

# Annual Report 2025





Kåkenhusen 40

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The statutory annual report comprises the Administration Report and the Financial statements, including notes and comments, on pages 5, 8–11, 32–71, 76–79, 82, 84–89 and 95–107. The statutory sustainability report, in accordance with the Swedish Annual Accounts Act, can be found on pages 5, 11, 32–35, 42–43 and 95–107. Comparative figures in parentheses refer to the corresponding amounts for the previous year.

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



# 1915

Hufvudstaden was founded in 1915, and its Class A shares have been listed on what is now Nasdaq Stockholm since 1938. We have operated for 110 years in Stockholm and almost 60 years in Gothenburg.

## Hufvudstaden in brief

Hufvudstaden offers attractive office and retail premises in the most central parts of Stockholm and Gothenburg. The Group owns 28 properties valued at SEK 48.1 billion. We are a long-term property owner with a focus on great service, enduring customer relationships, and high quality in both the management and development of our properties. Together with our tenants and other partners, we are committed to a sustainable urban development in Stockholm and Gothenburg. We offer successful companies attractive premises in prime locations with the opportunity to grow in our properties. By providing the best possible conditions for their operations, we contribute to our customers' competitiveness and brands.



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 departments stores, are included in the Group.



# High quality, good service and a long-term approach

Hufvudstaden combines a robust business model with a high-quality and strategically concentrated property portfolio in central Stockholm and Gothenburg, creating stable cash flows and strong returns over time.





Rännilen 8

**PURPOSE**

Shaping the city of the future together, since 1915.

**VISION**

Hufvudstaden will be consistently perceived as, and prove to be, the most attractive real estate 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.

**BUSINESS MODEL**

Own, manage and develop properties in Stockholm and Gothenburg.

**VALUES**

Quality | Honesty | Attentiveness | Commitment



# Strong marketplaces create increased value

During 2025, economic conditions gradually improved, while global uncertainty persisted. For Hufvudstaden, the year entailed a continued strong focus on its core business. Our strong financial position enables us to continue developing the properties and strengthening our offering to remain a first choice in the market.



I am proud to lead a company that, for the fifth consecutive year, reports an increase in gross profit. It is also gratifying that in 2025 we once again won the annual customer satisfaction survey for offices, a confirmation that the strong partnership we have with our customers is highly appreciated. Behind the numbers are dedicated employees who, through daily customer interactions, have presented solutions, resolved issues, and further strengthened long-term relationships. These relationships create profitability and the foundation for effective sustainability work.

The year has, of course, also brought challenges, but in a changing world, I feel confident in Hufvudstaden's position. We are a stable and long-term company with the willingness and ability to adapt, make decisions, and implement changes when conditions require it.

## Development projects generate future cash flows

An important part of Hufvudstaden's operations is to develop strong marketplaces where architecture, design, and urban environments interact to attract a good mix of tenants. When all elements work well together, they reinforce each other, contributing to increased attractiveness, long-term customer relationships, and higher revenues over time.

Against this background, we have intensified efforts to further develop our central locations. A clear example is Fredstan in Gothen-

burg, where Kvarteret Johanna is undergoing extensive redevelopment and new construction. Leasing progress has been strong, with many new agreements signed with stable tenants at favorable rent levels. At the end of 2025, approximately 75 per cent of the space was leased. Tenant adaptations are now underway ahead of occupancy by new tenants in 2026 and 2027. The project is expected to reach full economic effect in 2028.

In Stockholm, work continues to strengthen Bibliotekstan's position as the most attractive shopping destination in the Nordics. Together with the City of Stockholm and other property owners, we are upgrading the streetscape to improve accessibility and make the city center more inviting.

Toward the end of the year, we made an investment decision to add two additional floors to the Orgelpipan 7 property in Stockholm. The project will provide highly sought-after office space in one of the city's best-connected locations, with construction scheduled to start in 2027.

In addition to physical investments, we also see how AI is creating new opportunities for the real estate industry. We are actively exploring and implementing AI solutions to optimise energy use, streamline processes, and enhance the customer experience.



### Quality in demand in the office market

During the year, the vacancy rate in the office market increased in both Stockholm and Gothenburg due to a weak economic climate, hybrid work, and changes in office usage. Gothenburg was also affected by a significant addition of new office space. Market activity increased somewhat during the second half of the year, but leasing processes were prolonged. We continue to see strong demand for high-quality offices in the best city locations, which benefits us. For example, all offices in the NK properties are fully leased to stable tenants.

At Kåkenhusen 40 in Stockholm, an extensive tenant adaptation of 5,400 sqm of office space is underway. At year-end, 90 per cent of the space was already leased, with occupancy planned for the end of 2026.

Cecil Coworking has continued to perform very well, with nearly full occupancy. In autumn 2026, we look forward to opening our second Cecil location, situated in Kvarteret Johanna in Gothenburg. Together, our three office concepts—Eget kontor, REDO, and Cecil Coworking—form a flexible offering that meets customers' needs over time.

### Signs of a turnaround in the retail sector

Retail has continued to be affected by household caution and increased savings, but during the year we have seen clear signs of stabilisation. The discount segment has shown the strongest development, while the premium and luxury segments have faced greater challenges. Conditions for increased consumption in 2026 are better than in several years, which has contributed to increased interest in new store openings in prime locations.

In Bibliotekstan, interest remains high and vacancy low. We are particularly pleased that Dior and Arc'teryx have chosen to open their first standalone stores in Sweden here, confirming the area's leading position.

In Nordstan in Gothenburg, the properties Fyran and Femman have developed positively despite the economic downturn. We see that the range of businesses is changing, with fashion stores increasingly being replaced by other types of businesses. Two examples are Paradox Museum and the activity center Activate, which help the marketplace reach new customer groups.

The transformation work within NK has intensified with the goal of strengthening the customer experience and profitability. The focus has been on cost savings and activating all areas of the department stores with attractive brands. Measures implemented have already resulted in improved performance, and the work will continue in 2026.

Weak retail sales have affected the wholly owned subsidiary NK Retail. To mitigate the impact and create profitability, changes and efficiencies have been implemented in both the organisation and the assortment. During the year, the jewelry and watches category was transferred to Nymans Ur, whose specialist expertise strengthens NK's customer offering.

### Increased shareholder value through share buybacks

The Swedish property market was stable thanks to lower inflation, more normalised long-term market interest rates, and good access to capital. Investment appetite improved somewhat, but buyers remained cautious about their balance sheets and selective regarding acquisitions. Demand for high-quality properties in central locations in Stockholm and Gothenburg was strong, but there were few sellers in the market.

Yield requirements for offices and retail in our central locations remained unchanged. Market values were mainly affected by changes in net operating income linked to rents and vacancies. The gap between attractive and less attractive properties widened, which benefits our well-developed properties in the best city locations. Hufvudstaden's Board of Directors decided, with the support of the Annual General Meeting mandate, to adjust the capital structure through share buybacks. A total of 8 million shares were repurchased, contributing to increased shareholder value.

### Long-term approach reduces climate impact

During the year, Hufvudstaden took further steps in its long-term sustainability work, focusing on saving resources, reducing risks, and strengthening the business over time.

Energy efficiency is a priority area where technical investments, optimised operations, and daily monitoring have reduced energy use in the properties. A clear example is that the target to reduce energy use per square meter by 16 per cent from 2019 to 2025 was exceeded, as we achieved a reduction of 25 per cent. We are also adapting properties to address climate risks and participating in projects with the city and other property owners to create safer and more attractive city centers.

In close collaboration with our customers, we have increased the share of reused materials in our projects. A priority is to create flexible layouts for longer life cycles and reduced need for reconstruction. At the same time, we have strengthened processes for supplier evaluation to achieve our goals in responsible business practices.

“ I am proud to lead a company that, for the fifth consecutive year, reports an increase in gross profit.

### Increased Gross profit for the fifth consecutive year

The Group's gross profit increased by 5 per cent to SEK 1,635 million. This demonstrates that our business model works well even in uncertain times and weaker economic conditions. It is gratifying that the NK Business Area contributed most to the increase in gross profit despite challenges in the retail sector. Net result for the year after tax was SEK 837 million (365). The improvement is mainly explained by lower negative unrealised value changes in the property holdings.

### Outlook

I start the new year with an optimistic view of the future. The overall assessment is that the Swedish economy will gradually recover, which should create better conditions for both the office and retail markets in our central locations.

One of our top priorities is to increase the occupancy rate in the properties. At the same time, we continue to drive major development projects. In Kvarteret Johanna, we are pleased to welcome new tenants who contribute to strengthening the Fredstan area. The development of Orgelpipan 7 is also entering the next phase, where we are creating new office space of the highest quality, which will strengthen cash flow over time.

Efforts to create profitable growth within NK will intensify in 2026. The focus is on attracting more visitors and increasing sales while maintaining good cost control.

Our long-term strategy remains firm – to own, manage, and develop the best properties in Stockholm and Gothenburg. It is a business model that has proven its strength over time and which I am convinced will continue to create value for both customers and shareholders.

I am deeply grateful for the commitment and expertise I encounter among our employees and look forward to continuing the company's development together in 2026. I would also like to take this opportunity to thank our customers for the trust they have placed in us and for a strong collaboration.

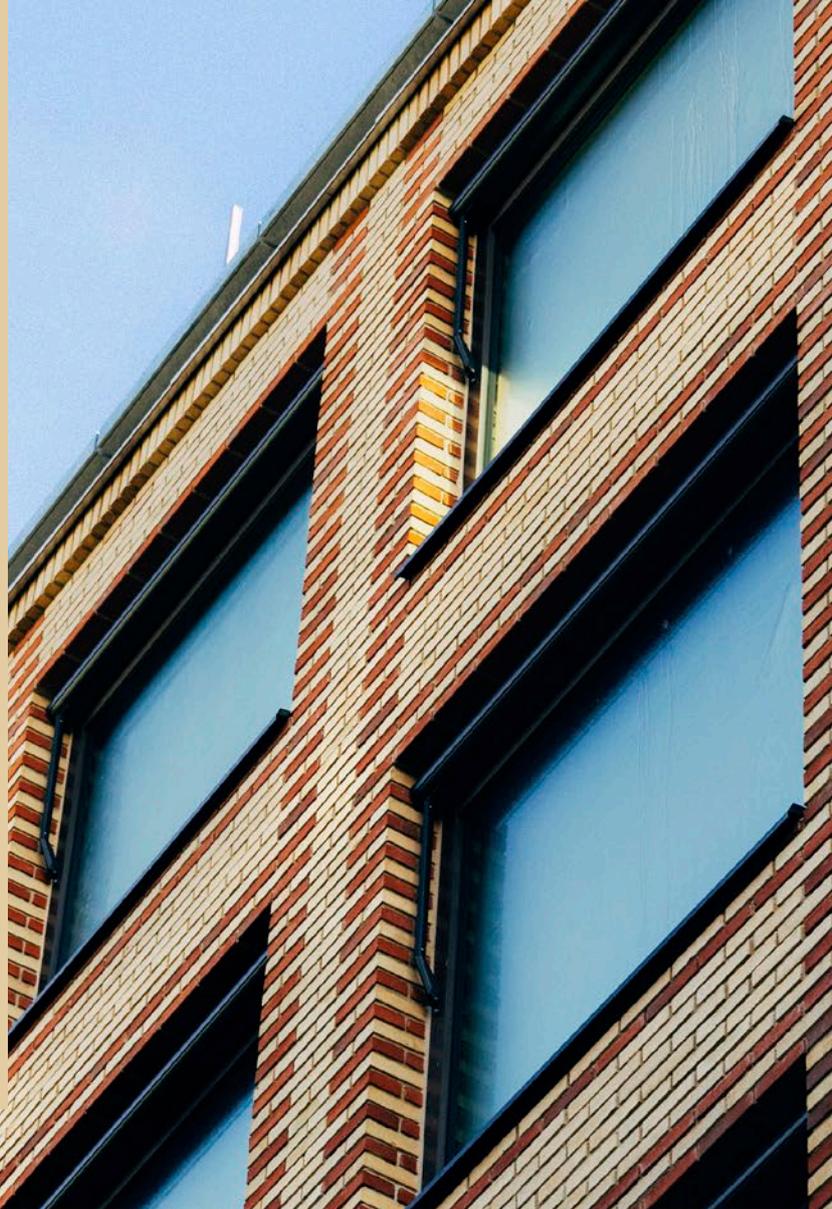
Stockholm, February 2026

Anders Nygren  
President



# Stability that drives shareholder value

A strong financial position enables investments in our properties and marketplaces in order to meet customer needs and continue to enhance shareholder value.



## RENTAL INCOME

**SEK 2,453 m**

Rental income from property management was SEK 2,453 million (2,319), an increase of 6 per cent. The Group's net revenue totalled SEK 3,292 million (3,179).

## GROUP GROSS PROFIT

**SEK 1,635 m**

The Group's gross profit increased by 5 per cent to SEK 1,635 million (1,552).

## NET RESULT FOR THE YEAR

**SEK 837 m**

Net result for the year amounted to SEK 837 million (365).

## PROPERTY HOLDINGS

**SEK 48.1 bn**

The fair value of the property holdings was SEK 48.1 billion (47.1). Unrealised changes in value of investment properties for the year amounted to SEK -174 million (-603).

## SHARE BUYBACK

**8 million**

During the year, 8 million Class A shares were bought back for SEK 1,018 million, corresponding to an average price of SEK 127.22 per share.

## DIVIDEND

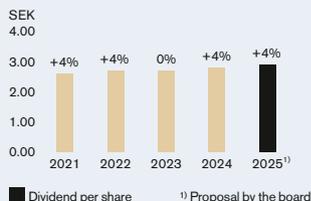
**SEK 2.90**

The Board of Directors proposes to the Annual General Meeting an increase in the dividend to SEK 2.90 per share (2.80).



Kvarteret Johanna

### DIVIDEND

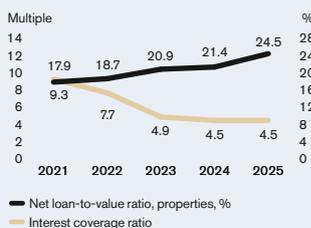


<sup>1)</sup> Proposal by the board

### VACANCY



### INTEREST COVERAGE RATIO AND NET LOAN-TO-VALUE RATIO



### RENTAL INCOME AND GROSS PROFIT



#### Summary of results, SEK m

	2025	2024	2023	2022	2021
Rental income, property management <sup>1)</sup>	2,453	2,319	2,216	2,055	1,936
Net revenue, other segments	1,052	1,059	929	891	704
Gross profit	1,635	1,552	1,469	1,354	1,344
Unrealised changes in value, investment properties	-174	-603	-4,042	-209	2,579
Operating profit	1,400	884	-2,256	1,089	3,865
Net result for the year	837	365	-1,927	722	2,955

#### Key ratios

Fair value of properties, SEK bn	48.1	47.1	46.7	49.5	48.8
Equity ratio, %	56	59	59	61	61
Loan-to-value ratio, properties, %	24.5	21.4	20.9	18.7	17.9
Interest coverage ratio, multiple	4.5	4.5	4.9	7.7	9.3
Rental vacancy rate excl. development projects, %	5.1	5.0	5.7	4.0	5.9
Net reinstatement value, SEK/share	189	185	185	201	199

<sup>1)</sup> Including intra-Group rental income.



Hufvudstaden has the most satisfied office tenants in the industry. For the eighth consecutive year, we were ranked first in the Fastighetsbarometern Customer Satisfaction Index among large companies<sup>1)</sup>. With an indexscore of 89 out of 100, we achieved our best result ever. This ranking is the outcome of long-term, collective efforts across the entire organisation, with every employee playing a vital role. Hufvudstaden's objective is to contribute of making the customers more successful in our properties. Fastighetsbarometern was launched in 1997, and since then Hufvudstaden has always ranked among the top three real estate companies.

<sup>1)</sup> Large companies are defined as real estate companies with more than 100 tenants.



# Strategy, targets and outcomes

The Group shall develop the property portfolio, deliver high customer satisfaction, and foster strong employee engagement in order to increase net profit from current operations.

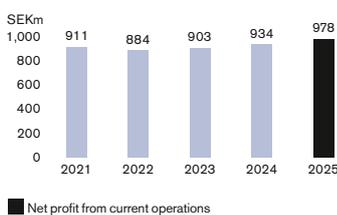


Pumpstocken 10

## NET PROFIT

# +5%

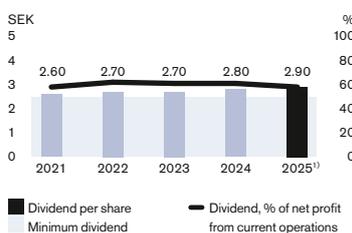
Hufvudstaden will gradually increase net profit from current operations. The Group's net profit from current operations increased by SEK 44 million to SEK 978 million.



## DIVIDEND SHARE OF NET PROFIT

# 58%

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 to the Annual General Meeting an increased dividend of SEK 2.90 per share (2.80), corresponding to a total dividend of SEK 563 million.

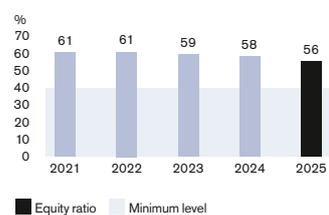


<sup>1)</sup> Proposal by the board

## EQUITY RATIO

# 56%

The equity ratio will be at least 40 per cent over time. At year-end, the equity ratio was 56 per cent.

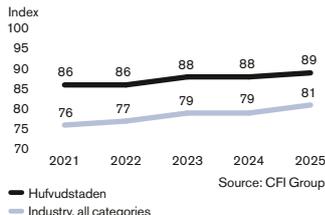




**CUSTOMER SATISFACTION INDEX**

**No. 1**

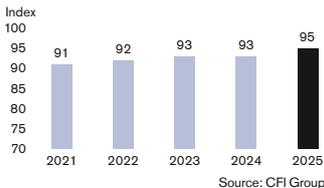
Hufvudstaden will have the most satisfied customers in the industry. For the eighth consecutive year, Hufvudstaden ranked first in the Large Company category of the Fastighetsbarometern Customer Satisfaction Index.



**PROFESSIONAL EMPLOYEES**

**95** of index 100

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.



**WELL-DEVELOPED PROPERTY HOLDINGS**

**89** of index 100

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.

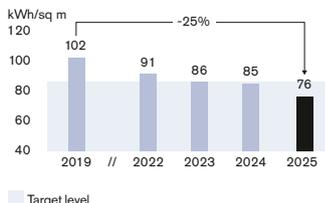
	Hufvudstaden	Industry average
Location	92	85
Property	86	79
Premises	87	81
Environmental considerations	89	78

Source: CFI Group

**ENERGY CONSUMPTION**

**-25%**

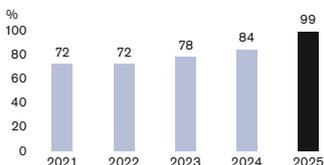
In total, energy consumption per square metre shall decrease by 16 per cent from 2019 to 2025. The outcome was a reduction of 25 per cent.



**GREEN BUILDING CERTIFICATION**

**99%**

All properties will have green building certification. 99 per cent of the portfolio is certified, with only the residential property Inom Vallgraven 3:2 remaining.



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.



# The property market



## Economic environment

Uncertainty and recession characterised Sweden's economic development during the first half of 2025. To address this, the Riksbank lowered the policy rate from 2.50 to 1.75 per cent. After the summer, the economy stabilised and a gradual recovery began. Inflation declined steadily and by year-end, according to CPIF, was close to the long-term target of 2 per cent. Households were cautious for much of the year, but sentiment improved during the autumn. Private consumption increased by approximately 1.5 per cent year-on-year. Unemployment rose further, reaching nearly 9 per cent. Overall economic activity increased somewhat compared with 2024, and GDP growth was close to 2 per cent.

Internationally, Russia's war of aggression in Ukraine continued. In the Middle East, Israel and Hamas agreed on an initial phase of a peace plan. The United States shifted its trade and security policy, resulting in higher import tariffs and reduced focus on Europe. To address these changes, several European countries continued to increase defense spending. Despite uncertainties during the year, the global economy performed relatively well, with global growth at around 3 per cent.

## Hufvudstaden's submarkets

Hufvudstaden owns and manages 24 properties in central Stockholm. The population of Greater Stockholm is 2.5 million, and the region's economic growth has historically been strong. Since the early 2000s, growth has averaged 2.7 per cent per year according to Statistics Sweden (SCB), compared with 1.9 per cent for Sweden as a whole. Tourism is an important industry in Greater Stockholm, and in 2025 the number of overnight stays increased by about 4 per cent. Major infrastructure projects are underway in Stockholm, including the Stockholm Bypass and an expansion of the metro system.

The central business district (CBD) in Stockholm comprises approximately 1.9 million square meters of office space located in an area around Central Station, Hötorget, Stureplan, Östermalmstorg, Norrmalmstorg, Kungsträdgården, and Sergels Torg.

In Gothenburg, Hufvudstaden owns 4 properties. The population of Greater Gothenburg is 1.1 million. Economic growth in Västra Götaland, a region slightly larger than what is normally referred to as Greater Gothenburg, has averaged 2.1 per cent annually over the past 25 years. Gothenburg is often regarded as an events city, and in 2025 the number of overnight stays in Greater Gothenburg increased by approximately 8 per cent. The largest ongoing infrastructure project in Gothenburg is the West Link, a double-track railway connection partly underground with three new stations, one of which will be directly connected to the Nordstan shopping center.

The best office locations in central Gothenburg are considered to be the Inom Vallgraven district, particularly the blocks closest to Hamngatorna, as well as Nordstan, Kungssportsavenyn, Masthuggskajen, Svenska Mässan, Lilla Bommen, Gårda, and Gullbergsvass. The Gothenburg CBD comprises approximately 0.8 million square meters of office space.

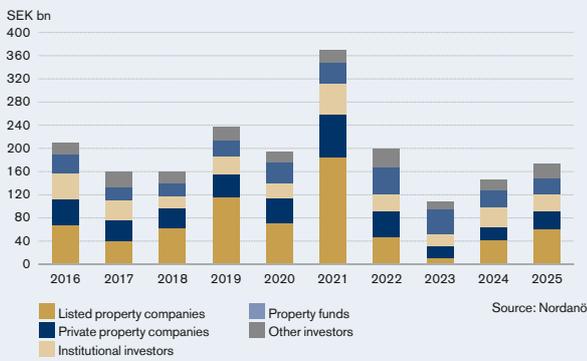
## Investor market

The Swedish property market was somewhat cautious in 2025, although investment appetite increased compared with 2024. Buyers were selective, and sales processes were protracted. Properties in central Stockholm that were put up for sale generally resulted in completed transactions, indicating that buyers and sellers had similar price expectations. In Gothenburg, the market was weak for much of the year, and the number of transactions was limited.

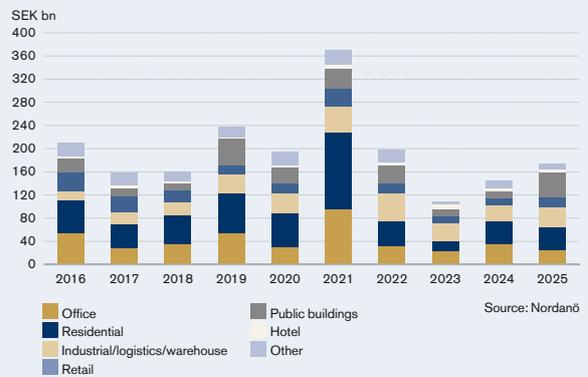
Financing opportunities via banks and the capital market were good. The policy rate cuts were in line with market expectations, and long-term Swedish market interest rates remained relatively stable.



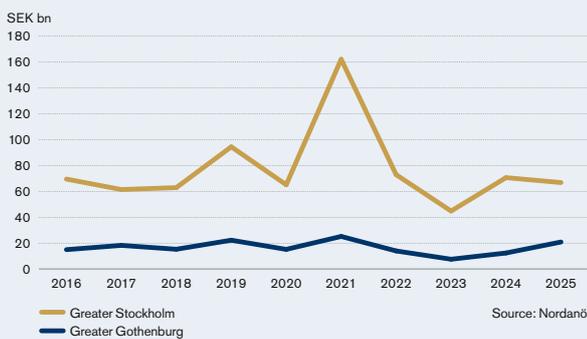
**TRANSACTION VOLUME BY INVESTOR CATEGORY**



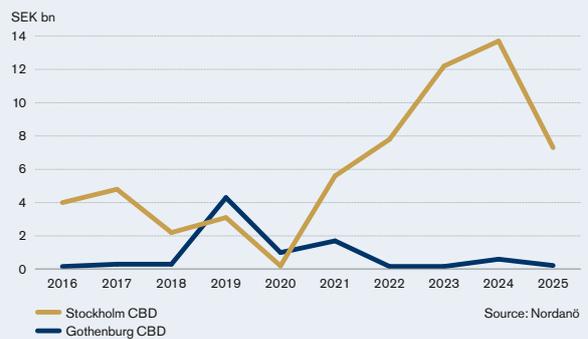
**TRANSACTION VOLUME BY PROPERTY TYPE**



**TRANSACTION VOLUME IN GREATER STOCKHOLM AND GREATER GOTHENBURG**



**TRANSACTION VOLUME IN STOCKHOLM CBD AND GOTHENBURG CBD**





Overall, the transaction volume in Sweden amounted to approximately SEK 175 billion in 2025, an increase of about SEK 30 billion compared with 2024. The share of international investors rose to around 30 per cent of the transaction volume. The property types that were most frequently transacted were residential, logistics/industrial, and offices. For commercial properties with offices and retail in Stockholm CBD, yield requirements were estimated at between 3.70 and 4.40 per cent at year-end. In Gothenburg CBD, yield requirements were estimated at between 4.30 and 5.25 per cent.

### Rental market

#### Offices

In 2025, the office rental market in Stockholm CBD was stable. During the spring, there was some hesitation, and leasing processes took longer. Toward the summer, activity increased, and tenants became more decisive. In central Gothenburg, the office rental market was characterised by a large supply from completed development projects, which had a dampening effect on market rents. In both Stockholm and Gothenburg, demand was primarily for modern and flexible offices in central locations with good transport links and a wide range of services, shops, and restaurants. In Gothenburg, this was confirmed by new peak rent levels for the very best offices in the most attractive locations.

Office usage has changed in recent years, which, together with the prolonged recession, has affected the office rental market. The greatest impact in Stockholm is seen outside the central areas, where tenants with larger leases tend to reduce space or relocate to more central locations. As a result, the location and design of offices have become increasingly important in the leasing process. This trend benefits centrally located offices of high standard, and for the very best offices, willingness to pay has remained or even increased slightly during the year.

The market for coworking facilities has improved, with demand mainly for unique concepts offering first-class service and good networking opportunities. However, traditional offices remain the most sought-after on the rental market.

Vacancy rates increased in most of Stockholm's office submarkets during 2025, including Stockholm CBD, where the vacancy rate at year-end was around 9 per cent. Market rents were in the range of SEK 7,000–10,100 per square meter per year, excluding property tax surcharge. In Gothenburg CBD, the vacancy rate remained high, and market rents were between SEK 3,300–4,200 per square meter per year, excluding property tax surcharge. For the most modern and attractive offices, rent levels were higher.

#### Retail

Pressure on purchasing power, recession, and global uncertainties meant that households remained cautious with consumption during 2025. The greatest impact was on mid-price segment operators, but the premium and luxury segments were also affected. The discount retail segment performed best during the year.

Lower interest rates, tax cuts, and projected real wage increases resulted in improved confidence and optimism in the retail sector. Interest in establishing new stores in prime street-level locations in central Stockholm and central Gothenburg increased. Vacancy levels in these locations remained limited, and rental trends were generally stable.

Competition, however, is intense—both between different brands and retail destinations and from e-commerce. Properties that offer consumers attractive meeting and shopping destinations with unique shopping experiences are considered to have good prospects for increased profitability going forward.

Market rents in the best commercial locations in Stockholm were in the range of SEK 11,000–25,000 per square meter per year, excluding property tax surcharge. In central Gothenburg, the best retail locations are considered to be Östra Nordstan, Fredstan, and Kungsgatan between Östra and Västra Hamngatan. In these locations, market rents were between SEK 3,000–13,000 per square meter per year, excluding property tax surcharge.

Kungsgatan, Stockholm





**LARGEST PROPERTY OWNERS IN STOCKHOLM CBD**

	Lettable area, sq m
Vasakronan	376,000
AMF Fastigheter <sup>1)</sup>	283,000
Hufvudstaden	270,000
Pembroke Real Estate	120,000
Skandia Fastigheter	119,000
Folksam Fastigheter	115,000

<sup>1)</sup> Including space owned jointly with AP7.

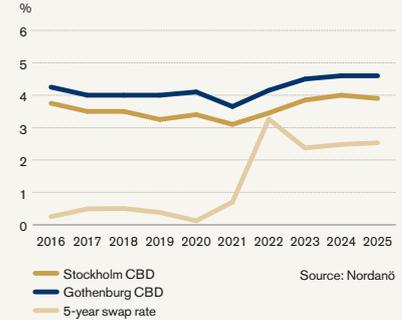
Source: Nordanö

**LARGEST PROPERTY OWNERS IN GOTHENBURG CBD**

	Lettable area, sq m
Vasakronan	336,000
Wallenstam	231,000
Balder	160,000
Hufvudstaden	105,000
Bygg-Göta Göteborg	91,000
Platzer	82,000

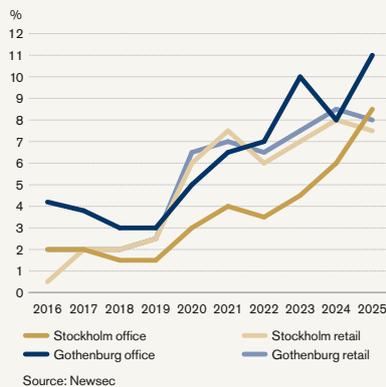
Source: Nordanö

**YIELD REQUIREMENTS IN STOCKHOLM CBD AND GOTHENBURG CBD**



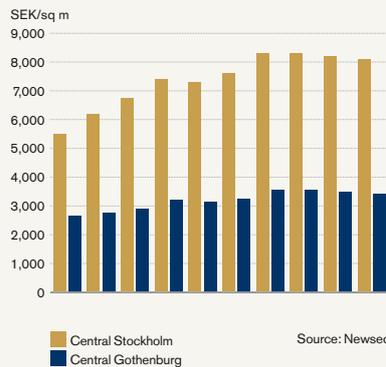
Source: Nordanö

**VACANCY RATE, OFFICE AND RETAIL SPACE IN PRIME LOCATIONS**



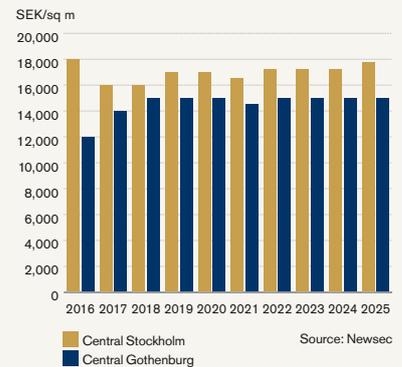
Source: Newsec

**MARKET RENT, OFFICE SPACE IN PRIME LOCATIONS (EXCLUDING PROPERTY TAX SUPPLEMENT)**



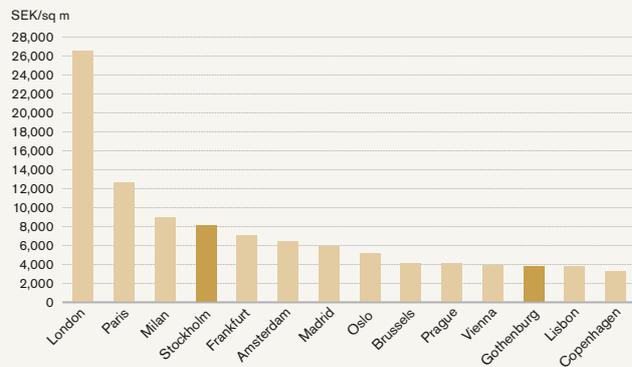
Source: Newsec

**MARKET RENT, RETAIL SPACE IN PRIME LOCATIONS (EXCLUDING PROPERTY TAX SUPPLEMENT)**



Source: Newsec

**PRIME LOCATION OFFICE RENTS IN EUROPEAN CITIES, DECEMBER 2025**



Source: Newsec

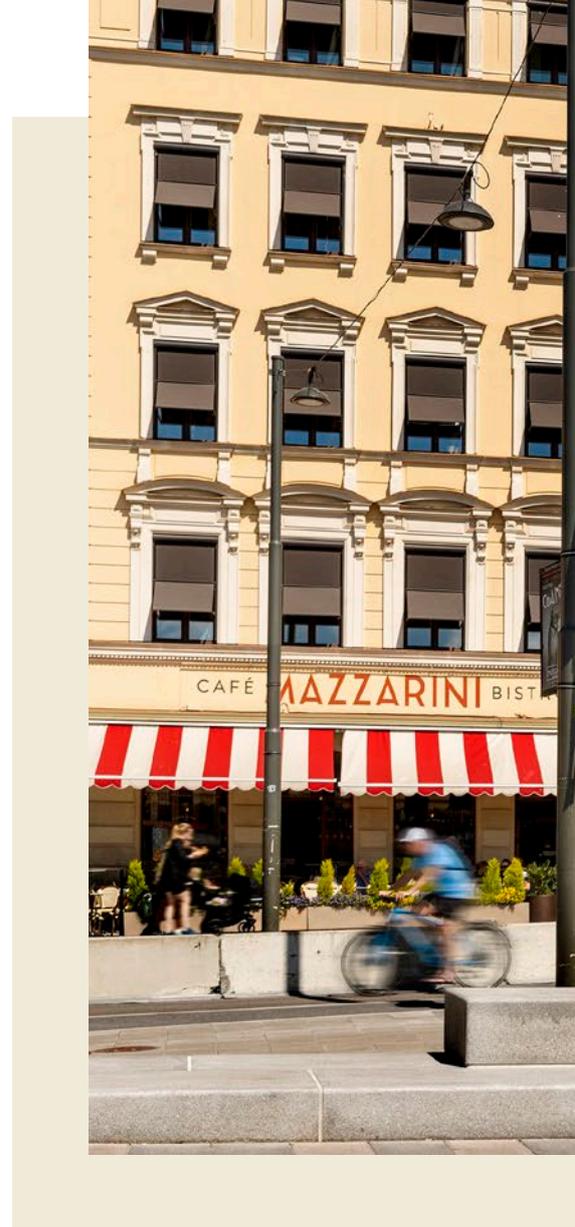
**MARKET RENTS, DECEMBER 2025 (EXCLUDING PROPERTY TAX SUPPLEMENT)**

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



# Property management

Property management is the foundation of Hufvudstaden's operations. Operationally, the business is divided into three business areas: Stockholm, Gothenburg, and NK.



## Results

Property management rental income for the year amounted to SEK 2,452.7 million (2,318.6). Operating expenses were SEK -757.0 million (-685.3). The gross profit was SEK 1,695.7 million (1,633.3). The increase is mainly explained by improved results from the NK properties, rent indexation, and higher gross rents from new leases and renegotiations of office space.

## Property valuation

The fair value of Hufvudstaden's property holdings is based on an internal valuation. As of December 31, 2025, the value amounted to SEK 48,099.3 million (47,115.4). The increase is explained by investments during the year, partly offset by negative unrealised value changes in the property holdings. The unrealised decrease in value is due to increased expenses in development projects and the effect of slightly lower retail rents.

## Change in investment properties

SEK million	2025	2024
Opening fair value	47,115.4	46,742.8
Investments in property holdings	1,157.8	975.2
Unrealised change in value	-173.9	-602.6
<b>Closing fair value</b>	<b>48,099.3</b>	<b>47,115.4</b>

## FAIR VALUE PROPERTY HOLDINGS

The Group owns 28 properties valued at SEK 48.1 billion.

Gothenburg SEK 8.0 billion

# 48.1

Stockholm SEK 40.1 billion

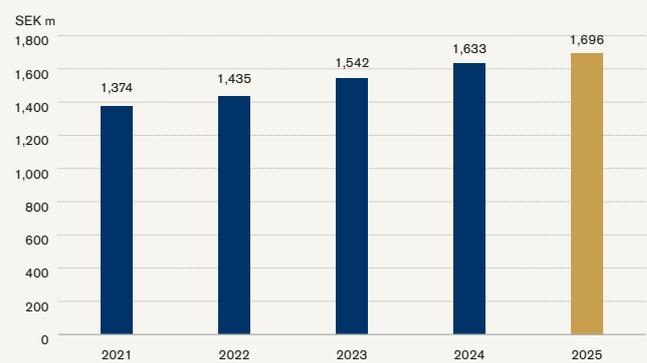


Slussplan, Gamla Stan

### Property management results

SEK million	2025	2024
Rental income	2,452.7	2,318.6
(of which intra-Group rents)	(213.1)	(198.4)
<b>Expenses</b>		
Operating costs	-346.9	-289.5
Maintenance	-30.5	-31.7
Property tax	-236.9	-237.5
Administration	-142.7	-126.6
<b>Total expenses</b>	<b>-757.0</b>	<b>-685.3</b>
<b>Gross profit</b>	<b>1,695.7</b>	<b>1,633.3</b>

### Gross profit from property management





Business Area

# Stockholm

The Stockholm Business Area consists of 22 office and retail properties. The properties are located in Bibliotekstan, along Kungsgatan, Sveavägen, Drottninggatan, Klarabergsgatan, in Gamla Stan, and at Kungsträdgården.



Norrmalmstorg

## PROPERTY MANAGEMENT RESULTS<sup>1)</sup>

SEK million	2025	2024
Rental income	1,536.1	1,502.6
Operating costs	-96.0	-89.0
Maintenance	-17.8	-11.9
Property tax	-158.7	-156.3
Administration	-59.4	-56.7
<b>Total costs</b>	<b>-331.9</b>	<b>-313.9</b>
<b>Gross profit</b>	<b>1,204.2</b>	<b>1,188.7</b>

<sup>1)</sup> Including intra-Group rental income.

## PROPERTY HOLDINGS

	December 31, 2025	December 31, 2024
Number of properties	22	22
Lettable area, sq m	211,072	210,867
(of which offices)	(136,060)	(135,587)
(of which retail and restaurants)	(42,708)	(43,002)
Annual rent, SEK million	1,656	1,587
Rental vacancy rate, %	6.7	4.9
Area vacancy rate, %	8.5	6.2

## Portfolio development

During the year, Hufvudstaden continued its strategic work to create attractive marketplaces in central Stockholm. Successful companies and strong brands in beautiful properties contribute to vibrant environments where businesses, employees, and visitors thrive. Demand for high-quality office space in the most central locations increased further during the year, highlighting the importance of office design in strengthening customers' brands and corporate cultures. Demand was particularly strong for office space in Bibliotekstan, where the vacancy rate remained low. Letting processes were somewhat protracted, but activity strengthened in the second half of the year.

To meet customers' varying needs, Hufvudstaden offers the office concepts Eget kontor, REDO, and Cecil Coworking. These concepts complement each other and provide attractive solutions for different types of tenants. Eget kontor is the most in-demand option, where tenants can sign longer leases and have premises adapted to their specific needs. REDO offers fully furnished and equipped premises with the possibility of quick move-in and shorter lease terms—a convenient solution without compromising on quality and comfort. Cecil Coworking is the most flexible option, with workstations and offices in a unique environment inspired by boutique hotels, where breakfast and lunch service contribute to a dynamic work environment that promotes creativity and networking. Cecil Coworking is also a natural starting point for growing companies, and during the year, six companies moved from Cecil to other concepts within Hufvudstaden's portfolio.



The extensive modernisation of Danske Bank's office in the Packarhuset 4 property at Norrmalmstorg was completed in 2025. The project was carried out with a strong focus on reuse and sustainability. In the Kåkenhusen 40 property, a major redevelopment of approximately 5,400 sqm of office space is underway following the departure of the Swedish Financial Supervisory Authority. The project is marketed as The Corner, and by year-end, about 90 per cent of the space was already leased, with occupancy planned for the end of 2026.

The retail market was strong during the year, with very low vacancy rates in the business area. Bibliotekstan has further strengthened its position as the leading destination for premium and luxury fashion in Scandinavia. The area continues to attract Swedish and international brands. During the year, new leases and renegotiations contributed to renewing and enhancing the attractiveness of the marketplace. A clear example of this is the opening of Dior in the Pumpstocken 10 property. Other strong brands that opened in the district include Arc'teryx, Dagmar, Rains, and Swatch.

In the spring, an adaptation of the historic Birger Jarlspassagen was completed, and the successful restaurant Misshumasshu, run by chefs Adam and Albin, expanded its space. Hufvudstaden, in collaboration with the City of Stockholm and other property owners, launched a street project in Bibliotekstan. Parts of Mäster Samuelsgatan and Jakobsbergsgatan are being redesigned with continuous walking surfaces without level differences or curbstones. This will create a more pleasant and accessible environment for pedestrians, with new benches and decorations. It will further strengthen the area and is a clear example of how Hufvudstaden actively works to develop marketplaces and create vibrant urban environments.

**Customers**

Our office tenants in Stockholm are companies that value high-quality premises in central locations. The dominant sectors are banking and finance, law firms, and IT and management consultants. Long-standing office tenants include Brummer & Partners, Danske Bank, Entercard, the Swedish Export Credit Agency, KG 10, and law firms such as Alrutz, Vinge, and White & Case.

Our retail tenants are often well-known brands that prioritise being in the right location. In Bibliotekstan, Scandinavian brands with a high fashion profile such as ATP, Axel Arigato, By Malene Birger, Byredo, Dagmar, Filippa K, Gant, Malina, Our Legacy, Rodebjer, and Totême are combined with major international fashion companies such as Cartier, Céline, Chanel, Dior, Moncler, Prada, Ralph Lauren, Stone Island, and Zara. Along Kungsgatan, several of the largest tenants in sports and leisure can be found, such as Alewalds, Haglöfs, Naturkompaniet, New Balance, and Stadium. Other major tenants include Cervera, Telenor, Telia, Tesla, and Ströms.

The business area also includes some of Stockholm's top restaurants and cafés, such as Bibon, Eatly, Misshumasshu, Prinsen, Sempre, and Vau De Ville. These restaurants create meeting places, contribute to a vibrant urban environment, and increase the area's attractiveness.

In total, the business area has 347 customers (335). The ten largest customers lease approximately 45,000 sqm (51,000), with a total annual rent of SEK 429 million (432).

**Brands within the business area**

- Bibliotekstan – The area between Norrmalmstorg, Birger Jarlsgatan, Stureplan, and Norrlandsgatan, featuring high-end brands as well as restaurants and cafés.
- Birger Jarlspassagen – The historic passage between Birger Jarlsgatan and Smålandsgatan, a well-known meeting place offering exciting restaurant concepts.
- Cecil Coworking – The facility in Bibliotekstan offers members flexible workspaces and first-class service that fosters creativity and networking.
- Norrmalmstorg 1 – A unique landmark property and a commercial hub in central Stockholm

**LARGEST TENANTS**

Offices	sqm
Danske Bank	9,800
Advokatfirman Vinge	7,800
KG 10	6,200
Entercard	3,600
Cecil Coworking <sup>1)</sup>	3,200

<sup>1)</sup> Wholly owned subsidiary.

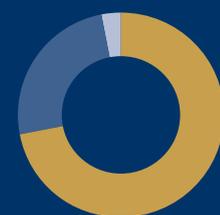
**Retail & Restaurants**

Retail & Restaurants	sqm
Eatly	2,600
Zara	2,100
Ströms	1,500
Alewalds	1,300
Tesla	1,100

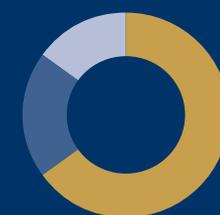
**NEW LEASES AND RENEGOTIATIONS**

	2025	2024
New leases, sqm	16,900	11,800
New lease annual rent, SEK m	129	91
Renegotiated leases, sqm	29,400	30,000
Renegotiated annual rent, SEK m	261	235

**ANNUAL RENT BY USE**

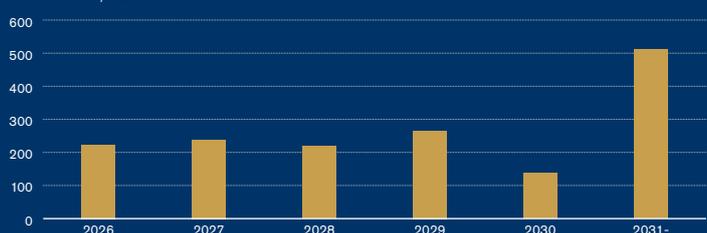


**LETTABLE FLOOR SPACE BY USE**



**LEASE MATURITY STRUCTURE**

Annual rent, SEK million





## Business Area

## NK

The NK Business Area includes the NK properties in Stockholm and Gothenburg, which, in addition to the department stores, also house flexible office premises. The parking property Hästskon 10 in Stockholm is also included.



NK Stockholm

PROPERTY MANAGEMENT RESULTS<sup>1)</sup>

SEK million	2025	2024
<b>Rental income</b>	<b>581.1</b>	<b>487.7</b>
Operating costs	-207.4	-154.8
Maintenance	-8.6	-16.9
Property tax	-44.1	-44.8
Administration	-59.0	-48.4
<b>Total costs</b>	<b>-319.1</b>	<b>-264.9</b>
<b>Gross profit</b>	<b>262.0</b>	<b>222.8</b>

<sup>1)</sup> Including intra-Group rental income.

## PROPERTY HOLDINGS

	December 31, 2025	December 31, 2024
Number of properties	3	3
Lettable area, sq m	91,196	91,249
(of which offices)	(17,764)	(17,742)
(of which retail and restaurants)	(35,616)	(35,553)
Annual rent, SEK million	574	531
Rental vacancy rate, %	6.4	4.5
Area vacancy rate, %	6.9	4.4

## AB Nordiska Kompaniet

Nordiska Kompaniet was founded in 1902 and is Sweden's most exclusive department store, with operations in Stockholm, Gothenburg, and online at nk.se. Continuous efforts are underway to create a destination where people want to be and shop. This means offering an attractive and unique range with a focus on fashion, beauty, and lifestyle, first-class service, and an atmosphere that makes customers want to stay longer. Cultural and creative elements remain an important part of the customer experience. They complement the presence of brands and strengthen NK's position as a destination where retail and experiences interact.

## Development of the department stores

The NK department stores in Stockholm and Gothenburg are located in prime retail locations with strong customer flows and excellent transport links. The vision is to be a world-class department store. The year was challenging, with a weak economy and continued cautious consumption. Despite these conditions, visitor and sales performance was positive in both department stores compared with the previous year. To strengthen profitability, a number of measures were implemented to increase occupancy and reduce costs. The result for the year improved, driven by cost control and more efficient working methods.



The department stores continued to develop their brand offering through several launches. In Stockholm, Singular Society and LVMH-owned Rimowa opened, reinforcing NK's exclusive offering. Pop-ups created novelty and relevance, including the Swedish beauty brand Obayaty and the world launch of Nomaka. Several beauty brands chose NK for new unique concepts, including Dior and Lancôme. The NK Stage concept, where new brands can market and sell their products for shorter periods, featured around 20 different brands during the year. NK's atrium is another attractive space for brands to showcase their range and launch exclusive news. In Gothenburg, the Men's Department was remodeled to further develop the offering.

The department stores also offered other exciting activities, including an inspiring Christmas display, the NK Gala, customer evenings, musical performances, and several brand collaborations.

**The NK Brand**

NK is one of Sweden's strongest and most well-known brands among Swedish and international consumers. Long-term efforts to nurture and develop the brand are the foundation of NK's ability to attract customers and drive sales. As part of this work, NK's own brand, NK Collection, continued to develop its offering with products in beauty and fashion.

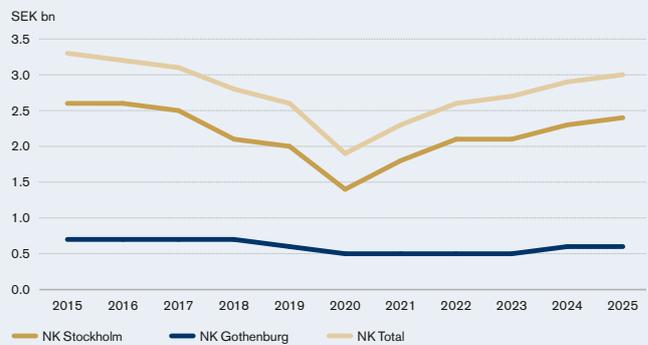
**Customers and leasing**

The business area has a total of 110 customers (107). The ten largest customers lease approximately 26,000 sqm (29,000), of which the wholly owned subsidiary NK Retail leases about 10,400 sqm of retail space (11,300). Together, they represent an annual rent of SEK 259 million (254).

**NK DEPARTMENT STORES**

Stockholm		2025	2024
Lettable department store area, sqm		25,179	25,029
Lettable storage area, sqm		9,091	9,223
<b>Total</b>		<b>34,270</b>	<b>34,252</b>
Number of departments		99	98
Number of restaurants		12	13
Sales incl. VAT, SEK million		2,448	2,347
Gothenburg		2025	2024
Lettable department store area, sqm		10,437	10,524
Lettable storage area, sqm		1,040	1,046
<b>Total</b>		<b>11,477</b>	<b>11,570</b>
Number of departments		41	47
Number of restaurants		3	3
Sales incl. VAT, SEK million		578	579

**NK DEPARTMENT STORES SALES**



**LARGEST TENANTS**

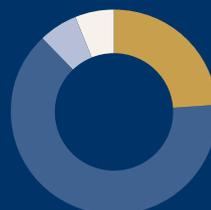
Category	Tenant	sqm	
Offices	Visa	2,800	
	Deloitte	2,400	
	Hasten 21	1,800	
	AG Advokat	1,500	
	Foyen Advokatfirma	1,200	
	Retail & Restaurants	NK Retail <sup>1)</sup>	10,400
		Calceos	1,600
Cervera		1,500	
Plan4 Restaurang		1,400	
Harjak & Månsson		1,300	

<sup>1)</sup> Wholly owned subsidiary.

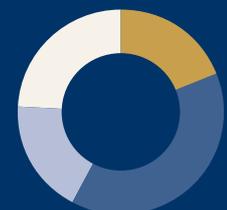
**NEW LEASES AND RENEGOTIATIONS**

	2025	2024
New leases, sqm	5,300	3,600
New lease annual rent, SEK m	38	27
Renegotiated leases, sqm	9,000	16,600
Renegotiated annual rent, SEK m	71	122

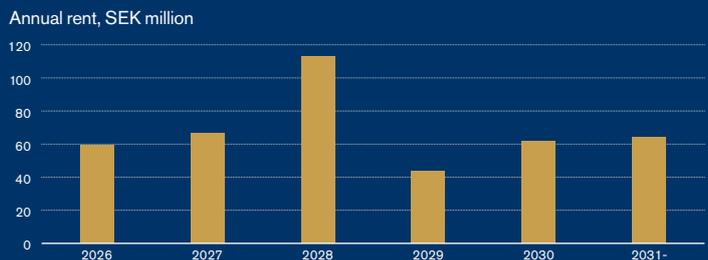
**ANNUAL RENT BY USE**



**LETTABLE FLOOR SPACE BY USE**



**LEASE MATURITY STRUCTURE**

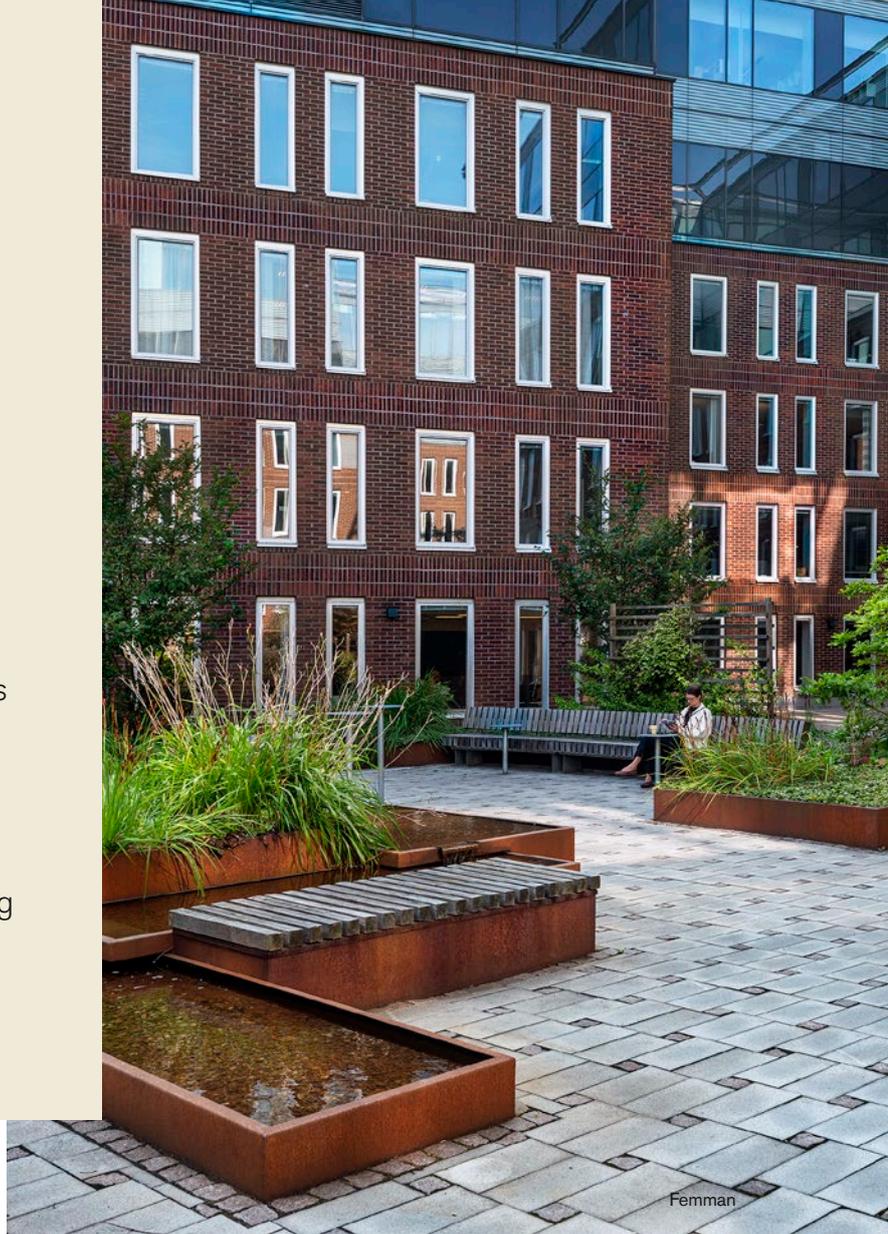




Business Area

# Gothenburg

The Gothenburg Business Area comprises three properties located in two central areas within the city's most attractive business districts. Fredstan includes the properties Inom Vallgraven 12:10 and Vallgraven 3:2, while Nordstan consists of the property Nordstaden 8:24, which includes Fyran facing Östra Hamngatan and Femman with its strategic location near the Central Station.



Femman

## PROPERTY MANAGEMENT RESULTS<sup>1)</sup>

SEK million	2025	2024
<b>Rental income</b>	<b>335.5</b>	<b>328.3</b>
Operating costs	-43.5	-45.7
Maintenance	-4.1	-2.9
Property tax	-34.1	-36.4
Administration	-24.3	-21.5
<b>Total costs</b>	<b>-106.0</b>	<b>-106.5</b>
<b>Gross profit</b>	<b>229.5</b>	<b>221.8</b>

<sup>1)</sup> Including intra-Group rental income.

## PROPERTY HOLDINGS

	December 31, 2025	December 31, 2024
Number of properties	3 <sup>1)</sup>	4
Lettable area, sq m	88,728	88,662
(of which offices)	(49,198)	(49,205)
(of which retail and restaurants)	(31,305)	(31,232)
Annual rent, SEK million	398	395
Rental vacancy rate, %	19.9	19.4
Area vacancy rate, %	30.6	29.5

<sup>1)</sup> In 2025, the properties Inom Vallgraven 12:10 and Inom Vallgraven 12:11 were merged.

## Portfolio development

During the year, the focus was on completing the base building for one of Gothenburg's most exciting urban development projects, Kvarteret Johanna, which is Hufvudstaden's largest project. In the block, scaffolding was removed during the autumn, and large parts of the base building were finally inspected in December. The remaining work mainly involves tenant adaptations and completion of works along Fredsgatan. Leasing efforts have been successful, and by year-end, leases had been signed for approximately 23,600 sqm, corresponding to 75 per cent of the space. Of the signed leases, about 19,100 sqm relate to offices. Occupancy will take place gradually during 2026 and 2027. The project is expected to reach full economic effect in 2028.

Nordstan continues to play a central role in Gothenburg's retail sector. In Femman, which comprises approximately 16,000 sqm of retail space across three floors, several changes have been implemented. In November, Paradox Museum opened, contributing to a broader range of experiences and strengthening Femman as a meeting place. The international fashion chain New Yorker signed an agreement to establish its largest store in Sweden, covering approximately 2,100 sqm. This establishment will be an important addition to the mall's attractive mix of brands. Visitor flows in Femman continued to show positive development, with nearly 13 million visitors recorded in 2025.



In Fyran, premises were adapted for the activity concept Activate, which will open its first Swedish center of approximately 750 sqm on the lower floor. Nordstan remains one of the country's most visited shopping centers, offering a wide range of shops, restaurants, services, and modern office environments directly connected to the Central Station. During the year, a building permit was obtained for an extension in the northern part of the center with an entrance from Västlänken. A redevelopment project has begun, and work on the extension started in December. Lease agreements have been signed with anchor tenants ICA, Systembolaget, and Clas Ohlson. The property where the redevelopment and extension are taking place is owned by Nordstan's Cooperative Association. The association owns and manages Nordstan's parking garage, squares, walkways, and several shops. Hufvudstaden is one of the largest co-owners of the association.

The total retail turnover in Nordstan amounted to nearly SEK 4.1 billion during the year. Femman accounted for just over SEK 1 billion, and Fyran for nearly SEK 340 million, underscoring the area's importance as a regional retail destination. The retail development reinforces the long-term view of Nordstan as one of Sweden's most visited marketplaces.

**Customers**

The business area has a broad and diversified customer base with businesses operating locally, nationally, and internationally. Office tenants value central locations with high standards and proximity to the Central Station, parking facilities, shops, restaurants, and services. The dominant sectors are law and accounting firms, as well as finance and consulting companies. Retail tenants are attracted by strong retail destinations with unique locations in the city center.

In total, there are 112 customers in the business area (113). The ten largest customers lease approximately 26,000 sqm (27,000), with a total annual rent of SEK 132 million (130).

**Brands within the business area**

- Femman – One of Gothenburg's leading destinations for shopping, food and meetings, with centrally located high-quality offices.
- Fredstan – A vibrant urban area around Fredsgatan, between Brunnsparken and Trädgårdsföreningen.
- Kvarteret Johanna – Hufvudstaden's largest development project, approximately 31,300 sqm of redeveloped and newly built commercial premises. A dynamic destination in Gothenburg's city center.
- Nordstan – One of Sweden's largest shopping centers in terms of visitors. Hufvudstaden is one of the largest owners in Nordstan's Cooperative Association, with an ownership share of approximately 40 per cent.



Kvarteret Johanna

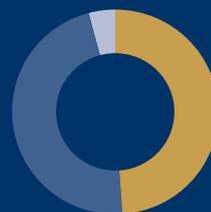
**LARGEST TENANTS**

Offices	sqm
Alektum Group	6,100
Folksam	3,800
Advokatfirman Vinge	3,300
Iver	2,800
Grant Thornton	2,000
Retail & Restaurants	sqm
Lidl	2,100
Stadium Outlet	1,900
KappAhl	1,900
Lager 157	1,800
Kicks	1,100

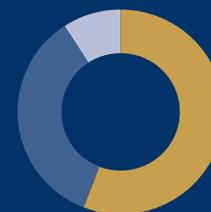
**NEW LEASES AND RENEGOTIATIONS**

	2025	2024
New leases, sqm	18,600	9,900
New lease annual rent, SEK m	72	47
Renegotiated leases, sqm	6,500	5,400
Renegotiated annual rent, SEK m	43	33

**ANNUAL RENT BY USE**

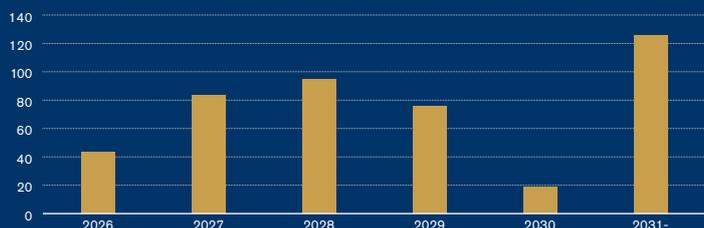


**LETTABLE FLOOR SPACE BY USE**



**LEASE MATURITY STRUCTURE**

Annual rent, SEK million





# Property Development

Hufvudstaden actively works to develop its operations and properties. The Business Development department identifies and drives commercial projects, while the Property Development department implements projects within our property portfolio and surrounding environments to create vibrant and attractive marketplaces.

## Business Development

Business Development drives strategic initiatives for the company's growth and competitiveness through market analysis and business strategies. The focus is on new opportunities, products, and partnerships to increase profitability and meet the changing needs of society and tenants.

In Nordstan, a development project is underway in collaboration with other property owners, creating an extension and a new entrance from the rail traffic. Business Development contributes to design, concept, and leasing to create an attractive marketplace. The project includes approximately 8,000 sqm of redevelopment and an extension of about 700 sqm.

During the year, the commercial concept for Kvarteret Johanna in Gothenburg was developed to ensure an attractive tenant mix and create a destination that strengthens the city's vibrancy. Our coworking concept, Cecil, will be established in the block to meet the demand for flexible work environments.

Digitalisation is seen as a strategic tool for long-term value creation. Modernisation of systems and digital solutions streamlines operations and strengthens the offering to tenants, in line with the company's goals of quality, sustainability, and profitable growth.

## Property Development

Property Development transforms ideas into profitable projects that combine function, aesthetics, and sustainability, with the goal of creating vibrant marketplaces and inspiring work environments. Through innovation and collaboration, flexibility is created to meet future demands, for example through adaptations for coworking, retail, and restaurants. We preserve the historical character of buildings while

upgrading to today's requirements for accessibility, technology, and sustainability.

## Ongoing projects

In the property Inom Vallgraven 12:10 in Gothenburg, the extensive redevelopment and new construction project Johanna is underway. Large parts of the base building have received final inspection approval, and tenant adaptations are ongoing ahead of occupancy by new tenants in 2026 and 2027. Read more on pages 26–27.

In the property Kåkenhusen 40, a major redevelopment of approximately 5,400 sqm of office space is underway. At year-end, 90 per cent of the space was already leased, with occupancy planned for the end of 2026.

For the property Orgelpipan 7, located near the Central Station in Stockholm, a new detailed development plan came into force in 2024. At the end of 2025, an investment decision was made for an extension of two floors together with an addition totalling approximately 5,300 sqm of office space. Construction is scheduled to start in 2027, with completion expected around year-end 2028/2029.

## Tenant adaptations

Tenant adaptations range from minor adjustments to major redevelopments, focusing on modern and functional premises. Over the past five years, Hufvudstaden has invested an average of approximately SEK 990 million per year in projects. In 2025, investments amounted to approximately SEK 1,160 million (980), of which 75 per cent in development projects, 15 per cent in tenant adaptations, and 10 per cent in maintenance. During the year, approximately 70 tenant adaptations were carried out, corresponding to 38,000 sqm.





Kvarteret Johanna

**TENANT ADAPTATIONS DURING THE YEAR STOCKHOLM**

Several major adaptations were completed in Stockholm. In Packarhuset 4 at Norrmalmstorg, the modernisation of approximately 9,800 sqm of office space was completed in collaboration with tenant Danske Bank, focusing on reuse and modernisation of climate systems.

The expansion of the restaurant Misshumasshu in Birger Jarlspassagen was completed after close cooperation with the City Planning Office and restaurateurs Adam & Albin. Cultural and historical values were preserved while giving the premises a new use.

In the property Achilles 1 in Gamla Stan, an extension with tenant Prime enabled modernisation and replacement of older installations. At the same time, retail premises in both Achilles and Medusa are being converted into restaurants, in harmony with the completion of Slussen.

On Kungsgatan, the premises for retail tenant Ströms in Oxhuvudet 18 were upgraded and expanded.

**GOTHENBURG**

In the property Fyran, new premises were prepared for Activate, an interactive gaming and activity center combining physical activity with digital technology.

New premises were also adapted for Paradox Museum in the property Femman, where reality and illusion meet in innovative experiences.

In the NK Gothenburg department store, several smaller tenant adaptations were carried out for both existing and new retail tenants.

**PROJECT OVERVIEW**

City	Property	Status	Type	Lettable area (sqm)	Added area (sqm)	Estimated investment <sup>1)</sup> (SEK m)	Estimated completion (year)
Stockholm	Kåkenhusen 40	Ongoing	Office	5,400	–	190	2026
Stockholm	Orgelpipan 7	Ongoing	Office	5,300	5,300	720	2029
Gothenburg	Kvarteret Johanna <sup>2)</sup>	Ongoing	Office, retail & restaurant	31,300	10,100	2,800	2026

<sup>1)</sup> Total investment including estimated costs for rental losses and financing, which are charged to earnings on an ongoing basis, as well as costs for relocation.  
<sup>2)</sup> Kvarteret Johanna is our designation for the property Inom Vallgraven 12:10. In 2025, the properties Inom Vallgraven 12:10 and 12:11 were merged.

**Efficient cooling and heating with CO<sub>2</sub> as refrigerant**

During the year, we began the transition to new efficient cooling and heating systems using carbon dioxide as a refrigerant in the NK building in Stockholm. This is a strategic investment that not only reduces our emissions and meets upcoming environmental requirements but also generates cost savings over time. Unlike synthetic refrigerants, so-called F-gases with very high Global Warming Potential (GWP) values, carbon dioxide has a very low GWP value. By switching to CO<sub>2</sub>-based technology, we virtually eliminate the climate impact from the refrigerant in the NK building. The investment is expected to reduce energy consumption by approximately 15 per cent.







# Kvarteret Johanna

## – A new destination for Gothenburg’s working life

Kvarteret Johanna is Hufvudstaden’s largest project and a long-term addition to Gothenburg’s city center. Through the redevelopment and new construction of approximately 31,300 sqm of commercial premises, modern office environments are being developed, complemented by retail, services, and public spaces. Here, the city’s cultural history meets contemporary architecture in a unique whole at the heart of the city’s vibrancy.

The project is being carried out with the ambition to create timeless and future-proof offices where quality, flexibility, and the central location in Fredstan are in focus. The design is characterised by bright, efficient layouts and shared spaces that contribute to both well-being and work-life quality. A distinctive feature is the rooftop landscape with terraces and a Bohuslän-inspired garden—a green oasis offering space for meetings, breaks, and relaxation with views over Gothenburg.

Long-term thinking has been a priority in the development of Kvarteret Johanna. The buildings are designed to be adaptable over time, with flexible layouts and technical systems that allow changes without extensive reconstruction. This creates favorable conditions for resource-

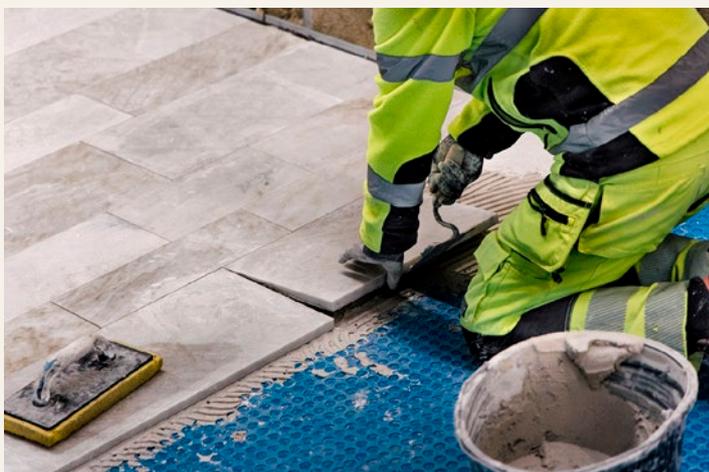
efficient management while enabling the property to evolve in line with tenants’ needs and market changes.

Interest in Kvarteret Johanna has been strong, and leasing efforts have been successful. Many companies have chosen the block for their new offices, attracted by the combination of a central location and high quality. The establishment of Cecil Coworking contributes to creating a vibrant block with dynamism and urban life. Kvarteret Johanna will be completed gradually, with occupancy taking place continuously during 2026–2027. When the project is completed, it will serve as a clear example of how Hufvudstaden develops modern workplaces in historic urban environments, with long-term perspective, quality, and attractiveness as common denominators.

“

**– What strikes you immediately is the solid construction and all the smart solutions and material choices.**

Peter Ljungsvik, CEO of Korab International, future tenant in Kvarteret Johanna.





# Other segments

The Group's operations are divided into three segments. The main segment is Property Management, and the others are NK Retail and Other operations. NK Retail operates retail activities in the NK department stores in Stockholm and Gothenburg. The Other operations segment includes Cecil Coworking, NK e-commerce, and the parking operations in Parkaden.

## NK Retail

Net sales for NK Retail amounted to SEK 903.7 million (915.7). Expenses were SEK -945.4 million (-968.5). The gross profit for NK Retail was SEK -41.7 million (-52.8). The result remained weak, and a transformation program is underway to achieve profitability in the business. The result was also affected by challenging market conditions. NK Retail's sales vary seasonally, typically with a weaker first quarter and a stronger fourth quarter.

## Other operations

Net sales for Other operations amounted to SEK 148.5 million (143.3). Expenses were SEK -167.4 million (-171.5). The gross profit was SEK -18.9 million (-28.2). Cecil Coworking and Parkaden contributed positively to the gross profit.

SEK million	2025	2024
<b>NK Retail</b>		
Net revenue	903.7	915.7
Expenses	-945.4	-968.5
(of which intra-Group rents)	(-128.8)	(-114.8)
<b>Gross profit NK Retail</b>	<b>-41.7</b>	<b>-52.8</b>
<b>Other Operations</b>		
Net revenue	148.5	143.3
Expenses	-167.4	-171.5
(of which intra-Group rents)	(-84.3)	(-83.6)
<b>Gross profit Other operations</b>	<b>-18.9</b>	<b>-28.2</b>





# RIMOWA

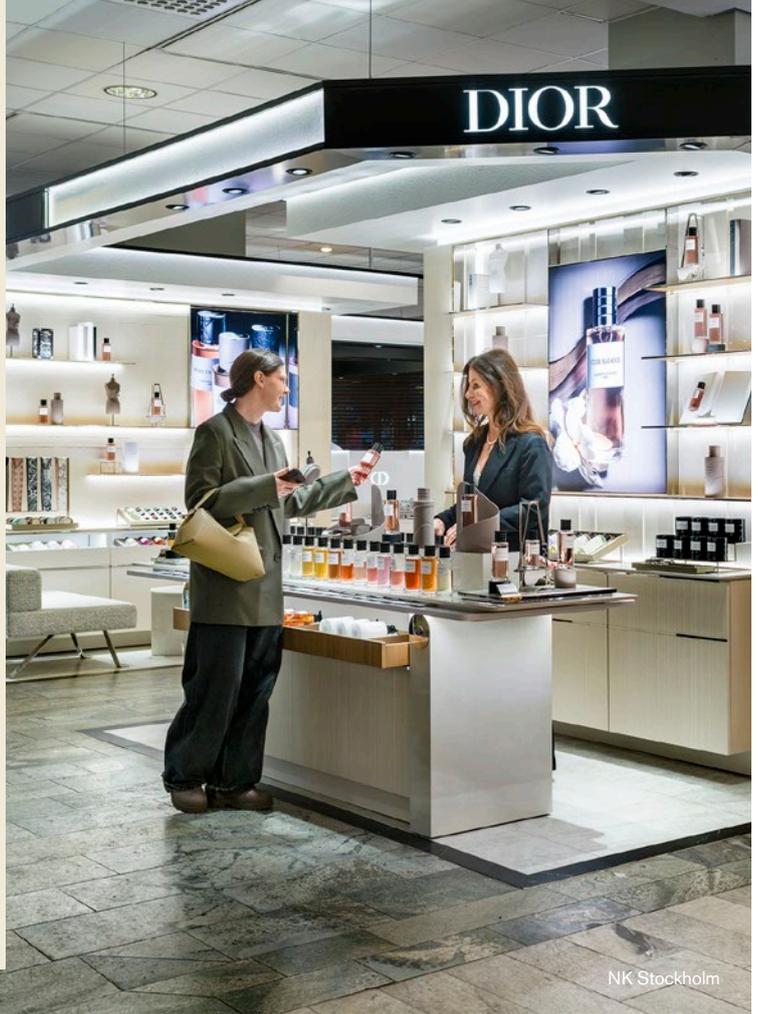


NK Stockholm



# NK Retail

The NK Retail business operates and develops departments and assortments, primarily within fashion, beauty, and accessories, across approximately 10,400 sqm in the NK department stores in Stockholm and Gothenburg, as well as through e-commerce.



NK Stockholm

## NK Retail

Commitment, first-class service, and inspiring multi-brand concepts define NK Retail. The brand portfolio consists of carefully selected international and Swedish premium and luxury brands.

The operating conditions have been challenging for several years. Sales have been affected by weak consumer purchasing power, and recent years' high inflation has impacted operating costs. To achieve profitability, an extensive transformation program is underway. For example, a new organisational structure has been introduced to increase focus on sales, customer experience, and assortment development, while reducing administrative costs.

In the Stockholm department store, the LVMH-owned brand Rimowa was launched, a renowned luxury brand for which NK has become the exclusive retailer in Sweden. NK's own brand, NK Collection, was strengthened during the year with the launch of additional product lines. In the Gothenburg department store, the Men's Department was developed with its own fragrance salon, and the Hugo Boss department was remodeled to enhance the customer offering.

NK Retail's operations include 30 departments, corresponding to about 20 per cent of the total number of departments in the department stores. The largest departments are NK Beauty and NK Man. These departments generate roughly half of total sales and showed an increase of 20 per cent compared with the previous year. In addition to the departments in the stores, NK Retail's assortment is also sold via NK e-commerce. The assortment includes approximately 600 well-known brands, including Bulgari, Caia Cosmetics, Chanel, Charlotte Tilbury, Dior, Khaite, Moncler, Rimowa, SKIMS, Tom Ford, Victoria Beckham, and Zegna.

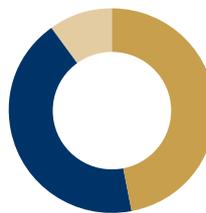
The NK Fine Jewellery & Watches department was transferred to Nymans Ur on October 1, 2025.

The business employs 435 people, corresponding to about 300 full-time positions.

## NK RETAIL

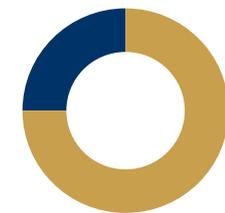
NK Stockholm	2025	2024
Sales area, sqm	6,411	6,944
Number of departments	16	16
Sales incl. VAT, SEK million	789	830
NK Gothenburg	2025	2024
Sales area, sqm	3,973	4,308
Number of departments	14	17
Sales incl. VAT, SEK million	264	258
Total	2025	2024
Number of employees	435	487

## SALES BY CATEGORY



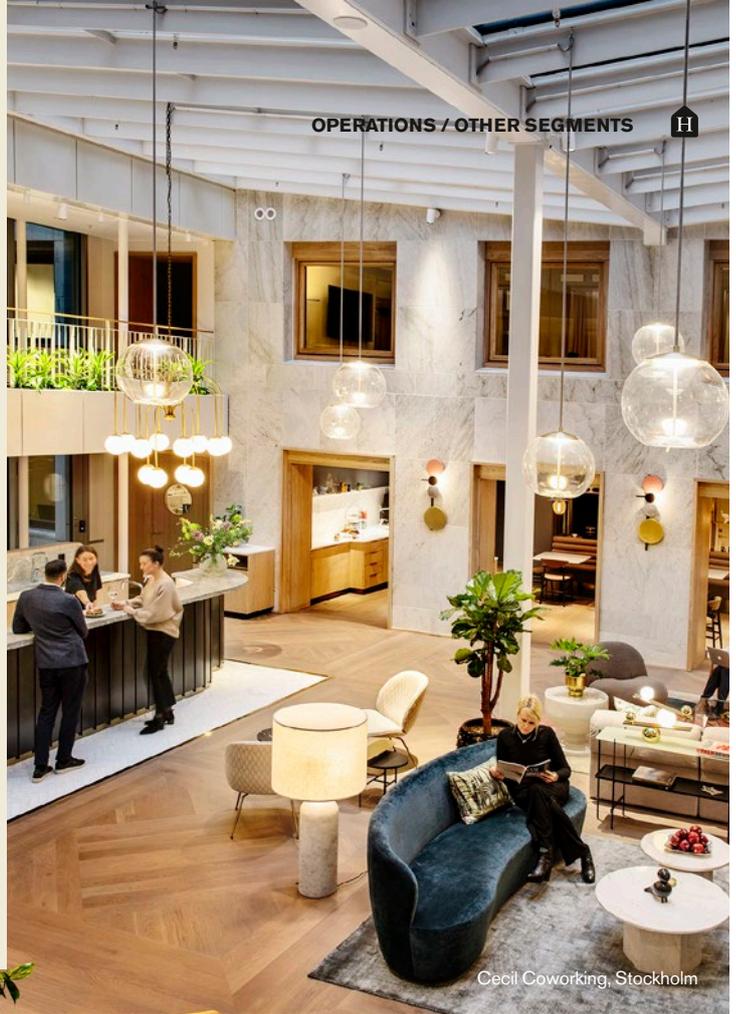
■ Fashion 47%  
■ Cosmetics 43%  
■ Jewelry and Watches 10%

## SALES BY DEPARTMENT STORE



■ Stockholm 75%  
■ Gothenburg 25%

# Other operations



Cecil Coworking, Stockholm

## Cecil Coworking

In one of Stockholm's most attractive locations, Hufvudstaden's coworking business is established. The facility covers approximately 3,200 sqm and has capacity for around 300 members. The business offers flexible memberships with private offices in various sizes, fixed desks, or lounge seating in open workspaces. About 100 companies are currently based here, and the average occupancy rate in 2025 was 98 per cent.

The facility is inspired by international boutique hotels and features a stylish and welcoming environment. The atrium, which serves as the natural gathering point, contributes to an open and vibrant atmosphere. Membership includes inspiring events, varied

work environments, fitness opportunities, and a generous breakfast buffet. In addition, fully equipped conference rooms of various sizes are available for both members and external customers. The combination of a central location, thoughtful design, high service level, and an engaged member network creates a unique environment where ideas develop, relationships are built, and businesses are given the conditions to grow.

In 2026, Hufvudstaden will open its second coworking facility, located in one of Gothenburg's most central city locations, in Kvarteret Johanna. The facility will cover approximately 3,000 sqm and have capacity for about 320 members.

## Parkaden

The wholly owned subsidiary Parkaden AB operates parking facilities in two of Hufvudstaden's properties in Stockholm. NK Parkering in Hästskon 10 offers 665 spaces. In the Continental garage in the Orgelpipan 7 property, 435 spaces are available. The number of electric cars continues to increase, leading to a greater need for charging during parking. NK Parkering is one of the parking garages in central Stockholm that offers the most charging points. Half of the park-

ing spaces are equipped with charging points. In 2025, an additional four fast chargers were installed, bringing the total to 16 fast chargers. This expansion marks continued steps toward a more sustainable future by promoting reduced emissions and supporting the transition to electric vehicles. The initiative helps create a modern and environmentally friendly urban environment where convenience is combined with responsibility.

## NK e-commerce

NK e-commerce experienced positive sales development during the year. More brands were launched, and an increasing number of consumers are choosing nk.se as an inspiration source and shopping channel. Improved results and enhanced customer experience have been prioritised, with several changes implemented in areas such as navigation and accessibility. During the year, e-commerce was part of omnichannel

launches for LVMH-owned Rimowa, which was launched exclusively at NK. Awareness of nk.se is also increasing outside Stockholm and Gothenburg, with approximately 40 per cent of sales coming from other parts of Sweden. The purpose of e-commerce is to inspire and drive traffic that converts into sales both in the department stores and on nk.se.



# Sustainability

Responsible business practices and long-term efforts to reduce our climate impact strengthen the attractiveness of Hufvudstaden's properties over time. This contributes to development of cities and help meet the needs of tomorrow.



## Sustainability as a value creator

Sustainability is an integrated part of Hufvudstaden's strategic direction and a contributing factor to long-term value creation. By combining long-term ownership with responsibility for the environment and society, we strengthen our competitiveness. Investments in climate measures, climate adaptation, energy efficiency, and social initiatives make our properties more attractive to tenants and investors, while also increasing property values. This also creates conditions for our customers to become the most satisfied in the industry.

## Climate and people in focus

How we address climate change is a strategically critical factor in ensuring attractiveness and relevance of our customer offering. To help limit future climate change, we focus on reducing our climate footprint. The focus is on energy efficiency and more circular flows in resource use. The investments we make in energy efficiency measures aim to achieve our set targets, meet our stakeholders' increased sustainability requirements, and contribute to higher returns. Through various initiatives, such as retaining existing layouts, reusing building materials, and installing solar panels and smart control systems, we reduce energy use, emissions, and costs. Since 2019, we have reduced our energy use by 25 per cent and our green house gas emissions in scope 1 and 2 by 49 per cent.

As a commercial property owner, we help create conditions for urban life and business growth. Our properties and marketplaces are areas where thousands of people spend time every day. We actively work to create safe, accessible, and inspiring environments where

companies can grow and people can meet. Through close dialogue with tenants and collaboration with local stakeholders, we contribute to social sustainability and strengthen relationships with our customers.

## Green financing

Hufvudstaden has a green financing framework to finance energy-efficient properties and investments in climate transition and sustainability. Green financing accounts for 81 per cent of borrowing. The goal is to gradually increase the share of green financing through continued focus on measures to reduce energy use and green house gas emissions.

## Green leases

Our tenants actively work to reduce their climate impact. They require us as a supplier to assist in their efforts through, for example, reduced or more efficient energy use and increased waste sorting. To remain relevant to our customers, we offer green leases. At year-end, 48 per cent of the total lettable office space was covered by green leases. The goal is for all new leases for offices and retail to be green leases or equivalent.

A detailed description of Hufvudstaden's sustainability work can be found in the sustainability report on pages 95–107.



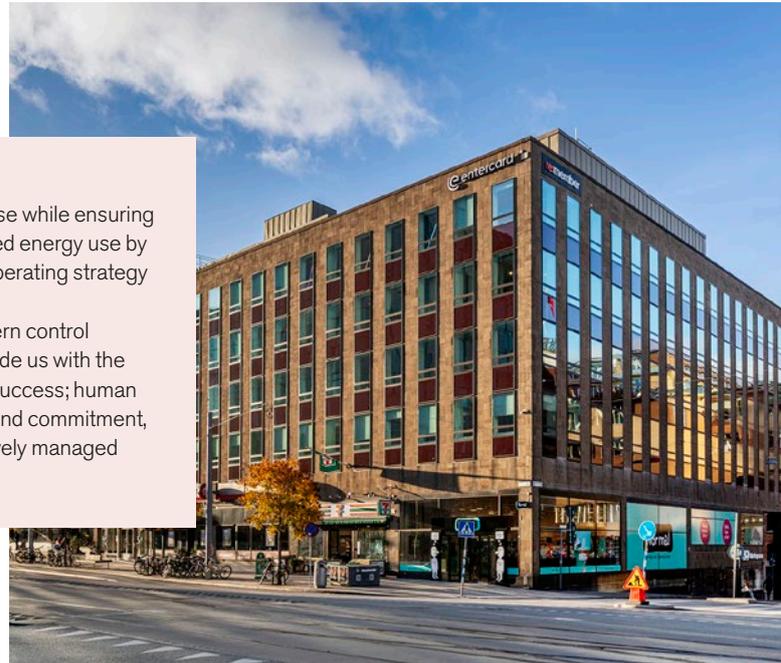
### Collaborations for attractive meeting places

During 2025, we continued to strengthen the urban environments surrounding our properties, contributing to safe and attractive areas. In Stockholm, we are working with the City of Stockholm to improve two of Bibliotekstan's cross streets, Jakobsbergsgatan and Mäster Samuelsgatan, to make them more accessible and attractive for pedestrians. The project is expected to be completed in autumn 2026. In Gothenburg, we are participating in a major refurbishment and extension project in northern Nordstan through the Nordstan's Cooperative Association. The project is expected to be completed at the end of 2026, and will contribute to a more vibrant and accessible environment.

### Interaction between technology and expertise

Hufvudstaden continuously optimises operations to reduce energy use while ensuring an optimal indoor climate for tenants. In Orgelpipan 7, we have reduced energy use by approximately 30 per cent through minor investments, an adjusted operating strategy and active operational organisation.

New technology is a crucial factor in achieving these results. Modern control systems, advanced data analysis, and energy-efficient solutions provide us with the tools to optimise operations. However, technology is only part of the success; human expertise is equally important. Our employees, with their experience and commitment, have interpreted data, identified improvement opportunities, and actively managed systems to achieve the best possible results.



### Future-proofing through climate adaptation

Climate change entails increased risk of extreme weather such as extreme rainfall and heatwaves. It is no longer a future issue but a reality affecting both communities and property values. This entails a clear responsibility for Hufvudstaden to protect its properties and tenants.

The goal is to future-proof our properties against climate change. Risk analyses and building-specific adaptations ensure that our properties are resilient even during extreme weather. Preventive measures taken include improved water drainage, reinforced roof and façade solutions, and preparedness exercises.

Extreme weather rarely affects individual properties in isolation but rather impact entire blocks and districts. Therefore, climate adaptation is not just a matter for individual actors; it is a shared responsibility. We collaborate with municipalities, industry organisations, and neighboring property owners to develop solutions that work at scale. Effective stormwater management and flood protection are examples where coordination between multiple property owners and public actors is required.



# Employees

Engaged and skilled employees who thrive are the key to Hufvudstaden's strong corporate culture. We aim to attract, develop, and retain employees who, with high competence, a sense of service, and customer focus, contribute to the company's continued development.



“

At Hufvudstaden, our culture is characterised by long-term thinking, responsibility, and respect for people and places, with a clear sense of pride in what we do. It is through committed employees and shared values that we create quality over time.

Ulrika Frisk, Head of HR, Hufvudstaden

“

I work with properties in Gothenburg's best locations, but it is the corporate culture and colleagues that make me enjoy my job. We care about the buildings and take care of them with pride, both now and in the long term.

Andreas Pålsson, Property technician, Hufvudstaden Gothenburg



**Creating success together**

Hufvudstaden's employees form the foundation of the company's culture, quality, and long-term development. Employee engagement, competence, and customer focus are crucial for the company to continue evolving in line with external demands. Our ambition is to attract, develop, and retain employees who, with their expertise, sense of service, and customer focus, contribute to the company's continued success.

**A values-driven corporate culture**

We strive to be an attractive employer that develops and retains its employees. The goal is to have the most competent and professional employees in the industry. To achieve this, the company works with structured development initiatives, clear expectations, and a work environment where employees are given the conditions to contribute with their skills and commitment. In this way, we build an organisation where employees feel proud of their work and actively contribute to the company's profitability and growth.

Our values permeate everything we do and form the foundation of our culture. Operations are measured and managed based on these values, including through annual employee surveys, customer satisfaction surveys, and performance reviews, as well as in daily work through feedback and meetings.

The Group encompasses several different operations, which means that the wording of the values may vary. What unites us is that the customer is always at the center.

**A long-term employer**

We want to be an employer that employees feel proud of. This year's employee surveys once again show high index levels, with almost all values above the industry average. A new feature in this year's survey is psychological safety, with questions about being able to be oneself and express opinions freely. High scores were achieved here as well.

Leadership within Hufvudstaden receives high ratings, as shown by strong results for leadership support and clarity in expectations. Employees experience a climate that encourages openness and dialogue. Our managers encourage openness to benefit from multiple perspectives and creative strength.

Some of our recruitments are internal, which strengthens our values and builds on our brand. We believe that employees' competence, commitment, and pride are crucial to driving the business forward and creating long-term relationships.

**Competence development**

During the year, we focused on strengthening employees' negotiation skills by offering training in the subject. The goal has been to create conditions for successful negotiations where both parties are satisfied and the relationship is strengthened.

Training sessions focusing on AI have been conducted to increase productivity within the organisation. During the year, a new learning platform was launched to support professional development and knowledge sharing. The platform is tailored for Hufvudstaden and brings together training, guides, and practical tools in one place, covering everything from the Code of Conduct to everyday tips. It is a central part of our work for a sustainable work environment and provides excellent opportunities for skills development.

For the third consecutive year, a sustainability month was held with inspiring lectures and practical tips to promote sustainable choices, both in the workplace and at home. A popular feature this year was site visits to our properties, which strengthened engagement in achieving our sustainability goals.

**Healthy employees**

We care about employees' health. During the year, senior employees were offered health checks with follow-up measures if needed. We continue to promote well-being through wellness allowances and opportunities for various forms of exercise. Our goal is to maintain low sickness absence through systematic work environment efforts, including the Work Environment Committee and regular safety inspections.

**Preventive crisis work and operational support**

Crisis prevention has continued to be a priority, with a particular focus on increased preparedness. These issues are complex but crucial to strengthening our crisis organisation.

We have also developed a new HR policy and complementary guidelines that clarify the policy and provide practical instructions for handling HR issues in everyday work. The aim is to create security, ensure regulatory compliance, and promote a fair and inclusive culture.

**EMPLOYEES**



483 employees (converted to full-time equivalents on an annual basis).

**AVERAGE LENGTH OF EMPLOYMENT**



Average length of employment: 7 years.



# Financial Statements



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# Administration Report

The Board of Directors and the President of Hufvudstaden AB (publ), corporate registration number 556012-8240, hereby present the Annual Report for the financial year 2025 for the Group and the Parent Company. Hufvudstaden's share is listed on Nasdaq Stockholm Large Cap. L E Lundbergföretagen AB, corporate registration number 556056-8817, has a controlling influence in Hufvudstaden, and the company is therefore consolidated in the Lundberg Group.

## Business concept

Hufvudstaden's business concept is to offer successful companies high-quality office and retail premises in prime marketplaces in its own properties in central Stockholm and central Gothenburg.

## Significant events during the financial year

The Swedish economy was affected by uncertainty and recession during the first half of 2025. The Riksbank lowered the policy rate from 2.50 to 1.75 per cent, and during the second half of the year, the economy stabilised. Inflation eased and was around 2 per cent (CPIF) at year-end. Households remained cautious, but sentiment improved somewhat during the autumn. The labor market was weak, and unemployment rose to just under 9 per cent. GDP growth was close to 2 per cent. In Ukraine, Russia's war of aggression continued, and in the Middle East, Israel and Hamas agreed on the first phase of a peace plan. The United States shifted its trade and security policy, resulting in higher import tariffs and reduced focus on Europe.

The office rental market was stable in Stockholm CBD, but leasing processes continued to take longer, although tenants became more decisive towards the summer. Market rents were between SEK 7,000 and SEK 10,100 per sqm at year-end. In central Gothenburg, the market was characterised by a large supply from completed project properties, which had a dampening effect on market rents, which were between SEK 3,300 and SEK 4,200 per sqm.

In recent years, office usage has changed. One effect of this is increased demand for modern and flexible offices in central locations. This trend benefits Hufvudstaden's centrally located properties with attractive offices. In Gothenburg, this was confirmed by new top rent levels for the very best offices in the most attractive locations.

The market for coworking facilities improved, and demand was strongest for unique concepts with first-class service.

The recession and global uncertainties meant that households were cautious with consumption. Lower interest rates, tax cuts, and projected real wage increases resulted in improved confidence and optimism in retail. Overall, interest in establishing new stores in prime street-level locations in central Stockholm and central Gothenburg increased somewhat.

Within NK, transformation efforts for the department stores and e-commerce intensified. The focus was on cost savings and leasing of vacant space. An improvement in results was noted, but performance remained weak, and the transformation work will continue in 2026. Market conditions were challenging for the wholly owned subsidiary NK Retail. To achieve profitability, changes and efficiencies were implemented in both the organisation and the assortment. In October,

the NK Fine Jewellery & Watches department was transferred to Nymans Ur.

In the extensive redevelopment and new construction project Johanna, final inspections were approved for large parts of the base building. Several new leases were signed, and at year-end, approximately 75 per cent of the space was leased, with occupancy in 2026 and 2027. For the Orgelpipan 7 property, an investment decision was made for an extension and an addition of approximately 5,300 sqm of office space. The project will create highly attractive office space. Preparatory work is underway, and construction is scheduled to start in 2027. In the Kåkenhusen 40 property, a major redevelopment of approximately 5,400 sqm of office space is being carried out. Lease agreements were signed for approximately 90 per cent of the space, with occupancy at the end of 2026.

Hufvudstaden took further steps in its long-term sustainability work, focusing on saving resources, reducing risks, and strengthening the business over time. Through technical investments, optimised operations, and daily monitoring, the goal is to reduce energy use. In close collaboration with customers, we strive to increase the share of reused materials in our projects. The ambition is also to design premises with flexible layouts to reduce the need for reconstruction.

Profit from current operations increased by 5 per cent to SEK 978 million. The property portfolio was valued at SEK 48.1 billion. To strengthen shareholder value, 8 million shares were bought back. Hufvudstaden's financial position remains very strong, with a net loan-to-value ratio of 24.5 per cent, an equity ratio of 56 per cent, and an interest coverage ratio of 4.5 multiple.

## Property holdings

At year-end, Hufvudstaden owned 28 properties (29). The lettable area amounted to 286,000 sqm in Stockholm and 105,000 sqm in Gothenburg, totalling approximately 391,000 sqm (390,800).

The total rental vacancy rate in the Group as of December 31, 2025, was 8.6 per cent (7.1), and the floor space vacancy rate was 13.2 per cent (11.1). Excluding ongoing development projects, the rental vacancy rate was 5.1 per cent (5.0). In Stockholm, the rental vacancy rate was 6.3 per cent, and in Gothenburg 18.5 per cent; excluding ongoing projects, 4.6 per cent and 7.7 per cent, respectively.

During the year, 40,800 sqm (25,300) of new leases were signed. Renegotiations of office leases developed positively, while renegotiations of retail leases resulted in lower rents. In total, 45,000 sqm (52,000) were renegotiated to an annual rental value of SEK 375 million (390). On average, the renegotiations resulted in a rent increase of approximately 3 per cent compared with the indexed outgoing rent in 2025.

### Property value

Hufvudstaden has carried out an internal valuation of all the company's properties. The purpose of the valuation is to assess the fair value of the property holdings as of December 31, 2025. To ensure quality, external valuations have been obtained from three independent valuation firms. The external valuations conducted at year-end correspond to 39 per cent of the internally assessed market value. The corresponding share at mid-year was 33 per cent.

The fair value of the property holdings as of December 31, 2025, was assessed at SEK 48.1 billion (47.1). The unrealised change in value amounted to SEK -173.9 million (-602.6), which is due to higher costs for development projects and the effect of slightly lower rents for stores.

#### Valuation Method

The valuation of the property holdings was carried out by assessing the fair value of each individual property. The assessment was made by applying a variant of the sales comparison method called the net capitalisation method. The method means that the market yield requirement is related to the properties' net operating income.

The table below shows the key factors affecting the valuation and the impact on profit before tax.

A description of the valuation method and assumptions can be found in Note 14.

#### Sensitivity analysis, property valuation<sup>1)</sup>

	Change, +/-	Impact on profit before tax, +/-
Rental income	SEK 100 per sqm	SEK 980 million
Property costs	SEK 50 per sqm	SEK 490 million
Rental vacancy rate	1.0 percentage point	SEK 660 million
Yield requirement	0.25 percentage point	SEK 2,990 million

<sup>1)</sup> Valuation date: December 31, 2025.

### Net asset value

Based on the valuation of the property portfolio, the net reinstatement value amounted to SEK 36.8 billion or SEK 189 per share. The net tangible assets was SEK 34.6 billion or SEK 178 per share after deduction for estimated deferred tax liability. This assessment has been made based on current tax legislation and market practice, which means that properties can be sold via limited companies without tax consequences. Estimated actual deferred tax has been assumed at 5 per cent.

### Share buyback

At the 2025 Annual General Meeting, the Board was granted a renewed mandate to acquire Class A shares up to a maximum of 10 per cent of all issued shares. In August, the Board decided to utilise the mandate when the share was trading at a discount to net reinstatement value of approximately 30 per cent, corresponding to an implicit discount on the properties of approximately 25 per cent. By acquiring shares at a level below the net reinstatement value, a direct and measurable value increase was created for shareholders. The buyback means that the value in the company's assets is concentrated to a smaller number of outstanding shares, which benefits shareholders over time.

During the period August to November 2025, 8,000,000 Class A shares were bought back for SEK 1,018 million at an average price of SEK 127.22 per share. The buyback corresponded to 3.9 per cent of all issued shares, and at year-end, Hufvudstaden owned a total of 16,965,000 Class A shares, corresponding to 8.0 per cent of all issued shares. The average price for all repurchased shares amounts to SEK 97.53 per share. Compared with the net reinstatement value, which at year-end amounted to SEK 189 per share, this corresponds to a discount of approximately 48 per cent.

### Sensitivity analysis, profit

The table below shows the impact on profit before tax, excluding changes in value, on a full-year basis for changes in a number of factors. Increases or decreases in rent levels, vacancy rates, maintenance and operating costs, depreciation, property tax, and interest rates show the effects that would have occurred based on current information at the end of the financial year.

The reported effects should only be seen as an indication and do not include any effect of compensatory measures that could be taken by Senior Executives.

#### Sensitivity analysis, profit

	Change +/-	Impact on profit excluding changes in value before tax, SEK m	
Rent level	SEK 100 per sqm	+/-	39
Vacancy rate <sup>1)</sup>	1 percentage point	-/+	25
Operating costs and maintenance	10 per cent	-/+	19
Property tax <sup>2)</sup>	1 percentage point	-/+	25
Interest rate	1 percentage point	-/+	23

<sup>1)</sup> Calculated floor space vacancy with SEK 6,500 per sqm.

<sup>2)</sup> Taking into account that part of the cost is recharged to tenants under signed lease agreements.



### Sustainability

Hufvudstaden shall actively and long-term work for economic, environmental, and social sustainability. The focus of our sustainability work is to reduce climate impact and ensure responsible business practices.

The company's statutory sustainability report is included in this Annual Report on pages 5, 11, 32–35, 42–43, and 95–107.

### Employees

Hufvudstaden's corporate culture is characterised by strong employee engagement with a clear and well-established set of values. Our core values are: quality, honesty, responsiveness, and commitment. These values guide employees' actions and are a valuable tool in daily work. They are also a prerequisite for being able to conduct business responsibly.

The Group has 483 employees (494) converted to full-time equivalents on an annual basis, and all employees are covered by collective agreements, both salaried employees and wage earners. More information about employees can be found on pages 34–35 and 104–105.

### Guidelines for remuneration to Senior Executives

At the 2023 Annual General Meeting, guidelines for remuneration to senior executives were adopted to apply from the 2023 AGM. These have been followed during 2025, and the full guidelines are presented in Note 8.

### Stock market information

All information disclosure is governed by the company's information policy. The Annual Report and interim reports are published in Swedish and English and distributed to shareholders and others who have registered interest. Reports and press releases are available at [hufvudstaden.se](http://hufvudstaden.se), where subscription and information requests can also be made.

The Corporate Governance Report is part of the Administration Report and can be found on pages 84–87.

### Outlook

Hufvudstaden's well-maintained properties are located in the most central parts of Sweden's two largest cities, Stockholm and Gothenburg. The company has a very strong financial position, which creates good conditions to both seize opportunities and meet challenges in a changing world. We are long-term but have the willingness and ability to adapt, make decisions, and implement changes when conditions require it. Employees are highly committed and work closely with customers to build on long-term relationships.

We will develop our strong marketplaces to continue attracting a good mix of tenants. In Kvarteret Johanna, final inspections have been approved for large parts of the base building. The project will gradually strengthen cash flow from 2027. The Orgelpipan 7 property will undergo an extension and addition of approximately 5,300 sqm of attractive offices. Preparatory work is underway, and construction is scheduled to start in 2027.

Office usage has changed in recent years, which has led to increased demand for modern and flexible offices in central locations. This trend benefits Hufvudstaden, and one of our top priorities going forward is to increase the occupancy rate in the properties.

The market for coworking facilities improved in 2025. Demand was strongest for unique concepts with first-class service, something that our new Cecil Coworking in Kvarteret Johanna will offer. The facility is scheduled to open in autumn 2026.

Lower interest rates, tax cuts, and projected real wage increases mean that conditions for retail look better for 2026. We will take advantage of this through increased sales and higher rental income from our attractive marketplaces.

For the NK department stores and NK e-commerce, profitability will increase through good cost control and strengthened leasing efforts. In the subsidiary NK Retail, transformation work will continue to increase sales and create profitability.

AI is creating new opportunities for the real estate industry. We will continue to work actively to explore and implement AI solutions to optimise energy use, streamline processes, improve the customer experience, and create sustainable urban environments.

Our long-term strategy remains firm – to own, manage, and develop the best properties in central Stockholm and Gothenburg with a low risk profile in the company. It is a business model that works well over time and will continue to create value for both customers and shareholders.

### Dividend and allocation of unappropriated earnings

The income statement and balance sheet for the Parent Company and the Group will be adopted at Hufvudstaden's Annual General Meeting on March 19, 2026. The Board proposes an increase in the dividend to SEK 2.90 per share (2.80), corresponding to a total of SEK 563.5 million. The dividend corresponds to 58 per cent of net profit from current operations. The Board's proposal for the allocation of unappropriated earnings is presented in full on page 71.

The reasoned statement regarding the proposed dividend is available at [hufvudstaden.se](http://hufvudstaden.se) and will be attached to the AGM documents. It can also be obtained from the company upon request.

# Financing

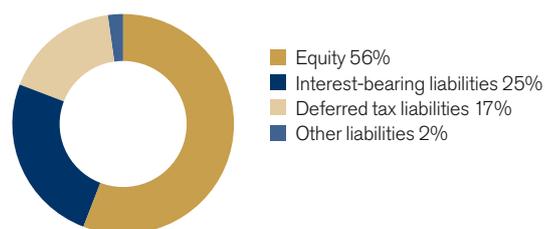
Hufvudstaden works strategically and with a long-term perspective to ensure a stable and sustainable financing. The capital structure is designed with a clear focus on limited risk exposure, where the balance between equity and external financing is optimised based on the company's long-term objectives, market conditions, and credit profile. Financing needs are met through loans and credit facilities from leading Nordic banks as well as the capital market. Through proactive debt management and long-term relationships with financial counterparties, favorable conditions are created for owning, managing, and developing the company's properties and marketplaces.

## Finance policy

The company's financing strategy is based on a finance policy adopted by the Board of Directors, which serves as a framework for the Group's financial management. The policy ensures that financing is carried out with a focus on high cost efficiency and within defined risk parameters. It contains clear guidelines for the allocation of responsibilities, mandates, and authorisations within financing and debt management. All external financing is managed centrally by the Parent Company, where the finance function operates according to formalised processes, established system support, and a clear operational structure. This enables a high degree of internal control and effective follow-up.

## Capital structure

Hufvudstaden strives for a capital structure that supports the company's strategic objectives while limiting financial risks. The debt portfolio consists of several financing forms with a spread of credit and interest maturities, providing flexibility and resilience in the event of market changes.



## Interest-bearing liabilities

The Group's total borrowing amounted to SEK 11,350 million (9,800). Of this, bonds accounted for SEK 9,250 million (8,200), commercial paper SEK 600 million (100), and bank loans SEK 1,500 million (1,500). Unutilised credit commitments amounted to SEK 5,000 million (5,500).

## Financing facilities, SEK m, December 31, 2025

Loan/facility type	Facility volume	Unutilised
Bank loans and credit commitments	6,500	5,000
MTN program	12,000	2,750
Commercial paper program	3,000	2,400

## Interest rate risk management and derivatives

To manage interest rate risks and reduce volatility in interest expenses, a significant portion of borrowing is fixed over various maturities. At year-end, long-term borrowing with fixed interest amounted to SEK 5,450 million (6,100). Interest rate derivatives in the form of swaps have been entered into to achieve the desired interest rate fixing, where underlying credits of SEK 2,300 million (1,000) are hedged. The market value of the derivatives amounted to SEK -12.4 million (-10.8), explained by general declines in market interest rates.

## Green financing

Hufvudstaden has established a green financing framework that enables investments in energy-efficient properties and sustainability initiatives. The framework is designed in line with international principles for green financial instruments and considers parts of the EU Taxonomy criteria for climate change mitigation. An independent review by S&P Global Ratings resulted in a Medium Green rating.

At the end of 2025, green financing amounted to SEK 9,250 million (7,200), corresponding to 81 per cent (73) of total borrowing. Of this, bonds accounted for SEK 7,750 million (5,700) and bank loans SEK 1,500 million (1,500). The company aims to gradually increase the share of green financing.

Key financial ratios	2025	2024
Average interest fixing period	2.2 years	2.2 years
Average debt maturity	2.4 years	2.2 years
Average effective interest rate	2.8 %	2.8 %
incl. cost of unutilised credit commitments	2.9 %	2.9 %
Net interest-bearing debt	SEK 10,778 m	SEK 9,327 m
Lease liability under IFRS 16	SEK 1,028 m	SEK 736 m
Total net debt	SEK 11,805 m	SEK 10,063 m
Net loan-to-value ratio	24.5 %	21.4 %
Equity ratio	56 %	59 %
Interest coverage ratio	4.5 multiple	4.5 multiple

## Financial risks – management and exposure

Hufvudstaden actively works to identify, analyse, and manage financial risks. Our financial risk management is integrated into daily operations and is based on the company's finance policy. For further information, see page 43 and Note 21.



Rännilen 19

## Fixed interest structure, December 31, 2025

Maturity, year	Credits, SEK m	AER, %	Proportion, %
2026	3,600	2.3 <sup>1)</sup>	32
2027	1,350	2.5	12
2028	1,500	3.3	13
2029	3,100	3.3	27
2030	1,800	3.4	16
<b>Total</b>	<b>11,350</b>	<b>2.9<sup>2)</sup></b>	<b>100</b>

<sup>1)</sup> Including costs for unutilised credit commitments.

<sup>2)</sup> The average effective interest rate excluding the cost of unutilised credit commitments was 2.8 per cent.

## Capital tie-up structure, SEK m, December 31, 2025

Maturity, year	Bank loans	Bonds/ Commercial papers	Total	Unutilised credit commitments
2026	–	3,100	3,100	1,000
2027	1,000	1,350	2,350	2,000
2028	500	1,500	2,000	1,500
2029	–	2,100	2,100	500
2030	–	1,800	1,800	–
<b>Total</b>	<b>1,500</b>	<b>9,850</b>	<b>11,350</b>	<b>5,000</b>



# Risks and risk management

Our operations are primarily focused on the management and development of properties in prime locations in the Swedish market. We are therefore affected by developments in Sweden, particularly in Stockholm and Gothenburg. Internal and external factors need to be considered and managed.

The Board of Directors has overall responsibility for risk management, while operational work is delegated to the President. Risk management is an integrated part of our business strategy and includes the identification, assessment, and management of risks. Monitoring and analysis of financial and operational risks limit potential negative effects.

Priority areas include property value, financing, leasing, project operations, and sustainability. Risks are described based on the probability of occurrence and their degree of impact on operations.

Risk area	Description	Management	P	I
<b>Operational risks</b>				
Cybersecurity	Digitalisation increases vulnerability to data breaches, viruses, and fraud. Consequences include destroyed or lost data, leaked confidential information, or financial damage.	Infrastructure and IT environment focused on security and functionality. Vulnerability testing, improvement measures, and increased security awareness. Risk-based distribution between cloud services and locally operated services with comprehensive backup routines.	■	■
Property costs	Property costs largely consist of tariff-based costs and are affected by seasonal variations. Additional costs include property tax, maintenance, and administration.	Operational optimisation and energy efficiency are prioritised. Electricity is secured for volume and price, reducing the impact of price changes. Inspections and maintenance planning are carried out preventively. A large share of electricity, heating, and property tax costs are re-invoiced to tenants.	■	■
Property value	Investment properties are reported at fair value, with value changes through the income statement. Property value can be affected by location, standard, type, and similar factors. Fair value is influenced by factors such as yield requirements, rent levels, vacancy rates, and property costs.	Hufvudstaden focuses its property holdings on the most attractive commercial locations in Sweden's largest cities, Stockholm and Gothenburg, which is expected to limit risk over time. Market developments are monitored regularly internally and in collaboration with external specialists. Investments are made to adapt and develop the portfolio to meet changing business and societal needs.	■	■
Rental income	Reduced rental income can occur due to falling market rents and increased vacancy rates. This leads to lower earnings and cash flow, which also negatively affects property values.	The property portfolio is concentrated in the most central locations in Stockholm and Gothenburg. Long-term leases are linked to the consumer price index and often include minimum indexation. The company continuously monitors the market and conducts risk assessments before signing leases. Close dialogue and regular customer satisfaction surveys are conducted to understand tenant needs and satisfaction, reducing the risk of tenant turnover.	■	■
Employees	Engaged and skilled employees are essential for successful operations. It is therefore important to retain and develop existing staff and recruit new employees.	A values-driven work environment that inspires and engages. Employees work based on individually adapted action plans and objectives. Centrally located and modern workplaces, skills development, and an inclusive and stimulating corporate culture.	■	■
Taxes	Changes in tax legislation can affect operations and impact results. Non-compliance can result in penalties.	Processes and a strong control environment, together with competent employees and external experts, minimise the risk of non-compliance. Legislative developments are monitored with proactive action when necessary.	■	■
Property development	Development projects involve risks in all phases, which increase in more complex projects. The risks are primarily financial, technical, and time-related. Incorrect assessments can result in high costs and significant vacancies.	Projects are managed by in-house project managers who procure and oversee implementation together with suppliers and partners. Ongoing projects are continuously monitored with reporting to management and the Board. Major investments are decided by the Board.	■	■

P Probability I Impact

■ Low ■ Medium ■ High



Risk area	Description	Management	P	I
<b>External risks</b>				
Economic conditions	Economic downturns with higher unemployment and lower corporate profitability can lead to reduced demand.	Longer leases limit the risk of rent losses. Market monitoring and risk assessments before signing leases. A diversified range within NK Retail's retail operations increases resilience.	■	■
Crises	Events beyond Hufvudstaden's control that seriously affect operations, such as diseases, geopolitics, economy, and energy. Crises can have local, national, and global effects.	Fully insured properties minimise the risk of major financial consequences. Crisis plans, drills, market monitoring, geographic concentration, and long-term focus create conditions for rapid response and adaptation to address emerging events.	■	■
Regulatory compliance	Non-compliance with laws and regulations can lead to financial penalties and damage to reputation among tenants, investors, and other stakeholders.	Market monitoring identifies changes in laws and regulations. Training ensures the right expertise. Employees and external experts collaborate to handle complex issues.	■	■
<b>Financial risks</b>				
Property valuation	Fair value is an assessment of a probable market sale price. Property valuation is affected by economic data, assessments, and assumptions based on market information.	Quality assurance through external valuations from independent valuation firms. Market monitoring, consultation with specialists, and robust processes.	■	■
Financing	Financing difficulties can affect ongoing operations and lead to investments or refinancing of loans not being possible.	Several different financing sources and unutilised credit commitments. Analysis of credit markets for proactive action. Varying maturities to reduce risk.	■	■
Credit	The risk that counterparties cannot meet their financial obligations.	Financial policy governs credit risk exposure. Credit assessment and monitoring of customers. Collateral and guarantees to further reduce risk.	■	■
Interest rates	Changes in market interest rates affect financing costs and cash flow. Rising interest rates can result in higher yield requirements and lower property values.	Interest rate risk is reduced through a mix of fixed and variable rates and diversified maturities. Interest rate swaps to hedge interest costs and reduce exposure to interest rate changes. Interest rate forecasts to adjust strategy.	■	■
Currency	Changes in exchange rates affect earnings and cash flow.	Purchases within NK Retail are partly in foreign currency, mainly euros. Currency hedging with forward contracts limits risk.	■	■
<b>Sustainability risks</b>				
Health and safety	Deficiencies in health and safety can cause illness and injuries and entail operational, ethical, and business risks for the company.	Systematic work environment management with risk assessments, preventive measures, follow-up, and training to ensure that risks are identified and addressed in time.	■	■
Climate change	Risk of changing precipitation and temperature patterns, such as more frequent and intense downpours.	Risk analyses of the property holdings, building-specific adaptations, and other preventive measures.	■	■
Climate impact	Operations generate climate impact from energy, materials, products, and waste throughout the value chain, which can affect costs, operations, and the ability to achieve climate targets.	Climate impact is managed through targets and measures to reduce emissions and improve energy efficiency.	■	■
Suppliers	Risks in the supply chain regarding human rights, labor crime, and corruption can have ethical, legal, and business consequences.	Supplier Code of Conduct is applied. Controls and follow-up of the supply chain are carried out. Misconduct can be reported anonymously via a whistleblowing service.	■	■

P Probability I Impact

■ Low ■ Medium ■ High



# Statement of profit or loss – Group

SEK m	Note	2025	2024
Net revenue	2–3	3,291.8	3,179.2
Operating costs	4–5, 7–8	-346.9	-289.5
Maintenance	4	-30.5	-31.7
Property tax	4	-236.9	-237.5
Administration	4, 7–8	-142.7	-126.6
Other segment costs	4–5, 7–8	-899.7	-941.6
<b>Gross profit</b>		<b>1,635.1</b>	<b>1,552.3</b>
Central administration	4–8	-59.7	-54.5
<b>Operating profit before changes in value</b>		<b>1,575.4</b>	<b>1,497.8</b>
Changes in value, investment properties	14	-173.9	-602.6
Changes in value, interest rate derivatives	21	-1.6	-10.8
<b>Operating profit</b>		<b>1,399.9</b>	<b>884.4</b>
<b>Financial income and expenses</b>			
Interest and financial income	22	6.6	13.4
Interest and financial expenses	23	-350.7	-334.6
		<b>-344.1</b>	<b>-321.2</b>
<b>Profit before tax</b>		<b>1,055.8</b>	<b>563.2</b>
Tax	9–10	-219.2	-198.6
<b>Net result for the year</b>		<b>836.6</b>	<b>364.6</b>
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>836.6</b>	<b>364.6</b>
Earnings per share before and after dilution, SEK	25	4.18	1.80
Dividend per share, SEK		2.90 <sup>1)</sup>	2.80

<sup>1)</sup> Proposal by the Board.



# Comments

## Net revenue

The Group's net revenue amounted to SEK 3,291.8 million (3,179.2), an increase of 4 percent. The increase is explained by higher income from property management attributable to service income in the NK department stores, rent indexation, as well as higher gross rents in conjunction with new leases and renegotiations of offices. Revenue for NK Retail was slightly lower than the previous year, explained by the transfer of the NK Fine Jewellery & Watches department to Nymans Ur.

The Group's net revenue shows some seasonal variation. Turnover-based rent supplements within property management are recognised in the fourth quarter and amounted to SEK 14.4 million (10.5), of which the NK department stores accounted for SEK 11.7 million (7.0). NK Retail's sales are normally weakest in the first quarter and strongest in the fourth quarter.

## Operating expenses

Operating expenses were SEK -1,656.7 million (-1,626.9), an increase of 2 percent. The increase is attributable to property management and is mainly explained by costs in the NK department stores, which are re-invoiced as service income, higher bonus payouts, and one-off items related to ongoing transformation work in the NK department stores, NK Retail, and NK e-commerce.

Costs from other segments decreased by 4 percent, explained by cost-saving measures within NK Retail and the transfer of the NK Fine Jewellery & Watches department.

## Gross profit

The Group's gross profit increased by 5 percent to SEK 1,635.1 million (1,552.3). The increase is mainly attributable to the NK Business Area. Transformation work related to the NK department stores, NK Retail, and NK e-commerce has intensified with the aim of strengthening the customer experience and improving profitability. For NK Retail, market conditions were challenging and performance remained weak.

## Other income statement items

Central administration amounted to SEK -59.7 million (-54.5).

## Changes in value

Unrealised changes in value of investment properties amounted to SEK -173.9 million (-602.6). The unrealised decrease in value is due to higher costs for development projects and the effect of slightly lower rents for stores. The average yield requirement at the valuation date was 4.1 percent (4.1). Unrealised changes in value of interest rate derivatives amounted to SEK -1.6 million (-10.8).

## Financial items

Financial income amounted to SEK 6.6 million (13.4). Financial expenses amounted to SEK -350.7 million (-334.6). Borrowing costs were SEK -318.9 million (-309.5). Interest expenses for leases were SEK -31.8 million (-25.1), mainly relating to site leasehold fees. The increase in financial expenses for borrowing is explained by higher borrowing.

## Tax

The Group's tax amounted to SEK -219.2 million (-198.6), of which SEK -128.3 million (-137.5) was current tax and SEK -90.9 million (-61.1) deferred tax. The change in deferred tax is mainly explained by the period's lower negative unrealised changes in value of the property holdings.

## Net result for the year

Net result for the year amounted to SEK 836.6 million (364.6). The improvement is mainly explained by lower negative unrealised changes in value of the property holdings.



# Statement of financial position – Group

SEK m	Note	Dec 31, 2025	Dec 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	32.8	63.1
Investment properties	14	48,099.3	47,115.4
Equipment	15	57.2	59.1
Right-of-use assets	16	1,026.2	734.4
Non-current receivables	17	18.6	20.2
<b>Total non-current assets</b>		<b>49,234.1</b>	<b>47,992.2</b>
<b>Current assets</b>			
Inventories	18	203.4	262.6
<i>Current receivables</i>			
Accounts receivable	19	46.0	32.6
Other receivables		33.9	18.6
Prepaid expenses and accrued income	20	95.7	95.6
Cash and cash equivalents		572.5	472.6
<b>Total current assets</b>		<b>951.5</b>	<b>882.0</b>
<b>Total assets</b>		<b>50,185.6</b>	<b>48,874.2</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	25	1,056.4	1,056.4
Other contributed capital		628.1	628.1
Retained earnings, including net result for the year		26,174.9	26,922.4
<b>Total equity</b>		<b>27,859.4</b>	<b>28,606.9</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	24	8,250.0	7,100.0
Non-current lease liabilities	24	1,019.6	727.9
Deferred tax liabilities	10	8,726.7	8,635.9
Other non-current liabilities		135.9	116.5
Other provisions	26	23.6	25.7
<b>Total non-current liabilities</b>		<b>18,155.8</b>	<b>16,606.0</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	24	3,100.0	2,700.0
Current lease liabilities	24	8.2	7.9
Accounts payable		237.3	222.2
Tax liabilities		26.2	51.8
Other liabilities	27	185.8	131.7
Accrued expenses and deferred income	28	612.9	547.7
<b>Total current liabilities</b>		<b>4,170.4</b>	<b>3,661.3</b>
<b>Total liabilities</b>		<b>22,326.2</b>	<b>20,267.3</b>
<b>Total equity and liabilities</b>		<b>50,185.6</b>	<b>48,874.2</b>



# Comments

## Investment properties

The carrying amount of the properties in the Group was SEK 48,099.3 million (47,115.4). The increase was attributable to the period's investments, which were somewhat offset by negativ unrealised changes in the value of the property holdings of SEK -173.9 million (-602.6). The unrealised decrease in value was due to higher costs for development projects as well as the effect of slightly lower rents for stores. Investments in the property holdings during the year amounted to SEK 1,157.8 million (975.2). Investment properties in the Group are recognised at fair value in accordance with IAS 40, which means that no depreciation is made. The valuation method is described in Note 14. The tax residual value of the properties amounted to SEK 3.3 billion (3.4).

## Right-of-use assets

Right-of-use assets amounted to SEK 1,026.2 million (734.4) and mainly consist of site leasehold agreements recognised at fair value with a corresponding lease liability. Site leaseholds are considered perpetual leases and are therefore not depreciated.

## Inventories

Inventories consist of goods for resale within NK Retail and amounted to 0.4 percent (0.5) of the Group's total assets and 6.2 percent (8.3) of the Group's net revenue.

## Equity

The Group's equity attributable to the Parent Company's shareholders amounted to SEK 27,859.4 million (28,606.9) at the balance sheet date, corresponding to SEK 143 per share (141).

During the year, 8,000,000 Class A shares were repurchased for SEK 1,017.8 million. The dividend paid, as resolved at the Annual General Meeting in March 2025, amounted to SEK 566.5 million (546.2).

## Net asset value

Based on the valuation of the property portfolio, the net reinstatement value amounted to SEK 36.8 billion or SEK 189 per share. The net tangible assets was SEK 34.6 billion or SEK 178 per share after deduction for estimated deferred tax liability. This assessment has been made based on current tax legislation, which means that properties can be sold via limited companies without tax consequences. Estimated actual deferred tax has been assumed at 5 percent.

## Interest-bearing liabilities

The Group's liabilities to credit institutions amounted to SEK 1,500.0 million (1,500.0). Hufvudstaden's commercial paper loans amounted to SEK 600.0 million (100.0) at year-end and bond loans to SEK 9,250.0 million (8,200.0). Total borrowing amounted to SEK 11,350.0 million (9,800.0). The average fixed interest period, including the effects of derivative instruments, was 2.2 years (2.2), the average capital tie-up period was 2.4 years (2.2), and the effective average interest rate was 2.9 percent (2.9) including and 2.8 percent (2.8) excluding the cost of unutilised credit commitments. Lease liabilities are considered interest-bearing liabilities but are reported separately in the statement of financial position. Net interest-bearing debt amounted to SEK 10,777.5 million (9,327.4), and net debt, which includes lease liabilities, amounted to SEK 11,805.3 million (10,063.2).

## Lease liabilities

Lease liabilities amounted to SEK 1,027.8 million (735.8), mainly consisting of site leasehold agreements recognised at fair value.

## Deferred tax liabilities

Deferred tax liabilities amounted to SEK 8,726.7 million (8,635.9).



# Statement of changes in equity – Group

SEK m	Share capital	Other contributed capital	Retained earnings incl. net result	Total
<b>Opening equity, January 1, 2024</b>	<b>1,056.4</b>	<b>628.1</b>	<b>27,104.1</b>	<b>28,788.6</b>
Net result for the year			364.6	364.6
Other comprehensive income			–	–
<b>Comprehensive income for the year</b>			<b>364.6</b>	<b>364.6</b>
Dividend			-546.2	-546.2
<b>Closing equity, December 31, 2024</b>	<b>1,056.4</b>	<b>628.1</b>	<b>26,922.4</b>	<b>28,606.9</b>
<b>Opening equity, January 1, 2025</b>	<b>1,056.4</b>	<b>628.1</b>	<b>26,922.4</b>	<b>28,606.9</b>
Net result for the year			836.6	836.6
Other comprehensive income			–	–
<b>Comprehensive income for the year</b>			<b>836.6</b>	<b>836.6</b>
Share buyback			-1,017.8	-1,017.8
Dividend			-566.5	-566.5
<b>Closing equity, December 31, 2025</b>	<b>1,056.4</b>	<b>628.1</b>	<b>26,174.9</b>	<b>27,859.4</b>

At the Annual General Meeting on March 20, 2025, the Board was granted a renewed mandate to acquire Class A shares up to a maximum of 10 percent of all issued shares. The purpose is to give the Board the opportunity to adjust the capital structure to thereby create increased value for the company's shareholders and/or enable the use of treasury shares as consideration in or to finance the acquisition of companies or properties.

On August 21, 2025, the Board decided to utilise the mandate. Hufvudstaden repurchased 8,000,000 Class A shares during

the period August to November 2025 for SEK 1,017.8 million, corresponding to an average price of SEK 127.22 per share. Hufvudstaden's total holding of treasury shares thereafter amounts to 16,965,000 Class A shares, corresponding to 8.0 percent of all issued shares and 1.7 percent of the total number of votes.

During 2025, a dividend of SEK 2.80 per share was paid to the company's shareholders, totalling SEK 566,459,412.

The proposed dividend according to the allocation of unappropriated earnings amounts to SEK 563.5 million.



Bobergs Matsal, NK Stockholm



# Statement of cash flows – Group

SEK m	Note	2025	2024
<b>Operating activities</b>			
Profit before tax		1,055.8	563.2
Depreciation and impairment of assets		70.9	68.6
Unrealised change in value, investment properties		173.9	602.6
Unrealised change in value, interest derivatives		1.6	10.8
Other changes		-2.1	-3.0
Paid income tax		-128.3	-100.8
<b>Cash flow from current operations before changes in working capital</b>		<b>1,171.8</b>	<b>1,141.4</b>
Cash flow from changes in working capital			
Decrease (+)/Increase (-) in inventories		59.9	-7.1
Decrease (+)/Increase (-) in operating receivables		-37.6	1.2
Increase (+)/Decrease (-) in operating liabilities		126.6	99.8
<b>Cash flow from operating activities</b>		<b>1,320.7</b>	<b>1,235.3</b>
<b>Investing activities</b>			
Investment in intangible assets	13	-	-2.2
Investment in investment properties	14	-1,157.8	-975.2
Investment in equipment	15	-20.9	-13.7
Disposal of equipment	15	-	-
<b>Cash flow from investing activities</b>		<b>-1,178.7</b>	<b>-991.1</b>
<b>Financing activities</b>			
Share buyback	25	-1,017.8	-
Loans raised	24	4,610.0	4,200.0
Amortisation of loan liabilities	24	-3,060.0	-3,800.0
Amortisation of leasing liabilities	24	-7.8	-7.8
Dividend paid	25	-566.5	-546.2
<b>Cash flow from financing activities</b>		<b>-42.1</b>	<b>-154.0</b>
<b>Cash flow for the year</b>		<b>99.9</b>	<b>90.2</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>472.6</b>	<b>382.4</b>
<b>Cash and cash equivalents at year-end</b>		<b>572.5</b>	<b>472.6</b>
Additional disclosures to the cash flow statements			
Interest received		6.7	13.9
Interest paid		-302.3	-253.3



# Comments

**Cash flow from operating activities**

Cash flow from operating activities before changes in working capital increased by SEK 30.4 million to SEK 1,171.8 million (1,141.4). Changes in working capital increased cash flow by SEK 148.9 million (93.9). Cash flow from operating activities thus amounted to SEK 1,320.7 million (1,235.3).

**Cash flow from investing activities**

Cash flow from investing activities amounted to SEK -1,178.7 million (-991.1) and relates to investments in the existing property portfolio, equipment, and intangible assets.

**Cash flow from financing activities**

Cash flow from financing activities amounted to SEK -42.1 million (-154.0). Borrowings increased by SEK 1,550.0 million net compared with an increase of SEK 400.0 million in the previous year. The increase is attributable to the repurchase of 8,000,000 treasury shares for SEK 1,017.8 million and higher investments in development projects.

**Cash flow for the year**

Cash flow for the year amounted to SEK 99.9 million (90.2).

**Cash and cash equivalents**

The Group's cash and cash equivalents amounted to SEK 572.5 million (472.6) and consisted of cash and bank balances. As of December 31, 2025, Hufvudstaden had credit commitments of SEK 5,000.0 million (5,500.0). At year-end, SEK 5,000.0 million was unutilised. The commercial paper program amounted to SEK 3,000.0 million, of which SEK 600 million was outstanding at year-end. The unutilised amount was SEK 2,400.0 million. Hufvudstaden's MTN program amounts to SEK 12,000.0 million, of which SEK 9,250.0 million was issued. The unutilised amount was SEK 2,750.0 million.

There are no restrictions on the use of cash and cash equivalents.



# Parent Company financial statements

## Income statement

SEK m	Note	2025	2024
Net revenue	3	1,711.4	1,677.4
Operating expenses	4–8	-880.9	-726.2
<b>Gross profit</b>		<b>830.5</b>	<b>951.2</b>
Central administration	4–8	-59.7	-54.5
Changes in value, derivatives	21	-1.6	-10.8
<b>Operating profit</b>		<b>769.2</b>	<b>885.9</b>
<b>Financial items</b>			
Interest and financial income	22	4,175.7	137.1
Interest and financial expenses	23	-318.7	-309.3
<b>Total</b>		<b>3,857.0</b>	<b>-172.2</b>
<b>Profit after financial items</b>		<b>4,626.2</b>	<b>713.7</b>
Appropriations	11	-48.1	-73.6
<b>Profit before tax</b>		<b>4,578.1</b>	<b>640.1</b>
Tax	9–10	-130.2	-213.4
<b>Net result for the year</b>		<b>4,447.9</b>	<b>426.7</b>

## Statement of comprehensive income

SEK m	Note	2025	2024
Net result for the year		4,447.9	426.7
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>4,447.9</b>	<b>426.7</b>

## Balance sheet

SEK m	Note	Dec 31, 2025	Dec 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	–	0.5
<i>Property, plant and equipment</i>			
Investment properties	14	10,148.3	9,613.2
Equipment	15	6.3	9.6
<b>Total property, plant and equipment</b>		<b>10,154.6</b>	<b>9,622.8</b>
<i>Financial assets</i>			
Shares in Group companies	29	5,398.8	5,398.4
Receivables from Group companies		–	1,163.5
Non-current receivables	17	18.6	20.1
<b>Total financial assets</b>		<b>5,417.4</b>	<b>6,582.0</b>
<b>Total non-current assets</b>		<b>15,572.0</b>	<b>16,205.3</b>

## Balance sheet continuation

SEK m	Note	Dec 31, 2025	Dec 31, 2024
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable	19	4.3	3.2
Receivables from Group companies		4,574.8	300.3
Other receivables		1.9	1.9
Prepaid expenses and accrued income	20	35.1	35.6
<b>Total current receivables</b>		<b>4,616.1</b>	<b>341.0</b>
Cash and cash equivalents		559.2	456.5
<b>Total current assets</b>		<b>5,175.3</b>	<b>797.5</b>
<b>Total assets</b>			
		<b>20,747.3</b>	<b>17,002.8</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		1,056.4	1,056.4
Revaluation reserve		124.2	124.2
Statutory reserve		798.1	798.1
<b>Total restricted equity</b>		<b>1,978.7</b>	<b>1,978.7</b>
<i>Unrestricted equity</i>			
Retained earnings		861.0	2,018.5
Net result for the year		4,447.9	426.7
<b>Total unrestricted equity</b>		<b>5,308.9</b>	<b>2,445.2</b>
<b>Total equity</b>		<b>7,287.6</b>	<b>4,423.9</b>
<b>Untaxed reserves</b>			
	12	<b>60.8</b>	<b>61.0</b>
<i>Provisions</i>			
Pensions	26	23.7	25.7
Deferred tax liabilities	10	965.7	963.0
<b>Total provisions</b>		<b>989.4</b>	<b>988.7</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	24	8,250.0	7,100.0
Liabilities to Group companies		220.5	220.5
Other liabilities		125.1	105.7
<b>Total non-current liabilities</b>		<b>8,595.6</b>	<b>7,426.2</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	24	3,100.0	2,700.0
Accounts payable		118.5	84.8
Liabilities to Group companies		16.4	794.1
Tax liabilities		25.0	43.6
Other liabilities	27	94.0	57.8
Accrued expenses and deferred income	28	460.0	422.7
<b>Total current liabilities</b>		<b>3,813.9</b>	<b>4,103.0</b>
<b>Total equity and liabilities</b>		<b>20,747.3</b>	<b>17,002.8</b>



## Statement of changes in equity

SEK m	Share capital	Revaluation reserve	Statutory reserve	Retained earnings including net result for the year	Total
<b>Opening equity, January 1, 2024</b>	<b>1,056.4</b>	<b>124.2</b>	<b>798.1</b>	<b>2,564.8</b>	<b>4,543.5</b>
Net result for the year				426.7	426.7
Other comprehensive income				–	–
<b>Total comprehensive income for the year</b>				<b>426.7</b>	<b>426.7</b>
Dividend				-546.2	-546.2
<b>Closing equity, December 31, 2024</b>	<b>1,056.4</b>	<b>124.2</b>	<b>798.1</b>	<b>2,445.2</b>	<b>4,423.9</b>
<b>Opening equity, January 1, 2025</b>	<b>1,056.4</b>	<b>124.2</b>	<b>798.1</b>	<b>2,445.2</b>	<b>4,423.9</b>
Net result for the year				4,447.9	4,447.9
Other comprehensive income				–	–
<b>Total comprehensive income for the year</b>				<b>4,447.9</b>	<b>4,447.9</b>
Share buyback				-1,017.8	-1,017.8
Dividend				-566.5	-566.5
<b>Closing equity, December 31, 2025</b>	<b>1,056.4</b>	<b>124.2</b>	<b>798.1</b>	<b>5,308.9</b>	<b>7,287.6</b>

## Cash flow statement

SEK m	Note	2025	2024
<b>Operating activities</b>			
Profit after financial items		4,626.2	713.7
Depreciation and impairment of assets		217.1	201.8
Change in value, derivatives		1.6	10.8
Group contributions		-188.2	-76.9
Anticipated dividend from subsidiaries		-3,950.7	–
Other changes		-2.0	-3.0
Paid income tax		-127.5	-96.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>576.5</b>	<b>750.4</b>
Changes in working capital:			
Decrease (+)/Increase (–) in operating receivables		-138.1	108.7
Increase (+)/Decrease (–) in operating liabilities		144.1	70.7
<b>Cash flow from operating activities</b>		<b>582.5</b>	<b>929.8</b>
<b>Investing activities</b>			
Acquisition of subsidiaries	29	-0.4	–
Shareholder contributions	29	-1,449.3	–
Sale of subsidiaries	29	1,449.3	–
Investment in investment properties		-743.1	-697.6
Investment in equipment		-2.0	-1.7
Change in non-current receivables		300.0	–
<b>Cash flow from investing activities</b>		<b>-445.5</b>	<b>-699.3</b>
<b>Financing activities</b>			
Loans raised	24	4,610.0	4,200.0
Amortisation of loan debt	24	-3,060.0	-3,800.0
Share buyback	25	-1,017.8	–
Dividend paid	25	-566.5	-546.2
<b>Cash flow from financing activities</b>		<b>-34.3</b>	<b>-146.2</b>
<b>Cash flow for the year</b>		<b>102.7</b>	<b>84.3</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>456.5</b>	<b>372.2</b>
<b>Cash and cash equivalents at end of year</b>		<b>559.2</b>	<b>456.5</b>

## Supplementary information to the cash flow statement

SEK m	2025	2024
Interest received	36,9	60,6
Interest paid	-274,7	-219,9

## Comments

Net revenue amounted to SEK 1,711.4 million (1,677.4). Rental income accounted for SEK 1,652.4 million (1,620.3) and service income amounted to SEK 59.0 million (57.1).

Operating expenses amounted to SEK -880.9 million (-726.2). The increase is mainly explained by higher maintenance costs from major development projects. Gross profit amounted to SEK 830.5 million (951.2). Central administration was SEK -59.7 million (-54.5). Unrealised changes in value of interest rate derivatives amounted to SEK -1.6 million (-10.8).

Financial items amounted to SEK 3,857.0 million (-172.2). Financial items include Group contributions received from subsidiaries of SEK 188.2 million (76.9) and anticipated dividend from subsidiaries of SEK 3,950.7 million (–).

Investments in the property holdings and equipment amounted to SEK 745.1 million (699.3).

Cash and cash equivalents at the end of the period were SEK 559.2 million (456.5).

# Financial notes

## General information and accounting policies

### Note 1 Accounting policies

#### General information

Hufvudstaden AB (publ), corporate registration number 556012-8240, is a limited liability company domiciled in Stockholm, Sweden. Hufvudstaden is listed on Nasdaq Stockholm Large Cap. The Group's main operations are to own, manage, and develop commercial properties concentrated in central Stockholm and Gothenburg. The address of the company's head office is Hufvudstaden AB, NK 100, SE-111 77 Stockholm. Visiting address: Regeringsgatan 38. L E Lundbergföretagen AB, corporate registration number 556056-8817, Stockholm, has a controlling influence in Hufvudstaden, and the company is therefore consolidated in the Lundberg Group. The Annual Report and consolidated financial statements for Hufvudstaden AB (publ) for 2025 were approved for publication by a Board decision on February 12, 2026. The Annual Report and consolidated financial statements are proposed for adoption at the Annual General Meeting on March 19, 2026.

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

The Parent Company applies the same accounting policies as the Group except in cases stated under the section "Parent Company accounting policies." Differences between the Parent Company's and the Group's principles arise due to limitations in applying IFRS in the Parent Company as a result of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and in some cases, the link between accounting and taxation.

#### Basis of 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 historical cost, except for certain financial assets and liabilities and investment properties, which are measured at fair value. Measurement at fair value of investment properties is the accounting principle that has the greatest impact on the Group's financial statements.

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

In some cases, rounding has been applied, which means that tables and calculations do not always sum up.

#### Judgments and estimates

To prepare the financial statements in accordance with IFRS, Group management must make judgments and estimates that affect reported assets, liabilities, income, and expenses. Judgments and estimates are reviewed regularly. The estimates considered most significant in preparing the financial statements relate to investment properties (Note 14) and inventories (Note 18).

#### New accounting policies

New or amended standards and interpretations from the IFRS Interpretations Committee approved by the EU are currently not expected to have a material impact on Hufvudstaden's results or financial position. Accounting policies and calculation methods are unchanged compared with the previous year's Annual Report.

#### New standards not yet effective

The IASB has published a new accounting standard, IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. The standard will be effective on January 1, 2027, with retrospective application. IFRS 18 has not yet been adopted by the EU. IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it may change what a company reports as its operating profit. Application may require changes in the presentation of the financial statements. The most important new concepts introduced in IFRS 18 relate to:

- the structure of the income statement,
  - mandatory disclosures in the financial statements regarding certain performance measures reported outside the financial statements, so-called management performance measures (MPM),
  - improved principles for aggregation and disaggregation applicable to the primary financial statements and notes in general.
- Hufvudstaden is analysing the potential impact of the new standard.

#### Consolidated financial statements

The consolidated financial statements include the Parent Company and all subsidiaries. Subsidiaries are consolidated when the Parent Company has direct or indirect control. Subsidiaries are accounted for using the acquisition method, which means that acquired assets and liabilities are measured at fair value according to an acquisition analysis. If the acquisition does not constitute a business, which is common in property acquisitions, the purchase price is allocated to the individually identifiable assets and liabilities at their fair values at the acquisition date without recognising goodwill or deferred tax assets/liabilities on acquisition.

#### Cash flow statements

The cash flow statements are prepared using the indirect method.

#### Parent Company accounting policies

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Statements issued by the Board for listed companies have also been applied. RFR 2 requires the Parent Company to apply all IFRS and interpretations approved by the EU as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act, and considering the link between accounting and taxation. The recommendation specifies exceptions and additions to IFRS. Differences between the Group's and the Parent Company's accounting policies are described below. Group contributions received are recognised under financial items, and Group contributions paid are recognised as appropriations.

The Parent Company's accounting policies have not changed compared with the previous year's Annual Report.



## Income and expenses

### Note 2 Segment information

#### Accounting policies

A segment is a distinguishable component of the Group that provides services subject to risks and opportunities that differ from other segments.

The Group's operations are divided into three segments: Property management, NK Retail, and Other operations. Other operations include Cecil Coworking (Business Area Stockholm), NK e-commerce, and the parking

operations in Parkaden (Business Area NK). The segments are divided into business areas that follow the operational management of the business.

The Parent Company has only one line of business: property management. The following summary shows revenue and expenses, assets, and investments for the different business areas for 2025 and the comparative year 2024.

SEK m	Business Area Stockholm		Business Area NK		Business Area Gothenburg		Summary		Intra-Group elimination		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Property management</b>												
<b>Net revenue</b>												
Rental income	1,536.1	1,502.6	581.1	487.7	335.5	328.3	2,452.7	2,318.6	-213.1	-198.4	2,239.6	2,120.2
(of which service income)	(36.0)	(34.0)	(127.1)	(48.2)	(24.8)	(24.2)	(187.9)	(106.4)	(-30.4)	(-13.9)	(157.5)	(92.5)
<b>Expenses</b>												
Operating costs	-96.0	-89.0	-207.4	-154.8	-43.5	-45.7	-346.9	-289.5			-346.9	-289.5
Maintenance	-17.8	-11.9	-8.6	-16.9	-4.1	-2.9	-30.5	-31.7			-30.5	-31.7
Property tax	-158.7	-156.3	-44.1	-44.8	-34.1	-36.4	-236.9	-237.5			-236.9	-237.5
Administration	-59.4	-56.7	-59.0	-48.4	-24.3	-21.5	-142.7	-126.6			-142.7	-126.6
<b>Gross profit Property management</b>	<b>1,204.2</b>	<b>1,188.7</b>	<b>262.0</b>	<b>222.8</b>	<b>229.5</b>	<b>221.8</b>	<b>1,695.7</b>	<b>1,633.3</b>	<b>-213.1</b>	<b>-198.4</b>	<b>1,482.6</b>	<b>1,434.9</b>
<b>Other segments</b>												
<b>NK Retail</b>												
Net revenue			903.7	915.7			903.7	915.7			903.7	915.7
Expenses			-945.4	-968.5			-945.4	-968.5	128.8	114.8	-816.6	-853.7
<b>Gross profit NK Retail</b>			<b>-41.7</b>	<b>-52.8</b>			<b>-41.7</b>	<b>-52.8</b>	<b>128.8</b>	<b>114.8</b>	<b>87.1</b>	<b>62.0</b>
<b>Other operations</b>												
Net revenue	50.6	44.6	97.9	98.7			148.5	143.3			148.5	143.3
Expenses	-47.9	-46.3	-119.5	-125.2			-167.4	-171.5	84.3	83.6	-83.1	-87.9
<b>Gross profit Other operations</b>	<b>2.7</b>	<b>-1.7</b>	<b>-21.6</b>	<b>-26.5</b>			<b>-18.9</b>	<b>-28.2</b>	<b>84.3</b>	<b>83.6</b>	<b>65.4</b>	<b>55.4</b>
<b>Gross profit Other Segments</b>	<b>2.7</b>	<b>-1.7</b>	<b>-63.3</b>	<b>-79.3</b>			<b>-60.6</b>	<b>-81.0</b>	<b>213.1</b>	<b>198.4</b>	<b>152.5</b>	<b>117.4</b>
<b>Total gross profit</b>	<b>1,206.9</b>	<b>1,187.0</b>	<b>198.7</b>	<b>143.5</b>	<b>229.5</b>	<b>221.8</b>	<b>1,635.1</b>	<b>1,552.3</b>			<b>1,635.1</b>	<b>1,552.3</b>
Central administration											-59.7	-54.5
Changes in value, investment properties											-173.9	-602.6
Changes in value, derivatives											-1.6	-10.8
<b>Operating profit</b>											<b>1,399.9</b>	<b>884.4</b>
Financial income and expenses											-344.1	-321.2
<b>Profit before tax</b>											<b>1,055.8</b>	<b>563.2</b>
<b>Assets</b>												
Investment properties	33,411.5	32,958.3	7,813.6	7,777.1	6,874.2	6,380.0	48,099.3	47,115.4			48,099.3	47,115.4
<b>Investments</b>												
Investment properties and equipment	262.1	280.3	112.5	66.1	804.1	642.5	1,178.7	988.9			1,178.7	988.9

**Note 3 Net revenue****Accounting policies**

The Group's revenue mainly consists of rental income and revenue from retail operations.

**Rental and service income**

Net revenue includes rental and service income. Rental income refers to invoiced rent including indexation, additional charges for utilities, property tax, and other costs. Service income consists of all other additional charges such as heating, cooling, waste, and water. Rental income is recognised on a straight-line basis over the lease term. Service income is recognised in the period in which the service is performed and delivered to the tenant. Rental and service income is paid in advance and is therefore recognised as prepaid income.

**NK Retail revenue**

Revenue is mainly generated from the sale of clothing, accessories, beauty products, and jewellery to consumers. The Group's performance obligation is to provide goods to the customer, either to consumers in the Group's own stores or to e-commerce customers when goods are handed over to an independent carrier. All revenue is recognised under IFRS 15 in the category "at a point in time," i.e., upon delivery. Revenue from the sale of goods at a fixed price is recognised when the company has transferred control of the goods to the customer, which normally occurs at the point of sale when the customer takes the goods out of the store or upon delivery to the e-commerce customer in accordance with the terms of sale.

The main in-store sales are subject to a 30-day return policy, which means that revenue from in-store sales is recognised net of estimated

returns. The estimated refund for returned goods is recognised as a refund liability (the amount the company expects to owe the customer). The right to recover the returned goods is recognised as inventory. Revenue is also reduced by variable consideration in the form of discounts and customer loyalty programs. Sales revenue is recognised net of VAT, returns, and discounts as net revenue in the income statement under other segments.

**Operating leases**

The Group leases out premises in investment properties. The Group classifies these leases as operating leases because the leases do not transfer the significant risks and rewards associated with ownership of the underlying asset. For an analysis of lease payment maturities, see the table below, where the remaining term is between 1 and 24 years.

**Leases where the Group is the lessor**

All of the Group's leases for letting premises are classified as operating leases. The accounting for these is described above under Rental and Service Income.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Rental income <sup>1)</sup>	2,388.1	2,263.5	1,711.4	1,677.4
(of which service income) <sup>1)</sup>	(188.9)	(121.3)	(59.0)	(57.1)
Sale of goods	903.7	915.7	–	–
<b>Net revenue</b>	<b>3,291.8</b>	<b>3 179.2</b>	<b>1,711.4</b>	<b>1,677.4</b>

<sup>1)</sup> Refers to income from Property management and Other operations.

**Maturity structure<sup>1) 2) 3)</sup>**

	2026	2027	2028	2029	2030	2031-	Total
<b>Number of agreements</b>							
Offices	46	50	57	53	24	43	273
Stores	65	66	55	37	23	29	275
Other	442	206	130	66	37	58	939
<b>Total Group</b>	<b>553</b>	<b>322</b>	<b>242</b>	<b>156</b>	<b>84</b>	<b>130</b>	<b>1,487</b>
Proportion, %	37.2	21.7	16.3	10.5	5.6	8.7	100.0
<b>Total Parent Company</b>	<b>473</b>	<b>263</b>	<b>169</b>	<b>128</b>	<b>62</b>	<b>112</b>	<b>1,207</b>
<b>Annual rent, SEK m</b>							
Offices	176.7	215.1	226.0	208.6	123.8	553.4	1,503.6
Stores	120.8	150.0	163.8	153.4	85.2	120.9	794.1
Other	28.5	23.2	36.9	23.1	9.7	25.5	146.9
<b>Total Group</b>	<b>326.0</b>	<b>388.3</b>	<b>426.7</b>	<b>385.1</b>	<b>218.7</b>	<b>699.8</b>	<b>2,444.6</b>
Proportion, %	13.3	15.9	17.4	15.8	9.0	28.6	100.0
<b>Total Parent Company</b>	<b>258.6</b>	<b>318.8</b>	<b>307.7</b>	<b>304.7</b>	<b>145.6</b>	<b>420.3</b>	<b>1,755.7</b>

<sup>1)</sup> Including contracts signed for future access/commencement, with the corresponding current area excluded.

<sup>2)</sup> Excluding vacant floor space and areas used internally within the Group.

<sup>3)</sup> Excluding residential leases.



## Note 4 Operating expenses

### Accounting policies

The Group's operating costs consist of property operating expenses, maintenance, property tax, other segment costs, and administration.

Operating costs refer to property management, such as property maintenance, utilities, and minor repairs, which are recognised as expenses in the period they occur. Maintenance refers to more extensive repairs and measures to preserve or restore the standard of properties; these expenses are also expensed directly unless they meet the criteria for capitalisation. Expenditures that result in standard-enhancing improvements or future economic benefits are instead capitalised as part of the property's value.

Property tax is a government tax based on the properties' tax assessment value and is not covered by income tax legislation under IAS 12. Property tax is therefore recognised as an operating expense. A large portion of the property tax is re-invoiced to tenants.

Other segment costs include all costs to bring the product to the customer, such as the cost of goods, freight to stores, customs, environmental fees, and handling costs. This item also includes store costs such as salaries, marketing, and costs for sales-related support functions.

Administration is divided into property-related administration, such as costs for leasing, rent administration, and accounting, and central administration, which mainly consists of costs related to the Board, President, and other senior management, audit costs, and other Group-wide costs.

The Group's total operating costs amounted to SEK 1,716.4 million (1,681.4).

### Costs by type

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Raw materials and supplies	543.5	566.9		
Maintenance	29.6	31.1	241.2	117.2
Operations and administration	434.9	379.9	74.7	74.8
Site leasehold fees			23.1	14.8
Property tax	236.9	237.5	177.8	177.8
Depreciation and impairment	60.7	62.4	213.7	198.9
Personnel costs	410.8	403.6	210.1	197.2
<b>Total</b>	<b>1,716.4</b>	<b>1,681.4</b>	<b>940.6</b>	<b>780.7</b>

## Note 5 Depreciation

### Depreciation allocated in the Income statement

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Operating costs	20.0	20.3	213.7	198.9
Other segments, costs	40.6	41.9		
Central administration	0.1	0.2		
<b>Total</b>	<b>60.7</b>	<b>62.4</b>	<b>213.7</b>	<b>198.9</b>

### Depreciation by asset class

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Capitalised expenditures for programmes	30.3	33.4	0.3	0.4
Investment properties			208.1	192.9
Equipment	22.2	20.9	5.3	5.6
Right-of-use assets	8.2	8.1		
<b>Total</b>	<b>60.7</b>	<b>62.4</b>	<b>213.7</b>	<b>198.9</b>

## Note 6 Fees and remuneration to auditors

SEK m	Group		Parent Company	
	2025	2024	2025	2024
<b>PWC</b>				
Audit fees	1.9	1.7	1.4	1.2
Audit-related services other than the audit assignment	0.2	0.5	0.2	0.5
Other services	0.1	0.3	0.1	0.3
<b>Total</b>	<b>2.2</b>	<b>2.5</b>	<b>1.7</b>	<b>2.0</b>

## Employees

### Note 7 Average number of employees

	2025 <sup>1)</sup>		2024 <sup>1)</sup>	
	of which men, %		of which men, %	
<b>Parent Company</b>	<b>150</b>	<b>49</b>	<b>154</b>	<b>49</b>
(of whom Senior Executives)	(8)	(62)	(8)	(62)
<b>Wholly owned subsidiaries</b>				
NK Retail AB	306	15	314	15
Parkaden AB	2	100	2	100
Cecil Coworking AB	5	20	5	20
NK Service AB	20	40	19	53
<b>Total Group</b>	<b>483</b>	<b>27</b>	<b>494</b>	<b>27</b>
(of whom Senior Executives)	(8)	(62)	(8)	(62)

Of the Group's 53 managers (52), 29 are women (29), or 55 per cent (56). The Parent Company's Board consisted of 6 men (6) and 3 women (3). The gender distribution on the Board is thus unchanged compared with the previous year. The Group has employees only in Sweden.

<sup>1)</sup> Calculation based on Full Time Equivalent (FTE).

**Note 8 Salaries and remuneration**
**Accounting policies**
**Employee benefits**

Employee benefits such as salaries, paid vacation, and social security contributions are recognised as the employees render services in exchange for those benefits. Bonuses are recognised at year-end.

**Defined contribution plans**

Regarding the Group's pension obligations, most salaried employees are covered by the ITP plan, secured through insurance with Alecta, and col-

lectively bargained employees by the SAF-LO pension plan. For the current financial years, the company has not had access to information that would allow these plans to be reported as defined benefit plans. The pension plan is therefore reported as a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they arise.

SEK k	Group				Parent Company			
	2025	of which bonus	2024	of which bonus	2025	of which bonus	2024	of which bonus
<b>Salaries and other remuneration</b>								
Fee to Chairman of the Board	575		555		575		555	
Fee to other Board members	2,013		1,987		2,013		1,987	
Remuneration and benefits to:								
President	5,984	806	5,577	346	5,984	806	5,577	346
Vice President, CFO	3,257	491	2,970	192	3,257	491	2,970	192
Vice President, Head of NK BA <sup>1)</sup>	–	–	2,247	127	–	–	2,247	127
Other Senior Executives	13,521	1,776	9,752	588	13,521	1,776	9,752	588
Other employees	268,058	8,760	264,126	3,299	108,564	8,471	102,373	3,206
<b>Total</b>	<b>293,408</b>	<b>11,833</b>	<b>287,214</b>	<b>4,552</b>	<b>133,914</b> <sup>2)</sup>	<b>11,544</b>	<b>125,461</b> <sup>2)</sup>	<b>4,459</b>
<b>Social security costs including payroll tax</b>								
Chairman of the Board	59		57		59		57	
Other Board members	510		493		510		493	
President	2,281		2,116		2,281		2,116	
Vice President, CFO	1,369		1,161		1,369		1,161	
Vice President, Head of NK BA <sup>1)</sup>	–		828		–		828	
Other Senior Executives	5,265		3,747		5,265		3,747	
Other employees	91,518		88,655		39,328		36,076	
<b>Total</b>	<b>101,002</b>		<b>97,057</b>		<b>48,812</b>		<b>44,478</b>	
<b>Pension costs</b>								
President	1,545		1,469		1,545		1,469	
Vice President, CFO	1,201		940		1,201		940	
Vice President, Head of NK BA <sup>1)</sup>	–		503		–		503	
Other Senior Executives	4,322		2,925		4,322		2,925	
Other employees	31,161		29,489		20,744		18,906	
<b>Total</b>	<b>38,229</b>		<b>35,326</b>		<b>27,812</b>		<b>24,743</b>	

<sup>1)</sup> For 2024, refers to the period 2024-01-01 to 2024-08-31.

<sup>2)</sup> Salaries and other remuneration also include non-monetary benefits.

Guidelines for salaries, bonuses and other remuneration to Senior Executives are decided by the Annual General Meeting. The Company has complied with the guidelines adopted by the 2023 Annual General Meeting; see separate section on guidelines below. All permanent employees in the Group, excluding the subsidiaries NK Retail AB and NK Service AB, were covered by a bonus programme during the year. Bonuses are based on the criteria operating result and customer satisfaction, as well as personal assessment for managers. Bonuses for Executive Management follow what is presented under the guidelines below. For other managers, the maximum bonus corresponds to two months' salary. For other employees, the maximum bonus corresponds to one month's salary. The bonus programme is decided on an annual basis and includes a cap. Bonuses are only paid if the

Company reports a positive result, excluding unrealised changes in value and other non-recurring items. In the 2025 year-end accounts, bonuses have been reserved for performance targets, customer satisfaction and personal goals.

Pensions for Group employees are regulated by the respective collective agreements, the ITP plan for salaried employees and the SAF-LO occupational pension for wage earners. The ITP plan includes both defined benefit and defined contribution pensions. A total of 90 employees are covered by defined benefit pensions. Alecta's surplus in the form of the collective consolidation level as of December had not yet been definitively established at the time of signing the Annual Report. Alecta's consolidation level amounted to 167 per cent as of 30 September 2025. The collective consolidation level



is the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19.

#### **Board fees**

Board fees expensed for 2025 amount to SEK 575,000 for the Chairman of the Board, Fredrik Lundberg, and SEK 287,500 each for Board members Claes Boustedt, Peter Egardt, Liv Forhaug, Louise Lindh, Katarina Ljungqvist, Fredrik Persson, and Sten Peterson. The President, Anders Nygren, receives no remuneration for Board work.

#### **Guidelines for remuneration to Senior Executives**

Adopted at the 2023 AGM, these guidelines apply from the 2023 AGM onwards.

#### ***Purpose and alignment with strategy***

Hufvudstaden's vision is to always be perceived as and remain Sweden's most attractive property company. One of the company's operational goals to achieve this vision is to have the industry's most professional employees with strong customer focus, business acumen, and expertise. Successful implementation of the company's business concept, long-term interests, and sustainability requires the ability to attract and retain qualified employees.

#### ***Forms of remuneration***

Remuneration to Senior Executives may consist of 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 shall be designed to promote the Company's business concept and long-term interests, including sustainability. Bonuses shall be linked to predetermined and measurable criteria, the fulfilment of which shall be assessed annually, and shall only be paid if the Company reports a positive result, excluding unrealised changes in value in the property portfolio and non-recurring items. For the President, the maximum bonus shall correspond to three fixed monthly salaries per year, and for other Senior Executives the maximum shall correspond to the higher of three fixed monthly salaries and SEK 250,000 per person and year. Bonuses shall be pensionable.

The criteria shall consist of 70 per cent financial targets related to operating profit (i.e., operating profit excluding changes in value in the property portfolio and non-recurring items, with certain other adjustments based on the executive's area of responsibility and position), 15 per cent operational targets related to customer satisfaction, and 15 per cent individual targets. Other benefits may include, among other things, benefits under collective agreements, health insurance and company car benefits. Such benefits may amount to a maximum of 10 per cent of the fixed annual cash salary.

Pension entitlements for the President and other Senior Executives shall apply from the age of 65, with benefits corresponding to the ITP plan. In cases where the ITP plan entails that a senior executive's pension is defined contribution, pension premiums shall amount to a maximum of 30

per cent of the fixed annual cash salary. In addition, a defined contribution pension shall be paid to the President and the Deputy Presidents for the portion of salary not covered by the ITP plan. Such pension premiums shall amount to a maximum of 20 per cent of the fixed annual salary.

#### ***Notice period and severance pay***

Upon termination of employment, the notice period may not exceed twelve months. Fixed salary during the notice period and severance pay shall together not exceed an amount corresponding to the fixed salary for two years for the President and Vice Presidents, and one year for other Senior Executives. In the event of termination by the executive, the notice period may not exceed six months, without entitlement to severance pay. In all cases, any remuneration from a new employer shall be deducted.

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

In preparing the Board's proposal for these remuneration guidelines, salaries and employment conditions for the Company's other employees have been taken into account by including information on employees' total remuneration, its components, and the increase and rate of increase over time as part of the decision-making basis when evaluating the reasonableness of the guidelines.

The Board has considered the establishment of a remuneration committee but has chosen not to do so, instead handling the matter within the framework of the regular Board work. This means that the entire Board, except for the President, performs the tasks incumbent on a remuneration committee, including monitoring and evaluating programmes for variable remuneration to Executive Management, the application of the guidelines for remuneration to Senior Executives, and current remuneration structures and levels in the Company.

When the Board addresses and decides on remuneration-related matters, the President or other members of Executive Management do not participate to the extent that they are affected by the matters. The Board shall prepare proposals for new guidelines at least every four years and present the proposal for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the General Meeting.

When the measurement period for bonus fulfilment has ended, it shall be determined to what extent the criteria have been met. The Board is responsible for the assessment regarding variable remuneration to the President. For variable remuneration to other executives, the President is responsible for the assessment. Regarding financial targets, the assessment shall be based on the Company's most recently published Annual Report.

#### ***Deviation from guidelines***

The Board may temporarily deviate from the guidelines if special reasons exist and deviation is necessary to safeguard the company's long-term interests or financial viability.

## Tax

### Note 9 Tax

#### Accounting policies

Taxes are recognised in profit or loss for the year except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the related tax effect is recognised in other comprehensive income or in equity. Current tax is tax payable or receivable for the current year, including adjustments of current tax related to prior periods.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
<b>Current tax expense</b>				
Tax expense for the year	-128.2	-137.4	-127.5	-131.3
Tax attributable to previous years	-0.1	-0.1	-0.0	-0.3
<b>Deferred tax expense/ income</b>				
Difference between tax and accounting depreciation on properties	0.3	-1.7	-2.6	-2.6
Unrealised change in value of investment properties	-97.0	21.4		
Unrealised change in value of derivatives	0.3	2.2	0.3	2.2
Effect of allocation to untaxed reserves	5.8	-1.4		
Effect of pension provisions	-0.4	-0.6	-0.4	-0.6
Right-of-use assets	-60.1	-1.3		
Lease liabilities	60.2	1.4		
Other <sup>1)</sup>	–	-81.1	–	-80.8
<b>Total tax</b>	<b>-219.2</b>	<b>-198.6</b>	<b>-130.2</b>	<b>-213.4</b>

<sup>1)</sup> For 2024, other mainly refers to changes in temporary differences on properties due to the use of replacement reserves.

#### Reconciliation of effective tax

SEK m	Group		Parent Company	
	2025	2024	2025	2024
<b>Reported profit before tax</b>	<b>1,055.8</b>	<b>563.2</b>	<b>4,578.1</b>	<b>640.1</b>
Tax according to current tax rate	-217.5	-116	-943.1	-131.9
Tax attributable to previous years	-0.1	-0.1	-0.0	-0.3
Non-taxable income	0.7	1.0	0.7	0.8
Non-deductible expenses	-3.4	-3.8	-1.6	-2.8
Tax-free dividend from subsidiaries			813.8	–
Utilisation of previous tax loss carryforwards	1.1	–	–	–
Other <sup>1)</sup>	–	-79.7	–	-79.2
<b>Total tax</b>	<b>-219.2</b>	<b>-198.6</b>	<b>-130.2</b>	<b>-213.4</b>

<sup>1)</sup> For 2024, other mainly refers to changes in temporary differences on properties due to the use of replacement reserves.

As of the balance sheet date, the Group has no tax loss carryforwards.

### Note 10 Deferred tax liabilities

#### Accounting policies

Deferred tax is calculated using the balance sheet method based on temporary differences between the carrying amounts and tax bases of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be realised and by applying the tax rates and tax rules that have been enacted or announced at the balance sheet date. Deferred tax assets on deductible temporary differences and tax loss carryforwards are recognised only to the extent that it is probable that they will result in lower tax payments in the future.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Investment properties	8,710.7	8,614.0	973.2	970.5
Untaxed reserves	23.8	29.6		
Interest rate derivatives	-2.6	-2.2	-2.6	-2.2
Pension provisions	-4.9	-5.3	-4.9	-5.3
Right-of-use assets	211.4	151.3		
Lease liabilities	-211.7	-151.5		
<b>Total</b>	<b>8,726.7</b>	<b>8,635.9</b>	<b>965.7</b>	<b>963.0</b>

#### Change in deferred taxes, Group

SEK m	Opening balance	Recognised in income statement	Closing balance
<b>2025</b>			
Investment properties	8,614.0	96.7	8,710.7
Untaxed reserves	29.6	-5.8	23.8
Interest rate derivatives	-2.2	-0.4	-2.6
Pension provisions	-5.3	0.4	-4.9
Right-of-use assets	151.3	60.1	211.4
Lease liabilities	-151.5	-60.2	-211.7
<b>Total</b>	<b>8,635.9</b>	<b>90.9</b>	<b>8,726.7</b>
<b>2024</b>			
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 provisions	-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	–
<b>Total</b>	<b>8,574.8</b>	<b>61.1</b>	<b>8,635.9</b>

#### Allocations to untaxed reserves

##### Parent Company

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

SEK m	Opening balance	Recognised in income statement	Closing balance
<b>2025</b>			
Investment properties	970.5	2.7	973.2
Interest rate derivatives	-2.2	-0.4	-2.6
Pension provisions	-5.3	0.4	-4.9
<b>Total</b>	<b>963.0</b>	<b>2.7</b>	<b>965.7</b>
<b>2024</b>			
Investment properties	887.1	83.4	970.5
Interest rate derivatives	–	-2.2	-2.2
Pension provisions	-5.9	0.6	-5.3
<b>Total</b>	<b>881.2</b>	<b>81.8</b>	<b>963.0</b>



## Note 11 Appropriations

SEK m	Parent Company	
	2025	2024
Accelerated depreciation	0.2	-12.7
Group contributions given	-48.2	-60.9
<b>Total</b>	<b>-48.1</b>	<b>-73.6</b>

## Note 12 Untaxed reserves

SEK m	Parent Company	
	2025	2024
<b>Accumulated accelerated depreciation</b>		
Opening balance	61.0	48.3
Depreciation for the year	-0.2	12.7
<b>Closing balance</b>	<b>60.8</b>	<b>61.0</b>

## Assets

### Note 13 Intangible assets

#### Accounting policies

Intangible assets acquired by the Group consist of the e-commerce platform and other IT systems and are recognised at cost less accumulated amortisation and any impairment losses. Development costs for new or improved processes within 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 to complete the process.

#### Amortisation principles

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

#### Impairment testing

Intangible assets are tested for impairment at each balance sheet date. If there is an indication that the carrying amount cannot be recovered, the asset's recoverable amount is calculated. The asset is written down to its recoverable amount if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and its value in use.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Opening acquisition cost	169.8	167.8	2.9	2.9
Investments for the year	–	2.2	–	–
Sales/Disposals	–	-0.2	–	–
<b>Closing acquisition cost</b>	<b>169.8</b>	<b>169.8</b>	<b>2.9</b>	<b>2.9</b>
Opening depreciation	-106.7	-73.3	-2.4	-1.9
Depreciation for the year	-30.3	-33.4	-0.5	-0.5
<b>Closing accumulated depreciation</b>	<b>-137.0</b>	<b>-106.7</b>	<b>-2.9</b>	<b>-2.4</b>
<b>Closing carrying amount</b>	<b>32.8</b>	<b>63.1</b>	<b>–</b>	<b>0.5</b>

## Note 14 Investment Properties

#### Accounting policies

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are measured at fair value in accordance with Level 3 of the fair value hierarchy in IFRS 13. Initially, investment properties are recognised at cost, which includes expenses directly attributable to the acquisition. After initial recognition, investment properties are carried in the balance sheet at fair value. Fair value is based on an internal valuation for each individual property. Valuations are performed at each quarter-end.

All properties owned by the Group or used under site leasehold agreements are classified as investment properties. The property portfolio consists of commercial properties primarily comprising offices and retail premises, which are treated as a single class of assets.

Expenditures for reconstruction that provide economic benefits to the Group and can be measured reliably are capitalised. Expenditures for repairs and ongoing maintenance are recognised as maintenance costs and included in gross profit.

Unrealised and realised changes in value are recognised in the income statement. Changes in value are reported net.

#### Judgments and estimates

Valuation of investment properties involves estimates and judgments that can significantly affect the Group's reported results and financial position. Determining fair value requires management to make assumptions about future cash flows and establish yield requirements for each property. These assumptions are based on market conditions, property-specific factors, and completed transactions.

To reflect the uncertainty in these assumptions, a valuation range of approximately +/- 5 per cent is normally stated. The range may vary depending on market conditions and property-specific changes. In a less liquid market, uncertainty may be greater. To illustrate the effects of changes in key parameters such as yield requirements and rent levels, a sensitivity analysis is presented.

To ensure the quality of internal valuations, external independent valuation firms are engaged to perform valuations of parts of the property portfolio. The external valuations are based on established methods and market data from relevant transactions. In the internal valuation process, reconciliations are also made with valuation and advisory firms regarding market conditions and assumptions.

The judgments made affect the carrying amount in the balance sheet for the item Investment Properties and in the income statement for the item Changes in Value, Investment Properties.

#### Change in investment properties

SEK m	2025	2024
Opening fair value	47,115.4	46,742.8
Investments in property holdings	1,157.8	975.2
Unrealised change in value	-173.9	-602.6
<b>Closing fair value</b>	<b>48,099.3</b>	<b>47,115.4</b>

#### Right-of-use assets, site leaseholds

Right-of-use assets related to site leasehold agreements are by definition part of the value of investment properties. The Group has chosen to present these on a separate line in the balance sheet and also disclose them separately in the notes. Information on changes in the value of site leaseholds can be found in Note 16 Right-of-Use Assets.



## Valuation

### Valuation policy

The valuation process is governed by guidelines decided by Group Management.

### Valuation process

Investment properties are valued internally at each quarter-end. To ensure quality, independent external valuations from valuation firms are obtained at least once a year.

### Valuation method

The internal valuation of the property portfolio is performed using a variant of the sales comparison method called the net capitalisation method, unchanged from previous years. Each property is valued individually without considering any portfolio effect. The method involves relating the market yield requirement to the property's net operating income. For other project properties and undeveloped land, the value is assessed using a combination of the sales comparison method and a development calculation, where the net capitalisation method is applied to a completed property with deductions for construction costs, a market-based developer's profit, and rental vacancy during the construction period.

### Basis for property valuation

The property valuation is based on observable and unobservable inputs. Observable inputs include current rents, actual operating and maintenance costs, planned and ongoing investments, and current vacancy rates. Unobservable inputs include yield requirements and expectations regarding future rent and vacancy levels.

The assessment of yield requirements is based on information about market yields in transactions of comparable properties in similar locations. If few or no transactions have occurred in the property's submarket, transactions in adjacent areas are analysed. Deals that did not close or other influencing factors also provide guidance on market yield requirements. Consideration is also given to property type, technical standard, building structure, and major investment needs. The yield requirements used in the valuation vary between regions and submarkets. The information is verified with valuation and advisory firms. The assessment is that there is an active market based on completed transactions and ongoing transaction processes; therefore, the valuation model is considered applicable.

Hufvudstaden's average yield requirement has ranged from 3.5 per cent to 4.2 per cent over the past five years and was 4.1 per cent as of December 31, 2025. For properties with site leasehold rights, the calculation is based on a yield requirement that is 0.20 percentage points higher.

Net operating income is based on market rents. Rents are adjusted to market levels by considering newly signed and renegotiated leases and expected rent trends.

Income has been reduced for an estimated long-term rental vacancy rate. The vacancy rate is based on the actual outcome of the property portfolio over an economic cycle and the expected leasing situation for the individual property. In the valuation, the average vacancy rate was estimated at 4 per cent. The actual average vacancy rate excluding projects has ranged between 1 and 7 per cent over the past ten years and was 5 per cent as of December 31, 2025.

Deductions have been made for standard operating and maintenance costs excluding re-invoiced costs and part of property administration. These are based on actual outcomes and adjusted for non-recurring deviations. The average cost per square meter over the past five years has been in the range of SEK 575–675, and the estimated cost in the valuation as of December 31, 2025, was at a corresponding level.

Construction costs are based on standard data and information reported in current site leasehold cases, adjusted for assumed cost trends. A deduction is also made for a market-based developer's profit and rental vacancy during the construction period.

The Group continuously monitors for other indications of changes in the fair value of properties. These may include major leases, terminations, and significant changes in yield requirements.

### Sensitivity analysis

The value of a property can only be determined with certainty when the consideration has been received after a sale. Property valuation is an estimate of the property's market value and is based on calculations according to established principles together with a number of assumptions and judgments. To reflect the uncertainty in these assumptions, a valuation range of approximately +/- 5 per cent is normally stated. The range may vary depending on market conditions and property-specific changes. In a less liquid market, uncertainty may be greater.

Hufvudstaden's property portfolio is valued at SEK 48.1 billion, and with an uncertainty range of +/- 5 per cent, the estimated fair value varies by +/- SEK 2.4 billion. The table below shows the key factors affecting the valuation and the resulting impact on profit before tax.

### Sensitivity analysis, property valuation<sup>1)</sup>

	Change, +/-	Effect on profit before tax, +/-
Rental income	SEK 100 per sq m	SEK 980 m
Property expenses	SEK 50 per sq m	SEK 490 m
Rental vacancy rate	1.0 percentage point	SEK 660 m
Yield requirement	0.25 percentage point	SEK 2,990 m

<sup>1)</sup> Valuation date: December 31, 2025.

### External valuation

To ensure quality, independent external valuations from valuation firms are obtained at least once a year. The external valuations normally cover 30–40 per cent of the internally assessed market value of the property portfolio.

During the year, external valuations were obtained from three independent valuation firms: Cushman & Wakefield, Forum Fastighetsekonomi, and Newsec Advisory. The external valuations as of December 31, 2025, cover 9 properties and correspond to 39 per cent of the internally assessed market value. The corresponding share at mid-year was 33 per cent. The selection of properties was based on representing different property categories, locations, and technical and building standards.

The external valuation firms reported a market value of SEK 19.8 billion. Hufvudstaden's internal valuation of the same properties amounts to SEK 19.0 billion. The internal valuations thus correspond well with the external valuations.

### The following inputs have been used in the valuation:

Office and retail properties	Range (weighted average)			
	2025		2024	
Net operating income, SEK/sq m	2,920–9,220	(5,460)	2,650–9,140	(5,390)
Vacancy, %	2–5	(4)	2–5	(4)
Yield requirement, Stockholm, %	3.7–4.2	(4.0)	3.7–4.2	(3.9)
Yield requirement, Gothenburg, %	4.7–5.0	(4.9)	4.7–5.0	(4.9)
Yield requirement, average property holdings, %	4.1		4.1	



## Parent Company

### Accounting policies

The Parent Company's investment properties are recognised in accordance with the Group's principles for property, plant, and equipment, but without the option to apply the fair value method. Instead, the cost method is applied with depreciation over the estimated useful life of the buildings. The cost consists of the purchase price, title deed costs, and value-enhancing improvements. Only expenditures that generate a lasting increase in the value of the properties are capitalised. Renovation costs of a maintenance nature are expensed. Borrowing costs are not capitalised in the Parent Company. In accordance with the exceptions in RFR 2 for investment properties, buildings are recognised as a single depreciation unit without component division.

Additional expenditures are capitalised only when it is probable that future economic benefits associated with the asset will flow to the Group and the expenditure can be measured reliably, and that the measure relates to the replacement of an existing or introduction of a new identified component. Other repair and maintenance expenses are expensed as incurred.

### Impairment testing

The carrying amount of investment properties and property, plant, and equipment is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist and the carrying amount exceeds the expected recoverable amount, the assets are written down to the recoverable amount. The recoverable amount is the higher of net selling price and value in use. The net selling price is determined by comparison with sales of similar assets. Value in use is the present value of expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment is recognised in the income statement. Reversals of impairment are made if the recoverable amount again exceeds the previously recognised carrying amount.

### Depreciation

The Parent Company's planned depreciation is based on original acquisition costs, adjusted where applicable for revaluations and impairments, and the estimated useful life. Revaluations are depreciated over the remaining useful life of the underlying asset.

Investment properties are divided into categories and depreciated as follows:

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

### Investment properties excluding land

SEK m	2025	2024
Opening acquisition values	6,945.8	6,248.2
Investments for the year	743.1	697.6
<b>Closing acquisition values</b>	<b>7,688.9</b>	<b>6,945.8</b>
Opening depreciation	-2,507.8	-2,328.6
Depreciation for the year	-194.4	-179.2
<b>Closing depreciation</b>	<b>-2,702.2</b>	<b>-2,507.8</b>
Opening revaluations	926.4	940.0
Depreciation for the year	-13.6	-13.6
<b>Closing revaluations</b>	<b>912.8</b>	<b>926.4</b>
<b>Closing carrying amount</b>	<b>5,899.5</b>	<b>5,364.4</b>

### Land

SEK m	2025	2024
Closing acquisition values	1,207.4	1,207.4
Closing revaluation amount	3,041.4	3,041.4
<b>Closing carrying amount</b>	<b>4,248.8</b>	<b>4,248.8</b>

### Disclosures on the Parent Company's investment properties

SEK m	2025	2024
Fair value	36,370.8	35,548.7
Tax assessment value of investment properties	18,205.5	18,092.6

## Note 15 Equipment

### Accounting policies

Property, plant, and equipment mainly consist of equipment and are recognised at cost less accumulated depreciation and any impairment losses.

### Depreciation principles

Planned depreciation is based on original acquisition cost and estimated useful life. The estimated useful life for equipment is 3–5 years.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Opening acquisition cost	128.4	115.9	34.8	34.3
Investments for the year	20.9	13.7	2.0	1.7
Sales/Disposals	-4.9	-1.2	-4.0	-1.2
<b>Closing acquisition cost</b>	<b>144.4</b>	<b>128.4</b>	<b>32.8</b>	<b>34.8</b>
Opening depreciation	-69.3	-49.6	-25.2	-20.8
Depreciation for the year	-22.2	-20.9	-5.3	-5.6
Sales/Disposals	4.3	1.2	4.0	1.2
<b>Closing accumulated depreciation</b>	<b>-87.2</b>	<b>-69.3</b>	<b>-26.5</b>	<b>-25.2</b>
<b>Closing carrying amount</b>	<b>57.2</b>	<b>59.1</b>	<b>6.3</b>	<b>9.6</b>

**Note 16 Right-of-use assets**
**Accounting policies**

The Group recognises a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life and the end of the lease term. The lease liability is initially measured at the present value of the remaining lease payments during the estimated lease term. The lease term consists of the non-cancellable period plus additional periods in the contract if, at the commencement date, it is reasonably certain that these will be exercised. Lease payments are discounted using the Group's incremental borrowing rate. Where the implicit rate in the lease can be readily determined, that rate is used. The Group's incremental borrowing rate as of December 31, 2025, is 3.00 per cent. The lease liability for the Group's premises with rent indexed to inflation is calculated based on the rent applicable at the end of each reporting period.

The Group's agreements for premises and land, excluding site leaseholds, mainly consist of non-cancellable periods of several years, which are extended by additional years if neither the Group nor the lessor terminates the agreement with 9–24 months' notice. For the majority of these agreements, the Group does not consider it reasonably certain that the agreements will be extended beyond the initial period.

The Group has identified site leasehold agreements as the most significant leases. The lease liability as of December 31, 2025, amounted to SEK 1,028 million, of which site leasehold agreements accounted for SEK 990 million. Site leaseholds are considered perpetual leases under IFRS 16 and are measured at fair value and therefore are not depreciated. The value of the right-of-use asset remains unchanged until the next renegotiation of the respective site leasehold fee. The lease liability is not amortised, and the value remains unchanged until renegotiation of the respective site leasehold fee. Costs for site leasehold fees are recognised entirely as a financial expense.

**Effects of IFRS 16**

SEK m	2025			2024		
	Income statement	Balance sheet	Total	Income statement	Balance sheet	Total
Depreciation and impairment of right-of-use assets	-8.2	–	-8.2	-8.1	–	-8.1
Interest on lease liabilities	-31.8	–	-31.8	-25.1	-0.0	-25.1
Variable charges not included in valuation of lease liability	-1.0	–	-1.0	-1.0	–	-1.0
Income from right-of-use assets	8.8	–	8.8	5.1	–	5.1
Short-term leases/leases of low value	-1.7	–	-1.7	-2.0	–	-2.0
<b>Net effect</b>	<b>-33.9</b>	<b>–</b>	<b>-33.9</b>	<b>-31.1</b>	<b>0.0</b>	<b>-31.1</b>

**Note 17 Non-current receivables**

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Opening balance	20.2	22.7	20.1	22.7
Change for the year	-1.6	-2.5	-1.5	-2.6
<b>Closing balance</b>	<b>18.6</b>	<b>20.2</b>	<b>18.6</b>	<b>20.1</b>

For leases with a term of 12 months or less or with an underlying asset of low value (less than SEK 50,000), no right-of-use asset or lease liability is recognised. Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

**2025**

SEK m	Site leasehold rights	Premises	Other	Total
<b>Opening balance</b>	<b>694.2</b>	<b>40.0</b>	<b>0.2</b>	<b>734.4</b>
Depreciation	–	-8.1	-0.1	-8.2
Revaluation	295.7	4.3	–	300.0
<b>Closing balance</b>	<b>989.9</b>	<b>36.2</b>	<b>0.1</b>	<b>1,026.2</b>

**2024**

SEK m	Site leasehold rights	Premises	Other	Total
<b>Opening balance</b>	<b>694.2</b>	<b>33.4</b>	<b>0.3</b>	<b>727.9</b>
Additions	–	–	0.3	0.3
Depreciation	–	-7.8	-0.2	-8.0
Revaluation	–	14.4	-0.2	14.2
<b>Closing balance</b>	<b>694.2</b>	<b>40.0</b>	<b>0.2</b>	<b>734.4</b>

For the maturity analysis of lease liabilities and the effects of IFRS 16 on cash outflows, see Note 24.

**Note 18 Inventories**
**Accounting policies**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out (FIFO) method and includes expenses incurred in acquiring the inventory and transporting it to its current location and condition.

**Judgments and estimates**

Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs. Actual future selling prices may differ from estimates. The chosen method means that any obsolescence in the inventory has been taken into account.

Inventories accounted for 0.4 per cent (0.5) of the Group's total assets and 6.2 per cent (8.3) of the Group's net revenue.

The reported value of inventories refers only to goods owned by the company. The Group also provides warehousing for partner suppliers where the Group does not own the goods, and these are therefore not recognised as assets.



## Note 19 Accounts receivable

### Accounting policies

Trade and rental receivables are recognised in accordance with the principles described in Note 21 regarding financial assets measured at amortised cost.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Accounts receivable	26.5	23.2	0.3	0.6
Rent receivables	19.5	9.4	4.0	2.6
<b>Total</b>	<b>46.0</b>	<b>32.6</b>	<b>4.3</b>	<b>3.2</b>

Rental receivables are invoiced in advance, most of them quarterly. Accounts receivable are invoiced with 30-day payment terms. Credit losses for the year amounted to SEK 10.2 million (5.6). Impairment is made based on an assessment of expected credit losses.

## Note 20 Prepaid expenses and accrued income

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Accrued rental income	24.3	22.4	17.4	20.1
Accrued income	10.5	13.3	0.7	0.5
Prepaid expenses	55.6	58.1	11.7	13.2
Prepaid interest expenses	1.6	0.1	1.6	0.1
Accrued interest income	3.7	1.7	3.7	1.7
<b>Total</b>	<b>95.7</b>	<b>95.6</b>	<b>35.1</b>	<b>35.6</b>

## Financing and capital structure

### Note 21 Financial instruments and financial risk management

#### Accounting policies

Financial instruments are measured and recognised in the Group in accordance with IFRS 9. Financial instruments reported in the Group's statement of financial position include, on the asset side, rental and trade receivables, cash and cash equivalents, loan receivables, other receivables, and derivatives with a positive value. Liabilities include loans, other financial liabilities such as trade payables, and derivatives with a negative value.

A financial asset or financial liability is recognised in the Group's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Trade receivables are recognised when an invoice has been issued. Rental receivables are recognised as receivables in the period in which services corresponding to the value of the receivable have been delivered and payment has not yet been received. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Trade payables are recognised when an invoice is received.

A financial asset is derecognised when the rights in the contract are realised, expire, or the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognised when the obligation in the contract is fulfilled or otherwise extinguished. The same applies to part of a financial liability.

Purchases and sales of financial assets are recognised on the trade date, which is the date the company commits to purchase or sell the asset. Borrowings are recognised when the funds are received, while derivative instruments are recognised when the contract is entered into.

Hufvudstaden classifies its financial instruments into the following categories in accordance with IFRS 9: amortised cost and fair value through profit or loss. Classification is based on the nature of the asset's cash flows and the business model in which the asset is held.

#### Financial assets and liabilities measured at amortised cost

Initially, loans are recognised at fair value, net of any discounts or premiums when the loan is raised. Borrowings are subsequently measured at amortised cost. Any gain or loss arising if the loan is repaid early is recognised in profit or loss. Financial assets in this category include rental and trade receivables, cash and cash equivalents, loan receivables, and other receivables. Financial liabilities in this category include loans and other financial liabilities such as trade payables.

#### Financial assets and liabilities measured at Fair value

Financial assets and liabilities in this category are derivatives (interest rate swaps). Derivatives are measured at fair value through profit or loss, and in accordance with the IFRS 13 fair value hierarchy, the fair value of derivatives is measured at Level 2. This level means that the valuation is based on observable market data for the asset or liability, either directly or indirectly. All derivatives are subject to ISDA agreements that allow netting of receivables and liabilities with the same counterparty in the event of insolvency.

#### Impairment of financial assets

The carrying amounts of the Group's assets measured at amortised cost are tested at each reporting date to assess whether there is any indication that the carrying amount cannot be recovered. If such an indication exists, the asset's recoverable amount is calculated, defined as the higher of fair value less costs to sell and its value in use.

The Group applies the principle of expected credit losses for all financial assets measured at amortised cost. For rental and trade receivables, expected credit losses are measured over the entire remaining contractual term. The Group uses a matrix to calculate these expected credit losses with different expected loss rates based on how long the receivables are past due. Loss rates are based on historical experience, adjusted for the specific conditions at the balance sheet date and expected changes in customers' payment capacity. The Group considers a 90-day delay in contractual payments as a significant increase in credit risk, and at this point, the receivable is considered credit-impaired, and the loss allowance is calculated as the present value of expected cash flows discounted at the receivable's original effective interest rate.

#### Objectives and policy for financial risk management

Hufvudstaden's finance function is a Group function with central responsibility for financing and liquidity planning. The work is governed by a finance policy adopted by the Board, aimed at ensuring the Group's financing needs are met based on risk-limited and cost-effective financing. The finance function operates under formalised guidelines, well-developed systems, and a clearly defined segregation of duties. This ensures robust internal control and facilitates effective monitoring of operations. Major financing solutions and derivative transactions must be approved by the Chairman of the Board, and the Board is informed at each meeting about financial developments and planning.

#### Capital management

Hufvudstaden's objective is to work strategically and systematically with liquidity optimisation. Temporary liquidity surpluses should primarily be used to repay existing loans or invested in financial instruments characterised by high liquidity and low risk. The Group aims to increase net profit from current operations and maintain a well-consolidated balance sheet with an equity ratio of at least 40 per cent over time. Shareholders should receive a good dividend growth over time, and the dividend should amount to more than half of net profit from current operations, unless investments or the company's financial position otherwise justify a deviation.

#### Risks

Hufvudstaden is primarily exposed to financing, interest rate, and credit risks. The Group strives to maintain a loan portfolio with diversified maturities and interest rate fixing that follows the current strategic direction. No borrowing is made in foreign currency, so the Group has limited exposure

to exchange rate risk. NK Retail hedges part of its purchases in foreign currency so that net exposure is low. The Group's borrowing has both short and long-term fixed interest rates.

### Financing risk

Financing risk refers to the risk that it may be difficult to obtain financing for operations at a given time. Hufvudstaden aims to work with three to five lenders and a loan portfolio with diversified maturities. To minimise the cost of the Group's borrowing and ensure that financing can be obtained, the company has credit facilities that cover the need for refinancing and investments. Hufvudstaden also has an established commercial paper program with a limit of SEK 3.0 billion and an MTN program with a limit of SEK 12.0 billion. These programs aim to ensure a structured and diversified access to additional financing sources. Rolling forecasts are prepared for the Group's liquidity based on expected cash flows.

Hufvudstaden's general and financial covenants are similar across the various credit agreements. The company must maintain an equity ratio of at least 30 per cent, an interest coverage ratio of at least 1.2–2.0 times, and a loan-to-value ratio not exceeding 50–65 per cent. The company has comfortable margins to the lenders' covenants.

Financial key ratios	2025	2024
Average fixed interest period	2.2 years	2.2 years
Average capital tie-up period	2.4 years	2.2 years
Average effective interest rate	2.8%	2.8%
including costs for unutilised credit facilities	2.9%	2.9%
Total borrowing	SEK 11,350 m	SEK 9,800 m
(of which green financing)	(SEK 9,250 m)	(SEK 7,200 m)
Interest-bearing net debt	SEK 10,778 m	SEK 9,327 m
Lease liability according to IFRS 16	SEK 1,028 m	SEK 736 m
Total net debt	SEK 11,805 m	SEK 10,063 m
Credit facilities	SEK 5,000 m	SEK 5,500 m
(of which unutilised)	(SEK 5,000 m)	(SEK 5,500 m)
Commercial paper program limit	SEK 2,400 m	SEK 2,900 m
MTN program limit	SEK 2,750 m	SEK 3,800 m
Net loan-to-value ratio	24.5%	21.4%
Equity ratio	56%	59%
Interest coverage ratio	4.5 multiple	4.5 multiple

### Cash flows as of December 31, 2025

Maturity year	Interest on loans, SEK m	Interest on derivatives, SEK m	Loan maturities, SEK m	Proportion, %
2026, Q1	-109.3	-3.1	1,100	10
2026, Q2	-52.2	-2.9	1,000	9
2026, Q3	-46.9	-2.9	–	–
2026, Q4	-81.8	-2.9	1,000	9
2027	-239.5	-11.4	2,350	21
2028	-183.6	-9.2	2,000	17
2029	-126.7	-2.4	2,100	18
2030	-55.0	-0.5	1,800	16
<b>Total</b>	<b>-895.0</b>	<b>-35.3</b>	<b>11,350</b>	<b>100</b>

To calculate cash flows for loans and for the floating leg of interest rate swaps, the Stibor rate at the balance sheet date has been used. Outstanding loan balances and credit margins are assumed to remain unchanged from the year-end figures until each loan's maturity, when full repayment is assumed. In addition to the above, there are other current liabilities, including trade payables, which normally have a maturity of 30 days.

### Interest rate risk

Interest rate risk refers to the impact that a sustained change in interest rates has on the Group's earnings. Hufvudstaden's sources of financing mainly consist of equity and borrowings. Borrowings, which bear interest, expose the Group to interest rate risk. Hufvudstaden's finance policy sets the framework for managing interest rate risks. An overarching objective is that the maturity structure of lease agreements should be considered when determining the interest rate fixing period and that there should be a balance between the estimated ongoing cost of borrowing and the risk of a significant negative impact on earnings in the event of a major movement in market interest rates. This means that the Group's fixed interest period should normally be 1–4 years. To limit the risk, fixed interest period is structured based on developments in the financial market. Differentiation of fixed interest period between short (normally 3–6 months) and long (normally 5–7 years) terms is based on market analysis and criteria in the finance policy. To achieve the desired fixed interest period structure, the Group has entered into interest rate derivative agreements to manage exposure to fluctuations in market interest rates. Underlying loans with a nominal amount of SEK 2,300 million (1,000) are hedged via interest rate derivatives with maturities during 2028–2030. In addition, SEK 5,450 million of total borrowings carry fixed interest rates.

The fair value of all interest rate derivatives as of December 31, 2025, was SEK -12.4 million (-10.8). The negative value is explained by a decline in market interest rates. Derivatives are measured at fair value in the balance sheet. All derivatives are classified as Level 2 under IFRS 13. All derivatives are subject to ISDA agreements that allow netting of receivables and liabilities with the same counterparty in the event of insolvency.

The Group's fixed interest period was 2.2 years (2.2 years). A change in market interest rates of +1 percentage point, assuming that the loan balance and credit margins remain unchanged and that the Stibor rate at the balance sheet date is used for future interest periods, would increase Hufvudstaden's interest expense by SEK 23 million (22), and a change of -1 percentage point would decrease interest expense by SEK 23 million (22).

### Credit risk

Credit risk is the risk of loss if the Group's counterparties fail to fulfill their contractual obligations and any collateral does not cover the Group's receivables. The objective is to minimise credit risk through advance rent payments and by only conducting credit transactions with major financial institutions. Credit risk mainly relates to outstanding trade/rental receivables and cash and cash equivalents, which at year-end had a carrying amount of approximately SEK 46 million and SEK 572 million, respectively, meaning that the Group's exposure to credit risk is limited. Losses on trade/rental receivables occur when customers go bankrupt or for other reasons cannot meet their payment obligations.

Hufvudstaden limits credit risk exposure from trade and rental receivables by deliberately selecting customers with documented business competence and competitive operations. To further reduce risks, the Group's customers undergo credit checks using information from various credit reporting agencies. In accordance with Hufvudstaden's credit policy, security in the form of a deposit, bank guarantee, or surety is normally required for new leases. Rental receivables are invoiced in advance.

### Concentration of credit risk as of December 31, 2025<sup>1) 2)</sup>

Annual rent, SEK k	Number of customers	Total annual rent, SEK k	Proportion, %
0–99	59	2,179	0.1
100–499	46	13,585	0.6
500–999	58	43,814	2.0
1,000–2,499	132	232,027	10.6
2,500–4,999	112	411,715	18.8
5,000–9,999	71	494,835	22.6
10,000–	46	989,074	45.2
<b>Total</b>	<b>524</b>	<b>2,187,230</b>	<b>100.0</b>

<sup>1)</sup> Excluding vacant areas and areas used internally within the Group.

<sup>2)</sup> Annual rent as of December 31, 2025.



The Group's ten largest tenants represent 20 per cent of total contracted rent, and the single largest customer accounts for 5 per cent, meaning that Hufvudstaden's exposure to individual customers' credit risk is relatively limited.

#### Fair value

The fair value of financial instruments traded in an active market, such as financial assets or liabilities held for trading, is based on quoted market prices at the balance sheet date. The quoted price used is the current bid

price. The fair value of financial instruments not traded in an active market is determined using valuation techniques. Fair values are determined by discounting future cash flows at the current market interest rate for equivalent instruments.

For financial instruments such as trade receivables, trade payables, and similar items, which are measured at amortised cost less any impairment, the fair value is considered to approximate the carrying amount as these instruments have short maturities. The fair value is considered to substantially correspond to the carrying amount.

#### Disclosure of fair values, financial instruments

SEK m	Measured at fair value through profit or loss		Measured at amortised cost		Disclosure of fair value	
	2025	2024	2025	2024	2025	2024
<b>Group</b>						
Non-current receivables			18.6	20.2	18.6	20.2
Current receivables			97.0	58.9	97.0	58.9
Cash and cash equivalents			572.5	472.6	572.5	472.6
Non-current liabilities	12.4	10.8	8,273.6	7,125.7	8,286.5	7,223.3
Current liabilities			3,447.2	3,038.6	3,497.3	3,039.5
<b>Parent Company</b>						
Non-current receivables			18.6	1,183.6	18.6	1,183.6
Current receivables			4,598.1	320.4	4,598.1	320.4
Cash and cash equivalents			559.2	456.5	559.2	456.5
Non-current liabilities	12.4	10.8	8,494.2	7,346.2	8,507.1	7,443.8
Current liabilities			3,374.8	3,695.3	3,394.9	3,696.2

For fixed-rate bond loans, the premium amounts to SEK 20.6 million (877). These have been calculated based on Level 2 in IFRS 13, which means that the value has been determined based on official market quotations.

#### Note 22 Interest and financial income

##### Accounting policies

Financial income consists of interest income and unrealised and realised gains on financial investments. Interest income is calculated using the effective interest method. Market valuation of derivative contracts is recognised as changes in value under a separate heading in the income statement.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Interest income, short-term investments	6.6	13.4	6.5	13.2
Interest income, Group companies			30.3	47
Dividend from subsidiaries			3,950.7	–
Group contributions received, subsidiaries			188.2	76.9
<b>Total</b>	<b>6.6</b>	<b>13.4</b>	<b>4,175.7</b>	<b>137.1</b>

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

#### Note 23 Interest and financial expenses

##### Accounting policies

Financial expenses consist of interest expenses and unrealised and realised losses on financial investments. Interest expenses are calculated using the effective interest method. Interest expenses also include costs for interest rate derivative contracts, and cash flows from these contracts are recognised in profit or loss for the period to which they relate.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Interest expenses, borrowings	294.9	287.0	294.9	287.1
Interest expenses, lease liabilities	31.8	25.1	–	–
Other financial expenses	24	22.5	23.8	22.2
<b>Total</b>	<b>350.7</b>	<b>334.6</b>	<b>318.7</b>	<b>309.3</b>

Interest expenses mainly relate to financial liabilities measured at amortised cost and interest expenses on derivatives measured at fair value.

**Note 24 Interest-bearing liabilities**
**Accounting policies**

Interest-bearing liabilities are recognised in accordance with the principles described in Note 21 regarding liabilities measured at amortised cost.

SEK m	Group		Parent Company	
	2025	2024	2025	2024
<b>Non-current liabilities</b>				
Bank loans	1,500	1,000	1,500	1,000
Bond loans	6,750	6,100	6,750	6,100
Lease liability	1,020	728	–	–
<b>Total</b>	<b>9,270</b>	<b>7,828</b>	<b>8,250</b>	<b>7,100</b>
<b>Current liabilities</b>				
Bank loans	–	500	–	500
Bond loans	2,500	2,100	2,500	2,100
Commercial paper loans	600	100	600	100
Lease liability	8	8	–	–
<b>Total</b>	<b>3,108</b>	<b>2,708</b>	<b>3,100</b>	<b>2,700</b>
Credit facilities	5,000	5,500	5,000	5,500

Bank loans are normally secured by property mortgages and, in several cases, supplemented by covenants regarding equity ratio and interest coverage ratio. For further information on covenants, see Note 21. Issued bond and commercial paper loans are unsecured.

**Capital tie-up period, loan terms, and effective interest rate as of December 31, 2025**

Maturity year	AER, (%) <sup>1)</sup>	Nominal amount, SEK m		
		Bank loans	Bonds	Commercial papers
2026	1.4	–	2,500	600
2027	2.7	1,000	1,350	–
2028	2.9	500	1,500	–
2029	3.6	–	2,100	–
2030	3.3	–	1,800	–
<b>Total</b>		<b>1,500</b>	<b>9,250</b>	<b>600</b>

<sup>1)</sup> Excluding costs for unused credit facilities.

**Maturity structure of derivative instruments**

Maturity year	Nominal amount, SEK m	Market value, SEK m	Average interest rate, %
2028	1,000	-2.0	3.0
2029	1,000	-11.8	2.7
2030	300	1.4	3.4
<b>Total</b>	<b>2,300</b>	<b>-12.4</b>	<b>2.9</b>

A description of interest rate risk and risk management is provided in Note 21.

**Reconciliation of liabilities related to financing activities**
**2025**

SEK m	Opening balance	New borrowings	Amortisation	Closing balance
Bank loans	1,500	500	-500	1,500
Bond loans	8,200	3,150	-2,100	9,250
Commercial paper	100	960	-460	600
<b>Total</b>	<b>9,800</b>	<b>4,610</b>	<b>-3,060</b>	<b>11,350</b>

**2024**

SEK m	Opening balance	New borrowings	Amortisation	Closing balance
Bank loans	2,200	–	-700	1,500
Bond loans	6,100	3,100	-1,000	8,200
Commercial paper	1,100	1,100	-2,100	100
<b>Total</b>	<b>9,400</b>	<b>4,200</b>	<b>-3,800</b>	<b>9,800</b>

**Lessee**

The Group leases various types of assets, mainly site leaseholds, premises, machinery, and IT equipment. No lease agreements contain covenants or other restrictions beyond the security in the leased asset.

Lease liabilities	Group	
SEK m	2025	2024
Current	8.2	7.9
Non-current	1,019.6	727.9
<b>Lease liabilities included in the statement of financial position</b>	<b>1,027.8</b>	<b>735.8</b>

**Amounts reported in the statement of cash flows**

SEK m	Group	
	2025	2024
Total cash outflows related to lease agreements	34.8	35.0

The above cash outflow includes amounts for lease agreements recognised as lease liabilities, amounts paid for variable lease payments, short-term leases, and leases of low value.

**Maturity analysis of lease payments**

SEK m	Group	
	2025	2024
< 1 year	8.2	7.9
1–2 years	8.3	6.9
2–3 years	4.6	5.6
3–4 years	1.6	4.6
4–5 years	1.0	1.6
> 5 years <sup>1)</sup>	1,004.1	709.2
<b>Total discounted lease payments</b>	<b>1,027.8</b>	<b>735.8</b>

<sup>1)</sup> Of the discounted lease payments maturing after 5 years, SEK 989.9 million relates to discounted site leasehold fees. The Group holds four site leasehold agreements with annual fees totalling SEK 29.7 million undiscounted. These leases are considered perpetual from the Group's perspective as the Group has no right to terminate the agreements. All site leasehold agreements will be renegotiated within 6–10 years, which will affect the amount of the site leasehold fees.

**Maturity analysis of lease payments**

SEK m	Parent Company	
	2025 <sup>1)</sup>	2024 <sup>1)</sup>
< 1 year	22.7	13.6
1–5 years	88.6	52.3
> 5 years	83.9	61.9
<b>Total undiscounted lease payments</b>	<b>195.2</b>	<b>127.8</b>

<sup>1)</sup> The site leasehold period for Orgelpipan 7 runs until October 31, 2034. The site leasehold from November 1, 2024, to October 31, 2034, is subject to negotiation.



## Note 25 Equity

### Accounting policies

Total equity is defined as equity attributable to the Parent Company's shareholders. Equity attributable to the Parent Company's shareholders includes other contributed capital and retained earnings.

### Share capital

Hufvudstaden AB (publ) has two classes of shares, Class A and Class C. Class A shares carry one vote per share. Class C shares carry 100 votes per share. All shares entitle the holder to the same share of the company's net assets and profits. Class A shares were listed on the former Stockholm Stock Exchange in 1938 and are currently listed on the Large Cap list of Nasdaq Stockholm. Class C shares are not listed.

As of December 31, share capital amounted to SEK 1,056.4 million (1,056.4), divided into 211,271,933 shares, of which 203,401,429 were Class A and 7,870,504 were Class C. Each share has a quota value of SEK 5. Shareholders have the right to request conversion of Class C shares into Class A shares. During the year, 400,220 Class C shares were converted into Class A shares.

Hufvudstaden's holding of treasury shares amounts to 16,965,000 Class A shares. The repurchases were carried out in 2003, 2020, and 2025. The number of outstanding shares amounted to 194,306,933 shares (202,306,933). There are no instruments that could result in dilution of the number of shares.

### Other contributed capital

Refers to equity contributed by the owners. This includes share premiums paid in connection with share issues.

### Retained earnings including net result for the year

Retained earnings including net result for the year comprise accumulated earnings 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

In 2025, a dividend of SEK 2.80 per share, or a total of SEK 566,459,412, was paid. For 2025, the Board proposes to the Annual General Meeting a dividend of SEK 2.90 per share, or a total of SEK 563,490,106.

### Earnings per share

Earnings per share are calculated based on the total comprehensive income for the year and the average number of shares outstanding. The entire result is attributable to the Parent Company's shareholders, and there are no dilution effects.

	2025	2024
Net result for the year, SEK m	836.6	364.6
Average number of outstanding shares	200,074,140	202,306,933
Earnings per share, SEK	4.18	1.80

## Operating liabilities

### Note 26 Other provisions

A provision has been recognised in the balance sheet for pension obligations corresponding to a capital insurance policy for some members of Senior Executives.

### Note 27 Other liabilities

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Value-added tax	80.9	36.9	78.9	44.2
Other	104.9	94.8	15.1	13.6
<b>Total</b>	<b>185.8</b>	<b>131.7</b>	<b>94.0</b>	<b>57.8</b>

### Note 28 Accrued expenses and deferred income

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Prepaid rental income	347.4	337.8	251.8	262.6
Accrued interest expenses	139.9	116.4	139.9	116.4
Other accrued expenses	125.6	93.5	68.3	43.7
<b>Total</b>	<b>612.9</b>	<b>547.7</b>	<b>460.0</b>	<b>422.7</b>



## Group structure

### Note 29 Shares in Group companies

#### Accounting policies

The Parent Company's shares in Group companies are recognised at acquisition cost.

Directly owned companies	Corporate ID	Registered office	Capital (votes), %	Number	Nominal value, SEK k	Carrying amount 2025, SEK m
AB Citypalatset	556034-7246	Stockholm	100	1,200	120	1,111.1
Aktiebolaget Cityparkering	556020-7440	Stockholm	100	200	100	–
Cecil Coworking AB	559242-1506	Stockholm	100	1,000	100	5.1
Fastighets AB Hufvudstaden	556014-4411	Stockholm	100	500	250	0.2
Fastighetsaktiebolaget Medusa	556018-7238	Stockholm	100	300	300	32.3
Förvaltnings AB Birger Jarl	556209-4614	Stockholm	100	200	100	–
Förvaltnings AB Norrmalmstorg nr 1	556019-5405	Stockholm	100	150	150	2,800.0
Gbg Inom Vallgraven 3-2 AB	556724-2531	Stockholm	100	1,000	100	0.0
Huvudstaden Fastighetsförvaltning AB	556556-7038	Stockholm	100	200	100	0.1
NK Cityfastigheter AB	556023-1267	Stockholm	100	1,680	168	1,449.7
Parkaden AB	556085-3599	Stockholm	100	5,000	500	0.3
<b>Closing balance</b>						<b>5,398.8</b>

Indirectly owned companies	Corporate ID	Registered office	Capital (votes), %	Number	Nominal value, SEK k
AB Nordiska Kompaniet	556008-6281	Stockholm	100	19,460,666	97,303
Aktiebolaget Hamngatgaraget	556068-6601	Stockholm	100	3,000	300
Fastighetsaktiebolaget Stockholms City	556019-4358	Stockholm	100	7,776	7,776
Hotel Stockholm AB	556031-4303	Stockholm	100	10,000	1,000
NK Concession Aktiebolag	556313-8733	Stockholm	100	1,000	100
NK Retail AB	559268-4103	Stockholm	100	10,000,000	10,000
NK Service AB	559401-3491	Stockholm	100	100,000	1

#### Changes in holdings of Group companies

During the year, the Parent Company divested its shares in AB Nordiska Kompaniet internally within the Group. NK Cityfastigheter AB was acquired internally within the Group from AB Nordiska Kompaniet, and an unconditional shareholder contribution was made to NK Cityfastigheter AB.

SEK m	Parent Company	
	2025	2024
Opening carrying amount	5,398.4	5,398.4
Acquisitions	0.4	–
Shareholder contributions provided	1,449.3	–
Disposals	-1,449.3	–
<b>Closing carrying amount</b>	<b>5,398.8</b>	<b>5,398.4</b>

## Other

### Note 30 Related parties

Related parties	Transactions
Principal shareholders	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, who is President and principal shareholder of L E Lundbergföretagen, received in 2025 a remuneration as Chairman of the Board of Hufvudstaden of SEK 575,000. A presentation of shareholders is provided on pages 92–93.
Board of Directors	No member of the Board of Directors has, directly or indirectly, taken part in any business transaction with Hufvudstaden. A presentation of the Board is provided on pages 88–89; for information on remuneration, see Note 8.
Senior Executives	No member of Senior Executives has, directly or indirectly, taken part in any business transaction with Hufvudstaden. A presentation of Executive Management is provided on pages 90–91; for information on remuneration, see Note 8.
Group companies	Companies are shown in Note 29. Intra-Group revenue consists primarily of rents and amounted during the year to SEK 249.8 m (254.9).

### Note 31 Pledged assets and contingent liabilities

SEK m	Group		Parent Company	
	2025	2024	2025	2024
Property mortgages for liabilities to credit institutions	1,500.0	3,000.6	1,500.0	3,000.6
(of which mortgages in subsidiaries' properties)			(–)	(863.5)
Other non-current receivables	18.6	20.2	18.6	20.1
Other	0.5	0.5	–	–
<b>Total</b>	<b>1,519.1</b>	<b>3,021.3</b>	<b>1,518.6</b>	<b>3,020.7</b>

Property mortgages pledged as security for the company's own liabilities are reported as pledged assets. Unencumbered property mortgages are held in the company's possession. There are no contingent liabilities.

### Note 32 Events after the Balance sheet date

No events of material significance have occurred after the end of the financial year.



# Proposed allocation of unappropriated earnings

The Board of Directors proposes that the funds available to the Annual General Meeting according to the Parent Company's balance sheet be allocated as follows,

A reasoned statement regarding the proposed dividend is available at [hufvudstaden.se](http://hufvudstaden.se) and can also be obtained free of charge from the company upon request.

Retained earnings	SEK 860,981,983
Net result for the year	SEK 4,447,911,711
<b>Total</b>	<b>SEK 5,308,893,694</b>
To be distributed to shareholders	
SEK 2.90 per share	SEK 563,490,106
To be carried forward	SEK 4,745,403,588
	<b>SEK 5,308,893,694</b>

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 principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and the consolidated financial statements give a true and fair view of the financial position and results of the Parent Company and the Group. The Administration Report for the Parent Company and the Group provides a fair overview of the development of the Parent Company's and the Group's operations, financial position, and results, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Annual Report was adopted and signed by the Board of Directors on February 12, 2026

Fredrik Lundberg  
*Chairman of the Board*

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 13, 2026

PricewaterhouseCoopers AB  
Magnus Svensson Henryson  
Authorised Public Accountant



# 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 2025 except for the corporate governance statement and statement on the statutory sustainability report on pages 84–89 respective 5, 11, 32–35, 42–43 and 95–107. The annual accounts and consolidated accounts of the company are included on pages 5, 8–11, 32–71, 76–79, 82, 84–89 and 95–107 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 2025 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 2025 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 5, 11, 32–35, 42–43 and 95–107. 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.

#### 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 3,292 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 analyses 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.

#### **Valuation of investment properties**

Investment properties are reported in the consolidated accounts at fair value and amount to SEK 48,099 million as of December 31, 2025. 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 1–7, 10–35, 80–81 and 90–113. 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.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### **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](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

#### **Report on other legal and regulatory requirements**

##### **The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss**

###### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the President of Hufvudstaden AB (publ) for the year 2025 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 Directors 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 organisation 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 organisation 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/revisormsansvar](http://www.revisorsinspektionen.se/revisormsansvar). 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 2025.

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 Directors 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.

#### The auditor's opinion regarding the statutory sustainability report

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2025 on pages 5, 11, 32–35, 42–43 and 95–107 and that it is prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the

statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

A statutory sustainability report has been prepared.

*PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Hufvudstaden AB (publ) by the general meeting of the shareholders on the 20 March 2025 and has been the company's auditor since the 25 March 2021.*

Stockholm 13 February 2026  
PricewaterhouseCoopers AB

Magnus Svensson Henryson  
Auktoriserad revisor





# Multi-year review

	2025	2024	2023	2022	2021
<b>Income statements, SEK m</b>					
Net revenue	3,292	3,179	2,962	2,746	2,488
Operating costs	-347	-290	-278	-252	-226
Maintenance	-31	-32	-46	-32	-26
Property tax	-237	-237	-236	-227	-204
Administration	-143	-127	-113	-109	-106
Other segments, costs	-900	-942	-819	-772	-582
<b>Gross profit</b>	<b>1,635</b>	<b>1,552</b>	<b>1,469</b>	<b>1,354</b>	<b>1,344</b>
Central administration	-60	-54	-53	-56	-58
<b>Operating profit before items affecting comparability and changes in value</b>	<b>1,575</b>	<b>1,498</b>	<b>1,416</b>	<b>1,298</b>	<b>1,286</b>
Items affecting comparability	-	-	370	-	-
Changes in value, investment properties	-174	-603	-4,042	-209	2,579
Changes in value, interest rate derivatives	-2	-11	-	-	-
<b>Operating profit</b>	<b>1,400</b>	<b>884</b>	<b>-2,256</b>	<b>1,089</b>	<b>3,865</b>
Financial income and expenses	-344	-321	-279	-185	-139
<b>Profit before tax</b>	<b>1,056</b>	<b>563</b>	<b>-2,535</b>	<b>904</b>	<b>3,726</b>
Tax	-219	-198	608	-182	-771
<b>Net result for the year</b>	<b>837</b>	<b>365</b>	<b>-1,927</b>	<b>722</b>	<b>2,955</b>
<b>Balance sheets (SEK m)</b>					
<b>Assets</b>					
Investment properties	48,099	47,115	46,743	49,547	48,790
Other non-current assets	1,135	877	912	876	863
Current assets	952	882	789	812	1,446
<b>Total assets</b>	<b>50,186</b>	<b>48,874</b>	<b>48,444</b>	<b>51,235</b>	<b>51,099</b>
<b>Equity and liabilities</b>					
Equity	27,859	28,607	28,789	31,262	31,066
Interest-bearing liabilities	12,378	10,536	10,129	9,712	9,916
Other liabilities and provisions	9,948	9,731	9,526	10,261	10,117
<b>Total equity and liabilities</b>	<b>50,186</b>	<b>48,874</b>	<b>48,444</b>	<b>51,235</b>	<b>51,099</b>
<b>Property portfolio</b>					
Fair value, SEK bn	48.1	47.1	46.7	49.5	48.8
Tax assessment value, SEK bn	24.2	24.2	23.6	23.5	20.9
Lettable area, 1,000 sq m	391.0	390.8	390.8	386.6	386.5
Rental vacancy rate, %	8.6	7.1	8.8	7.0	7.3
Rental vacancy excl. development projects, %	5.1	5.0	5.7	4.0	5.9
Floor space vacancy rate, %	13.2	11.1	12.9	11.2	10.2
Floor space vacancy excl. development projects, %	7.4	6.7	7.7	5.8	7.9
Investments in properties, SEK m	1,158	975	1,238	966	574
Surplus ratio, %	69.1	70.4	69.6	69.8	71.0
Net operating income, SEK m	1,695.7	1,633.3	1,542.3	1,434.7	1,374.1
Net operating income per sq m <sup>1)</sup>	4,337	4,179	3,946	3,712	3,556

<sup>1)</sup> Calculation based on square meters at year-end. Includes intra-Group rental income.



	2025	2024	2023	2022	2021
<b>Key financial ratios</b>					
Profit from property management after tax, SEK m	1,106	1,036	1,433	1,025	1,032
Company-specific profit from property management after tax, SEK m	1,106	1,036	1,063	1,025	1,032
Return on equity, %	3.0	1.3	-6.4	2.3	9.9
Adjusted return on equity, %	3.5	3.0	3.0	2.8	3.0
Return on capital employed, %	3.5	2.3	-5.6	2.6	9.8
Equity ratio, % <sup>1)</sup>	56	59	59	61	61
Interest coverage ratio, multiple <sup>1)</sup>	4.5	4.5	4.9	7.7	9.3
Debt/equity ratio, multiple	0.4	0.4	0.3	0.3	0.3
Net loan-to-value ratio, % <sup>1)</sup>	24.5	21.4	20.9	18.7	17.9
Gross margin, %	49.7	48.8	49.6	49.3	54.0
Cash flow from operating activities, SEK m	1,321	1,235	1,385	1,024	994
Cash flow for the year, SEK m	100	90	-71	-729	398
Average number of employees	483	494	477	441	416
<b>Per share data (no dilution effects)</b>					
Profit from property management after tax, SEK	5.53	5.12	7.08	5.07	5.10
Company-specific profit from property management after tax, SEK	5.53	5.12	5.25	5.07	5.10
Net result for the year, SEK	4.18	1.80	-9.53	3.57	14.61
Dividend, SEK	2.90 <sup>2)</sup>	2.80	2.70	2.70	2.60
Dividend payout ratio, %	58 <sup>2)</sup>	61	61	62	58
Equity, SEK	143.38	141.40	142.30	154.53	153.56
Fair value of properties, SEK	247.54	232.89	231.05	244.91	241.17
Cash flow from operating activities, SEK	6.60	6.11	6.85	5.06	4.91
Cash flow for the year, SEK	0.50	0.45	-0.35	-3.60	1.97
Share price, Class A, year-end, SEK	124.00	121.10	142.10	148.30	135.20
P/E ratio, multiple	29.7	67.3	-14.9	41.5	9.3
Share price/equity, %	86.5	85.6	99.9	96.0	88.0
Yield, %	2.3 <sup>2)</sup>	2.3	1.9	1.8	1.9
Net reinstatement value, SEK	189	185	185	201	199
Net tangible assets, SEK	178	174	175	189	188
Net disposal value, SEK	143	141	142	155	154
Number of shares outstanding at year-end	194,306,933	202,306,933	202,306,933	202,306,933	202,306,933
Average number of shares outstanding during the year	200,074,140	202,306,933	202,306,933	202,306,933	202,306,933
Total number of shares at year-end	211,271,933	211,271,933	211,271,933	211,271,933	211,271,933

<sup>1)</sup> Hufvudstaden presents certain financial measures not defined under IFRS, known as alternative performance measures. The purpose of these is to describe the development of operations and increase comparability between periods. Definitions of these measures are provided on page 82, and reconciliations can be found on pages 78–79.

<sup>2)</sup> Proposal by the Board.



# Derivation of alternative performance measures

Hufvudstaden applies the European Securities and Market Authority's (ESMA) guidelines for alternative performance measures (APMs). Some of the key ratios presented are alternative performance measures, meaning financial measures that are not defined under IFRS or the Swedish Annual Accounts Act and are used to

describe the company's performance and enhance comparability between periods. Definitions of key ratios can be found in Definitions and Glossary, see page 82. Below is a derivation of alternative performance measures.

SEK m unless otherwise stated	2025	2024	2023	2022	2021
<b>Net profit from current operations</b>					
Profit before tax	1,056	563	-2,535	904	3,726
Reversal of items affecting comparability and changes in value	176	613	3,672	209	-2,579
Standard tax calculation	-254	-242	-234	-229	-236
<b>Net profit from current operations</b>	<b>978</b>	<b>934</b>	<b>903</b>	<b>884</b>	<b>911</b>
<b>Adjusted return on equity</b>					
Net result for the year after tax	837	365	-1,927	722	2,955
Reversal of items affecting comparability and changes in value	176	613	3,672	209	-2,579
Reversal of tax on items affecting comparability and changes in value	-36	-126	-833	-43	531
<b>Adjusted net result for the year</b>	<b>977</b>	<b>852</b>	<b>912</b>	<b>888</b>	<b>907</b>
Average equity	28,233	28,698	30,026	31,164	29,842
<b>Adjusted return on equity, %</b>	<b>3.5</b>	<b>3.0</b>	<b>3.0</b>	<b>2.8</b>	<b>3.0</b>
<b>Equity ratio</b>					
Equity	27,859	28,607	28,789	31,262	31,066
Total assets	50,186	48,874	48,444	51,235	51,099
<b>Equity ratio, %</b>	<b>56</b>	<b>59</b>	<b>59</b>	<b>61</b>	<b>61</b>
<b>Net debt</b>					
Non-current interest-bearing liabilities	8,250	7,100	7,300	6,500	7,000
Non-current lease liabilities	1,020	728	721	703	707
Current interest-bearing liabilities	3,100	2,700	2,100	2,500	2,200
Current lease liabilities	8	8	8	9	9
Cash and cash equivalents	-572	-473	-382	-453	-1,182
<b>Net debt</b>	<b>11,805</b>	<b>10,063</b>	<b>9,747</b>	<b>9,259</b>	<b>8,734</b>
<b>Net loan-to-value ratio</b>					
Net debt	11,805	10,063	9,747	9,259	8,734
Carrying amount of properties	48,099	47,115	46,743	49,547	48,790
<b>Net loan-to-value ratio, %</b>	<b>24.5</b>	<b>21.4</b>	<b>20.9</b>	<b>18.7</b>	<b>17.9</b>
<b>Interest coverage ratio</b>					
Profit before tax	1,056	563	-2,535	904	3,726
Reversal of items affecting comparability and changes in value	176	613	3,672	209	-2,579
Interest expenses	351	335	289	166	139
<b>Total</b>	<b>1,582</b>	<b>1,511</b>	<b>1,426</b>	<b>1,279</b>	<b>1,286</b>
Interest expenses	351	335	289	166	139
<b>Interest coverage ratio, multiple</b>	<b>4.5</b>	<b>4.5</b>	<b>4.9</b>	<b>7.7</b>	<b>9.3</b>



SEK m unless otherwise stated	2025	2024	2023	2022	2021
<b>Profit from property management after tax</b>					
Operating profit	1,400	884	-2,256	1,089	3,865
Reversal of changes in value	176	613	4,042	209	-2,579
Financial income and expenses	-344	-321	-279	-185	-139
<b>Profit from property management</b>	<b>1,231</b>	<b>1,176</b>	<b>1,507</b>	<b>1,113</b>	<b>1,147</b>
Current tax on profit from property management	-125	-140	-74	-88	-115
<b>Profit from property management after tax</b>	<b>1,106</b>	<b>1,036</b>	<b>1,433</b>	<b>1,025</b>	<b>1,032</b>
Reversal of items affecting comparability	-	-	-370	-	-
<b>Company-specific profit from property management after tax</b>	<b>1,106</b>	<b>1,036</b>	<b>1,063</b>	<b>1,025</b>	<b>1,032</b>
Average number of shares outstanding, million	200.1	202.3	202.3	202.3	202.3
<b>Profit from property management after tax per share, SEK</b>	<b>5.53</b>	<b>5.12</b>	<b>7.08</b>	<b>5.07</b>	<b>5.10</b>
<b>Company-specific profit from property management after tax per share, SEK</b>	<b>5.53</b>	<b>5.12</b>	<b>5.25</b>	<b>5.07</b>	<b>5.10</b>
<b>Net asset value</b>					
Number of shares outstanding, million	194.3	202.3	202.3	202.3	202.3
Equity according to balance sheet	27,859	28,607	28,789	31,262	31,066
<i>Reversal</i>					
Derivatives	12	11	-	-	-
Deferred tax <sup>1)</sup>	8,915	8,757	8,696	9,373	9,274
<b>Net reinstatement value</b>	<b>36,786</b>	<b>37,375</b>	<b>37,485</b>	<b>40,635</b>	<b>40,340</b>
<b>Net reinstatement value per share, SEK</b>	<b>189</b>	<b>185</b>	<b>185</b>	<b>201</b>	<b>199</b>
<i>Deduction</i>					
Intangible assets	-33	-63	-95	-89	-97
Estimated actual deferred tax liability 5%	-2,164	-2,126	-2,111	-2,275	-2,251
<b>Net tangible assets</b>	<b>34,590</b>	<b>35,186</b>	<b>35,279</b>	<b>38,271</b>	<b>37,992</b>
<b>Net tangible assets per share, SEK</b>	<b>178</b>	<b>174</b>	<b>175</b>	<b>189</b>	<b>188</b>
<i>Reversal</i>					
Derivatives as above	-12	-11	-	-	-
Intangible assets as above	33	63	95	89	97
Deferred tax in full	-6,751	-6,631	-6,585	-7,098	-7,023
<b>Net disposal value</b>	<b>27,859</b>	<b>28,607</b>	<b>28,789</b>	<b>31,262</b>	<b>31,066</b>
<b>Net disposal value per share, SEK</b>	<b>143</b>	<b>141</b>	<b>142</b>	<b>155</b>	<b>154</b>
<b>Rental vacancy rate</b>					
Rental value of vacant space, total	227	179	211	155	154
Rental value of project space	91	54	74	68	29
Total rental value	2,628	2,513	2,381	2,214	2,095
<b>Rental vacancy rate, %</b>	<b>8.6</b>	<b>7.1</b>	<b>8.8</b>	<b>7.0</b>	<b>7.3</b>
<b>Rental vacancy rate, projects, %</b>	<b>3.5</b>	<b>2.1</b>	<b>3.1</b>	<b>3.0</b>	<b>1.4</b>
<b>Rental vacancy rate excl. projects, %</b>	<b>5.1</b>	<b>5.0</b>	<b>5.7</b>	<b>4.0</b>	<b>5.9</b>

<sup>1)</sup> Deferred tax according to the balance sheet relating to investment properties and right-of-use assets attributable to site leasehold fees.



# Business Areas in figures

	Stockholm Business Area				NK Business Area				Gothenburg Business Area				Property Management Total			
	2025		2024		2025		2024		2025		2024		2025		2024	
Property holdings (comparable holdings)	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	SEK m	SEK/sq m
Gross rents including service revenue (of which property tax supplement)	1,643.7	7,787	1,595.6	7,567	646.1	7,085	520.3	5,702	416.5	4,694	412	4,647	2,706.3	6,922	2,527.9	6,469
Rental losses on vacant premises	-104.7	-496	-92.4	-438	-58.3	-639	-30.7	-336	-80.9	-912	-81.6	-920	-243.9	-624	-204.7	-524
Bad debt losses	-2.9	-14	-0.6	-3	-6.7	-73	-1.9	-21	-0.1	-1	-2.1	-24	-9.7	-25	-4.6	-12
<b>Net revenue</b>	<b>1,536.1</b>	<b>7,277</b>	<b>1,502.6</b>	<b>7,126</b>	<b>581.1</b>	<b>6,373</b>	<b>487.7</b>	<b>5,345</b>	<b>335.5</b>	<b>3,781</b>	<b>328.3</b>	<b>3,703</b>	<b>2,452.7</b>	<b>6,273</b>	<b>2,318.6</b>	<b>5,933</b>
Operating expenses	-96.0	-455	-89.0	-422	-207.4	-2,274	-154.8	-1,696	-43.5	-490	-45.7	-515	-346.9	-887	-289.5	-741
Maintenance	-17.8	-84	-11.9	-56	-8.6	-94	-16.9	-185	-4.1	-46	-2.9	-33	-30.5	-78	-31.7	-81
Property tax	-158.7	-752	-156.3	-741	-44.1	-484	-44.8	-491	-34.1	-384	-36.4	-411	-236.9	-606	-237.5	-608
Administration	-59.4	-281	-56.7	-269	-59.0	-647	-48.4	-530	-24.3	-274	-21.5	-242	-142.7	-365	-126.6	-324
<b>Total property expenses</b>	<b>-331.9</b>	<b>-1,572</b>	<b>-313.9</b>	<b>-1,488</b>	<b>-319.1</b>	<b>-3,499</b>	<b>-264.9</b>	<b>-2,903</b>	<b>-106.0</b>	<b>-1,194</b>	<b>-106.5</b>	<b>-1,202</b>	<b>-757.0</b>	<b>-1,936</b>	<b>-685.3</b>	<b>-1,754</b>
<b>Gross profit</b>	<b>1,204.2</b>	<b>5,705</b>	<b>1,188.7</b>	<b>5,638</b>	<b>262.0</b>	<b>2,874</b>	<b>222.8</b>	<b>2,442</b>	<b>229.5</b>	<b>2,587</b>	<b>221.8</b>	<b>2,501</b>	<b>1,695.7</b>	<b>4,337</b>	<b>1,633.3</b>	<b>4,179</b>

Property data	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Property Management Total	
	2025	2024	2025	2024	2025	2024	2025	2024
As of December 31								
Number of properties	22	22	3	3	3	4	28	29
Lettable area, sq m	211,072	210,867	91,196	91,249	88,728	88,662	390,996	390,778
(of which offices)	(136,060)	(135,587)	(17,764)	(17,742)	(49,198)	(49,205)	(203,022)	(202,534)
(of which retail and restaurants)	(42,708)	(43,002)	(35,616)	(35,553)	(31,305)	(31,232)	(109,629)	(109,787)
Annual rent, SEK m	1,656	1,587	574	531	398	395	2,628	2,381
Rental vacancy rate, %	6.7	4.9	6.4	4.5	19.9	19.4	8.6	8.8
Floor space vacancy rate, %	8.5	6.2	6.9	4.4	30.6	29.5	13.2	12.9
Number of lettable parking spaces	619	619	665	665	51	51	1,335	1,335

Lettable area and annual rent	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
As of December 31, 2025								
Offices	136,060	1,195	17,764	140	49,198	194	203,022	1,529
Retail and restaurants	42,708	405	35,616	368	31,305	188	109,629	961
Storage and other	12,749	25	16,302	33	4,932	10	33,983	68
Parking	18,451	28	21,514	33	1,275	2	41,240	63
Residential	1,104	3	0	0	2,018	4	3,122	7
<b>Total</b>	<b>211,072</b>	<b>1,656</b>	<b>91,196</b>	<b>574</b>	<b>88,728</b>	<b>398</b>	<b>390,996</b>	<b>2,628</b>

Floor space and rental vacancy	Stockholm Business Area		NK Business Area		Gothenburg Business Area		Property Management Total	
	Vacant floor space, sq m	Rental vacancy, SEK m	Vacant floor space, sq m	Rental vacancy, SEK m	Vacant floor space, sq m	Rental vacancy, SEK m	Vacant floor space, sq m	Rental vacancy, SEK m
As of December 31, 2025								
Offices	13,544	101.7	973	7.2	16,779	49.5	31,296	158.4
Retail and restaurants	666	2.8	4,279	26.7	5,454	22.1	10,399	51.6
Storage and other	2,786	4.2	1,030	2.6	2,112	3.3	5,928	10.1
Parking	593	0.6	0	0.0	1,275	1.9	1,868	2.5
Residential	431	1.7	0	0.0	1,540	2.5	1,971	4.2
<b>Total</b>	<b>18,020</b>	<b>111.0</b>	<b>6,282</b>	<b>36.5</b>	<b>27,160</b>	<b>79.3</b>	<b>51,462</b>	<b>226.8</b>

Lease maturity analysis<sup>1) 2) 3)</sup>

As of December 31, 2025

Number of contracts	2026	2027	2028	2029	2030	2031-	Total
<b>Stockholm Business Area</b>							
Offices	39	42	44	44	20	29	218
Retail	24	22	15	21	7	16	105
Other	365	162	69	46	23	45	710
<b>Total</b>	<b>428</b>	<b>226</b>	<b>128</b>	<b>111</b>	<b>50</b>	<b>90</b>	<b>1,033</b>
Share, %	41.5	21.9	12.4	10.8	4.8	8.6	100.0
<b>NK Business Area</b>							
Offices	2	2	3	1	3	4	15
Retail	27	26	27	9	10	1	100
Other	43	21	32	11	7	2	116
<b>Total</b>	<b>72</b>	<b>49</b>	<b>62</b>	<b>21</b>	<b>20</b>	<b>7</b>	<b>231</b>
Share, %	31.2	21.2	26.8	9.1	8.7	3.0	100.0
<b>Gothenburg Business Area</b>							
Offices	5	6	10	8	1	10	40
Retail	14	18	13	7	6	12	70
Other	34	23	29	9	7	11	113
<b>Total</b>	<b>53</b>	<b>47</b>	<b>52</b>	<b>24</b>	<b>14</b>	<b>33</b>	<b>223</b>
Share, %	23.8	21.1	23.3	10.7	6.3	14.8	100.0
<b>Hufvudstaden Total</b>							
Offices	46	50	57	53	24	43	273
Retail	65	66	55	37	23	29	275
Other	442	206	130	66	37	58	939
<b>Total</b>	<b>553</b>	<b>322</b>	<b>242</b>	<b>156</b>	<b>84</b>	<b>130</b>	<b>1,487</b>
Share, %	37.2	21.7	16.3	10.5	5.6	8.7	100.0
<b>Annual rent, SEK m</b>							
	2026	2027	2028	2029	2030	2031-	Total
<b>Stockholm Business Area</b>							
Offices	150.5	171.9	166.4	145.0	105.4	402.5	1,141.7
Retail	54.1	58.8	28.5	102.0	26.6	89.0	359.0
Other	18.8	7.9	23.8	18.7	5.9	18.4	93.5
<b>Total</b>	<b>223.4</b>	<b>238.6</b>	<b>218.7</b>	<b>265.7</b>	<b>137.9</b>	<b>509.9</b>	<b>1,594.2</b>
Share, %	14.0	15.0	13.7	16.7	8.6	32.0	100.0
<b>NK Business Area</b>							
Offices	14.1	11.0	15.7	8.8	16.2	63.4	129.2
Retail	38.8	46.0	92.3	33.0	42.8	0.8	253.7
Other	6.3	9.6	5.2	1.9	3.0	0.0	26.0
<b>Total</b>	<b>59.2</b>	<b>66.6</b>	<b>113.2</b>	<b>43.7</b>	<b>62.0</b>	<b>64.2</b>	<b>408.9</b>
Share, %	14.5	16.3	27.7	10.7	15.1	15.7	100.0
<b>Gothenburg Business Area</b>							
Offices	12.1	32.2	43.9	54.8	2.2	87.5	232.7
Retail	27.9	45.2	43.0	18.4	15.8	31.1	181.4
Other	3.4	5.7	7.9	2.5	0.8	7.1	27.4
<b>Total</b>	<b>43.4</b>	<b>83.1</b>	<b>94.8</b>	<b>75.7</b>	<b>18.8</b>	<b>125.7</b>	<b>441.5</b>
Share, %	9.8	18.8	21.5	17.1	4.3	28.5	100.0
<b>Hufvudstaden Total</b>							
Offices	176.7	215.1	226.0	208.6	123.8	553.4	1,503.6
Retail	120.8	150.0	163.8	153.4	85.2	120.9	794.1
Other	28.5	23.2	36.9	23.1	9.7	25.5	146.9
<b>Total</b>	<b>326.0</b>	<b>388.3</b>	<b>426.7</b>	<b>385.1</b>	<b>218.7</b>	<b>699.8</b>	<b>2,444.6</b>
Share, %	13.3	15.9	17.4	15.8	9.0	28.6	100.0

<sup>1)</sup> Includes contracts signed for future occupancy/commencement, with corresponding current rent excluded.

<sup>2)</sup> Excludes vacant premises and premises used internally within the Group.

<sup>3)</sup> Excludes residential leases.



# Definitions and glossary

## Finance

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

*Average equity.* The average of opening and closing equity for the year.

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

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

*Company-specific profit from property management after tax.* Company-specific profit from property management after deduction of nominal tax. Operating profit before items affecting comparability and changes in value less financial income and expenses and estimated current tax excluding loss carryforwards.

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

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

*Gross margin.* Gross profit in relation to net revenue.

*Interest coverage ratio.* Profit 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 comparison between periods difficult.

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

*Net debt.* Interest-bearing liabilities including lease liabilities and proposed dividend, less short-term investments and cash and cash equivalents.

*Net disposal value.* Reported equity.

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

*Net profit from current operations.* Profit before tax, excluding changes in value and items affecting comparability, less standard tax.

*Net reinstatement value.* Reported equity adjusted for 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 site leasehold fees.

*Net tangible assets.* Reported equity adjusted for derivatives and intangible assets, and adjusted for estimated actual deferred tax instead of nominal deferred tax.

*Profit from property management.* Operating profit before items affecting comparability and changes in value minus financial income and expenses.

*Profit from property management after tax.* Profit from property management after deduction of nominal tax. Operating profit before changes in value less financial income and expenses and estimated current tax excluding loss carryforwards.

*Return on capital employed.* Profit before tax plus financial expenses in relation to average capital employed.

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

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

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

*Tax.* The Group's total tax consists of current tax and deferred tax.

## Share

*Average number of shares outstanding.* Weighted average number of shares outstanding during the year.

*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 operating activities per share.* Cash flow from operating activities in relation to the average number of shares outstanding during the year.

*Company-specific profit from property management after tax per share.* Company-specific profit from property management after tax in relation to the average number of shares outstanding during the year.

*Dividend payout ratio.* Dividend in relation to net profit from current operations.

*Earnings per share.* Net result for the year after tax 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 controlling shareholders.

*P/E ratio.* Share price at year-end in relation to earnings per share.

*Profit from property management after tax per share.* Profit from property management after tax in relation to the average number of shares outstanding during the year.

*Shares outstanding.* All shares less shares repurchased by the company.

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

## Property

*Annual rent.* Gross rent, including service income at the end of the period, calculated on an annual basis. Vacant premises are reported at market rent.

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

*Comparable portfolio.* Excludes properties sold during the year. Includes properties acquired during the year and adjusts the previous year for the corresponding period.

*Fair value.* The estimated market value of the properties.

*Floor space vacancy rate.* Vacant space in square meters in relation to total lettable area.

*Gross rent.* Defined as contracted rent excluding supplements for consumption charges and including estimated market rent for vacant premises.

*Lettable area.* Total area available for letting.

*Net operating income.* Net revenue from property management including intra-Group rents less property management costs.

*New letting.* Lease signed during the year with a new tenant, other than the tenant who previously leased the premises, or for premises that were previously vacant.

*Property market value.* The amount for which properties could be transferred, assuming the transaction is between independent parties with an interest in completing the transaction. In accounting terms, this is referred to as fair value.

*Property tax supplement.* Compensation from tenants for property tax.

*Property yield.* Net operating income in relation to the fair value of properties.

*Renegotiation.* New or extended lease with an existing tenant whose previous lease has expired.

*Rental losses.* Loss of income due to vacant premises.

*Rental vacancy rate.* Vacant space estimated at market rent in relation to total annual rent.

*Rental vacancy rate excl. development projects.* Vacant space estimated at market rent in relation to total annual rent, excluding ongoing development projects.

*Turnover-based rent supplement.* Rent in addition to guaranteed minimum rent, based on a store's or restaurant's turnover.

In some cases, rounding has occurred, which means that tables and calculations do not always sum up exactly.



Hästhuvudet 1.3

# Corporate Governance Report

## Regulatory framework

Hufvudstaden AB is a Swedish public limited company with its registered office in Stockholm and has been listed on the Stockholm Stock Exchange, Nasdaq Stockholm, since 1938. Corporate governance at Hufvudstaden is based on, among other things, the Articles of Association, the Swedish Companies Act, Nasdaq Stockholm's Rulebook for Issuers, the Swedish Corporate Governance Code (the Code), and other applicable laws and regulations. The Corporate Governance Report is prepared in accordance with the Swedish Annual Accounts Act and the Code.

Hufvudstaden complies with the Code with the exception of the provisions regarding the Nomination Committee. The deviation is explained in more detail below. No breaches of applicable stock exchange rules have occurred.

## Shareholders

Hufvudstaden has issued two classes of shares: Class A and Class C. Class A shares carry one vote and Class C shares carry ten votes. There are no restrictions in the Articles of Association regarding the transfer of shares or voting rights at the General Meeting. Hufvudstaden's Class A share is listed on Nasdaq Stockholm, while the Class C share is not listed. Both share classes carry equal rights to the company's assets and earnings.

As of December 31, 2025, Hufvudstaden had 30,844 shareholders. The largest shareholder is L E Lundbergföretagen AB, holding a total of 49.1 per cent of the outstanding shares and 88.9 per cent of the votes. A group relationship exists between L E Lundbergföretagen AB (corporate ID 556056-8817), with its registered office in Stockholm, and Hufvudstaden AB. Apart from L E Lundbergföretagen AB, there is no other shareholder in the company who directly or indirectly holds shares representing one-tenth or more of the voting rights in the company.

According to a conversion provision in the Articles of Association, holders of Class C shares have the right to request conversion of their Class C shares into Class A shares. During the year, 400,220 Class C shares were converted into Class A shares.

With the exception of the customary requirement for stock exchange listing in the company's credit agreements, there are, to the company's knowledge, no other agreements whose validity would be affected by a public takeover bid.

## Repurchase of own shares

Since the Annual General Meeting in 2003, the Board has had the authorisation of the AGM to repurchase Class A shares, up to a maximum of 10 per cent of all shares in the company. The mandate was renewed at the AGM in 2025. On August 21, 2025, the Board resolved to utilise the repurchase mandate to adjust the capital structure and thereby create increased value for the company's shareholders. During 2025, 8,000,000 Class A shares were repurchased for SEK 1,018 million, corresponding to an average price of SEK 127.22 per share. The company's total holding as of December 31, 2025, amounted to 16,965,000 Class A shares, corresponding to 8.0 per cent of all issued shares.

## General Meeting

Shareholders' rights to decide on Hufvudstaden's affairs are exercised at the General Meeting, which is Hufvudstaden's highest decision-

making body. Shareholders who are registered in the share register on the record date and have notified their participation in time are entitled to attend and vote at the AGM in person or by proxy.

Shareholders whose shares are nominee-registered must, in order to exercise their voting rights at the AGM, temporarily re-register their shares in their own name, as stated in the notice of the AGM.

Resolutions at the AGM are normally passed by a simple majority. However, in certain matters, the Swedish Companies Act requires that a proposal be approved by a higher proportion of the votes represented and cast at the meeting.

Individual shareholders who wish to have a matter addressed at the AGM may request this from Hufvudstaden's Board at a special address published on [hufvudstaden.se](http://hufvudstaden.se) well in advance of the notice period for the AGM.

The AGM must be held in Stockholm within six months after the end of the financial year. At the AGM, resolutions are passed on matters such as adoption of the income statement and balance sheet, allocation of profit, discharge from liability for Board members and the President, election of Board members, Chairman of the Board and auditors, as well as remuneration to the Board and auditors, principles for remuneration to Senior Executives, approval of the remuneration report, and amendments to the Articles of Association. Notice of the AGM is given by announcement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on [hufvudstaden.se](http://hufvudstaden.se). An announcement that notice has been given is published in Dagens Nyheter.

At the AGM on March 20, 2025, 344 shareholders participated, representing 94 per cent of the votes. The AGM resolved to adopt the presented income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet, and to pay a dividend of SEK 2.80 per share to the shareholders. The meeting granted discharge from liability to the Board members and the President and resolved on remuneration to the Board and auditors. Furthermore, all Board members and auditors were re-elected, and Fredrik Lundberg was re-elected as Chairman of the Board. All elections apply until the end of the next AGM. Finally, the AGM resolved to approve the remuneration report for 2024 and authorised the Board to decide on the acquisition and transfer of the company's own Class A shares.

The AGM 2026 will be held in Stockholm on March 19, 2026.

## Nomination and election of Board and Auditors

According to the Articles of Association, the Board shall consist of at least five and at most ten members. The members are elected at the AGM for the period until the end of the first AGM held after the year in which the Board member was appointed. In view of the concentrated ownership structure, no Nomination Committee has been appointed in Hufvudstaden. The task of the Nomination Committee, to prepare the AGM's decisions on election and remuneration matters, is instead performed by Hufvudstaden's main owner, L E Lundbergföretagen AB. Hufvudstaden's procedure regarding the Nomination Committee is a deviation from the Code. The main owner submits proposals for the Chairman of the AGM, the Board, the Chairman of the Board, and Board fees. Proposals for the auditor and audit fees are presented by the Board. Other shareholders have the opportunity to submit nomination proposals to the address stated on [hufvudstaden.se](http://hufvudstaden.se). The proposals are published no later than in connection with the notice of the AGM.



The main owner has applied section 4.1 of the Code as a diversity policy, meaning that the Board shall have an appropriate composition considering the company's operations, development stage, and other circumstances, characterised by diversity and breadth regarding the competence, experience, and background of the Board members elected by the AGM, and that an even gender distribution shall be sought.

Before its proposal for the Board election at the AGM 2026, the main owner has assessed whether the current Board is appropriately composed, based on, among other things, relevant parts of the annual evaluation of the Board's work. The proposal is stated in the notice of the AGM.

### Composition of the Board

The Board members are elected annually by the AGM for the period until the next AGM. The AGM 2025 resolved to re-elect all Board members and the Chairman, meaning that nine members were elected, of whom three were women and six were men. The Chairman of the Board has been Fredrik Lundberg since 1998.

Of the nine members elected by the AGM, five are considered independent in relation to the company's largest shareholder. The President is the only Board member who works operationally in the company and is considered non-independent in relation to the company. The composition of the Board thus meets the Code's requirements for independence. The table below shows the members' roles, independence, and attendance. For a more detailed presentation of the Board members, see pages 88–89. An external lawyer serves as the Board's secretary.

### Hufvudstaden's governance structure



### Responsibilities of the Board

The Board has overall responsibility for the Group's organisation and management and for ensuring that the control of accounting, asset management, and financial conditions in general is satisfactory. The Board makes decisions on matters concerning the Group's overall objectives, strategic direction, and policies, as well as important issues relating to financing, acquisitions, divestments, and investments. Other tasks of the Board include:

- Continuously monitoring and assessing the company's financial position and business development.
- Continuously evaluating the company's operational management and the President's work.
- Ensuring that there is adequate control of the company's compliance with laws and other regulations and continuously evaluating the company's systems for internal control and risk management.
- Establishing necessary guidelines for the company's conduct in society to ensure its long-term value-creating ability.

The Board's work follows rules of procedure adopted by the Board, which provide the framework for decisions regarding investments, financing, financial reporting, and other strategic matters. The rules of procedure also regulate the duties of the Board and the President and the division of responsibilities between the Board and the President. The relevance and timeliness of the rules of procedure are reviewed annually.

The Chairman of the Board leads the Board's work and maintains continuous contact with the President to monitor the Group's operations and development. The Chairman consults with the President on strategic issues and represents the company in ownership matters and conveys any views from shareholders to the Board.

The Chairman ensures that new Board members receive appropriate training and that the Board's work is evaluated once a year. The evaluation is carried out by each Board member completing a questionnaire. The responses are compiled by the Chairman, who reports the results to the Board. The Board then holds a discussion. The Board also evaluates the President's work without the President being present and approves the significant assignments the President has outside the company.

### Board work

In 2025, the Board held seven meetings, one of which was a statutory meeting. Financial and economic reporting and presentations of the business areas operations are provided at each Board meeting. In

Member	Role on Board	Audit Committee	Independent of company	Independent of major shareholder	Board attendance <sup>1)</sup>	Audit Committee attendance <sup>2)</sup>
Fredrik Lundberg	Chairman		Yes	No	7 of 7	
Claes Boustedt	Member		Yes	No	7 of 7	
Peter Egardt	Member		Yes	Yes	7 of 7	
Liv Forhaug	Member		Yes	Yes	7 of 7	
Louise Lindh	Member	Chairman	Yes	No	7 of 7	2 of 2
Katarina Ljungqvist	Member	Member	Yes	Yes	7 of 7	2 of 2
Anders Nygren	Member, President		No (employee)	Yes	7 of 7	
Fredrik Persson	Member	Member	Yes	Yes	7 of 7	2 of 2
Sten Peterson	Member		Yes	No	7 of 7	

<sup>1)</sup> During the year, seven Board meetings were held, of which five after the Annual General Meeting.

<sup>2)</sup> The Audit Committee was established in autumn 2025 and has held two meetings.

In addition, significant matters of principle or major financial importance are addressed at each regular meeting. During the year, the Board's work focused particularly on strategic discussions, economic and financing issues, property valuation, as well as acquisitions and investments. Other matters addressed included the repurchase of own shares, major ongoing projects, including the Johanna development project, sustainability issues and sustainability reporting, and the establishment of an Audit Committee. Company executives participate in Board meetings as presenters.

The company's auditor attended the Board meeting in February, when the 2024 Annual Report was approved, and the meeting in August in connection with the Board's review of the company's half-year report.

#### **Audit Committee**

In August 2025, the Board resolved to establish an Audit Committee and adopt instructions defining the Committee's duties. The Audit Committee's tasks include preparing and monitoring matters relating to the company's financial reporting, sustainability reporting, risk management, any internal audit, accounting, internal control, and audit. Prior to the establishment of the Audit Committee, these matters were handled within the framework of the regular Board work. Hufvudstaden's Audit Committee has been appointed by the Board and consists of Louise Lindh (Chairman), Katarina Ljungqvist, and Fredrik Persson. The Audit Committee met twice. The company's auditor and representatives of Senior Executives attended the Committee's meetings.

#### **Remuneration Committee**

The Board has considered the establishment of a Remuneration Committee but has chosen not to establish one and instead handles the tasks of such a committee within the framework of the regular Board work. This ensures that the full competence of the Board is utilised while making meetings more efficient. This means that the entire Board, except the President, performs the tasks of a Remuneration Committee, including monitoring and evaluating ongoing and completed programs for variable remuneration to Senior Executives during the year. The Board also monitors and evaluates the application of the guidelines for remuneration to Senior Executives adopted by the AGM, as well as the current remuneration structures and levels in the company for Senior Executives.

#### **Senior Executives**

The President manages operations in accordance with the adopted rules of procedure for the Board and the President, which include the Board's instructions for the President. The President is responsible for ensuring that the Board receives objective, comprehensive, and relevant information and decision-making material required for the Board to make well-founded decisions. Senior Executives consists of the President, three Business Area Managers, and the heads of Finance, Business Development, Property Development, and HR. For information on individual members, see pages 90–91.

Senior Executives meets approximately once a month to discuss current issues and holds two strategy conferences per year.

#### **Audit**

According to the Articles of Association, the company shall have one or two auditors and an equal number of deputy auditors, or one or two registered audit firms may be appointed. At the AGM in 2025, PricewaterhouseCoopers AB was re-elected as the audit firm for a term of one year. Magnus Svensson Henryson is the auditor in charge. The Board meets the company's auditor twice a year, at least once without the presence of the President. On these occasions, the auditor provides a report, and a discussion is held on the focus and observations of the audit. Internal routines and control systems are reviewed continuously during the year. The half-year report is subject to a limited review. The final audit of the annual accounts, Annual Report, accounting, and the administration of the Board and the President takes place in January–February, after which the auditor's report is submitted. Since the establishment of the Audit Committee in autumn 2025, the auditor has attended the Committee's meetings. Disclosure of fees to the auditors, including fees for advisory services, is provided in Note 6.

#### **Remuneration**

##### *Board of Directors*

Remuneration to the Board is decided by the AGM. At the AGM in 2025, it was resolved that remuneration for the period until the next AGM would amount to SEK 2,610,000, to be distributed among the members, with the exception of the President, Anders Nygren, who does not receive any remuneration for his Board work. The remuneration is distributed as follows: SEK 580,000 to the Chairman and SEK 290,000 to each of the other seven non-employee members. No special remuneration has been paid to members of the Audit Committee.

##### *Senior Executives*

Guidelines for salaries, bonuses, and other remuneration to the company's Senior Executives are decided by the AGM. The Board shall prepare proposals for new guidelines for remuneration when there is a need for significant changes to the guidelines, but at least every four years. The AGM in 2023 adopted guidelines stating that the company's remuneration shall consist of market-based salaries and a limited performance-related bonus program. The company has no share price-related incentive schemes. These guidelines were followed in 2025 and will continue to apply in 2026, as the Board will not propose any changes to the AGM.

The President's remuneration is proposed by the Chairman of the Board and determined by the Board. The President does not participate in this decision. The President decides on remuneration for other Senior Executives after consultation with the Chairman of the Board.

The Board has prepared a remuneration report for the financial year 2025 for approval by the AGM in 2026. The auditor's statement on whether the guidelines for remuneration to Senior Executives have been followed will be published on [hufvudstaden.se](http://hufvudstaden.se) no later than three weeks before the AGM and will be included in the AGM documentation.

For further information on salaries and remuneration, as well as the applicable guidelines for remuneration to Senior Executives, see Note 8.



### Internal control regarding reporting

The Board's responsibility for internal control, financial reporting, and sustainability reporting is regulated in the Swedish Companies Act and the Code. According to the Code, the Board is also responsible for ensuring that the company is managed in a sustainable and responsible manner. The ongoing responsibility for these matters has been delegated to the President.

#### *Purpose and structure*

The purpose of internal control is to ensure that Hufvudstaden achieves its objectives for both financial reporting and sustainability reporting, to ensure that the company's assets are managed in accordance with Group rules, and to prevent irregularities.

To describe internal control, the company has followed COSO's framework for internal control. The framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

#### *Control environment*

The control environment is the foundation for internal control regarding financial reporting and sustainability reporting. Hufvudstaden's internal control structure is based, among other things, on a clear division of responsibilities and tasks between the Board of Directors and the President, as well as within the operational organisation. Policies, guidelines, and instructions are documented and continuously evaluated by Senior Executives and the Board. These governing documents are made available to relevant personnel and help make individuals aware of their role in maintaining sound internal control.

Hufvudstaden is also a member of the UN Global Compact and has signed its ten principles in the areas of human rights, labor, environment, and anti-corruption.

#### *Risk assessment*

Based on ongoing discussions and meetings within the organisation, Hufvudstaden's Senior Executives identify, analyse, and decide on the company's material risk areas, which are then approved by the Board. Senior Executives are responsible for managing risks of errors in financial reporting and sustainability reporting. The Board analyses the outcome of the company's risk assessment and risk management process to ensure that it covers all material areas. Hufvudstaden's greatest risks in financial reporting relate to property valuation, financing, property projects, and tax management. In sustainability reporting, the greatest risks involve manual errors in data processing, low-quality data, and the risk of lacking formalisation and documentation of processes, which can lead to dependency on individuals.

#### *Control activities*

Hufvudstaden has established a number of control activities to ensure that the objectives for financial reporting and sustainability reporting are met. These are both preventive measures, aimed at avoiding losses or errors in reporting, and detective measures. The controls also ensure that errors are corrected. Examples of areas with well-developed con-

trol measures include property valuation, maintenance, refurbishment, interest payments, and leasing. Controls are carried out through variance analyses and at quarterly meetings between business units, Senior Executives, and the controlling function.

#### *Information and communication*

Both internal and external information and communication follow an established information policy. Internal communication to and from the Board and Management takes place through regular information meetings, both for the entire company and for individual units. Another important communication channel is Hufvudstaden's intranet, which provides all employees with access to current information. The intranet publishes internal policies, guidelines, instructions, and similar documents that govern and support operations.

External information to Hufvudstaden's shareholders and other stakeholders must be accurate, complete, transparent, and consistent, and must be provided on equal terms and in a timely manner.

#### *Monitoring*

The company continuously evaluates internal control regarding financial reporting and sustainability reporting, as well as the reporting to the Board. This is primarily done by asking questions and reviewing the work of the controlling function. In addition to quarterly reports with financial outcomes, including the Senior Executives' comments on operations, the Board receives comments on how internal control has functioned and whether identified risks should be adjusted.

The company's auditor reports observations from the review of internal control to the Audit Committee and the Board during the year, giving Board members the opportunity to ask questions. An annual review of material risk areas is conducted, and the Board assesses the risks and evaluates internal control.

#### *Statement on internal audit*

The Board has determined that establishing a separate internal audit function is not justified. This decision is reviewed annually. The Group's work on internal control, together with the work performed by external auditors, is considered sufficient.

# Board of Directors and Auditors

The Board consists of nine members without deputies, all elected by the AGM. Among the members are individuals associated with Hufvudstaden's largest shareholder, L E Lundbergföretagen AB. The President is also a member of the Board. Other company executives participate in Board meetings as presenters. In 2025, the Board held seven meetings, one of which was a statutory meeting. The Board's work follows rules of procedure adopted by the Board regarding the duties of the Board and the President and the division of responsibilities between them.



### Fredrik Lundberg

Born 1951. M.Sc. Eng., M.Sc. Econ., Dr. h.c. mult. Chairman, Board member since 1998. President and CEO of L E Lundbergföretagen AB. Chairman of Holmen AB and AB Industrivärden. Vice Chairman of Svenska Handelsbanken AB. Board member of L E Lundbergföretagen AB and Fastighets AB L E Lundberg. Independent in relation to the company and management, but not in relation to major shareholder (L E Lundbergföretagen AB). Holding in Hufvudstaden: 2,350,412 shares (directly and through related parties).<sup>1)</sup>



### Claes Boustedt

Born 1962. B.Sc. Econ. Board member since 1998. Executive Vice President of L E Lundbergföretagen AB. President of L E Lundberg Kapitalförvaltning AB. Board member of Alleima AB, Husqvarna AB, and Sandvik AB. Independent in relation to the company and management, but not in relation to major shareholder (L E Lundbergföretagen AB). Holding in Hufvudstaden: 1,000 shares.



### Katarina Ljungqvist

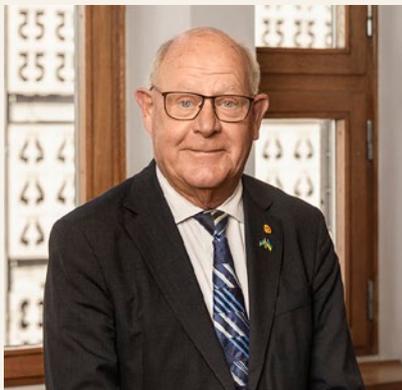
Born 1965. LL.M. in Corporate and Administrative Law. Board member since 2022. Member of the Audit Committee. Board member of Ernströmsgruppen AB, Svensk Exportkredit AB, and Svenska Mässan Stiftelse and its principal council. Previous experience includes CEO of Kommuninvest i Sverige AB, regional head of Handelsbanken Western Sweden, and head of Handelsbanken Digital. Independent in relation to the company, management, and major shareholders. Holding in Hufvudstaden: 1,000 shares.



### Anders Nygren

Born 1970. M.Sc. Eng. President and Board member since 2022. No significant assignments outside the Group. Independent in relation to major shareholders but not in relation to the company and management. Holding in Hufvudstaden: 8,000 shares.

<sup>1)</sup> L E Lundbergföretagen AB also holds 95,489,015 shares in Hufvudstaden AB. Fredrik Lundberg, together with related parties, controls approximately 71 per cent of the voting rights in L E Lundbergföretagen AB, and Louise Lindh, together with related parties, controls approximately 11 per cent of the voting rights.



### Peter Egardt

Born 1949. B.A.  
Board member since 2003.  
Member of the Swedish Parliament's Remuneration Committee.  
Chairman of Stockholm University of the Arts and the Swedish-Lithuanian Cooperation Fund.  
Previous experience includes County Governor of Uppsala County, CEO of the Stockholm Chamber of Commerce, and the Swedish Chamber of Commerce Association.  
Independent in relation to the company, management, and major shareholders.  
Holding in Hufvudstaden: 22,000 shares.



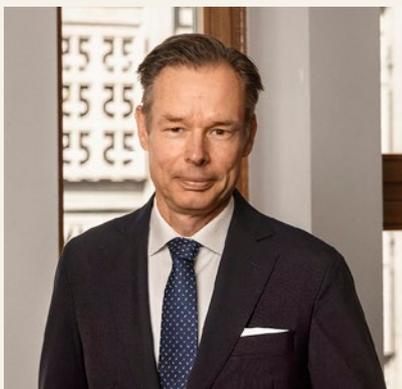
### Liv Forhaug

Born 1970. B.Sc. Econ.  
Board member since 2016.  
President of Martin & Servera AB.  
Chairman of Martin & Servera subsidiaries.  
Board member of Loomis AB, Svensk Handel, and Svenskt Näringsliv.  
Previous experience includes Chief Strategy Officer at ICA Gruppen AB and Partner at McKinsey & Company.  
Independent in relation to the company, management, and major shareholders.  
Holding in Hufvudstaden: 1,800 shares.



### Louise Lindh

Born 1979. B.Sc. Econ.  
Board member since 2007. Chairman of the Audit Committee.  
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 management, but not in relation to major shareholder (L E Lundbergföretagen AB).  
Holding in Hufvudstaden: 516,166 shares (directly and through related parties).<sup>1)</sup>



### Fredrik Persson

Born 1968. B.Sc. Econ.  
Board member since 2016. Member of the Audit Committee.  
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 experience includes President and CEO of Axel Johnson AB.  
Independent in relation to the company, management, and major shareholders.  
Holding in Hufvudstaden: 5,000 shares.



### Sten Peterson

Born 1956. M.Sc. Eng.  
Board member since 2006.  
Board member of Fastighets AB L E Lundberg, Förvaltnings AB Lunden, J2L Holding AB, and L E Lundbergföretagen AB.  
Previous experience includes President of Förvaltnings AB Lunden.  
Independent in relation to the company and management, but not in relation to major shareholder (L E Lundbergföretagen AB).  
Holding in Hufvudstaden: 2,000 shares.

### 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. M.Sc. Eng.  
President, employed 2006.  
Holding in Hufvudstaden: 8,000 shares.

**Ulrika Frisk**

Born 1970. Degree in Human Resources.  
Head of Human Resources, employed 2022.  
Holding in Hufvudstaden: –.

**Hannes Hasselrot**

Born 1980. University studies in Biochemistry.  
Head of Business Area NK, employed 2025.  
Holding in Hufvudstaden: –.

**John Lethenström**

Born 1972. M.Sc. Eng.  
Head of Property Development, employed 2017.  
Holding in Hufvudstaden: –.

**Fredrik Ottosson**

Born 1972. M.Sc. Eng.  
Head of Business Area Gothenburg,  
employed 2016.  
Holding in Hufvudstaden: 1,000 shares.

**Karl Palm**

Born 1984. B.Sc. Eng.  
Head of Business Development, employed 2014.  
Holding in Hufvudstaden: 2,000 shares.

**Åsa Roslund**

Born 1966. B.Sc. Econ.  
Vice President, CFO, employed 2005.  
Holding in Hufvudstaden: 3,000 shares.

**Frida Wijkström**

Born 1976. M.Sc. Eng.  
Head of Business Area Stockholm, employed  
2018, previously employed 2008–2015.  
Holding in Hufvudstaden: –.



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





# Value creation through share buybacks

## Share capital

Hufvudstaden AB was founded in 1915 with a share capital of SEK 0.6 million, 6,000 shares with a nominal value of SEK 100. At the end of 2025, the share capital amounted to SEK 1,056.4 million with a quota value of SEK 5 per share.

## Share structure

Hufvudstaden has two classes of shares: Class A and Class C. Class A shares carry one vote per share and Class C shares carry 100 votes per share. There are no restrictions on the number of votes each shareholder may cast at a General Meeting. Hufvudstaden's Class A shares were listed on the then Stockholm Stock Exchange in 1938 and are now listed on the Large Cap list of Nasdaq Stockholm. Class C shares are not listed.

The Articles of Association include a conversion provision, which means that holders of Class C shares who so wish have the right to request conversion of their Class C shares into Class A shares. During the year, 400,220 Class C shares were converted into Class A shares.

At year-end, the total number of shares outstanding was 194,306,933, of which 186,436,429 were Class A shares and 7,870,504 were Class C shares. In addition, Hufvudstaden held 16,965,000 Class A shares.

## Ownership structure

The number of shareholders at year-end was 30,844. The largest shareholder was L E Lundbergföretagen AB with 49.1 per cent of the total number of shares outstanding and 88.9 per cent of the votes. The second largest shareholder was AMF with 10.9 per cent of the shares outstanding and 2.2 per cent of the votes.

As of December 31, 2025, institutions and companies holding at least 100,000 shares together held 166,725,193 shares, corresponding to 82.4 per cent of the total number of shares outstanding and 91.7 per cent of the votes. Of these, 51 were Swedish institutions and companies, which together held 139,066,779 shares, corresponding to 68.7 per cent of the shares outstanding and 89.0 per cent of the votes. The number of foreign institutions and companies holding at least 100,000 shares was 31. Their holdings amounted to 27,658,414 shares, corresponding to 13.7 per cent of the shares outstanding and 2.7 per cent of the votes. In addition, there were 12 individuals each holding at least 100,000 shares. The number of shareholders decreased by 715 during the year. The proportion of foreign ownership is in line with the previous year at 16 per cent of the total number of shares outstanding.

## Ownership structure as of December 31, 2025

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of issued shares	Proportion of shares, %
1-999	26,947	87.4	4,180,956	2.0
1,000-9,999	3,407	11.0	7,741,834	3.7
10,000-99,999	396	1.3	10,537,159	5.0
100,000-	94	0.3	171,846,984	81.3
<b>Outstanding shares</b>	<b>30,844</b>	<b>100.0</b>	<b>194,306,933</b>	<b>92.0</b>
Hufvudstaden	1		16,965,000	8.0
<b>Total issued shares</b>	<b>30,845</b>		<b>211,271,933</b>	<b>100.0</b>

Source: Euroclear Sweden.

## Share buybacks

In August, the Board resolved to utilise the authorisation from the AGM to repurchase shares when the share was trading at a discount to net asset value of approximately 30 per cent, corresponding to an implicit discount on the properties of approximately 25 per cent. During the period August to November 2025, 8,000,000 Class A shares were repurchased for SEK 1,018 million at an average price of SEK 127.22 per share. The buyback corresponded to 3.9 per cent of all issued shares. By acquiring own shares at a level below the long-term net asset value, a direct and measurable value increase was created for shareholders. The buyback improves the company's per-share key ratios, strengthens long-term return potential, and demonstrates a value-driven use of capital for the benefit of shareholders. At year-end, Hufvudstaden held a total of 16,965,000 Class A shares, repurchased at an average price of SEK 97.53 per share. This corresponds to a discount of approximately 48 per cent compared with the long-term net asset value, which at year-end amounted to SEK 189 per share.

The Board proposes that the AGM 2026 renew the mandate for the Board to repurchase up to 10 per cent of all the company's shares.

## Market value and turnover

The price of the Class A share on December 31, 2025, was SEK 124.00, and the total market value of all shares, based on the price of the Class A share, amounted to SEK 26,198 million. During the year, a total of 62 million shares were traded on Nasdaq Stockholm, corresponding to 32 per cent (23) of the total number of shares outstanding. Calculated in relation to the shares available for trading on Nasdaq Stockholm (free float), the turnover rate was 63 per cent (43). An average of 251,000 Hufvudstaden shares were traded per trading day (182,000).

## Dividend

One of the company's financial targets is that the Hufvudstaden share should have good dividend growth over time and that the dividend should amount to more than half of the net profit from current operations, unless investments or the company's financial position otherwise justify a deviation. The Board proposes to the AGM an increase in the dividend to SEK 2.90 per share (2.80), corresponding to 58 per cent of net profit from current operations. The dividend yield was 2.3 per cent based on the Board's proposed dividend and the Class A share price as of December 31, 2025.

## Ownership structure



Lundbergs 49%  
Swedish shareholders 35%  
Foreign shareholders 16%



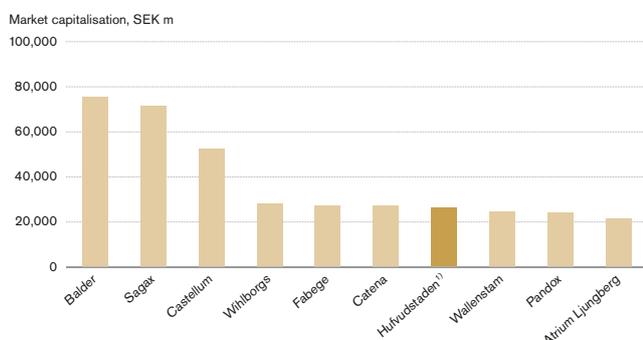
### Largest shareholders as of December 31, 2025

	Class A, number of shares	Class C, number of shares	Total number of shares	Shares outstanding, %		Issued shares, %	
				Capital	Votes	Capital	Votes
L E Lundbergföretagen	87,711,335	7,777,680	95,489,015	49.1	88.9	45.2	87.4
AMF	21,215,095	0	21,215,095	10.9	2.2	10.0	2.1
State Street Bank and Trust	5,599,957	0	5,599,957	2.9	0.6	2.7	0.6
BNY Mellon	4,550,768	0	4,550,768	2.3	0.5	2.2	0.5
JP Morgan Chase Bank	3,883,682	0	3,883,682	2.0	0.4	1.8	0.4
Lundberg family incl. companies	3,529,419	66,325	3,595,744	1.9	1.0	1.7	1.0
Skogstornet	2,050,000	0	2,050,000	1.0	0.2	1.0	0.2
Legal & General Assurance	1,479,136	0	1,479,136	0.8	0.2	0.7	0.2
BNP Paribas	1,376,828	0	1,376,828	0.7	0.1	0.7	0.1
TAMT AB	1,300,000	0	1,300,000	0.7	0.1	0.6	0.1
Spiltan Fonder	1,292,013	0	1,292,013	0.7	0.1	0.6	0.1
Other shareholders	52,448,196	26,499	52,474,695	27.0	5.7	24.8	5.6
<b>Outstanding shares</b>	<b>186,436,429</b>	<b>7,870,504</b>	<b>194,306,933</b>	<b>100.0</b>	<b>100.0</b>	<b>92.0</b>	<b>98.3</b>
Hufvudstaden, treasury shares	16,965,000		16,965,000			8.0	1.7
<b>Total issued shares</b>	<b>203,401,429</b>	<b>7,870,504</b>	<b>211,271,933</b>			<b>100.0</b>	<b>100.0</b>
Voting rights (excl. treasury shares)	186,436,429	787,050,400	973,486,829				
Voting rights (incl. treasury shares)	203,401,429	787,050,400	990,451,829				

Source: Vantage by Euroclear Sweden.

### The largest listed real estate companies

As of December 31, 2025



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

Source: Nasdaq Stockholm.

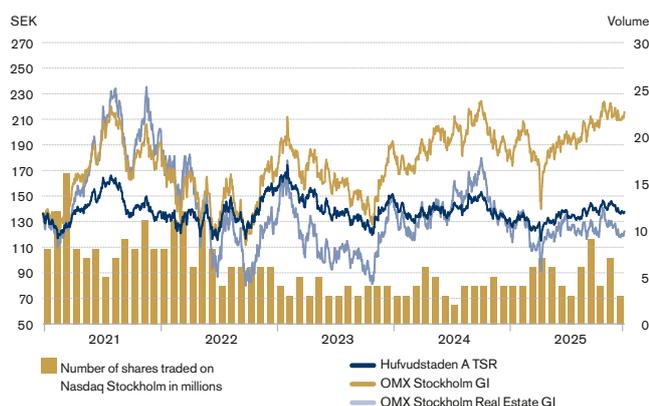
### Dividend and yield



¹) Proposal by the Board.

### Share price performance and turnover 2021–2025

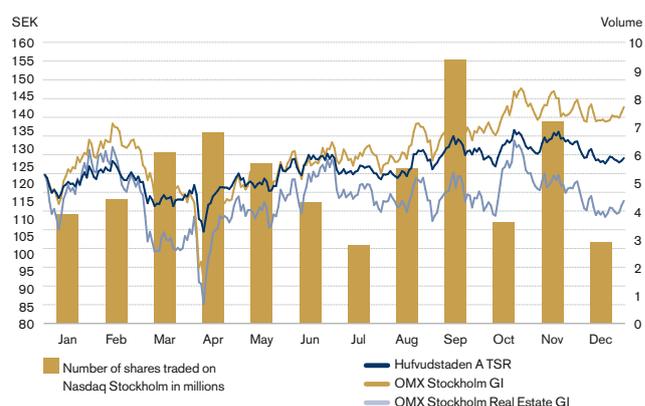
Including dividend compared with index



Source: Nasdaq Stockholm.

### Share price performance and turnover 2025

Including dividend compared with index



Source: Nasdaq Stockholm.



# Annual General Meeting

Hufvudstaden's Annual General Meeting will be held on Thursday, March 19, 2026, at 3:30 p.m. at Grand Hôtel, Vinterträdgården, Stockholm, entrance at the corner of Stallgatan/Blasieholmsgatan. Notice of the AGM will be published on the Swedish Companies Registration Office's website ([bolagsverket.se/poit](http://bolagsverket.se/poit)) and on [hufvudstaden.se](http://hufvudstaden.se). Information that the notice has been issued will be announced in Dagens Nyheter.

## Notification

Shareholders wishing to participate in the AGM must:

- be recorded as a shareholder in the share register prepared by Euroclear Sweden AB as of Wednesday, March 11, 2026. Shareholders whose shares are nominee-registered must temporarily re-register the shares in their own name (so-called voting rights registration) to be included in the share register as of March 11, 2026, in order to be entitled to participate in the AGM. Such registration may be temporary and must be requested from the nominee in accordance with the nominee's procedures in such time as the nominee determines. Voting rights registrations completed by the nominee no later than March 13, 2026, will be considered in the preparation of the share register,
- register with Hufvudstaden no later than Friday, March 13, 2026, preferably before 4:00 p.m. Participants are to register on the company's website [hufvudstaden.se](http://hufvudstaden.se), by e-mail to [anm@hufvudstaden.se](mailto:anm@hufvudstaden.se), by telephone at +46 8 762 90 00, or in writing to Hufvudstaden AB, NK 100, SE-111 77 Stockholm.

When registering, please provide name, personal or corporate identity number, daytime telephone number, number of shares, and any assistants. Shareholders represented by proxy must issue a power of attorney for the proxy. The original power of attorney, registration certificate, and other authorisation documents must be presented at the AGM. To facilitate admission to the meeting, the power of attorney and authorisation documents should be sent to the company at the above address in connection with the notification. Proxy forms are available on request and on [hufvudstaden.se](http://hufvudstaden.se).

## Dividend

The Board proposes a dividend of SEK 2.90 per share, totalling SEK 563.5 million, for the 2025 financial year, with a record date of March 23, 2026, and an expected payment date of March 26, 2026.

# Financial calendar

Interim Report Jan–Mar 2026	May 7, 2026
Half-Year Report Jan–Jun 2026	August 20, 2026
Interim Report Jan–Sep 2026	November 5, 2026
Year-End Report for 2026	February 11, 2027
Annual Report for 2026	February 2027

## Contacts

Anders Nygren, President  
Tel: +46 8-7629000, [anders.nygren@hufvudstaden.se](mailto:anders.nygren@hufvudstaden.se)  
Åsa Roslund, Vice President, CFO  
Tel: +46 8-7629000, [asa.roslund@hufvudstaden.se](mailto:asa.roslund@hufvudstaden.se)

Information is also published on [hufvudstaden.se](http://hufvudstaden.se). The Annual Report is distributed to all shareholders who have requested it.



# Sustainability Report

## Contents

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## ESRS 2 General disclosures

### **BP-1 General basis for preparation of the Sustainability Report**

Hufvudstaden AB's Sustainability Report has been prepared with reference to the European Sustainability Reporting Standards (ESRS). Hufvudstaden's statutory sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) as amended by (2016:947) and can be found on pages 5, 11, 32–35, 42–43, and 95–107. The Sustainability Report for 2025 has not been audited, but the auditor provides a statement on the preparation of the statutory sustainability report on pages 72–75. (§3)

### **Consolidation**

The information in the Sustainability Report is consolidated according to the same principles as the financial statements, which means that it covers the Parent Company Hufvudstaden AB and its subsidiaries. The Sustainability Report covers the company's entire operations unless otherwise stated. This method of consolidation applies to all disclosures and material topics. Information on NK Retail is presented separately where material for the overall picture. (§5a-b)

The Sustainability Report covers upstream and downstream activities in the value chain as well as Hufvudstaden's own operations. Impacts, risks, and opportunities have been assessed for all parts of the company's value chain, but with varying levels of detail depending on the area. The value chain is described in detail in SBM-1 Strategy, Business Model, and Value Chain. Hufvudstaden's upstream activities include the procurement of products and services. Downstream activities include customer management and sold goods and services. (§5c)

### **BP-2 Disclosures regarding specific circumstances and time horizons**

In this report, short term refers to < 1 year, medium term to 1–5 years, and long term to >5 years unless otherwise stated. (§9a)

### **Estimates in the value chain**

Measurement uncertainties may occur in the value chain due to varying data quality. In our reporting, we therefore make assessments and estimates for certain data points. Where complete and supplier-specific data is not available, we use estimated data from both upstream and downstream in the value chain as well as indirect sources such as industry averages. This applies particularly to emissions reporting, where in several categories we apply estimated quantities and generic emission factors in the absence of more detailed data. The reliability we attribute to these estimates varies depending on data source, method, and category, but we consider them to provide a reasonable indication of climate impact within the limits of available information.

We regularly review our calculation methods as sustainability reporting evolves and update our estimates as needed. Changes in calculations and estimates are reported in the year they are implemented. We continuously work to improve data quality and accuracy, including by strengthening dialogue with suppliers, exploring new data sources, and following the development of methodological standards. (§11a-b)

### **Reporting changes and previous reporting errors**

Hufvudstaden's sustainability disclosures have transitioned from the Global Reporting Initiative (GRI) to begin aligning with the ESRS. Key changes include a renewed materiality analysis and changes in the structure and level of disclosure in the report. All data points in the Sustainability Report have been assessed as material in Hufvudstaden's double materiality analysis. (§13a-c)

No material errors from previous reports have been identified, but some corrections have been made, including to climate data. Corrections made are described within each disclosure requirement. (§14a-c)



**Cross-referencing**

The Sustainability Report includes certain references to other parts of the Annual Report. For further information, please refer to the respective disclosure where relevant. [\(S16\)](#)

**GOV-1 The role of the Board and Senior Executives**

Information on the general responsibilities, composition, diversity, and experience of the Board and Senior Executives can be found in the Corporate Governance Report on pages 84–87. [\(S21\)](#)

The Board has overall responsibility for the Group's sustainability work and makes decisions on the company's policies, reviews and monitors the development of sustainability efforts, and approves the Sustainability Report. During the year, an Audit Committee was established which, through its work and dialogue with the external auditor, the President, and Senior Executives, assists the Board in evaluating and ensuring the reliability and effectiveness of financial reporting and sustainability reporting. [\(S22\)](#)

Senior Executives is responsible for setting the strategy and objectives for sustainability work as well as material impacts, risks, and opportunities. The operational responsibility for the Group's sustainability performance lies with the President, who has delegated responsibility to the Head of Sustainability. The Head of Sustainability prepares sustainability targets and directs work towards these targets together with a Sustainability Council consisting of three representatives from Senior Executives and representatives from various departments within the organisation. [\(S22b-d\)](#)

Hufvudstaden's Board and Senior Executives possess overall sustainability expertise gained through the background and experience of individual members. Hufvudstaden's Head of Sustainability and other employees in the sustainability department ensure that the company has specific expertise regarding Hufvudstaden's sustainability-related impacts, risks, and opportunities. [\(S23\)](#)

**GOV-2 Information provided to and sustainability issues addressed by the Board and Senior Executives**

The President is responsible for keeping the Board informed about progress, material sustainability aspects, focus areas, and related impacts, risks, and opportunities. Any deviations or actions related to sustainability work and policies are reported to the Board as needed. No deviations were reported during the year.

The Head of Sustainability reports to the Head of Property Development, who is part of Senior Executives, and continuously informs Senior Executives about the outcome and development of sustainability work. During the year, Senior Executives and the Board approved a double materiality analysis, which forms the basis for the company's sustainability work.

During the year, we worked on preparing new climate and sustainability targets. The development of new relevant climate targets is ongoing, while other sustainability targets have been presented to and approved by Senior Executives. The sustainability targets are integrated into the Group's regular management-by-objectives process, ensuring clear accountability, effective control, and the use of relevant subject matter expertise. Impacts, risks, and opportunities are continuously monitored, reviewed at least annually, and any need for adjustments is addressed in dialogue with Senior Executives.

Key performance indicators are collected and monitored continuously throughout the year. The results are reported on an ongoing basis to Senior Executives to ensure transparency and follow-up of sustainability work. [\(S26\)](#)

**GOV-3 Integration of sustainability-related results into incentive scheme**

Currently, climate- and sustainability-related parameters are not generally included in bonus programs for senior executives. The criteria for bonuses consist of 15 per cent individual targets, and these targets may – but are not required to – be climate- and sustainability-related. The presence of climate- and sustainability-related individual targets varies from year to year. [\(S29a-d\)](#)

**GOV-4 Explanation of due diligence**

The table below shows the disclosures in the Sustainability Report that relate to Hufvudstaden's due diligence processes. [\(S30\)](#)

	Key elements of due diligence	Reference in Sustainability Report
a)	Embed due diligence in governance, strategy, and business model	ESRS 2 GOV-2, ESRS 2 SBM-3
b)	Engage with stakeholders in all main steps of due diligence	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 SBM-3, S1-2, S2-2, S3-2
c)	Identify and assess negative impacts	ESRS 2 SBM-3, ESRS 2 IRO-1
d)	Take action to address negative impacts	ESRS 2 SBM-3, E1-3, E5-2, S1-4, S2-4
e)	Monitor the effectiveness of these actions and communicate it	E1-4, E5-3, S1-5, S2-5, S3-5

**GOV-5 Risk management and internal control over sustainability reporting**

To ensure reliable and accurate sustainability reporting and minimise the risk of incorrect information, we work systematically with risk management and internal control supported by systems. Data for all key sustainability metrics is collected and verified in a structured manner. The information is integrated into our non-financial reporting processes and reviewed and approved internally before being included in the Sustainability Report. To reduce the risk of manual data entry errors, a quality control process is used where at least two people review and verify the information before approval. The Group is gradually developing a comprehensive internal control framework. Currently, controls are carried out within the external reporting process, both at company and Group level, ensuring quality and reliability in reporting. [\(S36a\)](#)

Risks related to sustainability reporting are analysed and assessed on an ongoing basis. During the year, we mapped the reporting process to better identify and prioritise risks. The main risks are manual errors in data processing, low-quality data, and the risk of lack of formalisation and documentation of processes, which can lead to dependency on individuals. To reduce the risk of these errors, we prioritise internal controls where the risk of incorrect or incomplete data is greatest. [\(S36b-c\)](#)

To counteract errors, third-party verifications are carried out to ensure accurate information, primarily in areas with greater risk or complexity, such as reporting of Scope 3 emissions. We have also started work on developing standardised methodological descriptions, which will be further developed in 2026.

The results of the risk assessment and internal controls are integrated into reporting routines and systems and reported to the Audit Committee. [\(S36d-e\)](#)

**SBM-1 Strategy, business model, and value chain**

Hufvudstaden's business model is to own, manage, and develop properties in the long term. The focus is on commercial premises and marketplaces in prime locations in Stockholm and Gothenburg. The Group owns 28 properties valued at SEK 48.1 billion, of which 83 per cent of the market value relates to properties in Stockholm. The Group includes, among others, AB Nordiska Kompaniet, which owns the NK brand with department stores in Stockholm and Gothenburg, and NK Retail AB, which operates retail activities in fashion and beauty in the NK department stores. Read more about our business model and strategy on pages 5 and 11, our markets on pages 12–15, and customers on pages 18–23.

*Shaping the city of the future together, since 1915* is the Group's purpose and forms the foundation of our sustainability work, which is an integral part of our strategic direction. The purpose permeates how we develop our properties and how we view our role in the city's future to remain relevant and attractive in the next century. Hufvudstaden's sustainability work focuses on reducing climate impact and ensuring responsible business practices. Climate impact will be reduced in the long term through energy efficiency measures and a transition to more circular flows in resource use. This includes prioritising the retention of existing materials in refurbishments and choosing reuse, recycled materials, and resource-efficient processes when selecting products. Both the property and retail sectors are associated with significant environmental and social impacts; therefore, the company places great emphasis on responsible procurement. Collaboration with suppliers and efforts to strengthen the sustainability of the supply chain is an ongoing process and an important part of the Group's risk management and accountability.



Our properties and marketplaces are visited by thousands of people every day. Therefore, safety, accessibility, and good service are not only important sustainability aspects; they are also crucial to meeting our customers' expectations. By integrating sustainability throughout the business, we strengthen our competitiveness, meet increasing demands from customers, employees, and investors, and contribute to more sustainable development in the environments where we operate. (S40e-g)

**Value chain**

Hufvudstaden's value chain includes both property and retail operations as well as upstream and downstream activities.

Upstream: resource extraction, energy production, manufacturing and processing of raw materials, and our procurement of goods and services, ranging from building materials, construction and consulting services to

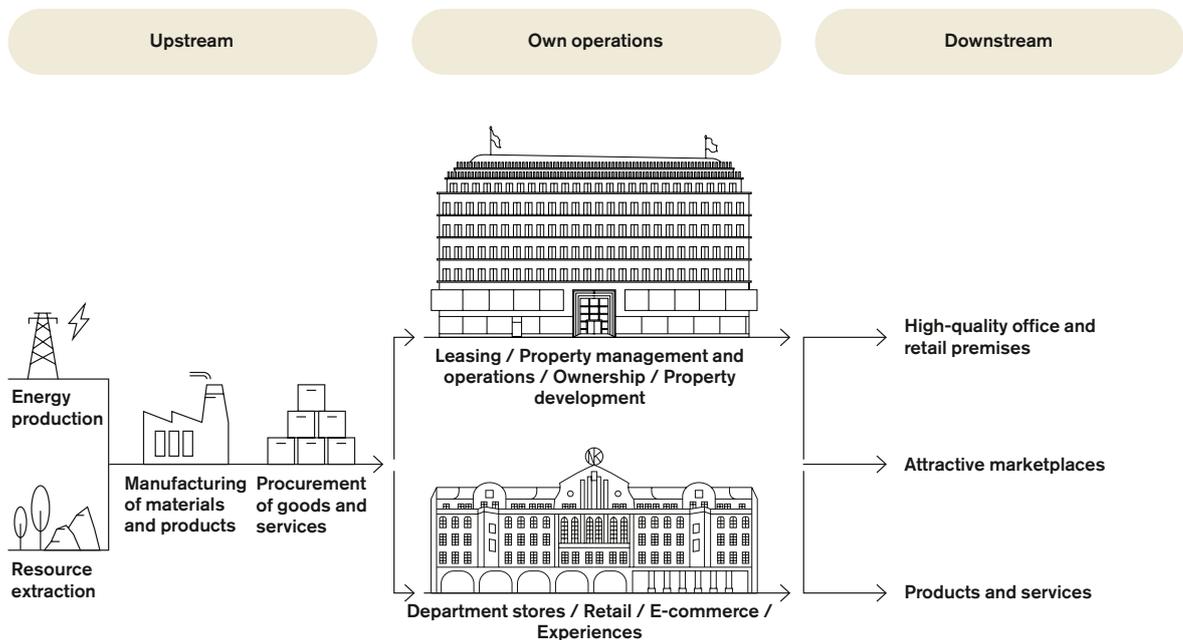
fashion and beauty products. Transport takes place from suppliers to the Group's properties, warehouses, and stores.

Own operations: property operations include leasing, management, operation, development, and ownership of properties. Retail operations include sales through stores and e-commerce, creating physical and digital customer experiences.

Downstream: our tenants, customers, and visitors to our marketplaces.

The illustration below shows the Group's value chains and clarifies where in our business relationships material sustainability impacts, risks, and opportunities arise. It forms the basis for our double materiality analysis and underpins our due diligence work in the value chain. (S42a-c)

**VALUE CHAIN**



Key Stakeholders	Suppliers	Employees	Customers (tenants, consumers), owners and investors, and local communities
Material Topics Across the Value Chain	E1 Climate change: Climate change mitigation and energy E5 Resource use and circular economy: Resource inflows and outflows S2 Workers in the value chain: Rights and working conditions G1 Business conduct: Business ethics	E1 Climate change: Climate change mitigation and energy E5 Resource use and circular economy: Resource inflows and outflows S1 Own workforce: Working conditions S3 Affected communities G1 Business conduct: Business ethics	E1 Climate change: Climate change mitigation and energy E5 Resource use and circular economy: Resource inflows and outflows S3 Affected communities G1 Business conduct: Business ethics

**SBM-2 Interests and views of stakeholders**

Hufvudstaden maintains an ongoing dialogue with its key stakeholders – customers (tenants and consumers), suppliers, owners and investors, employees, and local communities – to understand how various sustainability issues are perceived and prioritised. This dialogue is a key basis for identifying our impacts, risks, and opportunities, and forms the foundation for how we design and develop our sustainability work. Stakeholder expecta-

tions and requirements are integrated into our strategic planning to ensure business relevance and accountability. The stakeholder analysis is reviewed annually and updated as needed, based on new insights from our dialogues and changes in our external environment. Perspectives from other stakeholder groups such as authorities, media, trade unions, civil society, and silent stakeholders (the environment and future generations) are considered through environmental scanning and analysis. (S45a-i-aiiv, S45b)

Stakeholder	Form of dialogue	Purpose of dialogue	Key topics	Our response
Customers (tenants and consumers)	Tenant meetings, customer surveys, digital channels, customer service	Understand customer needs and expectations, ensure attractiveness and relevance of the customer and consumer offering	Attractive, safe, and sustainable premises and products, improvement needs, changing consumption behaviors	Adaptation of customer offerings, improved service, development of digital and physical meeting places
Suppliers	Review meetings, contract negotiations, evaluations and audits	Ensure quality, business ethics, and sustainability in the supply chain	Sustainability requirements, supply chain transparency, long-term business relationships	Updated procurement sustainability criteria, improved communication, and joint follow-up routines
Owners and investors	Annual General Meeting, investor meetings, financial and sustainability reports	Transparency regarding financial performance, risk management, and sustainability work	Long-term sustainable growth, financial return, risk management	Responsible business conduct, clear and transparent reporting, long-term business relationships
Employees	Employee surveys, performance reviews, internal forums/meetings	Promote engagement, skills development, and an inclusive work environment	Work environment and well-being, development opportunities, collaboration and leadership, responsible employer	Continuous individualised skills development, employee dialogue through surveys and reviews, strengthened internal communication, systematic work environment management
Local communities	Social media, website, information meetings, dialogue with local authorities and stakeholders	Ensure attractive and vibrant urban environments and meeting places, social sustainability and safety	Impact on city life, local development, inclusion and accessibility	Support for local initiatives, collaboration with municipalities, measures for safe and accessible environments

**SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model**

Hufvudstaden's material impacts, risks, and opportunities identified in the materiality analysis, as well as where in the value chain these are concentrated, are presented on page 99. (S48a-b)

Hufvudstaden has not identified any sustainability-related risks and opportunities that are considered material from a financial perspective. This means that the sustainability aspects analysed currently do not have a direct, quantifiable impact on the Group's financial position, performance, or business model to an extent that meets the criteria for materiality.

We closely monitor developments, particularly in areas such as climate-related risks, regulatory changes, investor preferences, and access to capital. The analysis is updated regularly in line with changes in operations and the external environment. If new insights or changed conditions arise that result in a sustainability issue having a material financial impact, this will be included in future analyses and reporting.

From a strategic perspective, how we manage climate change is crucial to ensuring the attractiveness and relevance of our customer offering. More information on how we work with climate risks and scenario analyses as input for strategic decisions can be found in IRO-1 E1. (S48d-f)



ESRS standard	Sustainability issue	Material impact, risk or opportunity	Value chain	Time horizon	Description
E1 Climate change	Greenhouse gas emissions (Climate change mitigation)	Negative impact	Upstream, own operations, downstream	Short, medium, long	Emissions are generated throughout the value chain, mainly indirectly during the production of building materials and products, tenant activities, transportation, and purchased energy. Direct emissions also occur.
	Energy use (Energy)	Negative impact	Upstream, own operations, downstream	Short, medium, long	The company's energy use spans the entire value chain, from property operations and own activities to tenants' electricity consumption, and upstream energy use in the supply chain during product manufacturing. The largest share of energy demand is indirect and linked to external actors and processes.
E5 Resource use and circular economy	Waste (Outflows)	Negative impact	Upstream, own operations, downstream	Short, medium, long	Our operations generate large amounts of waste in several parts of the value chain; from tenants, during refurbishments, and in the production stage, requiring careful management to reduce climate impact and environmental risks.
	Procurement of materials and products (Resource inflows incl. resource use)	Negative impact	Upstream, own operations, downstream	Short, medium, long	Procurement of virgin raw materials in both property and retail operations contributes to resource depletion, emissions, and negative impacts on ecosystems.
S1 Own workforce	Stress and ill health (Working conditions)	Negative impact	Own operations	Short, medium, long	Workrelated stress can lead to burnout, reduced productivity, and higher staff turnover, affecting both individual wellbeing and operational capacity.
	Serious injuries (Working conditions)	Negative impact	Own operations	Short, medium, long	Serious workplace injuries can have far-reaching consequences for both individuals and the business. In the property sector, impacts mainly occur during renovations and property maintenance.
S2 Workers in the value chain	Occurrence of child labour (Other work-related rights)	Potential negative impact	Upstream	Short, medium, long	The occurrence of child labour in the value chain, particularly upstream in the production of materials and products, poses a serious potential impact both ethically and commercially. Child labour can lead to long-term negative consequences for affected individuals through limited education, health risks, and increased vulnerability to exploitation.
	Occurrence of forced labour (Other work-related rights)	Potential negative impact	Upstream	Short, medium, long	The occurrence of forced labour in the value chain, particularly upstream in the production of materials and products, poses a serious potential impact for both affected individuals and the business.
	Ill health and serious workplace accidents in the value chain (Working conditions)	Potential negative impact	Upstream	Short, medium, long	Poor health, unsafe working conditions, and serious workplace accidents in the value chain, particularly upstream in material and product manufacturing and among suppliers in construction projects, pose a potential negative impact on worker safety and wellbeing as well as on the business from an ethical and commercial perspective.
S3 Affected communities	Contribution to safe communities and vibrant urban environments (Communities' economic, social, and cultural rights)	Positive impact	Own operations, downstream	Short, medium, long	Through long-term investments and collaboration in public urban spaces, we contribute to safe, inclusive, and attractive city centres, strengthening both social and economic sustainability for society and our own business.
G1 Business conduct	Corruption and bribery (Corruption and bribery)	Potential negative impact	Upstream, own operations, downstream	Medium, long	Bribery and corruption in own operations or the value chain can lead to serious legal, financial, and reputational consequences, especially for a listed company with high compliance requirements. Poor management of this potential negative impact affects governance, business ethics, and future collaboration opportunities.
	Policy compliance (Corporate culture, corruption and bribery)	Potential negative impact	Upstream, own operations, downstream	Short, medium, long	Compliance with policies is critical to ensure that operations are conducted according to established guidelines, ethical principles, and regulatory requirements. If employees, suppliers, tenants, or other actors in the value chain fail to follow these guidelines, it can lead to deviations affecting the company's credibility, compliance, and internal governance.
	Relationships with vulnerable and/or unethical suppliers (Management of relationships with suppliers, including payment practices)	Potential negative impact	Upstream, own operations	Short, medium, long	Business relationships with vulnerable suppliers, i.e., suppliers exposed to significant economic, environmental, or social challenges, can give rise to negative impacts originating from the supply chain. Deficiencies in suppliers' stability, compliance, or sustainability work can lead to supply chain disruptions, reduced product or service quality, and increased costs and negative consequences for the Group's operations and reputation.



**IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities**

Hufvudstaden has reported in accordance with the GRI framework for many years, which provides a solid foundation for the transition to an ESRS-inspired Sustainability Report and the development of our double materiality analysis. In 2024, an initial double materiality analysis was conducted. It was

revised in 2025 to incorporate updated knowledge and the latest developments in methodology and process. The process we followed to identify, map, assess, and validate our material impacts, risks, and opportunities is described in detail in the table below.

Going forward, our processes will be adapted as knowledge and practice evolve or change.

Activity	Impacts	Risks and opportunities with potential financial effects
Identify	Identification of impacts began with an analysis of relevant sustainability issues based on the Group's business model, operations, and value chain. Both internal analyses and external sources were used, such as industry standards, regulatory requirements, and global frameworks. A central part of the process was stakeholder dialogue, where input and insights from the Group's key stakeholders were gathered to understand which sustainability issues are perceived as most significant.	Identification of financial risks and opportunities began with an analysis of risks and opportunities linked to identified sustainability impacts. Dependencies on resources such as human capital and resource capital were then analysed. Regulatory changes, both decided and potential, were also considered. Both internal analyses and external sources were used, such as industry standards, legislation, and other relevant frameworks.
Map	Based on the identification, sustainability issues as well as risks and opportunities to be included in the materiality assessment were mapped and determined, and a gross list was prepared.	
Assess	During the assessment of impacts, internal stakeholders such as subject matter experts and representatives from various business areas were consulted. Several workshops were conducted to assess and describe which sustainability aspects are material in the Group's value chain. Impacts were assessed using a combination of qualitative reasoning and quantitative analyses based on defined factors. Actual and potential impacts were assessed based on scale, scope, and remediability. For potential impacts, likelihood was also assessed. Thresholds were established for an effective materiality assessment.	During the assessment of risks and opportunities, internal stakeholders such as subject matter experts and representatives from various areas were consulted. Several workshops were conducted to assess material risks and opportunities. First, the primary financial effect was assessed in terms of whether it arises in the income statement (costs/revenues) or the balance sheet (property value/equity/liabilities). Demand and business effects were assessed as indirectly included in the income statement or balance sheet. Risks and opportunities were then assessed based on likelihood and the size of the financial effect. Risks and opportunities were assessed through a combination of qualitative reasoning and quantitative analyses based on defined factors. Thresholds were established for an effective materiality assessment.
Validate	The result of the materiality assessment was reconciled against the business model, strategies, objectives, value chain, market, and stakeholder interests. Internal analysis participants, including the President and other representatives from Senior Executives, validated the result. The final outcome was approved by the Board and Senior Executives.	

(S53a-h)

**E1 Climate change**

Given the climate impact of Hufvudstaden's two business segments, properties and retail, climate change mitigation through reduced greenhouse gas emissions and reduced energy use was identified as material in the double materiality analysis.

Climate impact from properties arises during the construction phase and in the long-term management of properties. Emissions originate from energy use, the production of building materials, transport, and waste. The real estate sector accounts for a significant share of Sweden's total greenhouse gas emissions. Climate impact from retail operations is linked to the procurement, logistics, and sale of goods. Here, emissions mainly derive from product manufacturing, packaging, and transportation.

Hufvudstaden continuously analyses the property portfolio in relation to climate change. The purpose is to understand, assess, and enable the management of future financial and operational climate-related risks. Scenario analyses have been used to understand and assess climate risks. The scenario analyses are based on two climate scenarios: one in which carbon dioxide emissions remain at today's levels and become net negative by 2100 (RCP 2.6), and one in which emissions are three times higher than today by 2100 (RCP 8.5). The scenarios indicate that climate change may increase the risk of damage to properties due to extreme weather, flooding, and energy shortages, leading to higher costs, periods of unusable properties, and reduced attractiveness. At the same time, a greater need for climate adaptation creates opportunities through strengthened collaboration, increased willingness to pay, and higher attractiveness for climate-adapted properties. For more information on the scenarios, see the accompanying sustainability appendix.

Climate risks include both transition risks and physical risks. Transition risks comprise technology-related risks, regulatory and legal risks, and market and reputational risks. Physical risks can be acute, such as extreme weather events, and chronic physical risks associated with changing recurring weather patterns or rising water and temperature levels. It is likely that

several elements from both scenarios will materialise, as well as events that cannot currently be foreseen. Developments are closely monitored and needs or conditions are continuously evaluated. (E1 S20a-c)

**E5 Resource use and circular economy**

The inflow of virgin raw materials in both our property and retail operations contributes to both the property and retail operations contributes to resource depletion, emissions, and negative impacts on ecosystems. Our operations also generate large amounts of waste in several parts of the value chain, at tenants, during refurbishments, and in the production stage. Resource use and the circular economy were therefore identified as a material topic in the double materiality analysis. (E5 S11a)

**G1 Business conduct**

In the property industry, there is a risk of bribery and corruption linked to large projects and transactions. Deviations from policies, in own operations or in the supply chain, as well as shortcomings among suppliers regarding stability, compliance, and sustainability work, can affect business relationships, delivery capability, quality, costs, and the Group's reputation. Considering the risk of negative impact and stakeholders' demands for sound business ethics, responsible business conduct was identified as a material topic in the double materiality analysis. (G1 S6)

**MDR-P Policies adopted to manage material sustainability matters**

Hufvudstaden has established policies and guidelines for managing material sustainability matters, including a Sustainability Policy, Supplier Code of Conduct, HR Policy, Employee Code of Conduct, Environmental Programme Guideline, Work Environment Guideline, Security Policy, and Whistleblowing Policy. Detailed information on the content and purpose of the policies, their link to material impacts, risks and opportunities, scope, responsible parties, and connections to external initiatives can be found in the accompanying sustainability appendix. (S65a-d)

## Environmental disclosures

### Taxonomy reporting

Hufvudstaden has reported in accordance with the EU Taxonomy Regulation since 2021. Due to updated regulations, taxonomy reporting is voluntary for Hufvudstaden from 2025 and is available in the accompanying sustainability appendix.

### E1 Climate change

#### SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model

The Group's climate impact is largely linked to property operations, where emissions occur during refurbishments and ongoing operations. The use of building materials with a high climate impact, such as concrete and steel, as well as energy consumption, contributes to significant emissions. Retail operations primarily generate indirect emissions through the manufacturing of purchased products. Climate aspects are integrated into the Group's strategy through targets for reducing greenhouse gas emissions and increasing energy efficiency. Read more about the materiality assessment in ESRS 2 SBM-3 and how we work with climate risks and scenario analyses as input for strategic decisions in ESRS 2 IRO-1 E1.

#### E1-1 Transition plan

Hufvudstaden currently has no transition plan for climate change but is working on developing a plan that will clarify how the Group's climate impact will be reduced. (§17)

#### E1-2 Policies

The Group's sustainability policy sets the framework for our efforts to reduce climate impact and contribute to sustainable development. The company actively works to reduce its climate impact through energy efficiency measures, increased use of renewable energy, efficient resource management, and a greater focus on circular solutions. This work includes both the company's own operations and requirements and collaboration with suppliers, tenants, and other stakeholders. Based on the sustainability policy, the Group has developed a detailed environmental programme aimed at reducing climate impact and energy use by ensuring that environmental requirements are met and environmental impact is minimised in construction projects. See MDR-P for adopted policies. For details, see the accompanying sustainability appendix. (§24-25)

#### E1-3 Actions

Several actions have been implemented during the year to limit Hufvudstaden's climate impact and reduce greenhouse gas emissions. Among other things, we are gradually replacing older cooling and heat pumps with new ones that use refrigerants with a low climate footprint. These are long-term strategic investments often coordinated with other major planned maintenance work. Over time, this is expected to lead to significant reductions in emissions from refrigerant leakage, which currently represents our largest source of Scope 1 emissions.

To reduce our greenhouse gas emissions, energy efficiency is a priority area. During the year, we developed long-term action plans for energy efficiency in all properties. Energy efficiency measures include, among other things, operational optimisations for more demand-based operations and upgrades of technical systems for cooling, ventilation, and heating. Another priority area for reducing our greenhouse gas emissions is working with reuse and material recycling to create conditions for more circular material flows. Read more about this under E5-2.

(§26, §28, §29a)

Hufvudstaden's operating and capital expenditures related to sustainability action plans are not reported separately but are included in the Group's regular financial reporting. (§29c)

#### E1-4 Targets

Hufvudstaden has made sustained efforts to reduce greenhouse gas emissions and has achieved a 49 per cent reduction in Scope 1 and 2 emissions since 2019. During the year, we had two climate targets – one concerning climate-neutral property management and one concerning halving greenhouse gas emissions from construction activities. The first applies until 2025 and will be replaced by a new target from 2026. The latter applies until 2030. Neither of these targets is science-based. We are currently working on a new climate target aligned with the Science Based Targets initiative.

We also have an existing target to reduce energy use per square meter by 16 per cent by 2025. During the year, a new energy target was adopted for the period to 2030, setting average energy use at no more than 70 kWh per square metre. Energy targets are monitored quarterly.

Target	Outcome 2025	Target year
Management of our properties is to be climate-neutral. <sup>1)2)</sup>	Emissions reduced by 49 per cent	2025
Climate emissions from construction operations will be halved. <sup>1)</sup>	Emissions reduced by 34 per cent	2030
Energy use per square meter will be reduced by 16 per cent. <sup>1)</sup>	25 per cent reduction	2025
Average energy use of max 70 kWh per sq m.	76 kWh/sq m	2030
All properties will have green building certification. <sup>3)</sup>	99 per cent <sup>4)</sup>	2025

<sup>1)</sup> Target established in 2020 based on 2019 as the base year. Outcome calculated relative to the base year.

<sup>2)</sup> Climate-neutral management includes emissions generated within our own operations, which includes Scope 1 and 2.

<sup>3)</sup> This target becomes an ongoing target from 2026.

<sup>4)</sup> Of which 9 per cent refers to Kvarteret Johanna, which is pre-certified during the design phase.

(§32-33, §34a-c, §34e)

#### E1-5 Energy consumption

Energy consumption and mix, MWh	2025	2024
Fuel consumption from crude oil and petroleum products	1	1
Fuel consumption from natural gas	6	6
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,041	2,517
Consumption of purchased district heating	2,041	2,517
<b>Total fossil energy consumption<sup>1)</sup></b>	<b>2,048</b>	<b>2,524</b>
Share of fossil sources of total energy consumption, %	6	6
<b>Total energy consumption from nuclear power</b>	<b>–</b>	<b>–</b>
Fuel consumption from renewable sources	43	49
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	33,384	39,932
Consumption of purchased electricity <sup>2)</sup>	18,812	20,946
of which electricity for property operations	16,380	18,180
Consumption of purchased district heating	11,789	15,509
Consumption of purchased district cooling	2,783	3,477
Consumption of self-generated non-fuel renewable energy	261	296
<b>Total renewable energy consumption</b>	<b>33,688</b>	<b>40,277</b>
Share of renewable sources of total energy consumption, %	94	94
<b>Total energy consumption</b>	<b>35,736</b>	<b>42,801</b>
<b>Total energy consumption from activities in high climate impact sectors<sup>3)</sup></b>	<b>34,631</b>	<b>41,642</b>
<b>Energy intensity</b>		
Energy intensity from activities in high climate impact sectors per net revenue <sup>4)</sup> , MWh/SEK m	15	20
Energy intensity, normal year-adjusted, kWh/sq m	76	85

<sup>1)</sup> Fuel consumption from coal and coal products, crude oil and petroleum products, and other non-renewable sources is not reported, as there is no consumption from these energy sources.

<sup>2)</sup> Includes operational electricity from wholly owned subsidiaries.

<sup>3)</sup> Refers to energy for property operations.

<sup>4)</sup> Property management net revenue, note 2.

(§37-43)



**E1-6 Total greenhouse gas emissions within Scope 1, 2 and 3**

Hufvudstaden's greenhouse gas emissions originate from several different sources. To enable comparison across greenhouse gases, emissions have been converted to carbon dioxide equivalents (CO<sub>2</sub>e). The emission calculations follow the international guidelines of the Greenhouse Gas Protocol (GHG Protocol), and Hufvudstaden also applies the Swedish Property Federation's guidance for Scope 1–3 reporting. Hufvudstaden's calculation of greenhouse gas emissions has been verified by a third party.

The calculations of Hufvudstaden's climate-impacting emissions (CO<sub>2</sub>e) are continuously developed to provide more reliable key metrics and to include additional emission sources. For 2025, the scope has been expanded for several emission categories. (S47)

Ahead of the 2025 expansion of climate calculations, an inventory and analysis of the company's climate emissions across all scopes was carried out. This analysis forms the basis for which Scope 3 categories are considered relevant and material to the business. Categories 10–11 and 14–15 have been excluded as they are not applicable to the company's operations and are not deemed to give rise to material emissions. (SAR 46)

Greenhouse gas emissions, tonnes CO <sub>2</sub> e	Group			Property operations <sup>1)</sup>		NK Retail		Targets and outcomes		
	2025	2024	Change, %	2025	2024	2025	2024	Target year 2025	Target year 2030	Outcome 2025
<b>Scope 1 greenhouse gas emissions</b>										
Gross Scope 1 greenhouse gas emissions	10	291	-97	10	291	–	–			
<b>Scope 2 greenhouse gas emissions</b>										
Gross location-based Scope 2 GHG emissions <sup>2)</sup>	1,526	1,849	-17	1,485	1,805	41	44			
Gross market-based Scope 2 GHG emissions	661	885	-25	661	885	0	0			
<b>Significant Scope 3 greenhouse gas emissions</b>										
Total gross indirect GHG emissions, Scope 3	7,819	8,151	-4	5,637	5,547	2,182	2,604			
1) Purchased goods and services	5,135	4,708	9	3,093	2,270	2,042	2,438		-50% <sup>3)</sup>	-34%
2) Capital goods	1,516	2,071	-27	1,516	2,071	–	–			
3) Fuel- and energy-related activities (not included in Scope 1 and 2)	342	391	-13	329	377	13	14			
4) Upstream transportation and distribution	297	392	-24	214	294	83	98			
5) Waste generated in operations	65	100	-35	65	100	0	0			
6) Business travel	24	39	-38	11	17	13	22			
7) Employee commuting	38	39	-3	14	14	24	25			
8) Upstream leased assets	6	6	0	–	–	6	6			
9) Downstream transportation	2	2	0	2	2	–	–			
12) End-of-life treatment of sold products	1	1	0	–	–	1	1			
13) Downstream leased assets	393	402	-2	393	402	0	0			
<b>Total greenhouse gas emissions</b>										
Total GHG emissions, location-based	9,355	10,291	-9	7,132	7,643	2,223	2,648			
Total GHG emissions, market-based	8,490	9,327	-9	6,308	6,723	2,182	2,604			
<b>Biogenic emissions</b>										
Total biogenic emissions	1,886	2,360	-20	1,886	2,360	–	–			
<b>Emission intensity</b>										
Total emissions (location-based) per net revenue <sup>4)</sup> , tCO <sub>2</sub> e/SEK m	3.0	3.4	-12	3.2	3.6	2.5	2.9			
Total emissions (market-based) per net revenue <sup>4)</sup> , tCO <sub>2</sub> e/SEK m	2.7	3.1	-12	2.8	3.2	2.4	2.8			
Emission intensity kg/sq m A-temp, Scope 1 and 2	–	–	–	1.6	2.7	–	–			
Emission intensity kg/sq m GFA, Scope 1 and 2	–	–	–	1.3	2.3	–	–			
<b>Climate-neutral property management</b>										
Climate-neutral management, Scope 1 and 2, tonnes CO <sub>2</sub> e	–	–	–	671	1,175	–	–	-100% <sup>5)</sup>		-49%

<sup>1)</sup> All companies excluding NK Retail.

<sup>2)</sup> The calculation for 2024 has been adjusted due to an updated emission factor.

<sup>3)</sup> The target refers to part of the emissions for Scope 3-1 Purchased goods and services, emissions linked to our construction activities. Base year is 2019. For more information on the target, see E1-4.

<sup>4)</sup> Net revenue for property management and NK Retail, note 2.

<sup>5)</sup> Base year 2019. For more information on the target, see E1-4.

(S44, S48a, S49-53, S55, SAR 43)

Overview of what is included in each scope:

Scope 1: Refrigerant leakage, gas, and diesel. Emission factors from suppliers, DEFRA, and the Swedish Energy Agency.

Scope 2: Electricity, district heating, and district cooling in the company's operations. Emission factors for district heating and district cooling from energy suppliers. Electricity (market-based) 0 g CO<sub>2</sub>e per kWh and electricity (location-based) 46 g CO<sub>2</sub>e per kWh.

Scope 3: Purchased goods and services: Property operations include emissions from tenant adaptations and maintenance projects completed during the year, as well as purchases of IT equipment and packaging. Tenant adaptations have been calculated using an external climate calculation tool based on the building materials used, applying both company-specific and generic data. Maintenance projects have been calculated using a spend-based method, where 20 per cent of the cost is attributed to consulting services and 80 per cent to production-related activities, including materials and labour.

NK Retail includes emissions from purchased good sold in NK Retail's departments, refurbishments, IT equipment, packaging, and other purchases. Emissions from purchased products have been calculated using a combination of spend-based and weight-based methods. Refurbishments and other purchases have been calculated using spend-based methods based on available emission factors. Purchases of IT equipment have been calculated using standardised data. Emissions from packaging purchases have been calculated using supplier-specific data.

Scope 3: Capital goods: Emissions from building materials used in major projects such as extensions or refurbishments. For the current year, emissions are reported for the Johanna development project, calculated by an external party and an external climate calculation tool.

Scope 3: Fuel- and energy-related activities: Emissions related to energy in Scope 2.

Scope 3: Upstream transport and distribution: Includes transport for tenant adaptations, special projects, and NK Retail's transport between warehouses and NK department stores. Calculated using transport-specific data and estimates.

Scope 3: Waste generated in operations: Emissions from construction and demolition waste and waste from NK Retail's warehouse. Calculated using estimates based on reported quantities. Emission factors from DEFRA. Scope 3: Business travel: Emissions from business travel by air, train, taxi, and company cars. Calculated based on reported emissions data from each operator, and estimated calculations based on expenses not included in the operators' summaries.

Scope 3: Employee commuting: Emissions from commuting. Calculated using the Swedish Environmental Protection Agency's climate travel tool.

Scope 3: Upstream leased assets: Emissions from electricity and district heating from NK Retail's warehouse.

Scope 3: Downstream transport and distribution: Emissions from transport, calculated using carrier-specific emissions data.

Scope 3: End-of-life treatment of sold products: Emissions from end-of-life treatment of sold products. Products are assumed to be incinerated.

Scope 3: Downstream leased assets: Emissions from tenant electricity and tenant waste. Tenant electricity has been calculated using estimates where the tenant has its own electricity supply contract. Tenant waste has been calculated using estimates based on reported quantities. Emission factors from DEFRA.

Biogenic emissions: Includes emissions from biogas in Scope 1 and biogenic emissions related to district heating.

(SAR 39b, SAR 46g-h)

## E5 Resource use and circular economy

### E5-1 Policies

Hufvudstaden's Sustainability Policy highlights the importance of promoting a circular economy and managing resources responsibly. See MDR-P for adopted policies. For details, refer to the accompanying sustainability appendix. [\(\\$14-15\)](#)

### E5-2 Actions

To reduce resource use and promote a circular economy, Hufvudstaden works, among other things, to minimise the need for refurbishments.

In 2025, we carried out several projects focusing on preservation and reuse. Hufvudstaden applies building standards for construction and material choices to be used consistently throughout the property to ensure timeless and flexible design and attractive premises. The standards are intended to reduce the need for extensive refurbishments, thereby preventing waste generation. Work on developing building standards for the properties has progressed during 2025 and will continue into 2026.

NK Retail strives to reduce resource use by extending product lifespans and increasing the proportion of materials that can be reused or recycled. NK Retail's assortment strategy aims to increase the proportion of long-lasting brands and products with enduring relevance.

Waste is also generated by our tenants. We work continuously to improve sorting rates by facilitating proper waste segregation.

The actions are expected to contribute to reduced resource use and a lower climate impact, including in our refurbishment projects. [\(\\$19\)](#)

### E5-3 Targets

Increased waste sorting is important for efficient resource use as it enables more material to be recycled instead of incinerated. Hufvudstaden therefore has targets related to sorting rates and reducing the amount of waste per square meter.

Hufvudstaden also has a target to halve greenhouse gas emissions from construction activities by 2030, where emissions are largely influenced by the amount of reuse and preservation of materials and components in construction projects. Read more about this target under E1-4.

Target	Outcome 2025	Target Year
Achieve at least 70 per cent sorting rate for waste from tenants and own ongoing operations	45 per cent sorting rate	2030
Reduce the amount of construction and demolition waste per sq m. <sup>1)</sup>	–	Ongoing

<sup>1)</sup> New target. Base year 2025 (5.7 kg/sq m), therefore no outcome is reported for the year. The target only covers waste from tenant adaptations.

[\(\\$23, \\$24b-c, \\$24e\)](#)

### E5-4 Resource inflows

Both the property and retail operations require significant resource inputs. In the property business, this mainly relates to the procurement of building materials during refurbishments and renovations, which include wood, concrete, steel, glass, insulation materials, gypsum, and technical installations.

In the retail operations, fashion and beauty products, as well as packaging materials, account for the majority of product and procurement flows.

[\(\\$30\)](#)

### E5-5 Resource outflows

Hufvudstaden reports data for tenant waste that we manage as well as construction and demolition waste from our construction projects. Tenant waste mainly consists of household waste, food waste, corrugated cardboard, plastic, glass, metal, and other recyclable materials. Sorted tenant waste is largely handled by the tenants themselves, which means that we do not have comprehensive statistics for waste management in the properties. For several properties, complete statistics on household waste from our suppliers are missing. For these properties, we use estimated values. The sorting rate for tenant waste in 2025 was 45% (36).

Construction and demolition waste consists of, among other things, gypsum, glass, wood, combustible material, metal, excavated material, mineral masses, and insulation. For projects where we have reliable statistics on construction and demolition waste, the sorting rate is 93% (96). [\(\\$38\)](#)

Waste type, tonnes	Total		Tenant waste		Construction and demolition waste <sup>1)</sup>	
	2025	2024	2025	2024	2025	2024
<b>Non-hazardous waste, total</b>	<b>3,775</b>	<b>3,339</b>	<b>1,908</b>	<b>1,882</b>	<b>1,867</b>	<b>1,457</b>
Reuse	–	–	–	–	– <sup>2)</sup>	– <sup>2)</sup>
Material recycling	1,527	1,188	839	670	688	518
Incineration with energy recovery	1,689	1,700	1,066	1,209	623	491
Incineration without energy recovery	–	–	–	–	–	–
Landfill	559	451	3	3	556	448
<b>Hazardous waste, total</b>	<b>26</b>	<b>149</b>	<b>13</b>	<b>11</b>	<b>13</b>	<b>138</b>
Material recycling	1	10	1	10	0	0
Incineration with energy recovery	22	16	12	1	10	15
Incineration without energy recovery	–	–	–	–	–	–
Landfill	3	123	–	–	3	123
<b>Total waste</b>	<b>3,801</b>	<b>3,488</b>	<b>1,921</b>	<b>1,893</b>	<b>1,880</b>	<b>1,595</b>
<b>Sorting rate, %</b>	<b>–</b>	<b>–</b>	<b>45</b>	<b>36</b>	<b>93<sup>3)</sup></b>	<b>96</b>

<sup>1)</sup> Variations in the amount of construction and demolition waste may occur between years due to changes in project volume and project characteristics.

<sup>2)</sup> Reuse in our construction projects is primarily used internally and is therefore not included in the waste statistics.

<sup>3)</sup> 1,757 tonnes of construction and demolition waste were sorted, which forms the basis for calculating the sorting rate.

[\(\\$37, \\$39\)](#)



# Social disclosures

## S1 Own workforce

### **SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model**

Employees affected by Hufvudstaden's material impacts, risks, and opportunities are permanent and part-time employees. All employees within the Group are employed in Sweden. Material impacts, risks, and opportunities have therefore been identified and assessed systematically based on applicable laws and regulations in the Swedish market. Read more about the materiality assessment in ESRS 2 SBM-3. [\(\\$14 a-b, \\$15\)](#)

### **S1-1 Policies**

Hufvudstaden has several policies and guidelines related to its own employees: Code of Conduct for Employees; HR Policy; Work Environment Guideline; and Whistleblowing Policy. See MDR-P for adopted policies. For details, refer to the accompanying sustainability appendix. [\(\\$19, \\$20a-b, \\$21-23\)](#)

When developing and updating employee-related policies and guidelines, employees' perspectives are considered, obtained through employee interviews, onboarding, and exit interviews. [\(MDR-P \\$65e\)](#)

### **S1-2 Processes for engaging with employees**

Hufvudstaden maintains continuous dialogue with its employees through several structured channels: annual performance reviews, regular departmental meetings, management meetings, staff meetings, staff conferences, surveys, and via the intranet. Through these channels, employees can express their views and participate in decisions that affect their well-being and work environment.

The results of employee surveys and supplementary pulse checks are used to identify areas for improvement and develop action plans to strengthen, for example, work environment, leadership, job satisfaction, and engagement. Each manager and the HR function are responsible for ensuring that contact with employees takes place. [\(\\$27a-c\)](#)

The effectiveness of employee dialogues is monitored through evaluations of employee surveys, staff conferences, and management meetings, where results and insights are considered for future occasions. [\(\\$27e\)](#)

### **S1-3 Processes for remediation of negative impacts and channels for raising concerns**

Employees can always raise concerns with their immediate manager or the HR Manager, as well as through employee surveys.

If negative consequences for employees are identified, Hufvudstaden takes appropriate measures based on the circumstances of each individual case.

The Group also has a whistleblowing system that employees can use to report misconduct. Read more about the whistleblowing system in G1-1.

[\(\\$32a-e\)](#)

### **S1-4 Actions and strategies**

Hufvudstaden conducts systematic health and safety management, with risks continuously identified and mitigation measures developed. The objective is to strengthen both the physical and psychosocial work environment and ensure a safe and sustainable workplace. [\(\\$37\)](#)

A Health and Safety Committee monitors and evaluates the systematic health and safety management. It ensures that workplace inspections are carried out and reviewed, and that any incidents or potential hazards are reported and investigated. Hufvudstaden also has appointed Health and Safety representatives. Members of the Health and Safety Committee, the Health and Safety representatives and managers receive training in systematic health and safety management.

The greatest risk of serious work-related injury to the Group's employees arises when our in-house operations staff carry out servicing and maintenance in the properties. To minimise the risk of accidents, regular safety inspections are conducted to identify and mitigate potential hazards.

Employees are offered preventive health measures. Training and lectures are provided in areas related to health and safety and health, such as recovery. Regular dialogue between managers and employees is an important part of identifying early signs of stress and addressing them proactively.

[\(\\$38a\)](#)

### **S1-5 Targets**

Target	Outcome 2025	Target Year
Zero serious workplace accidents in our operations. <sup>1)</sup>	0 serious workplace accidents	Ongoing
Sick leave to be below 3 per cent.	5 per cent	Ongoing

<sup>1)</sup> Serious workplace accidents as defined by the Swedish Work Environment Authority.

[\(\\$44a, \\$46\)](#)

Hufvudstaden aims to have zero serious workplace accidents within our operations, which includes all employees within the Group and Hufvudstaden's suppliers operating in and around our properties. See S1-14 for details on occupational health and safety metrics.

Work-related injuries and illnesses, as well as accidents, including serious incidents, are handled in accordance with established processes and must always be reported to the Swedish Work Environment Authority.

Hufvudstaden's key metric for health and well-being is sick leave. Sick leave should be as low as possible, with a target set at 3 per cent. During the year, sickness absence was 2.9 per cent in the property operations and 6.0 per cent in NK Retail.

The process for setting targets for the own workforce is based on the management team's strategy work, results from employee surveys, and external factors. A proposal is prepared by the HR function, which all business area managers can comment on. Employees are involved in monitoring the targets through employee surveys and internal reporting. [\(\\$47a-c\)](#)

**S1-6 Information on the company's employees**

	2025			2024		
	Group	Property operations <sup>1)</sup>	NK Retail	Group	Property operations <sup>1)</sup>	NK Retail
<b>Number of employees, FTE</b>						
Women	352	93	259	359	92	267
Men	131	84	47	135	88	47
<b>Total</b>	<b>483</b>	<b>177</b>	<b>306</b>	<b>494</b>	<b>180</b>	<b>314</b>

	2025			2024		
	Group	Property operations <sup>1)</sup>	NK Retail	Group	Property operations <sup>1)</sup>	NK Retail
<b>Employees by gender and contract type, headcount</b>						
Women	471	103	368	523	104	419
of which permanent employees	417	94	323	442	97	345
of which temporary employees	54	9	45	81	7	74
Men	156	89	67	159	91	68
of which permanent employees	138	86	52	143	89	54
of which temporary employees	18	3	15	16	2	14
<b>Total</b>	<b>627</b>	<b>192</b>	<b>435</b>	<b>682</b>	<b>195</b>	<b>487</b>

	2025			2024		
	Group	Property operations <sup>1)</sup>	NK Retail	Group	Property operations <sup>1)</sup>	NK Retail
<b>Employee turnover – permanent employees, headcount</b>						
Total number of permanent employees who left the company	81	24	57	84	22	62
Turnover, %	15	13	15	14	12	16

<sup>1)</sup> All companies excluding NK Retail.

(\$50)

**S1-14 Health and safety metrics**

All employees are covered by the health and safety management system and report incidents and injuries to HR via their manager or health and safety representative.

<b>Work-related injuries and work-related ill health</b>	2025	2024
Number of fatalities	0	0
Number of work-related injuries	5	0
of which serious <sup>1)</sup>	0	0
Accident frequency rate	5	0
Number of days lost due to work-related injuries	0	0

<sup>1)</sup> According to the definition of the Swedish Work Environment Authority.

(\$88)

**S2 Workers in the value chain****SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model**

The Group collaborates with many suppliers, some of which operate in countries or industries with elevated risks related to business ethics, human rights, and health and safety. The Group's materiality analysis has identified significant negative impacts for workers in the value chain, particularly related to risks of child labour, forced labour, and health and safety.

Workers in the value chain are found among direct suppliers and sub-contractors, including personnel in raw material and product manufacturing and deliveries, construction sites, and property operations. These workers play an important role in the quality of Hufvudstaden's offering, making it essential to collaborate with reputable suppliers to avoid production disruptions. (\$11a-c)

**S2-1 Policies**

Hufvudstaden has two policies covering workers in the value chain: the Supplier Code of Conduct and the Whistleblowing Policy. See MDR-P for adopted policies. For details, refer to the accompanying sustainability appendix. (\$16, \$17a-b, \$18-19)

**S2-2 Processes for engaging with workers in the value chain**

Direct communication with upstream workers in the value chain is often sensitive and may be limited by practical constraints. Therefore, there is generally no contact with individual workers. To understand their working conditions, supplier audits, risk assessments, and other follow-up activities are conducted as part of our responsibility in the value chain. (\$22a-b)

The Group also has a whistleblowing system that stakeholders, including workers in the value chain, can use to report misconduct. Read more about the whistleblowing system in G1-1.



**S2-4 Actions and strategies**

Hufvudstaden follows a process to identify, manage, and monitor material risks related to working conditions in the value chain.

We review our suppliers before a purchase is made or a collaboration begins, and sustainability criteria are integrated into the procurement process. All suppliers must comply with our Code of Conduct and other environmental and occupational health and safety requirements and are expected to apply these requirements in their own value chain. Suppliers are also expected to actively work with sustainability, for example by reducing their climate impact, promoting a circular economy, ensuring good working conditions, and fostering social inclusion. In cases of non-compliance with the Code of Conduct or environmental and occupational health and safety requirements, Hufvudstaden reserves the right to terminate the agreement.

During the year, we continued to develop the supplier review process, focusing on more efficient, accurate, and risk-aware supplier management. This work is an important part of the Group's overall sustainability efforts and helps ensure that the value chain is characterised by responsibility, respect for human rights, and environmental considerations.

Dialogue with suppliers is ongoing and aims to raise awareness of our expectations. Deviations from expectations and requirements are managed through action plans and follow-up, with reporting to responsible parties and, if necessary, to Hufvudstaden's management.

Throughout the collaboration, Hufvudstaden reserves the right to continuously monitor suppliers' operations and their compliance with requirements. Follow-up is carried out through the collection of relevant information, desk audits, and site visits. We also conduct risk assessments, surveys, and third-party reviews.

Any actions taken are intended to be appropriate and proportionate, focusing on preventing negative impacts and promoting improvements. By working proactively on these issues, we aim to strengthen both our responsibility and our business, as sustainable supply chains contribute to long-term stability, quality, and trust in our relationships. [\(S32a, S33a-b, S38\)](#)

**S2-5 Targets**

Target	Outcome 2025	Target Year
Zero serious workplace accidents in our operations. <sup>1)</sup>	0 serious workplace accidents.	Ongoing
Our main suppliers are to be evaluated annually.	84 per cent of main suppliers evaluated.	Ongoing

<sup>1)</sup> Serious workplace accidents as defined by the Swedish Work Environment Authority. [\(S39a, S41\)](#)

Hufvudstaden aims to have zero serious workplace accidents within our operations. This includes all employees within the Group as well as Hufvudstaden's contractors operating in our properties.

**S3 Affected communities**

**SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model**

As a property company, Hufvudstaden plays a central role in shaping and strengthening the urban environments in which we operate. Our business concept and purpose clearly express the ambition to contribute to attractive, safe, and vibrant environments where both our customers and visitors thrive and can operate long-term. We have a positive impact on the local communities where we conduct our main operations, namely the city centres of Stockholm and Gothenburg.

By offering high-quality office and retail premises in strategically located marketplaces, we create conditions for successful businesses and contribute to a dynamic city centre. This strengthens the city's attractiveness and promotes business activity.

Our sustainability work includes long-term and strategic collaborations with local stakeholders to develop inclusive and safe environments. We actively engage in initiatives aimed at improving public spaces and invest together with the cities in areas around our properties, with the goal of creating value for both society and other stakeholders.

Contributing to vibrant urban environments is both a social responsibility and commercially sound, and it supports stable value growth in our property portfolio. [\(S9\)](#)

**S3-1 Policies**

Hufvudstaden's approach to affected communities is governed by the Supplier Code of Conduct, the Environmental Programme, and the Whistleblowing Policy. See MDR-P for adopted policies. For details, refer to the accompanying sustainability appendix. [\(S14, S17\)](#)

**S3-2 Processes for engaging with affected communities**

Hufvudstaden has established processes for community engagement in connection with development projects. By participating in consultation processes, the public is given the opportunity to provide input, which contributes to transparency and involvement in decision-making. Consultations always take place during the detailed development plan and building permit processes. Other community engagement primarily occurs through contacts with authorities, environmental monitoring, and participation in various initiatives and collaborative projects. [\(S21a-b\)](#)

To address potential irregularities or misconduct, the Group has a whistleblowing system that all stakeholders, including customers, visitors, and the local community at large, can use. Read more about the whistleblowing system in G1-1.

**S3-4 Actions and Strategies**

Hufvudstaden actively participates in initiatives and collaborations aimed at improving public spaces and invests together with the cities in areas around our properties. Through collaborative initiatives such as urban development, social actions and enhanced lighting, we help reduce insecurity around our properties and contribute to the positive development of the public spaces. The effects of implemented actions are monitored per project to ensure that they achieve the intended results. [\(S32c-d\)](#)

**S3-5 Targets**

Target	Outcome 2025	Target Year
Hufvudstaden will have the most satisfied customers in the industry.	For the eighth consecutive year, Hufvudstaden ranked first in the Large Company category of the Fastighets-barometern Customer Satisfaction Index.	Ongoing

[\(S39b, S41\)](#)

Hufvudstaden currently has no specific, measurable targets related to affected communities. However, we regularly monitor what our tenants and consumers think about our environments and marketplaces. Among other things, we conduct annual customer satisfaction surveys with our tenants, which include assessments such as safety in the area around the property and access to retail and services. [\(S42\)](#)



## Governance disclosures

### G1 Business conduct

#### **G1-1 Policies and corporate culture**

Hufvudstaden's Codes of Conduct, both for employees and suppliers, include principles on business ethics, bribery, and corruption. Previously, we had a single Code of Conduct, but during the year, we introduced two separate codes to clarify responsibilities and requirements in each part of the value chain. [\(S7\)](#)

Training on the Employee Code of Conduct is provided through our e-learning system and for new employees as part of the onboarding program. The training for new employees also includes our values, corporate culture, and other relevant policies. The purpose is to ensure that all employees understand the company's ethical guidelines and expectations.

All employees must confirm that they have read and accepted our Employee Code of Conduct. See MDR-P for adopted policies. For details, refer to the accompanying sustainability appendix. [\(S9\)](#)

Hufvudstaden has established internal whistleblowing channels via the intranet and external channels via the website. The whistleblowing system is managed by an external party and can be used by all stakeholders to report misconduct, including suspected corruption or bribery, safely and anonymously. The Group applies a uniform process for all reported cases, including misconduct that has had a material negative impact on workers in the value chain or business partners. The process ensures that each reported case is handled promptly and objectively. Each qualified case is thoroughly investigated and assessed individually. Potential remediation is considered and managed based on the circumstances of the individual case. Whistleblowers are protected under applicable legislation. Information about the whistleblowing service is provided during onboarding training, via our e-learning system, on the intranet, and as needed. The greatest risk of corruption and bribery is considered to exist in procurement, property management, and external contracting in property development. [\(S10\)](#)

#### **G1-2 Managing relationships with suppliers**

Hufvudstaden strives to build long-term, responsible, and fair relationships with its suppliers. Supplier management is based on the Procurement Policy and the Supplier Code of Conduct. Hufvudstaden's main suppliers are primarily in construction contracting and property maintenance, many of which are relatively small companies. Hufvudstaden is a major customer for these suppliers, while we are partly dependent on them to maintain high quality in our services. NK Retail's main suppliers are primarily in product procurement. Our Procurement Policy stipulates that we must treat our suppliers with respect, which includes paying them on time. [\(S13-14\)](#)

The Supplier Code of Conduct clarifies our expectations, and the criteria suppliers must meet. In procurement and purchasing of goods and services, requirements are set based on the Code of Conduct, supplemented with requirements on work environment, working conditions, and the environment. Health and safety matters are given particular priority, as construction and maintenance work can involve significant risks. Read more about how we work with our suppliers in S2. [\(S15a-b\)](#)

#### **G1-3 Preventing and detecting corruption and bribery**

Hufvudstaden has zero tolerance for bribery, corruption, and other unethical business practices. Hufvudstaden has established processes to prevent, detect, and manage corruption and bribery, including internal guidelines, risk assessments, reporting channels, and requirements for suppliers to comply with the company's Code of Conduct. Reported whistleblowing cases are submitted to an independent external party. Following an initial review, the case is referred to Hufvudstaden, where it is investigated by an independent function within the company that is not involved in the relevant business units. The results of investigations and follow-up actions are reported to the management team and the Board of Directors. [\(S16, S18a-c\)](#)

All employees undergo annual training on the Employee Code of Conduct, which includes anti-corruption, bribery, and business ethics. This is also included in the onboarding training for new employees. NK Retail has not yet been included in these trainings, which we are reviewing for the coming year. [\(S20\)](#)

#### **G1-4 Confirmed cases of corruption and bribery**

During the reporting period, no cases of corruption or bribery were identified. Hufvudstaden has not been subject to any convictions or received fines for violations of anti-corruption or anti-bribery laws. [\(S24\)](#)



# Properties

Property designation	Address	Site area, sq m	Year of acquisition	Year of construction/renovation	Tax value 2025, SEK m	Lettable area, sq m								Total
						Offices	Retail	Restaurant	Cinema	Storage	Garage	Residential	Other	
<b>STOCKHOLM BUSINESS AREA</b>														
<b>Kungsgatan Management Area</b>														
Hästhuvudet 13	Sveavägen 21–23, Kungsgatan 40–42, Apelbergsgatan 35–37, Olofsgatan 2–4	1,302	1929/99	1919/32/94/2001	552.0	4,962	1,795			176			6,933	
Järnplåten 28	Sveavägen 24–26, Oxtorgsgatan 18–20, Kungsgatan 39	1,085	1928/54	1958/95	639.0	6,411	1,341			1,514		10	9,276	
Kåkenhusen 40	Brunnsgatan 1–9, Norrlandsgatan 29–33, Kungsgatan 4–10	4,934	1921/2011	1926/28/30/32/84/85/89/91	1,681.0	17,078	2,912	1,668		859			22,517	
Oxhuvudet 18 <sup>1)</sup>	Kungsgatan 32–38, Sveavägen 28–30, Apelbergsgatan 27–33, Malmskillnadsgatan 39	4,509	1926	1931/85/89/91	2,098.0	20,759	5,069			2,024	1,612	5	29,469	
<b>Total</b>		<b>11,830</b>			<b>4,970.0</b>	<b>49,210</b>	<b>11,117</b>	<b>1,668</b>	<b>–</b>	<b>4,573</b>	<b>1,612</b>	<b>–</b>	<b>15</b>	<b>68,195</b>
<b>Norrmalmstorg Management Area</b>														
Kvasten 2	Norrlandsgatan 16, Jakobsbergsgatan 11	934	1966	1987	358.0	2,868	372	453		281	726		4,700	
Kvasten 6 <sup>1)</sup>	Biblioteksgatan 5, Mäster Samuelsgatan 6–8	2,075	1915	1917/90	577.0	2,816	1,563	2,600		99			7,078	
Kvasten 9	Biblioteksgatan 7, Jakobsbergsgatan 5–9	822	1955	1978/95	331.0	2,458	559	78		342			3,437	
Norrmalm 2:63 <sup>2)</sup>	Norrmalmstorg		1992	1993	21.4			194					194	
Packarhuset 4 <sup>1),3)</sup>	Norrmalmstorg 1, Hamngatan 8, Norrlandsgatan 2, Smålandsgatan 11	2,195	2000	1932/2003	1,409.0	11,787	3,135			508			15,430	
Pumpstocken 10 <sup>1)</sup>	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	1,299.1	7,810	3,851	499		75		192	1	12,428
Rännilen 8	Birger Jarlsgatan 11, Mäster Samuelsgatan 1	645	1917	1900/90	297.0	1,895	750			28			2,673	
Rännilen 11	Biblioteksgatan 8, Mäster Samuelsgatan 5	775	1958	1902/85	284.0	1,619	809	474		2			2,904	
Rännilen 18 <sup>1)</sup>	Birger Jarlsgatan 7–9, Smålandsgatan 8–10	1,677	1963	1888/1986/2009	762.0	4,659	1,485	786		272			7,202	
Rännilen 19	Norrmalmstorg 12–14, Biblioteksgatan 2–4, Mäster Samuelsgatan 3	2,169	1931/39/2007	1902/42/64/90/2002	1,055.0	7,938	2,047			505	787		11,277	
Skären 9	Smålandsgatan 18–20, Norrlandsgatan 8–10	2,195	1917	1984/2001/2020	1,680.0	10,966	1,682			384	770		13,802	
Vildmannen 7 <sup>1)</sup>	Biblioteksgatan 9, Jakobsbergsgatan 6	1,290	1918	1897/2023	619.6	2,879	1,179			87		609	4,754	
<b>Total</b>		<b>17,663</b>			<b>8,693.1</b>	<b>57,695</b>	<b>17,432</b>	<b>5,084</b>	<b>–</b>	<b>2,583</b>	<b>2,283</b>	<b>801</b>	<b>1</b>	<b>85,879</b>
<b>West Management Area</b>														
Achilles 1 <sup>4)</sup>	Slussplan 5–9, Skeppsbron 48, Södra Dryckesgränd 1, Järntorgsgatan 7	1,046	1979	1600s/1974	220.0	3,779	129	558		484			4,950	
Grönlandet Södra 11	Drottninggatan 92–94, Wallingatan 5, Adolf Fredriks Kyrkog. 12	1,662	1923	1911/91	392.0	7,607	247	395		863			9,112	
Kungliga Trädgården 5	Västra Trädgårdsgatan 8	673	1984	1984/95	200.0	2,756				8			2,764	
Medusa 1 <sup>1),5)</sup>	Kornhamnstorg 61, Slussplan 1–3, Järntorgsgatan 6	547	1980	1878/1991	110.1	1,286	242	271		104		303	2,206	
Orgelpipan 7 <sup>6)</sup>	Klarabergsgatan 56–64, Vasagatan 24–26, Mäster Samuelsg. 65–73, Klara Norra Kyrkogata 3–5	6,294	1979	1964/2001	1,252.0	10,007	3,421	1,969		1,661	13,450	1	30,509	
Svärdfisken 2 <sup>1)</sup>	Drottninggatan 82, Apelbergsgatan 50–52, Olof Palmes gata 13	1,853	1921	1851/1987	333.0	3,720	175		1,893	562	1,107		7,457	
<b>Total</b>		<b>12,075</b>			<b>2,507.1</b>	<b>29,155</b>	<b>4,214</b>	<b>3,193</b>	<b>1,893</b>	<b>3,682</b>	<b>14,557</b>	<b>303</b>	<b>1</b>	<b>56,998</b>
<b>Total, Stockholm Business Area</b>		<b>41,568</b>			<b>16,170.2</b>	<b>136,060</b>	<b>32,763</b>	<b>9,945</b>	<b>1,893</b>	<b>10,838</b>	<b>18,452</b>	<b>1,104</b>	<b>17</b>	<b>211,072</b>



Property designation	Address	Site area, sq m	Year of acquisition	Year of construction/renovation	Tax value 2025, SEK m	Lettable area, sq m							Total	
						Offices	Retail	Restaurant	Cinema	Storage	Garage	Residential		Other
<b>NK BUSINESS AREA</b>														
<b>NK Management Area, Stockholm</b>														
Hästen 19 <sup>1)</sup> , <sup>2)</sup> and 20 <sup>3)</sup> , <sup>4)</sup> Spektern 14 <sup>5)</sup> , <sup>6)</sup>	Hamngatan 18–20, Regeringsgatan 36–40	8,875	1998	1915/91	3,282.0	11,141	21,874	2,388		3,722		16	39,141	
<b>NK Management Area, Gothenburg</b>														
Inom Vallgraven 10:9 <sup>8)</sup>	Östra Hamngatan 42, Kyrkogatan 48–54, Fredsgatan 5–7, Drottninggatan 39–45	4,520	1998	1964/94	674.0	4,791	9,868	569		1,040		0	16,268	
<b>Parkaden Management Area</b>														
Hästskon 10 <sup>1)</sup> , <sup>9)</sup>	Regeringsgatan 47–55, Mäster Samuelsg. 29–33	4,921	1977	1964/95	452.7	1,832	132	785		11,523	21,514	1	35,787	
<b>Total, NK Business Area</b>		<b>18,316</b>			<b>4,408.7</b>	<b>17,764</b>	<b>31,874</b>	<b>3,742</b>	<b>–</b>	<b>16,285</b>	<b>21,514</b>	<b>–</b>	<b>17</b>	<b>91,196</b>
<b>GOTHENBURG BUSINESS AREA</b>														
<b>Göteborg Management Area</b>														
Inom Vallgraven 3:2 <sup>10)</sup>	Stora Nygatan 17, Lilla Drottninggatan 3	784	2016	1856/2022	57.6							1,239	1,239	
Inom Vallgraven 12:10 <sup>11)</sup>	Södra Hamngatan 45–57, Östra Larmgatan 1, Drottninggatan 50–60, Fredsgatan 2–4	6,295	1967/2010/11	1875/1929/30/75	531.2	12,216	4,984	589		1,307	1,275	779	21,150	
Nordstaden 8:24	Postgatan 26–32 and 39–43, Nordstadstorget 2–8, Spannmålgatan 19, Nils Ericsonsgatan 17, Götgatan 9–11, Köpmansgatan 28–34, Östra Hamngatan 26–28	12,678	1979/2013	1972/2005/11	2,756.0	36,982	24,117	1,615		3,569		56	66,339	
Nordstaden GA:5 <sup>12)</sup>	Nordstadstorget, etc.				267.2								–	
<b>Total, Gothenburg Business Area</b>		<b>19,757</b>	<b>–</b>	<b>–</b>	<b>3,612.0</b>	<b>49,198</b>	<b>29,101</b>	<b>2,204</b>	<b>–</b>	<b>4,876</b>	<b>1,275</b>	<b>2,018</b>	<b>56</b>	<b>88,728</b>
<b>TOTAL</b>		<b>79,641</b>			<b>24,190.9</b>	<b>203,022</b>	<b>93,738</b>	<b>15,891</b>	<b>1,893</b>	<b>31,999</b>	<b>41,242</b>	<b>3,122</b>	<b>90</b>	<b>390,996</b>

<sup>1)</sup> The property is classified as being of cultural and historical importance.

<sup>2)</sup> The property is a held on a lease.

<sup>3)</sup> Owned by the subsidiary Fastighetsaktiebolaget Stockholms City.

<sup>4)</sup> The property is a listed building.

<sup>5)</sup> Owned by the subsidiary Fastighetsaktiebolaget Medusa.

<sup>6)</sup> 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 559.0 million.

<sup>7)</sup> Hästen 20 and Spektern 14 are leasehold properties. The annual ground rent for Hästen 20 is SEK 3.6 million, and fixed until April 30, 2032. The annual ground rent for Spektern 14 is SEK 1.2 million, and fixed until September 30, 2035. The tax value of the land is included to the amount of SEK 68.0 million.

<sup>8)</sup> Owned by the subsidiary AB Nordiska Kompaniet.

<sup>9)</sup> Owned by the subsidiary AB Hamngatagaraget. Hästskon 10 is a leasehold property. The annual ground rent is SEK 3.0 million until August 31, 2034. The tax value of the land is included to the amount of SEK 172.2 million. Part of the lettable area is now included in the NK department store in Stockholm.

<sup>10)</sup> Owned by the subsidiary Gbg Inom Vallgraven 3-2 AB.

<sup>11)</sup> During 2025, the properties Inom Vallgraven 12:10 and Inom Vallgraven 12:11 were merged. The major development project Kvarteret Johanna is ongoing within the property.

<sup>12)</sup> The object consists of joint facilities, including parking operations, certain premises leasing, and the operation and maintenance of pedestrian streets, service roads, cooling, and backup power. The tax value refers to Hufvudstaden's share of 39.4 percent, corresponding to approximately 31,000 square metres.



# Property holdings in Stockholm



Property/Construction year/Lettable area



1

Grönlandet Södra 11  
Construction year: 1911  
Lettable area:  
9,112 sq m

Property/Construction year/Lettable area



2

Svärdfisken 2  
Construction year: 1851  
Lettable area:  
7,457 sq m

Property/Construction year/Lettable area



3

Orgelpipan 7  
Construction year: 1964  
Lettable area:  
30,509 sq m



4

Hästhuvudet 13  
Construction year: 1919  
Lettable area:  
6,933 sq m



5

Oxhuvudet 18  
Construction year: 1931  
Lettable area:  
29,469 sq m



6

Järnplåten 28  
Construction year: 1958  
Lettable area:  
9,276 sq m



Property/Construction year/Lettable area



7

Kåkenhusen 40  
Construction year: 1926  
Lettable area:  
22,517 sq m



10

Kungliga  
Trädgården 5  
Construction year: 1984  
Lettable area:  
2,764 sq m



12

Kvasten 6  
Construction year: 1917  
Lettable area:  
7,078 sq m



14

Packarhuset 4  
Construction year: 1932  
Lettable area:  
15,430 sq m



16

Rännilen 11  
Construction year: 1902  
Lettable area:  
2,904 sq m



17

Norrmalm 2:63  
Construction year: 1993  
Lettable area:  
194 sq m

Property/Construction year/Lettable area



8

Hästskon 10  
Construction year: 1964  
Lettable area:  
35,787 sq m



11

Vildmannen 7  
Construction year:  
1897/2023  
Lettable area:  
4,754 sq m



12

Kvasten 9  
Construction year: 1978  
Lettable area:  
3,437 sq m



15

Pumpstocken 10  
Construction year: 1865  
Lettable area:  
12,428 sq m



16

Rännilen 18  
Construction year: 1888  
Lettable area:  
7,202 sq m



18

Medusa 1  
Construction year: 1878  
Lettable area:  
2,206 sq m

Property/Construction year/Lettable area



9

Hästen 19, 20 (NK)  
Construction year: 1915  
Lettable area:  
39,141 sq m



12

Kvasten 2  
Construction year: 1987  
Lettable area:  
4,700 sq m



13

Skären 9  
Construction year:  
1984/2020  
Lettable area:  
13,802 sq m



16

Rännilen 8  
Construction year: 1900  
Lettable area:  
2,673 sq m



16

Rännilen 19  
Construction year: 1902  
Lettable area:  
11,277 sq m

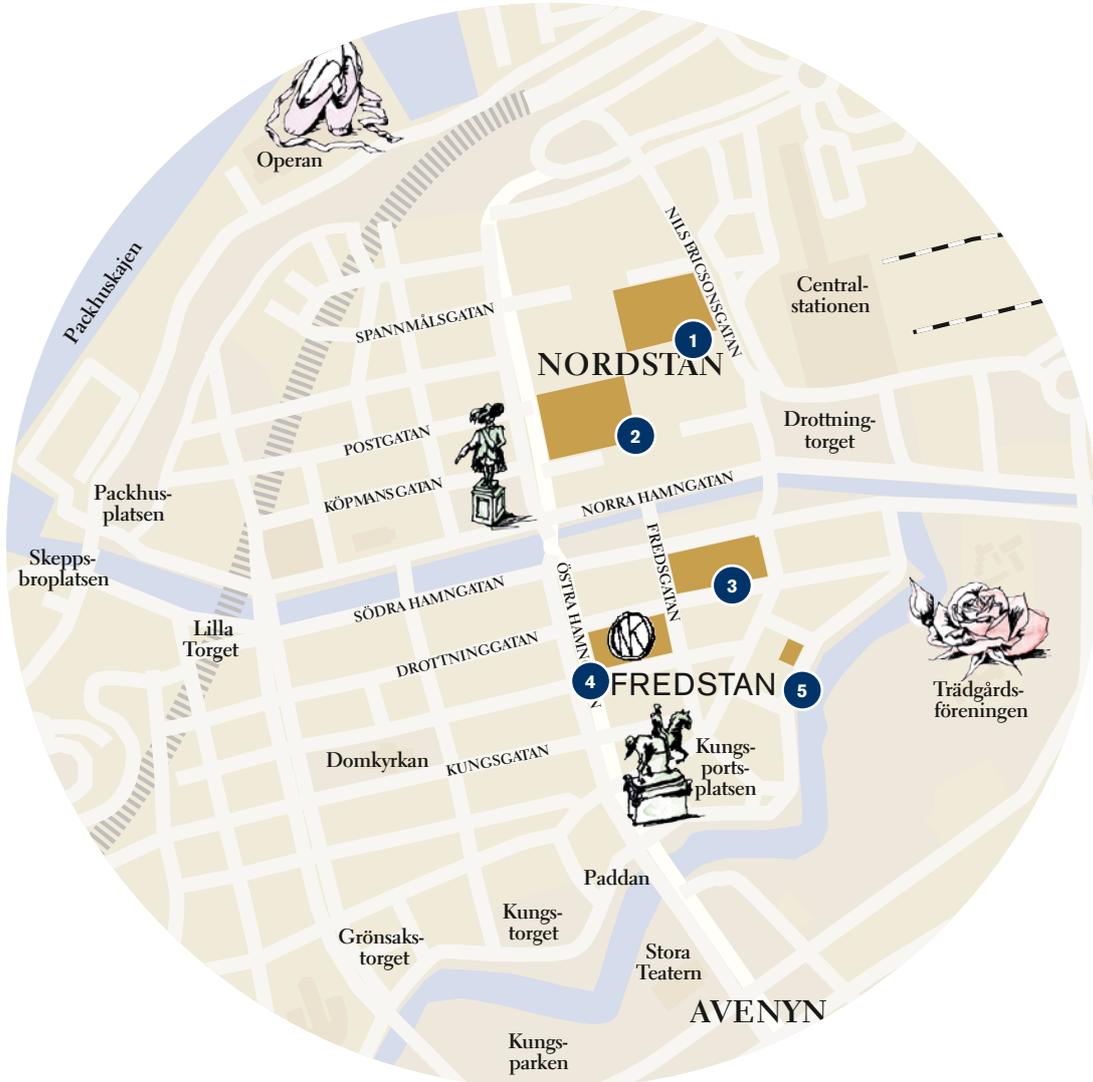


19

Achilles 1  
Construction year:  
1600-talet  
Lettable area:  
4,950 sq m



# Property holdings in Gothenburg



Property/Construction year/Lettable area



**1**  
 Nordstaden 8:24  
 (Femman)  
 Construction year:  
 1972/2011  
 Lettable area:  
 45,033 sq m

Property/Construction year/Lettable area



**2**  
 Nordstaden 8:24 (Fyran)  
 Construction year: 1972  
 Lettable area:  
 21,306 sq m

Property/Construction year/Lettable area



**3**  
 Inom Vallgraven 12:10  
 Construction year: 1875/  
 1929/30/75  
 Lettable area:  
 21,150 sq m



**4**  
 Inom Vallgraven 10:9  
 (NK)  
 Construction year: 1964  
 Lettable area:  
 16,268 sq m



**5**  
 Inom Vallgraven 3:2  
 Construction year:  
 1856/2022  
 Lettable area:  
 1,239 sq m



# Addresses

## Hufvudstaden AB (publ)

E-mail: [info@hufvudstaden.se](mailto:info@hufvudstaden.se)  
 Website: [hufvudstaden.se](http://hufvudstaden.se)  
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 Registered office: Stockholm

### Stockholm (Head office)

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### Cecil Coworking AB

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 Website: [nk.se](http://nk.se)  
 Company reg no: 559268-4103

### Parkaden AB

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 SE-111 77 STOCKHOLM  
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Telephone: +46 8 7629200  
 E-mail: [info@parkaden.se](mailto:info@parkaden.se)  
 Website: [parkaden.se](http://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 7628000  
 Website: [nk.se](http://nk.se)

NK Gothenburg  
 NK 101  
 SE-411 09 GOTHENBURG  
 Visiting address: Östra Hamngatan 42

Telephone: +46 8 7628000  
 Website: [nk.se](http://nk.se)

## Group brands



Kv. JOHANNA



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