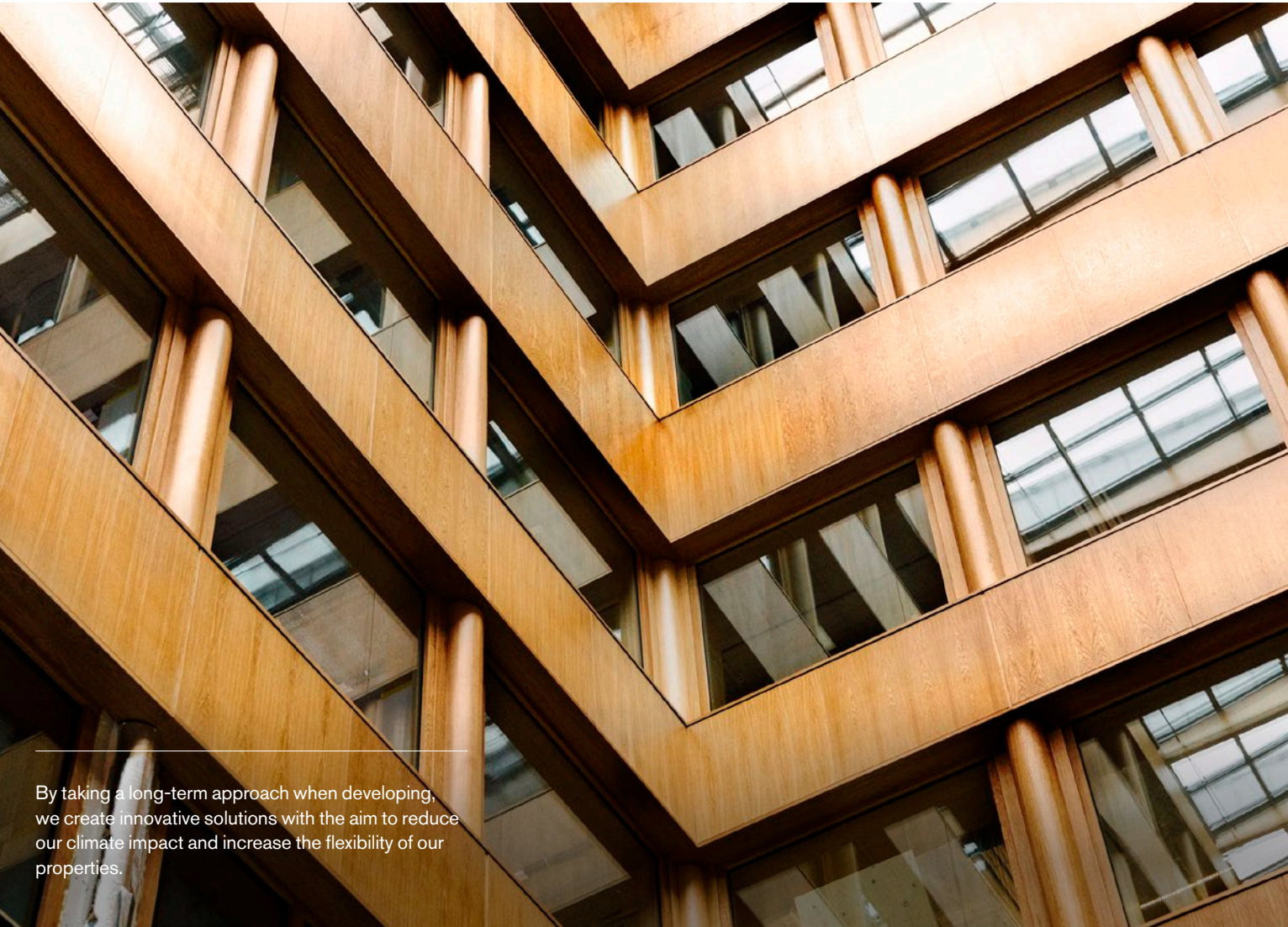




HUFVUDSTADEN

2024

ANNUAL AND SUSTAINABILITY REPORT



By taking a long-term approach when developing, we create innovative solutions with the aim to reduce our climate impact and increase the flexibility of our properties.

Contents

ABOUT HUFVUDSTADEN

This is Hufvudstaden	1
The year in brief	3
Statement by the President	4
Business concept, strategies and objectives	6

OPERATIONS

The property market	9
Property management	
Stockholm Business Area	12
NK Business Area	15
Gothenburg Business Area	18
Other segments	
NK Retail	21
Other operations	22
Property development	24
Sustainability	28
Employees	32

FINANCIAL STATEMENTS

Administration Report	35
Financing	38
Risks and risk management	40
Group financial statements	
Profit or loss	44
Financial position	46
Changes in equity	49
Cash flows	50
Parent Company financial statements	
Income statement	52
Balance sheet	52
Changes in equity	53
Cash flow	53
Financial notes	54
Proposed allocation of unappropriated earnings	71
Auditor's report	73

KEY RATIOS

Multi-year review	76
Alternative performance measures	78
Business areas in figures	80
Definitions and glossary	82

CORPORATE GOVERNANCE

Corporate Governance Report	84
Board of Directors and Auditors	88
Senior Executives	90
Shares and shareholders	92
Annual General Meeting and calendar	94

SUSTAINABILITY NOTES

Sustainability notes	96
Assurance report Sustainability	109

PROPERTIES

Properties	110
Property holdings	112
Addresses	115

THIS IS HUFVUDSTADEN

Hufvudstaden in brief

Hufvudstaden offers attractive office and retail premises in the most central areas of Stockholm and Gothenburg. The Group owns 29 properties valued at SEK 47.1 billion. We are a long-term property owner whose main focus is great service, enduring customer relationships and high quality in both property management and in development of properties. We offer successful businesses attractive premises in central locations, with possibility to grow in our properties. By providing the best possible conditions we help strengthen the competitiveness and brands of our customers.

AB Nordiska Kompaniet, owner of the NK brand, with department stores in Stockholm and Gothenburg, and NK Retail AB, which operates just over 30 departments corresponding to about 20 per cent of the departments in the department stores, are included in the Group.

Hufvudstaden works actively and long-term towards economic, environmental and social sustainability. We cooperate with our tenants and other partners to promote sustainable urban development in Stockholm and Gothenburg.

Hufvudstaden was founded in 1915, and its series A shares have been listed on what is now Nasdaq Stockholm since 1938. We have been operating for over 100 years in Stockholm and over 60 years in Gothenburg.

Business model

Hufvudstaden's business model is to be a long-term property owner, focused on the customer and high-quality management and development of the property holdings.

Stakeholders

- Customers**

Have the most satisfied customers in the industry with focus on long-term relationships.
- Employees**

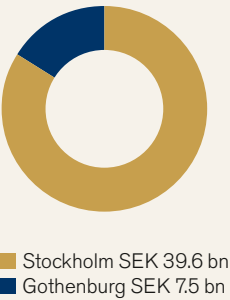
Attract and retain professional employees with great commitment.
- Society**

Preserve and develop attractive city centre environments for all.
- Shareholders**

Provide good returns at low risk.

Fair value of property holdings

SEK 47.1 bn



The industry's most satisfied office tenants can be found at Hufvudstaden. For the seventh consecutive year we were ranked first in the Fastighetsbarometern Customer Satisfaction Index among large companies¹⁾. We retained our top position from the previous year, with a score of 88 out of 100. The ranking is a result of long-term joint efforts throughout the organisation, in which all employees have a key role to fill. Hufvudstaden's objective is to contribute to making the customers more successful in our properties. Fastighetsbarometern was launched in 1997 and Hufvudstaden has ranked in the top three real estate companies ever since.

¹⁾ Large companies are defined as real estate companies with more than 100 tenants.

Reference to the statutory annual and sustainability report. The statutory annual report comprises pages 6–7, 28–71, 76–79, 84–89 and 96–108. Comparative figures in brackets refer to the corresponding figures for the preceding year. The statutory sustainability report as required under the Swedish Annual Accounts Act is provided on pages 6–7, 28–33, 43 and 96–108.



Marketplaces that combine commercial and cultural experiences create environments where people thrive and develop.

THE YEAR IN BRIEF

Stability in times of uncertainty

Net revenue from property management was SEK 2,120 million (2,033), an increase of 4 per cent. Including intra-Group rent revenue, net revenue from property management was SEK 2,319 million (2,216).

Gross profit from property management increased by 6 per cent, totalling SEK 1,435 million (1,359). Including intra-Group rent revenue, gross profit from property management was SEK 1,633 million (1,542).

Net result for the year was SEK 365 million (-1,927), equivalent to SEK 1.80 per share (-9.53). The improvement can be attributed to lower negative unrealised changes in the value of the property holdings.

The Board proposes an increased dividend of SEK 2.80 per share (2.70).

The fair value of the property holdings was SEK 47.1 billion (46.7), resulting in a Net Reinstatement Value (EPRA NRV) of SEK 185 per share (185). Unrealised changes in the value of the property holdings amounted to SEK -603 million (-4,042) for the year.

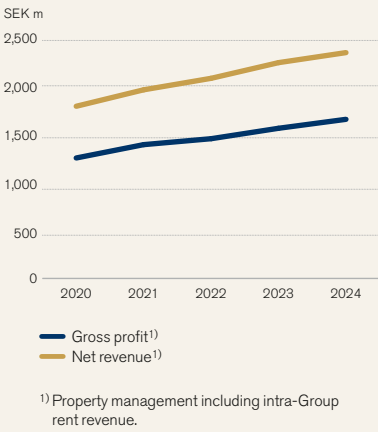
The equity ratio was 59 per cent (59), the net loan-to-value (LTV) ratio was 21 per cent (21), and the interest coverage ratio multiple was 4.5 (4.9).

The rental vacancy rate at year-end was 7.1 per cent (8.8). Excluding current development projects, the rental vacancy rate was 5.0 per cent (5.7).

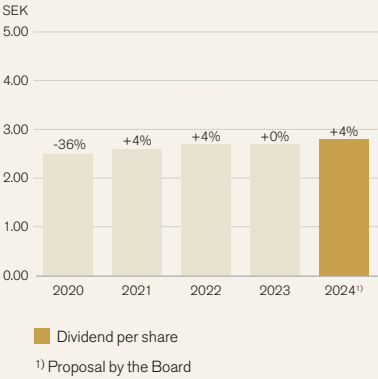
Financial summary

SEK m	2024	2023	2022	2021	2020
Net revenue, property management, gross	2,319	2,216	2,055	1,936	1,768
Rent revenue, intra-Group	-198	-183	-200	-153	-44
Net revenue, property management, net	2,120	2,033	1,855	1,783	1,724
Gross profit, property management	1,435	1,359	1,235	1,221	1,194
Changes in value, investment properties	-603	-4,042	-209	2,579	-2,930
Operating result	884	-2,256	1,089	3,865	-1,702
Net result for the year	365	-1,927	722	2,955	-1,462
Net profit from current operations	934	903	884	911	834
Fair value of properties, SEK bn	47.1	46.7	49.5	48.8	45.6
Rental vacancy rate, %	7.1	8.8	7.0	7.3	8.2
Net loan-to-value ratio, properties, %	21.4	20.9	18.7	17.9	18.8
Interest coverage ratio, multiple	4.5	4.9	7.7	9.3	9.1

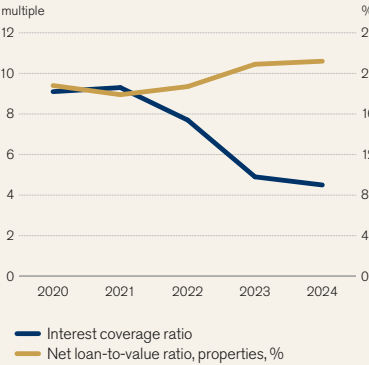
Gross profit and net revenue



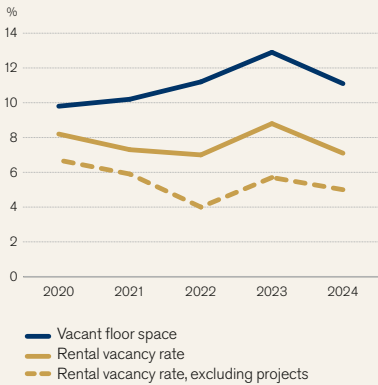
Dividend



Interest coverage ratio and net LTV ratio



Vacancy



Premises in central locations are increasingly attractive

We are leaving yet another year behind us which was dominated by continued high uncertainty in the world around us, with geopolitical tensions, wars and a recession. Nevertheless, we see some rays of hope in the form of more stable markets and our customers' increased willingness to invest for the future.

Hufvudstaden remains strong in this uncertain time of rapid changes. Our properties are situated in the most attractive locations in central Stockholm and Gothenburg, where rich offerings of culture, restaurants and shops as well as good transport links are available. It is clear that the premises in our property holdings are in line with what the market demands. Hufvudstaden's strong financial position enables us to continue to develop our properties and operations. Our focus on customer satisfaction and profitability remains, with the objective of increasing shareholder value.

Marketplaces under development

Our properties are well maintained, with a high standard of quality, most of them feature attractive and sustainable architecture. This allows us to create and develop attractive marketplaces, together with other players in the city. These marketplaces combine offices, shops, restaurants and culture with a safe and welcoming environment. Our tenants support one another's businesses when office workers shop, eat and socialise in the area, and the companies that rent offices find that their workers are more satisfied which facilitates the recruitment of people with the right skills.

In Gothenburg, our largest development, Kvarteret Johanna, has reached its full height and the new design is now visual to Gothenburg residents. The block has attracted widespread interest and there is full activity in the rental process, with several leases signed with strong companies. Upon completion, the new block will strengthen the Fredstan district.

Hufvudstaden and other property owners in Nordstan in Gothenburg have received a new detailed development plan for an extension of the northern part of the shopping centre, where the West Link will open a new station entrance at the end of 2026. The new entrance will result in higher footfall to the shops and facilitate office workers' commutes.

A new detailed development plan for Orgelpipan 7, located nearby Stockholm Central Station, gained legal force during the spring. This plan allows for an extension covering approximately 3,000 square metres of office space. Project planning has begun, and the start of the project is planned for 2026/2027.



Our focus on customer satisfaction and profitability remains, with the objective of increasing shareholder value.

A stable but cautious office market

The office market in Stockholm was stable during the year, but letting processes were protracted due to cautiousness among companies when making decisions about new premises. The vacancy rate increased in most sub-markets. Nevertheless, demand for attractive offices in central locations was relatively strong. In Gothenburg, the vacancy rate remained high, primarily due to a large addition of new office space in recent years. At the same time, we see growing

demand for high-quality premises in central Gothenburg, where market rents were stable and top rent levels were noted.

We see more companies requiring workers to come back to the office. In order to facilitate this, companies are increasingly demanding flexible offices in good locations that offer space for cooperation, innovation and building company culture. The street environment outside the office must also be inviting, and companies are standing in line to rent offices in marketplaces with such features. Bibliotekstan in Stockholm is an example of one of these marketplaces.

Challenges for the retail sector continue

2024 was a challenging year for retail, with profitability problems continuing to exert downward pressure on rents for retail space. Household purchasing power was low, primarily due to mortgage interest rates, food prices and a weaker job market. Restaurants have also experienced difficulties. People continued to go out to eat and socialise, but the average bill was lower than in good times.



We continually strive to find the right mix of businesses in order to be the first choice in the market.

In Bibliotekstan, one of the strongest marketplaces in Scandinavia, both Swedish and international brands have shown strong interest in establishing a presence. We continually strive to find the right mix of businesses in order to be the first choice in the market. We have seen an increase in activity in our properties in Nordstan and several new leases were signed, resulting in low vacancy at year-end.

NK continues to offer customers memorable experiences by combining an attractive range of products with first-class service. We had several successful launches that received widespread attention, such as Tommy Myllymäki and Pi Le's takeover of the historic Bobergs Matsal restaurant, and the sought-after SKIMS brand.

While the sales increased in the department stores and for the e-commerce, vacancies and high costs led to a decrease in profit for NK's property management. Consequently, we focused on implementing several measures to gradually increase occupancy rate and reduce costs in order to strengthen profitability. A change process was initiated for our own retail operations within NK Retail. We reviewed our brand offerings and made changes to internal work processes in order to better meet customer demand and achieve profitability in the business.

We will welcome Hannes Hasselrot as the new President of NK at the beginning of 2025. With his wide-ranging experience from various areas of the retail sector he is well positioned to further develop NK's operations and strengthen its profitability, in collaboration with the employees.

Higher priority given to sustainability

At Hufvudstaden, we take a long-term approach to reducing the climate impact of our properties. Adapting our premises in order to make them highly flexible is a top priority. We choose sustainable materials and robust technical solutions with long lifetimes in order to future-proof our properties. In doing so, our ambition is to create

the conditions to reduce the climate impact of future redevelopments. At the end of 2024, 84 per cent of our properties were Green building certified. Interest in sustainability is on the rise, and more and more tenants are showing greater commitment to re-use and reducing climate impact. One successful example is the adaptation of the Danske Bank premises at Normalmstorg in Stockholm, where we share a high level of ambition for sustainability and re-use. This approach has resulted in less waste and purchases of lower quantities of materials, leading to fewer transports.

To facilitate the transition to electric cars, we installed fast chargers in the NK Parkering parking facility in Stockholm, which makes efficient charging of electric vehicles possible in the city centre. We also performed a double materiality assessment in order to meet the new sustainability reporting requirements that will come into force in 2025.



Interest in sustainability is growing, and more tenants are showing greater commitment to re-use and reducing climate impact.

A changing property market

Interest rate decreases during the year made it easier for stable property companies to refinance loans, both via banks and via the capital market. Although interest rates decreased, they are higher than during the previous period of low interest rates, which has continued to hamper the property market.

While the differentiation between attractive and less attractive properties remained unchanged, the gap in price expectations between sellers and buyers decreased slightly. A recovery was noted during the final quarter of the year, with higher activity among high-quality properties in attractive locations. The total transaction volume in Sweden was approximately SEK 145 billion, an increase compared to 2023 which was a weak year for transactions.

Yield requirements in Stockholm and the central areas of Gothenburg were stable. At year-end, the value of Hufvudstaden's properties was SEK 47.1 billion.

Higher gross profit from property management

Hufvudstaden's gross profit from property management increased for the fourth year in a row to SEK 1,435 million (1,359). This 6 per cent increase was primarily attributable to higher rent revenue. The net result for the year was SEK 365 million (-1,927), a significant improvement primarily attributable to lower negative unrealised changes in the value of the property holdings.

A brighter future

I feel positive about 2025, even though our operating environment remains uncertain. My assessment is that the economy will gradually strengthen, but the effects on our operations will probably not be seen until the second half of the year. We will maintain our strong



financial position in order to meet new challenges and deliver stable dividend growth to shareholders over time.

I am extremely pleased to report that Kvarteret Johanna in Gothenburg is nearing completion. After several years of hard work, we look forward to welcoming the first tenants to a block that will be filled with life and activity once again in 2026. This project is a milestone for us, and an important investment which will create new cash flows and strengthen our profit.

In 2025, we will continue to develop our ongoing property management operations, focusing on leasing, customer satisfaction, sustainability and improved profitability for NK.

Finally, I would like to express my heartfelt thanks to all of our employees for their good work and high level of commitment during a challenging year. I would also like to thank our customers for the trust you have shown us and our positive cooperation during the year.

Stockholm, February 2025

Anders Nygren,
President

BUSINESS CONCEPT, STRATEGIES AND OBJECTIVES

High quality, good service and a long-term approach

Vision

Hufvudstaden will be consistently perceived as, and prove to be, the most attractive property company in Sweden.

Business concept

With properties in central Stockholm and central Gothenburg, Hufvudstaden will offer successful companies high-quality office and retail premises in attractive marketplaces.

Purpose

Shaping the city of the future together, since 1915.

Values

- *Quality*
- *Honesty*
- *Attentiveness*
- *Commitment*

Hufvudstaden's corporate culture is distinguished by strong employee commitment with a clear and strongly rooted set of values that permeates everything we do. Our values are our most important tool for directing and guiding the business towards the company's vision and goals. They also provide a platform that enables us to conduct operations in a responsible manner.



Strategies to achieve our objectives

Customer focus

Hufvudstaden will work in close cooperation with its customers and contribute continuously to improving their business potential and competitiveness.

Quality

Systematic quality management will ensure high quality in all of the company's products and services.

Competence development

Employees will systematically be offered development, focusing on skills and the company's values.

Business development

Active business development and adaptation to the digitalisation in society will create added value in our property holdings.

Sustainability

Hufvudstaden will work actively and long-term to ensure financial, environmental and social sustainability.

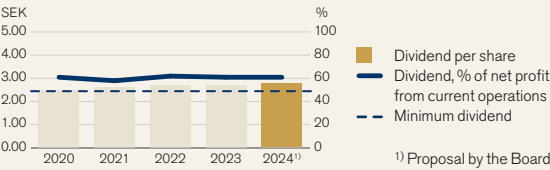
BUSINESS CONCEPT, STRATEGIES AND OBJECTIVES

Objectives and outcomes

61%

Dividend share of net profit

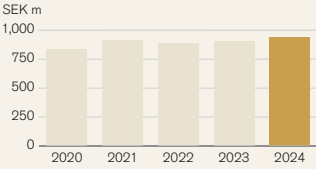
The Hufvudstaden share will have good dividend growth over time, and the dividend will amount to more than half of the net profit from current operations. The Board proposes an increased dividend of SEK 2.80 per share (2.70), corresponding to a total dividend of SEK 566 million.



+3%

Net profit

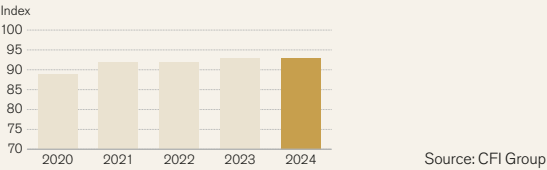
Hufvudstaden will gradually increase net profit from current operations. Net profit from current operations increased by SEK 31 million to SEK 934 million in 2024.



93 of index 100

Professional employees

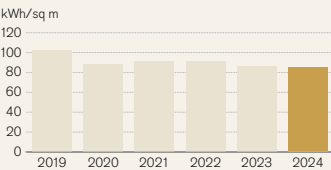
Hufvudstaden will have the most dedicated and professional employees in the industry, with a strong customer focus and high business acumen. In the customer satisfaction survey, our office tenants are asked how they perceive our employees based on established goals.



-17%

Energy consumption

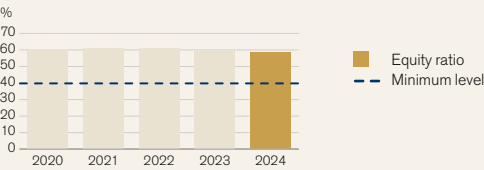
In total, energy consumption per square metre shall decrease by 16 per cent from 2019 to 2025.



59%

Equity ratio

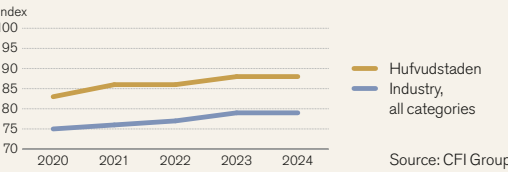
The equity ratio will be at least 40 per cent over time.



First place

Customer Satisfaction Index

Hufvudstaden will have the most satisfied customers in the industry. For the seventh consecutive year, Hufvudstaden ranked first in the Large Company category of the Fastighetsbarometern Customer Satisfaction Index.



88 of index 100

Well-developed property holdings

Hufvudstaden is to have the most well-developed property portfolio in the industry. The customer satisfaction survey contains questions on how office tenants perceive our properties.

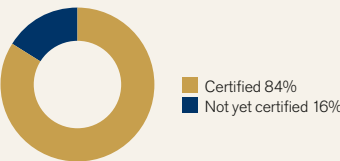
	Subject				Average
	Location	Property	Premises	Environ-mental con-siderations	
Hufvudstaden	91	87	85	87	88
Industry average	82	77	80	76	79

Source: CFI Group

84%

Green building certification

All properties will have green building certification by the end of 2025.





Inspiring offices strengthen creativity, build corporate culture and help companies achieve their goals.

THE PROPERTY MARKET

Challenging conditions but signs of recovery

Economic conditions

The recession continued to dominate the Swedish economy in 2024. The high level of inflation seen in recent years has had a sizeable negative impact on household purchasing power. Inflation declined during the year, and as of the summer it was below the long-term target of 2 per cent. Parts of the business sector also faced challenging conditions, with weak private consumption and low willingness to invest. In addition, many companies were forced to manage the discontinuation of financial supports they received in connection with Covid-19. This had a negative effect on the labour market, causing a rise in unemployment to approximately 8.5 per cent. GDP growth remained weak, amounting to approximately 0.5 per cent. The Riksbank reduced the policy rate from 4.00 to 2.50 per cent to combat the downward trend in the economy.

Elsewhere in the world, the wars in Ukraine and the Middle East continued. There were also geopolitical tensions in Sweden's immediate proximity, and Sweden joined the NATO defence alliance during the year. The economic performance in the eurozone was weak, while the US economy was stronger. Overall, it is estimated that global GDP increased by approximately 3 per cent in 2024. Central banks implemented a number of interest rate cuts and several of the larger global share indexes rose by double digits during the year, although there were major variations among different countries and industries.

Hufvudstaden's sub-markets

Hufvudstaden owns and manages 24 properties in central Stockholm and 5 properties in central Gothenburg. The population of Greater Stockholm amounts to 2.5 million inhabitants, while the population of Greater Gothenburg is 1.1 million.

Economic growth in both cities has been strong over time. In the 2000's, average GRP growth was 2.6 per cent per year in Greater Stockholm and 2.2 per cent per year in Västra Götaland, an area somewhat larger than what is usually referred to as Greater Gothenburg. The equivalent growth figure is 2.0 per cent for Sweden as a whole.

Tourism is an important industry in both Stockholm and Gothenburg. The trend in the industry remained somewhat positive in both cities during the year, despite the challenging economic situation.

Major infrastructure investments are in progress in Stockholm. The largest projects include the Förbifart Stockholm motorway and an extension of the underground rail system. In Gothenburg, the largest current infrastructure project is the West Link project, a dual-track rail connection that is partly underground, with three new stations. One of the stations, Gothenburg Central Station, will be located right next to the Nordstan shopping centre.

The Stockholm CBD comprises approximately 1.9 million square metres of office space located in an area surrounding Central Station, Hötorget, Stureplan, Östermalmstorg, Norrmalmstorg, Kungsträdgården and Sergels Torg.

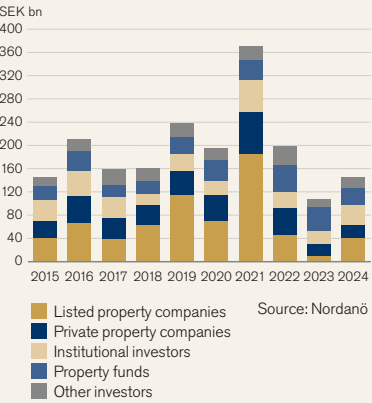
The prime locations for offices in central Gothenburg are assessed as the city districts Inom Vallgraven, especially the blocks nearest the "harbour streets" of Östra Hamngatan, Västra Hamngatan, Norra Hamngatan and Södra Hamngatan, as well as Nordstan, Kungssportsavenyn, Masthuggskajen, Svenska Mässan, Lilla Bommen, Gårda and Gullbergsvass. Office space in the Gothenburg CBD amounts to about 0.8 million square metres.

Investor market

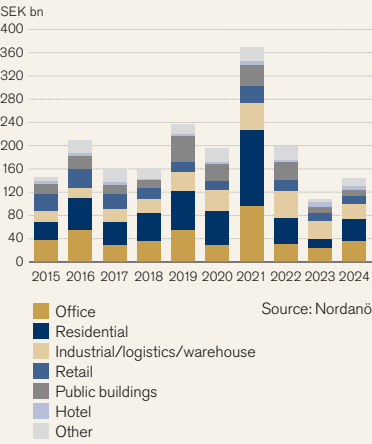
The Swedish property market was generally cautious during most of 2024. Sales processes were protracted, and there was often a discrepancy between sellers' and buyers' price expectations. Several properties were put up for sale in central Stockholm where the market proved stronger, with transactions completed at expected or somewhat higher price levels. In Gothenburg, the market was weak for most of the year, although a couple of transactions were completed during the final quarter of the year, showing some degree of recovery.

The possibility of financing from banks and capital markets was favourable, particularly with established contacts. As inflation

Transaction volume per investor category



Transaction volume per property type



25%

Office properties accounted for about 25 per cent of the transaction volume in 2024.

THE PROPERTY MARKET

declined and signals indicating policy rate cuts grew stronger, several Swedish market interest rates declined as well.

Overall, the transaction volume in Sweden was approximately SEK 145 billion in 2024, an increase of just over SEK 35 billion compared to 2023 which was a weak year for transactions. The share of international investors declined to about 15 per cent of the transaction volume. Property types most frequently changing hands were office, logistics/warehouse and residential properties.

At year-end, the yield requirement for commercial properties containing office and retail premises in the Stockholm CBD was estimated at between 3.70 and 4.40 per cent. In the Gothenburg CBD, the yield requirement was estimated at between 4.30 and 5.25 per cent.

Rental market
Office

The office rental market in the Stockholm CBD was stable in 2024. However, there was some degree of caution, and letting processes took slightly longer than in previous years. In central Gothenburg, the office rental market was marked by an increased offering originating from completed project properties. This held back market rents slightly. In both Stockholm and Gothenburg, the main demand was for modern and flexible offices in central locations close to good transport links as well as a broad array of services, stores and restaurants. In Gothenburg, this was confirmed by new top rent levels for the very best offices in the most attractive locations.

The office market has changed in recent years. Office workers are working more flexibly, and work is being performed outside the office once or twice a week. As a result, tenants – particularly larger ones – are reducing their leased space. Furthermore the location and design of offices have become increasingly important, which favours centrally located office premises with high standards. Willingness to pay for these office premises remained level or increased somewhat during the year.

While the demand for shorter, more flexible leases continues, coworking spaces and other turnkey rental concepts faced a more challenging situation during the year. Demand for unique concepts with first-class service and favourable networking opportunities is high. However, the traditional office remains the most in-demand alternative in the rental market.

Vacancies rose in several of Stockholm's office areas during the year. The same applied for the Stockholm CBD, where the vacancy rate at the end of 2024 was slightly above the normal range. Market rents were in the range of SEK 7,000–9,900 per square metre, excluding the property tax supplement. In the Gothenburg CBD, the vacancy rate was above the normal range and market rents were between SEK 3,300 and 4,200 per square metre and year, excluding the property tax supplement. Rent levels were higher for the most modern and attractive office premises.

Retail

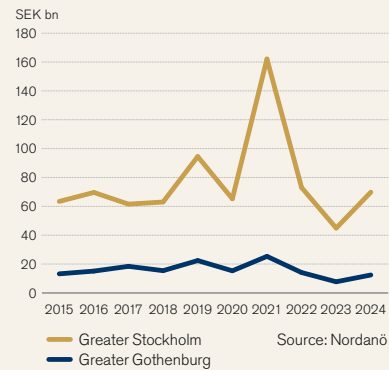
Retail continued to be affected by households' reduced purchasing power and general price increases in 2024. The largest impact was on the mid-price segment, while players in the low-price and luxury segments fared better despite the weak economy.

Interest in opening new stores at street level in central Stockholm and central Gothenburg increased gradually during the year. Vacancy levels remained limited in these locations and the rent trend was stable, primarily in Stockholm.

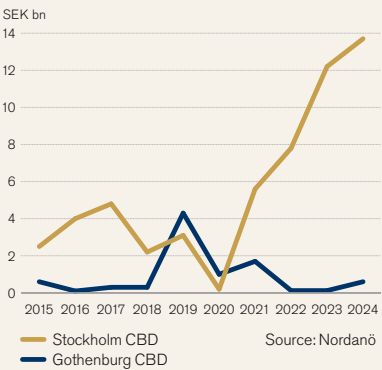
A number of retail players have profitability issues, attributable to weaker sales and rising costs. Tough competition prevails between different marketplaces as well as from e-commerce. Remote working a couple of days a week has affected footfall, primarily in central locations in Stockholm and Gothenburg. Customer flows are lower on certain days and higher on others. Overall, it was a challenging year for retail, but greater optimism about the future can be seen in connection with interest rate reductions, approved tax cuts and forecast real wage increases. The properties that offer consumers attractive meeting places and retail spaces with unique shopping experiences are considered to be in a prime position to be more profitable going forward.

Market rents in prime commercial locations in Stockholm were in the range of SEK 11,000–25,000 per square metre and year, excluding the property tax supplement. Östra Nordstan, Fredstan and Kungsgatan between Östra Hamngatan and Västra Hamngatan are considered prime retail locations in central Gothenburg. Market rents in these locations ranged from SEK 3,000 to 13,000 per square metre and year, excluding the property tax supplement.

Transaction volume in
Greater Stockholm and Greater Gothenburg



Transaction volume in
Stockholm CBD and Gothenburg CBD



SEK 145 bn

Properties with a total value of just over SEK 145 billion were sold in Sweden.

THE PROPERTY MARKET

Largest property owners in Stockholm CBD

	Rentable floor space, sq m
Vasakronan	377,000
AMF Fastigheter ¹⁾	290,000
Hufvudstaden	269,000
Pembroke Real Estate	120,000
Skandia Fastigheter	119,000
Folksam Fastigheter	115,000

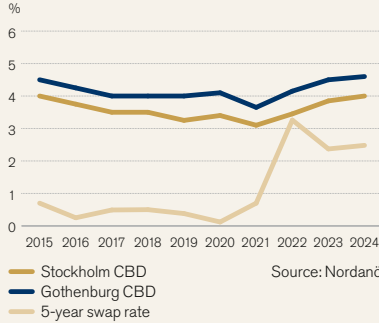
¹⁾ Including space owned jointly with AP7.
Source: Nordanö

Largest property owners in Gothenburg CBD

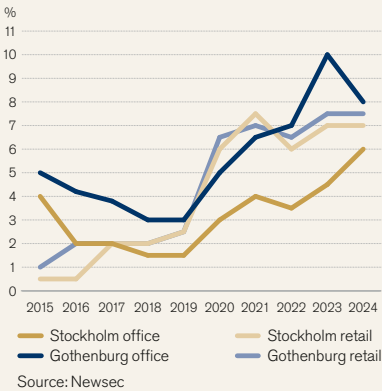
	Rentable floor space, sq m
Vasakronan	336,000
Wallenstam	231,000
Balder	159,000
Hufvudstaden	105,000
Bygg-Göta Göteborg	91,000
Platzer	82,000

Source: Nordanö

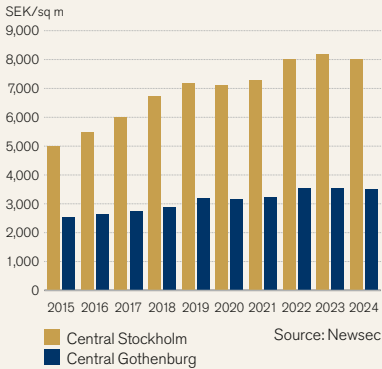
Yield requirements in
Stockholm CBD and Gothenburg CBD



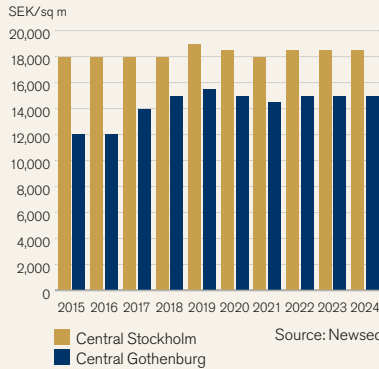
Vacancy rate, office and retail space
in prime locations



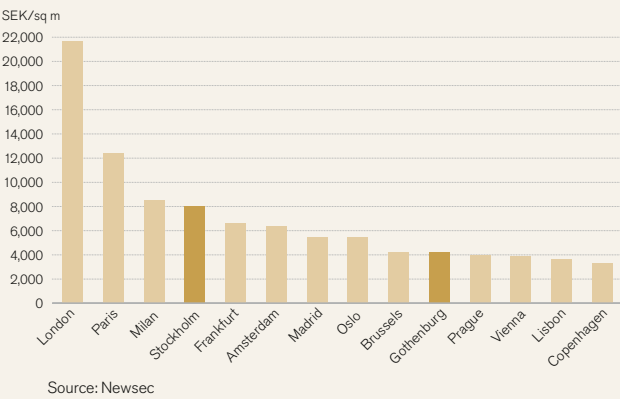
Market rent, office space in prime locations
(excluding property tax supplement)



Market rent, retail space in prime locations
(excluding property tax supplement)



Prime location office rents in European cities,
December 2024



Market rents, December 2024
(excluding property tax supplement)

Stockholm	Office, SEK per sq m and year	Retail, SEK per sq m and year
Bibliotekstan/NK	8,200–9,900	11,000–25,000
Other CBD	7,000–9,900	3,000–12,000
Östermalm	4,400–6,900	2,500–7,500
Gamla Stan	3,700–5,400	2,000–5,500
Södermalm	3,900–6,100	2,000–6,500
Kungsholmen	3,600–6,200	2,000–6,500
Liljeholmen	2,500–3,600	2,000–5,000
Globen	2,500–3,600	2,000–4,000
Arenastaden	2,700–3,900	2,500–10,000
Kista	2,000–2,800	2,000–5,000
Gothenburg	Office, SEK per sq m and year	Retail, SEK per sq m and year
CBD	3,300–4,200	3,000–13,000

Prime locations becoming increasingly attractive

The Stockholm Business Area comprises 22 office and retail properties in three management areas: Norrmalmstorg, Kungsgatan and West. Norrmalmstorg includes the properties in Bibliotekstan. Kungsgatan includes properties in the eastern part of Kungsgatan and at the junction of Kungsgatan and Sveavägen. West comprises properties located on Drottninggatan and Klarabergsgatan, in Gamla Stan (Old Town Stockholm) and at Kungsträdgården.

Portfolio development

Hufvudstaden actively works to create successful marketplaces. Together, offices, stores and restaurants form a whole that entices people to work and spend time in our areas and properties. It proved even clearer during the year that there is a demand for high-quality office space in central locations in order to attract employees and strengthen brands and company cultures.

Hufvudstaden offers several different office concepts that are carefully designed to meet customers' varying needs: Own Office, REDO and Cecil Coworking. The concepts are complementary and enable Hufvudstaden to deliver flexible and attractive solutions for all types of tenants. Most in demand is Own Office, for which tenants may sign long leases and have the premises adapted entirely according to their needs. REDO offers fully furnished and equipped premises with the possibility of rapid move-in and shorter leases. This suits companies that want a flexible solution without compromising on quality and comfort. Cecil Coworking is the most flexible alternative, including office spaces and office rooms. At Cecil Coworking, breakfast and lunch are served in a unique environment inspired by successful boutique hotels. This creates a dynamic work environment that promotes creativity and networking.

A comprehensive renovation was completed during the year at Hästhuvudet 13, located at the intersection of Kungsgatan and Sveavägen. Modern and flexible office spaces with energy-efficient solutions were created, and HCLTech, Simon-Kucher & Partners and Stillfront Group have moved in. Tesla has opened a showroom in the retail premises at the corner of the intersection.

A comprehensive renovation is taking place for Danske Bank at Packarhuset 4 at Norrmalmstorg, where we and our tenant share a strong focus on re-use and sustainability.

Bibliotekstan has continued to consolidate its position as Scandinavia's top destination for premium and luxury fashion. There is considerable interest in the district from both Swedish and international brands. Several new leases and renegotiations to rejuvenate and strengthen the marketplace were completed during the year. Prada Homme opened a store on Smålandsgatan, Totême opened a large flagship store halfway down Biblioteksgatan and Byredo moved to a larger store. Lululemon and Van Bruun opened stores at Vildmannen 7, hence all of the office and retail space in the property is leased. Other new additions to the area include Malina, Soft Goat and Teurn Studios.

Customers

Our office tenants in Stockholm are companies that value high-quality premises in central locations. The predominant businesses are banking and finance, law firms and consultancies in the fields of recruitment, IT, management and media. During the year, renegotiations were conducted with several customers and leases were signed with a number of new tenants. One of the larger renegotiations was with office tenant Coeli at Järnplåten 28, who added an additional storey to their space. Lannebo Kapitalförvaltning expanded its premises in Bibliotekstan. Some of the office tenants that moved in during the year included Arris, Elixir Pharma, M&G and Terra Labs. Long-term office tenants include Brummer & Partners, Danske Bank, Entercard, the Swedish Export Credit Agency, the Swedish Financial Supervisory Authority, KG 10, Lannebo and the law firms of Alrutz, Vinge and White & Case.

The retail tenants often represent famous brands that are found only in a few selected locations. Tenants in Bibliotekstan include Scandinavian high-fashion brands like Axel Arigato, By Marlene Birger, Byredo, Filippa K, Gant, Our Legacy, Rodebjer and Totême, combined with large international fashion houses like Cartier, Celine, Chanel, Moncler, Prada, Ralph Lauren and Zara. On Kungsgatan, several of the largest tenants are in the segment of sport and leisure, such as Alewalds, Haglöfs, Naturkompaniet and Stadium. Other major tenants are Cervera, Telenor, Telia, Tesla and Ströms.

Some of the most famous restaurants and cafes in Stockholm are also found within the business area, including Eataly, Misshumasshu, Pas D'Art, Prinsen, Sempre and Vau De Ville. The restaurants create places for people to socialise, contribute to a vibrant city atmosphere and enhance the attractiveness of the district.

The business area has 335 customers (339). The ten largest customers lease 51,000 square metres (51,000) and generate total annual rent of SEK 432 million (410).

Brands in the business area

BIBLIOTEKSTAN – The area between Norrmalmstorg, Birger Jarlgatan, Stureplan and Norrlandsgatan, containing stores with high-class brands as well as restaurants and cafes.
BIRGER JARLSPASSAGEN – The historic arcade, located between Birger Jarlgatan and Smålandsgatan, is a well-known meeting place offering exciting dining concepts.
CECIL COWORKING – The facility in Bibliotekstan offers members first-class service and flexible office workspaces that promote creativity and networking.
NORRMALMSTORG 1 – The building is a unique profile property and a commercial hub in central Stockholm. ■

Property holdings

	December 31, 2024	December 31, 2023
Number of properties	22	22
Rentable floor space, sq m	210,867	210,904
– of which office	135,587	135,870
– of which retail and restaurants	43,002	42,815
Annual rent, SEK m	1,587	1,510
Rental vacancy rate, %	4.9	7.0
Floor space vacancy rate, %	6.2	8.3

Largest tenants

Office	Sq m
Danske Bank	10,800
Advokatfirman Vinge	7,800
Swedish Financial Supervisory Authority	7,200
KG10	5,900
Entercard	3,600
Retail & Restaurant	Sq m
Eataly	2,600
Zara	2,100
Alewalds	1,300
Ströms	1,300
Tesla	1,100

Profit from property management¹⁾

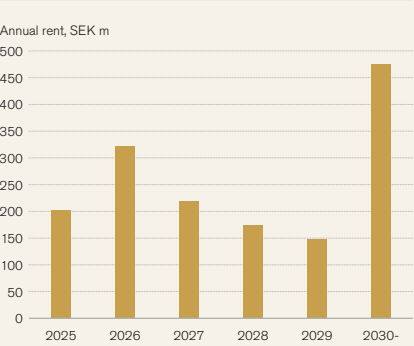
SEK m	2024	2023
Net revenue	1,502.6	1,404.1
Maintenance	-11.9	-19.0
Operation and administration	-145.0	-138.8
Other costs	-157.0	-155.6
Total costs	-313.9	-313.4
Gross profit	1,188.7	1,090.7

¹⁾ Including intra-Group rent revenue.

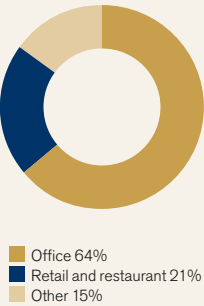
New leases & renegotiations

	2024	2023
New leases, sq m	11,800	10,700
New leases, annual rent, SEK m	91	70
Renegotiated leases, sq m	30,000	28,400
Renegotiated annual rent, SEK m	235	212

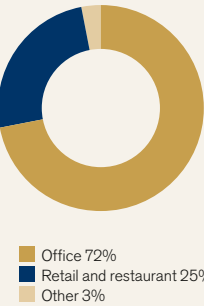
Maturity structure



Rentable floor space by use



Annual rent by use





At the newly inaugurated Water Square, the city meets the waters of Lake Mälaren and Salt Lake. Pedestrians and cyclists can travel between Södermalm and Gamla Stan via low bridges.

Changes at NK

The NK Business Area comprises the NK properties in Stockholm and Gothenburg, which house flexible office spaces, service and parking in addition to the department stores.

AB Nordiska Kompaniet

Nordiska Kompaniet was founded in 1902. It is the most exclusive department store in Sweden, with operations in Stockholm, Gothenburg and on nk.se. NK is actively engaged in creating a destination where people want to spend time and shop. This means offering an attractive and unique product range focused on fashion, beauty and lifestyle, world-class service and an atmosphere that entices customers to prolong their visit. Cultural features are also important at the department stores in order to create memorable experiences for visitors.

Development of the department stores

NK's department stores in Stockholm and Gothenburg are in prime business locations, with strong customer flows and good transport links. NK's vision is to be a world-class department store. It was a challenging year, with a weak economy and a decline in purchasing power. Despite these conditions, trends in visitor numbers and sales were positive at both department stores compared with the previous year, but vacancies and high costs led to a decrease in profit for NK's property management. Several measures were initiated that will gradually increase the occupancy rate and reduce costs in order to strengthen profitability.

Numerous new brands were launched in the department stores during the year. In Stockholm, the well-known chefs Tommy Myllymäki and Pi Le took over four restaurants, including the historic Bobergs Matsal. Rabanne and Samsung opened pop-up shops. The NK Stage concept, where new brands can market and sell their products for short periods, introduced 20 new brands during the year. NK's atrium is another attractive location for brands to display their product range and launch exclusive new products.

In Gothenburg, CAIA and Polo Ralph Lauren opened new departments and NK Man was remodelled. The sought-after SKIMS brand was launched in Sweden exclusively at NK, both in the department stores and on nk.se.

The department stores offered other exciting activities, including inspiring Christmas window decorations, the NK Galan fashion event, customer evenings, musical performances and several brand partnerships.

Hannes Hasselrot will take over as the new President of NK in early 2025. With wide-ranging experience from various areas of the retail sector, he is well positioned together with other employees, to further develop NK's operations and strengthen its profitability.

The NK brand

NK is one of the strongest and most recognised Swedish brands among national and international consumers. NK's ability to promote visits and sales depends on its long-term work to nurture and build its brand. Part of this process was the launch of NK's own NK Collection brand, which offers beauty and fashion products.

Customers

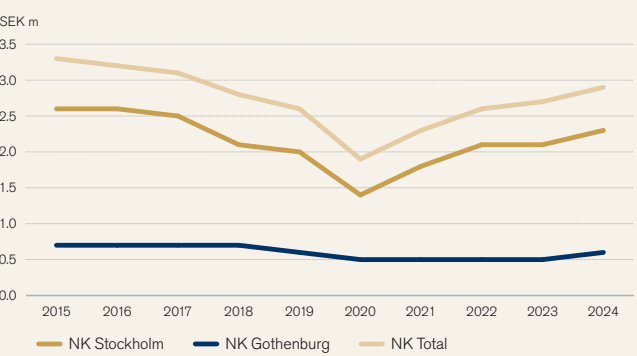
The business area has 107 tenants (107) in total. Its ten largest tenants lease approximately 29,000 square metres (28,000), of which the subsidiary NK Retail leases approximately 11,300 square metres of retail space (11,300). Combined, they represent annual rent of SEK 254 million (229).

The business area comprises a total of 18,000 square metres (17,000) of offices, corresponding to 19 per cent (18) of the total rentable floor space. ■

NK Department Stores

	2024	2023
Stockholm		
Rentable retail space, sq m	25,029	25,050
Rentable storage space, sq m	9,223	9,269
Total	34,252	34,319
Number of departments	98	96
Number of restaurants	13	13
Sales including VAT, SEK m	2,347	2,145
Gothenburg	2024	2023
Rentable retail space, sq m	10,524	10,589
Rentable storage space, sq m	1,046	983
Total	11,570	11,572
Number of departments	47	48
Number of restaurants	3	3
Sales including VAT, SEK m	579	544

Sales NK department stores



PROPERTY MANAGEMENT – NK BUSINESS AREA

Property holdings

	December 31, 2024	December 31, 2023
Number of properties	3	3
Rentable floor space, sq m	91,249	91,281
– of which office	17,742	16,864
– of which retail and restaurants	35,553	36,480
Annual rent, SEK m	531	492
Rental vacancy rate, %	4.5	4.5
Floor space vacancy rate, %	4.4	5.5

Largest tenants

Office	Sq m
Starbreeze	2,800
AG Advokat	2,500
Deloitte	2,400
Hästen 21	1,800
Foyen Advokatfirma	1,200
Retail & Restaurant	Sq m
NK Retail ¹⁾	11,300
Calceos	1,600
Cervera	1,500
Plan4 Restaurang	1,400
Harjak & Månsson	1,300

¹⁾ Wholly owned subsidiary.

Profit from property management¹⁾

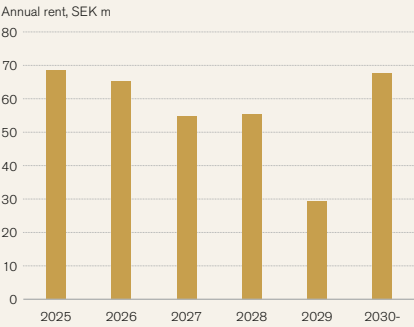
SEK m	2024	2023
Net revenue	487.7	484.0
Maintenance	-16.9	-22.2
Operation and administration	-189.8	-180.2
Other costs	-58.2	-50.7
Total costs	-264.9	-253.1
Gross profit	222.8	230.9

¹⁾ Including intra-Group rent revenue.

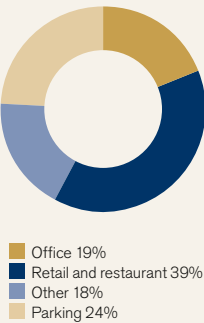
New leases & renegotiations

	2024	2023
New leases, sq m	3,600	3,000
New leases, annual rent, SEK m	27	21
Renegotiated leases, sq m	16,600	11,000
Renegotiated annual rent, SEK m	122	92

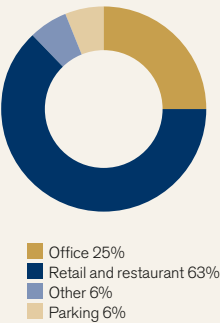
Maturity structure



Rentable floor space by use



Annual rent by use



French and Nordic cuisine at the new Toujours.
A bistro in the heart of NK's atrium, where simplicity
is combined with everyday luxury.

High-profile companies to Kvarteret Johanna

The Gothenburg Business Area comprises four properties divided into two areas, located in the city's most central business district. Fredstan comprises the block Inom Vallgraven 12 and Inom Vallgraven 3:2 as well as Nordstan consisting of two units: Fyran, opposite Östra Hamngatan, and Femman, opposite the Central Station.

Portfolio development

At the large development project Johanna, on a previously undeveloped lot, a new building has begun to take shape and become one of the city's new contemporary meeting places. The entire frame of the block has now reached its full height. Once a block with small windows and low roofs, Johanna will now house light-filled spaces, generous terraces and an attractive roofline. The offices will be flexible and modern with the latest technical installations. Several successful companies have signed office leases in the block, including the law firm Vinge and the auditing and consulting firm EY, and three large service concepts including a gym, a rooftop restaurant and Cecil Coworking will open there as well. Tenants will move into the block in the beginning of 2026.

In Nordstan, adaptations were carried out in 2024 for the new tenants Sightic and Nordstan Cooperative Association, who moved into their new premises in Fyran mid-year. Hufvudstaden's tenant BeGreen moved from Femman to expanded and adapted premises in Fyran in the autumn.

Hufvudstaden is one of the largest partners in the Nordstan Cooperative Association, which owns and manages the Nordstan parking facility as well as the adjoining stores, squares and pedestrian streets. Nordstan is one of the largest and most visited commercial centres in Sweden, with a wide variety of stores, restaurants and parking facilities, as well as modern offices in the best location in Gothenburg. An extension with direct access to rail service is planned in the northern section of the shopping centre. A detailed development plan gained legal force during the year, and an application for building permission for the extension has been submitted. Interior work has also commenced, including new storefronts in the western section and a generous new entrance at Spannmålsgatan in the eastern section. The Swedish Transport Administration estimates that services on the West Link at Central Station and Nordstan will be in operation by year-end 2026. The extension is to be completed at the same time in order to receive the flow of visitors to Nordstan and onward up to Fredstan, and ensure this flow can be accommodated in the long term.

The Femman shopping centre in Nordstan comprises approximately 16,000 square metres of retail space on three floors. Several new concepts opened during the year, and the number of visitors once again reached pre-pandemic levels. DRM-LND, Mr. Cake,

Yeppo & Soonsoo and Zeekr have moved in on the ground floor. Hemtex opened its largest store in Sweden in Fyran.

In 2024, Femman welcomed nearly 13 million visitors, an increase of approximately 4 per cent compared with 2023.

Total retail turnover in Nordstan was more than SEK 4.1 billion, of which Femman accounted for more than SEK 1 billion and Fyran just over SEK 340 million.

Customers

Customers in Gothenburg operate locally, nationally and internationally. The business area's office tenants prefer high-quality premises in prime locations, with close proximity to the Central Station, parking facilities, shops, restaurants and service. The predominant sectors are law firms, accountancy firms, and finance and consultancy companies. Retail tenants appreciate unique and strong marketplaces and shopping centres in prime locations.

The business area has a total of 113 customers (112). The ten largest customers lease 27,000 square metres (26,000) and generate total annual rent of SEK 130 million (124).

Brands in the business area

FEMMAN – The Femman shopping centre in Nordstan is one of Gothenburg's most popular marketplaces for shopping, food and social interaction as well as centrally located, high-quality offices. **FREDSTAN** – Fredstan is a vibrant and attractive city district that comprises the blocks surrounding Fredsgatan between Brunns-parken and Trädgårdsföreningen.

KVARTERET JOHANNA – Hufvudstaden's largest development project, comprising approximately 32,000 square metres of newly built and remodelled commercial premises. A dynamic destination and place of interaction in Gothenburg's city centre.

NORDSTAN – Nordstan is one of Sweden's largest shopping centres in terms of visitors. Hufvudstaden is one of the largest owners in the Nordstan Cooperative Association, with a share of approximately 40 per cent. ■

The area surrounding Brunns-parken and Kvarteret Johanna is one of the busiest hubs in Gothenburg, with a long history as a meeting place.



PROPERTY MANAGEMENT – GOTHENBURG BUSINESS AREA

Property holdings

	December 31, 2024	December 31, 2023
Number of properties	4	4
Rentable floor space, sq m	88,662	88,657
– of which office	49,205	49,195
– of which retail and restaurants	31,232	31,237
Annual rent, SEK m	395	379
Rental vacancy rate, %	19.4	21.8
Floor space vacancy rate, %	29.5	31.4

Largest tenants

Office	Sq m
Alektum Group	6,100
Folksam	3,800
Advokatfirman Vinge	3,300
Iver	2,800
Grant Thornton	2,000
Retail & Restaurant	Sq m
H&M	2,100
Lidl	2,100
Stadium Outlet	1,900
KappAhl	1,900
Lager 157	1,800

Profit from property management¹⁾

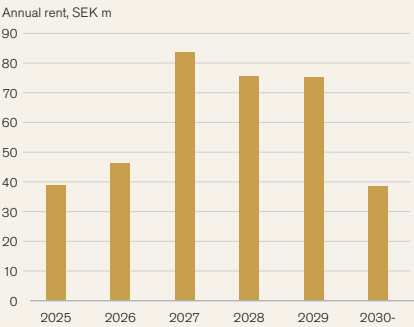
SEK m	2024	2023
Net revenue	328.3	327.9
Maintenance	-2.9	-5.2
Operation and administration	-66.8	-64.1
Other costs	-36.8	-37.9
Total costs	-106.5	-107.2
Gross profit	221.8	220.7

¹⁾ Including intra-Group rent revenue.

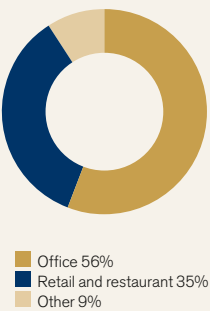
New leases & renegotiations

	2024	2023
New leases, sq m	9,900	3,500
New leases, annual rent, SEK m	47	15
Renegotiated leases, sq m	5,400	6,600
Renegotiated annual rent, SEK m	33	30

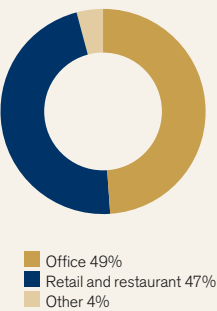
Maturity structure



Rentable floor space by use



Annual rent by use



OTHER SEGMENTS – NK RETAIL

Product development and new target groups in focus

NK Retail operates and develops departments and product range across approximately 11,300 square metres divided between NK Stockholm and NK Gothenburg. The operations comprise 33 departments, corresponding to around 20 per cent of the total number of departments in the department stores. The product range, primarily in fashion, beauty, accessories and jewellery, is also represented on the e-commerce site nk.se.

NK Retail

NK Retail is defined by commitment, first-class service and inspiring multi-brand concepts. The brand portfolio comprises carefully selected international and Swedish premium and luxury brands. The operation has faced challenging conditions for several years. Sales have been affected by consumers' weak purchasing power, and the high inflation of recent years has had an impact on operating expenses. A change process has been initiated to achieve profitability, including a review of the brand offering and internal work processes.

Caia Cosmetics opened permanent spaces in the Stockholm and Gothenburg department stores. The US brand SKIMS was launched in both department stores and on nk.se simultaneously.

There has also been a strong focus on the development and launch of NK's own NK Collection brand. NK Man in Gothenburg was updated, and NK Retail took over the department Paul & friends in Stockholm.

NK Retail's largest departments are NK Beauty, NK Fine Jewellery & Watches and NK Man. These departments represent about half of total sales and recorded an increase of 20 per cent compared with the previous year. The range comprises approximately 600 well-known brands, including Bulgari, Caia Cosmetics, Cartier, Chanel, Charlotte Tilbury, Dior, Khaite, Moncler, Omega, SKIMS, Tom Ford, Victoria Beckham and Zegna.

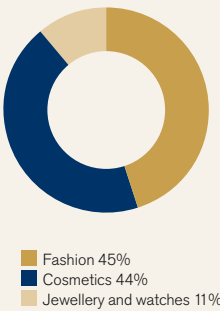
Approximately 487 employees work in the operations, corresponding to approximately 314 full-time equivalents.



NK Retail

	2024	2023
NK Stockholm		
Retail area, sq m	6,944	6,909
Number of departments	16	16
Sales including VAT, SEK m	830	735
NK Gothenburg		
Retail area, sq m	4,308	4,369
Number of departments	17	17
Sales including VAT, SEK m	258	224
Total	2024	2023
Number of employees	487	454

Sales by category



Sales by department store



OTHER SEGMENTS – OTHER OPERATIONS

Service with customer focus

Cecil Coworking

Cecil Coworking is Hufvudstaden's own coworking space, situated in a prime location in Bibliotekstan. The facility covers approximately 3,200 square metres and can accommodate 300 members. It offers various alternatives for members, such as individual offices of varying sizes, individual desk spaces or lounge spaces. The premises are divided into two floors with fully furnished office rooms and several lounges inspired by boutique hotels from around the world. The heart of the facility is a beautiful atrium, which is a wonderful place to network over a cup of coffee or lunch prepared by Cecil's own chef. During 2024, occupancy averaged about 86 per cent and approximately 90 companies in various sectors now have their domicile at Cecil. Members are offered first-class reception service, inspiring member events and a varied breakfast buffet. Cecil also has a fully equipped conference facility, with different sized rooms for every type of meeting which can be reserved by both members and external customers. In addition to the professional and personal service, it is the facility's central location, the focus on design and furnishings, and above all our members that contribute to create the unique atmosphere. Cecil is a place where new ideas are born and networks are interwoven. This is where we collaborate to establish a culture, in which people and companies thrive, grow and achieve their full potential.



Parkaden

The wholly owned subsidiary Parkaden AB runs parking operations at two of Hufvudstaden's properties in Stockholm. NK Parkering at Hästskon 10 offers 665 parking spaces. Continentalgaraget in the Orgelpipan 7 property offers 425 parking spaces. The number of electric cars is still rising, which is leading to a greater need for charging points in parking facilities. NK Parkering is one of the parking facilities that offers the most charging points in central Stockholm. Half of the parking spaces are equipped with charging points. Eight fast chargers were installed in 2024, and a cooperation agreement was signed with Taxi Stockholm to help their drivers who thus do not need to leave the city centre to charge their electric cars.



NK e-commerce

Sales for NK e-commerce increased during the year. Several brands were launched, and more consumers are choosing nk.se as a purchasing channel and source of inspiration. The number of products is gradually increasing, and the objective is for the online range to largely reflect the range in the Stockholm department store. E-commerce was part of the omni-channel launches of SKIMS and Rabanne during the year and launched many new brands as well. Awareness of nk.se is also increasing beyond Stockholm and Gothenburg, and approximately 40 per cent of sales were made to other parts of Sweden. The purpose of e-commerce is to inspire sales both in the department stores and on nk.se.



Inspiring places where people meet and new ideas are born in a first-class environment in the heart of the city.

Developing the city of the future

Hufvudstaden actively works to develop its operations and properties. The Business Development department identifies and develops commercial and digital projects. The Property Development department implements projects in our property holdings, as well as the environments around the properties, to create vibrant and attractive marketplaces.

Business Development

Business Development identifies and implements strategic initiatives for the company's growth and competitiveness. New opportunities, products and partnerships for greater profitability are developed through market analysis and business strategies. Development projects are carried out with a focus on responding to changes in society and the needs of our tenants.

A development project is under way in Nordstan in cooperation with other property owners. An extension is planned in the northern section of the shopping centre where a new entrance from rail service is being created. Business Development is participating in the design and concept work in order to create an attractive marketplace for the future. The project comprises an approximately 8,000 square metre redevelopment and an extension of approximately 700 square metres.

There was a strong focus on development of the commercial concept, as well as leasing for Kvarteret Johanna in Gothenburg, in order to create an attractive marketplace. The work also involves an adaptation of our Cecil Coworking concept before it opens in the block.

Strategic work on digitalisation continues to develop and adapt our operations based on future needs. The purpose is to support the operations' overall strategies in order to achieve our operational goals and develop our processes and organisation.

Property Development

Property Development contributes to the creation of the urban environments of tomorrow by transforming ideas into profitable projects in our property holdings. We continually endeavour to adapt and develop our property holdings to meet the changing needs of the business world and society. The purpose is to create attractive marketplaces that are full of life, workplaces that inspire and urban spaces that bring people together.

One of Hufvudstaden's operational goals is to have the most well-developed property portfolio in the industry. After nearly 110 years in the industry, Hufvudstaden has built up a strong position in the premium segment for office and retail premises in Stockholm's and Gothenburg's most attractive locations.

Innovation and flexibility

Through new creative ways of thinking and strategic partnerships, innovation and flexibility are incorporated in operations and properties, with intent to meet the needs of the future and provide added value for tenants. This means everything from adapting properties for coworking to remodelling spaces for restaurants, retail and other businesses that contribute to vibrant city districts. When developing properties, attention is also paid to the preservation of important historical and cultural aspects of the buildings to achieve a balance between tradition and innovation. We strive to minimise our climate impact, and focus on developing properties to make them more

energy efficient, robust and prepared for climate change. By integrating solar energy, green roofs and intelligent energy solutions, we take responsibility for the environment and sustainability. These initiatives strengthen our competitiveness and attract tenants who share the same sustainability values.

Current projects

Kvarteret Johanna in Gothenburg is our largest current development project – a block where modern, flexible and energy-efficient premises with high standards are being built. In this project, we endeavour to choose materials and technical installations to reduce the buildings' climate impact. The buildings are adapted to resist heavy rainfall and flooding in order to future-proof the block against climate change. The frame was completed during the year, and work began on the installation of lifts, technical installations and fan rooms which are now partially complete. Project planning and preparatory work for tenant adaptations have begun. After completion in 2026, the block will consist of approximately 32,000 square metres of rentable space.

A large upgrade project is in progress in cooperation with our tenant Danske Bank at Packarhuset 4 in Bibliotekstan, with a strong focus on re-use. Read more about the project on pages 26–27.

A new detailed development plan for Orgelpipan 7 in Stockholm gained legal force during the year, and planning of the upcoming project has begun. The detailed development plan allows for an extension of two setback storeys amounting to approximately 3,000 square metres of office space. The original character of the building will be maintained and a green roof with a solar park and rain-water collection facilities will be installed on the extension roof. Construction is planned to begin at year-end 2026.

Adaptations

Adaptations are intended to redesign existing premises and create customised solutions that meet our tenants' needs whilst increasing the value of our properties. It is essential that the adaptation is flexible over time in order to minimise the number of renovations and optimise the premises for different uses. The adaptations may range from small adjustments and renovations to comprehensive redevelopments. Our ambition is to offer tailored and modern premises that promote our tenants' productivity and satisfaction while strengthening their brands.

Our project managers work based on Hufvudstaden's high ambitions for quality, flexibility and long-term approach. With their presence and commitment, they are responsible for every stage of the project, working closely with tenants and other partners. With a holistic perspective on the work environment and sustainability, our project managers work to ensure that premises will meet our tenants' expectations and become inspiring places where companies and people can grow and develop. ■



On the roof of Kvarteret Johanna, a Bohuslän natural garden is being created, and the new rooftop restaurant will have an unbeatable view over the rooftops of Gothenburg.

Hufvudstaden has invested approximately SEK 950 million per year in projects for the past five years. Investments in projects 2024 amounted to around SEK 980 million (1,270). Large-scale development projects account for about 70 per cent, adaptations around 20 per cent and maintenance projects nearly 10 per cent.

During the year, approximately 60 adaptations were conducted covering about 37,000 square metres. They were carried out for both new and existing tenants.

Adaptations during the year Stockholm

After an extensive redevelopment at the Hästhuvudet 13 property, located at the intersection of Kungsgatan and Sveavägen, a small number of adaptations were implemented for new tenants. Once completed, the space featured more open floor plans, upgraded technical installations and new rooftop terraces. Coeli extended their lease and expanded their space in the Järnplåten 28 property, located at the same intersection. The premises were adapted, and the technical installations were upgraded according to tenant needs.

At Kvasten 6 and Kvasten 9 in Bibliotekstan, Lannebo Kapitalförvaltning extended their lease and expanded their space, where a renovation was performed, and the premises were modernised.

Gothenburg

A new store of more than 1,000 square metres was completed for Hufvudstaden's new tenant Hemtex at Fyran in Nordstan. Premises in the office section were adapted for BeGreen and the Nordstan Cooperative Association. Several smaller adaptations were completed for both existing and new retail tenants at the Femman shopping centre.

Office tenant Deloitte expanded their space in the NK building, and the extension was adapted and integrated with the original premises. Several departments and a number of aisles were upgraded with modern technology and finishing materials on the men's floor in the department store. ■

Major current and planned projects at the end of the year

City	Property	Status	Type of premises	Project floor space (sq m)	Of which added floor space (sq m)	Estimated investment ¹⁾ (SEK m)	Estimated completion (year)
Stockholm	Packarhuset 4	Current	Office	9,800	–	160	2025
Stockholm	Orgelpipan 7	Project planning	Office	3,000	3,000	–	–
Gothenburg	Kvarteret Johanna ¹⁾	Current	Office, retail & restaurant	31,800	10,700	2,500	2026
Gothenburg	NK Gothenburg	Local planning	Office, retail & restaurant	–	–	–	–

¹⁾ Total investment including estimated costs for rent losses and financing that are continuously charged to the income statement as well as costs for evacuation.

²⁾ Kvarteret Johanna is located in the Inom Vallgraven 12 block that comprises the properties Inom Vallgraven 12:10 and Inom Vallgraven 12:11.



We feel very much at home in the iconic property at Norrmalmstorg, and we look forward to having our updated premises up and running. Collaborating with our landlord Hufvudstaden to develop the premises in a more sustainable way has been an interesting partnership and a learning experience.

The renovation has involved a great deal of re-use, both for the finishing materials and how we then chose to use restored and existing furniture to decorate the office, says Linda Permbeck, Real Estate Manager, Danske Bank.

Re-use in adaptation of Danske Bank's offices

The Packarhuset 4 property, also known as Citypalatset, was completed in 1932. It is one of the foremost examples of early Swedish functionalism. The building, designed by architect Ivar Tengbom, was built using a steel construction with no load-bearing interior walls. This created a flexible building where tenant adaptations can be made without major renovations, leading to a lower environmental impact.

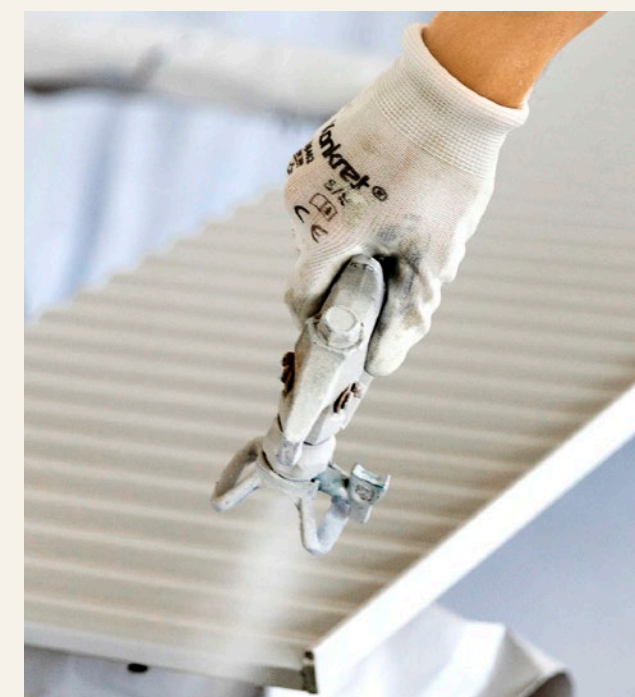
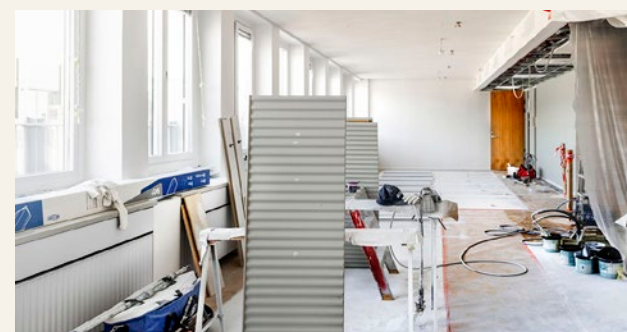
Hufvudstaden acquired the property in 2000, and Danske Bank has been one of the largest tenants since 2004. When the lease was extended in 2023, a modernisation of the 9,800 square metre premises began to adapt them to the bank's future needs and work methods.

High sustainability ambitions

Hufvudstaden and Danske Bank share high ambitions when it comes to sustainability and re-use. The project is conducted in close cooperation, with both partners contributing knowledge and ideas. The unique character of the building has been retained, but

many innovative solutions have been implemented. The landlord and tenant worked together to review whether materials could be re-used, repaired or reconditioned, which contributes to minimise greenhouse gas (GHG) emissions from the renovation.

It was possible, for example, to re-use glass partitions, woodwork, joists and plasterboard. Technical installations have been re-used and upgraded with modern motion sensors. The old oak window sills were sanded and oiled, and the porcelain bathroom fittings were polished. This approach has resulted in less waste and purchases of lower quantities of materials, leading to fewer transports. The entire adaptation is expected to be complete in autumn 2025.



Focusing on the city of tomorrow

At Hufvudstaden, we take a long-term approach to ensure that our properties will contribute to cities’ development and remain attractive into the next century. We accomplish this by minimising our climate impact, future-proofing our business and cooperating with customers and suppliers. We endeavour to meet the needs of tomorrow while preserving the cultural and historical value of our properties.

Hufvudstaden’s sustainability work

At Hufvudstaden, we believe that sustainability is a requirement for long-term success and the ability to create value for both current and future generations. We offer our tenants attractive premises that can easily be adapted according to future needs. This results in satisfied tenants, reduces our need to adapt and thereby our climate impact from redevelopment projects.

We follow a sustainability plan that provides the direction for the Group’s sustainability work. In addition, AB Nordiska Kompaniet has a supplementary sustainability strategy for the department store operations with a focus on the product range, department stores and experiences. The Group’s sustainability plan consists of three focus areas:

● **Minimise**

We work to minimise our climate impact

● **Future-proof**

We manage our properties and operations using a long-term perspective

● **Collaborate**

We work together with our customers, suppliers and partners to create the conditions for sustainable development

Objectives have been established in each focus area, and some of these extend through 2025. All our sustainability objectives are being revised and updated to ensure that the focus remains on our long-term sustainability work. ■

Sustainability targets

Ongoing targets	Outcome 2024
● Reduce the total amount of waste and increase the sorting rate from property management and construction projects.	The sorting rate was 36 per cent (34) for waste from our tenants and 96 per cent (92) from our construction projects.
● The properties are to be future-proofed for climate change.	All properties have been analysed, and specific action plans have been prepared. Several measures have been implemented.
● Increase the proportion of green financing.	The proportion of green financing amounted to 73 per cent (49).
● Actively work for a sustainable supply chain. Our main suppliers are to be evaluated annually.	73 per cent of our main suppliers were evaluated.
● Zero vision for serious workplace accidents.	No serious workplace accidents took place during the year.
● Hufvudstaden will have the most satisfied customers in the industry.	For the seventh consecutive year, Hufvudstaden ranked first in the Large Company category of the Fastighetsbarometern Customer Satisfaction Index.
Targets 2025 ¹⁾	Outcome 2024 ¹⁾
● Management of our properties is to be climate-neutral.	CO ₂ e emissions have decreased by 10 per cent.
● Energy use per square metre will be reduced by 16 per cent.	Energy use per square metre has been reduced by 17 per cent.
● All properties will have green building certification.	84 per cent of properties are certified.
Targets 2030 ¹⁾	Outcome 2024 ²⁾
● Climate emissions from construction operations will be halved.	A strategy to achieve the objective has been developed and integrated into the operations. Initiatives such as building standards and re-use are key elements.

¹⁾ The targets were developed in 2020 and thus use 2019 as the base year. Outcome calculated in relation to the base year.

²⁾ For 2024, emissions from construction operations per square metre are not reported due to the lack of quality-assured data. A methodology for calculating more reliable data will be implemented in 2025.

● Minimise

We work to minimise our climate impact.

Hufvudstaden’s largest climate emissions primarily come from the use of materials for redevelopments and new construction as well as energy use in current operations. Accordingly, the focus is on minimising the use of resources and enhancing energy efficiency in order to reduce our emissions.

Minimise resource use

Hufvudstaden’s target is to halve emissions from its construction operations compared with 2019, measured in emissions per square metre, by 2030. To achieve this target, we work to minimise the use of new resources by focusing on retaining existing layouts and construction elements as well as selecting materials with a lower climate impact. We can prevent waste by retaining existing materials in redevelopment projects. When we minimise the use of materials in redevelopment projects, we not only reduce our environmental impact but also cut costs.

We re-use and recycle materials in our projects to make more circular flows of materials possible. One example is the Packarhuset 4 property, where a comprehensive redevelopment took place during the year with a strong focus on re-use. Read more about the project on pages 26–27. Our re-use projects have shown us how simple solutions and the preservation of existing materials can reduce emissions significantly compared with only using new materials for redevelopment.

Energy efficiency

The reduction of energy use is a continual effort in the properties, and we have been optimising operations and making investments in energy efficient technology for several years. Energy use per square metre has decreased by 17 per cent since 2019, and there was a marginal decrease in energy consumption per square metre compared with the preceding year.

We developed an updated energy strategy during the year, with action plans and new targets for each property for 2030.

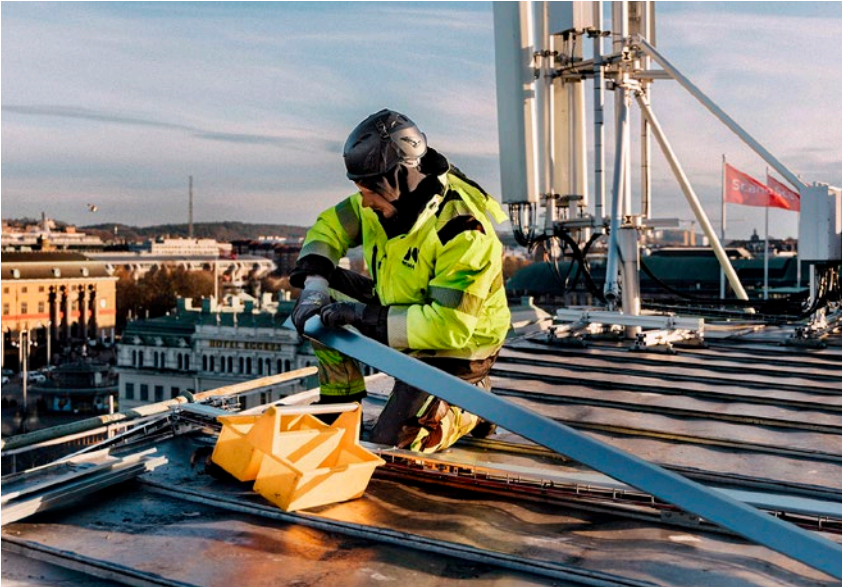
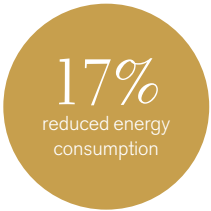
Energy use has a major impact on our climate emissions. The target is to achieve climate-neutral property management by no later than 2025, and this target comprises the emissions generated within the framework of our own operations. We purchase 100 per cent renewable origin-labelled electricity in order to minimise emissions from purchased electricity. Since 2019, emissions have decreased by 10 per cent. The corresponding figure for the preceding year was a decrease of 26 per cent. The increase for the year was mainly attributable to refrigerant leaks. To minimise the risk of future refrigerant leaks, we invest in modern refrigeration machines with a low climate impact.

Tools for better choices in redevelopment projects

We purchased a new climate calculation tool to get a clearer idea of how material selection and approaches in redevelopment projects can affect climate emissions. Our mission is to compare different materials at a more detailed level and select the ones with the lowest climate impact from a holistic perspective. This will also allow us to explain more clearly to our tenants which emissions are generated during redevelopment, and how they can help reduce climate emissions by making better choices. The system also facilitates the calculation of savings on emissions from re-use.

Fast charging at NK Parking

Hufvudstaden’s first fast charging station for electric vehicles was inaugurated at NK Parking in Stockholm during the year. The charging station has initially been assigned to Taxi Stockholm, and eases the daily routine for many taxi drivers since they do not need to leave the city centre to charge their electric cars. Utilisation has increased steadily since the station was installed. ■



Solar cells at Femman

Some 600 square metres of solar cells have been fully operational at the Femman property in Gothenburg since spring 2024. The facility is our largest solar cell installation, and every year it will produce about 100,000 kWh. Our ambition is to gradually expand the installation. Investing in solar cells reduces our dependence on purchased electricity, while at the same time we are able to provide our office and retail tenants with renewable energy. Hufvudstaden had approximately 300,000 kWh in total annual electricity production from solar cells at the end of the year.

● Future-proof

We will future-proof our properties and operations for a 100-year perspective.

Preserve history and meet the future

Future-proofing our properties is an important aspect of our property management. Over our history, we have learned the value of building with a long-term perspective, where quality and flexibility allow premises to live on and be adapted over time. We have seen how the selection of timeless materials and attention to detail can extend the lifetime of a building and reduce the need for extensive redevelopment. This insight defines our approach to managing properties today: we renovate and upgrade our buildings to meet modern needs while at the same time preserving their unique character and history.

Hufvudstaden designs a building standard for each property to facilitate the development of timeless, flexible properties. The building standards comprise standards for construction choices and material selections to be used throughout the entire property, tailored to its existing conditions and history. The ambition is for this to reduce the risk of unnecessary future redevelopment while also allowing us to offer attractive premises.

We also use the Byggarvedömnings database to future-proof our properties. Construction materials are examined in this database based on their chemical composition and environmental impact in order to promote the development of a responsibly built environment.

Climate-adapted property holdings

Given the advancement of climate change, our properties need to be climate adapted by safeguarding them against extreme weather such as heavy rainfall. We have already established specific action and development plans for all of our properties in order to better manage flood risks. We installed landscape drains in several courtyards in 2024. The drains prevent flooding in the properties' courtyards by diverting the water away.

We conducted a torrential rain exercise during the year where our crisis team rehearsed how we would organise ourselves in the event of a weather warning for extreme downpours. This makes us even more prepared for how to act and organise ourselves in the event of a crisis.

Property certification

Green building certification provides us with a valuable independent review of our buildings' performance in areas such as energy, indoor environment and material selection, which supports our continued sustainability work. Hufvudstaden's aim is that all properties should be Green building certified by 2025, and 84 per cent have been certified so far. ■

84%
Green building
certified properties

The Rännilen block received a BREEAM Very Good rating during the year.



● Collaborate

Through collaboration, we will create vibrant and sustainable environments that promote sustainable urban development.

Industry collaborations

Hufvudstaden participates in several industry collaborations to jointly pursue sustainable development. This year, we joined Klimatarena Stockholm, an initiative where companies, municipalities and academia collaborate to increase resource efficiency and reduce climate impact in Stockholm.

These collaborations are important to us since they enable us to exchange knowledge and experience with other players while finding effective solutions to sustainability challenges together. By participating in various initiatives and networks, we can drive the development of joint standards and work methods that benefit the entire industry.

Sustainability work together with our tenants

Our tenants' involvement in sustainability issues is significant to our sustainability work. We continually engage in a dialogue with our tenants and we have noted that interest in sustainability is increasing, with more of them asking for statistics and data for various purposes, including climate calculations.

Our properties are centrally located, which makes it easier to commute by public transport, by bicycle or on foot. We want to encourage our tenants to engage in sustainable commuting and we offer bicycle servicing every year.

By default, we sign green leases when an office tenant moves in. This means that, together with the tenant, we establish a concrete action plan with measures to help reduce energy use or use it more efficiently, and increase waste sorting. At the end of the year, green leases had been signed for 46 per cent of the total rentable office space.

46%
green leases

“

Hufvudstaden makes it easier for us to calculate and report our climate impact.

David Frydinger,
Partner at Cirio Advokatbyrå
Tenant, Vildmannen 7



Creating success together

Skilled, committed and healthy employees are the key to Hufvudstaden’s strong company culture. We want to attract, develop and retain employees who – with high competence, great sense of service and customer focus – contribute together to the continued development of the company.

A values-governed culture

We strive to be an attractive employer that offers development opportunities and retains its employees. Our objective is to maintain and strengthen an organisation where the employees feel proud and actively contribute to the company's profitability and development.

We will have the most skilled and professional employees in the industry. We endeavour to create a workplace where all our employees can develop, thrive, feel secure and have the opportunity to contribute with their unique skills.

Our values are integrated in everything we do, and provide the foundation for our corporate culture. Our operations are measured and managed based on these values, including through annual employee surveys and performance and career development reviews as well as through feedback and meetings in the course of our day-to-day work. The Group comprises multiple different operations, and the values are expressed differently. What they all have in common is that we always make the customer our central focus.

A long-term employer

We will be an employer that our employees are proud of. Our annual employee surveys showed very high ratings, with nearly all indicators above the industry average. It was especially gratifying to see the high rise in our eNPS (employee Net Promoter Score), which increased significantly to 47 (30) in this year's survey.

The share of engaged employees and managers is high, and our results are strong compared with the industry average. According to our employee survey, our managers show respect, provide support and lead their teams well. Our focus going forward is to continue supporting each other and to have clearly established objectives that are followed up.

Most recruitment is performed via our own employees in order to safeguard our values and build further upon our strong brand.

We believe that our employees' skills, engagement and pride are important parameters, for both driving the operations forward and for retaining and developing our employees.

A competence initiative

This year we implemented a diversity, equality and inclusion initiative by establishing clear guidelines for what these concepts mean to us. All our managers have undergone training to increase their awareness, and they are encouraged to make active choices to promote change. The managers then held workshops in their working groups based on this training in order to increase skills and create consensus on the topic. Our managers have also been trained in competence-based interviewing techniques as part of our diversity efforts. We have also worked on developing change management skills, presentation skills, negotiation skills and project management.

We held a sustainability month for the second year in a row. During this month, we invited external and internal speakers to provide practical tips and inspiration for making more sustainable choices, both in the workplace and at home. Several activities were organised to inspire our employees to proactively reflect on sustainability challenges. These initiatives were intended to strengthen the organisation's shared commitment and accelerate progress towards the company's sustainability targets.

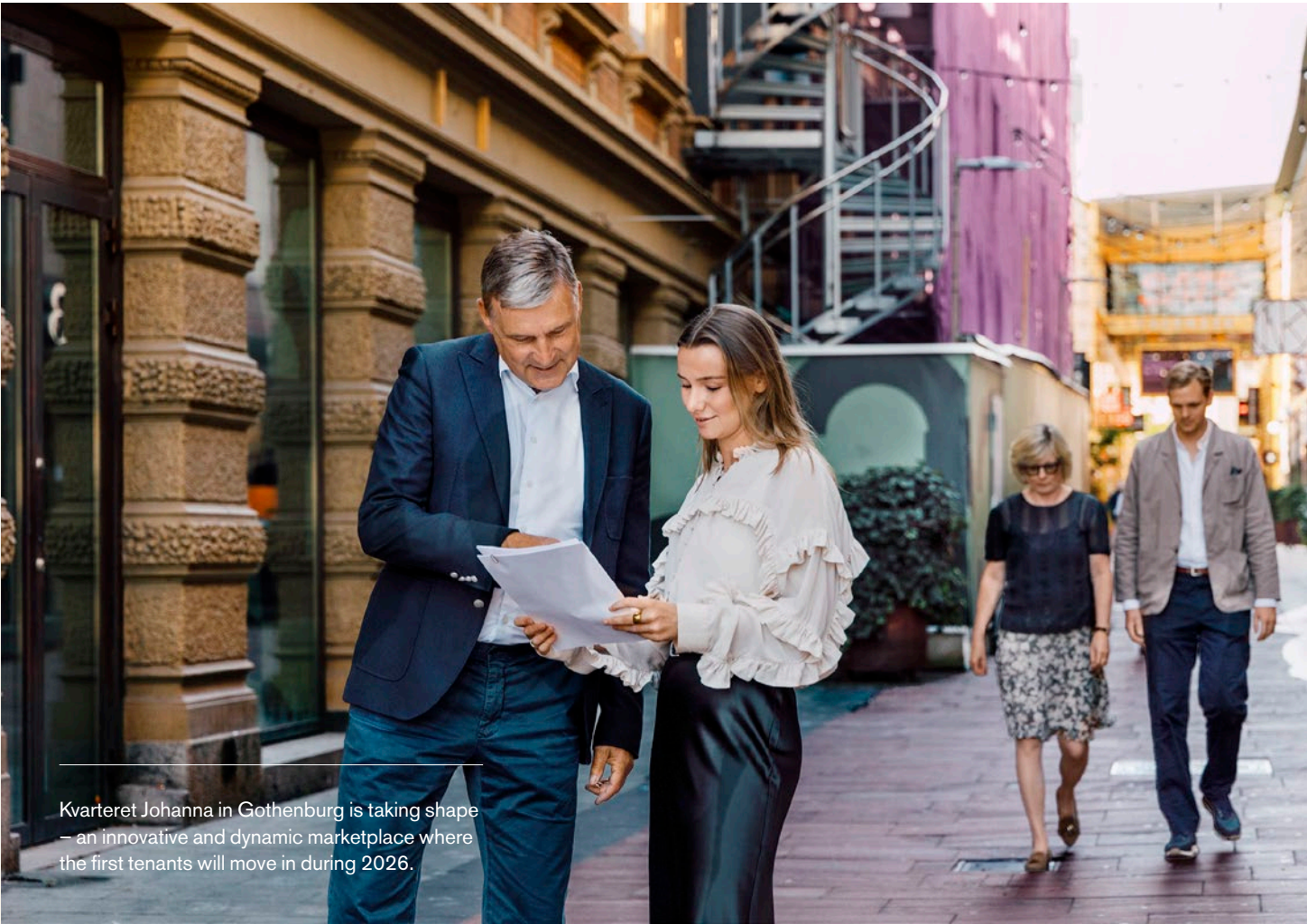
We have begun the process of introducing an e-learning system to facilitate continual competence development.

Sustainable employees

All employees were offered a health checkup during the year, and follow-up measures were provided as needed. We continue to promote health through an increased fitness allowance and various exercise opportunities. The objective is to maintain a low level of absenteeism due to illness and to systematically address the work environment through measures including the Health and Safety Committee and work environment checks.

Preventive crisis work

New types of crises have become more common in society: cyber-attacks, natural disasters and an increased threat level in the world around us. We have performed comprehensive preventive crisis work to clarify the allocation of responsibility and increase the speed of our crisis management. It is important for all employees to be informed about how Hufvudstaden manages crises, and to be aware of the preparedness measures in place. ■



Kvarteret Johanna in Gothenburg is taking shape – an innovative and dynamic marketplace where the first tenants will move in during 2026.



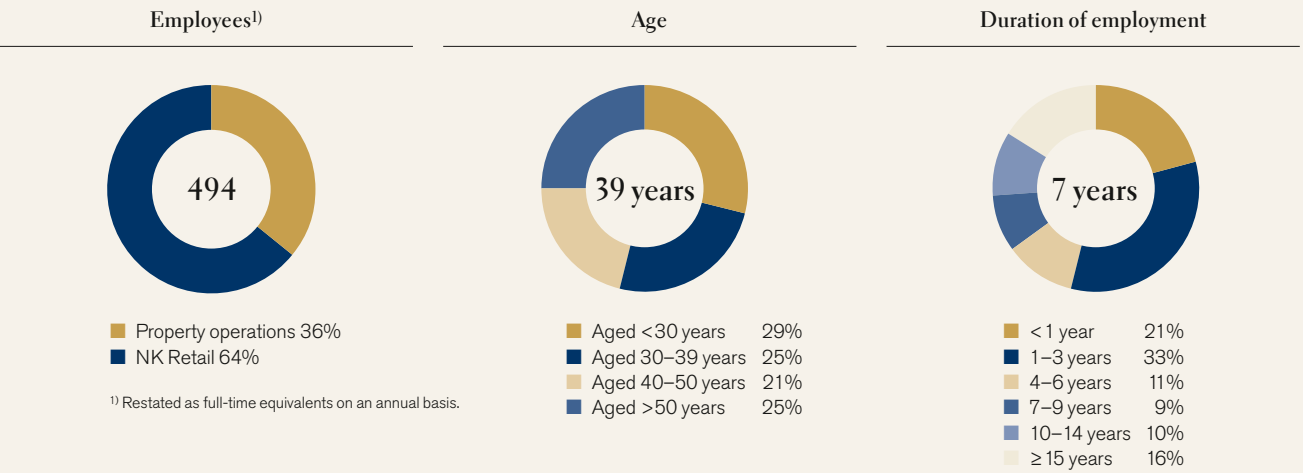
In my role as a project manager for our redevelopment and new construction projects in Gothenburg, I have a chance to be involved in creating the urban environments of the future – places where people enjoy spending time. Most of our Gothenburg team is involved in Kvarteret Johanna, and we’re creating attractive and inspiring environments together with our customers. With a large project like this, I have the chance not only to contribute my experience, but also to learn from other people and see how we’re making a difference together.

Henrik Gustafson, Project Manager Property Development Gothenburg



Being a property manager at Hufvudstaden offers variety and is extremely rewarding. My main task is to ensure that our office tenants are satisfied and able to run their businesses successfully. Now that we have several leases signed with companies that are going to move into Kvarteret Johanna, it’s important to listen to their needs before the premises are completed. To get everything in place, it’s critical for colleagues with different skill sets to work together closely – and I think this is exactly Hufvudstaden’s strength.

Isabel Andreasson, Property Manager Gothenburg





FINANCIAL STATEMENTS

Administration Report	35
Financing	38
Risks and risk management	40
Group financial statements	
Profit or loss	44
Financial position	46
Changes in equity	49
Cash flows	50
Parent Company financial statements	
Income statement	52
Balance sheet	52
Changes in equity	53
Cash flow	53
Financial notes	54
Proposed allocation of unappropriated earnings	71
Auditor's Report	73

Vegetation on roof terraces contributes to biodiversity and tenant satisfaction.

Administration Report

The Board of Directors and the President of Hufvudstaden AB (publ), company registration number 556012-8240, hereby submit the Annual Report for the 2024 financial year for the Group and the Parent Company. The Hufvudstaden share is listed on Nasdaq Stockholm Large Cap. L E Lundbergföretagen AB, company registration number 556056-8817, has a controlling influence in Hufvudstaden and therefore the company is consolidated in the Lundberg Group.

Business concept

Through its properties in central Stockholm and central Gothenburg, Hufvudstaden's business concept is to offer successful companies high-quality office and retail premises in attractive market places.

Key events during the financial year

The Swedish economy remained in a recession in 2024. The high level of inflation seen in recent years has sharply reduced household purchasing power. As of the summer the inflation was below the Riksbank's long-term target, and the policy rate was gradually reduced to 2.50 per cent. Weak private consumption affected parts of the economy, and the willingness to invest was generally low. In addition, many companies had difficulties managing the discontinuation of financial supports they received during the pandemic. Employment rose to approximately 8.5 per cent and GDP growth was approximately 0.5 per cent. The wars in Ukraine and the Middle East continued. There were geopolitical tensions in northern Europe, and Sweden joined the NATO defence alliance. The economic performance in the eurozone was weak, while the US economy performed better.

While the office rental market in the Stockholm CBD was stable, there was some degree of caution and the letting processes took somewhat longer compared with previous years. Market rents were between SEK 7,000 and SEK 9,900 per square metre at year-end. In central Gothenburg, the office rental market was marked by an increased offering originating from completed project properties. This held back market rents slightly, which were between SEK 3,300 and SEK 4,200 per square metre. The top rent levels for the very best offices in the most attractive locations were higher.

While the demand for shorter, more flexible leases continues, the market was somewhat more challenging for coworking spaces and other turnkey rental concepts. Demand for unique concepts with first-class service and favourable networking opportunities is high. However, the traditional office remains the most in-demand alternative in the rental market.

Households' reduced purchasing power and general price increases had a negative impact on the retail sector. The largest impact was on the mid-segment, while players in the low-price and luxury segments were better able to cope with the weak economy. Interest in opening new stores at street level in central Stockholm and Gothenburg increased gradually during the year.

Several news were launched at the NK department stores which received a great deal of publicity, including the new operators of Bobergs Matsal and the establishment of the SKIMS brand. Sales in the department stores and on the e-commerce increased, however vacancies and high costs led to a decrease in profit for the

NK's property management. Several actions were taken to increase the occupancy rate and reduce costs, which should strengthen profitability going forward. A transformation process began for NK Retail, focusing on the brand offerings and internal work processes in order to better respond to customer demand and achieve profitability.

The development project Johanna in Gothenburg reached its full height, and the new design could be seen by the Gothenburg residents and visitors. There is a great deal of interest in the block and several leases have been signed with strong companies. A new detailed development plan for Orgelpipan 7, located nearby Stockholm Central Station, gained legal force during the spring. This plan allows for an extension amounting to approximately 3,000 square metres of office space. Project planning began in the autumn.

Long-term efforts to reduce the climate impact of our properties continued during the year. Interest in sustainability increased, and more and more tenants demonstrated greater commitment to re-use and reducing climate impact. One example is the initiated adaptation to Danske Bank at Norrmalmstorg in Stockholm where both parties have a high ambition for sustainability and re-use. At year-end, 84 per cent of our properties were Green building certified.

Profit from current operations increased by 3 per cent to SEK 934 million. The properties' unrealised changes in value were negative for the full year, but positive changes in value were recognised during the final quarter of the year. Hufvudstaden's financial position remains very solid and the net loan-to-value ratio was 21 per cent, the equity ratio was 59 per cent, and the interest coverage ratio multiple was 4.5.

Property holdings

At the end of the year, Hufvudstaden owned 29 properties (29). Rentable floor space was 285,800 square metres in Stockholm and 105,000 square metres in Gothenburg, corresponding to a total of approximately 390,800 square metres (390,800).

The Group's total rental vacancy rate as of December 31, 2024 was 7.1 per cent (8.8), and the floor space vacancy rate was 11.1 per cent (12.9). Excluding current development projects, the rental vacancy rate was 5.0 per cent (5.7). The rental vacancy rate was 4.7 per cent in Stockholm and 17.2 per cent in Gothenburg. Excluding current projects, the figures were 4.7 per cent and 6.2 per cent, respectively.

During the year, 52,000 square metres (46,000) were renegotiated at a total rental value of SEK 390 million (334) per year, and new leases were signed for 25,300 square metres (17,200).

ADMINISTRATION REPORT

Property value

Hufvudstaden has made an internal valuation of all the company's properties. The aim of the valuation is to assess the fair value of the property holdings as of December 31, 2024. To assure the valuation, external valuations were commissioned from three independent valuation companies. The external valuations performed at year-end were equivalent to 39 per cent of the internally assessed fair value. The corresponding share at mid-year was 31 per cent.

The fair value of the property holdings as of December 31, 2024 was assessed at SEK 47.1 billion (46.7). The unrealised change in value amounted to SEK -602.6 million (-4,042.4), which was primarily due to the effect of lower rents for stores and a slight increase in yield requirements.

Valuation method

Valuation of the property holdings was made by assessing each individual property's fair value. The assessment is conducted using a variation of the location price method, known as the net capitalisation method. The method means setting the market yield requirements in relation to the net operating income of the properties.

The table below shows the key factors that influence the valuation and the consequent impact on profit or loss before tax.

A description of the valuation method and assumptions can be found in Note 16.

SENSITIVITY ANALYSIS, PROPERTY VALUATION ¹⁾		
	Change, +/-	Impact on profit or loss, before tax, +/-
Rent revenue	SEK 100 per sq m	970 SEK m
Property costs	SEK 50 per sq m	485 SEK m
Rental vacancy rate	1.0 percentage point	640 SEK m
Yield requirement	0.25 percentage point	2,905 SEK m

¹⁾ Valuation date: December 31, 2024

Net asset value

Based on the valuation of the property holdings, the Net Reinstatement Value (EPRA NRV) was SEK 37.4 billion or SEK 185 per share. Net Tangible Assets (EPRA NTA) were SEK 35.2 billion or SEK 174 per share following a deduction for estimated actual deferred tax liabilities. This assessment is based on current tax legislation and market practice, which means that properties can be sold via a limited company without tax implications. The estimated actual deferred tax has been assumed at 5 per cent.

NET ASSET VALUE, DECEMBER 31, 2024		
	SEK m	SEK/share
Equity	28,606.9	141
Reversal		
Interest-rate derivatives	10.8	0
Recognised deferred tax ¹⁾	8,757.0	43
EPRA NRV (Net Reinstatement Value)	37,374.7	185
Deduction		
Intangible fixed assets	-63.1	0
Estimated actual deferred tax 5%	-2,125.5	-11
EPRA NTA (Net Tangible Assets)	35,186.1	174
Reversal		
Interest-rate derivatives as above	-10.8	0
Intangible fixed assets as above	63.1	0
Recognised deferred tax ¹⁾ less estimated actual deferred tax	-6,631.5	-33
EPRA NDV (Net Disposal Value)	28,606.9	141

¹⁾ Deferred tax according to the balance sheet related to investment properties and right-of-use assets attributable to ground rents.

Sensitivity analysis, result

The effects on result before tax on a full-year basis, excluding changes in value, in the event of changes in a number of factors are reported in the table below. The increase and decrease in rent levels, vacancy rate, maintenance and operating expenses, depreciation, property tax, and interest rates, show the earnings effects that would have occurred, calculated using current information at the end of the financial year.

The reported effects on profit should only be seen as an indication and do not include any effect resulting from compensatory measures that could be taken by the senior executives.

SENSITIVITY ANALYSIS, RESULT			
	Change +/-	Impact on profit, excluding changes in value before tax, SEK m	
Rent level	SEK 100 per sq m	+/-	39
Vacancy rate ¹⁾	1 percentage point	-/+	25
Maintenance, operating expenses and depreciation	10 per cent	-/+	21
Property tax ²⁾	1 percentage point	-/+	28
Interest level	1 percentage point	-/+	22

¹⁾ Estimated vacant floor space at SEK 6,400 per sq m.
²⁾ A share of the cost is billed onwards to tenants within the framework of signed leases, which is taken into account in the calculation.

ADMINISTRATION REPORT

Sustainability

Hufvudstaden is committed to working actively and long-term towards economic, environmental and social sustainability. We work according to a sustainability plan. The focus is on reducing our climate impact, future-proofing our properties and operations, and paving the way for sustainable development through partnerships.

The company's statutory Sustainability Report is included in this Annual Report on pages 6–7, 28–33, 43 and 96–108.

EU Taxonomy Regulation

To achieve the climate targets and environmental objectives of the EU green deal, the EU decided on a taxonomy aimed at defining which economic activities are sustainable. Hufvudstaden reports in accordance with the Taxonomy Regulation. For the complete taxonomy report, see pages 99–102.

Employees

Hufvudstaden's corporate culture is distinguished by strong employee commitment with a clear and strongly rooted set of values. Our core values are: Quality, Honesty, Attentiveness and Commitment. The values characterise the actions of employees and are a valuable tool in the day-to-day work. They also provide a platform enabling us to conduct operations in a responsible manner.

Restated as full-time equivalents on an annual basis, the Group has 494 employees (477) and all employees are covered by collective agreements, both white-collar and blue-collar workers. More information about employees is available on pages 32–33 and 106–107.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were adopted by the 2023 Annual General Meeting to take effect at the close of the meeting. These guidelines were followed in 2024 and the complete guidelines are presented in Note 7.

Stock market information

All publishing of information is governed by the company's information policy. The Annual Report and interim reports are published in Swedish and English and are distributed to shareholders and other parties who have expressed an interest.

Reports and press releases are available on hufvudstaden.se, where subscription applications can be made as well as requests for information.

The Corporate Governance Report is part of the Administration Report and is presented on pages 84–89.

The future

Hufvudstaden's properties are well maintained, with a high standard of quality; most of them feature attractive, sustainable architecture. This allows us to create and develop attractive marketplaces, together with other stakeholders in the city. Our employees have a strong commitment and work closely with our customers to continuously help them to improve their business potential and competitiveness.

The aim is for the climate impact of our properties to decrease, and we will benefit from our tenants' increased interest in re-use and sustainability. Our target is for the management of our properties to become climate neutral in 2025, and in order to future-proof our properties we choose material and solid technical solutions with a long-term durability.

The office market has changed in recent years. Office workers are working more flexibly, and work is being performed outside the office to some extent. One effect of this is that the location and design of offices have become even more important. This trend favours our attractive properties in prime locations close to services, stores, restaurants and culture as well as good transport links. There continues to be a demand for flexible office solutions, and efforts to develop our three office concepts – Own Office, turnkey REDO offices and Cecil Coworking – will continue moving forward.

Conditions for the retail sector are challenging, and profitability is weak especially in the mid-segment. At the same time, greater optimism about the future can be seen in connection with interest rate reductions, determined tax cuts and forecast real wage increases. More players are showing interest in opening new stores at street level in our centrally located properties. In the NK business, we have initiated a transformation process that will gradually improve profitability.

The major Johanna development project in Gothenburg is nearing completion, and the first tenants will move into the block in 2026, which will create new cash flows and strengthen earnings. The new detailed development plan for the Orgelpipan 7 property in Stockholm allows an extension of approximately 3,000 square metres of office space where the project start is expected to late 2026 or early 2027.

The company's strong financial position and low risk profile will be maintained, profit from current operations will increase and shareholders will receive good dividend growth over time.

Dividend and allocation of unappropriated earnings

The income statements and balance sheets for the Parent Company and the Group are to be adopted at Hufvudstaden's Annual General Meeting on March 20, 2025. The board of directors proposes an increase in the dividend to SEK 2.80 per share (2.70), corresponding to a total dividend of SEK 566,5 million. The proposed dividend is equivalent to 61 per cent of net profit from current operations. The Board's proposed allocation of unappropriated earnings is presented in full in Note 24 and on page 71.

The Board's reasoned statement concerning the dividend proposal is available on hufvudstaden.se and will be appended to the Annual General Meeting documentation. The statement is also available from the company upon request.

Financing

Hufvudstaden takes a long-term approach, and has a solid financial position with low financial risk. The company endeavours a balance between equity and borrowing that is based on the requirements for returns and financial risk. The financing requirements are met through loans and credit facilities from several of the major Nordic banks and investors in the capital market. Active debt management and long-term relationships with financiers create the conditions for owning, managing and developing the company’s properties and marketplaces.

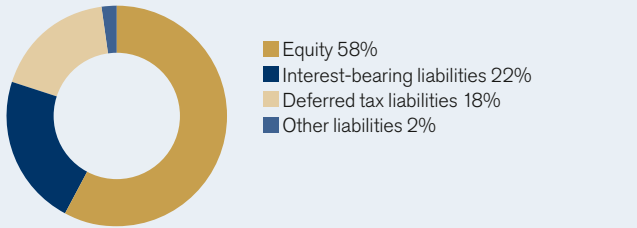
Finance Policy

Hufvudstaden's financing and risk profile are controlled on the basis of a Finance Policy approved by the Board of Directors. The purpose of the Policy is to create systematics and structure to ensure the Group's financing requirements on the basis of cost efficiency and risk limitation. The Policy contains clear guidelines regarding powers and authorisations for financing and debt management.

All financing is managed by the Parent Company. The Finance function performs its work according to formalised guidelines, well-developed systems and a clearly defined segregation of duties. This ensures robust internal control while facilitating efficient follow-up of the operations.

Capital structure

The Group endeavours a balance between equity and borrowing that contributes to the operations in order to achieve objectives and limit financial risk. The aim is to have a debt portfolio comprising various financing forms with diverse credit and interest maturities.



Interest-bearing liabilities

The Group's total borrowing as of December 31, 2024 amounted to SEK 9,800 million (9,400). Of total borrowing, financing via the capital markets through bonds amounted to SEK 8,200 million (6,100) and commercial paper to SEK 100 million (1,100). Secured bank loans were SEK 1,500 million (2,200) and unutilised loan commitments amounted to SEK 5,500 million (4,800).

Financing facilities, SEK m, December 31, 2024

Loan/facility type	Framework/ facility volume	Unutilised
Bank loans and loan commitments	7,000	5,500
MTN programme	12,000	3,800
Commercial paper programme	3,000	2,900

Derivatives

To minimise fluctuations in financial expenses, interest rates are largely fixed on different terms. As of December 31, 2024, long-term borrowing at a fixed rate of interest amounted to SEK 6,100 million (4,300). Hufvudstaden has entered into interest-rate deriva-

tive agreements in the form of traditional swaps in order to achieve the desired fixed interest periods and reduce interest risk. Underlying credits of SEK 1,000 million (-) are hedged via interest-rate derivatives. As of December 31, 2024, the market value was SEK -10.8 million (-). The negative value is attributable to a decline in market interest rates.

Green financing

A new framework for green financing was launched in September 2024, with the aim of financing green and energy-efficient properties as well as investments in climate transition and sustainability. The new framework makes it possible to issue green bonds and commercial paper as well as raising green bank loans. The framework is designed in line with the latest principles for green loans and bonds, and has taken parts of the EU Taxonomy's technical screening criteria for climate change mitigation into account. S&P Global Ratings has conducted an independent review and issued a second opinion with the rating Medium Green.

Hufvudstaden has a total of SEK 7,200 million (4,600) in green financing, corresponding to 73 per cent (49) of total borrowing, of which bonds amounted to SEK 5,700 million (2,600) and bank loans to SEK 1,500 million (2,000). The objective is to gradually increase the proportion of green financing.

Financial key ratios

The average fixed interest period, including the effects of derivatives, was 2.2 years (1.2) and the average capital tie-up period was 2.2 years (2.2). The average annual equivalent interest rate (AER) was 2.9 per cent (3.2) including, and 2.8 per cent (3.1) excluding, the cost of unutilised loan commitments.

Interest-bearing net debt was SEK 9,327 million (9,018). In addition, lease liabilities according to IFRS 16 amounted to SEK 736 million (729), and total net debt amounted to SEK 10,063 million (9,747). The net loan-to-value ratio was 21.4 per cent (20.9), the equity ratio – which should be at least 40 per cent over time – amounted to 59 per cent (59), and the interest coverage ratio multiple was 4.5 (4.9).

Financial risks

Hufvudstaden is mainly exposed to financing risk, interest risk and credit risk. For further information about the financial risks, refer to page 42 and Note 2 on pages 57–58.



Offices in attractive locations contribute to creativity and are a competitive advantage when recruiting new employees.

Fixed interest structure, December 31, 2024

Maturity, year	Credit, SEK m	AER, %	Proportion, %
2025	2,700	4.0 ¹⁾	28
2026	2,500	1.2	25
2027	1,000	2.5	10
2028	500	3.9	5
2029	3,100	3.3	32
Total	9,800	2.9 ²⁾	100

¹⁾ Including costs for unutilised loan commitments.
²⁾ The average annual equivalent interest rate (AER) was 2.8 per cent excluding the cost of unutilised loan commitments.

Capital tie-up structure, SEK m, December 31, 2024

Maturity, year	Bank loans	Bonds/ Commercial paper	Total	Unutilised loan commitments
2025	500	2,200	2,700	1,500
2026	–	2,500	2,500	1,000
2027	1,000	1,000	2,000	2,000
2028	–	500	500	1,000
2029	–	2,100	2,100	–
Total	1,500	8,300	9,800	5,500

ADMINISTRATION REPORT

Risks and risk management

Our operations primarily consist of the management and development of properties in attractive locations in the Swedish market. Accordingly, we are affected by economic conditions in Sweden, especially in Stockholm and Gothenburg where we operate. Numerous different factors, both external and internal, affect our operations and must therefore be observed and managed.

Risk management is an integral part of our business strategy, and encompasses the identification, assessment and management of risks that could affect our ability to achieve our stated objectives. We continually work to monitor and analyse both financial and operating risks in order to limit their potential negative consequences. The priority areas for our risk management include property value, financing, leasing, projects and sustainability.

The Board has the overall responsibility for risk management, while the operational work is delegated to the President. Risks are described based on the likelihood of occurrence and the extent of their impact on the operations. If the significance of a risk is expected to increase or decrease in the future, this is indicated by trend arrows in the summary of material risks below.

Material risks				
Area	Risk	Probability	Impact	Trend
Operational risks	Property value	<div></div>	<div></div>	
	Property development	<div></div>	<div></div>	
	Rent revenue	<div></div>	<div></div>	
	Property costs	<div></div>	<div></div>	
	Employees	<div></div>	<div></div>	
	Taxes	<div></div>	<div></div>	
	Cybersecurity	<div></div>	<div></div>	<div></div>
Market risks	Economy	<div></div>	<div></div>	
	Crises	<div></div>	<div></div>	<div></div>
	Compliance	<div></div>	<div></div>	
Financial risks	Interest rate situation	<div></div>	<div></div>	<div></div>
	Financing	<div></div>	<div></div>	<div></div>
	Credit	<div></div>	<div></div>	
	Currency	<div></div>	<div></div>	
	Property valuation	<div></div>	<div></div>	
Sustainability risks	Health and safety	<div></div>	<div></div>	
	Suppliers	<div></div>	<div></div>	<div></div>
	Climate impact	<div></div>	<div></div>	
	Climate change	<div></div>	<div></div>	<div></div>

Low Medium High

ADMINISTRATION REPORT

Area of risk	Description	Management
Operational risks		
Property value	Investment properties are recognised at fair value, with changes in value recognised in profit or loss. Property values can be impacted by the properties' geographic location, and condition, the type of property and other factors. Fair value is affected by several factors such as yield requirements, rent levels, vacancy rates and property costs.	Hufvudstaden has focused on properties in prime commercial locations in the largest cities in Sweden – Stockholm and Gothenburg – which is considered to limit the risk over time. Regular monitoring of sub-market trends is carried out both internally and in cooperation with external specialists. Investments are made to adapt and develop the portfolio in order to meet the changing needs of the business world and society.
Property development	Property development through investments in our own properties is a cornerstone of our strategy. Redevelopment, extension and new construction projects entail risks at all stages, which increase with the complexity of the projects. These risks are primarily economic, technical and timetable-related. Incorrect assessments can result in high costs and a high level of vacancies.	Hufvudstaden performs redevelopment, extension and new construction projects using its own project managers. The project managers procure and manage implementation together with suppliers and partners. Current projects are continually followed up, with reporting to the Board. Decisions on large investment projects are made by the Board.
Rent revenue	Rent revenue may decrease as a result of both falling market rents and a higher vacancy rate. This leads to lower earnings and reduced cash flow, which has a negative impact on property values.	Hufvudstaden has concentrated its portfolio to attractive commercial locations in order to limit rental risk. Leases with longer terms are fixed to the consumer price index and often include minimum indexing. The company continuously work with market intelligence and risk assessments before new leases are signed. A certain level of vacancies is always maintained in order to offer customers the potential to expand and to test the market's tolerance of higher rent levels. The company engages in close dialogue and conducts regular customer satisfaction surveys to understand tenants' needs and level of satisfaction, in order to meet their needs and reduce the risk of vacancies.
Property costs	Property costs consist primarily of tariff-based costs and are affected by seasonal fluctuations. Costs are generally higher during winter. In addition, there are costs for property tax, maintenance and administration.	Hufvudstaden actively works to continually optimise its operations and implement energy efficiency measures. Procurement of electricity takes place with the aid of forward agreements to reduce sensitivity to fluctuations in energy prices. Regular self-monitoring, risk inspections and maintenance planning are performed in order to identify and address potential problems at an early stage. A large share of the costs for electricity, heat and property tax are passed on to tenants.
Employees	Committed and skilled employees are a requirement in order to build a successful and competitive operation that achieves its objectives. It is therefore necessary to retain and develop existing staff and to recruit new employees.	Hufvudstaden is a values-governed company with a work environment that inspires and engages. Personal action plans and objectives are established for all employees, linked to the company's strategic objectives. This strengthens the employees' participation, commitment and business acumen, which in turn contributes to the long-term success of the company. The company offers centrally located and modern workplaces, continuous skills development and an inclusive and stimulating work culture. By combining these factors with competitive terms, Hufvudstaden creates a workplace where employees can grow, develop and feel proud to be part of the business.
Taxes	Hufvudstaden's operations are primarily affected by income, property and value-added tax. Changes in tax laws related to these could have an effect on our operations and impact our results. Failure to comply with tax legislation could entail a risk of penalties.	The risk of non-compliance is minimised through formalised processes and an effective control environment, together with competent employees with experience of tax legislation and external experts. Hufvudstaden continuously monitors developments in the tax area and is proactive and implements changes when required.
Cybersecurity	As the real estate sector becomes increasingly digitalised, the vulnerability to hacking, virus attacks and fraud is growing. This could have major consequences, such as damaged or lost data or leaks of confidential information. There is also a risk of fraud attempts, such as phishing and fraudulent invoices. As a publicly listed company, Hufvudstaden is subject to requirements concerning the management of information that can impact the markets and ensuring that all stakeholders receive the same information simultaneously.	Hufvudstaden has an infrastructure and IT environment that is focused on security and functionality, with the purpose to prevent attacks. Furthermore, vulnerability tests and ongoing improvements are carried out combined with improved security awareness to operations with purpose of continuously increase the security. We have implemented a risk-based distribution of services between cloud services and services operated locally, with comprehensive back-up procedures.

ADMINISTRATION REPORT

Area of risk	Description	Management
Market risks		
Economy	Hufvudstaden's commercial properties comprise mainly offices and retail premises. A downturn in the economy with lower growth, higher unemployment and lower profitability for companies could result in reduced demand for office and retail premises. Weaker consumer purchasing power also affects NK Retail's profitability and sales.	Hufvudstaden strives to obtain retail leases with long terms and with a high guaranteed minimum rent, thus limiting the risk for loss of rent revenue, supplemented with a sales-based rent supplement for revenue potential. The company continually engages in market intelligence and risk assessments before new leases are signed. Diversification of products within the pre-mium and luxury segments generates higher resilience within the retail operations in NK Retail.
Crises	Crisis refers to an event beyond Hufvudstaden's control that is difficult to manage and seriously affects the operations, such as diseases, geopolitical turbulence, IT, economy and energy. A rapidly changing society in a connected world means that crises can entail local, national and global effects. There is also a risk that the company's insurance coverage may be insufficient, or that the crisis may be of such nature that the insurance does not cover it.	All of our properties are fully insured, which minimises the risk of major financial consequences in the event of damage to the properties. We have a crisis plan that is updated annually, and crisis exercises are performed annually as well. We allocate resources for market intelligence. We have a strong company culture, geographical concentration and a long-term approach, which makes it possible to rapidly manage and change course in order to respond to events.
Compliance	Non-compliance with laws and regulations could result in significant financial consequences, taxes and sanctions, as well as the risk of being delisted from the stock exchange. Moreover, it could damage the company's reputation among tenants, investors and other stakeholders.	The company continually engages in market intelligence in order to identify and adapt to changes in laws and regulations early on. Specialists in areas such as sustainability, tax and law are hired to manage complex issues. Regular training is provided in relevant areas such as cybersecurity, the EU General Data Protection Regulation (GDPR) and sustainability in order to ensure that all employees are updated and comply with relevant regulations. The company also works with external experts to ensure a high level of quality and minimise the risk of regulatory violations.
Financial risks		
Interest rate situation	Changes in market interest rates could have a negative impact on the company's financing costs and cash flow. An increase in interest rates could lead to higher interest expense for existing and new loans, which could reduce our profitability and affect our ability to finance new investments. Moreover, rising interest rates could have a negative impact on property values through higher yield requirements.	The company actively works to manage interest risk by using a mix of fixed and variable interest on its loans. Derivatives such as interest-rate swaps are used to hedge interest expense and reduce exposure to changes in interest rates. Interest rate trends are monitored regularly and forecasts are made so that our strategy can be adapted if needed. The company also endeavours to spread out the maturity dates of its loans in order to avoid major refinancing needs when interest rates are unfavourable.
Financing	Financing risk refers to the risk that the company may be unable to secure sufficient financing on reasonable terms. This could occur in the case of unfavourable market conditions or if the company's creditworthiness were to deteriorate. A lack of financing could result in the company being unable to make planned investments or refinance existing loans, which could have a negative impact on operations and growth.	The company actively works to diversify its sources of financing by using a mix of bank loans, bonds and other financing instruments. There are unutilised loan commitments to ensure that the company will meet its obligations. The credit markets and the company's creditworthiness are continually monitored so that the company can be proactive in the event of changes. The company also endeavours to spread out the maturity dates of its loans in order to reduce the risk of refinancing needs when market conditions are unfavourable.
Credit	Credit risk refers to the risk that counterparties will be unable to meet their financial obligations, which could result in losses for the company. This could have a negative impact on cash flow and profit.	Hufvudstaden's Finance Policy is intended to limit the company's exposure to credit risk. Liquidity and credit transactions are made with major finance institutions with good reputations. Agreements are signed with customers that have documented business acumen and competitive operations, while a credit analysis is performed which limits exposure to credit risk. Tenants' payment capacity and financial position are continually monitored in order to identify and manage potential credit risk early on. In addition, collateral and guarantees are used to further reduce the risk of credit losses.
Currency	Currency risk refers to the risk of a negative impact on the income statement, balance sheet or cash flow due to changes in exchange rates.	In NK Retail, some goods are purchased in foreign currency, primarily in euro (EUR). To limit the risk of currency fluctuations, part of the anticipated net outflow of foreign currency is hedged using currency futures based on a systematic process where market conditions and forecasts are evaluated.
Property valuation	Investment properties are recognised at fair value, with changes in value recognised in profit or loss. Property valuation is based on a number of financial inputs, assessments and assumptions, based on market information. Fair value is an estimate of the probable sales price on the market, which can only be determined when a transaction has been completed.	To assure the quality of the internal valuation of the properties, external valuations are obtained from independent valuation companies at least once a year. The external valuations normally cover 30–40 per cent of the internally assessed fair value of the property holdings and the selection of properties represents different property categories, towns, locations, technical standards and construction standards.

ADMINISTRATION REPORT

Area of risk	Description	Management
Sustainability risks		
Health and safety	The risk of workplace accidents among our own employees and among external suppliers in our properties.	Hufvudstaden works systematically and in line with our work environment plan and carries out ongoing environmental, health and safety audits. Own project managers procure and manage implementation together with partners. We have processes in place for segregation of duties and responsibilities throughout the project.
Suppliers	In the construction and property industry, there is a risk of corruption, unhealthy competition, tax crime (work-related criminality), and human rights violations (workforce exploitation) in the supply chain. In the retail sector, there are risks connected with human rights violations such as child labour, forced labour and unsafe working conditions in the supply chain.	Hufvudstaden works according to a Code of Conduct. We set high demands and expectations for our contractors. We perform background checks on contractors as part of procurement processes. We also carry out internal and external checks of construction sites, including unannounced site inspections. Inconsistencies and irregularities can be reported anonymously using our whistleblower service. Irregularities that affect Hufvudstaden are highlighted and investigated as early as possible. In addition to the Code of Conduct, there are specific requirements for the products sold in the NK department stores. These requirements encompass human rights, animal protection and environmental considerations.
Climate impact	The construction and property sector is responsible for a large proportion of energy use and emissions in society and it generates large amounts of waste.	Hufvudstaden has strategies and objectives in order to reduce energy consumption and environmental impact. Our Environmental Programme sets out objectives and sustainability requirements for construction projects. Contractors and suppliers that work for Hufvudstaden must also comply with the Environmental Programme. The aim is to certify all of our properties as green buildings.
Climate change	The risk of a change in precipitation and temperature patterns resulting in torrential rain and drought.	Hufvudstaden makes climate change risk assessments of its property holdings. Climate change events such as extreme precipitation and changes in water level. Assessments are made to understand, assess, and facilitate the management of future risks.

GROUP FINANCIAL STATEMENTS

Statement of profit or loss – Group

SEK m	Note	2024	2023
Net revenue	3–4		
Property management, gross		2,318.6	2,216.0
Rent revenue, intra-Group		-198.4	-182.9
Property management, net		2,120.2	2,033.1
Other segments		1,059.0	928.5
		3,179.2	2,961.6
Property management expenses			
Maintenance		-31.7	-46.4
Operation and administration		-401.6	-383.1
Property tax		-237.5	-236.4
Depreciation	5	-14.5	-7.8
Property management expenses		-685.3	-673.7
Other segments, gross expenses		-1,140.0	-1,001.6
Rental expenses, intra-Group		198.4	182.9
Other segments, net expenses		-941.6	-818.7
Operating expenses	5-9	-1,626.9	-1,492.4
Gross profit		1,552.3	1,469.2
– of which Property management		1,434.9	1,359.4
– of which Other segments		117.4	109.8
Central administration	5–9	-54.5	-53.2
Operating profit before items affecting comparability and changes in value		1,497.8	1,416.0
Items affecting comparability	10	–	370.3
Changes in value, investment properties	16	-602.6	-4,042.4
Changes in value, interest-rate derivatives	2	-10.8	–
Operating result		884.4	-2,256.1
Financial income and expenses			
Interest and financial income	11	13.4	9.8
Interest and financial expenses	12	-334.6	-288.9
		-321.2	-279.1
Result before tax		563.2	-2,535.2
Tax	14	-198.6	608.0
NET RESULT FOR THE YEAR		364.6	-1,927.2
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		364.6	-1,927.2
Net result for the year per share, before and after dilution, SEK	24	1.80	-9.53
Dividend per share, SEK		2.80 ¹⁾	2.70

¹⁾ Proposal by the Board.

GROUP FINANCIAL STATEMENTS

Comments

Property management

Net revenue from property management excluding intra-Group rents of SEK 198.4 million (182.9) amounted to SEK 2,120.2 million (2,033.1) for the period, an increase of approximately 4 per cent. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new leases and renegotiations of offices. Since early 2022, net revenue has been affected by vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project.

The sales-based rent supplement was SEK 10.5 million (8.5), of which the NK department stores accounted for SEK 7.0 million (6.4). Sales in the NK department stores totalled SEK 2,925 million (2,690). Apart from the sales-based rent supplement, there are no other material seasonal variations in rents. Hufvudstaden's renegotiations during the year corresponded to approximately SEK 390 million in annual rental value. On average, the renegotiations resulted in a rent decrease of approximately 2 per cent, compared with indexed rent for 2024.

The rental vacancy rate was 7.1 per cent (8.8). Excluding current development projects, the rental vacancy rate was 5.0 per cent (5.7). Maintenance expenses amounted to SEK -31.7 million (-46.4) and operation costs were SEK -275.0 million (-270.4). Administration costs amounted to SEK -126.6 million (-112.7). The increase was due to higher personnel and consultant costs. Property tax amounted to SEK -237.5 million (-236.4) and has mainly been invoiced onward to tenants. Depreciation amounted to SEK -14.5 million (-7.8). The increase was due to capitalisation of intangible fixed assets. The total expenses for property management amounted to SEK -685.3 million (-673.7).

Gross profit for the year amounted to SEK 1,434.9 million (1,359.4). Including intra-Group rent revenue, gross profit was SEK 1,633.3 million (1,542.3).

Other segments

Other segments comprise NK Retail and other operations. Other operations consist of Cecil Coworking, NK e-commerce and the parking business in Parkaden.

Net revenue for NK Retail amounted to SEK 915.7 million (789.5). Costs excluding intra-Group rents of SEK -114.8 million (-106.7) were SEK -853.7 million (-731.7). Gross profit for NK Retail excluding intra-Group rental costs was SEK 62.0 million (57.8). The result was impacted by a higher proportion of sales at discounted prices and weak sales of high-margin products. Sales for NK Retail are impacted by seasonal variations, with the first quarter of the year normally being the weakest and the fourth quarter being the strongest.

Net revenue for other operations amounted to SEK 143.3 million (139.0). Costs excluding intra-Group rents of SEK -83.6 million (-76.2) were SEK -87.9 million (-87.0). Gross profit excluding intra-Group rental costs was SEK 55.4 million (52.0).

Other profit and loss items

Central administration amounted to SEK -54.5 million (-53.2).

Items affecting comparability

Items affecting comparability last year were SEK 370.3 million and referred to insurance compensation for the reconstruction of the Vildmannen 7 property following the extensive fire in 2017.

Changes in value

Unrealised changes in the value of investment properties were SEK -602.6 million (-4,042.4). The unrealised decrease in value was primarily due to the effect of lower rents for stores and a slight increase in yield requirements. The average yield requirement increased by 1 basis point and, as of the valuation date, was 4.1 per cent (4.1). Unrealised changes in the value of interest-rate derivatives were SEK -10.8 million (–).

Financial items

Financial income amounted to SEK 13.4 million (9.8). Financial expenses amounted to SEK -334.6 million (-288.9). Borrowing costs were SEK -309.5 million (-266.2). Interest expenses for leasing amounted to SEK -25.1 million (-22.7), which primarily referred to ground rents. The increase in financial expenses for borrowing was attributable to higher average interest rates and increased borrowing.

Tax

The Group's tax for the year was SEK -198.6 million (608.0), of which SEK -137.5 million (-70.4) comprised current tax and SEK -61.1 million (678.4) was deferred tax. The increase in current tax was mainly due to lower deductible expenses for investments in investment properties. The change in deferred tax was primarily due to the lower negative unrealised changes in the value of the property holdings.

Net result for the year

The net result for the year was SEK 364.6 million (-1,927.2). The improvement was primarily attributable to lower negative unrealised changes in the value of the property holdings for the period.

GROUP FINANCIAL STATEMENTS

Statement of financial position – Group

SEK m	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible fixed assets	15	63.1	94.5
Investment properties	16	47,115.4	46,742.8
Equipment	17	59.1	66.3
Right-of-use assets	19	734.4	727.9
Non-current receivables	20	20.2	22.7
Total non-current assets		47,992.2	47,654.2
Current assets			
Inventories	21	262.6	255.2
<i>Current receivables</i>			
Accounts receivable	22	32.6	24.7
Other receivables		18.6	19.0
Prepaid expenses and accrued income	23	95.6	108.1
Cash and cash equivalents		472.6	382.4
Total current assets		882.0	789.4
TOTAL ASSETS		48,874.2	48,443.6
EQUITY AND LIABILITIES			
Equity			
Share capital	24	1,056.4	1,056.4
Other contributed capital		628.1	628.1
Retained earnings, including net profit for the year		26,922.4	27,104.1
Total equity		28,606.9	28,788.6
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	25	7,100.0	7,300.0
Deferred tax liabilities	26	8,635.9	8,574.8
Non-current lease liabilities	25	727.9	721.0
Other non-current liabilities		116.5	99.7
Other provisions	27	25.7	28.7
Total non-current liabilities		16,606.0	16,724.2
<i>Current liabilities</i>			
Current interest-bearing liabilities	25	2,700.0	2,100.0
Current lease liabilities	25	7.9	8.0
Accounts payable		222.2	249.3
Tax liabilities		51.8	15.1
Other liabilities	28	131.7	98.6
Accrued expenses and prepaid income	30	547.7	459.8
Total current liabilities		3,661.3	2,930.8
Total liabilities		20,267.3	19,655.0
TOTAL EQUITY AND LIABILITIES		48,874.2	48,443.6

GROUP FINANCIAL STATEMENTS

Comments

Investment properties

The carrying amounts of investment properties in the Group amounted to SEK 47,115.4 million (46,742.8). The increase in the fair value of the properties was attributable to investments for the period but was partly offset by negative unrealised changes in the value of the property holdings of SEK -602.6 million (-4,042.4). The unrealised decrease in value was due to the effect of lower rents for stores and a slight increase in yield requirements. Investments in the property holdings during the year amounted to SEK 975.2 million (1,238.3). Investment properties in the Group are recognised at fair value according to IAS 40, which means there is no depreciation. The valuation method is described in Note 16. The properties' fiscal residual value was SEK 3.4 billion (3.2).

Right-of-use assets

Right-of-use assets amounted to SEK 734.4 million (727.9) and mainly comprised site leaseholds recognised at fair value with the corresponding lease liability. Site leaseholds are considered as perpetual leases and there is no depreciation.

Inventories

The inventories comprise merchandise for sale in NK Retail and amounted to 0.5 per cent (0.5) of the Group's total assets and 8.3 per cent (8.6) of the Group's net revenue.

Equity and net asset value

The Group's equity attributable to the Parent Company shareholders at period-end amounted to SEK 28,606.9 million (SEK 28,788.6), corresponding to SEK 141 per share (142).

Dividends paid, as decided by the Annual General Meeting in March 2024, amounted to SEK 546.2 million (546.2).

Based on the valuation of the property holdings, the Net Reinstatement Value (EPRA NRV) was SEK 37.4 billion or SEK 185 per share. Net Tangible Assets (EPRA NTA) were SEK 35.2 billion or SEK 174 per share following a deduction for estimated actual deferred tax liabilities. This assessment is made in the light of current tax legislation, which means that properties can be sold via a limited company without tax implications. The estimated actual deferred tax has been set at 5 per cent.

Lease liabilities

Lease liabilities totalled SEK 735.8 million (729.0) and consisted primarily of site leaseholds recognised at fair value.

Interest-bearing liabilities

The Group's liabilities to credit institutions amounted to SEK 1,500.0 million (2,200.0). At year-end, Hufvudstaden's commercial paper amounted to SEK 100.0 million (1,100.0) and bonds to SEK 8,200.0 million (6,100.0). Total borrowings amounted to SEK 9,800.0 million (9,400.0). The average fixed interest period, including the effects of derivatives, was 2.2 years (1.2), the average capital tie-up period was 2.2 years (2.2) and the average effective rate was 2.9 per cent (3.2) including, and 2.8 per cent (3.1) excluding, the cost of unutilised loan commitments. Lease liabilities are recognised as interest-bearing liabilities but are reported separately in the statement of financial position. Interest-bearing net debt amounted to SEK 9,327.4 million (9,017.6) and net debt, which includes the lease liabilities, amounted to SEK 10,063.2 million (9,746.6).

Deferred tax liabilities

Deferred tax liabilities amounted to SEK 8,635.9 million (8,574.8). The increase was primarily due to temporary differences for buildings related to the use of the compensation fund.



Using the company's own project managers ensures quality in every detail of our development projects.

GROUP FINANCIAL STATEMENTS

Statement of changes in equity – Group

SEK m	Share capital	Other contributed capital	Retained earnings, including net result for the year	Total
Opening equity, January 1, 2023	1,056.4	628.1	29,577.5	31,262.0
Net result for the year			-1,927.2	-1,927.2
Other comprehensive income			–	–
Comprehensive income for the year			-1,927.2	-1,927.2
Dividend			-546.2	-546.2
Closing equity, December 31, 2023	1,056.4	628.1	27,104.1	28,788.6

Opening equity, January 1, 2024	1,056.4	628.1	27,104.1	28,788.6
Net result for the year			364.6	364.6
Other comprehensive income for the year			–	–
Comprehensive income for the year			364.6	364.6
Dividend			-546.2	-546.2
Closing equity, December 31, 2024	1,056.4	628.1	26,922.4	28,606.9

The Annual General Meeting held on March 21, 2024 granted renewed authorisation to the Board to acquire Class A shares up to 10 per cent of all issued shares. The purpose is to enable the Board to adjust the capital structure in order to create increased value for the company's shareholders and/or to make it possible to use treasury shares as liquidity or to finance acquisitions of businesses or properties.

Hufvudstaden's total holdings of treasury shares amounted to 8,965,000 Class A shares, corresponding to 4.2 per cent of all issued shares and 0.9 per cent of the total votes. No buyback took place during the year or after the end of the reporting period.

A dividend of SEK 2.70 per share was paid to the company's shareholders in 2024, totalling SEK 546,228,719.

The proposed dividend according to the proposed allocation of unappropriated earnings amounts to SEK 566.5 million.

GROUP FINANCIAL STATEMENTS

Statement of cash flows – Group

SEK m	Note	2024	2023
Current operations			
Result before tax		563.2	-2,535.2
Depreciation and impairment of assets		68.6	52.8
Items affecting comparability	10	–	-187.8
Unrealised change in value, investment properties		602.6	4,042.4
Unrealised change in value, interest-rate derivatives		10.8	–
Other changes		-3.0	-2.4
Income tax paid		-100.8	-70.4
Cash flow from current operations before changes in working capital		1,141.4	1,299.4
Cash flow from changes in working capital:			
Decrease (+) / Increase (–) in inventories		-7.1	-38.2
Decrease (+) / Increase (–) in operating receivables		1.2	-9.6
Increase (+) / Decrease (–) in operating liabilities		99.8	133.7
Cash flow from current operations		1,235.3	1,385.3
Investment activities			
Investment in intangible fixed assets	15	-2.2	-30.8
Investment in investment properties	16	-975.2	-1,238.3
Investment in equipment	17	-13.7	-32.6
Disposal of equipment	17	–	0.7
Cash flow from investment activities		-991.1	-1,301.0
Financing activities			
Loans raised	25	4,200.0	5,200.0
Amortisation of loan debt	25	-3,800.0	-4,800.0
Amortisation of lease liabilities	25	-7.8	-8.7
Dividend paid	24	-546.2	-546.2
Cash flow from financing activities		-154.0	-154.9
Cash flow for the year		90.2	-70.6
Cash and cash equivalents at the beginning of the year		382.4	453.0
Cash and cash equivalents at year-end		472.6	382.4
SUPPLEMENTARY DISCLOSURES, STATEMENT OF CASH FLOWS			
Interest received		13.9	10.7
Interest paid		-253.3	-289.4

GROUP FINANCIAL STATEMENTS

Comments

Cash flow from current operations

Cash flow from current operations before changes in working capital decreased by SEK 158.0 million to SEK 1,141.4 million (1,299.4). The decrease was primarily due to the insurance compensation received for the reconstruction of the Vildmannen 7 property following the extensive fire in 2017, of which SEK 187.8 million in 2023 pertained to previous insurance compensation received on account. Changes in working capital increased cash flow by SEK 93.9 million (85.9). Cash flow from current operations thus amounted to SEK 1,235.3 million (1,385.3).

Cash flow from investment activities

Cash flow from investment activities amounted to SEK -991.1 million (-1,301.0) and refers to investments in existing property holdings, equipment and intangible fixed assets.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK -154.0 million (-154.9). Borrowing increased by a net of SEK 400.0 million compared with an increase of SEK 400.0 million previous year.

Cash flow for the year

Cash flow for the year amounted to SEK 90.2 million (-70.6).

Cash and cash equivalents

The Group's cash and cash equivalents amounted to SEK 472.6 million (382.4) and comprised cash and bank holdings. As of December 31, 2024, Hufvudstaden had loan commitments of SEK 5,500.0 million (5,500.0). At year-end, SEK 5,500.0 million was unutilised. The commercial paper programme totalled SEK 3,000.0 million, of which SEK 100.0 million was outstanding at year-end. The unutilised amount was SEK 2,900.0 million. Hufvudstaden's MTN programme amounts to SEK 12,000.0 million, of which SEK 8,200.0 million had been issued. The unutilised amount of the framework was SEK 3,800.0 million.

There are no restrictions regarding the right to use cash and cash equivalents.

Parent Company financial statements

INCOME STATEMENT

SEK m	Note	2024	2023
Net revenue	4	1,677.4	1,585.9
Operating expenses	5–9	-726.2	-934.2
Gross profit		951.2	651.7
Central administration	5–9	-54.5	-53.2
Items affecting comparability	10	–	315.0
Changes in value, interest-rate derivatives	2	-10.8	–
Operating result		885.9	913.5
Result from financial items			
Interest and financial income	11	137.1	171.4
Interest and financial expenses	12	-309.3	-266.1
		-172.2	-94.7
Profit after financial items		713.7	818.8
Appropriations	13	-73.6	-72.8
Result before tax		640.1	746.0
Tax	14	-213.4	-71.0
NET PROFIT FOR THE YEAR		426.7	675.0

STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2024	2023
Net result for the year		426.7	675.0
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		426.7	675.0

BALANCE SHEET

SEK m	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible fixed assets	15	0.5	1.0
Tangible fixed assets			
Investment properties	16	9,613.2	9,108.4
Equipment	17	9.6	13.5
Total tangible fixed assets		9,622.8	9,121.9
Financial fixed assets			
Shares in Group companies	18	5,398.4	5,398.4
Receivables from Group companies		1,163.5	1,163.5
Non-current receivables	20	20.1	22.7
Total financial fixed assets		6,582.0	6,584.6
Total non-current assets		16,205.3	15,707.5

SEK m	Note	Dec 31, 2024	Dec 31, 2023
Current assets			
Current receivables			
Accounts receivable	22	3.2	4.7
Receivables from Group companies		300.3	311.3
Other receivables		1.9	1.8
Prepaid expenses and accrued income	23	35.6	55.2
Total current receivables		341.0	373.0
Cash and bank holdings		456.5	372.2
Total current assets		797.5	745.2
TOTAL ASSETS		17,002.8	16,452.7

EQUITY AND LIABILITIES

Equity	24		
Restricted equity			
Share capital		1,056.4	1,056.4
Revaluation reserve		124.2	124.2
Statutory reserve		798.1	798.1
Total restricted equity		1,978.7	1,978.7
Non-restricted equity			
Retained earnings		2,018.5	1,889.8
Net result for the year		426.7	675.0
Total non-restricted equity		2,445.2	2,564.8
Total equity		4,423.9	4,543.5

Untaxed reserves	29	61.0	48.3
Provisions			
Pension provisions	27	25.7	28.7
Deferred tax liabilities	26	963.0	881.2
Total provisions		988.7	909.9

Non-current liabilities			
Non-current interest-bearing liabilities	25	7,100.0	7,300.0
Liabilities to Group companies		220.5	220.5
Other liabilities		105.7	88.7
Total non-current liabilities		7,426.2	7,609.2

Current liabilities			
Current interest-bearing liabilities	25	2,700.0	2,100.0
Accounts payable		84.8	127.7
Liabilities to Group companies		794.1	731.8
Tax liabilities		43.6	7.9
Other liabilities	28	57.8	26.0
Accrued expenses and prepaid income	30	422.7	348.4
Total current liabilities		4,103.0	3,341.8
TOTAL EQUITY AND LIABILITIES		17,002.8	16,452.7

PARENT COMPANY FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

SEK m	Share capital	Revaluation reserve	Statutory reserve	Retained earnings, including net profit for the year	Total
Opening equity, January 1, 2023	1,056.4	124.2	798.1	2,436.0	4,414.7
Net result for the year				675.0	675.0
Other comprehensive income				–	–
Comprehensive income for the year				675.0	675.0
Dividend				-546.2	-546.2
Closing equity, December 31, 2023	1,056.4	124.2	798.1	2,564.8	4,543.5
Opening equity, January 1, 2024	1,056.4	124.2	798.1	2,564.8	4,543.5
Net result for the year				426.7	426.7
Other comprehensive income				–	–
Comprehensive income for the year				426.7	426.7
Dividend				-546.2	-546.2
Closing equity, December 31, 2024	1,056.4	124.2	798.1	2,445.2	4,423.9

CASH FLOW STATEMENT

SEK m	Note	2024	2023
Current operations			
Profit after financial items		713.7	818.8
Depreciation and impairment of assets		201.8	185.3
Change in value, interest-rate derivatives		10.8	–
Group contributions		-76.9	-137.8
Items affecting comparability	10	–	-132.5
Other changes		-3.0	-3.8
Income tax paid		-96.0	-69.6
Cash flow from current operations before changes in working capital		750.4	660.4
Cash flow from changes in working capital:			
Decrease (+) / Increase (–) in operating receivables		108.7	94.6
Increase (+) / Decrease (–) in operating liabilities		70.7	593.0
Cash flow from current operations		929.8	1,348.0
Investment activities			
Shareholders' contribution paid	18	–	-2,800.0
Investment in investment properties		-697.6	-750.5
Investment in equipment		-1.7	-5.9
Disposal of equipment		–	0.7
Cash flow from investment activities		-699.3	-3,555.7
Financing activities			
Loans raised	25	4,200.0	5,200.0
Amortisation of loan debt	25	-3,800.0	-4,800.0
Change in non-current receivables		–	2,284.6
Dividend paid	24	-546.2	-546.2
Cash flow from financing activities		-146.2	2,138.4
Cash flow for the year		84.3	-69.3
Cash and cash equivalents at the beginning of the year		372.2	441.5
Cash and cash equivalents at the year-end		456.5	372.2

SUPPLEMENTARY DISCLOSURES, CASH FLOW STATEMENT

SEK m	2024	2023
Interest received	60.6	33.8
Interest paid	-219.9	-266.6

Comments

Net revenue amounted to SEK 1,677.4 million (1,585.9). The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new leases and renegotiations of offices. Since early 2022, net revenue has been affected by vacant premises attributable to the entire Inom Vallgraven 12 block in Gothenburg being emptied for the Johanna project. Rent revenue totalled SEK 1,620.3 million (1,533.2) and service revenue amounted to SEK 57.1 million (52.7).

Operating expenses amounted to SEK -726.2 million (-934.2). The decrease was mainly attributable to lower maintenance costs for major development projects. Gross profit amounted to SEK 951.2 million (651.7). Central administration was SEK -54.5 million (-53.2). Unrealised changes in the value of interest-rate derivatives were SEK -10.8 million (–).

Items affecting comparability amounted to SEK 315.0 million for the previous year and referred to insurance compensation for the reconstruction of the Vildmannen 7 property following the extensive fire in 2017 of SEK 370.3 million and the disposal of buildings in the Inom Vallgraven 12 block, where the Johanna project is in progress, of SEK -55.3 million.

The result from financial items was SEK -172.2 million (-94.7). Financial items include Group contributions of SEK 76.9 million (137.8) received from subsidiaries.

Investments in existing property holdings and equipment totalled SEK 699.3 million (756.4).

Cash and cash equivalents at the end of the period amounted to SEK 456.5 million (372.2).

Financial notes

NOTE 1

ACCOUNTING POLICIES

General information

Hufvudstaden AB (publ), company registration number 556012-8240, is a limited liability company with its registered office in Stockholm. Hufvudstaden is listed on Nasdaq Stockholm Large Cap. The Group's principal area of business is the ownership, development and management of commercial properties in the central of Stockholm and Gothenburg. The company's address is Hufvudstaden AB (publ), NK 100, SE-1 11 77 Stockholm. Visiting address: Regeringsgatan 38. L E Lundbergföretagen AB, company registration number 556056-8817, Stockholm, has a controlling influence in Hufvudstaden, which is why the company is consolidated into the Lundberg Group. The Annual Report and consolidated financial statements for Hufvudstaden AB (publ) for 2024 have been approved for publication according to a decision reached by the Board on February 13, 2025. It is proposed that the Annual Report and consolidated financial statements be adopted at the Annual General Meeting on March 20, 2025.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as well as those adopted by the European Union (EU). In addition, the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Rules for consolidated financial statements, has been applied. Hufvudstaden's income statements are classified according to function and are adapted to the company's operations.

The Parent Company applies the same accounting policies as the Group, except in those cases stated below under the heading 'Parent Company accounting policies'. The deviations that arise between the policies applied by the Parent Company and the policies applied by the Group are attributable to limits on the potential to apply IFRS in the Parent Company as a result of the Annual Accounts Act, the Safeguarding of Pension Commitments Act, and in certain cases for tax reasons.

Prerequisites in conjunction with preparation of the financial statements

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Group. Assets and liabilities are recognised at the historical acquisition value, apart from certain financial assets and liabilities as well as investment properties measured at fair value. Measurement at fair value of investment properties and financial derivatives is the accounting policy that has greatest impact on the consolidated financial statements.

The accounting policies stated below for the Group have been applied to all periods that are presented in the consolidated financial statements unless stated otherwise below. The Group's accounting policies have been applied to reporting and consolidation of the Parent Company and subsidiaries.

In certain cases rounding-off has taken place, which means that tables and calculations do not always tally.

Judgements and estimates

To prepare the financial reports in compliance with IFRS, Senior Executives are required to make judgements and assumptions that affect the assets, liabilities, revenue and costs recognised in the accounts. Estimates and assumptions are regularly reviewed. Judgements made by Senior Executives in applying IFRS that have material effect on the financial statements as well as estimates that could result in material adjustments to the financial statements in subsequent years are described in greater detail below.

Investment properties

The value of a property can only be determined with certainty when payment has been received following its sale. In the final accounts, an estimate is made of the market value, which in accounting terms is known as the fair

value. The fair value is determined based on a valuation according to a variation on the location price method, known as the net capitalisation method. The method involves setting the market yield requirements in relation to the net operating income of the properties. In this valuation, assessment is made of the yield requirement for each individual property. The properties' net operating income is calculated based on the market rent revenue, long-term rental vacancy rate, and normalised operating and maintenance costs. In the case of other project properties and undeveloped land, the value is determined based on weighing up the location price method and a development calculation where the net capitalisation method is used for a completed property with a deduction for construction costs, a profit for the developer that is in line with the market, as well as financial expenses and rental vacancy costs during the construction period. The Group's internal property valuation is checked with independent external valuation companies, where an uncertainty range of +/– 5 per cent of the assessed fair value is given.

If the Group's valuation is outside the uncertainty range, the reason for the deviation is explained. External changes could mean that assumptions made by Senior Executives need to be reviewed. This could result in a considerable variation in the value of the property holdings, which can be seen in the sensitivity analysis in Note 16.

New accounting policies

Hufvudstaden is part of a group, L E Lundbergföretagen, which is subject to the OECD global minimum tax rules (Pillar II) that came into effect on January 1, 2024. The Group's assessment of the rules indicates that top-up tax will not need to be paid. Hufvudstaden applies the exemptions in IAS 12 item 4A, which stipulates that the Group does not need to report or disclose the amount of a deferred tax asset and/or deferred tax liability relating to income taxes under Pillar II.

Additional new or amended EU-approved standards and interpretations from the IFRS Interpretations Committee are currently deemed to have no material impact on Hufvudstaden's earnings or financial position. The accounting policies and calculation methods are unchanged compared to last year's Annual Report.

New standards that will come into effect in 2024 onwards

The IASB has published a new accounting standard, IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. The standard will come into effect on January 1, 2027 with retroactive application. IFRS 18 can also be applied in advance, although this requires prior EU approval. IFRS 18 will not impact the reporting or measurement of items in the financial statements, but it could change what a company recognises as "operating profit". Application of the standard will require several new assessments and could require changes to the financial statements, both the primary statements and the notes. The most important new concepts introduced in IFRS 18 pertain to:

- statement of profit or loss structure,
- mandatory disclosures in the financial statements for certain performance measures that are reported outside a company's financial reports. These are referred to as management performance measurements (MPMs),
- improved principles for aggregation and disaggregation for the primary financial statements and the notes in general.

Hufvudstaden has started to analyse the potential consequences of the new standard.

Consolidated financial statements

The consolidated financial statements cover the Parent Company and all subsidiaries. Those companies in which the Parent Company, directly or indirectly, has a controlling interest are consolidated subsidiaries. The subsidiaries have been reported in accordance with the acquisition method, which means that assets and liabilities that have been taken over are measured at fair value according to the acquisition analysis. If the acquisition

does not refer to business operations that are normal in conjunction with the acquisition of properties, the acquisition costs are divided among the individually identifiable assets and liabilities according to their fair value at the time of acquisition without any reporting of goodwill and a deferred tax receivable/liability in conjunction with the acquisition.

Reporting of revenue and costs

Rent revenue and service revenue

Net revenue comprises rent revenue and service revenue. Rent revenue refers to invoiced rent, including indexation, supplementary charges for media, property tax and other costs. Service revenue comprises all other additional charges, such as heating, cooling, waste management and water. Rent revenue is allocated to a specific period on a straight-line basis over the term of the lease. Service revenue is reported during the period in which the service is performed on behalf of the tenant. Rent revenue and service revenue paid in advance are thus reported as deferred income.

Revenue, NK Retail

Revenue is primarily generated through the sale of clothing, accessories, beauty products and jewellery to consumers. The Group's performance commitment is thus to provide goods to customers, either to consumers in the Group's own stores or to e-commerce customers when goods are delivered to independent shippers. All revenue is recognised under the IFRS 15 category "at a point in time", meaning upon delivery. Revenue from the sale of goods at a fixed price is recognised when the company has transferred control of the good to the customer, which normally occurs at the time of sale when the customer takes the good with them out of the store, or upon delivery to an e-commerce customer under the terms and conditions of sale.

The main store sales are on approval for 30 days (full right of return), which means that revenue from sales in stores is recognised less estimated returns. The estimated repayment for returned goods is recognised as a repayment liability (the amount the company is expected to owe the customer). The right to receive the goods being returned is recognised as inventory. Revenue also decreases with variable remuneration in the form of discounts and customer loyalty programmes. Sales revenue is recognised less VAT, returns and discounts as net revenue in the income statement under "Other segments".

Administration costs

Administration costs have been split into property management administration costs, which are included in gross profit, and central administration costs, which are included in the operating result.

Financial income and expenses

Financial income and expenses comprises interest income and interest expenses, and unrealised and realised gains on financial investments. Interest income and interest expenses are calculated according to the effective interest rate method. Interest expenses also include the cost of interest-rate derivative agreements, and cash flows from these agreements are recognised in profit or loss in the period to which they pertain. Market valuations of derivative agreements are recognised as changes in value under a separate heading in the statement of profit or loss.

Leases

Lease agreements where the Group is the lessor

All the Group's lease agreements relating to commercial premises, as lessor, are classified as operating lease agreements. Accounting policies of these are presented in the section Rent revenue and service revenue above.

Lease agreements where the Group is the lessee

The Group recognises a right-of-use asset and a lease liability on the date the lease agreement came into effect. Right-of-use assets are initially measured at acquisition value. Right-of-use assets are depreciated on a straight-line basis from the date of commencement to the end of the right-of-use period of the asset or the end of the lease term. The lease liability is initially measured at the present value of the remaining lease costs for the estimated term. The lease term comprises the non-terminable period plus

additional extension periods in the lease agreement if it is deemed reasonably certain on the commencement date that these options will be utilised. The lease costs are discounted at the Group's average incremental borrowing rate. In those cases where the interest rate implicit in the lease agreement can be readily determined, this interest rate is used instead. The Group's average incremental borrowing rate as of December 31, 2024 was 3.00 per cent. The lease liability for the Group's commercial premises with index-linked rent are calculated on the rent payable at the end of each reporting period. The Group's agreements for commercial premises and land, not site leasehold agreements, comprise mainly non-terminable terms of several years, which are extended by a further number of years if the Group or the lessor does not terminate the agreement by giving 9–24 months' notice. For the majority of these agreements, the Group's assessment is that it is not reasonably certain that the agreements will be extended beyond the first term. In its capacity as lessee, the Group has identified site leasehold agreements to be the most material. The lease liability as of December 31, 2024 was SEK 736 million, of which site leasehold agreements totalled SEK 694 million. According to IFRS 16, site leasehold rights are considered to be perpetual leases measured at fair value and will thus not be depreciated. The value of the right-of-use asset remains until the next renegotiation of the ground rent. The lease liability is not amortised, and the value remains unchanged until the ground rent is renegotiated. Ground rent costs are recognised in their entirety as a financial expense. For lease agreements where the lease term is 12 months or less, or which have an underlying low-value asset, i.e. below SEK 50,000, no right-of-use asset or lease liability are recognised. Lease costs for these leases are recognised as a cost on a straight-line basis over the term of the lease agreement.

Remuneration to employees

Remuneration to employees, such as salaries, paid holidays and social insurance costs, are reported in line with the employee performing services in return for payment. Remuneration according to a bonus scheme is reported at year-end, refer to the guidelines on variable remuneration in Note 7. As regards the Group's pension undertakings, the majority of white-collar workers are covered by what is known as the ITP plan, which is secured through insurance with Alecta, and blue-collar workers are covered by the SAF-LO contractual pension plan. During the 2024 financial year, the company did not have access to information that made it possible to report these plans as defined benefit plans. The pension plans are therefore reported as defined contribution plans. The commitments regarding charges to defined contribution plans are reported as a cost in profit or loss when they arise.

Tax

Tax is recognised in profit or loss apart from when the underlying transaction is recognised in other comprehensive income or equity, whereupon the associated tax effect is recognised in other comprehensive income or equity. Current tax is the tax to be paid or received for the year in question. This also includes an adjustment of current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method, using temporary differences between carrying amounts and tax values of assets and liabilities as a starting point. The amounts are calculated based on how the temporary differences are expected to be realised, and on application of the tax rates and tax rules that had been decided or notified as at year-end. Deferred tax assets in respect of deductible temporary differences and a loss carryforward of unused tax losses are only reported to the extent it is likely that these will entail lower tax payments in the future.

Financial instruments

The Group classifies the financial assets and liabilities measured at amortised cost or fair value through profit or loss. Financial instruments are initially measured at fair value with additions for any transaction costs, except for assets and liabilities measured at fair value through profit or loss which initially are valued without additions for transaction costs. Financial assets and liabilities are recorded on application of the business date principle. A financial asset or financial liability is recorded in the balance sheet when the company becomes a party to an agreement. An account receivable is recorded in the balance sheet when an invoice has been sent. A rent receivable, however, is recorded when each rental period has commenced.

FINANCIAL NOTES

A liability is taken up when the counter-party has performed and a contractual obligation to pay exists, even if an invoice has not yet been received.

Financial assets and liabilities measured at amortised cost

Financial assets that are included in this category are rent receivables and accounts receivable, cash and cash equivalents, loan receivables, and other receivables. Financial liabilities that are included in this category are loans and other financial liabilities, such as accounts payable. The initial carrying amount of loans is adjusted by any discounts or premiums paid when the loan was raised, and such adjustments are allocated over the term of the loan in accordance with the effective interest method. Any profit or loss that arises when the loan is repaid in advance is recognised through profit or loss.

Financial assets and liabilities measured at fair value

The financial assets and liabilities included in this category comprise derivatives (interest-rate swap agreements). Derivatives are measured at fair value through profit or loss and according to the IFRS 13 fair value hierarchy at Level 2. This level means that the valuation is based on active market data that is observable for the asset or liability, whether directly or indirectly. There are ISDA agreements for all derivatives, which give the right to set off the claim against the liability to the same counterparty in the event of insolvency.

Impairment of financial assets

The Group reports as principle expected credit losses for all financial assets that are measured at amortised cost. For rent and accounts receivable, the expected credit losses are valued based on the entire remaining contractual term of the receivables. The Group applies a matrix to calculate these expected credit losses with different expected loss rates based on how long the receivables are late in their payments. The loss rate has been calculated based on historical experiences which are supplemented with adjustments for the specific conditions prevailing as of the period-end and expected changes in customers' payment capacity. The Group is considering a 90-day delay in contractual payments as a significant increase in the credit risk and with that criteria the receivable is considered to be credit impaired and the loss reserve is calculated as the present value of the expected cash flows discounted with the receivables original effective interest rate.

Intangible fixed assets

Intangible fixed assets acquired by the Group consist of e-commerce platform and other IT-systems and are recognised at acquisition value less accumulated amortisation and any impairment losses. Development costs for new or improved processes in the Group's e-commerce platform are recognised as an asset in the statement of financial position if the process is technically and commercially feasible and the Group has sufficient resources with which to complete the process.

Principles for amortisation

Amortisation is recognised in profit or loss on a straight-line basis across the estimated useful lives of intangible fixed assets. The estimated useful life of intangible fixed assets is 5 years.

Tangible assets

Tangible assets primarily comprise equipment and are recognised at acquisition value less accumulated depreciation and any impairment losses.

Depreciation, property management

Depreciation of tangible assets used in administration is included in property management administration.

Depreciation, other segments

Depreciation of tangible assets is included in the cost of other segments.

Principles for amortisation

Depreciation according to plan is based on the original acquisition value and the estimated useful life. The estimated useful life for equipment is 3–5 years.

Investment properties

Investment properties are properties that are held for the purposes of securing rent revenue and/or an increase in value. Initially, investment properties are recognised at the acquisition cost, which includes expenses directly attributable to the acquisition. After the initial recognition, investment properties are reported in the balance sheet at fair value. The fair value is based on internal valuations of each individual property. These valuations take place each quarter. To assure the quality of the valuation, independent external valuations are obtained from valuation companies at least once a year. The external valuations normally cover 30–40 per cent of the internally assessed fair value of the property holdings and the selection of properties represents different property categories, towns, locations, technical standards and construction standards. There is a continuous update during the year of the internal valuation of the properties to take account of purchases, sales and investments. The Group also investigates on an ongoing basis if there are other indications of changes in the fair value of the properties. These indications could take the form, for example, of major leases, terminations, and material changes in the yield requirements. Unrealised and realised changes in value are recognised through profit or loss. Changes in value are reported net.

Additional expenses are only capitalised when it is probable that the future economic benefits that are associated with the asset will accrue to the Group, that the cost can be calculated reliably, and that measures refer to replacement of an existing component or the inclusion of a new, identified component. Other repair and maintenance costs are expensed continuously during the period in which they arise.

Impairment

The carrying amounts for the Group's assets – with the exception of investment properties, financial assets, and deferred tax assets – are tested at each period-end to assess whether there is an indication that the carrying amount cannot be recovered. If there is such an indication, the recoverable amount of the asset is calculated. The asset is impaired to the recoverable amount if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value minus selling costs and its value in use.

Inventories

Inventory is measured at the lower of acquisition value and net realisable value. The acquisition value of inventory is calculated using the first-in, first-out (FIFO) method and includes fees that arose from acquiring inventory items and transporting them to their current location in their current condition. The net realisable value is the estimated sales price in current operations, less the estimated selling costs.

Earnings per share

Calculation of earnings per share is based on the consolidated net result for the year and on the weighted average number of shares outstanding during the year. Total profit is attributable to the Parent Company's shareholders and there are no dilution effects.

Cash flow statements

The cash flow statements have been prepared according to the indirect method.

Segment reporting

From an accounting point of view, a segment is an identifiable part of the Group that provides services that are exposed to risks and opportunities that are different from other segments.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts according to the Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Board for listed companies have also been applied. RFR 2 means that in the annual report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act and the Safe-guarding of Pension Commitments Act, and with consideration given to the link between the accounts and taxation. The recommendation states the

FINANCIAL NOTES

exceptions and additions that should be made to IFRS. The differences between the Group accounting policies and the Parent Company accounting policies are stated below. Group contributions received are reported under Financial items and Group contributions granted are reported under Appropriations.

The Parent Company makes allocations to untaxed reserves within the framework of current tax rules.

Changed accounting policies

Parent Company accounting policies have not changed compared to last year's Annual Report.

Subsidiaries

Shares in subsidiaries are reported in the Parent Company according to the cost method. This means that transaction costs are included in the reported value of holdings in subsidiaries.

Investment properties

The Parent Company investment properties are reported according to the Group principles for tangible assets although without the opportunity to apply the fair value method. Instead, the cost method is applied with depreciation over the assessed useful life of the buildings. The acquisition value comprises the acquisition price, cost of title deeds, and value-enhancing improvements. Only charges that generate a permanent increase in the value of the properties are capitalised. Development costs of a maintenance nature are charged to profit or loss. Borrowing costs are not capitalised in the Parent Company. In accordance with the special provisions for investment properties in RFR 2, buildings are reported as a single depreciation unit without a division into components.

Valuation of investment properties and tangible assets

The carrying amount of investment properties and tangible assets is tested for impairment when events or a change in conditions indicate a possibility that the carrying amount might not be recovered. If there are such indications, and if the carrying amount exceeds the expected recoverable amount, the assets are impaired to the recoverable amount. The recoverable amount is equivalent to the maximum of the net realisable value and the value in use. The net realisable value is set through comparison with the sale of similar objects. The value in use comprises the present value of the expected future cash flows according to a discounting factor before tax, which reflects the market's current estimate of the time value and the risks associated with the asset. For assets that do not generate independent cash flows to a predominant extent, the recoverable amount is set for the cash-generating unit to which the asset belongs. Any impairment is recognised through profit or loss. Reversal of impairments is made if the recoverable amount once again exceeds the previous carrying amount.

Depreciation – investment properties

The Parent Company's depreciation according to plan is based on the original acquisition value, adjusted where applicable for revaluations and impairments and the estimated useful life. The estimated useful life for buildings is 50–100 years and for building equipment 5–20 years. The revaluation is depreciated over the remaining depreciation period of the underlying asset.

Leased assets

The Parent Company does not apply IFRS 16 in accordance with the exception in RFR 2. As a lessee, lease costs are recognised as a cost on a straight-line basis over the term of the lease and consequently rights of use and lease liabilities are not reported in the balance sheet.

NOTE 2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Hufvudstaden is mainly exposed to financing risk, interest risk and credit risk. The Group endeavours to have a loan portfolio with a diverse credit maturity structure and fixed interest periods that are in alignment with the current strategic direction. No loans are raised in foreign currency, and consequently the Group is limited exposed to currency risk. NK Retail hedges part of its purchases in foreign currency so the net exposure is low. Borrowing takes place both with short and long fixed interest periods.

Hufvudstaden's Finance function is a Group function with the central responsibility for financing and liquidity planning. The work is governed by the Finance Policy decided by the Board, which aims to secure the Group's financing requirements based on a risk-limited and cost-efficient financing. The Finance function performs its work according to formalised guidelines, well-developed systems and a clearly defined delegation of duties. This ensures robust internal control while facilitating efficient follow-up of the operation. Major financing solutions and derivative transactions are to be approved by the Chairman of the Board, and the Board is informed at each Board meeting of the financial development and planning.

Hufvudstaden's objective is to work strategically and in a structured manner to optimise liquidity. Temporary liquidity surpluses are to primarily be used to amortise existing loans or be invested in financial instruments characterised by high liquidity and low risk. Information regarding borrowing and loan frameworks can be found in Note 25.

Financing risk

Financing risk consists of difficulties to obtain financing for the business at a given point in time. Hufvudstaden strives to work together with three to five lenders and a loan portfolio with a diverse maturity structure. To minimise the cost of Group borrowing and to ensure that financing can be secured, the company have loan commitments that cover the refinancing of loans and investments. Hufvudstaden also has an established commercial paper programme with a framework of SEK 3.0 billion and an MTN programme with a framework of SEK 12.0 billion. These programmes aim to ensure structured and diversified access to additional sources of financing. Rolling forecasts for the Group's liquidity are prepared on the basis of expected cash flows.

Total borrowings as of December 31, 2024 amounted to SEK 9,800 million (9,400). The average fixed interest period, including the effects of derivatives, was 2.2 years (1.2), the capital tie-up period was 2.2 years (2.2) and the average annual equivalent interest rate was 2.9 per cent (3.2) including, and 2.8 per cent (3.1) excluding, the cost of unutilised loan commitments. Interest-bearing net debt was SEK 9,327 million (9,018). In addition, lease liabilities according to IFRS 16 amounted to SEK 736 million (729), and total net debt amounted to SEK 10,063 million (9,747). As of December 31, 2024, the Group had long-term loan commitments of SEK 4.0 billion, of which SEK 4.0 billion was unutilised. The commercial paper programme with a framework of SEK 3.0 billion had SEK 2.9 billion unutilised and the MTN programme with a framework of SEK 12.0 billion had SEK 3.8 billion unutilised.

Covenants

Hufvudstaden's general and financial terms and conditions (covenants) are similar in the company's various credit agreements. In addition to being listed on the stock exchange, they include an equity ratio of at least 30 per cent, an interest coverage ratio of at least 1.2–2.0x and a loan-to-value ratio that does not exceed 50–65 per cent. The company has satisfactory margins in relation to the lenders' covenants.

CASH FLOWS, DECEMBER 31, 2024

	Interest on credits, SEK m	Interest on derivatives, SEK m	Maturity of credits, SEK m	Proportion, %
Maturity, year				
2025, Q1	89.8	0.5	1,100	11
2025, Q2	54.1	0.5	1,300	13
2025, Q3	36.8	0.5	–	–
2025, Q4	57.8	0.5	300	3
2026	190.2	2.0	2,500	26
2027	159.0	2.0	2,000	20
2028	97.3	2.0	500	5
2029	76.2	0.5	2,100	22
Total	761.2	8.5	9,800	100

The Stibor rate as of December 31, 2024 was used to calculate cash flows for credits and for the variable component of the interest-rate swaps. The outstanding loan debt and credit margins were assumed to remain unchanged from the data in the closing accounts until the maturity of each

FINANCIAL NOTES

credit, when final repayment has been assumed. In addition to the above, there are other current liabilities, which also include accounts payable, which normally fall due within 30 days.

Interest risk

Interest risk refers to the impact on profit that a permanent change in the interest rate has on the Group's earnings. Hufvudstaden's financing primarily comprises of equity and borrowings. The borrowings are interest-bearing loans, meaning the Group is exposed to an interest risk. Hufvudstaden's Finance Policy states the framework for how interest risks are to be managed. An overall aim is that the maturity structure of the leases should be taken into account when determining the fixed interest period, and that a balance is struck between the assessed current cost of borrowing and the risk of a significant negative impact on profit in the event of a sudden, major change in the interest rate. This means that the Group's fixed interest period for net debt should normally be 1–4 years. To limit the risk, fixed interest periods are structured based on the development of the financial market. The differentiation in the fixed interest period, with short – normally 3–6 months – and long – normally 5–7 years – maturities, is based on a financial environment analysis and the criteria stipulated in the Finance Policy. To achieve the desired fixed interest structure, the Group has entered into interest-rate derivative agreements to manage exposure to market interest-rate fluctuations. Underlying credits at a nominal value of SEK 1,000 million (–) are hedged via interest-rate derivatives with maturity dates in 2029. In addition, total borrowing of SEK 6,100 million carries a fixed rate of interest. The fair value of all interest-rate derivatives as of December 31, 2024 was SEK -10.8 million (–). The negative value is due to a decrease in market interest rates. Derivatives are measured at fair value in the balance sheet. All derivatives are classified as Level 2 according to IFRS 13. There are ISDA agreements for all derivatives, which give the right to set off the claim against the liability to the same counterparty in the event of insolvency. As of December 31, 2024, the Group's fixed interest period was 2.2 years (1.2 years). A change in the market interest rate of +1 percentage point – assuming an unchanged loan volume and credit margins, and that the Stibor rate as of December 31, 2024 is used for future interest periods – would increase Hufvudstaden's interest expenses by SEK 22 million (37), while a change in the market interest rate of -1 percentage point would reduce Hufvudstaden's interest expenses by SEK 22 million (37).

Credit risk

Credit risk is the risk of a loss if the Group's counterparties do not fulfil their contractual obligations and any collateral does not cover the Group's claims. The aim is to minimise the credit risk through advance rent payments and to only proceed into credit transactions with large financing institutions. A credit risk can be attributed mainly to outstanding accounts receivable/

rent receivables, as well as cash and cash equivalents, which as at year-end had a carrying amount of approximately SEK 33 million and about SEK 473 million, which means that the Group has limited exposure to credit risk. Losses on accounts receivables/rent receivables occur when customers files for bankruptcy or, for other reasons, are unable to fulfil their payment commitments. The risks are limited by Hufvudstaden deliberately selecting customers with documented business skills and competitive operations. To limit the risks further, the credit rating of the Group's customers is reviewed through obtained information from different credit information companies. In accordance with Hufvudstaden's Credit Policy, a security in the form of a deposit, a bank guarantee or guarantee undertaking is normally required in conjunction with new leases. Rents are invoiced in advance.

CONCENTRATION OF CREDIT RISK, DECEMBER 31, 2024^{1) 2)}

Annual rent, SEK k	Number of customers	Total annual rent, SEK k	Proportion, %
0–99	63	2,503	0.1
100–499	50	16,223	0.8
500–999	52	39,676	1.9
1,000–2,499	141	251,654	11.9
2,500–4,999	105	412,581	19.5
5,000–9,999	61	473,639	22.4
10,000–	39	917,885	43.4
Total	511	2,114,161	100.0

¹⁾ Excluding vacant floor space and floor space used internally within the Group.
²⁾ Annual rent as of December 31, 2024.

The Group's ten largest tenants represent 21 per cent of the total contracted rent, and the single largest customer accounts for 5 per cent, which means that Hufvudstaden's exposure to the credit risk represented by individual customers is relatively limited.

Fair value

The fair value of financial instruments traded on an active market, such as financial assets or liabilities held for trading, is based on listed market prices as of December 31, 2024. The listed price used is the applicable buying rate. The fair value of financial instruments not traded on an active market is set with the aid of valuation techniques. Fair values are set by discounting future payment flows to the current market rate of interest for similar instruments.

For financial instruments such as accounts receivable, accounts payable and similar, which are recognised at amortised cost with a deduction for possible impairment, the fair value was considered to be in line with the carrying amount as these instruments have a very short term. The assessment is that the fair value is essentially in line with the carrying amount.

DISCLOSURE OF FAIR VALUES, FINANCIAL INSTRUMENTS

SEK m	Recognised at fair value through profit or loss		Recognised at amortised cost		Disclosures of fair value	
	2024	2023	2024	2023	2024	2023
GROUP						
Non-current receivables			20.2	22.7	20.2	22.7
Current receivables			58.9	76.1	58.9	76.1
Cash and cash equivalents			472.6	382.4	472.6	382.4
Non-current liabilities	10.8	–	7,125.7	7,328.7	7,223.3	7,535.0
Current liabilities	–	1.3	3,038.6	2,409.0	3,039.5	2,427.0
PARENT COMPANY ¹⁾						
Non-current receivables			1,183.6	1,186.2	1,183.6	1,186.2
Current receivables			320.4	350.2	320.4	350.2
Cash and cash equivalents			456.5	372.2	456.5	372.2
Non-current liabilities	10.8	–	7,346.2	7,549.2	7,443.8	7,755.5
Current liabilities			3,695.3	3,019.2	3,696.2	3,035.9

¹⁾ The Parent Company's figures for 2023 have been restated, since receivables and liabilities to Group companies are recognised at amortised cost and included in the table. For bonds with a fixed rate of interest, the surplus value is SEK 87.7 million (223.0). These values have been calculated on the basis according to level 2 in IFRS 13, i.e. the value has been calculated based on official market listings.

FINANCIAL NOTES

NOTE 3 SEGMENT INFORMATION

The Group's operations are divided into three segments: Property Management, NK Retail and Other operations. Other operations comprise Cecil Coworking (Stockholm Business Area), NK e-commerce and the parking business in Parkaden (NK Business Area). The segments are divided into the business areas, which are in line with the Company's operational control system.

In the Parent Company, there is only one operating segment – Property Management. The following presentation shows revenue and expenses as well as assets and investments for the various business areas in 2024 and the comparison year 2023.

SEK m	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Intra-Group elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
GROUP										
Property management										
Revenue and expenses ¹⁾										
Rent revenue	1,468.6	1,373.3	439.7	434.8	305.7	305.0	-184.5	-166.6	2,029.5	1,946.5
(of which sales-based rent supplement)	(3.0)	(2.1)	(7.3)	(6.8)	(0.5)	(0.0)	(-0.3)	(-0.4)	(10.5)	(8.5)
Service revenue	34.0	30.8	48.0	49.2	22.6	22.9	-13.9	-16.3	90.7	86.6
Maintenance	-11.9	-19.0	-16.9	-22.2	-2.9	-5.2			-31.7	-46.4
Operation and administration	-145.0	-138.8	-189.8	-180.2	-66.8	-64.1			-401.6	-383.1
Property tax	-156.3	-155.0	-44.8	-43.9	-36.4	-37.5			-237.5	-236.4
Depreciation	-0.7	-0.6	-13.4	-6.8	-0.4	-0.4			-14.5	-7.8
Gross profit										
Property management	1,188.7	1,090.7	222.8	230.9	221.8	220.7	-198.4	-182.9	1,434.9	1,359.4
NK Retail										
Net revenue			915.7	789.5					915.7	789.5
Expenses			-968.5	-838.4			114.8	106.7	-853.7	-731.7
Gross profit or loss, NK Retail			-52.8	-48.9			114.8	106.7	62.0	57.8
Other Operations										
Net revenue	44.6	44.4	98.7	94.6					143.3	139.0
Expenses	-46.3	-42.9	-125.2	-120.3			83.6	76.2	-87.9	-87.0
Gross profit or loss, other operations	-1.7	1.5	-26.5	-25.7			83.6	76.2	55.4	52.0
Central administration									-54.5	-53.2
Items affecting comparability									–	370.3
Changes in value, investment properties									-602.6	-4,042.4
Changes in value, derivatives									-10.8	–
Operating result									884.4	-2,256.1
Financial income and expenses									-321.2	-279.1
Result before tax									563.2	-2,535.2
Assets										
Investment properties	32,958.3	32,352.0	7,777.1	8,227.0	6,380.0	6,163.8			47,115.4	46,742.8
Investments										
Investment properties and equipment	280.3	715.7	66.1	136.5	642.5	418.7			988.9	1,270.9

¹⁾ For comparable holdings, see Business areas in figures, page 80.

FINANCIAL NOTES

NOTE 4 LEASE AGREEMENTS – GROUP AS LESSOR

Operating leases

The Group rents out premises in its investment property holdings. The Group classifies these lease agreements as operating leases as the lease

agreements do not transfer the material risks and benefits associated with the ownership of the underlying asset. See table below for a maturity analysis of lease costs where the remaining term is between 1 and 18 years.

MATURITY STRUCTURE^{1) 2) 3)}

	2025	2026	2027	2028	2029	2030-	Total
Number of agreements							
Office	53	56	47	40	30	42	268
Retail	69	59	65	30	26	19	268
Other	469	190	146	57	39	41	942
Total, Group	591	305	258	127	95	102	1,478
Proportion, %	40.0	20.6	17.5	8.6	6.4	6.9	100.0
Total, Parent Company	472	252	196	95	76	91	1,182
Annual rent, SEK m							
Office	149.4	249.8	190.8	192.1	141.8	466.3	1,390.2
Retail	129.6	156.0	142.3	91.7	90.1	105.3	715.0
Other	31.1	26.9	24.4	21.0	21.1	10.0	134.5
Total, Group	310.1	432.7	357.5	304.8	253.0	581.6	2,239.7
Proportion, %	13.8	19.3	16.0	13.6	11.3	26.0	100.0
Total, Parent Company	224.2	329.2	299.9	244.4	212.2	400.8	1,710.7

¹⁾ Including leases signed for future access/commencement, whereupon the corresponding present floor space is excluded.
²⁾ Excluding vacant floor space and floor space used internally within the Group.
³⁾ Excluding residential leases.

NOTE 5 DEPRECIATION

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Depreciation per type of asset				
Capitalised expenditures for pro-grammes	33.4	25.6	0.4	0.6
Investment properties			192.9	176.2
Equipment	20.9	17.2	5.6	5.7
Right-of-use assets	8.1	8.0		
Total	62.4	50.8	198.9	182.5
Depreciation per function				
Property management				
Operation and administration	5.8	6.6	5.6	5.9
Depreciation	14.5	7.8	193.3	176.6
Other segments				
Other segments, costs	41.9	36.2		
Central administration	0.2	0.2		
Total	62.4	50.8	198.9	182.5

NOTE 6 AVERAGE NUMBER OF EMPLOYEES

	2024 ¹⁾		2023 ¹⁾	
	of whom, men, %		of whom, men, %	
Parent Company	154	49	151	49
– of whom senior executives	8	62	8	62
Wholly owned subsidiaries				
NK Retail AB	314	15	295	15
Parkaden AB	2	100	2	100
Cecil Coworking AB	5	20	5	20
NK Service AB	19	53	24	33
Total, Group	494	27	477	27
– of whom senior executives	8	62	8	62

Of the Group's 52 managers, (59) 29 are women (35) or 56 per cent (59). The Board of the Parent Company comprised 6 men (6) and 3 women (3). The Group only has employees in Sweden.

¹⁾ The calculation is based on full time equivalents (FTEs).

FINANCIAL NOTES

NOTE 7 SALARIES AND REMUNERATION

SEK k	Group				Parent Company			
	2024	Of which bonus	2023	Of which bonus	2024	Of which bonus	2023	Of which bonus
Salaries and other remuneration								
Fee to the Chairman of the Board	555		535		555		535	
Fee to other Board members	1,987		1,873		1,987		1,873	
Remuneration and benefits to:								
President	5,577	346	4,992	289	5,577	346	4,992	289
Vice President, Head of NK BA ¹⁾	2,247	127	3,399	212	2,247	127	3,399	212
Vice President, CFO	2,970	192	2,731	171	2,970	192	2,731	171
Other senior executives	9,752	588	8,723	513	9,752	588	8,723	513
Other employees	264,126	3,299	237,113	3,018	102,373	3,206	92,184	2,787
Total	287,214	4,552	259,366	4,203	125,461 ²⁾	4,459	114,437 ²⁾	3,972
National insurance expenses, including special employer's contribution								
Chairman of the Board	57		55		57		55	
Other Board members	493		475		493		475	
President	2,116		1,884		2,116		1,884	
Vice President, Head of NK BA ¹⁾	828		1,266		828		1,266	
Vice President, CFO	1,161		1,038		1,161		1,038	
Other senior executives	3,747		3,320		3,747		3,319	
Other employees	88,655		78,911		36,076		31,879	
Total	97,057		86,949		44,478		39,916	
Pension expenses								
President	1,469		1,286		1,469		1,286	
Vice President, Head of NK BA ¹⁾	503		809		503		809	
Vice President, CFO	940		781		940		781	
Other senior executives	2,925		2,168		2,925		2,168	
Other employees	29,489		25,203		18,906		15,994	
Total	35,326		30,247		24,743		21,038	

¹⁾ For 2024, this refers to the period from January 1, 2024 until August 31, 2024.
²⁾ Salary and other remuneration also include non-monetary benefits.

Guidelines on salary, bonus and other remuneration to senior executives are decided by the Annual General Meeting. The company has followed the guidelines adopted by the 2023 Annual General Meeting, see separate section concerning guidelines below.

All permanent employees in the Group, excluding the subsidiaries NK Retail AB and NK Service AB, were included in a bonus scheme during the year. Bonuses are recognised according to the criteria of operating results, customer satisfaction and personal assessment of managers. Bonuses for Senior Executives follows the guidelines presented below. The bonus for other managers is capped at two months' salary. For other employees, bonuses are capped at one month's salary. For the bonus scheme, decisions are made for one year at a time and the bonus is capped. Bonuses are recognised only if the company shows a positive operating result before any unrealised changes in value and other items affecting comparability. In the closing accounts for 2024, bonuses were reserved for attaining operating results targets, customer satisfaction and personal targets.

Pensions for Group employees are covered by the respective collective agreements. These are the ITP plan for white-collar workers and the SAF-LO pension agreement for blue-collar workers. The ITP plan includes both a defined benefit pension and a defined contribution pension. A total of 95 employees are covered by a defined benefit pension. Alecta's surplus in the form of the collective consolidation level as of December had not been confirmed at the time of the signing of this Annual Report. Alecta's collective consolidation level as of September 30, 2024 was 163 per cent. The collective consolidation level comprises the fair value of Alecta's assets as a percentage of the insurance undertakings, calculated according to Alecta's insurance calculation assumptions, which do not concur with IAS 19.

Directors' fees

An expensed directors' fee of SEK 555,000 was recognised to the Chairman of the Board Fredrik Lundberg for 2024, and Board members Claes Boustedt, Peter Egardt, Liv Forhaug, Louise Lindh, Katarina Ljungqvist, Fredrik Persson and Sten Peterson were each recognised SEK 277,500. The President, Anders Nygren, does not receive any remuneration for his work on the Board.

Guidelines for remuneration to senior executives

The 2023 Annual General Meeting resolved that the following guidelines for remuneration to senior executives shall come into effect from the 2023 Annual General Meeting.

The guidelines contribute to the company's business strategy, long-term interests and sustainability
It is Hufvudstaden's vision to always be perceived as, and prove to be, the most attractive property company in Sweden. One of the company's operating goals in its endeavour to realise this vision is to have the most professional employees in the industry, with great commitment to the customer, good business acumen, and professional know-how. Successful implementation of the company's business concept, long-term interests and sustainability, presuppose that the company can recruit the right employees. These guidelines are intended to provide the conditions for recruiting and retaining qualified employees.

FINANCIAL NOTES

Forms of remuneration

Remuneration of senior executives is to comprise fixed salary, variable remuneration, other benefits and pension. Total remuneration should be market-based and competitive.

The criteria for variable remuneration in the form of bonuses should be designed to promote the company's business concept and long-term interests, including sustainability. Bonuses of this nature shall be linked to pre-set, quantifiable criteria, the fulfilment of which will be measured annually, and only be paid if the company can report positive results, excluding unrealised changes in the value of the property holdings and items affecting comparability. A bonus to the President is subject to a maximum of three months' fixed salary per year, and for other senior executives a maximum of the higher of three months' fixed salary or SEK 250,000 per person per year. Bonuses shall be pensionable.

In total, 70 per cent of the criteria shall refer to financial goals related to operating results (meaning operating profit excluding changes in the value of property holdings and items affecting comparability as well as with certain other adjustments due to such factors as the executive's areas of responsibility and position), 15 per cent to operating targets related to customer satisfaction, and 15 per cent to individual goals.

Other benefits may include benefits accrued under a collective agreement, health insurance, and company car benefit. Such benefits can amount to a maximum of 10 per cent of the fixed annual cash salary.

Pension rights for the President and other senior executives are to apply from the age of 65, with benefits corresponding to the ITP plan. In cases where the ITP plan means that a senior executive's pension is a defined contribution pension, the pension premiums shall amount to a maximum of 30 per cent of the fixed annual cash salary.

In addition, a defined contribution pension is payable to the President and Vice Presidents for the part of their salary not covered by the ITP plan. Any such pension premiums shall amount to a maximum of 20 per cent of the fixed annual salary.

Period of notice and severance pay

On cessation of employment, the period of notice can be a maximum of 12 months. A fixed annual salary during the period of notice and severance pay shall not exceed an amount equivalent to two years' fixed annual salary in the case of the President and one year in the case of the Vice Presidents and other senior executives. In the case of notice of termination given by the executive, the period of notice shall be a maximum of six months with no entitlement to severance pay. In all cases, there shall be a set-off against any payment received from a new employer.

Decision-making process for establishing, reviewing and implementing the guidelines

When formulating the Board of Directors' proposal for these remuneration guidelines, the salary and employment conditions for the company's other employees have been evaluated by obtaining information regarding the employees' total remuneration, the components that make up the remuneration, and the increase in remuneration and rate of increase over time which have been used when evaluating and deciding on the reasonableness of the guidelines.

The Board of Directors has examined the matter of establishing a remuneration committee but has opted not to appoint such a committee and will instead handle remuneration matters as part of the regular work of the Board of Directors. The entire Board of Directors, apart from the President, shall carry out the duties that rest with a remuneration committee, including following up and evaluating programmes for variable remuneration for Senior Executives, the application of guidelines for remuneration to senior executives, as well as general remuneration structures and remuneration levels within the company.

When the Board of Directors discusses and decides on remuneration-related issues, the President shall not be present and nor shall other Senior Executives to the extent they are affected by the issues under discussion. The Board of Directors shall issue proposals for new guidelines at least every fourth year and shall present their proposal for a decision at the Annual General Meeting. The guidelines shall apply up to the point at which new guidelines are adopted at the General Meeting.

When the measurement period for bonus fulfilment comes to an end, the extent to which the criteria have been fulfilled is assessed. The Board of Directors is responsible for the assessment with regard to variable remuneration of the President. As regards variable remuneration of other senior executives, responsibility for assessment rests with the President. As regards financial goals, the assessment shall be based on the most recent Annual Report published by the company.

Deviations from the guidelines

The Board of Directors shall be entitled to temporarily deviate from the guidelines, either wholly or in part, if in an individual case there are specific reasons for doing so and where a deviation is necessary to satisfy the company's long-term interests and sustainability, or to ensure the company's financial strength.

FINANCIAL NOTES

NOTE 8 REMUNERATION TO AUDITORS

SEK m	Group		Parent Company	
	2024	2023	2024	2023
PwC				
Audit fees	1.7	1.8	1.2	1.2
Audit activities other than the audit assignment	0.5	0.4	0.5	0.4
Other services	0.3	0.6	0.3	0.6
Total	2.5	2.8	2.0	2.2

NOTE 9 COSTS

COSTS RECOGNISED IN PROFIT OR LOSS

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Property management expenses	685.3	673.7	726.2	934.2
Other segments, net expenses	941.6	818.7	–	–
Central administration	54.5	53.2	54.5	53.2
Total	1,681.4	1,545.6	780.7	987.4

COSTS ALLOCATED PER CATEGORY

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Raw materials and consumables	566.9	478.8	–	–
Maintenance	31.1	46.1	117.2	352.5
Operation and administration	379.9	366.2	74.8	85.0
Ground rents	–	–	14.8	13.1
Property tax	237.5	236.4	177.8	177.5
Depreciation and impairment	62.4	50.8	198.9	182.4
Personnel costs	403.6	367.3	197.2	176.9
Total	1,681.4	1,545.6	780.7	987.4

NOTE 10 ITEMS AFFECTING COMPARABILITY

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Insurance compensation	–	370.3	–	370.3
Disposal	–	–	–	-55.3
Total	–	370.3	–	315.0

Insurance compensation for the reconstruction of the Vildmannen 7 property following the extensive fire in 2017. Disposal of buildings in the Inom Vallgraven 12 block, where the Johanna project is in progress.

NOTE 11 INTEREST AND FINANCIAL INCOME

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Interest income, current investments	13.4	9.8	13.2	9.7
Interest income, Group companies			47.0	23.9
Group contributions received, subsidiaries			76.9	137.8
Total	13.4	9.8	137.1	171.4

All financial income refers to financial instruments not measured at fair value.

NOTE 12 INTEREST AND FINANCIAL EXPENSES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Interest expenses				
– borrowing	287.0	243.1	287.1	243.1
– lease liabilities	25.1	22.7	–	–
Other financial expenses	22.5	23.1	22.2	23.0
Total	334.6	288.9	309.3	266.1

Interest expense refers primarily to financial liabilities measured at amortised cost and interest expense for derivatives, which is measured at fair value.

NOTE 13 APPROPRIATIONS

SEK m	Parent Company	
	2024	2023
Accelerated depreciation	-12.7	2.7
Group contributions granted	-60.9	-75.5
Total	-73.6	-72.8

FINANCIAL NOTES

NOTE 14 TAX

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Current tax expenses				
Tax expenses for the year	-137.4	-74.3	-131.3	-71.5
Tax attributable to previous years	-0.1	3.9	-0.3	1.9
Deferred tax expenses/tax income				
Difference between fiscal and accounting depreciation of properties	-1.7	-0.2	-2.6	-0.8
Unrealised change in value, investment properties	21.4	676.7	–	–
Unrealised change in value, derivatives	2.2	–	2.2	–
Effect, allocation to untaxed reserves	-1.4	2.2	–	–
Effect, pension provisions	-0.6	-0.6	-0.6	-0.6
Right-of-use assets	-1.3	-3.5	–	–
Lease liabilities	1.4	3.6	–	–
Other ¹⁾	-81.1	0.2	-80.8	–
Total tax	-198.6	608.0	-213.4	-71.0
RECONCILIATION OF EFFECTIVE TAX				
Result before tax	563.2	-2,535.2	640.1	746.0
Tax according to current tax rate	-116.0	522.3	-131.9	-153.7
Tax attributable to previous years	-0.1	3.9	-0.3	1.9
Non-taxable revenue	1.0	84.3 ²⁾	0.8	82.8 ²⁾
Non-deductible expenses	-3.8	-1.9	-2.8	-0.6
Utilisation of previous loss carryforwards	–	0.4	–	–
Other	-79.7 ¹⁾	-0.9	-79.2 ¹⁾	-1.4
Total tax	-198.6	608.0	-213.4	-71.0

¹⁾ Other mainly pertains to the change in temporary differences on properties due to the utilisation of the compensation received.
²⁾ The equivalent tax effect from non-taxable revenue refers primarily to the compensation received for the reconstruction of the Vildmannen 7 property, which was handled according to the associated procedure.
There were no loss carryforwards for the Group at period-end.

NOTE 15 INTANGIBLE FIXED ASSETS

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Opening acquisition value	167.8	137.0	2.9	2.9
Investments for the year	2.2	30.8	–	–
Sales/disposals	-0.2	–	–	–
Closing acquisition value	169.8	167.8	2.9	2.9
Opening amortisation	-73.3	-47.7	-1.9	-1.3
Amortisation for the year	-33.4	-25.6	-0.5	-0.6
Closing accumulated amortisation	-106.7	-73.3	-2.4	-1.9
Closing residual value according to plan	63.1	94.5	0.5	1.0

Refers to acquired intangible fixed assets which comprise e-commerce platform and other IT-systems.

FINANCIAL NOTES

NOTE 16 INVESTMENT PROPERTIES

SEK m	Group	
	2024	2023
Investment properties	47,115.4	46,742.8
Information about changes in the carrying amounts of investment properties.		
SEK m	2024	2023
Opening fair value	46,742.8	49,546.9
Investment in property holdings	975.2	1,238.3
Unrealised change in value	-602.6	-4,042.4
Closing fair value	47,115.4	46,742.8

For revenue and expenses attributable to investment properties, refer to Note 3.

All properties are owned by the Group and are classified as investment properties. They cover the balance sheet items buildings, building equipment, land and development in progress. Investment properties are valued according to level 3 in the fair value hierarchy in IFRS 13. The property holdings include commercial properties that mainly comprise office and retail space and are treated as one single asset category. Fair value is based on an internal valuation.

Valuation method

Valuation of the property holdings is carried out by assessing the fair value of each individual property. The assessment took place in the form of a valuation according to a variation of the location price method, known as the net capitalisation method. The method involves setting the market yield requirements in relation to the net operating income of the properties.

In the case of other project properties and undeveloped land, the value is determined based on weighing up the location price method and a development calculation where the net capitalisation method is used for a completed property with a deduction for construction costs, a profit for the developer that is line with the market, as well as financial expenses and rental vacancy costs during the construction period.

The assessment of the yield requirements is based on information compiled about the market's yield requirements for purchases and sales of comparable properties in similar locations. If few or no deals have been concluded in the property's sub-area, transactions in the adjoining areas are analysed. Transactions not yet concluded also provide guidance on the market yield requirements. Account is also taken of the property type, technical standard, building construction and major investment requirements. The yield requirements used in the valuation vary between different regions and different sub-areas within the regions. Information is assured with independent valuation and advisory companies. The assessment is that the market is active based on transactions completed and ongoing transaction processes, and the valuation model is therefore considered applicable.

Hufvudstaden's average yield requirement during the last five years has varied between 3.5 per cent and 4.2 per cent, and as of December 31, 2024 the figure was 4.1 per cent. For leasehold properties, the calculation

is based on a yield requirement that is 0.20 percentage points higher than for equivalent properties where the land is freehold.

The net operating income is based on market rent revenue. Rent revenue is adapted to the market by adjusting existing rents using newly signed and renegotiated leases and with account taken of the expected rent trend.

Revenue has been reduced by assessing a long-term rental vacancy rate. The vacancy rate is based on the true outcome of the property holdings over a business cycle, and the expected rental situation for the individual property. In the valuation, an average vacancy rate of 4 per cent has been estimated. The actual average vacancy rate excluding projects during the last ten years varied between 1 and 7 per cent, and as of December 31, 2024, the figure was 5 per cent.

A deduction is made for standard costs for operation and maintenance, excluding costs that can be passed on, and part of the property administration. These are based on the actual outcome and are adjusted for non-permanent deviations. The average cost per square metre over the most recent five-year period has been in the range of SEK 575–675, and the estimated cost in the valuation as at December 31, 2024 was on the same level.

The building cost is based on standard information as well as information reported in current leasehold cases with an upward adjustment in line with an assumed cost trend. In addition, a deduction is made for profit requirements for the developer in line with market conditions, financing costs and the loss of rent revenue on vacant space that arose during the construction period.

External valuation

To assure the quality of the valuation, external valuations were obtained from three independent valuation companies: Cushman and Wakefield, Forum Fastighetsekonomi and Newsec Advice. The external valuations on December 31, 2024, comprised nine properties and were equivalent to 39 per cent of the internally assessed fair value. The corresponding share at mid-year was 31 per cent. The basis for the selection was that the properties should represent variations in property category, town, location, technical standard and construction standard. The properties valued externally as of December 31, 2024, were Grönlandet Södra 11, Hästen 19 and 20 (NK Stockholm), Hästhuvudet 13, Kvasten 9, Kåkenhusen 40 (part of), Orgelpipan 7, Rännilen 18 and Rännilen 19 (part of) in Stockholm and Nordstaden 8:24 (part of) in Gothenburg.

The external valuation companies set a fair value of SEK 19.0 billion. Hufvudstaden's internal valuation of the same properties was SEK 18.2 billion. The internal valuations thus concur well with the external valuations.

Sensitivity analysis

Fair value is an estimate of the probable sales price on the market at the time of valuation. However, the price can only be set when a transaction has been completed. In the case of an external property valuation, a range is often given to indicate the degree of uncertainty surrounding the estimates of fair value. The value range is usually +/- 5 per cent but can vary depending, among other things, on the market situation, the technical standard of the property, and investment requirements. Hufvudstaden's property holdings are recognised at SEK 47.1 billion and with a degree of uncertainty of +/- 5 per cent, it would mean that the assessed fair value varies by SEK +/- 2.4 billion. The material factors influencing the valuation and the consequent impact on profit or loss are presented below.

THE FOLLOWING INFORMATION HAS BEEN USED IN THE VALUATION

Office and retail properties	Range (weighted average)			
	2024		2023	
Net operating income SEK/sq m	2,650–9,140	(5,390)	2,650–8,880	(5,370)
Vacancy rate %	2–5	(4)	2–5	(4)
Yield requirement, Stockholm %	3.7–4.2	(3.9)	3.7–4.2	(3.9)
Yield requirement, Gothenburg %	4.7–5.0	(4.9)	4.7–4.9	(4.8)
Yield requirement, property holdings average %	4.1		4.1	

FINANCIAL NOTES

SENSITIVITY ANALYSIS, PROPERTY VALUATION¹⁾

	Change, +/-	Impact on profit or loss before tax, +/-
Rent revenue	SEK 100 per sq m	SEK 970 million
Property costs	SEK 50 per sq m	SEK 485 million
Rental vacancy rate	1.0 percentage point	SEK 640 million
Yield requirement	0.25 percentage point	SEK 2,905 million

¹⁾ Valuation date December 31, 2024

TAX VALUES, INVESTMENT PROPERTIES, GROUP

SEK m	2024	2023
Tax values, buildings	14,063.4	13,548.2
Tax values, land	10,089.0	10,038.0
	24,152.4	23,586.2

PARENT COMPANY

Investment properties are reported according to the principles for tangible assets but without the possibility of applying the fair value method.

SEK m	2024	2023
Investment properties, Parent Company	9,613.2	9,108.4

INVESTMENT PROPERTIES, EXCLUDING LAND

SEK m	2024	2023
Opening acquisition value	6,248.2	5,590.6
Investments for the year	697.6	750.5
Disposals for the year	–	-92.9
Closing acquisition value	6,945.8	6,248.2
Opening depreciation	-2,328.6	-2,207.5
Depreciation for the year	-179.2	-162.5
Depreciation for the year on disposals	–	41.4
Closing depreciation	-2,507.8	-2,328.6
Opening revaluation	940.0	957.6
Depreciation for the year	-13.6	-13.7
Impairment for the year on revaluation amounts	–	-3.9
Closing revaluation	926.4	940.0
Closing residual value according to plan	5,364.4	4,859.6

NOTE 17 EQUIPMENT

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Opening acquisition value	115.9	90.8	34.3	31.1
Investments for the year	13.7	32.6	1.7	5.9
Sales/disposals	-1.2	-7.5	-1.2	-2.7
Closing acquisition value	128.4	115.9	34.8	34.3
Opening depreciation	-49.6	-39.8	-20.8	-17.7
Depreciation for the year	-20.9	-17.2	-5.6	-5.8
Sales/disposals	1.2	7.4	1.2	2.7
Closing accumulated depreciation	-69.3	-49.6	-25.2	-20.8
Closing residual value according to plan	59.1	66.3	9.6	13.5

LAND

SEK m	2024	2023
Closing acquisition value	1,207.4	1,207.4
Closing value, revaluation	3,041.4	3,041.4
Closing residual value according to plan	4,248.8	4,248.8

Investment properties are divided into different categories, which are depreciated as follows:

- Buildings: Offices, 1 per cent
- Buildings: Department stores, parking facility, restaurants, 2 per cent
- Building equipment: 5–20 per cent
- Land improvements: 3.75 –5 per cent

INFORMATION ABOUT THE FAIR VALUE OF INVESTMENT PROPERTIES

SEK m	2024	2023
Investment properties, Parent Com-pany	35,548.7	34,832.4

TAX VALUES, INVESTMENT PROPERTIES, PARENT COMPANY

SEK m	2024	2023
Tax values, buildings	10,460.7	9,945.5
Tax values, land	7,631.9	7,580.9
	18,092.6	17,526.4

FINANCIAL NOTES

NOTE 18 SHARES IN GROUP COMPANIES

	Company reg. no.	Reg. office	Capital (votes) %	Number	Nominal value, SEK k	Carrying amount 2024, SEK m
PARENT COMPANY						
Shares in subsidiaries						
AB Citypalatset	556034-7246	Stockholm	100	1,200	120	1,111.1
Fastighetsaktiebolaget Medusa	556018-7238	Stockholm	100	300	300	32.3
AB Nordiska Kompaniet	556008-6281	Stockholm	100	19,460,666	97,303	1,449.3
Parkaden AB	556085-3599	Stockholm	100	5,000	500	0.3
Gbg Inom Vallgraven 3-2 AB	556724-2531	Stockholm	100	1,000	100	0.0
Cecil Coworking AB	559242-1506	Stockholm	100	1,000	100	5.1
						2,598.1
Shares in dormant companies						
Aktiebolaget Cityparkering	556020-7440	Stockholm	100	200	100	–
Fastighets AB Hufvudstaden	556014-4411	Stockholm	100	500	250	0.2
Förvaltnings AB Birger Jarl	556209-4614	Stockholm	100	200	100	–
Förvaltnings AB Norrmalmstorg nr 1	556019-5405	Stockholm	100	150	150	2,800.0
Huvudstaden Fastighetsförvaltning AB	556556-7038	Stockholm	100	200	100	0.1
						2,800.3
Parent Company total						5,398.4

OTHER GROUP COMPANIES

Owned by AB Citypalatset

Aktiebolaget Hamngatsgaraget	556068-6601	Stockholm	100	3,000	300	231.5
------------------------------	-------------	-----------	-----	-------	-----	-------

Owned by Förvaltnings AB Norrmalmstorg Nr 1

Fastighetsaktiebolaget Stockholms City	556019-4358	Stockholm	100	7,776	7,776	2,800.0
--	-------------	-----------	-----	-------	-------	---------

Owned by Fastighetsaktiebolaget Stockholms City

Hotel Stockholm AB	556031-4303	Stockholm	100	10,000	1,000	3.4
--------------------	-------------	-----------	-----	--------	-------	-----

Owned by AB Nordiska Kompaniet

NK Cityfastigheter AB	556023-1267	Stockholm	100	1,680	168	0.4
NK Concession Aktiebolag	556313-8733	Stockholm	100	1,000	100	0.1
NK Retail AB	559268-4103	Stockholm	100	10,000,000	10,000	10.0
NK Service AB	559401-3491	Stockholm	100	100,000	1	0.1
						10.6

Other Group companies, total	3,045.5					
------------------------------	---------	--	--	--	--	--

Intra-Group sales refer mainly to rents and amounted to SEK 254.9 million (237.7) during the year.

CHANGE IN THE PARENT COMPANY'S HOLDINGS IN GROUP COMPANIES

SEK m	Parent Company	
	2024	2023
Opening carrying amount	5,398.4	2,598.4
Shareholders' contribution paid	–	2,800.0
Closing carrying amount	5,398.4	5,398.4

NOTE 19 RIGHT-OF-USE ASSETS

GROUP 2024				
SEK m	Site lease-hold rights	Commercial premises	Other	Total
Opening balance	694.2	33.4	0.3	727.9
Additional	–	–	0.3	0.3
Depreciation	–	-7.8	-0.2	-8.0
Revaluation	–	14.4	-0.2	14.2
Closing balance	694.2	40.0	0.2	734.4

2023				
Opening balance	675.8	33.6	1.6	711.0
Depreciation	–	-7.7	-1.3	-9.0
Revaluation	18.4	7.5	0.0	25.9
Closing balance	694.2	33.4	0.3	727.9

Additional right-of-use assets during 2024 totalled SEK 0.3 million (–). For a maturity analysis of the lease liabilities and the effects of IFRS 16 on the outgoing cash flow, see Note 25.

FINANCIAL NOTES

EFFECT OF IFRS 16, GROUP

SEK m	2024			2023		
	Income statement	Balance sheet	Total	Income statement	Balance sheet	Total
Depreciation and impairment of right-of-use assets	-8.1	–	-8.1	-7.9	-1.1	-9.0
Interest on lease liabilities	-25.1	-0.0	-25.1	-22.7	0.0	-22.7
Variable charges not included in the valuation of the lease liability	-1.0	–	-1.0	-1.4	–	-1.4
Revenue from right-of-use assets	5.1	–	5.1	5.7	–	5.7
Costs for short-term leases/low-value leases	-2.0	–	-2.0	-2.2	–	-2.2
Net effect	-31.1	0.0	-31.1	-28.5	-1.1	-29.6

NOTE 20 NON-CURRENT RECEIVABLES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Opening balance	22.7	25.1	22.7	25.1
Change for the year	-2.5	-2.4	-2.6	-2.4
Closing balance	20.2	22.7	20.1	22.7

NOTE 21 INVENTORIES

Inventory is measured at the lower of acquisition value and net realisable value. The acquisition value of inventory is calculated using the first-in, first-out (FIFO) method and includes fees that arose from acquiring inventory items, including customs duty and freight. The net realisable value is the estimated sales price in current operations, less the estimated selling costs. The actual outcome of future sales prices could deviate from the estimates made. The chosen method entails that any obsolescence in the inventory has been taken into consideration.

The inventory comprised 0.5 per cent (0.5) of the Group's total assets and 8.3 per cent (8.6) of the Group's net revenue.

The value of inventory in the financial statements refers only to the goods owned by the company. The Group also provides inventory storage for partner suppliers, where the Group does not own the goods and does not consider them an asset.

Obsolescence

The inventory undergoes an obsolescence assessment four times a year in conjunction with the quarterly results. The inventory is valued based on age and impairment is conducted for goods from earlier seasons for which the net realisable value is deemed to have changed. At year-end, the inventory was deemed to have a good structure.

NOTE 22 ACCOUNTS RECEIVABLE

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Accounts receivable	23.2	18.9	0.6	0.6
Rent receivables	9.4	5.8	2.6	4.1
Total	32.6	24.7	3.2	4.7

Accounts receivable and rent receivables are recognised at amortised cost, which normally means the nominal value.

Rent receivables are charged in advance, the majority on a quarterly basis. Accounts receivable are invoiced subject to terms of payment of 30 days. Bad debt losses for the year amounted to SEK 5.6 million (-2.8). Impairment is based on an assessment of expected credit losses.

NOTE 23 PREPAID EXPENSES AND ACCRUED INCOME

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Accrued rent revenue	22.4	23.2	20.1	21.8
Accrued revenue	13.3	10.4	0.5	1.0
Prepaid expenses	58.1	55.4	13.2	13.3
Prepaid interest expenses	0.1	19.1	0.1	19.1
Accrued interest income	1.7	–	1.7	–
Total	95.6	108.1	35.6	55.2

NOTE 24 EQUITY

GROUP SHARE CAPITAL

SEK m	2024
Breakdown of share classes	
A 203,001,209 shares, quotient value SEK 5	1,015.0
C 8,270,724 shares, quotient value SEK 5	41.4
Total	1,056.4

SEK m	2023
Breakdown of share classes	
A 203,001,207 shares, quotient value SEK 5	1,015.0
C 8,270,726 shares, quotient value SEK 5	41.4
Total	1,056.4

Hufvudstaden AB (publ) has two share classes, A and C. Class A shares carry one vote per share. Class C shares carry 100 votes per share. All shares carry equal rights to a share in the company's assets and liabilities. The Class A shares were listed on what was then the Stockholm Stock Exchange in 1938 and are now listed on the Large Cap list of Nasdaq Stockholm. Class C shares were listed in 1998 and delisted in late January 2020 upon request by Nasdaq Stockholm. Shareholders have the right to request conversion of Class C shares into Class A shares. During the year, two Class C shares were converted to Class A shares.

Hufvudstaden owns 8,965,000 Class A treasury shares. Share buybacks were executed in 2003 and 2020. The average number of shares outstanding is 202,306,933 (202,306,933). There are no potentially dilutive instruments.

Other contributed capital

Refers to equity contributed by the owners. This includes share premium reserves paid out in conjunction with share issues.

Retained earnings, including net profit for the year

Retained earnings, including net result for the year, include profit in the Parent Company and its subsidiaries. Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

Dividend

A total dividend of SEK 546,228,719 corresponding to SEK 2.70 per share was distributed to shareholders in the company during 2024. The Board proposes a dividend of SEK 2.80 per share for 2024, corresponding to a total dividend of SEK 566,459,412.

Capital management

The company's capital is defined as the Group's reported equity. Hufvudstaden's aim is to improve profit from current operations and to have a well consolidated balance sheet with an equity ratio of at least 40 per cent over time. The shareholders shall have good dividend growth over time, and the dividend shall comprise more than half of the net profit from current operations unless investments or the company's financial position in general justify a deviation.

FINANCIAL NOTES

Earnings per share

When calculating earnings per share, comprehensive income for the year and the average number of shares are used. Total profit is attributable to the Parent Company's shareholders and there are no dilution effects.

	2024	2023
Net result for the year, SEK m	364.6	-1,927.2
The average number of shares outstanding	202,306,933	202,306,933
Earnings per share, SEK	1.80	-9.53

PARENT COMPANY

Restricted funds

Restricted funds may not be reduced through a dividend.

Statutory reserve – The aim of the statutory reserve has been to save part of the net profit that is not used to cover a retained loss.

Revaluation reserve – In the event of a revaluation of a tangible or financial fixed asset, the revaluation amount is allocated to a revaluation reserve.

Non-restricted equity

Retained earnings – This comprises non-restricted equity from previous years after payment of dividends. Retained earnings, together with the net result for the year, is the amount available for payment of a dividend to the shareholders.

NOTE 25 INTEREST-BEARING LIABILITIES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Non-current liabilities				
Bank loans	1,000	2,200	1,000	2,200
Bonds	6,100	5,100	6,100	5,100
Lease liabilities	728	721	–	–
Total	7,828	8,021	7,100	7,300

Current liabilities				
Bank loans	500	–	500	–
Bonds	2,100	1,000	2,100	1,000
Commercial paper	100	1,100	100	1,100
Lease liabilities	8	8	–	–
Total	2,708	2,108	2,700	2,100
Loan commitments	5,500	4,800	5,500	4,800

Bank loans raised are normally secured by means of mortgage in properties and are supplemented in many cases by a guarantee regarding the equity ratio and interest coverage ratio. For further information concerning covenants, refer to Note 2. Bonds and commercial paper loans are not secured.

CAPITAL TIE-UP STRUCTURE, LOAN TERMS AND ANNUAL EQUIVALENT RATE OF INTEREST DECEMBER 31, 2024

Maturity, year	AER, % ^{1) 2)}	Nominal amount, SEK m		
		Bank loans ³⁾	Bonds ⁴⁾	Commercial paper ⁵⁾
2025	2.7	500	2,100	100
2026	1.3	–	2,500	–
2027	3.4	1,000	1,000	–
2028	3.9	–	500	–
2029	3.6	–	2,100	–
Total		1,500	8,200	100

¹⁾ All loans are denominated in SEK.
²⁾ Excluding costs for unutilised loan commitments.
³⁾ Interest terms are three months Stibor with an interest margin supplement. Interest is paid quarterly.
⁴⁾ Fixed rate of interest with an annual coupon.
⁵⁾ Interest terms are 1–12 months Stibor with an interest margin supplement. Interest is paid at the date of issue.

DERIVATIVE INSTRUMENT MATURITY STRUCTURE

Maturity, year	Nominal amount, SEK m	Markt value, SEK m	AER, %
2029	1,000	-10.8	2.7
Total	1,000	-10.8	2.7

A description of interest risk and risk management is presented in Note 2.

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING

Group and Parent Company				
2024				
SEK m	Opening balance	Loans raised	Amortisation	Closing balance
Bank loans	2,200	–	-700	1,500
Bonds	6,100	3,100	-1,000	8,200
Commercial paper	1,100	1,100	-2,100	100
Total	9,400	4,200	-3,800	9,800

2023				
SEK m	Opening balance	Loans raised	Amortisation	Closing balance
Bank loans	1,500	1,200	-500	2,200
Bonds	7,000	1,100	-2,000	6,100
Commercial paper	500	2,900	-2,300	1,100
Total	9,000	5,200	-4,800	9,400

Lessee

The Group leases several types of assets, mainly site leasehold rights, commercial premises, machinery, and IT equipment. No lease agreements contain covenants or other limitations apart from the collateral in the leased asset.

Lease liabilities	Group	
SEK m	2024	2023
Current	7.9	8.0
Non-current	727.9	721.0
Lease liabilities included in the statement of financial position	735.8	729.0

Amounts recognised in the statement of cash flows	Group	
SEK m	2024	2023
Total cash outflows attributable to lease agreements	35.0	33.0

The above cash flow includes amounts for lease agreements recognised as a lease liability, and amounts of variable lease costs, short-term leases and low-value leases.

Maturity analysis of lease costs	Group	
SEK m	2024	2023
< 1 year	7.9	8.0
1 year – 2 years	6.9	5.0
2 years – 3 years	5.6	3.1
3 years–4 years	4.6	2.0
4 years–5 years	1.6	0.9
> 5 years ¹⁾	709.2	710.0
Total discounted lease costs	735.8	729.0

¹⁾ Discounted ground rent of SEK 694.2 million is included in discounted lease costs that fall due later than five years from the reporting date. The Group has four site leaseholds whose annual undiscounted ground rent totals SEK 22.2 million. From the Group's perspective, these lease agreements are considered to be perpetual leases as the Group does not have any right to terminate the leases. All site leasehold leases will be renegotiated within 0–11 years, which will have an effect on the ground rents.

FINANCIAL NOTES

Maturity analysis of lease costs			Parent Company	
SEK m			2024 ¹⁾	2023
< 1 year			13.6	11.5
1 year–5 years			52.3	1.6
> 5 years			61.9	–
Total undiscounted lease costs			127.8	13.1

¹⁾ The leasehold right period for Orgelpipan 7 runs until October 31, 2034. The ground rent from November 1, 2024 until October 31, 2034 is under negotiation, which is why the outgoing ground rent was used when calculating the maturity analysis.

NOTE 26 DEFERRED TAX LIABILITIES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Investment properties	8,614.0	8,552.9	970.5	887.1
Untaxed reserves	29.6	28.2	–	–
Interest rate derivatives	-2.2	–	-2.2	–
Pension provision	-5.3	-5.9	-5.3	-5.9
Right-of-use assets	151.3	150.0	–	–
Lease liabilities	-151.5	-150.1	–	–
Other	–	-0.3	–	–
Total	8,635.9	8,574.8	963.0	881.2

There were no loss carryforwards in the Group at year-end.

CHANGES IN DEFERRED TAXES

SEK m	Opening balance	Recognised in profit or loss	Closing balance
GROUP			
2024			
Investment properties	8,552.9	61.1	8,614.0
Untaxed reserves	28.2	1.4	29.6
Interest rate derivatives	–	-2.2	-2.2
Pension provision	-5.9	0.6	-5.3
Right-of-use assets	150.0	1.3	151.3
Lease liabilities	-150.1	-1.4	-151.5
Other	-0.3	0.3	–
Total	8,574.8	61.1	8,635.9
2023			
Investment properties	9,229.4	-676.5	8,552.9
Untaxed reserves	30.4	-2.2	28.2
Pension provision	-6.5	0.6	-5.9
Right-of-use assets	146.5	3.5	150.0
Lease liabilities	-146.6	-3.5	-150.1
Other	–	-0.3	-0.3
Total	9,253.2	-678.4	8,574.8

SEK m	Opening balance	Recognised in profit or loss	Closing balance
PARENT COMPANY			
2024			
Investment properties	887.1	83.4	970.5
Interest rate derivatives	–	-2.2	-2.2
Pension provision	-5.9	0.6	-5.3
Total	881.2	81.8	963.0
2023			
Investment properties	886.3	0.8	887.1
Pension provision	-6.5	0.6	-5.9
Total	879.8	1.4	881.2

NOTE 27 OTHER PROVISIONS

Provisions have been made in the balance sheet for pension liabilities in respect of endowment insurance for the President, Vice President and the former President.

NOTE 28 OTHER LIABILITIES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
VAT	36.9	9.3	44.2	12.7
Other	94.8	89.3	13.6	13.3
Total	131.7	98.6	57.8	26.0

NOTE 29 UNTAXED RESERVES

SEK m	Parent Company	
	2024	2023
Accumulated accelerated depreciation		
Opening balance	48.3	51.0
Amortisation for the year	12.7	-2.7
Closing balance	61.0	48.3

NOTE 30 ACCRUED EXPENSES AND PREPAID INCOME

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Prepaid rent revenue	337.8	325.2	262.6	269.4
Accrued interest expenses	116.4	59.7	116.4	59.7
Other accrued expenses	93.5	74.9	43.7	19.3
Total	547.7	459.8	422.7	348.4

NOTE 31 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Property mortgages for liabilities to credit institutions	3,000.6	3,000.6	3,000.6	3,000.6
(of which mortgages on subsidiaries' properties)			(863.5)	(863.5)
Other non-current receivables	20.2	22.7	20.1	22.7
Other	0.5	–	–	–
Total	3,021.3	3,023.3	3,020.7	3,023.3

Pledged assets for own liabilities include mortgages on own properties which Hufvudstaden has pledged as collateral for loans on its properties. Mortgages not used to raise loans are filed with the company. There are no contingent liabilities.

NOTE 32 RELATED PARTIES

Hufvudstaden AB is under the controlling influence of L E Lundbergföretagen AB and Fredrik Lundberg. No material transactions have taken place with L E Lundbergföretagen AB. Fredrik Lundberg's directors' fee for 2024 was SEK 555,000. Details of payments to Board members and senior executives can be found in Note 7.

In addition to the related-party transactions stated for the Group, the Parent Company also has related-party transactions, which means that it has a controlling influence over its subsidiaries, see Note 18.

NOTE 33 EVENTS AFTER THE YEAR-END

No significant events occurred after the end of the financial year.

PROPOSED ALLOCATION OF UNAPPROPRIATED EARNINGS

Proposed allocation of unappropriated earnings

The Board of Directors proposes that the funds available for appropriation at the Annual General Meeting, as reported in the Parent Company balance sheet, be distributed as follows.

A statement explaining the proposed distribution of earnings is available on hufvudstaden.se, or can be obtained free of charge from the company upon request.

Retained earnings	SEK 2,018,513,185
Net result for the year	SEK 426,701,992
	SEK 2,445,215,177
Dividend to the shareholders	
SEK 2.80 per share	SEK 566,459,412
To be carried forward	SEK 1,878,755,765
	SEK 2,445,215,177

The Board of Directors and the President hereby certify that to the best of their knowledge the Annual Report has been prepared in accordance with generally accepted accounting policies in Sweden, and that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as stated in Regulation No. 1606/2002 of the European Parliament and of the Council (EC) of 19 July 2002 on the application of international accounting standards. The Annual Report and the consolidated financial statements provide a true and fair view of the Parent Company's and the Group's position and results. The Administration Report for the Parent Company and the Group provides a true and fair overview of the development, financial position and results of the Parent Company and the Group, and describes material risks and uncertainties facing the Parent Company and the companies that form part of the Group.

Stockholm, February 13, 2025


Fredrik Lundberg
Chairman


Anders Nygren
President
Board Member


Claes Boustedt
Board Member


Peter Egardt
Board Member


Liv Forhaug
Board Member


Louise Lindh
Board Member


Katarina Ljungqvist
Board Member


Fredrik Persson
Board Member


Sten Peterson
Board Member

Our auditor's report was submitted on February 14, 2025


PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorised Public Accountant



NK offers unique shopping experiences
with high service for customers of all ages.

Auditor’s report

Unofficial translation

To the general meeting of the shareholders of Hufvudstaden AB (publ), corporate identity number 556012-8240

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Hufvudstaden AB (publ) for the year 2024 except for the corporate governance statement and statement on the statutory sustainability report on pages 84–89 respective 6–7, 28–33, 43 and 96–108. The annual accounts and consolidated accounts of the company are included on pages 6–7, 28–71, 76–79, 84–89 and 96–108 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 parent company and the group 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 and statement on the statutory sustainability report on pages 84-89 respective 6–7, 28–33, 43 and 96–108. 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 statement of profit or loss and statement of financial position for 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.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial

statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above [insert amount] as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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.

Key audit matter

Revenue recognition

Net sales amount to SEK 3 179 million and are a significant item in the income statement.

The Group has various types of income which consist of rental income, related income from the property management and income from the retail operations within NK Retail.

The different revenue streams have different character, which leads to different processes for revenue recognition.

For further description, see the accounting principles in Note 1, as well as Notes 3 and 4 for detailed information and description of the area.

Response in the audit of the key audit matter

Our audit procedures have included, but are not limited to, the following activities.

We have:

- Evaluated the Group’s revenue recognition processes.
- Randomly tested a selection of controls in the process of rental income.
- Performed data analyzes to ensure that all leases have been invoiced.
- Tested a selection of rental invoicing is in line with rental agreements.
- Tested a selection of cash transactions against proof of purchase and general ledger.
- Evaluated routines and processes for cash management in the operations within NK Retail.
- Examined the information presented in the annual report and assessed that it provides sufficient information in accordance with the requirements of the regulations.

AUDITOR’S REPORT

Key audit matter

Valuation of investment properties

Investment properties are reported in the consolidated accounts at fair value and amount to SEK 47 115 million as of December 31, 2024. The value of the properties is determined on the basis of internal valuations.

Important assumptions in the valuations include the market yield requirement, long-term vacancy rate and rental levels. In order to assure the quality of the internal valuations, the senior executives has also obtained external valuations from independent property appraisers for a part of the property holdings.

In all valuations based on estimates of future outcomes, there is an inherent uncertainty in the valuation.

For further description, see the accounting principles in Note 1, as well as Note 16 for detailed information and description of the area.

Response in the audit of the key audit matter

Our audit procedures have included, but are not limited to, the following activities.

We have:

- Evaluated the internal valuation process.
- Randomly tested input data in a selection of internal valuations.
- Performed own calculations for a selection of property valuations.
- Evaluated significant assumptions including market yield requirements, rental levels and long-term vacancy rates.
- Reconciled the internal valuations against the external valuations obtained by the company. In addition, the internal valuations have been reconciled with our own perception of the market’s pricing of similar assets.
- Examined the information presented in the annual report and assessed that it provides sufficient information in accordance with the requirements of the regulations.

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 1–5, 8–27, 72, 80–83, 90–95 and 110–115. The remuneration report that we obtained before the date of this audit report also constitutes other information. The Board of Directors and the President 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 Director’s and the President

The Board of Directors and the President 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 as adopted by the EU. The Board of Directors and the President 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 President 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 President intend 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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor’s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director’s and the President of Hufvudstaden 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 Director’s and the President 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 Director’s and the President

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’ 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 President 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 President 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.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor’s report.

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 President 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 Hufvudstaden AB (publ) 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 Opinions

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 Hufvudstaden AB (publ) 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 Director’s and the President

The Board of Directors and the President are responsible for the preparation of the Esef report in accordance with the 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 President 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 me (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 firm applies 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 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 accounts and consolidated accounts. The procedures selected depend on the auditor’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 President, 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 President.

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 84-89 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR’s auditing 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.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Hufvudstaden AB (publ) by the general meeting of the shareholders on the 21 March 2024 and has been the company’s auditor since the 25 March 2021.

Stockholm 14 February 2025
PricewaterhouseCoopers AB



Magnus Svensson Henryson
Authorized Public Accountant

MULTI-YEAR REVIEW – GROUP

	2024	2023	2022	2021	2020
Income statements, SEK m					
<i>Net revenue</i>					
Property management, gross	2,319	2,216	2,055	1,936	1,768
Rent revenue, intra-Group	-198	-183	-200	-153	-44
Property management, net	2,120	2,033	1,855	1,783	1,724
Other segments	1,059	929	891	705	72
	3,179	2,962	2,746	2,488	1,796
<i>Property management expenses</i>					
Maintenance, operation and administration	-433	-430	-387	-352	-325
Property tax	-237	-236	-227	-204	-201
Depreciation	-15	-8	-6	-6	-5
Property management expenses	-685	-674	-620	-562	-531
Other segments, gross expenses	-1,140	-1,001	-972	-735	-69
Rental costs, intra-Group	198	183	200	153	44
Other segments, net expenses	-942	-818	-772	-582	-25
Operating expenses	-1,627	-1,492	-1,392	-1,144	-556
Gross profit	1,552	1,469	1,354	1,344	1,240
– of which Property management	1,435	1,359	1,235	1,221	1,193
– of which Other segments	117	110	119	123	47
Central administration	-54	-53	-56	-58	-47
Operating profit before items affecting comparability and changes in value	1,498	1,416	1,298	1,286	1,193
Items affecting comparability	–	370	–	–	36
Changes in value, investment properties	-603	-4,042	-209	2,579	-2,930
Changes in value, interest derivatives	-11	–	–	–	–
Operating result	884	-2,256	1,089	3,865	-1,702
Financial income and expenses	-321	-279	-185	-139	-132
Result before tax	563	-2,535	904	3,726	-1,833
Tax	-198	608	-182	-771	371
Net result for the year	365	-1,927	722	2,955	-1,462
Balance sheets, SEK m					
<i>Assets</i>					
Investment properties	47,115	46,743	49,547	48,790	45,636
Other non-current assets	877	912	876	863	874
Current assets	882	789	812	1,446	887
Total assets	48,874	48,444	51,235	51,099	47,397
<i>Equity and liabilities</i>					
Equity	28,607	28,789	31,262	31,066	28,617
Interest-bearing liabilities	10,536	10,129	9,712	9,916	9,370
Other liabilities and provisions	9,731	9,526	10,261	10,117	9,410
Total equity and liabilities	48,874	48,444	51,235	51,099	47,397
Property holdings					
Fair value, SEK bn	47.1	46.7	49.5	48.8	45.6
Tax value, SEK bn	24.2	23.6	23.5	20.9	20.5
Rentable floor space, 1,000 sq m	390.8	390.8	386.6	386.5	386.8
Rental vacancy rate, %	7.1	8.8	7.0	7.3	8.2
Floor space vacancy rate, %	11.1	12.9	11.2	10.2	9.8
Investments in properties, SEK m	975	1,238	966	574	886
Surplus ratio, %	70	70	70	71	70
Net operating income per sq m ¹⁾	4,179	3,946	3,712	3,556	3,199

¹⁾ The calculation was based on the number of square metres at year-end. Acquired properties are adjusted upwards to the value for the year. Including intra-Group rent revenue.

MULTI-YEAR REVIEW – GROUP

	2024	2023	2022	2021	2020
Financial key ratios					
Return on equity, %	1.3	-6.4	2.3	9.9	-4.9
Return on equity, adjusted, %	3.0	3.0	2.8	3.0	2.8
Return on capital employed, %	2.3	-5.6	2.6	9.8	-4.3
Equity ratio, % ¹⁾	59	59	61	61	60
Interest coverage ratio, multiple ¹⁾	4.5	4.9	7.7	9.3	9.1
Debt/equity ratio, multiple	0.4	0.3	0.3	0.3	0.3
Net loan-to-value ratio, properties, % ¹⁾	21.4	20.9	18.7	17.9	18.8
Gross margin, %	48.8	49.6	49.3	54.0	69.0
Cash flow from current operations, SEK m	1,235	1,385	1,024	994	1,072
Cash flow for the year, SEK m	90	-71	-729	398	-923
Average number of employees	494	477	441	416	140
Data per share (no dilutive effects exist)					
Net result for the year, SEK	1.80	-9.53	3.57	14.61	-7.13
Dividend, SEK	2.80 ²⁾	2.70	2.70	2.60	2.50
Dividend proportion, %	61 ²⁾	61	62	58	61
Equity, SEK	141.40	142.30	154.53	153.56	141.45
Fair value of properties, SEK	232.89	231.05	244.91	241.17	225.58
Cash flow from current operations, SEK	6.11	6.85	5.06	4.91	5.23
Cash flow for the year, SEK	0.45	-0.35	-3.60	1.97	-4.50
Share price, Class A, at year-end, SEK	121.10	142.10	148.30	135.20	136.20
P/E ratio, multiple	67.3	-14.9	41.5	9.3	-19.1
Share price/equity, %	85.6	99.9	96.0	88.0	96.3
Yield, %	2.3 ²⁾	1.9	1.8	1.9	1.8
Number of shares outstanding at year-end	202,306,933	202,306,933	202,306,933	202,306,933	202,306,933
Average number of shares outstanding during the year	202,306,933	202,306,933	202,306,933	202,306,933	205,130,742
Total number of shares at year-end	211,271,933	211,271,933	211,271,933	211,271,933	211,271,933
EPRA Performance Measures¹⁾					
EPRA Earnings, SEK m	1,036	1,433	1,025	1,032	1,020
EPRA Company specific Adjusted Earnings, SEK m	1,036	1,063	1,025	1,032	984
EPRA EPS, SEK	5.12	7.08	5.07	5.10	4.97
EPRA Company specific Adjusted EPS, SEK	5.12	5.25	5.07	5.10	4.80
EPRA NRV (Net Reinstatement Value), SEK m	37,374.7	37,484.5	40,635.1	40,340.0	37,232.3
EPRA NRV per share, SEK	185	185	201	199	184
EPRA NTA (Net Tangible Assets), SEK m	35,186.1	35,279.3	38,270.8	37,992.3	35,014.4
EPRA NTA per share, SEK	174	175	189	188	173
EPRA NDV (Net Disposal Value), SEK m	28,606.9	28,788.6	31,262.0	31,066.0	28,616.5
EPRA NDV per share, SEK	141	142	155	154	141
EPRA Vacancy rate, %	5.0	5.7	4.0	5.9	6.7

¹⁾ Hufvudstaden presents certain financial measures ("alternative performance measures") that are not defined under IFRS. The purpose of these measures is to describe the company's development and improve comparability between periods. The key figures categorised as alternative performance measures are defined on page 82 and the derivations are found on pages 78–79.
²⁾ Proposal by the Board.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures

Hufvudstaden applies the European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures. A number of the performance measures presented above are alternative performance measures, i.e. a set of financial metrics not defined in IFRS or the Annual Accounts Act, and which are used to

present the company's development and improve comparability between periods. Definitions of performance measures are given under Definitions and glossary, see page 82. Below is the derivation of alternative performance measures.

SEK m	2024	2023	2022	2021	2020
Net profit from current operations					
Result before tax	563	-2,535	904	3,726	-1,833
Reversal of items affecting comparability and changes in value	613	3,672	209	-2,579	2,894
Standard corporate tax	-242	-234	-229	-236	-227
Net profit from current operations	934	903	884	911	834
Return on equity, adjusted, %					
Net result for the year	365	-1,927	722	2,955	-1,462
Reversal of items affecting comparability and changes in value	613	3,672	209	-2,579	2,894
Reversal of tax on items affecting comparability and changes in value	-126	-833	-43	531	-596
Net profit for the year, adjusted	852	912	888	907	836
Average equity	28,698	30,026	31,164	29,842	30,000
Return on equity, adjusted, %	3.0	3.0	2.8	3.0	2.8
Net debt, SEK m					
Non-current interest-bearing liabilities	7,100	7,300	6,500	7,000	6,200
Non-current lease liabilities	728	721	703	707	710
Current interest-bearing liabilities	2,700	2,100	2,500	2,200	2,450
Current lease liabilities	8	8	9	9	10
Cash and cash equivalents	-473	-382	-453	-1,182	-784
Net debt	10,063	9,747	9,259	8,734	8,586
Equity ratio, SEK m					
Equity	28,607	28,789	31,262	31,066	28,617
Total assets	48,874	48,444	51,235	51,099	47,397
Equity ratio, %	59	59	61	61	60
Net loan-to-value ratio, properties, SEK m					
Interest-bearing liabilities	9,800	9,400	9,000	9,200	8,650
Lease liabilities	736	729	712	716	720
Interest-bearing assets	-473	-382	-453	-1,182	-784
Total	10,063	9,747	9,259	8,734	8,586
Carrying amount, properties	47,115	46,743	49,547	48,790	45,637
Net loan-to-value ratio, properties, %	21.4	20.9	18.7	17.9	18.8
Interest coverage ratio, SEK m					
Result before tax	563	-2,535	904	3,726	-1,833
Reversal of items affecting comparability and changes in value	613	3,672	209	-2,579	2,894
Interest expenses	335	289	166	139	132
Total	1,511	1,426	1,279	1,286	1,193
Interest expenses	335	289	166	139	132
Interest coverage ratio, multiple	4.5	4.9	7.7	9.3	9.1

ALTERNATIVE PERFORMANCE MEASURES

EPRA Performance Measures

The European Public Real Estate Association (EPRA) is a not-for-profit association for the publicly traded European real estate sector. EPRA's mission is to improve standards and transparency in

the real estate sector in order to enhance credibility and security for investors.

SEK m	2024	2023	2022	2021	2020
EPRA Earnings, SEK m					
Operating result	884	-2,256	1,089	3,865	-1,702
Reversal of changes in value	613	4,042	209	-2,579	2,930
Financial income and expenses	-321	-279	-185	-139	-132
Earnings from property management	1,176	1,507	1,113	1,147	1,096
Current tax, earnings from property management	-140	-74	-88	-115	-77
EPRA Earnings	1,036	1,433	1,025	1,032	1,019
Reversal of items affecting comparability	–	-370	–	–	-36
EPRA Company specific Adjusted Earnings	1,036	1,063	1,025	1,032	984
Average number of shares outstanding, million	202.3	202.3	202.3	202.3	205.1
EPRA EPS, SEK	5.12	7.08	5.07	5.10	4.97
EPRA Company specific Adjusted EPS, SEK	5.12	5.25	5.07	5.10	4.80
EPRA NRV/NTA/NDV, SEK m					
Equity according to the balance sheet	28,607	28,789	31,262	31,066	28,617
<i>Reversal</i>					
Derivatives according to the balance sheet	11	–	–	–	–
Recognised deferred tax ¹⁾	8,757	8,696	9,373	9,274	8,616
Net Reinstatement Value (EPRA NRV)	37,375	37,485	40,635	40,340	37,232
Number of shares outstanding, million	202.3	202.3	202.3	202.3	202.3
Net Reinstatement Value (EPRA NRV) per share, SEK	185	185	201	199	184
<i>Deduction</i>					
Intangible fixed assets	-63	-95	-89	-97	-127
Estimated actual deferred tax 5%	-2,126	-2,111	-2,275	-2,251	-2,091
Net Tangible Assets (EPRA NTA)	35,186	35,279	38,271	37,992	35,014
Number of shares outstanding, million	202.3	202.3	202.3	202.3	202.3
Net Tangible Assets (EPRA NTA) per share, SEK	174	175	189	188	173
<i>Reversal</i>					
Derivatives as above	-11	–	–	–	–
Intangible fixed assets as above	63	95	89	97	127
Recognised deferred tax less estimated actual deferred tax	-6,631	-6,585	-7,098	-7,023	-6,525
Net Disposal Value (EPRA NDV)	28,607	28,789	31,262	31,066	28,617
Number of shares outstanding, million	202.3	202.3	202.3	202.3	202.3
Net Disposal Value (EPRA NDV) per share, SEK	141	142	155	154	141
Rental vacancy rate excl. projects (EPRA vacancy rate)					
Rental value for vacant space, total	179	211	155	154	167
Rental value for vacant space, project	54	74	68	29	29
Rental value, total	2,513	2,381	2,214	2,095	2,020
Rental vacancy rate, %	7.1	8.8	7.0	7.3	8.2
Rental vacancy rate, projects, %	2.1	3.1	3.0	1.4	1.5
Rental vacancy rate excl. projects (EPRA vacancy rate), %	5.0	5.7	4.0	5.9	6.7

¹⁾ Deferred tax according to the balance sheet related to investment properties and right-of-use assets attributable to ground rents.

BUSINESS AREAS IN FIGURES

Business areas in figures

Property holdings (comparable holdings)	Stockholm Business Area				NK Business Area				Gothenburg Business Area				Property management, total			
	2024		2023		2024		2023		2024		2023		2024		2023	
	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm	SEK m	SEK/ sqm
Gross rents, includ- ing utility charges <i>(of which property tax supplement)</i>	1,595.6	7,567	1,494.4	7,086	520.3	5,702	507.4	5,559	412.0	4,647	410.3	4,628	2,527.9	6,469	2,412.1	6,172
Rent losses on vacant space	-92.4	-438	-88.5	-420	-30.7	-336	-30.1	-330	-81.6	-920	-81.4	-918	-204.7	-524	-200.0	-512
Bad debt losses	-0.6	-3	-1.8	-9	-1.9	-21	6.7	73	-2.1	-24	-1.0	-11	-4.6	-12	3.9	10
Net revenue	1,502.6	7,126	1,404.1	6,657	487.7	5,345	484.0	5,302	328.3	3,703	327.9	3,699	2,318.6	5,933	2,216.0	5,670
Maintenance	-11.9	-56	-19.0	-90	-16.9	-185	-22.2	-243	-2.9	-33	-5.2	-59	-31.7	-81	-46.4	-119
Operations	-88.3	-419	-88.5	-420	-141.4	-1,550	-136.9	-1,500	-45.3	-511	-45.0	-508	-275.0	-704	-270.4	-692
Administration	-56.7	-269	-50.3	-238	-48.4	-530	-43.3	-474	-21.5	-242	-19.1	-215	-126.6	-324	-112.7	-288
Property tax	-156.3	-741	-155.0	-735	-44.8	-491	-43.9	-481	-36.4	-411	-37.5	-423	-237.5	-608	-236.4	-605
Depreciation	-0.7	-3	-0.6	-3	-13.4	-147	-6.8	-74	-0.4	-5	-0.4	-5	-14.5	-37	-7.8	-20
Total property costs	-313.9	-1,488	-313.4	-1,486	-264.9	-2,903	-253.1	-2,772	-106.5	-1,202	-107.2	-1,210	-685.3	-1,754	-673.7	-1,724
Gross profit	1,188.7	5,638	1,090.7	5,171	222.8	2,442	230.9	2,530	221.8	2,501	220.7	2,489	1,633.3	4,179	1,542.3	3,946

Property data December 31	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Property management, total	
	2024	2023	2024	2023	2024	2023	2024	2023
Number of properties	22	22	3	3	4	4	29	29
Rentable floor space, sq m	210,867	210,904	91,249	91,281	88,662	88,657	390,778	390,842
– of which office	135,587	135,870	17,742	16,864	49,205	49,195	202,534	201,929
– of which retail and restaurants	43,002	42,815	35,553	36,480	31,232	31,237	109,787	110,532
Annual rent, SEK m	1,587	1,510	531	492	395	379	2,513	2,381
Rental vacancy rate, %	4.9	7.0	4.5	4.5	19.4	21.8	7.1	8.8
Floor space vacancy rate, %	6.2	8.3	4.4	5.5	29.5	31.4	11.1	12.9
Number of rentable parking spaces	619	619	665	665	51	51	1,335	1,335

Rentable floor space and annual rent December 31, 2024	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Property management, total	
	Area, sq m	Annual rent, SEK m	Area, sq m	Annual rent, SEK m	Area, sq m	Annual rent, SEK m	Area, sq m	Annual rent, SEK m
Office	135,587	1,137	17,742	131	49,205	192	202,534	1,460
Retail and restaurants	43,002	395	35,553	332	31,232	187	109,787	914
Storage and miscellaneous	12,755	24	16,440	34	4,932	10	34,127	68
Parking	18,419	28	21,514	34	1,275	2	41,208	64
Residential	1,104	3	0	0	2,018	4	3,122	7
Total	210,867	1,587	91,249	531	88,662	395	390,778	2,513

Floor space vacancy rate and rental vacancy rate December 31, 2024	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Property management, total	
	Vacant floor space, sq m	Rental vacancy rate, SEK m	Vacant floor space, sq m	Rental vacancy rate, SEK m	Vacant floor space, sq m	Rental vacancy rate, SEK m	Vacant floor space, sq m	Rental vacancy rate, SEK m
Office	8,280	63.8	283	0.8	14,587	42.1	23,150	106.7
Retail and restaurants	1,054	7.6	2,949	21.4	6,661	27.0	10,664	56.0
Storage and miscellaneous	2,604	3.9	820	1.9	2,073	3.3	5,497	9.1
Parking	655	0.7	0	0.0	1,275	1.9	1,930	2.6
Residential	483	1.9	0	0.0	1,557	2.5	2,040	4.4
Total	13,076	77.9	4,052	24.1	26,153	76.8	43,281	178.8

BUSINESS AREAS IN FIGURES

Maturity analysis ^{1) 2) 3)}
December 31, 2024

Number of leases	2025	2026	2027	2028	2029	2030-	Total
Stockholm Business Area							
Office	46	49	40	30	20	32	217
Retail	19	29	19	10	13	16	106
Other	362	148	101	36	28	34	709
Total	427	226	160	76	61	82	1,032
Proportion, %	41.4	21.9	15.5	7.4	5.9	7.9	100.0
NK Business Area							
Office	2	3	1	2	1	5	14
Retail	35	18	29	10	7	1	100
Other	64	23	22	12	5	3	129
Total	101	44	52	24	13	9	243
Proportion, %	41.6	18.1	21.4	9.9	5.3	3.7	100.0
Gothenburg Business Area							
Office	5	4	6	8	9	5	37
Retail	15	12	17	10	6	2	62
Other	43	19	23	9	6	4	104
Total	63	35	46	27	21	11	203
Proportion, %	31.0	17.2	22.7	13.3	10.4	5.4	100.0
Hufvudstaden, total							
Office	53	56	47	40	30	42	268
Retail	69	59	65	30	26	19	268
Other	469	190	146	57	39	41	942
Total	591	305	258	127	95	102	1,478
Proportion, %	40.0	20.6	17.5	8.6	6.4	6.9	100

Annual rent, SEK m	2025	2026	2027	2028	2029	2030-	Total
Stockholm Business Area							
Office	143.2	202.9	158.5	135.5	76.9	380.2	1,097.2
Retail	43.2	101.8	48.7	20.7	53.1	86.6	354.1
Other	16.2	16.3	11.9	17.5	18.2	8.3	88.4
Total	202.6	321.0	219.1	173.7	148.2	475.1	1,539.7
Proportion, %	13.2	20.8	14.2	11.3	9.6	30.9	100.0
NK Business Area							
Office	0.3	30.6	0.5	15.2	8.5	59.6	114.7
Retail	60.6	28.8	47.4	37.7	19.6	7.2	201.3
Other	7.6	6.0	7.0	2.6	1.3	1.0	25.5
Total	68.5	65.4	54.9	55.5	29.4	67.8	341.5
Proportion, %	20.1	19.1	16.1	16.2	8.6	19.9	100.0
Gothenburg Business Area							
Office	5.9	16.3	31.8	41.4	56.4	26.5	178.3
Retail	25.8	25.4	46.2	33.3	17.4	11.5	159.6
Other	7.3	4.6	5.5	0.9	1.6	0.7	20.6
Total	39.0	46.3	83.5	75.6	75.4	38.7	358.5
Proportion, %	10.9	12.9	23.3	21.1	21.0	10.8	100.0
Hufvudstaden, total							
Office	149.4	249.8	190.8	192.1	141.8	466.3	1,390.2
Retail	129.6	156.0	142.3	91.7	90.1	105.3	715.0
Other	31.1	26.9	24.4	21.0	21.1	10.0	134.5
Total	310.1	432.7	357.5	304.8	253.0	581.6	2,239.7
Proportion, %	13.8	19.3	16.0	13.6	11.3	26.0	100.0

¹⁾ Including leases signed for future access/implementation, whereupon the corresponding current rent has been excluded.
²⁾ Excluding vacant floor space and floor space used internally within the Group.
³⁾ Excluding residential leases.

DEFINITIONS AND GLOSSARY

Definitions and glossary

Finance

Average effective rate (AER). Weighted average contracted interest rate for all loans in the loan portfolio at year-end.

Average equity. The average of equity in the beginning and end for the year.

Capital employed. Total assets less non-interest-bearing liabilities and deferred tax liabilities.

Central administration. Costs for Senior Executives, Group staff functions and maintaining the company's stock exchange listing and other common company costs.

Debt/equity ratio. Net debt in relation to equity at year-end.

Earnings from property management. Operating result before items affecting comparability and changes in value minus financial income and expenses.

EPRA Company specific Adjusted Earnings – Company-specific earnings from property management after nominal tax. Operating result before items affecting comparability and changes in value with a deduction for financial income and expenses and computed current tax, excluding a loss carryforward of unutilised tax losses. The tax deducted has been calculated with account taken of, among other things, tax-deductible depreciation and investments.

EPRA Earnings – Earnings from property management after nominal tax. Operating result before changes in value with a deduction for financial income and expenses and computed current tax, excluding a loss carryforward of unutilised tax losses. The tax deducted has been calculated with account taken of, among other things, tax-deductible depreciation and investments.

EPRA. European Public Real Estate Association. Not-for-profit association for listed property companies in Europe.

EPRA LTV – Loan to Value. Non-current and current interest-bearing liabilities according to the balance sheet, net working capital if negative and declared unpaid dividends less cash and cash equivalents in relation to the carrying amount of the properties including intangible fixed assets and net working capital if positive.

EPRA NDV – Net Disposal Value. Shareholders' equity according to the balance sheet.

EPRA NRV – Net Reinstatement Value. Shareholders' equity according to the balance sheet after reversal of interest rate derivatives and deferred tax according to the balance sheet, excluding deferred tax on assets and/or liabilities other than investment properties and right-of-use assets attributable to ground rents.

EPRA NTA – Net Tangible Assets. Shareholders' equity according to the balance sheet after reversal of derivative instruments and deduction for intangible fixed assets, adjusted for actual deferred tax instead of nominal deferred tax.

Equity ratio. Equity at year-end in relation to total assets.

Gross margin. Gross profit in relation to net revenue.

Interest coverage ratio. Result after financial items, excluding items affecting comparability and changes in value plus financial expenses, in relation to financial expenses.

Items affecting comparability. Non-recurring items that make comparability difficult between two given periods.

MTN programme. Medium Term Note. A bond programme with a term of 1–15 years.

Net debt. Interest-bearing liabilities, including lease liabilities and the decided dividend, minus current investments and cash and cash equivalents.

Net loan-to-value ratio, properties. Net debt in relation to the carrying amount of the properties.

Net profit from current operations. Result before tax, excluding changes in value and items affecting comparability, charged with standard corporate tax for the year.

Return on capital employed. Result before tax plus financial expenses in relation to the average capital employed.

Return on equity, adjusted. Net result for the year after tax excluding tax-adjusted items affecting comparability and changes in value in relation to the average equity.

Return on equity. Net result for the year after tax in relation to the average equity.

Surplus ratio. Net operating income as percentage of net revenue from property management including intra-Group rents.

Tax. The Group's total tax comprises current tax and deferred tax.

Share

Cash flow for the year per share. Cash flow for the year in relation to the average number of shares outstanding during the year.

Cash flow from current operations per share. Cash flow from current operations in relation to the average number of shares outstanding during the year.

Dividend proportion. Dividend in relation to net profit from current operations.

Earnings per share. Net result for the year in relation to the average number of shares outstanding during the year.

EPRA Company specific Adjusted EPS. EPRA Company specific Adjusted Earnings in relation to the average number of shares outstanding during the year.

EPRA EPS. EPRA Earnings in relation to the average number of shares outstanding during the year.

Equity per share. Equity in relation to the number of shares outstanding at year-end.

Free Float. Shares available for trading, excluding shares held by a shareholder with a controlling interest.

P/E ratio. The share price at year-end in relation to earnings per share for the year.

Shares outstanding. The total number of shares reduced by the shares bought back by the company.

The average number of shares outstanding. Weighted average number of shares outstanding during the year.

Yield. Dividend per share in relation to the share price at year-end.

Property

Annual rent. Gross rent, including supplements for utility charges, at the end of the year, calculated on an annual basis. Vacant premises are reported at the market rent.

CBD. Central Business District. The most central part of a city for office and retail properties.

Comparable holdings. Properties disposed of during the year are excluded. Properties acquired during the year are included and the previous year is adjusted for the equivalent period.

EPRA Vacancy rate. Estimated Market Rental Value (ERV) of vacant space divided by the ERV of the whole portfolio. Current development projects are excluded.

Fair value, properties. The amount for which the properties could be assigned on condition that the transaction takes place between parties that are independent of each other and which have an interest in the transaction being implemented. In accounting terms, this is known as fair value.

Fair value. The estimated market value of the properties.

Floor space vacancy rate. Vacant floor space in square metres in relation to the total rentable floor space.

Gross rent. Defined as the contracted rent, excluding supplements for utility charges, and including assessed market rent for vacant premises.

Net operating income. Net revenue from property management including intra-Group rents less expenses for property management.

New leases. Leases signed during the year with a new tenant other than the tenant that leased the property previously, or for premises that were previously vacant.

Property tax supplement. Reimbursement of property tax by tenants.

Renegotiations. New or extended leases with existing tenants whose earlier leases have come to an end.

Rentable floor space. Total floor space available for renting.

Rental vacancy rate. Vacant floor space at an estimated market rent in relation to the total annual rent.

Rent losses. Loss of revenue as a result of vacant premises.

Sales-based rent supplement. Rent in addition to the guaranteed minimum rent, based on the turnover of a store or restaurant.

Yield, properties. Net operating income in relation to the fair value of properties.

In some cases there has been rounding off, which means that tables and calculations do not always tally.



Surrounding environments and the design of entrances to stores and offices have become increasingly important when companies choose locations to establish themselves.

Corporate Governance Report

Regulations and Articles of Association

Hufvudstaden is a Swedish public listed limited company with its registered office in Stockholm. The Group is governed by the Articles of Association, the Swedish Companies Act, Nordic Main Market Rulebook for Issuers of Shares from Nasdaq Stockholm, the Swedish Corporate Governance Code (the Code), the Swedish Stock Market Self-Regulation Committee's Rules on Remuneration of the Board and Senior Executives and on Incentive Programmes and other applicable laws and rules. The Code aims to create good prerequisites for active, responsible ownership, and is intended to be part of the self-governance process in Swedish industry. It is based on the principle of comply or explain, which means that companies can deviate from one or more rules in the Code if there is justification and an explanation, and if the solution chosen can be presented.

Hufvudstaden complies with the Code with one deviation in regard to election committee stipulations. The deviation from the Code is explained in more detail below.

Shares and shareholders

Hufvudstaden's Class A shares are listed on Nasdaq Stockholm. The company's Class C shares were delisted upon request by Nasdaq Stockholm in January 2020. Share capital in the company at year-end amounted to SEK 1,056,359,665, divided among 211,271,933 shares, equalling a quotient value of SEK 5 per share. Of the shares, 203,001,209 are Class A shares, carrying one vote per share, and 8,270,724 are Class C shares, carrying 100 votes per share. All shares carry an equal right to a share in the company's assets and profit. The largest shareholder is L E Lundbergföretagen AB, with a total of 47.2 per cent of shares outstanding and 88.6 per cent of the votes. Apart from L E Lundbergföretagen AB, there is no shareholder in the company that holds, directly or indirectly, shares where the number of voting rights represents one-tenth or more of the total number of votes for all shares in the company.

According to a conversion provision in the Articles of Association, the holders of Class C shares are entitled to request conversion of their Class C shares into Class A shares. During the year, two Class C shares were converted into Class A shares. There are no limits in the Articles of Association regarding transferability of shares or voting rights at a general meeting of the shareholders. There are no known agreements that would be affected by a public purchase offer. There have been no infringements of applicable stock market rules.

Share buyback

Since the Annual General Meeting in 2003, the Board of Directors has had the mandate of the General Meeting to buy back Class A shares up to a maximum of 10 per cent of all shares in the company. The authorisation was renewed at the 2024 Annual General Meeting. The aim is to give the Board the opportunity to adjust the capital structure in order to create increased value for the shareholders and/or to allow the company's own shares to be used as liquidity in conjunction with or to finance the acquisition of a company or property. As of December 31, 2024, Hufvudstaden held 8,965,000 Class A shares, equivalent to 4.2 per cent of the total number of issued shares. No shares were bought back in 2024 or after the end of the reporting period (up to and including February 13, 2025).

Annual General Meeting

Shareholders' right to decide in Hufvudstaden's matters are exercised at the Annual General Meeting. Shareholders who are registered in the share register as of the record date and have notified

participation in time, have the right to participate and vote at the Annual General Meeting, in person or through agents.

Shareholders whose shares are nominee-registered must, in order to exercise voting rights at the Annual General Meeting, temporarily re-register their shares in their own name, according to what follows from the notice convening the Annual General Meeting. In addition, the company's Articles of Association state that prior to a General Meeting, the Board of Directors may decide that the shareholders have the possibility of casting their votes in advance (postal voting) in accordance with the process set out in the Swedish Companies Act. Decisions at the meeting are normally made through simple majority. In some matters however, the Companies Act prescribes that a proposal must be approved by a higher proportion of the votes represented and cast on the meeting.

Individual shareholders, who wish to receive a matter discussed at the meeting, can request so from Hufvudstaden's Board at a special address, which is published on hufvudstaden.se well in advance of the notice period for the meeting.

The Annual General Meeting will be held in Stockholm within six months from the end of the financial year. At the Annual General Meeting, matters are decided concerning, inter alia, the adoption of income statements and balance sheets, dividends, discharge of liability for the Board members and President, election of Board members, Chairman of the Board and auditors and remuneration to the Board and auditors, principles for remuneration to senior executives, approval of the remuneration report and other important issues. Notice of the Annual General Meeting takes place through advertising in The Official Swedish Gazette (Post- och Inrikes Tidningar, PolT) and on hufvudstaden.se. The notice shall be advertised in Dagens Nyheter.

The 2024 Annual General Meeting was held on March 21, 2024. A total of 332 shareholders, representing 139,915,945 Class A shares and 8,263,507 Class C shares, were represented, and they represented 966,266,645 votes, equivalent to 95 per cent of the total number of outstanding votes. Fredrik Lundberg was elected to chair the meeting. It was decided at the Annual General Meeting to adopt the income statement and balance sheet presented, as well as the consolidated income statement and consolidated balance sheet, and to issue a dividend of SEK 2.70 per share to the shareholders. At the Meeting, the members of the Board of Directors and the President were discharged from liability, and a decision was reached on remuneration to the members of the Board of Directors and the auditors. All members of the Board and the auditors were re-elected for the period up to the end of the next Annual General Meeting. Finally, the Meeting resolved to approve the remuneration report for 2023 and grant authorisation to the Board to decide on the acquisition and transfer of the company's own Class A shares.

The 2025 Annual General Meeting will be held in Stockholm on March 20, 2025.

Nomination and election of the Board of Directors and auditors

According to the Articles of Association, the Board of Directors shall comprise a minimum of five and a maximum of ten members. Members are elected at the Annual General Meeting for the period up to the end of the first Annual General Meeting being held after the year in which the members of the Board of Directors were elected. In the light of the concentrated ownership structure, Hufvudstaden does not have a formally appointed election committee. The duty of an election committee, to prepare decisions to be reached at the Annual General Meeting in matters relating to

elections and fees, rests with Hufvudstaden's main shareholder, L E Lundbergföretagen AB. Hufvudstaden's procedure regarding the election committee is a deviation from the Code. The main shareholder presents a proposal regarding the person who will chair the Annual General Meeting, the Board of Directors, the Chairman of the Board, and directors' fees. A proposal regarding the auditor and the audit fee is presented by the Board of Directors. Other shareholders have the opportunity to submit nomination proposals at the address stated on hufvudstaden.se. The proposals are published no later than the time of the issuing of the notice of the Annual General Meeting.

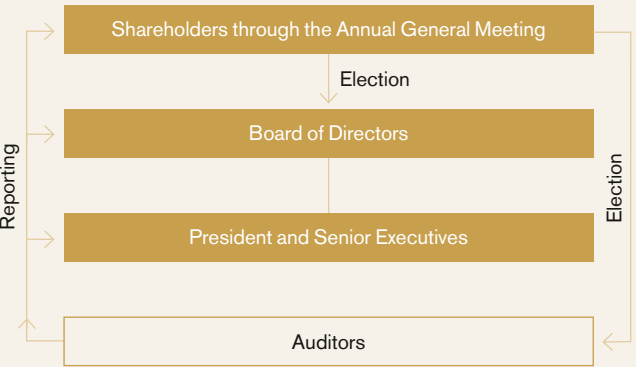
The main shareholder has applied point 4.1 in the Code outlining diversity policy, which means that the composition of the Board of Directors must be well adapted in light of the company's operations, the current phase in its development, and circumstances in general. The composition of the Board must reflect diversity and breadth in terms of the expertise, experience and background of the members elected at the Annual General Meeting, and an even gender distribution must be sought. A decision was reached at the 2024 Annual General Meeting in accordance with the proposal set forth by the main shareholder, which resulted in the election of nine members, of whom three were women and six were men.

As a basis for its proposal prior to the 2025 Annual General Meeting, the main shareholder has assessed whether the composition of the present Board of Directors is appropriate using, for example, applicable parts of the annual evaluation of the work of the Board of Directors as a guide.

Composition of the Board of Directors

Hufvudstaden's Board of Directors comprises nine members, elected at the Annual General Meeting for a period of one year. The composition of Hufvudstaden's Board of Directors is arranged in line with the company's operations. All Board members have been assessed based on skills, experience and background. The only member of Senior Executives on the Board is the President, and he is the only one who can be regarded as not being independent in relation to the company. Fredrik Lundberg has been Chairman of the Board since 1998. Four of the members are not independent in relation to the largest shareholder L E Lundbergföretagen AB (Fredrik Lundberg, Claes Boustedt, Louise Lindh and Sten Petersen). For further information about individual Board members, see pages 88–89. An external lawyer is engaged to act as secretary to the Board of Directors.

HUFVUDSTADEN'S CONTROL STRUCTURE



Responsibility of the Board of Directors

According to the Companies Act, the Board of Directors has overall responsibility for the Group's organisation and management, and for ensuring that control of the accounting records, management of funds and financial circumstances in general are satisfactory. The Board of Directors reaches decisions in matters regarding the Group's overall aims, strategic orientation and policies, as well as more important issues regarding financing, acquisitions, divestments and investments. Other duties that are incumbent on the Board include the following:

- Continuous follow-up and assessment of the company's financial position and business development.
- Continuous evaluation of the company's operative management and the work of the President.
- Ensuring satisfactory control of the company's compliance with laws and other regulations, and the continuous evaluation of the company's internal control and risk management systems.
- Adoption of guidelines governing the way the company should act in the community from a sustainability point of view.

The work of the Board of Directors follows the rules of procedure adopted by the Board of Directors, which provide the framework for decisions regarding investments, financing, financial statements, and other matters of a strategic nature. The rules of procedure also govern the duties of the Board of Directors and the President, and the allocation of duties between the Board of Directors and the President. The relevance and validity of the rules of procedure are reviewed annually.

The Chairman of the Board leads the work of the Board of Directors and has continuous contact with the President to monitor the Group's operations and development on an ongoing basis. The Chairman of the Board consults with the President on strategic matters, represents the company in ownership matters, and passes on the views of the shareholders to the Board.

The Chairman of the Board ensures that the work of the Board is evaluated once a year and that new Board members receive appropriate training. The evaluation takes place by each Board member completing a questionnaire. The responses are collated by the Chairman, who then presents the results to the Board of Directors, after which a discussion takes place within the Board. The Board of Directors also evaluates the work of the President, although without the person in question being present, and approves more material assignments carried out by the President outside the company.

Name	Function	Attendance ¹⁾	Independent in relation to the company	Independent in relation to the owners
Fredrik Lundberg	Chairman	7	Yes	No
Claes Boustedt		7	Yes	No
Peter Egardt		7	Yes	Yes
Liv Forhaug	President	7	Yes	Yes
Louise Lindh		7	Yes	No
Katarina Ljungqvist		5	Yes	Yes
Anders Nygren		7	No (employee)	Yes
Fredrik Persson		7	Yes	Yes
Sten Peterson		7	Yes	No

¹⁾ Seven Board meetings were held during the year, of which five were held after the Annual General Meeting.

Work of the Board of Directors

The Board of Directors held seven meetings during 2024, of which one was a statutory meeting. Economic, financial and operational reports from the business areas are presented at every Board meeting. In addition, key matters of a principal nature or of major economic significance are addressed at every ordinary meeting. The work of the Board of Directors during the year was aimed specifically at strategy discussions, issues relating to the economic climate and financing, property valuation, acquisitions, and investments. Other matters dealt with during the year were major current projects, including the large development project Johanna, sustainability matters including preparations for CSRD reporting and carrying out the double materiality assessment. Company officials attend the Board meetings as presenters. The company's auditor attended the Board meeting in February when the 2023 Annual Report was approved, and attended the Board meeting in August in conjunction with the analysis by the Board of the company's six-month report.

Board committees

The Board of Directors has considered the question of establishing an audit committee and a remuneration committee but has chosen not to do so. Matters that rest with such committees will instead be handled as part of the regular work of the Board of Directors. The full expertise of the Board can thus be utilised, and the meetings can be made more efficient. This means that the Board of Directors collectively performs the duties that rest with an audit committee, and that the entire Board, the President excluded, discharge the duties that rest with a remuneration committee. This includes following up and evaluating current variable remuneration programmes for Senior Executives as well as programmes that were terminated during the year. The Board of Directors also follows and evaluates the application of guidelines governing remuneration to senior executives, as decided at the Annual General Meeting, and governing company remuneration structures and remuneration levels for senior executives.

Senior Executives

The President heads operations in accordance with the adopted rules of procedure for the Board of Directors and the President, which include the instructions for the President issued by the Board of Directors. The President is responsible for ensuring that the Board of Directors receives information and a basis for making decisions that is sufficiently factual, complete and relevant for the Board of Directors to make well-informed judgements. Senior Executives comprises the President and three Heads of business areas, as well as the CFO, Head of Business Development, Head of Property Development, and Head of Human Resources. Refer to pages 90–91 for information about individual Senior Executives. Senior Executives meet approximately once a month to discuss current issues. A strategy conference is also held twice a year.

Audit

According to the Articles of Association, the company must have one or two auditors and a corresponding number of deputies. Alternatively, one or two registered auditing companies can be appointed. At the 2024 Annual General Meeting, PricewaterhouseCoopers AB was re-elected as auditing company for a term of one year. Magnus Svensson Henryson is the lead auditor. Magnus Svensson

Henryson's major engagements include Alleima AB, Bure Equity AB, Embracer Group AB, Holmen AB, L E Lundbergföretagen AB and Svenska Handelsbanken AB.

The Board meets the company's auditor twice a year, of which at least one meeting is in the absence of the President. On these occasions, the auditor presents a report, and there is a discussion about the audit scope and observations. Internal routines and control systems are examined continuously during the year. The half-year report is examined on a general basis. The final audit of the annual accounts, the annual report and the consolidated financial statements, and the administration of the Board and the President take place in January–February, after which the auditors submit an auditor's report. The auditors provide a limited assurance report on the Sustainability Report. Fees to the auditors, including the fee for advisory services, are reported in Note 8.

Remuneration

Board of Directors

Remuneration to the Board of Directors is decided at the Annual General Meeting. At the Annual General Meeting in 2024, it was decided that remuneration for the period up to the next Annual General Meeting totalling SEK 2,520,000 would be divided among the members with the exception of the President, Anders Nygren, who does not receive any remuneration for his Board-related duties. Remuneration is divided between the Chairman, who receives SEK 560,000, and the other seven non-executive members, who individually receive SEK 280,000.

Senior Executives

Guidelines on salaries, bonuses and other remuneration to the company's senior executives are decided at the Annual General Meeting. The Board of Directors present a proposal for new guidelines regarding remuneration when the need arises to materially change them, however at a minimum every four years. It was confirmed at the 2024 Annual General Meeting that remuneration from the company shall comprise salaries that are in line with the market, as well as a limited, profit-related bonus scheme as described below. The company has no incentive schemes related to the share price. These guidelines have been followed in 2024. The guidelines will continue to apply in 2025 since the Board will not propose any changes to the 2025 Annual General Meeting.

The Board has prepared a remuneration report for the 2024 financial year for approval by the 2025 Annual General Meeting. The auditor's statement on whether guidelines adopted at the Annual General Meeting in 2024 governing remuneration to senior executives have been followed, will be available on hufvudstaden.se no later than three weeks prior to the Annual General Meeting, and will be attached to the documents distributed at the Annual General Meeting.

Remuneration to the President is proposed by the Chairman of the Board and is confirmed by the Board of Directors. The President does not take part in this decision. The President decides on remuneration to other senior executives following consultation with the Chairman of the Board.

For further information regarding salaries and remuneration, as well as guidelines for remuneration to senior executives, as adopted at the 2024 Annual General Meeting, see Note 7.

Bonuses

All permanent employees in the Group, including Senior Executives, were included in a bonus scheme during the year, apart from employees of Hufvudstaden's subsidiary, NK Retail AB and NK Service AB, who were not included in the bonus scheme. According to the guidelines, the bonus criteria for Senior Executives should be weighted as follows: 70 per cent based on financial goals linked to operating results, 15 per cent based on operating targets related to customer satisfaction, and 15 per cent based on individual targets.

Under the bonus scheme for both Senior Executives and other employees, decisions are made for one year at a time and the bonus is capped. Bonuses are paid only if the company shows a positive operating result before any unrealised changes in value. The cost of bonuses for all employees in 2024 amounted to SEK 4.6 million (4.2) or an average of SEK 157,000 per person for Senior Executives including the President and an average of SEK 22,000 for other employees.

Internal control over financial reporting

This report was prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code and is thus limited to internal control over financial reporting. The Board of Directors has overall responsibility for ensuring that Hufvudstaden has a satisfactory internal control system. The President is responsible for ensuring that such a system is in place and that it covers any material risk of error in the financial reporting. Hufvudstaden's internal control systems cover the control environment, risk assessment, control measures, information, communication, and monitoring.

To describe internal control, the company has followed the internationally established Committee of Sponsoring Organizations (COSO) of the Treadway Commission framework, which consists of five components: control environment, risk assessment and management, control activities, information and communication, and monitoring.

Control environment

The control environment is the basis for internal control of financial reporting. Hufvudstaden's internal control structure is based, among other things, on a clear allocation of responsibility and duties between the Board of Directors and the President, and within the company's operations. Senior Executives and the Board of Directors continuously document and evaluate policies and guidelines, such as the company's valuation principles, information policy, and accounting manual. To ensure continuous operational follow-up, there are routines in place for financial reporting and analysis. The routines include monthly and quarterly reports, budget follow-ups, and forecasts. These tasks are handled by the accounting and controller function within the business area and Group level.

Hufvudstaden is also a signatory of the UN Global Compact and has thus committed to the ten principles in the areas of human rights, labour, the environment, and anti-corruption. The company also reports according to the Global Reporting Initiative (GRI).

Risk assessment and management

Based on continuous discussions and meetings in the organisation, Hufvudstaden's Senior Executives identifies, analyses and decides on the company's material risk areas, whereupon the Board of Directors confirms these areas. Senior Executives are responsible for handling the risk of error in the financial statements. The Board of Directors analyses the outcome of the company's risk assess-

ment and risk management process to ensure it covers all material areas. Hufvudstaden's greatest risks are linked to property valuation, financial transactions, property projects, and handling of tax matters.

Control activities

Based on risk assessments, Hufvudstaden has adopted a number of control activities. These are both of a preventive nature, i.e. measures aimed at avoiding losses or errors in the reporting, and of an identification nature. The controls should also ensure that errors are rectified. Examples of areas that have a material impact on the company's result, and which have carefully formulated control measures, are property valuation, maintenance, redevelopment, interest payments and leasing. Controls are carried out, among other things, using deviation analysis and quarterly meetings between the business area, Senior Executives and controller function.

Information and communication

In-house information and external communication are governed on a general level by, for example, the information policy. Internal communication to and from the Board and the senior executives takes place in different ways, including regular information meetings held by management, both for the whole company and for individual units. Another important communication channel is Hufvudstaden's intranet. Through the intranet, all employees have access to up-to-date information. Internal policies, guidelines, instructions and equivalent documents that control and support operations are published on the intranet. Feedback on internal control work takes place at quarterly meetings, management team meetings, and Board meetings.

Monitoring

Hufvudstaden's Senior Executives regularly evaluates internal control of financial reporting, and whether reporting to the Board is functioning efficiently. This takes place primarily through its own analysis, asking the organisation questions, and familiarisation with the work of the controller function. To monitor identified risks and ensure that the internal control work takes place optimally, the controller function works continuously on this follow-up process. Apart from quarterly reports with financial outcomes, including Senior Executives comments on operations, the Board receives management's comments on how internal control is working and whether identified risks ought to be changed. The company's auditor attends Board meetings on two occasions yearly, and reports its observations regarding the company's internal routines and control systems. Subsequently, the Board of Directors have the opportunity to ask questions. Each year, an examination is made of material risk areas, whereupon the Board adopts a position on risks in the financial reporting system and evaluates the internal control system. All process descriptions, policies and guiding documents are updated as necessary, but at least once per year.

Hufvudstaden does not have an internal audit department. Management has systematically examined and structured the internal documentation of the internal control system. The company's auditors continuously review and report their findings to executive management and the Board regarding the company's internal controls. The auditors' report for 2024 shows that Hufvudstaden has good internal control in relation to the company's size and operations. The Board has deemed that a separate internal audit function is therefore not justified. This decision will be reviewed annually.

Board of Directors and Auditors

The Board of Directors consists of nine members, without any deputies, all of whom are elected at the Annual General Meeting. The members include persons who have links to Hufvudstaden's largest shareholder L E Lundbergföretagen AB. The President is also a member of the Board. Other senior executives in the company take part in Board meetings to present specific points. The Board of Directors held seven meetings during 2024, of which one was a statutory meeting. The work of the Board of Directors complies with the rules of procedure adopted by the Board governing the undertakings of the Board and the President and the allocation of duties between the Board and the President.



Fredrik Lundberg
Born 1951. MSc, MBA, Economics and Engineering, Dr. h.c. mult.
Chairman, Board member since 1998. President and CEO of L E Lundbergföretagen AB. Chairman of Holmen AB and AB Industrivärden. Deputy Chairman of Svenska Handelsbanken AB. Board member of L E Lundbergföretagen AB, Fastighets AB L E Lundberg and Skanska AB. Independent in relation to the company and the Executive Management, but not in relation to major shareholders (L E Lundbergföretagen AB). Holding in Hufvudstaden: 2,350,412 shares (directly and through related parties).¹⁾



Katarina Ljungqvist
Born 1965. Corporate and administrative lawyer. Board member since 2022. President and CEO of Kommuninvest. Board member of Swedish Export Credit Cooperation and the Swedish Exhibition & Congress Centre Foundation and its Supervisory Council. Previous experience includes as regional head of Handelsbanken Western Sweden and head of Handelsbanken Digital. Independent in relation to both the company and the Executive Management as well as major shareholders. Holding in Hufvudstaden: 1,000 shares.

¹⁾ L E Lundbergföretagen AB also holds 95,489,015 shares in Hufvudstaden. Fredrik Lundberg and related parties control approximately 71 per cent of the votes in L E Lundbergföretagen AB, and Louise Lindh and related parties control approximately 11 per cent of the votes.



Claes Boustedt
Born 1962. MBA.
Board member since 1998. Vice President of L E Lundbergföretagen AB. President of L E Lundberg Kapitalförvaltning AB. Board member of Alleima AB, Förvaltnings AB Lunden and Sandvik AB. Independent in relation to the company and the Executive Management, but not in relation to major shareholders (L E Lundbergföretagen AB). Holding in Hufvudstaden: 1,000 shares.



Anders Nygren
Born 1970. MSc.
President and Board member since 2022. No material assignments outside the Group. Independent in relation to major shareholders but not in relation to the company and Executive Management. Holding in Hufvudstaden: 8,000 shares.



Peter Egardt
Born 1949. BA.
Board member since 2003. Member of the Riksdag Remuneration Board. Chairman of Stockholm University of the Arts (SKH) and the Foundation Sweden-Lithuania Cooperation fund. Previous positions include Governor of the County of Uppsala, President of the Stockholm Chamber of Commerce and the Association of Swedish Chambers of Commerce. Independent in relation to both the company and the Executive Management as well as major shareholders. Holding in Hufvudstaden: 22,000 shares.



Fredrik Persson
Born 1968. MBA.
Board member since 2016. Chairman of BusinessEurope. Chairman of Ellevio AB and JM AB. Board member of A. Ahlström Oy, Holmen AB, ICA Gruppen AB, AB Industrivärden and Interogo Holding AG. Previous positions include President and CEO of Axel Johnson AB. Independent in relation to both the company and the Executive Management as well as major shareholders. Holding in Hufvudstaden: 5,000 shares.



Liv Forhaug
Born 1970. MBA.
Board member since 2016. President and CEO of Martin & Servera AB. Chairman of the Board for subsidiaries of Martin & Servera. Board member of Loomis AB, the Swedish Trade Federation and the Confederation of Swedish Enterprise. Previous positions include Chief Strategy Officer at ICA Gruppen AB and as partner at McKinsey & Company. Independent in relation to both the company and the Executive Management as well as major shareholders. Holding in Hufvudstaden: 1,800 shares.



Louise Lindh
Born 1979. MBA.
Board member since 2007. Chairman of Fastighets AB L E Lundberg and J2L Holding AB. Board member of Holmen AB, L E Lundbergföretagen AB and Svenska Handelsbanken AB. Independent in relation to the company and the Executive Management, but not in relation to major shareholders (L E Lundbergföretagen AB). Holding in Hufvudstaden: 509,166 shares (directly and through related parties).¹⁾

AUDITORS
PricewaterhouseCoopers AB
Lead auditor
Magnus Svensson Henryson
Born 1969. Authorised Public Accountant.

SECRETARY
Mattias Karlsson
Born 1965. Lawyer at Mannheimer Swartling Advokatbyrå AB. Secretary to the Board since 2008.

Senior Executives



- Anders Nygren**
Born 1970. MSc. President,
employed 2006.
Holding in Hufvudstaden: 8,000 shares.
- Ulrika Frisk**
Born 1970. MA. Head of Human Resources,
employed 2022.
Holding in Hufvudstaden: –.
- John Lethenström**
Born 1972. MSc. Head of Property Development,
employed 2017.
Holding in Hufvudstaden: –.
- Fredrik Ottosson**
Born 1972. MSc. Head of the Gothenburg Business
Area, employed 2016.
Holding in Hufvudstaden: 1,000 shares.
- Karl Palm**
Born 1984. BSc. Engineering. Head of Business
Development, employed 2014.
Holding in Hufvudstaden: 2,000 shares.
- Åsa Roslund**
Born 1966. MBA. Vice President and
CFO, employed 2005.
Holding in Hufvudstaden: 3,000 shares.
- Frida Wijkström**
Born 1976. MSc. Head of the Stockholm Business
Area, employed 2018, formerly employed 2008–
2015.
Holding in Hufvudstaden: –.

Bo Wikare was Head of the NK Business Area,
Vice President and a member of Senior Executives
until August 31, 2024.

From left: John Lethenström, Fredrik Ottosson, Frida
Wijkström, Anders Nygren, Åsa Roslund, Ulrika Frisk
and Karl Palm.

SHARES AND SHAREHOLDERS

Stability and low risk

Share capital

Hufvudstaden was founded in 1915 with share capital of SEK 0.6 million and 6,000 shares with a quotient value of SEK 100. At year-end 2024, share capital amounted to SEK 1,056.4 million with a quotient value of SEK 5 per share.

Share structure

Hufvudstaden has two share Classes, A and C. Class A shares carry one vote per share and Class C shares carry 100 votes per share. There are no limitations on how many votes each shareholder may cast at a General Meeting. The Class A shares were listed on what was then the Stockholm Stock Exchange in 1938 and are now listed on the Large Cap list of Nasdaq Stockholm. Class C shares were listed in 1998 and delisted in late January 2020 upon request by Nasdaq Stockholm.

The Articles of Association include a conversion clause, by which owners of Class C shares have the right to request conversion of their shares to Class A shares. Since the delisting, 4,340 Class C shares have been converted to Class A shares, of which two shares this year.

At year-end, the total number of shares outstanding was 202,306,933 of which 194,036,209 were Class A shares and 8,270,724 were Class C shares. In addition, Hufvudstaden held 8,965,000 Class A shares.

Ownership structure

The number of shareholders at year-end was 31,559. The largest shareholder was L E Lundbergföretagen AB with 47.2 per cent of the total number of shares outstanding and 88.6 per cent of the votes. AMF was the second largest shareholder with 9.4 per cent of shares outstanding and 1.9 per cent of the votes.

Institutions and companies with holdings of 100,000 shares or more owned a combined total of 176,037,043 shares as of December 31, 2024, equivalent to 87.0 per cent of total shares outstanding and 96.5 per cent of the votes. Of these, 59 were Swedish institutions and companies, who had a combined holding of 145,427,286 shares equivalent to 71.9 per cent of shares outstanding and 93.5 per cent of the votes. There were 38 foreign

institutions and companies with holdings of 100,000 shares or more. Their holdings amounted to 30,645,757 shares equivalent to 15.1 per cent of shares outstanding and 3.0 per cent of the votes. In addition, there were 12 Swedish private individuals who each owned 100,000 shares or more. The number of shareholders decreased during the year by 1,554. The proportion of foreign ownership decreased during the year from 20 to 16 per cent of shares outstanding.

Buy-back of shares

The Annual General Meeting held in 2003 authorised the Board to buy back Class A shares amounting to a maximum of 10 per cent of all shares in the company. The authorisation was renewed at the 2024 Annual General Meeting. At the end of the year, Hufvudstaden held 8,965,000 Class A shares, equivalent to 4.2 per cent of all issued shares. No shares were bought back in 2024.

Market capitalization and trading

On December 31, 2024, the price of Class A shares was SEK 121.10 and the total fair value of all shares, based on the price of Class A shares, amounted to SEK 25,585 million. In total, 46 million shares were traded on Nasdaq Stockholm during the year, equivalent to 23 per cent (22) of total shares outstanding. The turnover rate calculated in relation to shares available for trading on Nasdaq Stockholm (free float) was 43 per cent (41). On average, 182,000 (180,000) shares in Hufvudstaden were traded on each trading day.

Dividend

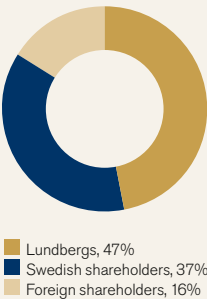
One of the company's financial goals is that the Hufvudstaden share shall have good dividend growth over time, and the dividend shall comprise more than half of the net profit from current operations unless investments or the company's financial position in general justify a deviation. The Board of Directors proposes an increase in the dividend to SEK 2.80 per share (2.70), corresponding to 61 percent of the net profit from operating activities. The dividend yield amounted to 2.3 percent based on the Board of Directors' proposal and the Class A share price as per 31 December, 2024.

Ownership structure as of December 31, 2024

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of issued shares	Proportion of shares, %
1–999	27,660	87.7	4,230,265	2.0
1,000–9,999	3,396	10.8	7,648,480	3.6
10,000–99,999	394	1.2	10,822,330	5.1
100,000–	109	0.3	179,605,858	85.1
Shares outstanding	31,559	100.0	202,306,933	95.8
Hufvudstaden			8,965,000	4.2
All issued shares			211,271,933	100.0

Source: Euroclear Sweden

Ownership structure



SHARES AND SHAREHOLDERS

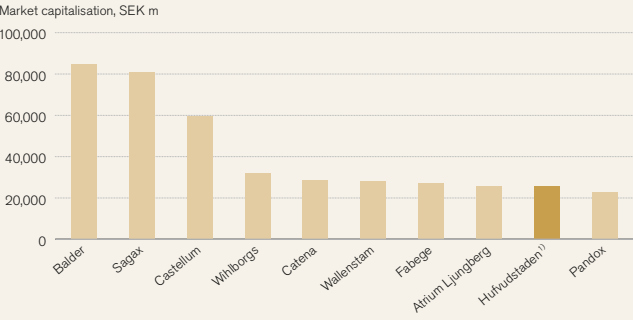
Largest shareholders as of December 31, 2024

	Number of Class A shares	Number of Class C shares	Total number of shares	Shares outstanding, %		Issued shares, %	
				Capital	Votes	Capital	Votes
L E Lundbergföretagen	87,311,335	8,177,680	95,489,015	47.2	88.6	45.2	87.9
AMF	19,000,000	0	19,000,000	9.4	1.9	9.0	1.8
State Street Bank and Trust	6,519,201	0	6,519,201	3.2	0.6	3.1	0.6
BNY Mellon	4,155,833	0	4,155,833	2.1	0.4	2.0	0.4
JP Morgan Chase Bank	4,025,220	0	4,025,220	2.0	0.4	1.9	0.4
Lundberg family, including companies	3,522,419	66,325	3,588,744	1.8	1.0	1.7	1.0
Handelsbanken Fonder	2,924,071	0	2,924,071	1.4	0.3	1.4	0.3
Alcur Fonder	2,691,976	0	2,691,976	1.3	0.3	1.3	0.3
Spiltan Fonder	2,146,612	0	2,146,612	1.1	0.2	1.0	0.2
Skogstornet	2,050,000	0	2,050,000	1.0	0.2	1.0	0.2
Swedbank Robur Fonder	1,579,520	0	1,579,520	0.8	0.2	0.7	0.2
Other shareholders	58,110,022	26,719	58,136,741	28.7	6.0	27.5	5.9
Shares outstanding	194,036,209	8,270,724	202,306,933	100.0	100.0	95.8	99.1
Hufvudstaden, treasury shares	8,965,000		8,965,000			4.2	0.9
All issued shares	203,001,209	8,270,724	211,271,933			100.0	100.0
Votes (excluding treasury shares)	194,036,209	827,072,400	1,021,108,609				
Votes (including treasury shares)	203,001,209	827,072,400	1,030,073,609				

Source: Euroclear Sweden

Largest listed property companies

As of December 31, 2024

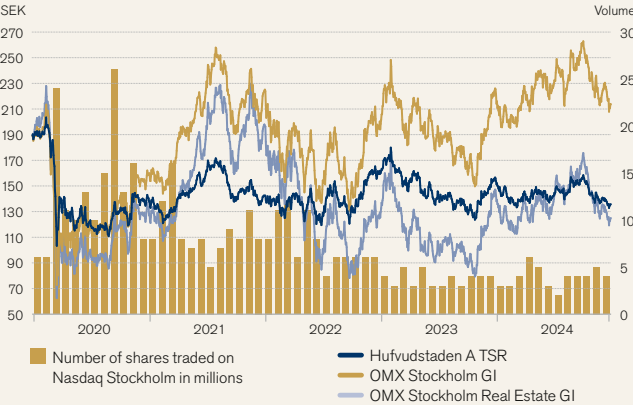


¹⁾ All shares, based on the price per Class A share.

Source: Nasdaq Stockholm.

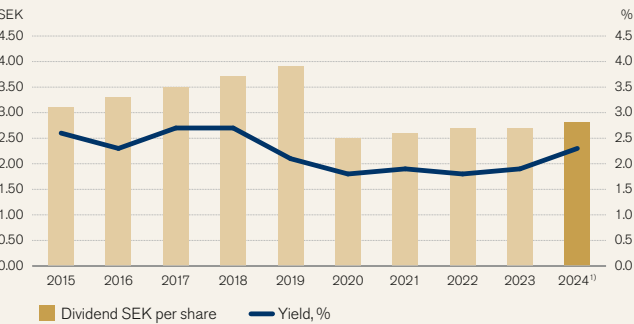
Share price performance and trading 2020–2024

Including dividend in relation to index



Source: Nasdaq Stockholm.

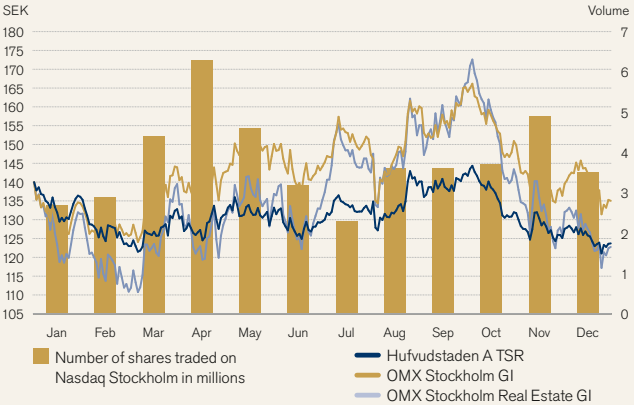
Dividend and yield



¹⁾ Proposal by the Board.

Share price performance and trading 2024

Including dividend in relation to index



Source: Nasdaq Stockholm.

Annual General Meeting

Hufvudstaden's Annual General Meeting will be held on Thursday, March 20, 2025 at 3:30 p.m. at Grand Hôtel, Spegelsalen, Stockholm, main entrance at Södra Blasieholmshamnen 8. Notice of the Annual General Meeting will be published on the website of The Official Swedish Gazette (Post- och Inrikes Tidningar, PoIT) at bolagsverket.se/poit and on hufvudstaden.se. Notice that the Annual General Meeting has been convened is published in Dagens Nyheter.

Notification

Shareholders who wish to participate in the Annual General Meeting must:

- be recorded as a shareholder in the share register kept by Euroclear Sweden AB regarding circumstances as of Wednesday, March 12, 2025, whereupon shareholders whose shares are registered in the name of a nominee must reregister the shares in their own name so that the shareholder is registered in the presentation of the share register as at Wednesday, March 12, 2025 to be eligible to participate in the Annual General Meeting. Such registration may be temporary (voting rights registration) and is requested of the nominee in accordance with the nominee's routines in such time in advance as determined by the nominee. Voting rights registrations effected by the nominee by March 14, 2025 will be taken into account in the preparation of the share register,
- register with Hufvudstaden no later than Friday, March 14, 2025, preferably before 4:00 p.m. Participants are to register on the company's website hufvudstaden.se, e-mail: anm@hufvudstaden.se, telephone: +46 8 762 90 00, or in writing to: Hufvudstaden AB (publ), NK 100, SE-111 77 Stockholm, Sweden.

When registering, participants are to provide their name, personal identity number or company registration number, daytime telephone number, number of shares and any assistants. Shareholders represented by a proxy are to issue the proxy with a power of attorney. The original of the power of attorney, registration certificate and other authorisation documents must be presented at the Annual General Meeting. To facilitate admission to the Meeting, the company must have received the power of attorney and authorisation documents at the above mentioned address at the time of notification. Power of attorney forms are provided on request and available on hufvudstaden.se.

Dividend

The Board of Directors proposes a dividend of SEK 2.80 per share, corresponding to a total dividend of SEK 566.5 million, for 2024. The record date is set as March 24, 2025 and the estimated payment date will be March 27, 2025.

Calendar

Interim Report, Jan–Mar 2025	May 8, 2025
Half-year Report, Jan–Jun 2025	August 21, 2025
Interim Report Jan–Sep 2025	November 6, 2025
Year-End Report 2025	February 12, 2026
Annual Report 2025	February 2026

Contact persons

Anders Nygren, President
Telephone: +46 8 762 90 00, anders.nygren@hufvudstaden.se
Åsa Roslund, Vice President, CFO
Telephone +46 8 762 90 00, asa.roslund@hufvudstaden.se

This information is also published on hufvudstaden.se. The Annual and Sustainability Report will be distributed to shareholders on request.



The reconstructed Vildmannen 7 strengthens Bibliotekstan as one of Stockholm's most attractive areas.

Sustainability notes

Hufvudstaden is preparing its sustainability reporting to meet the new requirements of the Swedish Annual Accounts Act (ÅRL), which will apply to the company from the 2025 financial year. These requirements are based on the EU Corporate Sustainability Reporting

Directive (CSRD) and European Sustainability Reporting Standards (ESRS). As of 2024, the sustainability notes are already structured according to the CSRD. Full reporting according to the new rules will take place from 2025.

General disclosures

REPORTING POLICIES

About the Sustainability Report

The Sustainability Report is incorporated in Hufvudstaden's Annual Report. Hufvudstaden's 2024 Sustainability Report comprises pages 6–7, 28–33, 43 and 96–108 and also constitutes Hufvudstaden's statutory sustainability report. The sustainability notes on pages 96–108 contain supplementary information and data on disclosures that are provided elsewhere in this Annual Report. The sustainability notes also present our materiality assessment on which the Sustainability Report is based. The Sustainability Report has been prepared in accordance with the GRI Standards 2021. Hufvudstaden has been reporting its sustainability information according to the GRI guidelines since 2011. Hufvudstaden also reports sustainability performance measures in accordance with the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations, third version (sBPR).

In 2024, Hufvudstaden was awarded EPRA sBPR Gold, which is proof of the company's structured work on transparent sustainability reporting.

In addition, an index with references to our reporting in relation to the GRI guidelines and EPRA's sBPR is published as a separate appendix on hufvudstaden.se/halbarhetsindex.

The Sustainability Report follows Hufvudstaden's financial year and is published annually in February. The 2024 Sustainability Report is limited assured by the company's auditor. The disclosures included in the auditor's review are described in the Auditor's Limited Assurance Report on page 109.

Scope and limitation

The Sustainability Report covers the entire Group. Sustainability information is primarily presented from the operations that have a significant and direct impact from a sustainability perspective, meaning Hufvudstaden's own operations, unless otherwise stated. Information about NK Retail is presented when it is significant for an overall view of Hufvudstaden's sustainability work, for example, when it relates to: emissions, suppliers audits or employees. Data collected from various subsidiaries is consolidated in a standardised manner following internal guidelines.

Operations that are outside Hufvudstaden's direct control, such as suppliers or customers, are not included in the Report. Information about the management and requirements placed on Hufvudstaden's suppliers is included in the Report where relevant.

SUSTAINABILITY GOVERNANCE

Sustainability is one of Hufvudstaden's overarching strategies for attaining financial and operational objectives. Sustainability is integrated in the processes for governance and monitoring of business activities.

The Board's work on sustainability

Hufvudstaden's Board monitors sustainability work and is continuously updated on its progress. The Sustainability Report is integrated into the financial reporting of the Annual and Sustainability Report that is reviewed, monitored and approved by the Board.

During the year, Hufvudstaden's sustainability work was reported to the Board, with a focus on sustainability targets, sustainability risks and the double materiality assessment as required by CSRD. Major deviations or measures related to Hufvudstaden's sustainability work and Code of Conduct are reported to the Board as necessary. No deviations were reported during the year.

Governance of sustainability activities

Hufvudstaden's Senior Executives decides on sustainability strategies, policies and goals. The President is ultimately responsible for the results of this sustainability work and for reporting to the Board. Hufvudstaden's Head of Sustainability prepares the sustainability targets and governs the work towards the targets set in cooperation with the Sustainability Council. The Head of Sustainability reports continuously to the Head of Property Development, who is a member of Senior Executives. Furthermore, the Head of Sustainability regularly informs all Senior Executives about the sustainability work.

Hufvudstaden's sustainability plan and the overall sustainability targets have been presented to employees to ensure that sustainability is incorporated throughout the organisation. Each department has then prepared its own individual sustainability targets together. These departmental sustainability targets are followed up in a forum that meets once per quarter comprising representatives from each Hufvudstaden unit. A review of Hufvudstaden's sustainability work is also part of the onboarding process for new employees. The operations track targets and follow procedures that help drive sustainability activities forward.

STRATEGY AND POLICIES

Hufvudstaden shall contribute to sustainable development and act responsibly. Our values and internal guidelines form the foundation of our sustainability work. Our Code of Conduct and our policies guide our actions and our work in society. Hufvudstaden's values are described on page 6.

Sustainability frameworks

Hufvudstaden's sustainability work is based on the ten principles of the UN Global Compact and the UN Sustainable Development Goals. The principles and the goals imbue our values and our guiding documents, such as the sustainability plan, Code of Conduct and policies. Hufvudstaden also supports Fossil-Free Sweden – Roadmap to Fossil-Free Heating 2045.

Code of Conduct

Hufvudstaden's Code of Conduct clarifies our responsibility and our actions in our dealings with internal and external stakeholders. The Code of Conduct is based on our values and the UN Global Compact and human rights established in other internationally recognised norms. The Code applies to all employees and sets out how we, our suppliers and our business partners should act as representatives of Hufvudstaden. Through the Code of Conduct, we take a stance on issues related to human rights, working conditions, the environment, business ethics and communication. Employees, suppliers and business partners must comply with applicable laws and regulations as well as our Code of Conduct which is appended to all major agreements.

All employees undergo training related to our Code of Conduct. The introductory programme for new employees includes training on sustainability, the Code of Conduct and other policies, and how to report deviations. It is prioritised that dilemmas and problems are regularly discussed regarding the Code of Conduct, for example on introduction days. Deviations from the Code of Conduct are to be reported to the immediate manager or, if this is not possible, to another representative of the Group.

NK Retail has its own introductory programme for employees which includes selected policies.

The Code of Conduct and applicable policies have been approved by Senior Executives. The Code of Conduct, Environmental Policy and Whistleblower Policy are public and available on hufvudstaden.se. Other policies are made available and known for the relevant personnel.

STAKEHOLDERS

A prerequisite for Hufvudstaden's work on mapping and analysing material sustainability areas is the input we receive from dialogues with our stakeholders. From a sustainability standpoint, tenants, employees, owners and other investors, business partners and society are the most important groups to conduct dialogue with since they are affected by our operations or have an opinion on the sustainability topics that we should focus on to meet their expectations of us. We continuously receive input from them from various channels, such as meetings, surveys and other forums for dialogue, and thereby ensure that we have approaches to stakeholder engagement that suit everyone. Questions from stakeholders are regularly addressed, for example at Board meetings, management meetings, in the Sustainability Council, shareholder meetings and in the daily contact between employees, customers, suppliers, partners and stakeholders in society. We also meet with a variety of experts in different sustainability areas every year. For instance, we meet consultants and companies in energy and climate, construction and property, banking and finance, and those who impose requirements on suppliers. We provide information about Hufvudstaden's sustainability activities and results through stakeholder dialogue.

Hufvudstaden's priority stakeholders

The following stakeholders were prioritised in the materiality assessment since they were identified as the most central considering Hufvudstaden's operations.

Priority stakeholders	Key topics	Approach to stakeholder engagement
Tenants	<ul style="list-style-type: none">• High level of service• Energy consumption• Climate emissions• Waste management• Social responsibility within the supply chain• Urban development	<ul style="list-style-type: none">• Customer satisfaction surveys• Tenant meetings• Newsletters• Green leases
Employees	<ul style="list-style-type: none">• Diversity and equal treatment• Social engagement• Skills development• Health and Safety• Leadership	<ul style="list-style-type: none">• Performance and career development review• Employee satisfaction surveys• Employee meetings• Conferences
Owners and other investors	<ul style="list-style-type: none">• Long-term business strategy• Transparent and material sustainability work and communication• Social responsibility within the supply chain• Business ethics	<ul style="list-style-type: none">• Annual General Meeting and analyst meetings• Annual report and interim reports• Investor meetings
Business partners	<ul style="list-style-type: none">• Sustainability requirements in established partnerships• Communication related to sustainability topics	<ul style="list-style-type: none">• Procurement and agreements• Code of Conduct• Supplier assessments
Society	<ul style="list-style-type: none">• Accountability for impact of the operations• Communication related to sustainability topics• Social responsibility within the supply chain	<ul style="list-style-type: none">• Annual report• Website• Media

MATERIALITY ASSESSMENT

Hufvudstaden regularly assesses the relevancy of its sustainability activities by systematically analysing and mapping the company's positive and negative impact on its environment.

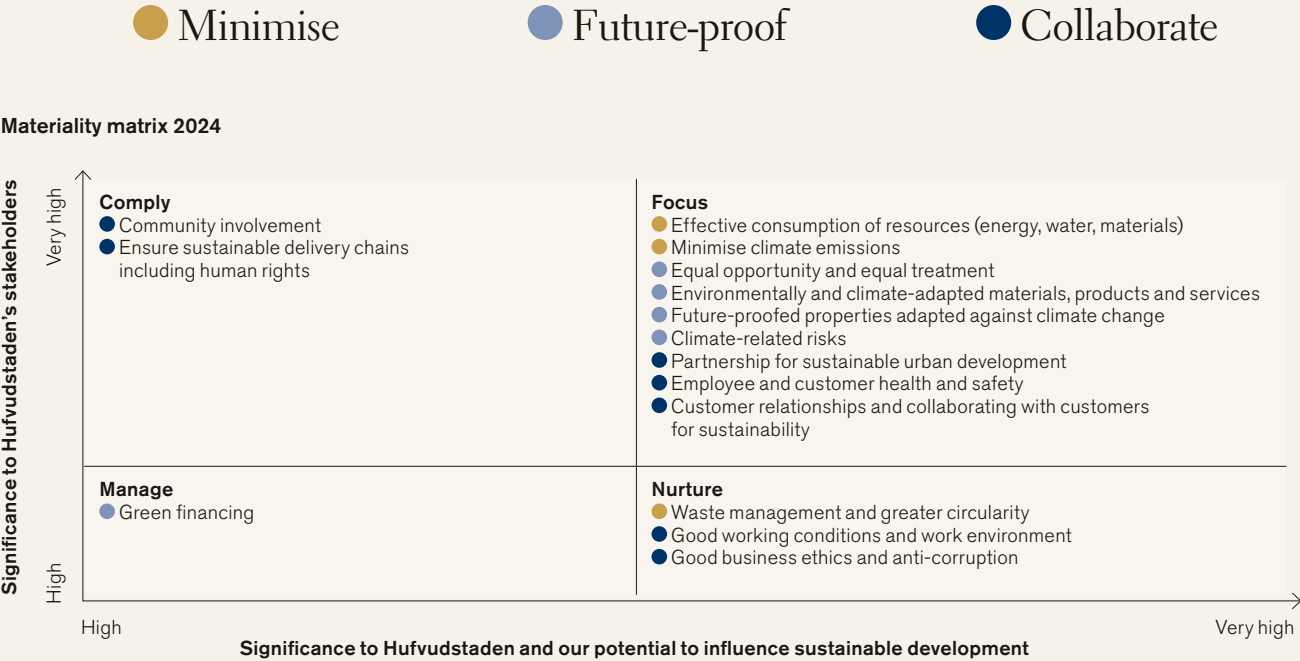
Materiality assessment

Hufvudstaden's materiality assessment is carried out based on a holistic approach, and assessed our impact on a number of different sustainability areas. The aim is to identify the areas in which the company's sustainability impact was most significant. The assessment resulted in Hufvudstaden identifying sustainability areas with high to very high significance for the company and Hufvudstaden's stakeholders, and the company's ability to contribute to sustainable development. Subsequent analyses were based on the high priority areas. To determine which sustainability areas are material in the sustainability context in which we operate, we first performed an assessment of the areas in which we have an actual and a potential impact based on an environmental, economic and social perspective, including human rights. The Sustainability Council then assessed and prioritized all identified sustainability areas based on their relevance to work with and report on. The impact can be negative or positive, short, medium or long-term. In consultation with the Hufvudstaden Sustainability Council, all identified sustainability areas were subsequently assessed and prioritised based on their relevancy for working or reporting on. The assessment meets the requirements of the 2021 Global Reporting Initiative (GRI) Standards.

Our scope is all of Hufvudstaden's operations, meaning all subsidiaries, business areas, products and services. The assessment was based on input from stakeholder dialogues, extensive business intelligence and discussions with internal and external experts. Hufvudstaden's responsibilities were also analysed based on legislation, economic, environmental and social challenges, including human rights, at local, regional and global levels. Furthermore, our business relationships and stakeholders were analysed. The analysis was carried out to understand the context of our sustainability activities. The results of the materiality assessment, meaning the matrix presented below, show the sustainability areas that are a high priority for working and reporting on, were approved by Hufvudstaden's Senior Executives.

Material sustainability topics

A total of 15 sustainability matters were identified as material through the materiality assessment. They have been divided into three focus areas: Minimise, Future-proof and Collaborate – which also constitute Hufvudstaden's sustainability plan that is presented in its entirety on pages 28–31. No major changes have taken place compared with the preceding year.



Double materiality assessment

In 2024, we continued to prepare for the upcoming CSRD reporting through a parallel assessment in which we drafted a double materiality assessment. The aim of these activities is to identify the company's material impacts, risks and opportunities sorted by impact and financial materiality to support the design of future sustainability reporting. This assessment was not used as a basis for the content of this report.

Environmental disclosures

EU TAXONOMY

The Taxonomy Regulation (EU 2020/852) is a classification system that is to offer guidance to financial actors to identify economic activities that make a substantial contribution in helping the EU achieve its climate targets and green growth strategy. The Taxonomy is based on six environmental objectives. For Hufvudstaden, economic activities with a significant impact on the climate and actions for climate change adaptation (environmental objectives 1 and 2) are deemed applicable. When constructing new buildings and renovating existing buildings, environmental objective 4 (transition to a circular economy) is also deemed applicable.

Under the Regulation, companies are to report the proportion of their turnover (sales), investments (CapEX) and operating expenditure (OpEX) that are taxonomy-eligible and taxonomy-aligned. These key performance indicators were calculated in accordance with the definitions stated in 1.1.1, 1.1.2 and 1.1.3 in Annex I to the Climate Delegated Act on disclosure obligations in accordance with Article 8 of the Taxonomy Regulation.

Taxonomy-eligible economic activities are considered to be aligned with the Regulation – qualify as environmentally sustainable – if they meet the requirements for making a substantial contribution to at least one of the environmental objectives, do no significant harm to any of remaining environmental objectives, and if the social minimum safeguards are met.

Minimum safeguards

According to the Taxonomy Regulation, minimum safeguards must be met for responsible business in order for economic activities to be classified as aligned. These include the areas of human rights, bribery and corruption, tax and fair competition. Compliance with minimum safeguards is assessed based from a two-dimensional perspective. Prevention through preventive measures with controls of implemented processes for managing each area. The effectiveness of these measures is subsequently verified by reviewing outcomes. Hufvudstaden complies with the requirements of minimum safeguards. Read more about how we work with the various areas on pages 40, 43, 96–97 and 106–108.

Applicable economic activities

Hufvudstaden has assessed the eligible taxonomy activity for turnover and OpEx to be activity 7.7 Acquisition and ownership of buildings. A large volume of CapEx is attributable to activity 7.7, although investments are also made in properties that are non-aligned. Where applicable, these are allocated to the relevant taxonomy activity, thus also encompassing activities 7.1–7.6, see definition on page 100. Taxonomy-eligible environmentally sustainable activities that are not considered aligned for 2024 are due to the fact that some DNSH criteria cannot be met, mainly due to a lack of data from suppliers.

Acquisition and ownership of buildings

Substantial contribution to climate change mitigation

Buildings constructed before December 31, 2020 with energy class A or are included among the top 15 per cent of the national portfolio in terms of energy efficiency meet the requirements for making a substantial contribution. The top 15 per cent is assessed on the basis of thresholds developed by the Swedish Property Federation for energy performance. Hufvudstaden bases its assessment of the top 15 per cent of properties on their current energy declarations.

Do no significant harm (DNSH)

Climate risk and vulnerability assessments were carried out on all investment properties (in accordance with the Taxonomy Regulation's Appendix A). Based on the results, an assessment was made of whether the individual property risks doing any significant harm to the environmental objectives. Mainly flooding resulting from heavy rainfall or rising water levels present the largest potential climate risks. Properties with no or a low risk profile are considered to meet the DNSH requirement for a climate-adapted property. Properties with a material risk profile meet the DNSH requirement if the property at risk has an action plan for climate change adaptation activities that is followed up every year.

Turnover

Total turnover is stated in Note 3. Taxonomy-eligible turnover includes rent revenue and service revenue from investment properties and revenue from Cecil Coworking and Parkaden that is recognised in Other operations segments. The eligible turnover's alignment is assessed with regard to activity 7.7, environmental objective 1 and is deemed to be aligned if the criteria stated in the preceding paragraph are met. Aligned turnover amounted to 15 per cent (11) of total turnover and 96 per cent of this is made up of rental revenue from investment properties. Compared with the previous year, aligned turnover increased, mainly due to more aligned properties.

CapEx

Total CapEx refers to value-enhancing improvements and acquisitions in investment properties (Note 16) and intangible fixed assets and investments in equipment (refer to Note 15 and 17). If a property is taxonomy-aligned, the CapEx in the property is taxonomy-eligible and taxonomy-aligned and is recognised under activity 7.7. CapEx in a property that is not taxonomy-aligned is assessed at project level by analysing it against technical screening criteria for substantial contributions and to do no significant harm to the economic activity that is taxonomy-eligible for the individual investment. This CapEx is reported under each activity 7.1–7.6. All CapEx reported for activities 7.1–7.7 is attributable to investment properties. The precautionary principle is applied to the assessment of taxonomy-alignment, which means that the CapEx is considered not to be taxonomy-aligned if there is no data to assess compliance. Aligned CapEx increased to 9 per cent (1), mainly due a higher number of aligned properties than in the previous year.

OpEx

Total operating expenses, as defined by the taxonomy, which is eligible consist of repairs and maintenance. Taxonomy-eligible OpEx in investment properties refers to renovation, property maintenance, governance, daily and planned maintenance and repairs. If a property is taxonomy-aligned, the taxonomy-eligible OpEx in that property become aligned under activity 7.7. OpEx is not assessed at project level. Aligned OpEx increased to 11 per cent (8) due a higher number of aligned properties than in the previous year.

SUSTAINABILITY NOTES

KPIs for turnover, CapEx and OpEx are calculated as follows:

Proportion of taxonomy-eligible KPI = Eligible KPI / Total KPI

Proportion of taxonomy-aligned KPI = Aligned KPI / Total KPI

Applicable economic activities
7.1/3.1 Construction of new buildings (7.1 refers to CCM and CCA, 3.1 refers to CE)
7.2/3.2 Renovation of existing buildings (7.2 refers to CCM and CCA, 3.2 refers to CE)
7.3 Installation, maintenance and repair of energy efficiency equipment
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
7.6 Installation, maintenance and repair of renewable energy technologies
7.7 Acquisition and ownership of buildings

Table legend
Column 2
Environmental objectives and index of economic activities

A.1 column 5–10
Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL: Taxonomy-non-eligible activity for the relevant environmental objective

A.2 column 5–10
EL: Taxonomy eligible activity for the relevant objective
N/EL: Taxonomy-non-eligible activity for the relevant environmental objective

Column 19–20
E: Enabling activity
T: Transitional activity

General
Line "-": Not applicable

Environmental objectives
CCM = Climate change mitigation
CCA = Climate change adaptation
WTR = Water and marine resources
CE = Circular economy
PPC = Pollution Prevention and Control
BIO = Biodiversity and ecosystems

Turnover, 2024

				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code(s) (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					
Economic activities (1)																				
Unit		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings	CCM 7.7	476	15	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	11	–	–	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		476	15	15	–	–	–	–	–	–	Y	–	–	–	–	Y	11			
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E		
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Acquisition and ownership of buildings	CCM 7.7	1,774	56	EL	N/EL	N/EL	N/EL	N/EL	N/EL							62				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,774	56	56	–	–	–	–	–							62				
A. Turnover of Taxonomy eligible activities (A.1+A.2)		2,250	71	71	–	–	–	–	–							73				
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		929	29																	
TOTAL (A+B)		3,179	100																	

SUSTAINABILITY NOTES

CapEx 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code(s) (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					
Economic activities (1)																				
Unit		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Charging stations for electric vehicles in buildings	CCM & CCA 7.4	4	0	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0	E	–	
Devices for energy performance of buildings	CCM & CCA 7.5	2	0	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0	E	–	
Renewable energy technologies	CCM & CCA 7.6	2	0	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0	E	–	
Acquisition and ownership of buildings	CCM & CCA 7.7	80	8	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	1	–	–	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		88	9	9	–	–	–	–	–	–	Y	–	–	–	–	Y	1			
Of which Enabling		8	1	1	–	–	–	–	–	–	Y	–	–	–	–	Y	1	E		
Of which Transitional		–	–	–							–	–	–	–	–	–	–		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Construction of new buildings	CCM & CCA 7.1/CE 3.1	6	1	EL	EL	N/EL	N/EL	EL	N/EL									13		
Renovation of existing buildings	CCM & CCA 7.2/CE 3.2	576	58	EL	EL	N/EL	N/EL	EL	N/EL									28		
Energy efficiency equipment	CCM & CCA 7.3	16	2	EL	EL	N/EL	N/EL	N/EL	N/EL									6		
Acquisition and ownership of buildings	CCM & CCA 7.7	289	29	EL	EL	N/EL	N/EL	N/EL	N/EL									47		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		887	89	89	–	–	–	–	–									94		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		975	98	98	–	–	–	–	–									95		
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		16	2																	
TOTAL (A+B)		991	100																	

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	8%	98%
CCA	%	98%
WTR		
CE	%	59%
PPC		
BIO		

SUSTAINABILITY NOTES

OpEx, 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Unit		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/Y	Y/Y	Y/Y	Y/Y	Y/Y	Y/Y	Y/Y	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7/7	9	11	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	8	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9	11	11	–	–	–	–	–	–	Y	–	–	–	–	Y	8		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM & CCA 7/7	54	64	EL	EL	N/EL	N/EL	N/EL	N/EL							67			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		54	64	64	–	–	–	–	–							67			
A. OpEx of Taxonomy eligible activities (A.1+A.2)		63	75	75	–	–	–	–	–							78			
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		21	25																
TOTAL (A+B)		84	100																

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	11%	75%
CCA	%	75%
WTR		
CE		
PPC		
BIO		

Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	Yes/No
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

SUSTAINABILITY NOTES

CLIMATE CHANGE

Climate-related risks and opportunities

Hufvudstaden performs regular assessments of the property holdings in relation to climate change. The aim of this work is to understand, assess, and facilitate the management of future risks to future-proof our properties and minimise possible financial impact. We previously supported the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations for identifying and analysing climate-related risks and opportunities. With the implementation of CSRD, we are now gradually starting to apply ESRS in order to meet the new sustainability reporting requirements. During 2024, we continued to implement torrential rain measures in line with established torrential rain and flooding assessments. For example, we installed several landscape drains in our courtyards. The drains prevent flooding in the properties' courtyards by diverting the water towards the street instead. We also created an emergency storage, which contains equipment for torrential rain, including water barriers, wet vacuum cleaners, emergency pumps and drying materials. We can thereby act swiftly in the event of flooding and hopefully

reduce possible damage to the properties. These climate risk assessments form the basis of Hufvudstaden's work on climate adaptation of its properties. For more information, refer to page 30.

Scenario analyses

The scenario analyses are based on two different climate scenarios – one in which emissions essentially follow the current levels (RCP 8.5) and one in which we successfully meet the Paris Agreement (RCP 2.6). Climate-related risks include both transition risks and physical risks. Transition risks include technology-related risks, regulatory and legal risks, market risks and reputational risks. Physical risks can be of an acute type, such as extreme weather and chronic physical risks that are connected with recurring changed weather patterns or elevated water and temperature levels. It is probable that several aspects of both scenarios will occur, as well as events that we cannot forecast today. We are closely monitoring developments and working continuously to assess whether needs or conditions have changed.

Description of scenario	Risks	Opportunities	Potential financial impact
In line with the Paris Agreement	<ul style="list-style-type: none">Higher taxes and fees, as well as increased regulations for carbon emissions and construction.Older and/or culturally protected properties are difficult to make energy-efficient, making them less attractive.Requirements to reduce emissions in the value chain place high demands on changes in business and the company.Higher prices for energy, materials and transport due to higher demands.Increased need for investment to enhance the energy efficiency and climate adapt properties.	<ul style="list-style-type: none">Increased urbanisation and densification in city centres and proximity to established services and infrastructure make Hufvudstaden's holdings attractive.Increased demand for innovation and new technology offered by Hufvudstaden.Increased demand for high utilisation of properties.Reduced need for energy due to more efficient use of resources results in lower energy costs.Customers' and investors' increased sustainability requirements make Hufvudstaden a more attractive property owner and investment.	<ul style="list-style-type: none">More investments in the transition.Increased costs for climate adaptations.Possibility of higher rents for highly climate-adapted properties.Higher valuation for climate-adapted properties.
Emissions continue at today's levels	<ul style="list-style-type: none">Damage to property from extreme weather, for example storms and heatwaves.Water damage to properties that have been flooded due to increased heavy rainfall and/or water level increases.Greater shortage of electricity and energy due to increased needs in society.Failed climate adaptation of properties means that buildings could need to be closed periodically and be unusable.Failed or low level of climate adaptation makes properties less attractive.Considerable need for increased maintenance and repairs due to a warmer and more humid climate having a negative impact on technology and construction material.Increased costs not covered by insurance policies.	<ul style="list-style-type: none">Increased need for climate adaptation in major cities raises the willingness of the city and other stakeholders regarding joint efforts and collaboration, such as building flood defences.Increased willingness to pay for climate adaptation in cities where many stakeholders and people are affected.Climate-adapted properties make Hufvudstaden a more attractive property owner.	<ul style="list-style-type: none">Increased investments in the management of climate change.Increased costs for climate adaptations.Increased energy costs.Increased operating and maintenance costs.Higher insurance premiums/costs.Reduced value of properties that are not climate-adapted.Increased value for properties that are climate-adapted.Reduced rent revenue, for example, for basement levels that cannot be leased.

¹⁾ Source: smhi.se/en/climate/future-climate/future-climate

SUSTAINABILITY NOTES

Energy consumption

Energy use has a major impact on our climate emissions. We are therefore working continuously on improving the energy efficiency of our properties and increasing the share of non-fossil energy.

Type of energy ¹⁾	EPRA code	Energy consumption		Proportion of non-fossil energy consumption, %	
		2024	2023	2024	2023
District heating, normal year-adjusted, MWh		15,262	15,188	96	95
District cooling, MWh		3,476	3,815	100	100
Total district heating and district cooling, normal year-adjusted, MWh	DH&C-Abs, DH&C-Lfl	18,738	19,003	97	96
Property electricity, MWh	Elec-Abs, Elec-Lfl	18,180	18,158	100	100
Total energy consumption, normal year-adjusted, MWh		36,917	37,161	98	98
Energy intensity, normal year-adjusted, kWh/sq m	Energy-int	85	86	98	98
Total energy consumption, non-normal year-adjusted, MWh		36,218	37,600	96	96

¹⁾ Energy consumption refers to investment properties. Energy from the block Inom Vallgraven 12 where the Johanna project is conducted is excluded.

All data for indirect energy consumption excludes tenant electricity. We do not use any fuel oils or gas to heat our properties.

Climate emissions

Hufvudstaden's climate emissions come from several different sources. To enable the comparison of greenhouse gases, they have been recalculated as carbon dioxide equivalents (CO₂e). Emissions calculations are based on the international guidelines set out in the GHG Protocol and Hufvudstaden also applies the Swedish Property Federation's guidance for Scope 3 reporting.

The calculations of Hufvudstaden's climate emissions (CO₂e) are continuously developed to achieve more reliable performance measures and to include more emission items. The calculation pertains to the most significant emissions included in our overall targets. For Scope 3, part of the calculations is based on actual data and part on standard amounts. For the calculation of emissions from adaptations and major development projects, in particular, there is limited availability of reliable data and, accordingly, Hufvudstaden used generic values and standard amounts. Most Scope 3 emissions have been rounded to the nearest sum of ten or a hundred.

Most of NK Retail's climate emissions are included in Hufvudstaden's emissions, since NK Retail leases retail space in the NK department stores and office space in one of Hufvudstaden's properties. Special climate emissions reported for NK Retail were indirect emissions (Scope 3) for energy

use and waste from a leased warehouse and transport between warehouse and department store. A significant part of NK Retail's climate impact is deemed to derive from the production of the products sold by NK Retail. Due to its complexity, these emissions have not been calculated yet. Transport of the products from suppliers to NK Retail's warehouse is not currently included either.

Green building certification

The certification process provides us an independent audit to determine whether the building meets energy, indoor environment and materials standards. The aim is to certify all properties by 2025 at the latest.

Green building certified properties

System	EPRA code	Number	sq m, a-temp	Certified area, %
BREEAM In-Use		17	356,706	78
Sweden Green Building Council		1	9,181	2
GreenBuilding		1	17,998	4
Total	Cert-Tot	19	383,885	84

Climate emissions, tonnes CO ₂ e		EPRA code	2024	2023
Direct emissions	Scope 1	GHG-Dir-Abs	291	106
Refrigerants			290	106
Cars in service			1	0
Indirect emissions for production of purchased energy	Scope 2	GHG-Indir-Abs	885	853
Electricity			0	0
District heating			726	762
District cooling			0	0
Energy project properties			159	91
Other indirect emissions	Scope 3	GHG-Indir-Abs	5,118	4,617
Property operations	Scope 3 Property operations		5,014	4,534
Adaptations	Scope 3 Property operations		1,300	1,500
Major development projects	Scope 3 Property operations		2,300	1,500
Waste from tenants	Scope 3 Property operations		10	40
Waste from construction projects	Scope 3 Property operations		100	400
Energy and fuel	Scope 3 Property operations		530	220
Tenant electricity	Scope 3 Property operations		770	870
Business travel	Scope 3 Property operations		4	4
NK Retail ¹⁾	Scope 3 NK Retail		103	83
Total	Scope 1+2+3		6,293	5,577

¹⁾ Specific emissions from NK Retail's operations that are not included in other data for Hufvudstaden.

SUSTAINABILITY NOTES

Performance measures			2024	2023
Carbon dioxide intensity, kg/sq m a-temp	Scope 1+2	GHG-Int	2.7	2.2
Carbon dioxide intensity, kg/sq m GFA	Scope 1+2	GHG-Int	2.3	1.9
Climate-neutral property management, tonnes CO ₂ e	Scope 1+2+business travel		1,180	964
Scope 2 according to optional methods			2024	2023
Market-based valuation ¹⁾ (Market based)			890	850
Location-based valuation ²⁾ (Location based)			3,130	3,080

¹⁾ Scope 2 emissions, for which the climate impact of purchased electricity is calculated on the basis of guarantees of origin.

²⁾ Scope 2 emissions, for which the climate impact of purchased electricity is calculated on the basis of the average Nordic mix.

Explanation of calculations on page 104 (Climate emissions, tonnes CO₂e):

Adaptations: Pertains to indirect emissions from adaptations completed during the year. To calculate emissions from adaptations, we used a typical Hufvudstaden adaptation as a basis, with all inherent components, and then calculated the emissions from these. Most of the construction materials or products used have no reliable emissions data. In these cases, we have used generic data. The concluding projects for the year were organised into small, medium and large projects. The emissions only pertain to climate impact for inherent construction materials.

Major development projects: Pertain to indirect emissions from inherent construction materials for large projects, such as extensions or redevelopment. Emissions are reported from the development project Johanna block for the year.

Waste from tenants: Indirect emissions from tenants. Calculated using standard values based on reported amounts.

Waste from construction projects: Indirect emissions from construction and demolition waste. Calculated using standard values based on reported amounts.

Biogenic emissions: Biogenic emissions were not taken into account.

Energy and fuel: Pertains to indirect energy and fuel-related emissions.

Tenant electricity: Refers to indirect emissions from tenant electricity for which tenants have their own contracts. The amount of tenant electricity was calculated using standard templates.

NK Retail: Pertains to indirect emissions from leased warehouse and transport between warehouse and NK department stores.

Business travel: Pertains to indirect emissions from air and train travel. All travel is calculated based on the emission data reported by each operator.

WATER AND MARINE RESROUCES

Water use

Hufvudstaden reports water data based on EPRA guidelines. We are party to most water supply agreements used by tenants. Reporting of water consumption thus includes water used in property operation and water used by tenants in their operations. Most water consumption is by our tenants and we have limited opportunities to influence use. Consumption differs depending on activities, for example restaurants are major water consumers. We install low-flow equipment in our projects.

Water

Water consumption	EPRA code	2024	2023
Municipal water, m ³	Water-Abs, Water-Lfl	196,524	192,494
Water intensity, m ³ /sq m	Water-Int	0.45	0.44

RESOURCE USE AND CIRCULAR ECONOMY

Waste

Hufvudstaden reports waste data based on EPRA guidelines. We report data for tenant waste volumes managed by Hufvudstaden for which the company has waste disposal contracts. As sorted waste is managed mainly by tenants, we do not have complete statistics on waste management from the properties. Complete statistics regarding combustible waste are not available from our suppliers for several properties. Estimated figures are used for these properties.

For the projects with reliable statistics over construction and demolition waste, the sorting rate is approximately 96 per cent (92).

Waste

Type of waste, tonnes	EPRA code	2024	2023
Non-hazardous waste, total		1,882	1,996
Re-use		–	–
Recycling of materials		670	673
Incineration with energy recovery		1,209	1,324
Incineration without energy recovery		–	–
Landfill		3	–
Hazardous waste, total		11	19
Recycling of materials		11	19
Incineration with energy recovery		–	–
Incineration without energy recovery		–	–
Landfill		–	–
Total waste	Waste-Abs, Waste-Lfl	1,893	2,016
Sorting rate, %		36	34

SUSTAINABILITY NOTES

Social disclosures

OWN WORKFORCE

Employees	Group	Property operations	NK Retail	Group	Property operations	NK Retail
Employees, FTE ²⁾	2024	2024	2024	2023	2023	2023
Total number of employees	494	180	314	477	182	295
– of whom, women	359	92	267	349	97	252
– of whom, men	135	88	47	128	85	43

²⁾ Restated as full-time equivalents on an annual basis.

Diversity and equal opportunity

	Group		Property operations		NK Retail		Group		Property operations		NK Retail	
	2024		2024		2024		2023		2023		2023	
Diversity and equal opportunity, %	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Board of Directors												
Aged <30	0	0	0	0			0	0	0	0		
Aged 30–50	11	0	11	0			11	0	11	0		
Aged >50 years	22	67	22	67			22	67	22	67		
Senior Executives												
Aged <30	0	0	0	0			0	0	0	0		
Aged 30–50	13	13	13	13			13	13	13	13		
Aged >50 years	26	48	26	48			25	49	25	49		
Other employees												
Aged <30	24	5	10	7	30	4	22	5	13	6	26	4
Aged 30–50	34	12	30	24	36	8	35	11	28	23	38	7
Aged >50 years	19	6	14	15	20	2	21	6	16	14	23	2

The Group's equality goal is to have a gender structure with at least 40/60-per cent distribution between women and men in all working groups. Certain working groups have achieved an even gender distribution while other parts of operations have a gender imbalance. Gender equality is a topic we work on continuously. Hufvudstaden does not track diversity indicators such as religious affiliation or ethnicity among employees.

Performance and career development review

Hufvudstaden's target is for all employees to have performance and career development reviews annually. All employees in the Group have had performance and career development reviews during the year. During performance and career development reviews, managers and employees engage in dialogue concerning working environment, satisfaction, performance and draft an action plan for goals and skills development going forward. The number of training hours is not reported due to the lack of quality-assured data.

Occupational health and safety

Hufvudstaden has a policy, committee and representative within health and safety in accordance with the Work Environment Act. Responsibility and duties are delegated according to established delegation rules and in the event of any incidents or near-misses, employees are instructed to contact their line managers first. Systematic health and safety management is also designed to continuously review risks, recommend actions and promote further development within the physical and psychosocial working environment. The Health and Safety Committee review and continuously monitor systematic health and safety activities. The health and safety committee also

ensure that work environment checks are conducted regularly, and that incidents and potential dangers are addressed and investigated. The health and safety representative is the employees' representative with regard to health and safety issues and works to ensure that reliable safeguards are in place to protect employees. The Health and Safety Committee, health and safety representatives and managers receive training in systematic health and safety management, which includes employee training in CPR and first aid.

Hufvudstaden offers individualised skills development, a health and fitness allowance, health checks, occupational health care, health insurance, massage and ergonomics consultations. NK Retail has a separate structure for employee health, under which all employees are offered individual skills development, fitness allowances and occupational healthcare services.

For further information about our approach to health and safety among employees and in business relationships, see pages 31, 32, 40, 43 and 107–108 and the information below regarding work-related injuries.

Total absenteeism due to illness in 2024 amounted to 5.5 per cent, an increase compared with the preceding year's 4.6 per cent. Total absenteeism due to illness by women and men during the year was 5.9 per cent and 4.4 per cent, respectively.

SUSTAINABILITY NOTES

Work-related injuries	2024		2023	
	Employees	Suppliers	Employees	Suppliers
Number of fatalities	0	0	0	0
Number of workplace accidents with absence of >8 hours	0	6	0	0
– of which high-consequence ¹⁾	0	0	0	0
Number of work-related injuries ²⁾	0		0	

¹⁾ Refers to accidents with absence of more than six months.
²⁾ This performance measure is not measured for suppliers.

Employees, at year-end

	Group	Property operations	NK Retail	Group	Property operations	NK Retail
Employees, head count ¹⁾	2024	2024	2024	2023	2023	2023
Total number of employees	682	195	487	652	198	454
Women						
Number of permanent employees	442	97	345	435	104	331
– of whom, full-time	149	85	64	159	88	71
– of whom, part-time	293	12	281	276	16	260
Number of temporary employees	81	7	74	72	8	64
Men						
Number of permanent employees	143	89	54	132	81	51
– of whom, full-time	99	81	18	97	80	17
– of whom, part-time	44	8	36	35	1	34
Number of temporary employees	16	2	14	13	5	8

¹⁾ Total number of employees.

The share of new employees in the Group during the year was 20 per cent (20) for women and 5 per cent (4) for men. Personnel turnover was approximately 21 per cent (19). For Property operations excluding NK Service and NK Retail, personnel turnover was 10 per cent (7).

WORKERS IN THE VALUE CHAIN

Supplier requirements

Hufvudstaden's main suppliers are primarily in the construction and property maintenance sectors. The Code of Conduct defines our expectations and suppliers must comply with our criteria. Requirements based on our Code of Conduct are placed in connection with procurement and purchases of goods and services, augmented by requirements in the areas of health and safety, working conditions and the environment, which includes the precautionary principle. Health and safety is a particular priority because building and maintenance work can be risky. Everyone who works on behalf of Hufvudstaden must, regardless of who is the employer, have terms and conditions of employment and a work environment that as a minimum comply with current legislation. For redevelopments, new production, adaptations and maintenance, we follow an Environmental Programme that describes environmental targets and requirements for the projects. Environmental work is a partnership between the project management, planners and contractors, and environmental topics are a standing item on the agenda at planning and construction meetings. The suppliers are responsible for meeting the criteria stipulated in the Environmental Programme. Hufvudstaden's project managers and property managers procure, govern and check suppliers to ensure that they comply with set requirements.

Existing suppliers are subject to regular quality, budget, contractual and sustainability audits. To examine and ensure that suppliers and contractors comply with the requirements, we also carry out internal and third-party audits. We perform regular environmental, health and safety audits for major development projects. Monitoring is an important element to ensure a high standard of sustainability in projects and among suppliers. Current main suppliers undergo systematic sustainability audits every year. These audits are based on self-assessments. The responses in these self-assessments form the basis of the risk assessments of the suppliers. Using such risk assessments, we can identify suppliers with a high risk of deviating from set sustainability requirements. Based on the risk assessment, we can subsequently proceed with an expanded audit if necessary. The target is that all main suppliers will

Work-related injuries and illnesses and accidents, including serious ones, are managed according to established procedures and must always be reported to the Swedish Work Environment Authority. An external occupational health care provider may be contacted in connection with work-related injuries to provide support. The number of near-misses and incidents is not reported due to the lack of quality-assured data.

Non-discrimination

No cases of discrimination were reported during the year.

Governance disclosures

AFFECTED COMMUNITIES

A selection of initiatives in which Hufvudstaden participates:

- Swedish Property Federation
- Byggsvarubedömningen
- Sweden Green Building Council
- Swedish Energy Agency Construction Clients Forum for Commercial Premises (BELOK)
- The Real Estate Industry's Initiative for a Sustainable Supply Chain (FIHL)
- Klimatarena Stockholm
- Handslaget
- Real Estate Digitalization Initiative (REDI)

CONSUMERS AND END-USERS

Customer health and safety

Hufvudstaden endeavours to safeguard the health and safety of its customers and to ensure that no one is harmed in its operations. All properties are evaluated according to health and safety requirements. This applies to areas including systematic fire protection, inspections of sprinkler, lifts and electric gates, mandatory ventilation inspections, electrical safety inspections and energy declarations. It is vital that the properties meet these requirements since it is a central component of the tenants' work environment.

In addition to regulatory requirements, NK Retail sets quality and safety demands on all product suppliers, which is one way to ensure safe products. Some product categories have particularly strict demands.

Reported deviations are followed up by following internal guidelines in each area. In 2024, no deviations were reported regarding legislation, rules or procedures relating to customers' health and safety.

BUSINESS CONDUCT

Whistleblowing

Hufvudstaden has a whistle-blower service that can be accessed from the website and the intranet. NK Retail has its own whistle-blower service, which employees can access internally. Both services make it possible for people to anonymously report suspicions of corruption, bribery and other breaches via an external party. All reports are handled confidentially following established procedures. Two cases were reported to the whistle-blower service during the year. The cases were classified as not eligible under the whistle-blower framework. The matters were investigated in accordance with internal guidelines.

Socioeconomic and environmental compliance

Hufvudstaden was not sentenced or ordered to pay any fines during the year due to any breach of social or economic laws. No significant fines or non-monetary sanctions were imposed on Hufvudstaden for breaches of environmental laws in 2024. However, two small fees of SEK 1,000 each were paid due to the late submission of refrigerants reports.

Anti-corruption

Hufvudstaden is committed to ensuring honest and fair business transactions and has zero tolerance of corruption. Being an honest and reliable business partner promotes good relationships with stakeholders. The construction and property sectors share challenges in the form of achieving safe and secure workplaces free from, for example, corruption and inequality. Large purchasing and procurement processes in construction projects entail the risk of corruption. We set requirements and audit suppliers to mitigate risks. It is important that irregularities that concern the company and which could cause serious harm to the business or our employees are detected and investigated as soon as possible.

Auditor's Limited Assurance Report on Hufvudstaden AB (publ) Sustainability Report and statement on the Statutory Sustainability Report

Unofficial translation

To the annual general meeting of Hufvudstaden AB (publ), corporate identity number 556012-8240

Introduction

We have been engaged by the Board of Hufvudstaden AB (publ) to undertake a limited assurance of Hufvudstaden AB (publ)'s Sustainability Report for the year 2024. The company has defined the scope of its sustainability report on page 0 in this report. The statutory sustainability report is defined on page 0.

Responsibilities of the Board and Senior Executives

The Board of Directors and Senior Executives 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 the older version that applied before 1 July 2024. The criteria are described on page 96 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Hufvudstaden AB (publ) has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements 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 conducted our examination regarding 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 an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Hufvudstaden AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Senior Executives as described above. We consider these criteria as 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 conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Senior Executives.

A Statutory Sustainability Report has been prepared.

Stockholm, 14 February 2025
PricewaterhouseCoopers AB

Magnus Svensson Henryrson
Authorised Public Accountant

PROPERTIES

Properties

		Rentable floor space, sq m													
Property designation	Address	Site area, sq m	Year of purchase	Year of construction redevelopment	Tax value 2024, SEK m	Office	Retail	Restaurants	Cinemas	Storage	Parking	Residential	Other	Total	
STOCKHOLM BUSINESS AREA															
Kungsgatan Management Area															
Hästhuvudet 13	Sveavägen 21–23, Kungsgatan 40–42, Apelbergsgatan 35–37, Olofsgatan 2–4	1,302	1929/99	1919/32/94/2001	548.0	4,964	1,795			176				6,935	
Järnplåten 28	Sveavägen 24–26, Oxtorgsgatan 18–20, Kungsgatan 39	1,085	1928/54	1958/95	637.0	6,411	1,341			1,504			10	9,266	
Kåkenhusen 40	Brunnsgatan 1–9, Norrlandsgatan 29–33, Kungsgatan 4–10	4,934	1921/2011	1926/28/30/32/84/85/89/91	1,593.0	17,204	2,897	1,668		868				22,637	
Oxhuvudet 18 ¹⁾	Kungsgatan 32–38, Sveavägen 28–30, Apelbergsgatan 27–33, Malmkillnadsgatan 39	4,509	1926	1931/85/89/91	1,956.0	20,759	5,069			2,024	1,612		5	29,469	
Total		11,830			4,734.0	49,338	11,102	1,668	-	4,572	1,612	-	15	68,307	
Norrmalmstorg Management Area															
Kvasten 2	Norrlandsgatan 16, Jakobsbergsgatan 11	934	1966	1987	336.0	2,868	372	453		281	726			4,700	
Kvasten 6 ¹⁾	Biblioteksgatan 5, Mäster Samuelsgatan 6–8	2,075	1915	1917/90	553.0	2,816	1,563	2,600		99				7,078	
Kvasten 9	Biblioteksgatan 7, Jakobsbergsgatan 5–9	822	1955	1978/95	338.0	2,458	559	78		342				3,437	
Norrmalm 2:63 ²⁾	Norrmalmstorg		1992	1993	20.4			194						194	
Packarhuset 4 ^{1),3)}	Norrmalmstorg 1, Hamngatan 8, Norrlandsgatan 2, Smålandsgatan 11	2,195	2000	1932/2003	1,414.0	11,204	3,654			508				15,366	
Pumpstocken 10 ¹⁾	Birger Jarlsgatan 13–15, Mäster Samuelsgatan 2–4, Biblioteksgatan 10–12, Jakobsbergsgatan 1–3	2,886	1917/78/91/2000	1865/97/1901/29/84/96/97/2006	1,287.8	7,811	3,851	499		75		192	1	12,429	
Rännilen 8	Birger Jarlsgatan 11, Mäster Samuelsgatan 1	645	1917	1900/90	286.0	1,895	750			28				2,673	
Rännilen 11	Biblioteksgatan 8, Mäster Samuelsgatan 5	775	1958	1902/85	277.0	1,618	809	474		2				2,903	
Rännilen 18 ¹⁾	Birger Jarlsgatan 7–9, Smålandsgatan 8–10	1,677	1963	1888/1986/2009	713.0	4,653	1,688	360		272				6,973	
Rännilen 19	Norrmalmstorg 12–14, Biblioteksgatan 2–4, Mäster Samuelsgatan 3	2,169	1931/39/2007	1902/42/64/90/2002	1,032.0	7,938	2,047			500	787			11,272	
Skären 9	Smålandsgatan 18–20, Norrlandsgatan 8–10	2,195	1917	1984/2001/2020	1,617.0	10,966	1,682			384	737			13,769	
Vildmannen 7 ¹⁾	Biblioteksgatan 9, Jakobsbergsgatan 6	1,290	1918	1897/2023	613.8	2,879	1,179			87		609		4,754	
Total		17,663			8,488.0	57,106	18,154	4,658	-	2,578	2,250	801	1	85,548	
West Management Area															
Achilles 1 ⁴⁾	Slussplan 5–9, Skeppsbron 48, Södra Dryckesgränd 1, Järntorgsgatan 7	1,046	1979	17th century/1974	205.0	3,774	460	240		484				4,958	
Grönlandet Södra 11	Drottninggatan 92–94, Wallingatan 5, Adolf Fredriks Kyrkog. 12	1,662	1923	1911/91	373.0	7,607	379	263		877				9,126	
Kungliga Trädgården 5	Västra Trädgårdsgatan 8	673	1984	1984/95	200.0	2,756				8				2,764	
Medusa 1 ^{1),5)}	Kornhamnstorg 61, Slussplan 1–3, Järntorgsgatan 6	547	1980	1878/1991	103.2	1,286	242	271		104		303		2,206	
Orgelpipan 7 ⁶⁾	Klarabergsgatan 56–64, Vasagatan 24–26, Mäster Samuelsg. 65–73, Klara Norra Kyrkogata 3–5	6,294	1979	1964/2001	1,289.0	10,007	3,421	1,969		1,660	13,450		1	30,508	
Svärdfisken 2 ¹⁾	Drottninggatan 82, Apelbergsgatan 50–52, Olof Palmes gata 13	1,853	1921	1851/1987	324.0	3,713	175		1,893	562	1,107			7,450	
Total		12,075			2,494.2	29,143	4,677	2,743	1,893	3,695	14,557	303	1	57,012	
Total, Stockholm Business Area		41,568			15,716.2	135,587	33,933	9,069	1,893	10,845	18,419	1,104	17	210,867	

PROPERTIES

Property designation	Address	Site area, sq m	Year of purchase	Year of construction redevelopment	Tax value 2024, SEK m	Rentable floor space, sq m									Total
						Office	Retail	Restaurants	Cinemas	Storage	Parking	Residential	Other		
NK BUSINESS AREA															
NK Management Area, Stockholm															
Hästen 19 ^{1), 8)} and 20 ^{7), 8)} , Spektern 14 ^{7), 8)}	Hamngatan 18–20, Regeringsgatan 36–40	8,875	1998	1915/91	3,309.0	11,119	21,724	2,388		3,854			16	39,101	
NK Management Area, Gothenburg															
Inom Vallgraven 10:9 ⁸⁾	Östra Hamngatan 42, Kyrkogatan 48–54, Fredsgatan 5–7, Drottninggatan 39–45	4,520	1998	1964/94	695.0	4,791	10,025	499		1,046			0	16,361	
Parkaden Management Area															
Hästskon 10 ^{1), 9)}	Regeringsgatan 47–55, Mäster Samuelsg. 29–33	4,921	1977	1964/95	473.6	1,832	202	715		11,523	21,514		1	35,787	
Total, NK Business Area		18,316			4,477.6	17,742	31,951	3,602	-	16,423	21,514	-	17	91,249	
GOTHENBURG BUSINESS AREA															
Gothenburg Management Area															
Inom Vallgraven 3:2 ¹⁰⁾	Stora Nygatan 17, Lilla Drottninggatan 3	784	2016	1856/2022	65.0							1,239		1,239	
Inom Vallgraven 12:10 ¹¹⁾	Södra Hamngatan 49–57, Östra Larmgatan 1, Drottninggatan 54–60	4,157	1967	1975	334.3	10,393	3,278	589		914	1,275			16,449	
Inom Vallgraven 12:11 ¹¹⁾	Drottninggatan 50–52, Södra Hamngatan 45–47, Fredsgatan 2–4	2,138	1967/2010/11	1875/1929/30	253.2	1,823	1,709	0		393		779		4,704	
Nordstaden 8:24	Postgatan 26–32 and 39–43, Nordstadstorget 2–8, Spannmålsgatan 19, Nils Ericsonsgatan 17, Götgatan 9–11, Köpmansgatan 28–34, Östra Hamngatan 26–28	12,678	1979/2013	1972/2005/11	3,030.0	36,989	24,041	1,615		3,569			56	66,270	
Nordstaden GA:5 ¹²⁾	Nordstadstorget, etc.				276.1									-	
Total, Gothenburg Business Area		19,757			3,958.6	49,205	29,028	2,204	-	4,876	1,275	2,018	56	88,662	
TOTAL		79,641			24,152.4	202,534	94,912	14,875	1,893	32,144	41,208	3,122	90	390,778	

¹⁾ The property is classified as being of cultural and historical importance.

²⁾ The property is a held on a lease.

³⁾ Owned by the subsidiary Fastighetsaktiebolaget Stockholms City.

⁴⁾ The property is a listed building.

⁵⁾ Owned by the subsidiary Fastighetsaktiebolaget Medusa.

⁶⁾ Orgelpipan 7 is a leasehold property. The annual ground rent was subject to renegotiation after October 31, 2024. The tax value of the land is included to the amount of SEK 555.0 million.

⁷⁾ Hästen 20 and Spektern 14 are leasehold properties. The annual ground rent for Hästen 20 is SEK 3.6 million, fixed until April 30, 2032. The annual ground rent for Spektern 14 is SEK 1.4 million until September 30, 2025. As of October 1, 2025, the annual ground rent will be SEK 1.2 million, fixed until September 30, 2035. The tax value of the land is included to the amount of SEK 70.0 million.

⁸⁾ Owned by the subsidiary AB Nordiska Kompaniet.

⁹⁾ Owned by the subsidiary AB Hamnsgatgaraget. Hästskon 10 is a leasehold property. The annual ground rent was subject to renegotiation after August 31, 2024. The tax value of the land is included to the amount of SEK 137.3 million. Part of the rentable floor space is now included in the NK department store in Stockholm.

¹⁰⁾ Owned by the subsidiary Gbg Inom Vallgraven 3-2 AB.

¹¹⁾ The property is part of the comprehensive Johanna development project.

¹²⁾ The property is jointly owned and includes parking operations, certain leasing of premises, as well as servicing and maintenance of pedestrian precincts, loading areas, cooling systems and emergency power supplies. The tax value refers to Hufvudstaden's share of 39.4 per cent, equivalent to approximately 31,000 square metres.

For maps and photographs, see pages 112–114.

PROPERTY HOLDINGS

Property holdings in Stockholm



Property/Construction year/Rentable space



1

Grönlandet Södra 11
Construction year: 1911
Rentable space:
9,126 sq m



4

Hästhuvudet 13
Construction year: 1919
Rentable space:
6,935 sq m

Property/Construction year/Rentable space



2

Svärdfisken 2
Construction year: 1851
Rentable space:
7,450 sq m



5

Oxhuvudet 18
Construction year: 1931
Rentable space:
29,469 sq m

Property/Construction year/Rentable space



3

Orgelpipan 7
Construction year: 1964
Rentable space:
30,508 sq m



6

Järnplåten 28
Construction year: 1958
Rentable space:
9,266 sq m

PROPERTY HOLDINGS

Property/Construction year/Rentable space



7

Kåkenhusen 40
Construction year: 1926
Rentable space:
22,637 sq m



10

Kungliga
Trädgården 5
Construction year: 1984
Rentable space:
2,764 sq m



12

Kvasten 6
Construction year: 1917
Rentable space:
7,078 sq m



14

Packarhuset 4
Construction year: 1932
Rentable space:
15,366 sq m



16

Rännilen 11
Construction year: 1902
Rentable space:
2,903 sq m



17

Norrmalm 2:63
Construction year: 1993
Rentable space:
194 sq m

Property/Construction year/Rentable space



8

Hästskon 10
Construction year: 1964
Rentable space:
35,787 sq m



11

Vildmannen 7
Construction year:
1897/2023
Rentable space:
4,754 sq m



12

Kvasten 9
Construction year: 1978
Rentable space:
3,437 sq m



15

Pumpstocken 10
Construction year: 1865
Rentable space:
12,429 sq m



16

Rännilen 18
Construction year: 1888
Rentable space:
6,973 sq m



18

Medusa 1
Construction year: 1878
Rentable space:
2,206 sq m

Property/Construction year/Rentable space



9

Hästen 19, 20 (NK)
Construction year: 1915
Rentable space:
39,101 sq m



12

Kvasten 2
Construction year: 1987
Rentable space:
4,700 sq m



13

Skären 9
Construction year:
1984/2020
Rentable space:
13,769 sq m



16

Rännilen 8
Construction year: 1900
Rentable space:
2,673 sq m



16

Rännilen 19
Construction year: 1902
Rentable space:
11,272 sq m



19

Achilles 1
Construction year:
17th century
Rentable space:
4,958 sq m

PROPERTY HOLDINGS

Property holdings in Gothenburg



Property/Construction year/Rentable space



1

Nordstaden 8:24
(Femman)
Construction year:
1972/2011
Rentable space:
45,046 sq m



3

Inom Vallgraven 12:11
Construction year:
1875/1929/30
Rentable space:
4,704 sq m

Property/Construction year/Rentable space



2

Nordstaden 8:24
(Fyran)
Construction year:
1972
Rentable space:
21,224 sq m



4

Inom Vallgraven 10:9
(NK)
Construction year:
1964
Rentable space:
16,361 sq m

Property/Construction year/Rentable space



3

Inom Vallgraven 12:10
Construction year:
1975
Rentable space:
16,449 sq m



5

Inom Vallgraven 3:2
Construction year:
1856/2022
Rentable space:
1,239 sq m

ADDRESSES

Hufvudstaden AB (publ)

E-mail: info@hufvudstaden.se
Website: hufvudstaden.se
Company reg no: 556012-8240
Registered office: Stockholm

Stockholm (Head office)

NK 100
SE-111 77 STOCKHOLM
Visiting address: Regeringsgatan 38

Telephone: +46 8 762 90 00

Gothenburg

Kyrkogatan 54
SE-411 08 GOTHENBURG
Visiting address: Kyrkogatan 54

Telephone: +46 31 71021 00

Cecil Coworking AB

NK 100
SE-111 77 STOCKHOLM
Visiting address: Norrlandsgatan 10

Telephone: +46 8 762 94 00
E-mail: info@cecilcoworking.se
Website: cecilcoworking.se
Company reg no: 559242-1506

NK Retail AB

Box 7152
SE-103 88 STOCKHOLM
Visiting address: Västra Trädgårdsgatan 8

Telephone: +46 8 629 20 00
E-mail: nkretailkundservice@nkretail.se
Website: nk.se
Company reg no: 559268-4103

Parkaden AB

NK 100
SE-111 77 STOCKHOLM
Visiting address: Regeringsgatan 47–55

Telephone: +46 8 762 92 00
E-mail: info@parkaden.se
Website: parkaden.se
Company reg no: 556085-3599

NK Department Stores

NK Stockholm
NK 100
SE-111 77 STOCKHOLM
Visiting address: Hamngatan 18–20

Telephone: +46 8 762 80 00
Website: nk.se

NK Gothenburg
NK 101
SE-411 09 GOTHENBURG
Visiting address: Östra Hamngatan 42

Telephone: +46 8 762 80 00
Website: nk.se

Group brands



Kv. JOHANNA



BIBLIOTEKSTAN

FREDSTAN
GOTHENBURG



THE QUARTER
FEMMAN
GOTHENBURG

nordstan



HUFVUDSTADEN

hufvudstaden.se