

HUFVUDSTADEN



Q4

Year-End Report
2024

Year-End Report 2024

- Net revenue from property management was SEK 2,120 million (2,033), an increase of 4 per cent. Including intra-Group rental 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 rental 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 to 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 ratio was 21 per cent (21) and the interest coverage ratio 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).

OPERATING EVENTS DURING THE FOURTH QUARTER

In Bibliotekstan in Stockholm, Chanel and Prada extended leases by seven and five years, respectively. This confirms the marketplace's unique position within the luxury segment.

In Biblioteksgatan, the makeup brand CAIA will open its first independent flagship store in Sweden. The store comprises just over 450 square metres on two levels and is set to open during spring 2025.

At the NK department stores in Stockholm and Gothenburg, the fast-growing global brand SKIMS opened its first two stores in the Nordics.

Lease was signed with Hemsö Fastighets AB in Kvarteret Johanna in Gothenburg. The office, covering approximately 400 square metres, is located on floor 6 and access is planned for spring 2026.

PERFORMANCE MEASURES

SEK m	Jan-Dec 2024	Jan-Dec 2023
Net revenue, property management, gross	2,319	2,216
Rent revenue, intra-Group	-198	-183
Net revenue, property management, net	2,120	2,033
Gross profit, property management	1,435	1,359
Unrealised changes in property value, investment properties	-603	-4,042
Operating result	884	-2,256
Net result for the year	365	-1,927
Fair value of properties, SEK bn	47.1	46.7
Equity ratio, %	59	59
Net loan-to-value ratio, properties, %	21.4	20.9
Interest coverage ratio, multiple	4.5	4.9
EPRA vacancy rate, %	5.0	5.7
EPRA EPS, SEK	5.12	7.08
EPRA NRV per share, SEK	185	185
EPRA LTV, %	21.5	20.7



”

2024 was yet another year characterised by a weak economy, but Hufvudstaden still successfully delivered a 6 per cent increase in gross profit from property management. Our financial position is strong and there are great opportunities to continue developing operations to create increased shareholder value.

We summarise the year and are pleased with the great interest Kvarteret Johanna has garnered in Gothenburg. Several office leases have been signed with strong companies. The office market in Stockholm City was stable, though the letting processes were more protracted. Recovery in the retail sector will take time, unfortunately, but we are discerning several positive signs. Several brands see opportunities to establish themselves in attractive marketplaces in order to meet the improved purchasing power of households during 2025.

Anders Nygren
PRESIDENT

GROUP

RESULTS

Property management

Net revenue from property management excluding intra-Group rents of SEK 198.4 million (182.9) totalled SEK 2,120.2 million (2,033.1) for the year. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with new and renegotiated office leases. 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. Operating expenses amounted to SEK -685.3 million (-673.7). Gross profit was SEK 1,434.9 million (1,359.4) excluding intra-Group rents.

The sales-based rent supplement is reported in the fourth quarter and totalled SEK 10.5 million (8.5), of which the NK properties accounted for SEK 7.0 million (6.4). Apart from the sales-based rent supplement, there are no other material seasonal variations in rents.

The property management results for each business area are reported on page 11.

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 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).

For further information, see Segment Reporting on page 11.

Other profit and loss items

Central administration totalled SEK -54.5 million (-53.2). Unrealised changes in the value of investment properties amounted to SEK -602.6 million (-4,042.4) and of interest-rate derivatives to SEK -10.8 million (-). For further information, see pages 4–6. Items affecting comparability last year were SEK 370.3 million and referred to insurance compensation for the reconstruction of the Vildmännan 7 property following the extensive fire in 2017.

Financial income and expense

Net financial income and expense totalled SEK -321.2 million (-279.1). Interest income was SEK 13.4 million (9.8). Borrowing costs totalled SEK -309.5 million (-266.2). Interest expenses for leasing, primarily ground rents, totalled SEK -25.1 million (-22.7). The increase in financial expenses for borrowing was attributable to higher average interest rates and increased borrowing. For further information, see page 6.

Tax

The Group's tax for the year was SEK -198.6 million (608.0), of which SEK -137.5 million (-70.4) in current tax and SEK -61.1 million (678.4) in deferred tax. The change in deferred tax is attributed to the year's lower negative unrealised changes in the value of the property holdings.

Net result for the year

The consolidated net result was SEK 364.6 million (-1,927.2). The improvement can be attributed primarily to the year's lower negative unrealised changes in the value of the property holdings.

PROPERTY HOLDINGS

The fair value of the Hufvudstaden property holdings is based on an internal valuation, where classification takes place on level 3 according to IFRS 13. The assessed value as of December 31, 2024 was SEK 47,115 million (46,743). The increase can be attributed to the period's investments, which were slightly offset by negative unrealised changes in the value of the property holdings. Rentable floor space totalled approximately 390,800 square metres (390,800).

The total rental vacancy rate as of December 31, 2024 was 7.1 per cent (8.8) and the total floor space vacancy rate was 11.1 per cent (12.9). The rental vacancy rate, excluding current development projects (EPRA vacancy rate), totalled 5.0 per cent (5.7).

Acquisitions and investments

Total investments amounted to SEK 991.1 million (1,301.7). Major current and planned projects are presented in the table below.

Modernisation of approximately 9,800 square metres of office space is in progress at Packarhuset 4 at Norrmalmstorg where the tenant Danske Bank is leasing until 2035. The adaptation of the premises has a strong sustainability focus and the project will continue until the end of 2025.

A new detailed development plan gained legal force before the summer for the Orgelpipan 7 property, located near the Central Station in Stockholm. The new detailed development plan will allow for an inset two-storey vertical extension. The rentable floor space is expected to increase by approximately 3,000 square metres of office premises. 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. Planning has begun and construction is expected to start late 2026 or early 2027.

The extensive redevelopment and expansion project Johanna continues at the Inom Vallgraven 12 block in Gothenburg. The block has reached its full height apart from a small section at the corner of Fredsgatan/Södra Hamngatan. The block is essentially construction-tight and most of the scaffolding around Inom Vallgraven 12:10 has been dismantled. All of the lifts and a large part of the installations have been completed in this part of the block. Window work is ongoing at Inom Vallgraven 12:11 as well as installing membranes at roof and terraces. Installation

work has started here. Planning and preparatory work is ongoing for tenant adaptations. Hufvudstaden has signed a lease agreement with Hemsö for approximately 400 square metres of office space on floor 6. Office leases were signed earlier with the law firm Vinge for approximately 2,500 square metres, with the advisory and accounting firm EY for approximately 2,300 square metres and with Censor for approximately 350 square metres. Agreements were also signed with three major service concepts for establishment in the block. Access is scheduled for spring 2026. The project comprises a total of approximately 31,800 square metres of rentable floor space, of which approximately 10,700 square metres will be created.

Property value and net asset value

At the end of each quarter, Hufvudstaden carries out an internal valuation of each individual property. The purpose of the valuation is to assess the fair value of the property holdings. To assure the quality of the valuation, external valuations of parts of the property holdings are obtained at least once a year. A continuous update is made during the year of the internal valuation in order to take account of purchases, sales and investments. Hufvudstaden also examines on a continuous basis whether 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.

In the light of the above, the unrealised change in the value of the property holdings for 2024 was SEK -602.6 million (-4,042.4). The total value of the property holdings as of December 31, 2024 was SEK 47.1 billion, including investments for the period. The unrealised decrease in value was due to the effect of lower rents for stores and a slight increase in yield requirements.

The average yield requirement decreased 4 basis points compared to the third quarter of 2024 and was 4.1 per cent at the above valuation (4.1 at previous year-end).

Valuation method

Valuation of the property holdings is carried out by assessing the fair value of each individual property. The valuation is conducted using a variation of the location price method, known as the net capitalisation method. The method means that market yield requirements are put in relation to net operating income of the properties. In the case of other project properties and undeveloped land, the valuation is based on a completed building with a deduction of construction costs, as well as financial expenses and the cost of vacant space that arose during the construction period.

Major current and planned projects, fourth quarter 2024

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	Planning	Office	3,000	3,000	–	–
Gothenburg	Kvarteret Johanna ²⁾	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 recognised in profit and loss as well as costs for evacuation.

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

The yield requirement is based on information compiled about the market's yield requirement in transactions of comparable properties in similar locations. If a few or no deals have been concluded in the property's sub-area, transactions in the adjoining area are analysed. Also, transactions that have yet to be finalised or other impacting factors provide guidance on market yield requirements.

The yield requirement can vary between different regions and different sub-areas within the regions. Account is also taken of the type of property, the technical standard, the construction of the building, and major investment requirements. 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 of the properties is based on market rental revenue, the long-term rental vacancy rate, and normalised operating and maintenance costs. If greater uncertainty than normal prevails, this is offset by increased yield requirements in the valuation.

When carrying out the valuation, the following yield requirement figures for office and retail properties have been applied:

Yield requirements, property valuation¹⁾

Stockholm	3.7-4.2 per cent
Gothenburg	4.7-5.0 per cent
Property holdings, average	4.1 per cent

¹⁾ Valuation date: December 31, 2024.

Sensitivity analysis

Fair value is an assessment of the probable sales price on the market at the time of the 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 valued at SEK 47.1 billion. A degree of uncertainty of +/- 5 per cent, implies the estimated fair value varies by +/- SEK 2.4 billion. Below are the key factors that influence the valuation and the consequent impact on profit or loss before tax.

Sensitivity analysis, property valuation¹⁾

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

¹⁾ Valuation date: December 31, 2024.

External valuation

To assure the quality of the valuation, external valuations were obtained from three independent valuation companies: Cushman & Wakefield, Forum Fastighetsekonomi, and Newsec Advice. The external valuations at December 31, 2024 comprised nine properties, equivalent to 39 per cent of the internally assessed fair value. The correspond-

ing proportion at mid-year was 31 per cent. The basis for selection was that the properties should represent variations in property category, town, location, technical standard, and construction standard. The properties that underwent an external valuation at 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.

Net asset value

Based on the valuation of the property holdings, the net reinstatement value (EPRA NRV) is SEK 37.4 billion or SEK 185 per share. Net tangible assets (EPRA NTA) were SEK 35.2 billion or SEK 174 per share after a deduction of estimated 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
<i>Reversal</i>		
Interest-rate derivatives	10.8	0
Recognised deferred tax ¹⁾	8,757.0	43
EPRA NRV	37,374.7	185
<i>Deduction</i>		
Intangible assets	-63.1	0
Estimated actual deferred tax 5%	-2,125.5	-11
EPRA NTA	35,186.1	174
<i>Reversal</i>		
Interest-rate derivatives	-10.8	0
Intangible assets	63.1	0
Recognised deferred tax ¹⁾ less estimated actual deferred tax	-6,631.5	-33
EPRA NDV	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.

RENTAL MARKET

The office rental market in Stockholm City was stable during the last quarter of the year. The market was cautious to some extent and the letting process took somewhat longer compared with previously. The demand was mainly for modern and flexible office premises in the best locations. Vacancy levels were slightly higher than the normal range. In Stockholm's most attractive locations – Bibliotekstan, Norrmalmstorg/Hamngatan, and the Hötorget area – market rents for modern offices were estimated at SEK 7,000–9,900 per square metre and year, excluding the property tax supplement. Market demand for retail premises was stable and market rents for retail premises in prime commercial locations were in the range of SEK 11,000–25,000 per square metre and year, excluding the property tax supplement.

In the central sub-markets of Gothenburg, the demand was mainly for modern and flexible office premises.

Vacancies were higher than the normal range and market rents in the most attractive locations were within the range of SEK 3,300–4,200 per square metre and year, excluding the property tax supplement. Rent levels for the most modern and attractive office premises are higher. For retail premises in central commercial locations, market rents were between SEK 3,000–13,000 per square metre and year, excluding the property tax supplement. The outcome from the Group's renegotiations was positive for office premises and negative for retail premises. During the period, a total of 52,000 square metres were renegotiated at an annual rental value of SEK 390 million. On average, the renegotiations resulted in a rent decrease of approximately 2 per cent, compared with indexed rent for 2024.

FINANCING

Hufvudstaden's financing need is met through a number of the major Nordic banks and the capital market. Total borrowings as of December 31, 2024 amounted to SEK 9,800 million (9,400). Interest-bearing net debt was SEK 9,327 million (9,018). In addition, the lease liability according to IFRS 16 amounted to SEK 736 million (729), and total net debt was SEK 10,063 million (9,747). In addition to loans outstanding, there are unutilised loan commitments amounting to SEK 5,500 million. Hufvudstaden has an MTN programme totalling SEK 12,000 million, and a commercial paper programme amounting to SEK 3,000 million. The amount outstanding in bonds was SEK 8,200 million and there was SEK 100 million in commercial paper. Hufvudstaden ensures that at any point in time there are unutilised loan assurances to cover all outstanding commercial paper. As of December 31, 2024, cash and cash equivalents and unutilised loan commitments amounted to SEK 5,973 million, which covers all loan maturities in the capital market for the next two years.

Financing facilities, SEK m, December 31, 2024

Loan/facility type	Framework/	
	facility volume	Unutilised
MTN programme	12,000	3,800
Comm. paper programme	3,000	2,900
Bank loans and commitment	7,000	5,500

The average fixed interest period, including effects of derivative instruments, was 2.2 years (1.2), the average capital tie-up period was 2.2 years (2.2) and the average effective rate of interest was 2.9 per cent (3.2) including, and 2.8 per cent (3.1) excluding, the cost of unutilised loan commitments. The capital tie-up period for commercial paper loans was calculated based on the underlying loan commitments. To achieve the desired interest, payment structure, borrowing takes place at both a fixed and a variable rate of interest and the Group has entered into interest-rate derivative agreements to manage exposure to fluctuations in market interest rates. Underlying credits of SEK 1,000 million (-) are hedged via interest-rate derivatives. 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. The derivatives are recognised at fair value in the balance sheet. All derivatives are classified in accordance with level 2 under IFRS 13. ISDA agreements are in place for all derivatives and give the right to offset receivables against liabilities to the same counterparty in the event of insolvency. Other

financial assets and liabilities are recognised at amortised cost which, apart from the bond loans, essentially concurs with fair value. For bond loans with a fixed rate of interest, the surplus value is SEK 87.7 million (223.0). These values have been calculated according to level 2 in IFRS 13, i.e., the value has been calculated based on official market listings.

Fixed interest structure, December 31, 2024

Maturity, year	Credit, SEK m	AER, %	Proportion, %
<1	2,700	4.0 ¹⁾	28
1–2	2,500	1.2	25
2–3	1,000	2.5	10
3–4	500	3.9	5
4–5	3,100	3.3	32
Total	9,800	2.9²⁾	100

¹⁾ Including costs for unutilised loan commitments.

²⁾ The average effective rate of interest excluding costs for unutilised loan commitments was 2.8 per cent.

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

Maturity, year	Bank loans	Bonds/Comm. paper	Total borrowings	Unutilised commitments
<1	500	2,200	2,700	1,500
1–2	–	2,500	2,500	1,000
2–3	1,000	1,000	2,000	2,000
3–4	–	500	500	1,000
4–5	–	2,100	2,100	–
Total	1,500	8,300	9,800	5,500

Green financing

A new framework for green financing was launched and aims to finance green and energy-efficient properties as well as investments within climate change and sustainability. The new framework creates conditions to issue green bonds and commercial papers and to raise green bank loans. Hufvudstaden has a total of SEK 7.2 billion in green financing, corresponding to 73 per cent of total borrowing, of which bonds amounted to SEK 5.7 billion and bank loans to SEK 1.5 billion. The goal is to gradually increase the proportion of green financing.

FOURTH QUARTER

Net revenue from property management excluding intra-Group rents of SEK 50.5 million (43.7) totalled SEK 537.0 million (518.0), an increase of 4 per cent. The increase was attributable primarily to indexation as well as higher gross rents in conjunction with renegotiations and new leases. Operating expenses amounted to SEK -179.8 million (-188.6). Gross profit from property management excluding intra-Group rents of SEK 50.5 million (43.7) totalled SEK 357.2 million (329.4).

Net revenue for NK Retail amounted to SEK 267.7 million (243.1). Costs excluding intra-Group rents of SEK -29.2 million (-24.7) were SEK -229.5 million (-211.5). Gross profit for NK Retail excluding intra-Group rental costs was SEK 38.2 million (31.6).

Net revenue for other operations amounted to SEK 39.1 million (37.4). Costs excluding intra-Group rents of SEK -21.3 million (-19.0) were SEK -23.4 million (-24.5). Gross profit excluding intra-Group rental costs was SEK 15.7 million (12.9).

Changes in the value of investment properties amounted to SEK 491.6 million (-1,188.1) and of interest-rate derivatives to SEK 19.4 million (-). Items affecting

comparability for 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. Net financial income and expense totalled SEK -79.3 million (-80.9).

The Group's net result was SEK 575.3 million (-342.3). The improvement can be attributed to positive unrealised changes in the value of the property holdings.

SHARES AND SHAREHOLDERS

Hufvudstaden Class A shares are listed on Nasdaq Stockholm. The company's Class C shares were delisted from Nasdaq Stockholm in January 2020. The company had 31,559 shareholders at the end of the period. The Class A share price as of December 31, 2024 was SEK 121.10, and total market capitalisation of all shares based on the Class A share price was SEK 25.6 billion.

Largest shareholders, December 31, 2024

Shareholders	Number of shares, %	Number of votes, %
L E Lundbergföretagen	45.2	87.9
AMF	9.0	1.8
State Street Bank and Trust	3.1	0.6
BNY Mellon	2.0	0.4
JP Morgan Chase Bank	1.9	0.4
The Lundberg family including companies	1.7	1.0
Handelsbanken Funds	1.4	0.3
Alcur Funds	1.3	0.3
Spiltan Funds	1.0	0.2
Skogstornet	1.0	0.2
Swedbank Robur Funds	0.7	0.2
Other shareholders	27.5	5.9
Shares outstanding	95.8	99.1
Company holdings	4.2	0.9
Total number of issued shares	100.0	100.0

Conversion of Hufvudstaden's Class C shares

At the 2001 Annual General Meeting, a conversion clause was added to Hufvudstaden's Articles of Association. Shareholders have the right at any time to request conversion of Class C shares into Class A shares. During the year, two Class C shares were converted to Class A shares.

Share structure, December 31, 2024

Share class	Number of shares	Number of votes	Equity, %	Votes, %
A (1 vote)	203,001,209	203,001,209	96.1	19.7
C (100 votes)	8,270,724	827,072,400	3.9	80.3
Total	211,271,933	1,030,073,609	100.0	100.0

Shares bought back

Treasury shares held as of December 31, 2024 totalled 8,965,000 Class A shares, corresponding to 4.2 per cent of all shares issued and 0.9 per cent of the total number of votes. No buyback took place during the period or after the end of the reporting period. At the 2024 Annual General Meeting, the Board of Directors was granted renewed authorisation to acquire Class A shares up to 10 per cent of all issued shares and to transfer treasury shares held by the company.

Share buybacks, December 31, 2024

Million shares	Total		
	number of shares	Treasury shares	Other shareholders
January 1, 2024	211.3	9.0	202.3
Buyback	–	–	–
December 31, 2024	211.3	9.0	202.3

MATERIAL RISKS AND UNCERTAINTIES

The Group is mainly exposed to financing, interest and credit risks and changes in the value of its property holdings.

The geopolitical security has deteriorated significantly due to wars in Europe and the Middle East and increased regional geopolitical tension. Inflation has fallen in large parts of the world including Sweden. Several central banks have cut their policy rates.

The Swedish Security Service (Säpo) has maintained the terrorist threat level at four on a five-level scale, which means that the threat level in and against Sweden is assessed as high. Hufvudstaden is monitoring the development and follows the recommendations and advice provided by the authorities.

Other than the above, no other material risks or uncertainties have been identified apart from those described in the Annual and Sustainability Report 2023.

MATERIAL TRANSACTIONS WITH RELATED PARTIES

No material transactions with related parties took place during the period.

HUFVUDSTADEN'S SUSTAINABILITY WORK

Hufvudstaden will work 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.

EU TAXONOMY

Hufvudstaden reports in accordance with the Taxonomy Regulation. Full disclosure will be published in the Annual and Sustainability Report 2024.

	Total, SEK m	Taxonomy-eligible, %	Taxonomy-aligned, %	Taxonomy, non-eligible, %
Turnover	3,179	71	15	29
CapEx	991	98	9	2
OpEx	84	75	11	25

ACCOUNTING POLICIES

Hufvudstaden applies the EU-endorsed IFRS standards. This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, and applicable provisions of the Swedish Annual Accounts Act. Disclosures according to IAS 34.16A are presented in both the financial statements and in other parts of the interim report. Accounting policies and computation bases remain unchanged from the most recent Annual and Sustainability Report.

New standards and interpretations

New and amended standards taking effect in 2024 have not had any significant effects on the Group's financial reporting.

PROPOSAL REGARDING ELECTION OF THE BOARD OF DIRECTORS AND AUDITORS

The company's main shareholder, L E Lundbergföretagen AB, has notified the company of its intention to present a proposal at the Annual General Meeting that the current members of the Board of Directors Claes Boustedt, Peter Egardt, Liv Forhaug, Louise Lindh, Katarina Ljungqvist, Fredrik Lundberg, Anders Nygren, Fredrik Persson and Sten Peterson be re-elected, and that Fredrik Lundberg be re-elected as Chairman of the Board. The auditing company PricewaterhouseCoopers AB is proposed as the auditing company with Magnus Svensson Henryson as lead auditor.

PROPOSED DIVIDEND

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday, March 20, 2025 at 3:30 p.m. at the Grand Hôtel, Spegelsalen, Stockholm. The Annual and Sustainability Report for 2024 will be available in the week beginning February 24, at the company's office and on the company's website. At the same time, it will be distributed to those shareholders who have made a request to that effect.

FORTHCOMING INFORMATION

Annual and Sustainability Report 2024	February 2025
Annual General Meeting 2025	March 20, 2025
Interim Report January-March 2025	May 8, 2025
Half-year Report January-June 2025	August 21, 2025
Interim Report January-September 2025	November 6, 2025

The information in the Year-End Report is information that Hufvudstaden AB (publ) is obligated to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was published through the auspices of the persons named below on February 13, 2025.

This information is also published on Hufvudstaden's website, www.hufvudstaden.se/en/

Questions can be answered by Anders Nygren, President, and Åsa Roslund, Vice President and CFO, on telephone +46 8 762 90 00.

REPORT ON RESULTS – SUMMARY

GROUP, SEK m	October- December 2024	October- December 2023	January- December 2024	January- December 2023
Net revenue¹⁾				
Property management, gross	587.5	561.7	2,318.6	2,216.0
Rent revenue, intra-Group	-50.5	-43.7	-198.4	-182.9
Property management, net	537.0	518.0	2,120.2	2,033.1
Other segments	306.8	280.5	1,059.0	928.5
	843.8	798.5	3,179.2	2,961.6
Property management expenses				
Maintenance	-8.8	-12.9	-31.7	-46.4
Operation and administration	-108.8	-115.0	-401.6	-383.1
Property tax	-58.6	-57.7	-237.5	-236.4
Depreciation	-3.6	-3.0	-14.5	-7.8
Property management expenses	-179.8	-188.6	-685.3	-673.7
Other segments, gross expenses	-303.4	-279.7	-1,140.0	-1,001.6
Rental expenses, intra-Group	50.5	43.7	198.4	182.9
Other segments, net expenses	-252.9	-236.0	-941.6	-818.7
Operating expenses	-432.7	-424.6	-1,626.9	-1,492.4
Gross profit	411.1	373.9	1,552.3	1,469.2
– of which Property management	357.2	329.4	1,434.9	1,359.4
– of which Other segments	53.9	44.5	117.4	109.8
Central administration	-15.6	-15.1	-54.5	-53.2
Operating profit before items affecting comparability and changes in value	395.5	358.8	1,497.8	1,416.0
Items affecting comparability ²⁾	–	370.3	–	370.3
Changes in value, investment properties	491.6	-1,188.1	-602.6	-4,042.4
Changes in value, interest-rate derivatives	19.4	–	-10.8	–
Operating result	906.5	-459.0	884.4	-2,256.1
Financial income and expense	-79.3	-80.9	-321.2	-279.1
Result before tax	827.2	-539.9	563.2	-2,535.2
Tax	-251.9	197.6	-198.6	608.0
Net result	575.3	-342.3	364.6	-1,927.2
Other comprehensive income	–	–	–	–
Total comprehensive income or loss for the period	575.3	-342.3	364.6	-1,927.2
Average number of outstanding shares	202,306,933	202,306,933	202,306,933	202,306,933
Net result for the period per share before and after dilution, SEK	2.84	-1.69	1.80	-9.53

¹⁾ For breakdown of net revenue, see table on page 11.

²⁾ Refers to insurance compensation for reconstruction of the Vildmannen 7 property after the extensive fire in 2017.

REPORT ON FINANCIAL POSITION – SUMMARY

GROUP, SEK m	December 31, 2024	December 31, 2023
Investment properties	47,115.4	46,742.8
Right of use assets	734.4	727.9
Other non-current assets	142.4	183.5
Total non-current assets	47,992.2	47,654.2
Current assets	882.0	789.4
Total assets	48,874.2	48,443.6
Equity	28,606.9	28,788.6
Non-current interest-bearing liabilities	7,100.0	7,300.0
Deferred tax liabilities	8,635.9	8,574.8
Non-current leasing liabilities	727.9	721.0
Other non-current liabilities	116.5	99.7
Other provisions	25.7	28.7
Total non-current liabilities	16,606.0	16,724.2
Current interest-bearing liabilities	2,700.0	2,100.0
Current leasing liabilities	7.9	8.0
Other liabilities	953.4	822.8
Total current liabilities	3,661.3	2,930.8
Total equity and liabilities	48,874.2	48,443.6

REPORT ON CHANGES IN EQUITY – SUMMARY

GROUP, SEK m	January- December 2024	January- December 2023
Equity, opening balance	28,788.6	31,262.0
Total comprehensive income or loss for the period	364.6	-1,927.2
Dividend	-546.2	-546.2
Equity, closing balance	28,606.9	28,788.6

REPORT ON CASH FLOWS – SUMMARY

GROUP, SEK m	January- December 2024	January- December 2023
Income before tax	563.2	-2,535.2
Depreciation/impairments	68.6	52.8
Items affecting comparability ¹⁾	–	-187.8
Changes in value, investment properties	602.6	4,042.4
Changes 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
Increase/decrease in inventory	-7.1	-38.2
Increase/decrease 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
Investments in properties	-975.2	-1,238.3
Investments in other non-current assets	-15.9	-62.7
Cash flow from investments	-991.1	-1,301.0
Loans raised	4,200.0	5,200.0
Amortisation of loan debt	-3,800.0	-4,800.0
Amortisation of leasing debt	-7.8	-8.7
Dividend paid	-546.2	-546.2
Cash flow from financing	-154.0	-154.9
Cash flow for the period	90.2	-70.6
Cash and cash equivalents at the beginning of the period	382.4	453.0
Cash and cash equivalents at the period-end	472.6	382.4
Cash flow from current operations per share, SEK	6.11	6.85
Cash flow for the period per share, SEK	0.45	-0.35

¹⁾ Pertains to previous insurance compensation on account for reconstruction of the Vildmannen 7 property after the extensive fire in 2017.

SEGMENT REPORTING – SUMMARY

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

GROUP, SEK m	Business Area Stockholm		Business Area NK		Business Area Gothenburg		Intra-Group elimination		Total	
	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Property management										
Net revenue	1,502.6	1,404.1	487.7	484.0	328.3	327.9	-198.4	-182.9	2,120.2	2,033.1
Property management expenses	-313.9	-313.4	-264.9	-253.1	-106.5	-107.2			-685.3	-673.7
Gross profit/loss 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/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/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 ¹⁾									-	370.3
Changes in value, investment properties									-602.6	-4,042.4
Changes in value, interest-rate derivatives									-10.8	-
Operating result									884.4	-2,256.1
Financial income and expense									-321.2	-279.1
Result before tax									563.2	-2,535.2

¹⁾ Refers to insurance compensation for reconstruction of the Vildmannen 7 property after the extensive fire in 2017.

BREAKDOWN OF NET REVENUE

SEK m	Group		Parent Company	
	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Rent revenue	2,128.3	2,047.0	1,620.3	1,533.2
Service revenue	135.2	125.1	57.1	52.7
Sale of goods	915.7	789.5	-	-
Total net revenue	3,179.2	2,961.6	1,677.4	1,585.9

PERFORMANCE MEASURES

GROUP	Full year 2024	Full year 2023
Property-related		
Rentable floor space, 1,000 m ²	390.8	390.8
Rental vacancy rate, %	7.1	8.8
Floor space vacancy rate, %	11.1	12.9
Fair value, SEK bn	47.1	46.7
Surplus ratio, %	70.4	69.6
Net operating income, SEK m	1,633.3	1,542.3
Financial		
Return on equity, %	1.3	-6.4
Return on equity, adjusted, %	3.0	3.0
Return on capital employed, %	2.3	-5.6
Equity ratio, %	59	59
Interest coverage ratio, multiple	4.5	4.9
Debt/equity ratio, multiple	0.4	0.3
Net loan-to-value ratio, properties, %	21.4	20.9
Gross margin, %	48.8	49.6
Data per share		
Net result for the period, SEK	1.80	-9.53
Equity, SEK	141.40	142.30
Properties, fair value, SEK	232.89	231.05
Number of outstanding shares, 1,000	202,307	202,307
Average number of outstanding shares, 1,000	202,307	202,307
Number of issued shares, 1,000	211,272	211,272
EPRA		
EPRA Earnings, SEK m	1,036	1,433
EPRA Company specific Adjusted Earnings, SEK m	1,036	1,063
EPRA EPS, SEK	5.12	7.08
EPRA Company specific Adjusted EPS, SEK	5.12	5.25
EPRA NRV (Net reinstatement value), SEK m	37,374.7	37,484.5
EPRA NRV per share, SEK	185	185
EPRA NTA (Net tangible assets), SEK m	35,186.1	35,279.3
EPRA NTA per share, SEK	174	175
EPRA NDV (Net disposal value), SEK m	28,606.9	28,788.6
EPRA NDV per share, SEK	141	142
EPRA LTV, %	21.5	20.7
EPRA vacancy rate, %	5.0	5.7

PERFORMANCE MEASURES PER QUARTER

GROUP	Oct-Dec 2024	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023
Share price, series A share, SEK	121.10	138.70	125.50	130.00	142.10	121.00	128.10	140.70
Net revenue, SEK m	844	783	782	771	799	722	726	715
Return on equity, %	0.7	0.3	0.5	0.8	-6.4	-4.4	-3.0	0.5
Return on equity, adjusted, %	2.4	3.4	3.3	2.9	3.1	3.1	3.0	2.8
Equity ratio, %	59	58	58	58	59	59	59	60
Gross margin, %	48.7	50.8	49.2	46.5	46.8	52.7	51.0	48.2
Surplus ratio, %	69.4	73.1	70.2	69.0	66.4	71.8	71.4	68.8
Net operating income, SEK m	407.7	427.0	403.4	395.2	373.1	397.8	392.2	379.2
Net result for the period, per share, SEK	2.84	0.71	0.21	-1.96	-1.69	-1.05	-4.31	-2.47
Equity per share, SEK	141.40	138.56	137.85	137.64	142.30	143.99	145.04	149.36
EPRA EPS, SEK	1.39	1.35	1.19	1.19	3.14	1.33	1.37	1.25
EPRA Company specific Adjusted EPS, SEK	1.39	1.35	1.19	1.19	1.31	1.33	1.37	1.25
EPRA NRV per share, SEK	185	181	180	180	185	188	189	195
EPRA LTV, %	21.5	21.9	22.0	22.0	20.7	20.8	20.7	20.1
Cash flow per share from current operations, SEK	1.25	2.28	1.74	0.84	3.43	0.66	1.25	1.51

ALTERNATIVE PERFORMANCE MEASURES

Hufvudstaden applies the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures. According to these guidelines, alternative performance measures refer to a financial measurement of earnings performance, financial position, financial result or cash flow not defined according to IFRS or the Swedish Annual Accounts Act. Hufvudstaden is also a member of the European Public Real Estate Associations (EPRA) and reports financial key figures defined by EPRA. Below is the derivation of alternative performance measures. For definitions, see page 17.

GROUP, SEK m	Full year 2024	Full year 2023
Net asset value, see page 5.		
Return on equity, adjusted		
Net result for the year	365	-1,927
Reversal of items affecting comparability and changes in value	613	3,672
Reversal of tax on items affecting comparability and changes in value	-126	-833
Net result for the year, adjusted	852	912
Average equity	28,698	30,026
Return on equity, adjusted, %	3.0	3.0
Net debt		
Non-current interest-bearing liabilities	7,100	7,300
Non-current leasing liabilities	728	721
Current interest-bearing liabilities	2,700	2,100
Current lease liabilities	8	8
Cash and cash equivalents	-473	-382
Net debt	10,063	9,747
Equity ratio		
Equity	28,607	28,789
Total assets	48,874	48,444
Equity ratio, %	59	59
Net loan-to-value ratio, properties		
Net debt	10,063	9,747
Carrying amount, properties	47,115	46,743
Net loan-to-value ratio, properties, %	21.4	20.9
Interest coverage ratio		
Profit or loss before tax	563	-2,535
Reversal of items affecting comparability and changes in value	613	3,672
Financial expense	335	289
Total	1,511	1,426
Financial expense	335	289
Interest coverage ratio, multiple	4.5	4.9
EPRA Earnings (Earnings from property mgmt. after nom. tax)		
Operating result	884	-2,256
Reversal of changes in value	613	4,042
Financial income and expense	-321	-279
Earnings from property management	1,176	1,507
Current tax, earnings from property management	-140	-74
EPRA Earnings (Earnings from property mgmt. after nom. tax)	1,036	1,433
Reversal of items affecting comparability	-	-370
EPRA Company specific Adjusted Earnings, SEK m	1,036	1,063
Average number of outstanding shares, million	202.3	202.3
EPRA EPS, SEK	5.12	7.08
EPRA Company specific Adjusted EPS, SEK	5.12	5.25

ALTERNATIVE PERFORMANCE MEASURES

GROUP, SEK m	Full year 2024	Full year 2023
EPRA LTV		
Non-current interest-bearing liabilities	7,100	7,300
Current interest-bearing liabilities	2,700	2,100
Working capital, net (if liabilities exceed receivables)	807	671
Cash and cash equivalents	-473	-382
Net debt according to EPRA LTV	10,134	9,689
Investment properties	47,115	46,743
Intangible fixed assets	63	95
Working capital, net (if receivables exceed liabilities)	–	–
Property valuation according to EPRA LTV	47,178	46,838
EPRA LTV, %	21.5	20.7
EPRA vacancy rate		
Rental value for vacant space, in total	179	211
Rental value for vacant space, project	54	74
Total rental value	2,513	2,381
Vacancy rate, in total, %	7.1	8.8
Vacancy rate, project, %	2.1	3.1
EPRA vacancy rate, %	5.0	5.7

PARENT COMPANY

RESULT AND FINANCIAL POSITION

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 re-negotiations of office leases. 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.

Operating expenses amounted to SEK -726.2 million (-934.2). The decrease was attributable to lower maintenance costs. Gross profit was SEK 951.2 million (651.7). 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. Net financial income and expense was SEK -172.2 million (-94.7).

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

properties and inventory amounted to SEK 699.3 million (756.4).

MATERIAL RISKS AND UNCERTAINTIES

The company is mainly exposed to financing, interest and credit risks. Other than what is stated for the Group on page 7, no other material risks or uncertainties have been identified apart from those described in the Annual and Sustainability Report 2023.

MATERIAL TRANSACTIONS WITH RELATED PARTIES

No material transactions with related parties took place during the period.

ACCOUNTING POLICIES

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with Section 9 of the Annual Accounts Act, Interim Financial Statements. The accounting policies and basis for calculations remain unchanged from the Annual and Sustainability Report 2023.

INCOME STATEMENT – SUMMARY

PARENT COMPANY, SEK m	October- December 2024	October- December 2023	January- December 2024	January- December 2023
Net revenue ¹⁾	425.7	402.9	1,677.4	1,585.9
Operating expenses	-219.2	-250.2	-726.2	-934.2
Gross profit	206.5	152.7	951.2	651.7
Central administration	-15.6	-15.1	-54.5	-53.2
Items affecting comparability ²⁾	–	366.4	–	315.0
Changes in value, interest-rate derivatives	19.4	–	-10.8	–
Operating profit	210.3	504.0	885.9	913.5
Other financial income and expenses	16.9	74.6	-172.2	-94.7
Profit after financial items	227.2	578.6	713.7	818.8
Appropriations	-73.6	-72.8	-73.6	-72.8
Profit before tax	153.6	505.8	640.1	746.0
Tax	-112.6	-19.5	-213.4	-71.0
Profit for the period	41.0	486.3	426.7	675.0
Statement of comprehensive income				
Profit for the period	41.0	486.3	426.7	675.0
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	41.0	486.3	426.7	675.0

¹⁾ For a breakdown of net revenue, see table on page 11.

²⁾ Refers to insurance compensation for financial year 2023 of SEK 370.3 million for reconstruction of the Vildmannen 7 property after the extensive fire in 2017 and to SEK -55.3 million from disposal of a building in the Inom Vallgraven 12 block, where the Johanna project is ongoing.

BALANCE SHEET – SUMMARY

PARENT COMPANY, SEK m	December 31, 2024	December 31, 2023
Investment properties	9,613.2	9,108.4
Other non-current assets	6,592.1	6,599.1
Total non-current assets	16,205.3	15,707.5
Current assets	797.5	745.2
Total assets	17,002.8	16,452.7
Restricted equity	1,978.7	1,978.7
Non-restricted equity	2,445.2	2,564.8
Total equity	4,423.9	4,543.5
Untaxed reserves	61.0	48.3
Provisions	988.7	909.9
Non-current liabilities	7,426.2	7,609.2
Current liabilities	4,103.0	3,341.8
Total equity and liabilities	17,002.8	16,452.7

Stockholm, February 13, 2025

Fredrik Lundberg
Chairman

Claes Boustedt
Board Member

Peter Egardt
Board Member

Liv Forhaug
Board Member

Louise Lindh
Board Member

Katarina Ljungqvist
Board Member

Anders Nygren
*President and
Board Member*

Fredrik Persson
Board Member

Sten Peterson
Board Member

This Year-End Report has not been reviewed by the Company's auditors.

DEFINITIONS AND GLOSSARY

Finance

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

Average equity. Average of opening and closing equity for the period. In the interim accounts, closing equity is restated using the net result for the period calculated as on a full-year basis without regard to seasonal variations that normally occur in operations and not including items affecting comparability and changes in value.

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

Central administration. Costs for Group management and Group staff functions, costs for maintaining the Company's stock exchange listing, and other costs common to the Company.

Debt/equity ratio. Net debt in relation to equity at the end of the period.

EPRA. European Public Real Estate Association. An interest association for listed property companies in Europe.

EPRA Earnings – Earnings from property management after nominal tax. Operating profit or loss before changes in value minus financial income and expense and computed current tax, excluding a carry forward of unutilised tax losses. The tax deducted has been calculated with account taken of tax-deductible depreciation and investments.

EPRA Company specific Adjusted Earnings – Company specific Adjusted Earnings from property management after nominal tax. Operating profit or loss before items affecting comparability and changes in value minus financial income and expense and computed current tax, excluding a carry forward of unutilised tax losses. The tax deducted has been calculated with account taken of tax-deductible depreciation and investments.

EPRA LTV – Loan to Value. Non-current and current interest-bearing liabilities according to the balance sheet, net working capital if negative and resolved dividends less cash and cash equivalents in relation to the properties' carrying amounts 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 assets, adjusted for estimated actual deferred tax instead of nominal deferred tax.

Equity ratio. Equity at the end of the period in relation to total assets.

Gross margin. Gross profit in relation to net revenue.

Interest coverage ratio. Profit or loss after net financial income/expense, excluding items affecting comparability and changes in value, plus financial expense in relation to financial expense. In the interim accounts, net profit or loss after net financial income/expense, excluding items affecting comparability and changes in value, as well as financial expense, have been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the operations.

Items affecting comparability. Items of a non-recurring nature and which make it difficult to compare between two given periods.

MTN programme. Medium Term Note is a bond programme with a term of 1-15 years.

Net debt. Interest-bearing liabilities including lease liabilities and 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.

Earnings from property management. Operating profit or loss before items affecting comparability and changes in value minus financial income and expense.

Return on capital employed. Profit or loss before tax plus financial expense in relation to average capital employed. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the operations and with the exception of items affecting comparability and changes in value.

Return on equity. Net profit or loss in relation to average equity. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in the Company's operations and with the exception of items affecting comparability and changes in value.

Return on equity, adjusted. Net profit/loss excluding tax-adjusted items affecting comparability and changes in value in relation to average equity. In the interim accounts, the return has been recalculated on a full-year basis with no adjustments for seasonal variations that normally arise in operations.

Tax. Total tax for the Group comprises both current tax and deferred tax.

Shares

Average number of outstanding shares. Weighted average number of outstanding shares during a defined period.

Earnings per share. Net profit or loss for the period in relation to the average number of outstanding shares during the period.

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

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

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

Property

Annual rent. Gross rent, including supplements for utility charges, at the end of the period, calculated on an annual basis. Vacant premises are reported at the Estimated Rental Value (ERV).

Bibliotekstan. The area between Norrmalmstorg, Birger Jarlsgatan, Stureplan, and Norrlandsgatan where premium brand stores, restaurants and cafes are located.

EPRA vacancy rate. Estimated Market Rental Value (ERV) of vacant space divided by the ERV of all property holdings. Current development projects are excluded.

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.

Fredstan. The area around Fredsgatan between Brunnsparken and Trädgårdsföreningen, where the vision is to offer a unique range of stores, restaurants, and cultural events and facilities.

Market value, properties. The amount at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. In accounting terms, this is known as "fair value".

Net operating income. Net revenue from property management including intra-Group rent revenue less costs for property management.

Property tax supplement. Property tax payments received from tenants.

Rental vacancy rate. Estimated Market Rental Value (ERV) of vacant space divided by the ERV of all property holdings.

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

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

This document is in all respects a translation of the original Year-End Report in Swedish. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

ABOUT HUFVUDSTADEN

Hufvudstaden was founded in 1915 and rapidly became one of the leading property companies in Sweden. Today it is one of the country's strongest brands in the property sector. The brand is well known and represents high quality, good service, and a long-term approach to management and development of the Company's commercial properties in the most attractive business locations in Stockholm and Gothenburg.

PURPOSE

Shaping the city of the future together, since 1915.

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.

FINANCIAL OBJECTIVES

- Hufvudstaden shares will have good dividend growth over time, and dividend will exceed more than half the net profit from current operations.
- The equity ratio will be at least 40 per cent over time.

OPERATING OBJECTIVES

Hufvudstaden will:

- Gradually increase profit from current operations.
- Have the most satisfied customers in the industry.
- Have the most developed property holdings in the industry.
- Have the most dedicated and professional employees in the industry, with a strong customer focus and high business acumen.

STRATEGIES TO ACHIEVE THE OBJECTIVES

Customer focus. Hufvudstaden will work in close cooperation with its customers and contribute to continuously 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 digital advances in society will create added value in the property holdings.

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

OUR BRANDS



HUFVUDSTADEN AB (PUBL)
NK 100, SE-111 77 Stockholm
Visiting address: Regeringsgatan 38
Telephone: +46 8 762 90 00
E-mail: info@hufvudstaden.se
Website: www.hufvudstaden.se/en/
Company registration number: 556012-8240
Registered office: Stockholm



HUFVUDSTADEN