented under "GRI Index". There have been no significant changes compared to the previous year's report.

The reporting cycle is annual and this report covers the period 1 January – 31 December 2024. The Sustainability Report has been reviewed by Ernst & Young AB. The previous Sustainability Report was published in March 2024. The Sustainability Report provides additional information on how Heba has identified the focus areas that form the basis of its sustainability work, material sustainability issues and GRI disclosures, as well as how Heba fulfils the wishes of its stakeholders. The Sustainability Report also explains the assumptions and sources of the conversion factors used and provides supplementary data to the Annual Report. Heba has chosen to use the existing sector standards for construction and real estate, because they are suitable for Heba's activities.

For questions regarding the report contact:
Patrik Emanuelsson, CEO +46 (0) 8-522 547 50
patrik.emmanuelsson@hebafast.se.

Heba's sustainability organisation – Strategy and governance

Heba's sustainability strategy is guided by the Sustainability Policy. The Sustainability Policy forms the basis for the sustainability work as a whole, and the Board of Directors sets the strategic plan for the work annually in the business plan review. Heba's Sustainability Policy states that Heba must conduct its business in a responsible manner with regard to the organisation, society and the environment. In line with global targets,

Heba must not leave a negative climate footprint in the long-term in order to contribute to the Paris Agreement's goal of limiting global warming. The Sustainability Policy was last updated on 31 May 2023. Heba's Code of Conduct is the basis for the company's ethical behaviour and for creating a good working environment. The Code addresses how we should act towards each other, with respect and zero tolerance of any form of discrimination. That employees should feel safe to report anything that is perceived as wrong and contrary to the code of conduct or other policy. The Supplier Code of Conduct developed by the Swedish Property Federation is used for all suppliers to ensure that Heba's suppliers and subcontractors work ethically and take responsibility for human rights.

The CEO has overall responsibility for the sustainability work, the sustainability strategy and that the business is conducted in accordance with the Sustainability Policy and Code of Conduct. The CEO ensures that responsibilities and authorities are communicated and clarified in such a way that sustainability responsibilities are carried out responsibly and effectively. The CEO leads the sustainability work together with the Head of Sustainability and other members of the executive management team. Climate-related issues in daily work are integrated into the organisation. Sustainability objectives are included at the strategic level in the business plan as well as integrated into the property plan. The executive management

team sets targets for the sustainability work carried out in each area of activity and regularly monitors the results of the work. Analyses and target-setting are carried out in the short and long term and followed up by executive management team and the Board at least once a quarter.

External commitments

- Heba contributes to the realisation of the UN Sustainable Development Goals. Read more on page 43.
- Heba's climate targets are in line with science (Science Based Target initiative, SBTi)
- Property owners' code of conduct for suppliers.

In day-to-day operations, each manager is responsible for ensuring that each employee has the necessary knowledge and information to be able to carry out their daily work in a manner consistent with the sustainability policy. All employees receive annual training in the Code of Conduct, anti-corruption and sustainability.

Policies and quality and environmental management systems:

- Heba's sustainability policy: The sustainability policy includes the quality policy, environmental policy, ethics policy, health and safety policy, equal opportunities policy and alcohol and drugs policy.

- The Heba Code of Conduct: The Heba Code of Conduct (the Code) applies to everyone who works at Heba. The CEO is responsible for ensuring that all employees review the Code annually. The consultants and suppliers working for Heba should be familiar with the Code.
- Property owners' Code of Conduct for suppliers: Heba uses the Supplier Code of Conduct developed by the Swedish Property Federation for all suppliers to ensure that Heba's suppliers and subcontractors work ethically and take responsibility for human rights. The supplier undertakes to comply with the requirements and Heba is responsible for carrying out a random check every year.
- Quality and environmental management systems: To ensure that all processes are run from a quality and environmental perspective, Heba has a certified quality and environmental management system according to ISO 9001:2015 and 14001:2015.

Heba has a whistleblowing service, which is managed by an external party. In 2024, no incidents of corruption or other violations of Heba's Sustainability Policy, Code of Conduct or the Swedish Property Federation's Supplier Code of Conduct were reported.

Sustainability risks and stakeholder dialogue

Heba has conducted a comprehensive risk analysis based on the strategic objectives, stakeholder needs and materiality, the outcome of which forms the basis for the material indicators reported by Heba, see risk analysis on pages 58-61. The work has been carried out taking the precautionary principle into account. The work has identified the sustainability issues where Heba has the greatest impact on the global environment from an economic, social and environmental perspective and how important these issues are to Heba's stakeholders. During the year, Heba has prepared for upcoming reporting in accordance with CSRD.

Climate risks in the short and long term are analysed using scenario analyses, both for transition risks and physical risks. Heba maintains an ongoing and open dialogue with its stakeholders in its daily operations, for example through customer and supplier contacts, customer satisfaction surveys and employee interviews. Feedback to stakeholders is provided on an ongoing basis in the various dialogue forums.

Heba's focus areas are based on organisation, society and environment, read more on pages 25-43. All issues are assessed as material from a sustainability perspective for external reporting. Some sustainability issues are indirectly linked to Heba's operations and the company's value chain, for example with customers or suppliers. Heba continuously indicates in the annual report where in the value chain the various sustainability issues have an impact. Mapping and analysing stakeholders and their expectations is an important part of designing the risk model and hence this year's activities in the business plan.

Stakeholder group	Key issues	Dialogue
Tenants	<ul style="list-style-type: none"> • Rent • Indoor climate • Safety in and around the buildings • The possibility of sorting at source • Accessibility 	<ul style="list-style-type: none"> • Tenant survey • Customer service and fault reporting • Tenants' meetings • Consultation meetings • Tenants' magazine
Shareholders	<ul style="list-style-type: none"> • Sustainable growth • Stable returns • Annual dividend 	<ul style="list-style-type: none"> • Meetings with owner representatives • Annual General Meeting • Financial statements • Investor meetings
Analysts	<ul style="list-style-type: none"> • Transparency of reporting • Growth 	<ul style="list-style-type: none"> • Individual meetings with analysts • Financial statements
Lenders	<ul style="list-style-type: none"> • Financial stability • Clear reporting • Sustainability 	<ul style="list-style-type: none"> • Meetings with financial market representatives • Financial statements
Suppliers	<ul style="list-style-type: none"> • Financial stability • Long-term perspective • Professionalism • Collaboration in sustainability work 	<ul style="list-style-type: none"> • In the procurement of framework contracts, orders and meetings. • Monitoring of the Supplier Code of Conduct • Site visits and meetings
Politicians and municipal officials	<ul style="list-style-type: none"> • Financial stability • Long-term perspective • Sustainability 	<ul style="list-style-type: none"> • Land allocation tenders • Meetings with municipalities and authorities
Tenants' Association	<ul style="list-style-type: none"> • Information • Transparency • Collaboration 	<ul style="list-style-type: none"> • Rent negotiations • Safety walks • Consultation
Employees	<ul style="list-style-type: none"> • Work environment • Development • Salaries and benefits • Information and collaboration 	<ul style="list-style-type: none"> • Employee appraisal interviews • Conferences • Employee surveys

Sustainability statements



Materiality assessment

The materiality assessment is based on stakeholder dialogues and global environment assessments that take place on an ongoing basis. The last update took place in 2024.

The materiality of the sustainability issues describes the importance for the stakeholder on the Y-axis and Heba's impact on the global environment on the X-axis, all issues are considered important but have been valued within the issues. The materiality assessment is part of the company's annual work to identify risks and opportunities, which forms the basis for next year's business plan.

For each material sustainability issue, there is a linked target that is continuously monitored. Heba's sustainability strategy is guided by the Sustainability Policy, which is approved by the Board annually. The risk and materiality assessments have been carried out by the executive management team and are linked to activities adopted by the Board. All activities are continuously monitored by the executive management team during the year and the fulfilment is presented to the Board every quarter.

Sustainability for Heba means taking responsibility for the whole, which also includes impacts outside the organisation. Sustainable supply chains are one of the material matters to ensure human rights compliance. The risk of human rights violations is mainly considered to relate to companies several steps down the supply chain, in respect of inadequate working conditions in factories or other requirements regarding chemical management. Heba understands that as part of a chain, its operations have a high impact on the global environment.

Heba must not leave a negative footprint on the environment, which is highly important both for stakeholders and for the company's impact on the global environment.

To read more about how Heba works with each area, Organisation, Social Responsibility and Environment, see page 27. The Company's summarised risk analysis can be found on pages 58–61.



Sustainability targets

Heba's sustainability targets are divided into organisational, social and environmental. Within the organisation, we are committed to gender equality and to ensuring that our staff reflect the diversity of society. Our employees should feel good at work with minimal sick leave and everyone should have equal opportunities to develop. We want our tenants to feel safe in our buildings and in their surroundings. We conduct regular customer surveys where we aim to be in line with the industry index for rental housing companies in Stockholm. Social responsibility is about creating housing for many people and working with social contracts. We work with charitable organisations that address issues close to our core business. Heba's management operations will be climate-neutral by 2030, and the long-term goal is for the entire organisation to be climate-neutral by 2045. This overarching objective leads to milestones to be achieved along the way. Until the company no longer leaves a negative environmental footprint, carbon offsetting for scope 1 and 2 emissions will take place, which has been done since 2018. Heba has signed a letter of intent with Stockholm Exergi to purchase negative emissions from bio-CCS, the plant is planned to be completed in 2027/2028. Read more about the Sustainability Targets on pages 25–43.

Sustainability notes

Our organisation

401-1 Recruitment and staff turnover

Movement of staff	2024		2023		2022	
	Number	Percentage of women	Number	Percentage of women	Number	Percentage of women
New recruitment						
Under 30 years of age	0	0%	1	0%	1	0%
30–50 years of age	4	75%	2	50%	0	0%
Over 50 years of age	1	100%	0	0%	0	0%
Total	5	80%	3	33%	1	0%
Percentage of total number of employees	12%		7%		2%	
Persons who have left						
Under 30 years of age	0	0%	2	0%	0	0%
30–50 years of age	1	0%	1	0%	2	0%
Over 50 years of age	1	0%	7	14%	3	100%
Total	2	0%	10	10%	5	60%
Percentage of total number of employees	5%		22%		10%	

The table shows the number of people who joined and left Heba, and the proportion of women.

404-1, 404-3 Training and education

	Women	Men	Total
Number of employees	21	21	42
Total hours offered; Training programs	168	168	336
Of which hours completed	120	160	280
Total hours completed; Individual training	175	124	299
Average hours per employee/year	14	14	14
Percentage of employees who had performance appraisals during the year	90%	100%	95%
Percentage of employees trained in the Heba Code of Conduct during the year	89%	100%	95%

405-1 Diversity and gender equality

Number of employees by type of employment	2024		2023		2022	
	Number	Percentage of women	Number	Percentage of women	Number	Percentage of women
Total number of employees	43	53%	40	48%	47	40%
Permanent employees	43	53%	40	48%	47	40%
Of which full-time	43	53%	40	48%	46	41%
Of which part-time	0	0%	0	0%	1	0%
Temporary staff	0	0%	0	0%	0	0%

The table shows the composition of the company by employment type and gender.

Composition of the company	2024		2023		2022	
	Number	Percentage of women	Number	Percentage of women	Number	Percentage of women
Board of Directors	5	60%	5	40%	5	40%
Under 30 years of age	0	0%	0	0%	0	0%
30–50 years of age	0	0%	2	0%	2	0%
Over 50 years of age	5	60%	3	67%	3	67%
Management	7	71%	6	67%	6	67%
Under 30 years of age	0	0%	0	0%	1	100%
30–50 years of age	4	75%	3	67%	2	50%
Over 50 years of age	3	67%	3	67%	3	67%
Other employees	36	50%	34	44%	41	34%
Under 30 years of age	2	0%	3	0%	5	20%
30–50 years of age	14	64%	14	64%	15	53%
Over 50 years of age	20	45%	17	35%	21	29%

The table shows the composition of the different levels of the company, by gender and age at year-end.

Our environment

302-1 Energy use within the organisation

Energy use within the organisation covers corporate vehicles and company cars used for business and owned by Heba, energy use of all properties during the reporting year, actual value (including parts of the period for divested and newly acquired properties).

Energy consumption (kWh)	2024	2023	2022
Electricity	7,845,153	8,871,106	8,112,246
Of which, self-produced solar energy	199,018	226,145	155,612
District heating	15,720,311	19,869,144	20,183,502
Fuel for corporate vehicles	37,896	45,369	44,957
Total	23,603,360	28,785,619	28,340,705
Of which, renewable energy	89%	92%	89%

302-3 Energy performance of buildings

When calculating energy intensity, the property portfolio is used as reported for the full year, which for this report means 2024. The calculations are performed for heated area (A-temp). The energy included is district heating and electricity within the organisation, degree-day corrected. Tenants' electricity is not included.

302-3	2024	2023	2022
Energy intensity (kWh/m ²)	75	81	86

302-4 Reduction of energy use

2021 is used as the base year when calculating the reduction in energy use, in line with energy targets of reducing energy use by 18% by 2028. We met that target during the year, four years in advance and new targets have been adopted. The energy included is district heating and electricity within the organisation. The calculation is based on the property portfolio reported for the full year, which for this report means 2024. By reducing energy use we can reduce our scope 2 emissions, an important part of having efficient buildings with the lowest possible operational climate impact. Tenants' electricity is not included.

302-4	2024	2023	2022	2021
Reduction in energy use (compared to base year)	19%	13%	7%	Base year

Climate impact - Emissions

Heba reports emissions according to the GHG (Green House Gas) protocol "operational control approach". This means that direct emissions and emissions for purchased energy are reported in scope 1 and scope 2, respectively, where Heba owns the source of the emission. Heba reported scope 3 for the first time for 2021. No biogenic emissions were reported.

Greenhouse Gas (GHG) Emissions 305-1, 305-2, 305-3 (Tonnes CO₂)

	2024	2023	2022
Scope 1			
Corporate vehicles and company cars	1	5	5
Scope 2			
Electricity (market based)	0	0	0
Electricity (location based)	290	328	300
District heating (market based)	571	848	881
District heating (location based)	880	910	930
Total scope 1 and 2	572	853	886
Carbon offsetting	572	853	886
Scope 3			
Upstream			
Building materials new builds	0	3,186	9,026
Building materials renovation	406	1,152	2,426
Construction waste	1	2	20
Employee commuting	9	4	16
Downstream			
Tenants' residual waste	183	184	391
Tenants' unsorted waste	7	25	88
Tenants' electricity consumption	183	213	323
Total scope 3	789	4,766	12,290
Combined total emissions	1,361	5,619	13,176

305-1 Scope 1

Corporate vehicles and company cars driven on official business and owned by Heba. Emission factors from the Swedish Environmental Protection Agency.

305-2 Scope 2

The energy consumption of all properties during the reported year (including parts of the period for divested and newly acquired properties) Specific emission factors from each energy supplier are reported as "market based method", for the year 2023. For the location-based method, the calculations for electricity are based on the Swedish electricity mix according to the National Board of Housing, Building and Planning (0.037 kgCO₂/kWh) and for district heating on the Swedish average according to the National Board of Housing, Building and Planning for 2023 (0.056 kgCO₂/kWh).

305-3 Scope 3

Upstream

Climate impact of building materials in new builds

No new builds were occupied or moved into during the year.

Climate impact of building materials in renovations

Climate-calculations were made for renovations completed during the year using a standard value per square metre.

Climate impact of waste for energy recovery from construction site

Calculation is based on reported tipping receipts from environmental inspections in each project. The mixed waste is assumed to be incinerated and multiplied by a general emission factor from IVL (0.3 kgCO₂e/kg waste).

Climate impact of employees' commuting

Refers to employees' commuting to and from the workplace during the year. The calculations are based on a survey regarding transport that all employees took part in and with emission factors from the Swedish Environmental Protection Agency.

Downstream

Climate impact of tenants' residual waste

Tenants' household waste is weighed and the weight documented by the waste contractor. The calculation is based on parts of the portfolio that are standardised on the basis of A-temp and multiplied by the emission factor from IVL (0.2 kgCO₂e/kg waste). The 2023 value was corrected using the same calculation method as for 2024.

Climate impact of tenants' unsorted waste/bulk waste

Unsorted waste is weighed and the weight documented by the waste contractor. The calculation is based on parts of the portfolio that are standardised on the basis of A-temp and multiplied by the emission factor from IVL (0.3 kgCO₂e/kg waste). The 2023 value was corrected using the same calculation method as for 2024.

Climate impact of tenants' electricity consumption

Calculation is based on metered electricity use from electricity network owners, with deductions for property electricity (see scope 2). Where annual statistics were not available at the time of reporting, data from 2023 are used. Each Sustainable Lease per tenant is assumed to have an electricity contract with energy from renewable sources. The remainder is multiplied by the emission factor for the Swedish electricity mix according to the Swedish National Board of Housing, Building and Planning, because we lack information on the distribution of green electricity. (0.037 kgCO₂e/kWh). The 2023 value was corrected using the same calculation method as for 2024.

305-4 Greenhouse gas intensity from buildings

The greenhouse gas intensity of scope 1 and 2 (management) is calculated by dividing all emissions by the lettable area, BOA/LOA.

305-4	2024	2023	2022
Emission intensity (kg CO ₂ /m ²)	2.2	3.4	2.9

305-5 Reduction of greenhouse gas (GHG) emissions

Greenhouse gas reductions use 2018 as the base year, with all scope 1 and 2 emissions to be reduced by at least 50% by 2030. That target was achieved during the year and the journey towards climate-neutral operations continues. The decrease is due to the reduction of actual energy use thanks to energy measures and improvements in the fuel mix. The reduction is presented as the cumulative reduction, from year 2018. The base year is chosen based on when the strategic objectives were adopted, with an increased focus on sustainability in line with SBTi approved targets.

305-5	2024	2023	2022	2021	2020	2019	2018
Reduction of emissions	53%	29%	27%	30%	24%	22%	Base year

CRE 2 Water intensity in buildings

When calculating the water intensity, the water consumption of all properties during the year under review (including parts of the period in the case of divested and newly acquired properties) is included in relation to the area (A-temp).

CRE 2	2024	2023	2022
Water consumption (thousand m ³)	299.4	299.2	342.7
Water intensity (m ³ /m ² A temp)	1.1	1.1	1.2

CRE8 Share of environmentally certified buildings

The certified area in relation to the total area as at year end 31 December 2024, BOA/LOA.

CRE8 Environmentally certified buildings (square metres)	2024	2023	2022
Total certified area, Miljöbyggnad Silver	48,499	39,724	32,811
Total certified area, Skanska Sustainable Rental Housing	13,573	13,573	13,563
Total certified area, Nordic Ecolabelling	0	0	8,541
Total certified area, BREEAM	3,935	0	6,734
Share of total lettable area	26%	21%	21%

Our role in society

201-1 Direct economic value generated and distributed

Direct economic value generated, SEK million	2024	2023
Revenue	561.8	565.7
Change in value, properties	37.9	-1,084.5
Change in value, derivatives	-44.5	-128.3
Financial income	25.2	34.3
Total	580.4	-612.8

Distributed economic value, SEK million	2024	2023
Suppliers etc. ¹⁾	136.8	139.7
Employees	55.1	54.2
Creditors	136.8	142.7
Shareholders ²⁾	85.9	74.3
Society ³⁾	8.9	10.2
Other ⁴⁾	8.6	-51.9
Retained economic value	148.3	-982.1
Total	580.4	-612.8

¹⁾ Operating costs, repairs and maintenance and other property costs.

²⁾ Based on dividends paid during the year.

³⁾ Property tax and ground rent.

⁴⁾ Profit or loss from interests in jointly controlled entities.

205-1, 205-2, 205-3 Anti-corruption

	2024	2023	2022
Share of risk-assessed activities	100%	100%	100%
Percentage of employees trained in anti-corruption during the year	95%	98%	89%
Reported incidents of corruption	0	0	0

The Board, the CEO and the executive management team have taken part in anti-corruption training.

414-1 Assessment of suppliers against social criteria

	2024	2023	2022
Suppliers with a signed code of conduct	100%	29%	-
Audited suppliers based on code of conduct	23%	6%	-

Refers to the total percentage of Heba's significant suppliers that have signed the Supplier Code of Conduct and the percentage of suppliers that have been reviewed and audited against the Code during the year. Significant suppliers are defined by the number of purchases and/or total purchase value.

GRI index

Level of application	Heba has reported the period 1 January - 31 December 2023 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	No applicable GRI sector standards yet

GRI Standard or other source	Information	Page reference	Derogations		
			Derogations from requirements	Comments	
GRI 2: General information 2021					
Organisation and accounting policies	2-1	Details of the organisation	79		
	2-2	Entities included in the organisation's sustainability reporting	79, 118		
	2-3	Reporting period, frequency and contact person	118		
	2-4	Changes in previously reported information	118, 122		
	2-5	External attestation	127		
Activities and staff	2-6	Activities, value chain and other business relationships	21-43, 118		
	2-7	Employees	98, 121	Heba does not report employees by region Consultants are not included in the data	All staff are employed in Sweden Not significant
	2-8	Workers who are not employed	-	Heba has no workers who are not employed.	Not applicable
Governance	2-9	Composition and structure of governance	73-76, 118-120		
	2-10	Nominations and election to the highest governing body	73-76		
	2-11	Chairman of the highest governing body	71-76		
	2-12	Role of governing bodies in reviewing and managing impacts	118-120		
	2-13	Delegation of decision-making for impact management	118-120		
	2-14	Role of the highest governing body in sustainability reporting	118-120		
	2-15	Conflicts of interest	40, 73-76, 118		
	2-16	Communication of critical issues	40, 118-120		
	2-17	The collective knowledge of the highest governing body	73-76		
	2-18	Evaluation of the performance of the highest governing body	73-76		
	2-19	Remuneration policy	www.hebafast.se	The remuneration report is published on the Heba website	
	2-20	Process for setting remuneration	73-76, 98		
	2-21	Annual total compensation ratio	www.hebafast.se	The remuneration report is published on the Heba website	



GRI Standard or other source	Information	Page reference	Derogations		
			Derogations from requirements	Comments	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	7–10, 71–72		
	2-23	Values, principles, standards and norms of behaviour	40, 118–120		
	2-24	Securing values, principles, standards and norms of behaviour	40, 118–120		
	2-25	Procedures to address negative impacts	40, 59–60, 118–120		
	2-26	Mechanisms for advising and reporting on matters of concern to the organisation	40, 118–120		
	2-27	Compliance with laws and regulations	40,	Heba had no cases of non-compliance in 2024	
	2-28	Membership of organisations	Fastighetsägarna, Handelskammaren, Almega, Stark&Partner		
	Stakeholder engagement	2-29	Stakeholder engagement methodology	118–120	
2-30		Collective agreement	42		
GRI 3: Material matters in 2021					
	3-1	Procedure for setting material matters	58–60, 118–120		
	3-2	List of material matters	58–60, 118–120		
	3-3	Governance of material matters	25–43, 58–60, 118–120		
SPECIFIC INFORMATION - GRI 200: Financial					
GRI 201: Financial performance in 2016	3-3	Governance of material matters	59–60, 118–120		
	201-1	Direct economic value generated and distributed	123		
	201-2	Economic impacts and other risks and opportunities resulting from climate change	60–61		
GRI 205: Anti-corruption 2016	3-3	Governance of material matters	58–60, 118–120		
	205-1	Organisations assessed for risks related to corruption	27, 40, 59, 123		
	205-2	Training and communication of the organisation's anti-corruption policies and practices	123	Does not report total number, only share	Not significant
	205-3	Confirmed corruption incidents and actions taken	123		
SPECIFIC INFORMATION - GRI 300: Environment					
GRI 302: Energy 2016	3-3	Governance of material matters	33–37, 58–60, 118–120		
	302-1	Energy use within the organisation	122	Does not report cooling, steam or energy sold	Not applicable
	302-3	Energy intensity	122		
	302-4	Reduction of energy use	122		
GRI 305: Emissions 2016	3-3	Governance of material matters	33–37, 58–60, 118–120		
	305-1	Direct greenhouse gas emissions (scope 1)	122	Heba reports no biogenic emissions	Not applicable
	305-2	Indirect greenhouse gas emissions (scope 2)	122	Heba reports no biogenic emissions	Not applicable
	305-3	Other indirect greenhouse gas emissions (scope 3)	122	Heba reports no biogenic emissions	Not applicable
	305-4	Emission intensity of greenhouse gases	123		
	305-5	Reduction of greenhouse gas (GHG) emissions	123		

GRI Standard or other source	Information	Page reference	Derogations	
			Derogations from requirements	Comments
SPECIFIC INFORMATION - GRI 400: Social				
GRI 401: Employment 2016	3-3	Governance of material matters	41-42, 58-60, 118-120	
	401-1	Recruitment and staff turnover	121	Heba does not report employees by region
GRI 404: Training and education 2016	3-3	Governance of material matters	41-42, 58-60, 118-120	All staff are employed in Sweden
	404-1	Average number of training hours per year per employee	121	Heba does not report data broken down by employment type
	404-3	Percentage of employees receiving regular performance and career development reviews	121	Not significant
GRI 405: Diversity and equal opportunities 2016	3-3	Governance of material matters	41-42, 58-60, 118-120	
	405-1	Diversity in management and among employees	98, 121	
GRI 414: Assessment of suppliers against social criteria 2016	3-3	Governance of material matters	40, 58-60, 120	
	414-1	New suppliers inspected against social criteria	40, 123	
SPECIFIC INFORMATION - CRE				
CRE	3-3	Governance of material matters	33-37, 118-120	
	CRE2	Water intensity	123	
	CRE8	Environmentally certified buildings	123	

The auditor's limited assurance report on Heba Fastighets AB's sustainability report and opinion regarding the statutory sustainability report

For Heba Fastighets AB (publ), corporate id 556057-3981

Introduction

We have been engaged by the Board of Directors of Heba Fastighets AB (Heba) to undertake a limited assurance engagement of Hebas sustainability report for the year 2024. The company has defined the scope of the sustainability report on page 124-126 in this document, and the statutory sustainability report is defined on page 118.

Responsibilities of the Board of Directors and executive management

The Board of Directors and executive management are responsible for the preparation of the sustainability report, including the statutory sustainability report in accordance with the applicable criteria and the Annual Accounts Act in its former wording that applied prior to 1 July 2024.

The criteria are explained on page 118 in the sustainability report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative (GRI)) which are applicable to the sustainability report, as well as the accounting and calculation policies that the company has developed. This responsibility also includes the internal control

relevant to the preparation of a sustainability report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the sustainability report based on the limited assurance procedures we have performed and to provide an opinion regarding the statutory sustainability report. Our assignment is limited to the historical information reported, and therefore does not cover disclosures pertaining to the future.

We conducted our general review in accordance with ISAE 3000 (revised) *Assurance Engagements Revised Other than Audits or Reviews of Historical Financial Information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, and applying analytical and other limited assurance procedures. We have examined the statutory sustainability report in accordance with FAR's recommendation RevR 12 *The auditor's opinion on the statutory sustainability report*. A limited assurance engagement and examination in accordance with RevR 12 has a different purpose and a substantially less scope

than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices. The firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed for a general review and a review in accordance with RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Therefore, the conclusion expressed based on a general review and a review in accordance with RevR 12 does not have the assurance of a conclusion expressed based on an audit.

Our review of the sustainability report is based on the criteria defined by the Board of Directors and executive management, as described above. We consider these criteria suitable for the preparation of the sustainability report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Opinions

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the sustainability report has not been prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and executive management.

A statutory sustainability report has been prepared.

Stockholm, 20 March 2025
Ernst & Young AB

Fredric Hävrén
Auktoriserad revisor

Marianne Förandér
Specialistmedlem i FAR



Introduction

**Global environment,
targets and strategy**

Sustainability

Activities

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Other

Definitions

Property yield

Net operating income in relation to the carrying amount of properties.

Income from property management

Profit before tax with reversal of realised and unrealised changes in value.

Cash flow

Income from property management less tax paid, adjusted for non-cash items and after changes in working capital.

NOI margin¹⁾

NOI in relation to rental income.

Property management margin¹⁾

Income from property management in relation to rental income.

Interest coverage ratio¹⁾

Income from property management plus interest expenses in relation to interest expenses.

Average interest rate on property loans ¹⁾

Average interest rate for property loans on the reporting date.

Debt/equity ratio¹⁾

Interest-bearing liabilities in relation to visible equity.

Loan-to-value (LTV) ratio¹⁾

Interest-bearing liabilities in relation to the carrying amount of the properties.

Net loan-to-value ratio¹⁾

Interest-bearing liabilities including leasing liabilities and declared dividend less cash and cash equivalents in relation to the carrying amount of properties at the end of the period.

Equity ratio¹⁾

Visible equity in relation to total assets.

Return on equity¹⁾

Profit after tax in relation to average visible equity.

Return on total assets¹⁾

Profit or loss before tax excluding items affecting comparability plus interest expenses in relation to average total assets.

Data per share

Profit or loss after tax

Profit or loss for the year in relation to average shares outstanding during the period.

Cash flow¹⁾

Cash flow from operating activities in relation to average shares outstanding during the period.

Shareholders' equity¹⁾

Shareholders' equity in relation to shares outstanding at the end of the period.

Net asset value (NAV)¹⁾

Shareholders' equity plus interest rate derivatives and deferred tax liabilities in relation to shares outstanding at the end of the period.

Carrying amount, properties¹⁾

Carrying amount of properties in relation to shares outstanding at the end of the period.

Definitions for the share information pages 66-67

P/E ratio I

Share price divided by earnings per share before tax.

P/E ratio II

Share price divided by earnings per share after tax.

Total return

Share price performance and dividends paid during the year divided by the share price at the year-start.

¹⁾ Heba follows ESMA Guidelines on Alternative Performance Measures of 3 July 2016 (APMs). The guidelines cover financial performance measures that are not defined under IFRS. The guidelines aim to make alternative performance measures (APMs) more understandable, reliable and comparable, thereby promoting their usefulness. Calculations of APMs are available on Heba's website, www.hebafast.se.

Property list

Property name	Year of construction	Residential properties				Non-residential units			Garage/Car parks		Total		Taxable value	Site leasehold
		Number	Of which new or converted	Area, m ²	Annual rent, SEK thousand	Number	Area, m ²	Annual rent, SEK thousand	Number	Annual rent, SEK thousand	Area, m ²	Annual rent, SEK thousand	Total, SEK thousand	Leasehold/Ownership
City centre														
Draken 24 Timmermansg. 29–31, Södermalm	1967	78	14	6,274	9,567	5	1,999	3,429	62	1,652	8,273	14,649	298,000	O
Höken 30 Åsögatan 124, Södermalm	1934	26	6	1,866	2,875	2	610	1,508	0	0	2,476	4,383	100,800	O
Veken 8 Åsögatan 180, Södermalm	1960/2020	17	17	1,640	3,050	1	423	1,566	10	300	2,063	4,916	109,600	O
Bonden Mindre 8 Skånegatan 71, Södermalm	1940/1985	20	20	1,340	2,408	4	271	892	0	0	1,611	3,300	72,800	O
Sonfjället 1 Bobergsgatan 55–57, 59A–C, 61–65, 61X, Husarvikstorget 4–8, Norra Djurgårdsstaden	2016	72	72	4,885	12,783	17	817	2,128	37	956	5,702	15,866	341,600	L
Stubinen 3 Nybohovsbacken 34–36, Liljeholmen	2010	72	72	6,064	13,080	10	25	29	0	0	6,089	13,110	274,105	L
Total city centre		285	201	22,069	43,763	39	4,146	9,552	109	2,908	26,215	56,224	1,196,905	
Stockholm Immediate suburbs														
Bisvärmen 6 Olaus Magnus väg 6, Johanneshov	1943/2013	52	52	2,611	5,724	6	63	122	21	280	2,674	6,127	71,595	O
Bisvärmen 7 Olaus Magnus väg 8, Johanneshov	1943/2012	51	51	2,443	5,354	4	140	218	14	234	2,583	5,805	102,105	O
Bisvärmen 4 Olaus Magnus väg 10, Johanneshov	1943/2012	51	51	2,501	5,419	4	129	255	25	372	2,630	6,046	103,637	O
Bisvärmen 5 Olaus Magnus väg 12, Johanneshov	1943/2013	49	49	2,387	5,165	8	260	512	13	174	2,647	5,851	136,769	O
Pennteckningen 5 Gullmarsvägen 4, Johanneshov	1946/2023	40	40	2,679	5,340	17	271	480	5	73	2,950	5,893	84,234	O
Arabesken 1 Skulptörvägen 7, Johanneshov	1944/2023	37	37	1,598	3,592	4	11	146	0	0	1,609	3,738	53,200	O
Fontänen 1 Skulptörvägen 11, Johanneshov	1944/2010	37	37	1,769	3,784	0	0	0	5	66	1,769	3,850	71,000	O
Borrsvängen 14 Gubbängsvägen 107A–B, 109A–D, Gubbängen	2016	57	57	4,078	8,974	0	0	0	43	347	4,078	9,320	142,748	L
Borrsvängen 8 Gubbängsvägen 97–105, Gubbängen	1947/2020	34	34	2,188	4,218	3	43	35	0	0	2,231	4,253	66,479	L
Gradsågen 3 Dörrvägen 12–14, Gubbängen	1947/2022	13	13	815	1,541	5	79	102	0	0	894	1,643	16,195	L
Ryggsågen 2 Dörrvägen 18–20, Gubbängen	1947/2022	13	13	814	1,533	0	0	0	0	0	814	1,533	15,600	L
Ryggsågen 3 Dörrvägen 22–28, Gubbängen	1947/2021	26	26	1,660	3,067	4	57	46	1	7	1,717	3,120	40,238	L
Spöksonaten 1 Gösta Ekmans väg 31–33, Hägersten	1969/2023	53	53	4,370	7,758	6	791	472	28	260	5,161	8,490	128,400	O
Skidföret 1 Glidgränd 1–13, Västertorp	1949/2018	53	53	2,969	5,757	0	0	0	23	166	2,969	5,923	127,000	O
Backskidan 1 Telemarksgränd 1–5, Västertorp	1949/2013	18	18	1,224	2,059	2	146	140	12	101	1,370	2,300	49,428	O
Skridskon 1 Lugntorpsvägen 45–57, Västertorp	1950/2017	58	58	3,366	6,360	2	152	233	16	127	3,518	6,721	141,460	O
Lackträden 8 Korpmossevägen 63–69/Nitvägen 23–25, Västberga	1944/2015/2016	42	42	1,818	3,926	11	258	251	8	66	2,076	4,242	83,688	L
Lejongapet 46 Tegelbruksvägen 25–35, Midsommarkransen	1944/1988	58	0	3,614	5,965	9	272	479	20	204	3,886	6,647	128,900	O
Sötmandeln 2 Sirapsvägen 28, Hökarängen	2019	84	84	3,118	8,600	0	0	0	0	0	3,118	8,600	126,400	L
Pennvässaren 2 Lyckselevägen 90–116, Vällingby	1954/2016/2017/2019	96	96	5,912	11,001	23	502	416	18	158	6,414	11,575	163,365	L
Agnes Cecilia 1 Tappvägen 17–19, Emils Gata 1–7, Tummelis Gata 6–22, Bagar Bengtssons Gata 4–6, Bromma	2013	85	85	6,154	12,786	5	197	547	55	753	6,351	14,085	244,166	L
Vattenfallet 6 Räcksta Gårdsväg 19, Vällingby	2011/2012	77	77	5,431	11,249	0	0	0	50	365	5,431	11,615	178,000	O
Total Stockholm Immediate suburbs		1,084	1,026	63,519	129,173	113	3,369	4,453	357	3,753	66,888	137,379	2,274,607	

Other



Property name	Year of construction	Residential properties				Non-residential units			Garage/Car parks		Total		Taxable value	Site leasehold
		Number	Of which new or converted	Area, m ²	Annual rent, SEK thousand	Number	Area, m ²	Annual rent, SEK thousand	Number	Annual rent, SEK thousand	Area, m ²	Annual rent, SEK thousand	Total, SEK thousand	Leasehold/Ownership
Southwest														
Rådsbacken 12 Rådsvägen 6–16/ Rådsstigen 3–5, Huddinge	1957/1972/2024	385	385	24,061	44,273	24	2,716	1,446	323	2,662	26,777	48,380	423,400	O
Generatorn 7 Björnkullavägen 6–12, 6A, 10A–B, Ebba Bååts Torg 11–15, 19B, 21–29, Huddinge	2017	184	184	11,503	25,352	57	1,753	4,520	86	1,252	13,256	31,124	409,800	O
Capella 2 Solskensvägen 21–23, Tullinge	2018	155	155	5,276	14,571	44	73	124	54	462	5,349	15,157	193,523	O
Total Southwest		724	724	40,839	84,196	125	4,543	6,090	463	4,376	45,382	94,662	1,026,723	
Northeast														
Galeasen 4 Farkostvägen 2, Lidingö	1955/2021	24	24	1,917	3,521	11	231	357	7	79	2,148	3,958	60,836	O
Regattan 3 Bodalsvägen 11–19, Lidingö	1954/2022	52	52	2,666	5,610	5	141	127	9	114	2,807	5,851	107,818	O
Fregatten 4 Fregattvägen 9, Lidingö	1961/2014	73	73	5,409	9,334	10	73	70	0	0	5,482	9,404	159,418	O
Fregatten 5 Fregattvägen 11–15, Lidingö	1960/2015	72	72	7,549	12,027	9	175	147	40	298	7724	12,471	221,185	O
Styrmannen 1 Bodalsvägen 49–83, Lidingö	2007	87	87	5,673	11,077	5	2,730	1,365	165	2,173	8,403	14,615	227,600	O
Markan 6 Flygvillesingan 5, 12, 18–20, Täby	2010	52	52	2,848	6,087	0	0	0	54	227	2,848	6,314	103,000	O
Opalen 2 Boulevarden 35,37,39,41, Trångsgatan 3,5,7, Trångsgatan 1A–H, Martingalgatan 2, 4, Täby	2020	142	142	9,527	21,086	11	192	2,004	63	1,011	9,719	24,101	388,237	O
Murklan 1 Johannesbergsvägen 64–118/Vetenskapsvägen 2A–8E, Sollentuna	2020	52	52	3,854	8,364	0	0	0	24	242	3,854	8,606	149,000	O
Alen 3 Pilgatan 7, 9 A–C, Sjöfartsgatan 12, Skutgatan 13 A–D, Norrtälje	2022	84	84	3,901	9,259	2	290	594	0	0	4,191	9,853	134,418	O
Gråalen 1 Vegagatan 14 A–E, Hamnvägen 1, 3A–D, Skutgatan 10, 12 A–D, Norrtälje	2021	143	143	8,048	18,175	1	510	874	0	0	8,558	19,049	251,101	O
Total Northeast		781	781	51,391	104,541	54	4,343	5,538	362	4,144	55,734	114,223	1,802,613	
Northwest														
Enköping Romberga 23:58 Eiravägen 4–6, Nannavägen 4–6, Vanadisvägen 6, Enköping	2022	156	156	7,473	14,599	0	0	0	80	583	7,473	15,185	179,000	O
St Iljan 9:3 Sankt Larsgatan 2 D, Enköping	2021	33	33	2,036	3,516	0	0	0	2	17	2,036	3,533	45,000	O
Gränby 10:7 Liljefors Torg 6, Uppsala	2022	47	47	1,654	4,167	0	0	0	8	48	1,654	4,215	59,000	O
Total Northwest		236	236	11,163	22,282	0	0	0	90	648	11,163	22,930	283,000	
Community service properties														
Tärnö 1 ¹⁾ Brattforsgatan 25A–C, Farsta	2016					1	5,800	14,817		0	5,800	14,817	0	L
Årstadalsskolan 5 ¹⁾ Sturehillsvägen 28–30, Liljeholmen	2010					1	575	1,732		0	575	1,732	0	L
Krusmyntan 1 ¹⁾ Basilikagränd 1, Tyresö	2017					1	4,675	12,891		0	4,675	12,891	0	O
Krusmyntan 2 ¹⁾ Basilikagränd 3, Tyresö	2007					1	2,900	6,380		0	2,900	6,380	0	O
Vinfatet 6 ¹⁾ Böllevägen 20, Sollentuna	2016					1	4,010	10,502		0	4,010	10,502	0	O
Fuxen 2 ¹⁾ Kemistvägen 7–9, Täby	2015					2	4,247	10,917	1	50	4,247	10,968	0	O
Parken 6 ¹⁾ Söderby torg allé 20, Salem	2015					1	3,650	8,833		0	3,650	8,833	0	O
Svånghjulet 4 ¹⁾ Enhagsslingan 7, Täby	2014					1	3,998	10,747		0	3,998	10,747	0	O
Österåker Näs 7:7 ¹⁾ Näs, Österåker	2020					2	4,787	13,268		0	4,787	13,268	0	O
Vallentuna Åby 1:167 ¹⁾ Åby Allé, Vallentuna	2020					1	3,915	11,189		0	3,915	11,189	0	O
Alen 3 Vårdboende ¹⁾ Skutgatan 15, Norrtälje	2022					1	5,915	16,472		0	5,915	16,472	0	O
Äppelträdgården 1 ¹⁾ Dora Lamms gata 11, Täby	2021					1	3,935	12,432		0	3,935	12,432	0	O
Gränby 10:6 ¹⁾ Liljefors Torg 4, Uppsala	2012					2	5,472	12,625		0	5,472	12,625	0	O
Enköping Romberga 23:54 ¹⁾ Idunvägen 2, Frejas allé 2, Enköping	2018					1	4,100	10,752		0	4,100	10,752	0	O
Total Community service properties		0	0	0	0	17	57,979	154,313	1	50	57,979	154,363	0	
TOTAL		3,110	2,968	188,981	383,955	348	74,378	179,946	1,382	15,880	263,361	579,781	6,583,848	

Annual rents are based on December's closing rents, annualised. The above list does not include the Källberga Nynäshamn project property.

¹⁾ Special unit, taxable value has not yet been assigned.

Annual General Meeting

Annual General Meeting 2025 in Heba Fastighets AB (publ)

Time Thursday 24 April at 16.00

Location Bio Fågel Blå, Skeppargatan 61, Stockholm

Notification

Anyone wishing to attend the meeting in person or by proxy must:

First, be registered as a shareholder in the share register maintained by Euroclear Sweden AB on Monday 14 April 2025.

Secondly, to notify the company of their participation by e-mail: GeneralMeetingService@euroclear.com, by post: Heba Fastighets AB, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, or by telephone: +46(0)8-402 91 33 by Wednesday 16 April 2025.

Nominee-registered shares

In order to be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to registering for the meeting, also register the shares in their own name so that the shareholder is included in the presentation of the share register as of the record date of Monday 14 April 2025. Re-registration can be temporary (voting rights registration) and is requested from the nominee in accordance with the nominee's procedures and advance notice requirements. Voting rights registrations made by the nominee no later than Wednesday 16 April 2025 will be taken into account in the preparation of the share register.

Information on the resolutions adopted by the General Meeting on Thursday 24 April 2025, after the close of the General Meeting.

Information can be requested by

Telephone +46(0)8-442 44 40

E-mail info@hebafast.se

Financial calendar

Interim Report January–March 2025

23 APR 2025

The Board of Directors proposes that a dividend of SEK 0.52 per share be paid to the shareholders. The proposed record date for the dividend is 28 April 2025.

28 APR 2025

If the Annual General Meeting adopts the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on 2 May 2025.

2 MAY 2025

Interim Report January–June 2025

9 JUL 2025

Interim Report January–September 2025

22 OCT 2025

Year-end Report 2025

FEB 2026

Annual Report 2025

MAR 2026



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