

Q1

The quarter 1 January – 31 March 2025

Profit for the period: SEK 53.5m (-40.1),
corresponding to SEK 0.32 (-0.24) per share.

Income from property management: SEK 55.0m (54.6).

Rental income: SEK 150.9m (135.9).

Net operating income (NOI): SEK 108.2m (93.8).

Unrealised changes in the value of properties:
SEK 18.1m (-52.8).

Energy use: 73 (80) kWh/m².

Confirmed rating: BBB with stable outlook.

Green bond issue: SEK 350m.

Agreed acquisition after the end of the interim period: elderly
care facility in Norrtälje, planned closing autumn 2026.

Interim Report 1 January – 31 March 2025

Key figures

	2025 Jan–Mar	2024 Jan–Mar	2024/2025 Apr–Mar	2024 Jan–Dec
Property-related key figures				
Rental income, SEKm	150.9	135.9	576.8	561.8
Lettable time-weighted area, 000s m ²	263.3	258.2	259.9	257.5
Property yield, %	3.2	2.9	3.1	3.0
Carrying amount per m ² , SEK	51,882	50,689	51,882	51,599
Financial key figures				
Cash flow, SEKm	42.4	39.8	216.8	214.2
Investments, SEKm	57.0	366.9	589.6	899.5
Average interest rate, %	2.69	2.52	2.69	2.81
Property management margin, %	36.4	40.2	37.4	38.4
Loan-to-value (LTV) ratio, %	44.6	44.1	44.6	44.7
Net LTV, %	44.4	43.8	44.4	44.5
NOI margin, %	71.7	69.1	72.5	71.9
Per share data				
Profit or loss before tax, SEK	0.45	-0.20	1.51	0.86
Profit or loss after tax, SEK	0.32	-0.24	1.16	0.60
Dividend, SEK	0.52	0.52	0.52	0.52
Share price as at 31 March, SEK	26.50	34.70	26.50	32.75
NAV, SEK	47.43	46.13	47.43	47.02



Stable in an unstable world

Lingering geopolitical and economic uncertainty were the defining characteristics as 2025 began. The recovery has not progressed as swiftly as many of us hoped, and property values have remained relatively stagnant. Nevertheless, Heba continues to deliver strong key figures. Income from property management totalled SEK 55.0m (54.6) for the quarter. The occupancy rate remained high, above 99.9%, and the NOI margin was 72%.

We have successfully grasped the opportunities that have arisen in a volatile market. Heba has made several strategic acquisitions and bolstered its position in the elderly care segment. In April, we closed an agreement to acquire yet another elderly care facility, a new build located in Norrtälje. Community service properties are now generating 30% of NOI – a key strategic milestone. Heba is now a force to be reckoned with in the social care segment.

Strength in the capital market

We issued a new green bond of SEK 350m during the quarter. We retained our rating of BBB with stable outlook in the annual review of our credit score – a confirmation of our strength in a time when numerous industry players are confronting difficult financing conditions.

The green transition is continuing full force

In the absence of a widespread recovery, we have steadily focused on what we can actually affect. Our green transition is continuing full force – regardless if we are talking about the EU Taxonomy, CSRD, Omnibus or Trump – nothing is going to stop us from fulfilling our responsibility. We have cut emissions from energy use in half since 2018 and our energy use in Q1 was a record low of 73 kWh/m² (80.0). We are progressing on our journey towards energy use of 40 kWh/m² and climate-neutral property management by 2030.

We have also explored opportunities for Heba to be designated a green equity on Nasdaq. A preliminary opinion from a third-party reviewer indicates that we meet the criteria – a key step in our ambition to be an ESG leader among property companies.

Digitalisation for smart property management

Our digitalisation project has moved into a new phase. We have been preparing for several years by developing technical solutions that give us the support we need in real time. Powered by digital twins, structured case management and access to real-time data for energy, finances and operations-critical products – such as lifts, washing machines and ventilation – we can analyse and manage our properties remotely from the office. This is smart property management in practice. It also improves customer satisfaction, the work environment and our capacity to meet standards including CSRD sustainability

reporting requirements. We will have documented control over our properties – in real time.

Attractive properties in an attractive market

Even as we recognise the continued uncertainty external to Heba, we are looking ahead with a keen sense of optimism. Our modern portfolio in the Stockholm and Mälaren regions is robust. The regional population grew by 18,500 people in 2024. In another key metric, the property value of Heba's residential rental portfolio is about SEK 52,000/m² – as opposed to that for commonhold apartments in the resale market, which was SEK 68,000/m² on average during the same period. This illustrates the potential of our holdings and strengthens the market valuation. In addition, the population of people aged 80+ in Stockholm is expected to increase significantly within five years, which is intensifying the need for the housing we offer.

With a strong financial position, low LTV and NAV of SEK 47.43 per share, along with a distinct ESG profile, Heba is primed to create long-term value – for our tenants, for society and for our shareholders.

Muscular organisation

On the strength of an outstanding organisation whose people deliver every single day with impressive expertise and genuine commitment, Heba remains stable in turbulent times. Together, we are not just building properties – we are also building trust, the future and sustainability.

Patrik Emanuelsson

CEO Heba Fastighets AB

Q1 outcomes

Energy use

73 kWh/m² (80.0)

New financial targets 2025–2030

Annual growth in income from property management of 5% or better on average
(March 2025: + 1% compared to Q1 2024)

5% or better

LTV
below 45% on average and never above 50%
(March 2025: 44.6%)

45–50%

NOI margin
above 70%
(March 2025: 71.7 %)

>70%

Market value of properties
exceeding SEK 20bn.by 2030
(March 2025: SEK 13.7bn)

>SEK 20bn

At least 20% of NOI from community service properties
(March 2025: 30%)

20% or better

Shareholder dividend:
of at least 50% of income from property management, adjusted for tax
(Proposal to AGM 2025: 50%)

50% or better

The Heba investment case

Heba runs a responsible business on the leading edge. Our hallmarks are modern properties in attractive locations, financial stability and focus on sustainability. The company is in prime position to meet future needs for housing and elderly care facilities.

Modern property portfolio in attractive regions

Heba owns and manages a modern portfolio of residential properties and elderly care facilities that are in high demand. The properties are in attractive locations, primarily in the Stockholm region along with a few in Mälaren, where strong population growth and low vacancy rates generate stable income.

Low risk, high stability

NOI margin of 72% (Mar 2025) and nearly non-existent vacancies make Heba an eminently stable property company in the market. Long-term leases for community service properties and rents that are constantly trending upward promote predictable and secure cash flows.

Ambitious ESG targets

Heba is a clear ESG leader with a green financing framework that received top marks from Sustainalytics. Energy use in the property portfolio has decreased to 73 kWh/m² (Mar 2025). The climate targets are clear-cut: climate-neutral property management by 2030 and full climate neutrality by 2045.

Strong financial position

Low average interest, carefully balanced financing and strong key figures combined with efficient in-house property management will generate dividends when property values rise again.

Definitive growth strategy

Heba has delivered growth through renovations, strategic acquisitions of community service properties and new builds of residential properties. The most recent acquisitions of elderly care facilities are strengthening the company's position in community service property, a sector characterised by stable demand and secure income. The project portfolio, including residential property in Källberga, is an aspect of the long-term ambition to grow sustainably.

Stable dividend producer for shareholders

Our strong financial position means that we can prioritise dividends to our shareholders, who make an essential contribution to running our business.

Positioning for the needs of the future

With its community service properties, Heba is in prime position to respond effectively to trends such as an ageing population and rising demand for elderly care facilities. The modern, sustainable property portfolio in attractive locations meets tenant demands.

Heba is the long-term choice

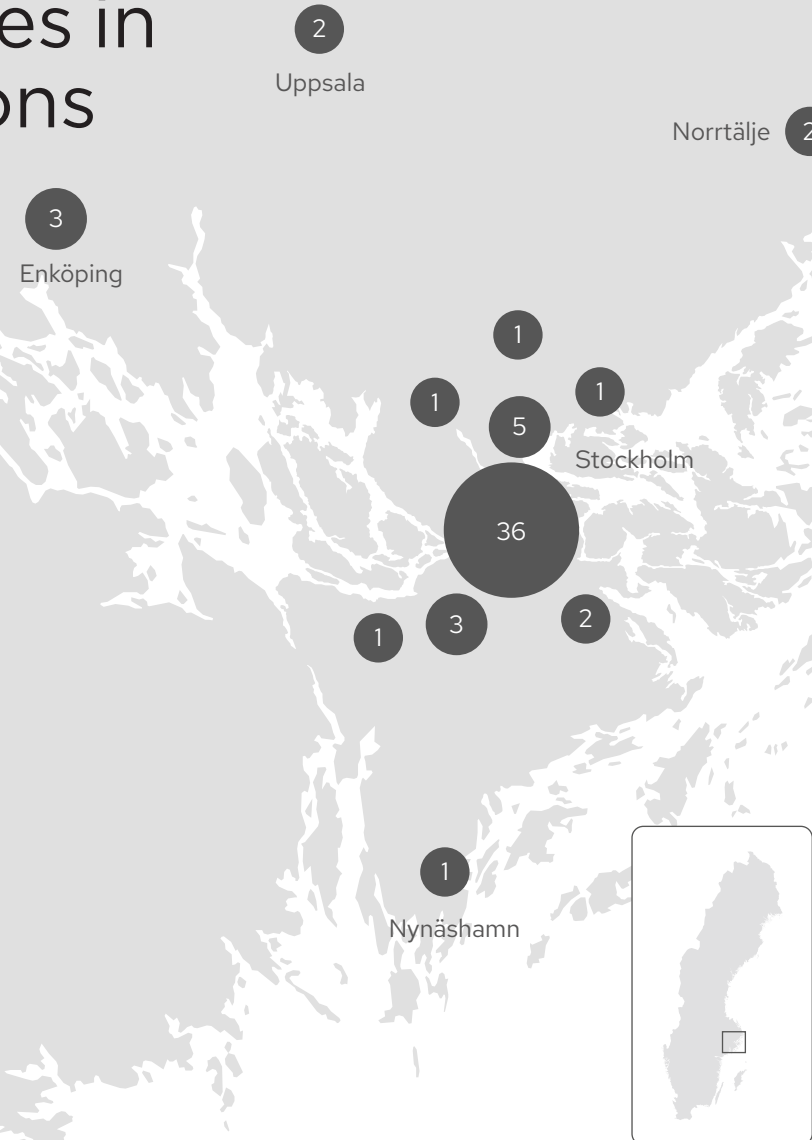
Modern properties in attractive locations in Stockholm and Mälaren

Heba owns and manages a modern property portfolio comprised of residential properties and community service properties used for elderly care facilities in attractive locations in the Stockholm and Mälaren regions. The properties are mainly located near rail-bound public transportation links.

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

The majority of the properties are new builds or renovated. Only two properties comprising a total of 98 apartments are yet to be completed in the Heba renovation programme.

[Read more, external link](#)



Property holdings and market

The Heba Group's property holdings at the end of the Q1 2025 interim period (Q1 2024 in brackets)

Properties in the Stockholm and Mälaren regions	58 (58)
Residential properties	43 (45)
Community service properties	14 (12)
Project properties:	1 (1)
Lettable space, m ²	263,300 (258,200)
Rental apartments	3,110 (3,148)
Apartments in elderly care	825 (602)
Non-residential units ¹⁾	119 (116)

The vacancy rate for residential and non-residential units remains very low at 0.06% for residential and 0.66 % for non-residential at the end of the reporting period.

¹⁾ As of Q3 2024, storage spaces are not reported as non-residential units.

ESG targets 2025–2030

Sustainability is reflected in everything Heba does, today and in the future, proceeding from our responsibility as an employer, our social responsibility and our environmental responsibility. The ESG programme is meant to ensure that the company meets its long-term ESG objectives in alignment with the UN Global Sustainable Development Goals (SDGs). Future-proofing the business is intertwined with successful enterprise.

Our focus areas

Environment

We are working towards climate-neutral property management by 2030

Social sustainability

We contribute to an ethical and socially sustainable society

Organisation

Our employees are our most important resource

Climate-neutral property management

by **2030**

Entire organisation climate-neutral

by **2045**

Reduce energy use to:

(March 2025: 73 kWh/m²)

40 kWh/m²

All properties environmentally certified

(HållFast certification of properties in operation)

in **2025**

Heba's stock and financing shall be entirely green.

as of **2030**

All tenants to have sustainable leases

(March 2025: about 50%)

by **2030**

Sustainability events Q1 2025

Preparations for CSRD reporting continue

Heba's preparations for CSRD reporting are ongoing. We intend to forge ahead with this even if Europe passes the proposal to reduce the scope of reporting requirements and which companies are affected. Heba already has a structured approach to ESG and CSRD requirements are helping prioritise our roadmap moving forward. We need knowledge and digitalisation to succeed.

Energy use

At the end of Q1 2025, Heba's energy use was 73 kWh/m². The work to reach the target of 40 kWh/m² by 2030 is progressing. To achieve the target, the properties must qualify for energy class C or better.

All parking spaces must be EV-equipped by 2030

Share of EV parking spaces, 31 March 2025

26%

Training programme

The Heba internal training programme, where we gather to learn more about a specific topic, is ongoing. Trainings may be led by one of our expert employees or an external specialist. The first training of the year dealt with IT security and how we as individuals should think and act to protect ourselves.

Audit of management systems with zero non-conformances

Heba has been quality and environmentally certified according to ISO 14001 and 9001 for several years. Heba passed the annual audit of its management systems with zero non-conformances. The management systems are an important foundation for continuous improvements and completing the digitalisation that will be required to achieve our targets going forward.

Significant suppliers have submitted self-assessments

Heba's significant suppliers have signed the Code of Conduct and thus committed to adhering to Heba's core values and ESG standards. The suppliers completed and submitted self-assessments in Q1 as an aspect of monitoring compliance, which we will follow up with an audit in Q2.

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Revenue and profit

Rental income increased to SEK 150.9m (135.9) mainly due to acquisitions closed in 2024. Property costs amounted to SEK 42.7m (42.0). Net operating income improved by 15% year-over-year to SEK 108,2m (93,8). Income from property management increased in Q1 by 0.6% to SEK 55.0m (54.6). Net financial expenses for the quarter amounted to SEK -40.7m (-27.0) in Q1. Unrealised changes in the value of investment properties and interest rate derivatives amounted to SEK 23.8m (-38.0). Profit before tax was SEK 74.5m (-32.5), corresponding to SEK 0.45 per share (-0.20) and profit after tax was SEK 53.5m (-40.1) or SEK 0.32 per share (-0.24).



Investments and disposals

Elderly care facility in Enköping

Heba closed an agreement in November 2024 with Krusleden Fastighets AB, a company in the Hemsö Group, to acquire an elderly care facility in Romberga, Enköping. The facility comprises 54 apartments. Ownership was transferred in December 2024 when Heba acquired the shares in the company. The agreed property value corresponds to SEK 206m. Costs incurred amount to SEK 199.0m in consideration of received rebates, including SEK 0.2m in Q1 2025. The investment is estimated at about SEK 200 million.

Residential rental property in Källberga, Nynäshamn

Heba closed an agreement in October 2021 with a company controlled by MAMA Management AB to acquire rental apartments in Källberga Nynäshamn. The deal was executed as a forward funding transaction in which Heba acquired the shares in the company, which entered into a turnkey contract. Ownership was transferred in November 2022. The parties agreed in Q2 2024 that Heba would take over and execute

the project under its own management. The properties comprise 128 rental apartments, 13 of which are located in terraced houses. A general contract was signed in Q2 2024 and production began in Q3 for completion in 2026. Costs incurred amount to SEK 124.9m, including SEK 34.3m in Q1 2025. The estimated investment has risen to SEK 400m due to the increase in lettable space for the project and the increase in costs since 2021.

Other investments

Other new investments amount to SEK 2.2m (7.5).

SEK 17.4m (23.4) was invested in value-add measures in other properties during the period.

The total investment in investment properties in Q1 was SEK 54.1m (367.0).

SEK 2.9m (-0.1) was invested in other non-current assets during the period.

Disposals

There were no disposals of assets in Q1 2025.



Källberga Nynäshamn

Investments

Property	Location	No. of apts	Property type	Transfer of ownership	Construction start	Completion year	Cumulative investment (SEKm)	Estimated investment (SEKm)	Estimated NOI (SEKm)
Romberga 23:54	Enköping	54	Elderly care facility	Dec 2024			199	200	10.4
Källberga (Sittesta 2:48, 2:49 and 2:53)	Nynäshamn	128	Residential rental units	Nov 2022	2024	2026	125	400	16.25
Total		182					324	600	26.65



Vårbergstoppen, Vårberg

Partnerships

Vårbergstoppen

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

Framtidens Stora Sköndal

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

Skärgårdsskogen Skarpnäck

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

Partnerships

Property	Location	No. of apts	Property type	Acquisitions	Construction start	Completion year	Estimated investment, SEK ¹⁾
Vårbergstoppen	Vårberg	300	Rental apartments	Oct 2020	Q2 2021	2024/2025	800
Stora Sköndal	Sköndal	260 340	Rental apartments Commonhold apartments	Nov 2020			2,000
Skärgårdsskogen	Skarpnäck	100	Commonhold apartments	Sep 2021			250
Total		1,000					3,050

1) Heba's share is 50%.

Property valuation

The market value of the properties was SEK 13,661.3m as at 31 March 2025 according to valuations performed, as compared to SEK 13,589.2m at the end of 2024. One third of all of the Group's properties, excluding project properties in early phases, were valued externally, half by Savills Sweden AB and half by Novier Real Estate AB. Other properties including project properties in earlier phases have been valued internally. These properties are categorised at Level 3 of the fair value hierarchy according to IFRS 13, meaning that the value is based on analysis of each property's status and rental/market situation.

LTV and average interest rate on property loans (%)



Changes in the carrying amount of investment properties:

Investment properties (SEKm)	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec
Carrying amount at the beginning of the period	13,589.2	12,773.2	12,773.2
Acquisitions and new builds	36.6	344.3	809.3
Investments in existing properties	17.4	22.8	78.8
Disposals	-	-	-110.0
Change in value	18.1	-52.8	37.9
Carrying amount at the end of the period	13,661.3	13,087.5	13,589.2

Approach

Heba has decided to perform internal valuation of two thirds of the property portfolio and external valuation of one third of the portfolio in conjunction with the end of each quarterly reporting period. In conjunction with the end of the annual reporting period, all properties owned by the Group will be externally valued apart from the exceptions mentioned above. As of the reporting date, one of the properties had been valued by both external and independent valuation firms and the recognised fair value of the property is the average of the aforementioned valuations. Discounted cash flow (DCF) is the principal valuation method applied, where an estimated future net operating income is calculated over an estimation period of five to ten years that takes into account the present value of an assessed market value at the end of the estimation period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the properties. Comparison and analysis of completed real estate transactions in each sub-market were also performed. The average yield requirements were 4.5% (4.2) for externally valued community service property and 3.3% (3.1) for residential property. The total average yield requirement for externally valued properties is 3.6% (3.4). The total valuation uplift was 0.1% (-0.4) during the period of January-March. There were no transactions for the types of properties owned by Heba in the most recent quarter that

indicate a change in yield requirements. Yield requirements for community service properties used for elderly care facilities have been assessed as unchanged. Consequently, value growth was unchanged or slightly positive for this category in the most recent quarter. Value growth for residential properties has also generally assessed as slightly positive or unchanged in the most recent quarter. The value growth has been determined as driven by rental growth and not by changed yield requirements.

Financial position

Cash and cash equivalents amounted to SEK 19.1m (40.0). Equity amounted to SEK 6,504.0m (6,397.4), corresponding to an equity ratio of 45.6% (46.6). The LTV ratio was 44.6% (44.1) and the base LTV ratio was 44.4% (43.8).

Cash flow from operating activities after changes in working capital amounted to SEK 42.4m (39.8). Interest-bearing liabilities increased to SEK 6,090.3m (5,777.8). Of that amount, SEK 0.0m (0.0) consists of the used portion of overdraft facilities of SEK 140.0m (132.0) and SEK 1,831.1m (546.2) accrues interest at a variable rate.

Heba has a commercial paper programme with a distributable amount framework of SEK 4,000m. Heba had outstanding commercial paper of SEK 623m (150) at the end of the interim reporting period. Heba always has liquidity or unused credit commitments that cover outstanding commercial paper upon maturity.

At the end of the reporting period, the average interest rate was 2.69% (2.52). Unused credit commitments amount to SEK 2,040.0m (2,032.0), including the unused portion of the overdraft facility.

There are no liabilities denominated in foreign currencies.

Pledged collateral and guarantee commitments

Collateral pledged for interest-bearing liabilities amounted to SEK 3,850.3m (4,632.3). The parent company has issued guarantee commitments for credit facilities of SEK 277m in relation to a residential project in Vårbergstoppen.

Fixed interest rate structure

The fixed interest rate structure and average interest rates as at 31 March 2025 are shown on the following table.

Fixed interest rate structure 31 Mar 2025

Maturity	Volume (SEKm)	Average interest rate (%)	Share (%)
< 1 year	1,831.1	4.97	30
1–2 years	450.0	1.92	7
2–3 years	750.0	1.76	12
3–4 years	1,150.0	2.18	19
4–5 years	880.0	1.60	15
5–6 years	100.0	1.29	2
6–7 years	929.2	2.20	15
7–8 years	-	-	-
8–9 years	-	-	-
9–10 years	-	-	-
Total	6,090.3	2.85	100

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

In order to interest-rate hedge variable rate interest-bearing liabilities, Heba contracted interest rate swaps totalling

SEK 3,400.0m (3,950.0) at the end of the reporting period, which mature between 2025 and 2031, of which SEK 400m are swap futures with start dates in 2025 and 2026.

Interest rate derivatives are recognised at fair value at each quarterly reporting period and the change is recognised in the statement of comprehensive income. As at 31 March 2025, the fair value of the derivatives was SEK 60.7m (114.2).

All interest rate derivatives are measured based on quoted prices in official markets or according to generally accepted calculation methods. The derivatives are classified at Level 2 according to IFRS 13. A netting provision is found in the ISDA Master Agreement that provides the right to set off receivables against payables to the same counterparty. Heba has determined that there are no material differences between the fair value and the carrying amount of financial instruments apart from interest-bearing liabilities, where fair value exceeds the carrying amount by SEK 31.7 million.

Cash conversion cycle structure

The cash conversion cycle structure for Heba's property loans as at 31 March 2025 is shown on the following table.

Cash conversion cycle structure 31 Mar 2025

Maturity	Credit agreement (SEKm)	Used (SEKm)
Commercial paper programme	4,000.0	623.0
< 1 year	1,505.0	1,365.0
1–2 years	1,090.0	490.0
2–3 years	2,150.0	850.0
3–4 years	440.0	440.0
4–5 years	959.4	959.4
5–6 years	500.0	500.0
6–7 years	679.2	679.2
7–8 years	183.8	183.8
8–9 years	-	-
9–10 years	-	-
Total	11,507.3	6,090.3

The average cash conversion cycle of the loan portfolio, including loan commitments, was 3.3 years (3.8) and the average fixed interest duration was 2.9 years (3.8).

Rating

Heba was given a long-term issuer credit rating of BBB, Stable Outlook, by Nordic Credit Rating in Q1 2025.

MTN programme for issuance of bonds

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

EU Green and Sustainability-Linked

Financing Framework

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



Modern properties in attractive locations in Stockholm and Mälaren

At the end of Q1 2025 Heba owned 58 properties to a total value of SEK 13.7bn. The portfolio is comprised of residential properties and community service properties oriented towards elderly care facilities. Heba's hallmark is modern

properties in attractive locations in the Stockholm and Mälaren regions. Pictured here is Heba's residential rental property in Älvdansen, Enköping (property designation Romberga 23.58).

[Read more, external link](#)

Lease liability

Heba's ground lease agreements are the most important lease agreements where Heba is the lessee. There are also a few leases of minor value that refer primarily to office equipment. The lease liability for ground leases amounted to SEK 143.9m (127.4) as at 31 March 2025. The amount was calculated at an average marginal interest rate of 3%. The cost of ground lease payments is recognised as a financial expense because the ground lease agreements are perpetual and thus the entire payment consists of interest only because there is no amortisation of the lease liability. The cost in legal entities is treated as ground lease payments and is included in NOI.

Significant risks and uncertainties

Rental income

Approximately 73% of Heba's total rental income is derived from residential tenants. The vacancy rate is very low and rents are relatively certain and predictable. All of Heba's properties are located in the Stockholm and Mälaren regions and are in desirable locations where demand is high.

Operating costs

Heating costs are Heba's largest operating cost item. The majority of the property portfolio is connected to the district heating network. Eight properties are heated mainly with geothermal heat pumps. Heba is actively engaged in reducing energy use in the property portfolio but heating costs can vary from year to year depending on weather conditions and energy prices.

Market value

The market value of the total property portfolio varies depending on the current economy and interest rate situation. When the property yield requirement in relation to the normalised net operating income (NOI) of the valuation falls by 0.5%, the market value rises by more than SEK 2.2bn. If the property yield rises by 0.5%, the market value will fall by more than SEK 1.7bn.

Finance policy

Heba's finance policy governs how financial risks must be managed and sets limits, as well as determines which financial instruments can be used. Heba has a relatively low LTV ratio. However, the Group is exposed to risks including interest rate risk due to interest-bearing borrowings. Interest rate risk refers to the risk of adverse impact on the Group's financial performance and cash flows due to changes in the market interest rate. How quickly a persistent change in interest levels affects consolidated net financial income depends on the fixed interest duration of borrowings. In order to limit the effect of changes in interest rates, about 70% of the total loan principal has been interest hedged for more than one year. Heba works continuously with the maturity structure of borrowings to optimise fixed interest terms and purchases of interest rate derivatives with regard to expected interest rate changes to ensure that favourable loan terms are achieved. Heba's current interest-bearing liabilities of SEK 1,988m comprise commercial paper of SEK 623m, bonds of SEK 1,100m and bank loans of SEK 265m. The company intends to redeem the bonds at maturity and refinance the remaining debt. As needed, the debt can be secured against the company's loan commitments of SEK 1.9bn.

Accounting policies

Heba complies with International Financial Reporting Standards (IFRS) adopted by the EU and interpretations of the same (IFRIC).

This interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. The accounting policies applied to the Group and the parent company coincide with the accounting policies applied when preparing the most recent annual report.

Heba follows ESMA Guidelines on Alternative Performance Measures of 3 July 2016 (APMs). The guidelines cover financial performance measures that are not defined under IFRS. The principle behind APMs is that they should be used by management to assess the financial performance of the company and are thus deemed to provide valuable information to analysts and other stakeholders. Calculations of APMs are available on Heba's investor relations website, ir.hebafast.se

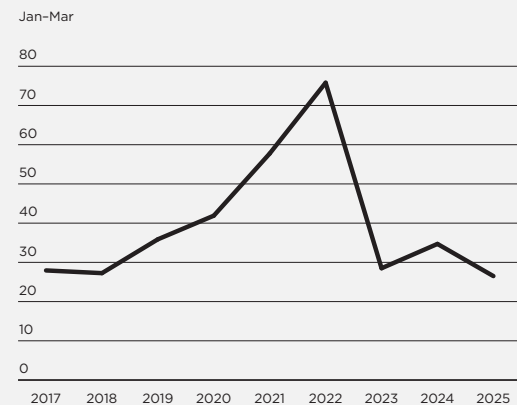
The Heba share

Heba's Class B share is listed on Nasdaq Stockholm AB, Mid Cap. Information about the number of shareholders and the ten largest shareholders is available on Heba's investor relations website, ir.hebafast.se

Dividend

The board of directors is proposing a dividend of SEK 0.52 per share for the 2024 financial year. The dividend corresponded to a dividend yield of about 1.6% based on the share price as at 31 December 2024. If the annual general meeting endorses the board proposal, the dividend is expected to be paid on 2 May based on the record date of 28 April 2025.

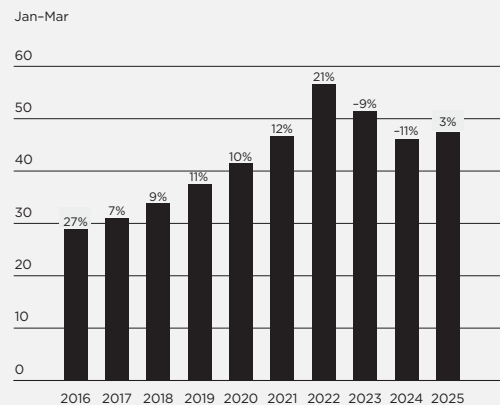
Share price performance 2017-2025 (SEK)



Share buyback

The 2024 AGM mandated the board of directors to acquire a maximum of 10,000 shares during the period until the next AGM. The company held 9,400 treasury shares as at 31 March, corresponding to 0.01% of registered shares outstanding.

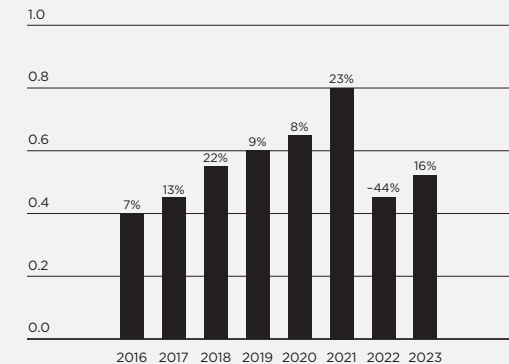
NAV (Net Asset Value) per share (SEK)



Ownership structure, 31 Mar 2025

Name	Total number of Class A shares	Total number of Class B shares	Equity (%)	Votes (%)
IC Industricentralen Holding AB		21,020,618	12.73	6.89
Ericsson, Charlotte	1,998,320	8,661,897	6.46	9.39
Vogel, Johan	1,866,240	8,340,978	6.18	8.85
Vogel, Anna	1,866,240	8,180,992	6.08	8.80
Holmbergh, Christina	1,848,320	7,819,608	5.86	8.62
Eriksson, Anders	1,828,320	6,621,836	5.12	8.16
Härnblad, Birgitta Maria	2,065,640	6,059,936	4.92	8.75
Ericsson, Ulf		6,290,000	3.81	2.06
Spiltan Aktiefond Stabil		4,903,671	2.97	1.61
Sundström, Maria	635,680	2,890,000	2.14	3.03
Total, largest shareholders	12,108,760	80,789,536	56.26	66.15
Other shareholders	3,455,962	68,765,742	43.74	33.85
Total	15,564,722	149,555,278	100.00	100.00

Dividend (SEK/share)



Parent company

Rental income in the parent company amounted to SEK 60.2m (58.5) and profit before appropriations and tax was SEK 23.9m (10.7).

Events after the end of the reporting period

Heba signed an agreement with Credentia after the end of the interim period regarding acquisition of an elderly care facility in Norrtälje. The deal was executed as a corporate transaction in which Heba will take ownership of the shares and thus, indirectly, the properties, in conjunction with completion of the project in autumn 2026.

Stockholm, 23 April 2025

Heba Fastighets AB (publ)

Patrik Emanuelsson
Chief Executive Officer

Information

The information in this interim report is such that Heba Fastighets AB is required to publish according to the Swedish Securities Market Act. The information was released for publication on this date.



Styrmannen 1, Lidingö



Skridskon 1, Västertorp

Current earnings capacity

Heba's current earnings capacity is presented below on a twelve-month basis as at 31 March 2025, including the entire property portfolio as of the reporting date.

Current earnings capacity is disclosed in connection with interim reports and year-end reports. It is important to understand that the presentation is a snapshot, and not a forecast for the next twelve months. Earnings capacity does not include any assessment of any changes in rentals, vacancies, costs or interest rates. Heba's consolidated statement of comprehensive income is also affected by the value trend for the property holdings and by derivatives. These factors are not considered in current earnings capacity.

Properties acquired and exited and projects completed during the period are extrapolated at an annual rate. Deductions are made for disposals of properties that have been exited, on a full-year basis. No deductions are made for properties for which sale agreements have been made but have not yet closed.

Assumptions for current earnings capacity

Rental value consists of contracted rental income for the entire property portfolio, including known rent increases and index adjustments for 2025. Negotiations for the majority of residential units in the property portfolio had been concluded and rents for 2025 set as of the reporting date. A rent uplift of 1% corresponds to an increase of about SEK 3m in rental value.

Vacancy is assumed according to the current vacancy rate and contracted discounts. Other income and operating and maintenance costs are assumed, based on budgeted costs for a normal year. Property tax is calculated based on current assessed values for tax purposes.

Central administration and profit or loss from investments in jointly controlled entities are calculated based on outcomes and extrapolated for the full year.

Financial income is calculated based on outcomes and extrapolated for the full year, less non-recurring items. The costs of interest-bearing liabilities are based on the average interest level for the group, including the effect of derivative instruments. Ground rent is calculated based on current ground leases and is included in net financial income or expense.

SEKm	31 Mar 2024
Rental value	604
Vacancy, discounts and other income	-2
Rental income	602
Operating costs	-159
Maintenance costs	-4
Property tax	-5
Net operating income (NOI)	434
Central administration	-40
Profit or loss from investments in jointly controlled entities, current ¹⁾	-4
Net financial income (- expenses)	-160
Income from property management	230

¹⁾ This does not include commonhold apartment income and other items affecting profit or loss per disposals within investments in jointly controlled entities.

Consolidated statement of comprehensive income

SEKm	2025 Jan–Mar	2024 Jan–Mar	2024/2025 Apr–Mar	2024 Jan–Dec
Rental income	150.9	135.9	576.8	561.8
Property costs				
Operating costs	-40.7	-40.1	-151.3	-150.6
Maintenance costs	-0.6	-0.6	-2.3	-2.3
Property tax	-1.4	-1.4	-5.1	-5.1
Net operating income (NOI)	108.2	93.8	418.1	403.8
Central administration	-10.1	-10.7	-38.3	-38.9
Profit or loss from investments in jointly controlled entities	-5.7	-40.5	-15.2	-49.9
Financial income	3.9	8.0	21.0	25.2
Interest expenses	-44.5	-35.0	-171.6	-162.1
Interest expenses, leases	-1.1	-0.9	-4.0	-3.8
Profit including changes in value in jointly controlled entities	50.6	14.6	210.2	174.2
<i>Of which income from property management ¹⁾</i>	55.0	54.6	215.8	215.5
Impairments of financial assets	-	-9.0	-9.0	-18.0
Gain or loss from disposals of property	-	-0.1	-7.0	-7.2
Change in value, investment properties	18.1	-52.8	108.7	37.9
Change in value, interest rate derivatives	5.8	14.8	-53.5	-44.5
Profit or loss before tax	74.5	-32.5	249.4	142.4
Current tax	-	-0.1	-2.4	-2.5
Deferred tax	-21.0	-7.5	-54.7	-41.3
Profit or loss for the period	53.5	-40.1	-57.1	98.7
Other comprehensive income	-	-	-	-
Comprehensive income for the period	53.5	-40.1	192.3	98.7
Per share data				
Profit or loss after tax, SEK ²⁾	0.32	-0.24	1.16	0.60
Dividend (2024 proposal), SEK	0.52	0.52		0.52
Total dividend (2024 proposal), SEK 000s	85,858	85,854		85,858

¹⁾ Income from property management does not include changes in value attributable to jointly controlled entities.

²⁾ There is no dilutive effect as there are no potential ordinary shares. There are no non-controlling interests.

Condensed consolidated statement of financial position

SEKm	2025 31 Mar	2024 31 Mar	2024 31 Dec
ASSETS			
Intangible assets	9.6	5.1	9.8
Investment properties	13,661.3	13,087.5	13,589.2
Right-of-use assets	143.9	127.4	143.9
Property, plant and equipment	11.6	6.8	10.4
Investments in jointly controlled entities	0.9	0.4	1.0
Financial non-current assets	261.7	310.7	276.0
Other non-current securities holdings	0.1	9.1	0.1
Interest rate derivatives	60.7	114.2	55.0
Current assets	85.0	40.2	44.6
Cash and cash equivalents	19.1	40.0	36.5
Total assets	14,253.9	13,741.5	14,166.4
EQUITY AND LIABILITIES			
Shareholders' equity	6,504.0	6,397.4	6,450.5
Non-current interest-bearing liabilities	4,102.3	4,859.9	4,352.9
Deferred tax liabilities	1,388.5	1,333.8	1,367.6
Lease liabilities	143.9	127.4	143.9
Other non-current liabilities	13.3	-	8.3
Tax liability	3.0	0.2	3.1
Current interest-bearing liabilities	1,988.0	918.0	1,724.0
Other current liabilities	110.9	104.9	116.2
Total liabilities	7,749.9	7,344.1	7,715.9
Total equity and liabilities	14,253.9	13,741.5	14,166.4

Consolidates statement of changes in equity

SEKm	Share capital	Other capital contributions	Retained earnings	Total equity attributable to shareholders in the parent
Opening balance, 1 Jan 2024	34.4	6.9	6,396.2	6,437.5
Comprehensive income for the period			-40.1	-40.1
Closing balance, 31 Mar 2024	34.4	6.9	6,356.1	6,397.4
Opening balance, 1 Apr 2024	34.4	6.9	6,356.1	6,397.4
Comprehensive income for the period			138.8	138.8
<i>Transactions with owners</i>				
Share reissuance			0.2	0.2
Dividend			-85.9	-85.9
Closing balance, 31 Dec 2024	34.4	6.9	6,409.3	6,450.5
Opening balance, 1 Jan 2025	34.4	6.9	6,409.3	6,450.5
Comprehensive income for the period			53.5	53.5
Closing balance, 31 Mar 2025	34.4	6.9	6,462.8	6,504.0

Condensed consolidated cash flow statement

SEKm	2025 Jan–Mar	2024 Jan–Mar	2024 Jan–Dec
OPERATING ACTIVITIES			
Profit or loss before tax	74.5	-32.5	142.5
<i>Adjustment for non-cash items</i>			
Less share of profit or loss in jointly controlled entities	5.7	40.5	49.9
Amortisation, depreciation and impairments of assets	1.0	9.8	21.8
Change in value, investment properties	-18.1	52.8	-37.9
Change in value, derivative instruments	-5.8	-14.8	44.5
Other profit and loss items not affecting liquidity	-4.7	-5.8	-3.2
Tax paid	-2.1	-0.1	-0.5
Cash flow from operating activities before changes in working capital	50.6	49.9	217.1
Change in working capital	-8.2	-10.1	-2.9
Cash flow from operating activities	42.4	39.8	214.2
INVESTING ACTIVITIES			
Investments in investment properties	-53.9	-367.0	-900.5
Investments in financial assets	-0.2	-	-0.4
Other investments	-2.9	0.1	-9.0
Investments in associates	-	-	-
Dividends received from associates	-	7.7	13.5
Change in non-current receivables	-17.4	-38.0	3.4
Sales of investment properties	-	0.9	104.8
Disposals of other non-current assets	1.1	-	0.6
Cash flow from (-used in) investing activities	-73.1	-396.4	-787.5
FINANCING ACTIVITIES			
Borrowings	600.0	310.0	1,093.0
Repayment of loans	-586.6	-160.6	-644.6
Share buyback	-	-	-
Dividend paid	-	-	-85.9
Cash flow from financing activities	13.4	149.4	362.6
Cash flow for the period	-17.4	-207.2	-210.7
Cash and cash equivalents at the beginning of the period	36.5	247.2	247.2
Cash and cash equivalents at the end of the period	19.1	40.0	36.5

Segment reporting, Group

January–March 2025 SEKm	Central city	Stockholm Immediate sub- urbs	Northwest	Northeast	Southwest	Southeast	Group
Rental income	15.5	39.5	12.3	51.7	26.9	5.0	150.9
Property costs	-4.9	-12.8	-3.3	-13.2	-7.5	-1.1	-42.7
Net operating income (NOI)	10.7	26.7	9.0	38.6	19.3	3.8	108.2
Investment properties, carrying amount	1,776.6	3,671.9	1,000.4	4,469.3	2,251.4	491.7	13,661.3

January–March 2024 SEKm	Central city	Stockholm Immediate sub- urbs	Northwest	Northeast	Southwest	Southeast	Group
Rental income	14.4	39.1	8.8	47.7	24.5	1.3	135.9
Property costs	-4.8	-13.4	-2.7	-13.4	-7.6	-0.1	-42.0
Net operating income (NOI)	9.6	25.7	6.1	34.3	16.9	1.2	93.9
Investment properties, carrying amount	1,742.2	3,695.7	795.4	4,219.2	2,216.3	418.7	13,087.5

Consolidated net operating income (NOI) as above coincides with recognised NOI in the statement of comprehensive income. The difference between NOI of SEK 108.2m (93.8) and profit before tax of SEK 74.5m (-32.5) consists of: central administration, SEK -10.1m (-10.7); interest expenses, leasing, SEK -1.1m (-0.9); net financial expense, SEK -40.6m (-27.0); loss from investments in associates, SEK -5.7m (-40.5); impairments of financial assets, -0.0m (-9.0); profit or loss from disposals of property, SEK -0.0m (-0.1); and change in value, SEK 23.8m (-38.0).

Heba's business includes management of a homogeneous property portfolio. No material differences in terms of risks and opportunities are deemed to exist. The Group's internal reporting system is structured to track geographical areas. Segment reporting as above is consistent with internal reporting to management.

The distribution per property category for January-March 2025 is as follows:

SEKm	Residential properties	Community service properties	Group
Rental income	110.5	40.3	150.9
Property costs	-35.3	-7.3	-42.7
Net operating income (NOI)	75.2	33.0	108.2
Investment properties, carrying amount	10,497.1	3,164.2	13,661.3

Parent company income statement

SEKm	2025 Jan–Mar	2024 Jan–Mar	2024 Jan–Dec
Rental income	60.2	58.5	237.1
Property costs			
Operating costs	-23.7	-24.1	-90.3
Maintenance costs	-0.9	-0.7	-3.2
Property tax	-0.9	-0.9	-3.4
Ground lease payments	-0.8	-0.6	-2.5
Net operating income (NOI)	34.0	32.2	137.8
Depreciation of properties	-6.5	-6.5	-26.2
Gross profit	27.5	25.7	111.5
Central administration	-10.0	-10.7	-38.4
Gain or loss from disposals of property	-	-	-8.8
Profit or loss from investments in Group companies	-	-29.0	36.0
Financial income	26.2	21.0	96.0
Interest expenses	-25.5	-11.0	-60.4
Change in value, derivative instruments	5.8	14.8	-44.5
Profit or loss after net financial income or expenses	23.9	10.7	91.5
Appropriations	-	-	43.1
Current tax	-	-	-
Deferred tax	-2.8	-9.5	-13.3
Profit or loss for the period	21.2	1.3	121.2

Condensed parent company balance sheet

SEKm	2025 31 Mar	2024 31 Mar	2024 31 Dec
ASSETS			
Intangible assets	9.6	5.1	9.8
Property, plant and equipment	2,374.2	2,387.1	2,365.9
Financial non-current assets	3,996.3	3,090.3	3,685.0
Derivative instruments	60.7	114.2	55.0
Current receivables	141.3	770.5	136.5
Cash and cash equivalents	18.5	39.3	30.1
Total assets	6,600.6	6,406.6	6,282.3
EQUITY AND LIABILITIES			
Shareholders' equity	2,225.9	2,170.4	2,204.7
Untaxed reserves	2.5	2.7	2.5
Provisions	220.5	213.9	217.7
Non-current liabilities	2,313.5	3,508.9	2,874.1
Current liabilities	1,838.2	510.7	983.2
Total liabilities	4,374.7	4,236.2	4,077.6
Total equity and liabilities	6,600.6	6,406.6	6,282.3

Key figures, Group

	2025 Jan–Mar	2024 Jan–Mar	2024 Jan–Dec	2023 Jan–Mar	2022 Jan–Mar	2021 Jan–Mar
Property-related key figures						
Lettable time-weighted area, 000s m ²	263	257	257	302	267	254
Property yield, % ¹⁾	3.2	2.9	3.0	2.5	2.1	2.3
Rental income per m ² , SEK	2,292	2,115	2,182	1,890	1,752	1,679
Property costs per m ² , SEK	648	655	614	633	601	572
Carrying amount per m ² , SEK	51,882	50,689	51,599	51,279	55,232	47,906
Financial key figures						
Cash flow, SEKm ²⁾	42.4	39.8	214.2	80.3	30.5	41.4
Investments, SEKm	57.0	367.0	899.5	86.3	118.4	121.4
NOI margin, % ^{3) 19)}	71.7	69.1	71.9	66.5	65.7	65.9
Property management margin, % ^{4) 19)}	36.4	40.2	38.4	51.7	47.7	45.6
Interest coverage ratio, multiple ^{5) 19)}	2.2	2.6	2.3	2.6	4.6	4.3
Average interest rate for property loans, % ^{6) 19)}	2.69	2.50	2.81	2.50	1.05	1.10
Debt/equity ratio, multiple ^{7) 19)}	0.9	0.9	0.9	1.1	0.8	0.8
LTV, % ^{8) 19)}	44.6	44.1	44.7	48.0	43.0	42.3
Net LTV, % ^{9) 19)}	44.4	43.8	44.5	47.8	40.0	40.7
Equity ratio, % ^{10) 19)}	45.6	46.6	45.5	42.8	47.7	47.4
Return on equity, % ^{11) 19)}	3.3	-2.5	1.5	-10.5	10.5	6.9
Return on total assets, % ^{12) 19)}	3.3	0.1	2.2	-4.4	6.9	4.5
Per share data						
Profit or loss after tax, SEK ¹³⁾	0.32	-0.24	0.60	-1.14	1.21	0.64
Cash flow, SEK ^{14) 19)}	0.26	0.24	1.30	0.49	0.19	0.25
Shareholders' equity, SEK ^{15) 19)}	39.39	38.75	39.07	42.62	46.59	37.74
NAV, SEK ^{16) 19)}	47.43	46.13	47.02	51.55	56.61	46.60
Share price, SEK ¹⁷⁾	26.50	34.70	32.75	28.50	75.80	57.75
Carrying amount, properties, SEK ^{18) 19)}	82.74	79.27	82.30	94.09	90.11	74.02
Shares outstanding at the end of the period, 000s	165,111	165,104	165,111	165,120	165,120	165,120
Average shares outstanding, 000s	165,111	165,104	165,104	165,120	165,120	165,120

Definitions

- 1) Net operating income in relation to the carrying amount of properties at the end of the period.
- 2) Income from property management less tax paid, adjusted for net interest paid and non-cash items and after changes in working capital.
- 3) NOI in relation to rental income.
- 4) Income from property management in relation to rental income.
- 5) Income from property management plus interest expenses in relation to interest expenses.
- 6) Average interest rate for property loans on the reporting date.
- 7) Interest-bearing liabilities in relation to visible equity at the end of the period.
- 8) Interest-bearing liabilities in relation to the carrying amount of properties at the end of the period.
- 9) Interest-bearing liabilities and declared dividend less cash and cash equivalents in relation to the carrying amount of properties at the end of the period.
- 10) Visible equity in relation to total assets at the end of the period.
- 11) Profit after tax in relation to average visible equity.
- 12) Profit or loss before tax excluding items affecting comparability plus interest expenses in relation to average total assets.
- 13) Profit or loss for the period in relation to average shares outstanding during the period.
- 14) Cash flow from operating activities in relation to average shares outstanding during the period.
- 15) Shareholders' equity in relation to shares outstanding at the end of the period.
- 16) Shareholders' equity plus interest rate derivatives and deferred tax liabilities in relation to shares outstanding at the end of the period.
- 17) Share price at the end of the period
- 18) Carrying amount of properties in relation to shares outstanding at the end of the period
- 19) Calculations of APMs are available on Heba's website, www.hebafast.se

Auditor's review report

Heba Fastighets AB (publ) CRN 556057-3981

Introduction

We have reviewed the condensed interim financial information for Heba Fastighets AB (publ) as of 31 March 2025 and the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The orientation of a review differs from and is substantially less in scope

than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed on the basis of a review therefore does not provide the level of assurance of a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report was not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 23 April 2025

Ernst & Young AB

Fredric Hävrén

Authorised Public Accountant

Heba Fastighets AB

Our core business is to own, manage and develop residential rental properties and community service properties in the Stockholm and Mälaren regions.

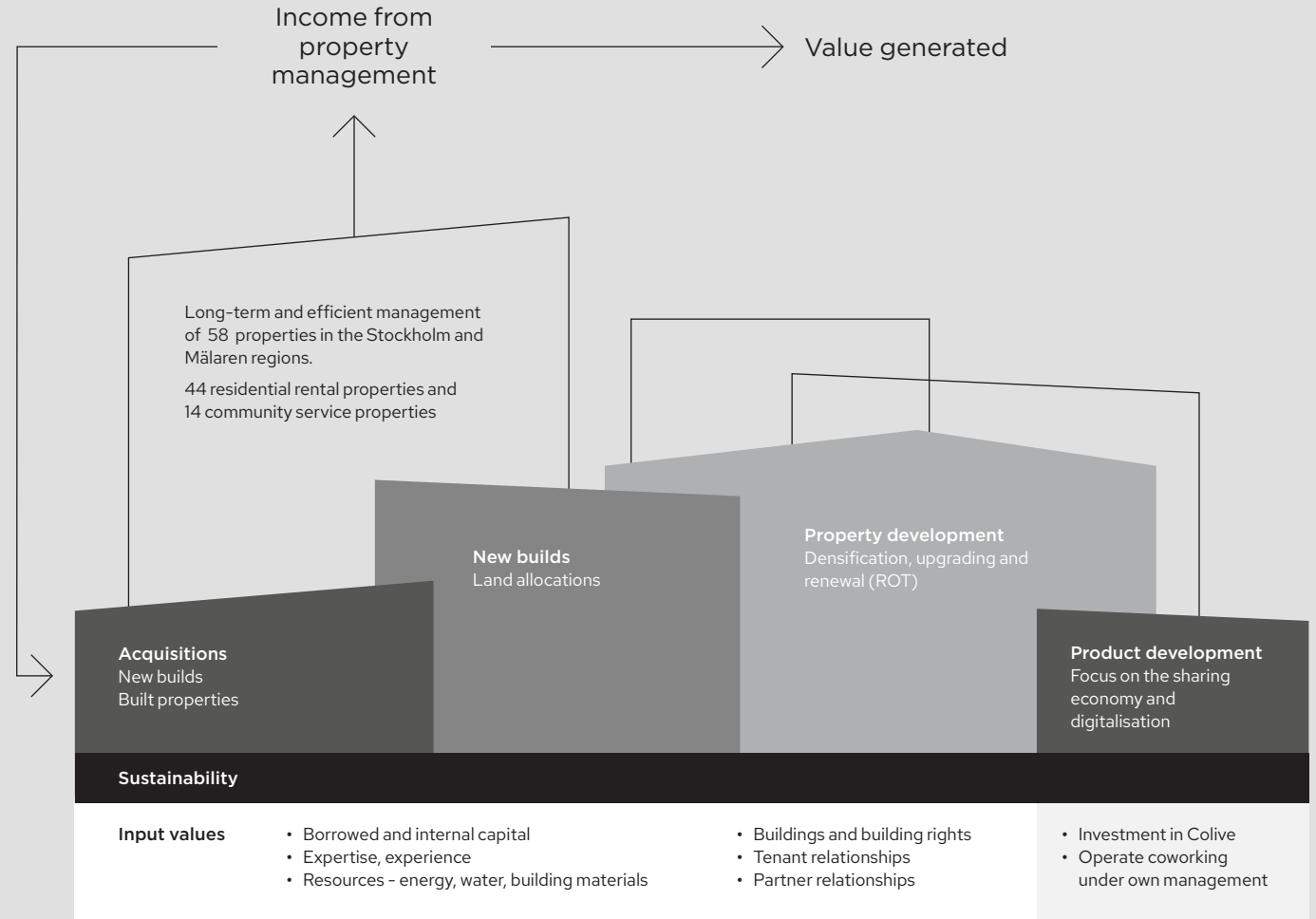
Our vision

We shall be the best in Sweden at creating secure and attractive homes and communities.

Our business concept

Heba is a long-term and experienced property owner that develops, owns and manages residential properties and community service properties in the Stockholm and Mälaren regions. On the strength of our expertise and commitment, we offer safe, secure and sustainable homes for people throughout various phases of their lives. We create value for shareholders and society through satisfied tenants, safer and more attractive communities and trustful partnerships.

Our value-creating business model



Financial calendar

Annual General Meeting

24 APR 2025

Interim Report January–June 2025

9 JUL 2025

Interim Report January–September 2025

22 OCT 2025

Year-end Report 2025

FEB 2026

Annual Report 2025

MAR 2026

Heba is a long-term and experienced property owner that develops, owns and manages residential properties and community service properties centrally located in the Stockholm and Mälaren regions. On the strength of our expertise and commitment, we offer safe, secure and sustainable homes with high amenity standards for people to enjoy living in throughout various phases of their lives. We create value for shareholders and society through satisfied tenants, safer and more attractive communities and trustful partnerships.

The Heba Group owns 58 properties, including 14 community service properties. These comprise 3,110 rental apartments, 825 apartments in elderly care facilities and 119 non-residential units. Heba was founded in 1952 and has been listed on Nasdaq Stockholm AB Nordic Mid Cap since 1994.

hebafast.se

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