



Welcome
to our new
digital world!

AR 25



A building stands where it stands. You might see it as a rather boring and entirely analogue phenomenon: brick, mortar, sheet metal, pipes, cables, windows and doors. But you can also understand the building in a completely different way. As an organism, one where our tenants live their lives, where they are happy and content with their homes and where everything works optimally. And one that, given the right care and upkeep, feels on top of the world and delivers the highest financial return.





Because we aim to be the best in Sweden at creating safe and attractive homes and communities, we are now undergoing a paradigm shift: We are becoming fully digital. We are transitioning to an entirely new approach in which digitalisation is becoming a key component of ensuring that our buildings – and our tenants – thrive. Welcome to our annual report and sustainability report. But that is not all. This is the story of how we are bringing digitalisation into everything we do.

Join us!



This is what we want to tell you about



Heba is blowing wind into its own sails. Now we are setting a course towards higher growth.

Patrik Emanuelsson, CEO



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The owner perspective. Small rearview mirror, wide windscreen

Johan Vogel & Christina Holmbergh, owners



Time to step on the gas. But wisely.

Hanna Franzén, CFO





Digitalisation that works.
Invisibly.

Ulrika Thorildsson, Head of IT and Digital Transformation



Many are putting the brakes on ESG.
We are accelerating.

Jonas Schneider, Interim Head of Sustainability



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The right projects in the right locations.
That is when Heba invests.

Henrik Fernström, Property Development Manager



Jan Berg takes the gavel.
He likes what he sees.

Jan Berg, Board Chair



Let's start with what happened in 2025



Heba and Peab JV agreement: Villa Primus on Lilla Essingen

Construction of the Villa Primus elderly care facility started this year in a central location in Stockholm. Heba and Peab are running the project in a JV. The facility comprises 160 elderly care apartments, a six-bed service housing unit and a small commercial unit on the ground floor. Read all about it page 52.

Income from property management, SEKm

221.6

(215.5)

LTV ratio

46,2%

(44.7)

Heba included in EPRA

The EPRA index is a hallmark of quality with high standards for transparency and quality in reporting, paving the way for foreign investors. Heba now reports EPRA NRV – Net Reinstatement Value (long-term NAV per share), and EPRA EPS (an EPS metric based on income from property management).

Acquired elderly care facility in Norrtälje, new build by Credentia

The new build comprises 60 elderly care apartments and the facility has been leased to Attendo. Planned closing in 2026. Read all about it page 51.

Construction has begun: Skridskon in Västertorp

Construction of Heba's 48 residential rental units in Västertorp began in December. The project is a densification of Heba's existing property. Occupancy is planned for 2027. Read all about it page 51.

Successful fish release to protect biodiversity

Heba is a main sponsor of the City of Stockholm's stocking of salmon and sea trout. This year, 150,000 sea trout were released in the coastal and inland waterways of Stockholm. An outstanding initiative for biodiversity in our community.

Carbon removal contract with Stockholm Exergi.

As the first property company in the world to do so, Heba signed a carbon removal contract with Stockholm Exergi entailing negative emissions. The aim is to mitigate climate impact. The 15-year contract covers carbon removal of 1,000 tonnes annually. The plant in Värtahamnen will open in 2029. Read all about it page 34.



Photo: Stockholm Exergi



Acquisition of 171 residential rental units in Vårberg

Heba has acquired Viggholmen 1 adjacent to the Vårbergstoppen park near the shore of Lake Mälaren. The apartments are fully let and will generate annual rental value of about SEK 25m. Ownership was transferred in January 2026.

Designated Green Equity by Nasdaq

Heba stock is now classified as green equity by Nasdaq Green Equity Designation. Several years ahead of the 2030 target. We meet the qualification criteria by a healthy margin. 80% of revenue is derived from green buildings, as is 81% of Capex and Opex. Zero turnover is derived from fossil fuel activities.

Heba bought back 9,902,200 Class B treasury shares in 2025.



Heba's operational certification for efficient property management

Heba has developed Hållfast, an internal environmental certification process for properties in operation. The objective is to quality-assure efficient and sustainable property management. All properties in the portfolio were certified during the year. Read all about it page 34.

Sustainable suppliers required

A sustainable company simply must use sustainable suppliers; anything else is unsustainable. All of Heba's key suppliers have signed the Code of Conduct. All were audited in 2025. Read all about it on page 37.

Record-low energy use: 67 kWh/m²

Heba's energy use was a record-low 67 kWh/m² at year-end. Proof of a job well done! The target is energy use of 40 kWh/m² by 2030. Read all about it on page 33.



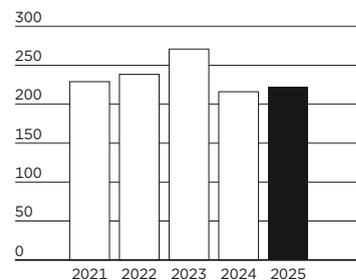
Satisfied tenants

This year's tenant survey (CSI) yielded several record-high scores.
Security index: 87.9% (2023: 87.8)
Attractiveness: 91.2% (91.2)
Product: 81.4% (80.8)
Service: 85.3% (85.7)

Key figures 2025

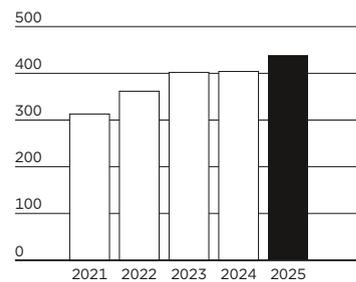
Income from property management, SEKm

222



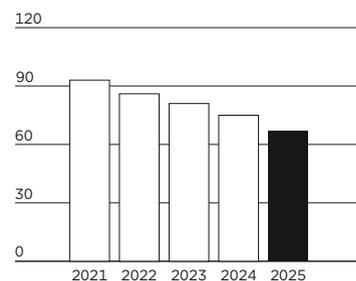
Net operating income (NOI), SEKm

439



Energy use,
degree-day corrected, kWh/m²

67



		2025	2024
Property-related key figures	Rental income, SEKm	605.4	561.8
	Lettable time-weighted area, 000s m ²	263.3	257.5
	Property yield, %	3.2	3.0
	Carrying amount per m ² , SEK	53,458	51,599
Financial key figures	Cash flow, SEKm	216.5	214.2
	Investments, SEKm	285.0	899.5
	Average interest rate, %	2.67	2.81
	Property management margin, %	36.6	37.4
	Loan-to-value (LTV) ratio, %	46.2	44.7
	Net LTV, %	46.1	44.5
	NOI margin, %	72.6	71.9
	Sustainability data	GHG emissions (Scope 1, 2 and 3), tonnes CO ₂ e	1,155
	Environmentally certified area, %	100	26
	CSI (conducted every two years)	85.3	85.7
	Total sickness absence, %	2	2
Per share data	Profit after tax, SEK	1.80	0.60
	Dividend (2025 proposal), SEK	0.55	0.52
	Share price as at 31 December, SEK	30.70	32.75
	EPRA NRV (Net Reinstatement Value, a long-term NAV metric), SEK	50.05	47.02

Definitions of key figures

Message from the CEO

Heba is blowing wind into its own sails. And we are now setting a course towards higher growth.



Heba blew wind into its own sails in a market that has been virtually becalmed. We have chosen to consistently focus on the issues under our control, where we can make a difference – our property management, ESG, efficiency and our long-term strategic choices. Our way of doing things has served the company well: 2025 was better than 2024, which was better than 2023.

Armed with discipline, clear priorities and strong execution capability we have built a company that stands on a stable foundation even when the market stands still. 2025 was challenged by persistent external uncertainty and a hesitant property market in which growth cannot be taken for granted.

High-quality portfolio and outstanding property management

Our property portfolio continues to evolve in the right direction. We made selective investments in community service properties during the year through acquisitions of elderly care facilities and a joint venture with Peab to develop an elderly care facility on Lilla Essingen in Stockholm. We also acquired Viggholmen, a residential property of 171 apartments in Vårberg. In parallel, we continued to streamline the portfolio by selling low-yield properties with major renovation needs.

The result is a portfolio defined by high quality, low renovation debt and stable cash flows. Our NOI margin of 72.6% is very strong indeed in the prevailing market and undeniable proof of efficient property management and cost control. Heba has significantly strengthened long-term income from property management on unchanged total area, which shows that the strategy works.

ESG as good business – not an afterthought

ESG is an area in which Heba has willingly shouldered responsibility and taken a position on the leading edge. Heba's stock was designated Green Equity by Nasdaq during the year. Over 80% of our revenue is now generated by green buildings. More than 80% of our new investments are green and we have phased out all fossil fuel-powered vehicles.

The investment in carbon removal through the Stockholm Exergi CCS plant was another important step during the year. This long-term commitment



“Digitalisation does not only support the organisation, it is a key aspect of how we will be working from here on.”



furthering our ambition to be carbon-neutral by 2030. Meanwhile, energy use is still decreasing and we have now reached a record-low 67 kWh/m² – well on the way towards to target of 40 kWh by 2030.

Financial strength and responsibility

We took definitive financial decisions in 2025. The buyback of about 6% of shares outstanding reflects our views on Heba’s long-term value and our financial strength. The membership in the EPRA index bolsters our position in the capital market and increases access for both Swedish and international investors.

Paradigm shift supported by digitalisation

Over the past seven years, we have shaped the property portfolio to maintain high quality and a high NOI margin. The property management organisation is delivering peak performance with low costs and high customer ratings. We have come a long way towards sustainability and might very well have set the most stringent environmental targets in the market. The project portfolio boasts projects in the right locations with favourable characteristics. Taking the company to the next level simply cannot be done by hanging on to traditional methods and accepting lack of growth in key metrics. That’s why we are revamping Heba to meet the future supported by digitalisation. The technology is mature, we have the expertise and we know how to use the predictability of the properties to work more proactively. We took further steps during the year towards a more data-driven and efficient organisation. Digitalisation does not only support the organi-

sation, it is a key aspect of how we will be working from here on. The opportunities embedded in the tech and our expertise are shaping the property company of tomorrow.

Looking ahead

The property market remains a challenge and it looks like the global uncertainty will persist. It is clear to me that future growth must primarily be created through our own decisions and our own hard work. Accordingly, we will continue evaluating our strategic targets, sharpening focus on efficiency, digitalisation and selective transactions – and be ready to act when opportunities arise. The right internal expertise and good partnerships are essential. I would like to extend my huge and sincere thanks to all employees for their outstanding efforts and excellent work, especially considering that we are in the midst of an extensive transformation.

Heba is strong and Heba is resolute. With a modern property portfolio, highly profitable property management, a good project portfolio and a stable financial position, our conditions for continued growth are favourable, even in a demanding market.

We are building Heba for the long term – with structure, responsibility and robust leadership.

Patrik Emanuelsson

CEO Heba Fastighets AB

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 ESG. The company is in prime position to meet future needs for housing and elderly care facilities.

Modern property portfolio in attractive locations

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

Low risk, high stability

NOI margin of 73% (Dec 2025) and nearly non-existent vacancies make Heba an eminently stable property company in the market. Long-term leases of elderly care facilities and rents that are consistently 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 Sustainability. Energy use in the property portfolio has decreased to 67 kWh/m² (Dec 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 KPIs combined with efficient in-house property management will generate dividends when property values rise again.

Definitive growth strategy

Heba will continue to grow through renovations, strategic acquisitions of community service properties and new builds of residential properties. Heba has built a strong position in community service properties, a sector characterised by stable demand and secure income. The project portfolio, including residential property in Källberga Nynäshamn, 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 the rising demand for elderly care facilities. The modern, sustainable property portfolio in attractive locations meets tenant demands.

Efficiency through digitalisation and AI

Heba is building a digital infrastructure by which the buildings are not only managed, but also monitored and analysed while learning independently. Digitalisation produces modern and efficient property management.

The Heba share

Interview with owners

Sötmandeln 2 Sirapsvägen 28, Hökarängen



The owner perspective.

Small rearview mirror, wide windscreen

"Heba has a legacy to nurture and protect. We look into the rearview mirror to learn what works and what doesn't. But our foremost task is to look ahead and help take Heba into the future. So, we have a wide windscreen." Christina Holmbergh and Johan Vogel have been along for the ride for ages. They are directors and major shareholders in the company.



Christina and Johan have lived with Heba for several decades. The cousins have real estate in their blood and work in the sector every day, in different ways. They have acquired comprehensive knowledge and deep insight into the industry. The long-term approach to ownership is a guarantor of the company's enduring stability. But does taking the long view restrain dynamism and willingness to change?

"Quite the opposite. We are constantly questioning old truths. We are buckled into the driver's seat but leaning forward and looking outward. It's the blend of yesterday, today and tomorrow that makes it so exciting. The company is stable and well-managed and moved swiftly into ESG and digitalisation, to give only a couple of examples," says Christina.

When security makes the difference

Property acquisitions, KPIs and strategies are always on the board's agenda, of course, but the soft values are also given considerable attention.

"We've built up an amazing property portfolio over the years, through both acquisitions and renovations. Presence and accessibility to tenants are also in Heba's DNA, which is top-of-mind in a lean and highly efficient organisation. You could say Heba is a company with both a razor-sharp brain and a huge heart," says Johan.

When the outside world is chaotic, home is a safe haven for most people. Peace of mind is not only a matter of keeping things in good order, it involves everything from the outdoor environment and lighting to the visible presence of caretakers and responsiveness to tenants' suggestions for improving safety and security.

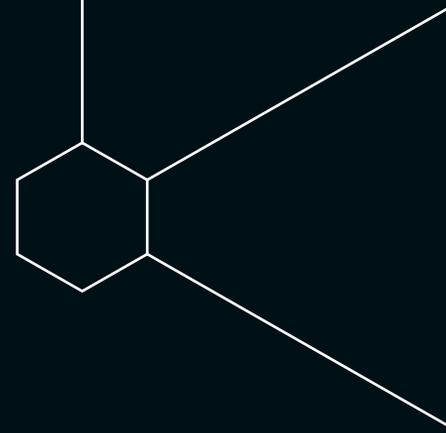
"For us, security has become a hallmark that makes us unique. It sets us apart from others and actually makes tenants seek us out. The whole involves continuous improvements, thinking differently and thinking along new lines," says Christina.

"We are buckled into the driver's seat but leaning forward and looking outward. It's the blend of yesterday, today and tomorrow that makes it so exciting."

A challenging future

"There is no lack of future challenges. Being on the forefront of sustainability is a position we are unwilling to give up. And digitalisation is a moving target that the board always has in its sights.

"We are taking our lofty ambitions in all areas with us as we move forward. It might have been easier to go with the flow, but that is not an option. There are so many great things, really exciting stuff, that we can do in the future, and we are going to keep heading down that road," says Johan.





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Global environment, targets and strategy

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Global environment, targets and strategy

The global environment and Heba – Opportunities in changing times

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

The housing market:

Long-term needs and opportunities

The Stockholm region is facing a persistent housing shortage, particularly in residential rental and community service properties housing elderly care facilities. Rents for new-build properties are unavoidably high due to high construction costs and interest rates. This in turn requires careful analysis of micro-markets to ensure that Heba operates where the purchasing power exists.

Climate transition:

An ESG leader

All social stakeholders must transition and take action to cut GHG emissions. Heba has had a distinct ESG strategy for a long time, by which we are actively working to reduce our climate impact. Our ambition is to achieve climate-neutral property management by 2030 and full climate neutrality by 2045.

Geopolitics:

Stability and proactivity generate security

Current issues that society must confront and address include trade conflicts, energy supply, increased security policy tensions and war in the immediate area. With its stable financial position and long-term approach combined with proactive management of cost increases, property operation and cyber security, Heba is highly resilient.

Technological progress and AI:

Smart property management

Technological advances are creating new opportunities to streamline property management. Nowadays, Heba can perform assessments off-site with no need to travel to the properties. We analyse anomalies, detect imminent problems with our early warning system for critical components and perform digital inspections and walkthroughs.

Demographic changes:

Growth in elderly care facilities

The 80+ population in Sweden is expected to increase by 50% by 2030, creating a severe need for elderly care facilities. Heba has a clear growth strategy in this segment involving both new builds and acquisitions.

Security and social responsibility:

A key aspect of our mission

Although insecurity remains a challenge in some areas of the country Heba has continued to work actively to create safe and pleasant neighbourhoods. We are creating positive social environments through our own initiatives and through partnerships with residents and local authorities.

The energy issue:

A strategic challenge and opportunity

As the electrification of society is ballooning the demand for energy, the property sector needs to work actively to improve energy efficiency and increase sustainable energy production. Heba is part of the solution and is driving progress with challenging energy reduction targets.

Rent regulation is challenging:

Heba adapts and develops

The Swedish rental market is heavily regulated, which sets limits on pricing and inhibits mobility. This creates lock-in effects and impedes investment in sustainable residential properties. Heba has overcome these issues and remained a successful market actor for more than 70 years by adapting to regulations, investing in renovation, energy efficiency and new builds. We are continuing to develop attractive residential properties and community service properties – even in a challenging market. We are also actively engaged in public debate surrounding the development of rental property.

Strategic framework



Our core values

Close at hand

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

Safe

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

Dedicated

We are open, considerate, hard-working and driven by the ambition to improve. There is always another step to take.

Financial targets 2025– 2030

Sustainable
growth with
financial stability

	Target	Outcome 2025
Income from property management – average annual growth	5% or better	+3%
LTV ratio – below 45% on average – never above 50%	45%	46.2%
NOI margin	>70%	72.6%
Market value of properties	>20 SEK bn	14.0 SEK bn
Community service properties – Share of NOI	20% or better	30%
Dividend – Share of income from property management adjusted for tax,	50% or better	50%

Sustainable growth strategy to reach financial targets

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

Expand the modern property portfolio



Heba is actively working with a strong project portfolio that includes new builds of residential rental properties, commonhold apartments and elderly care facilities. New building rights in ideal locations are part of Heba's business. Commonhold apartments are interesting if the deal is favourable or provides other upsides. We are generating growth through profitable acquisitions of modern residential properties and elderly care facilities, as well as project development, in parallel with disposals of low-yield properties.

Growth in Heba's geographical areas



Heba's strategy is to grow in attractive areas, including those where we already have a portfolio and there are opportunities for densification. We are actively engaged in project development to create building rights. Through partnerships, we ensure efficiency while achieving further opportunities to generate growth. We carry out careful micro-analyses to select locations where there is a target group with the capacity to pay for new-build apartments. Growing where we are already established also promotes efficient property management.

Master builder strategy for economic sustainability



To maintain a strong balance sheet, we are adopting a master builder strategy where we build to own part of a project and sell part. The projects are preferably run as joint ventures, which we enter into at a late phase and thus avoid the protracted detailed development planning process. Return on investment comes sooner, which allows us to create growth even though we are a small organisation. We apply the knowledge and experience gained in property management to new builds. We build low-energy buildings that can be managed efficiently and will stand the test of time.

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

ESG targets

	Target	Outcome 2025
Climate-neutral property management	by 2030	In progress
Entire organisation climate-neutral	by 2045	In progress
Reduced energy use – by 2030	40 kWh/m ²	67 kWh/m ²
All properties environmentally certified – HållFast certification of properties in operation	in 2025	Achieved
Heba's equity green.	from 2030	Achieved
Heba's financing 100% green.	from 2030	63%
All tenants to have sustainable leases	by 2030	53%

Overall strategy to achieve ESG targets

The strategy covers three areas: the environment, social sustainability and an organisation in which all parts are grounded in the economic perspective of sustainable growth.

We are working towards a climate-neutral business



“Green” is not merely a vision, it is a deadline. Heba’s target is climate-neutral property management by 2030 and full climate neutrality by 2045. Heba supports the 1.5 degree target of the Paris Agreement. To get there, we must limit the emissions caused by our activities. We are steadily reducing energy use and selecting high-quality, low climate-impact materials for new builds. It is also important to prepare the organisation for various scenarios caused by climate impact. Heba’s climate targets have been approved by the Science Based Target initiative (SBTi), which means that the climate targets are related to the emission reductions required to meet the Paris Agreement.

We are promoting an ethical and socially sustainable society



To Heba, social sustainability means running the business in an ethically, socially and environmentally responsible manner. We are community builders, committed to providing homes for different stages of life – secure, health-promoting and suitable housing for people of all ages. Among a great deal else, that includes delivering efficient service and caring for the outdoor environment. We also engage in social initiatives by partnering with and supporting various organisations working to strengthen fair and equitable conditions. To give more people the opportunity to secure housing, Heba has lowered the minimum income required to be approved for a lease.

Our employees are our most important resource



Being a fair employer is important to Heba. Our employees should be able thrive and flourish. Job satisfaction breeds commitment. Each and every one of us at Heba is involved in shaping the future. The company invests in its people, all of whom have individual career development plans. Heba is working actively to be an equitable and inclusive workplace that creates the conditions necessary to be a sustainable, customer-oriented company. Our working environment must be safe and secure from the physical and psychosocial perspectives. Towards that end, we take a proactive approach to minimising risk and preventing work-related accidents and illness.

Time to step on the gas. But wisely.

Most metrics are now at the right level and the curves are pointing in the right direction. The capital market is flourishing. For Heba right now, it is all about taking wise strategic initiatives that strengthen the portfolio and build towards achieving the financial targets. "There has been a good recovery from the difficult situation the industry was in a few years ago, and Heba is in an outstanding financial position," says CFO Hanna Franzén.



Hanna Franzén

Role at Heba: CFO since 2021.

With Heba since: 2019.

20 years of experience in the property sector.

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

Education: MBA, Stockholm University.

Born: 1977

"With a policy rate hovering around 2%, the market is in a normal position. And there is a lot of available liquidity. Heba's price curves for potential borrowings are very good indeed, for both short-term and long-term loans. We are currently pushing hard to achieve 100% green financing and I predict we will get there before 2030, which is the target," says Hanna Franzén.

Zero vacancies

"On the plus side, Heba essentially has a zero residential vacancy rate and long-term leases for community service properties that are building stability and earnings. Heba bought several elderly care facilities in 2024 that had full-year effect in 2025. Contracts were signed this year regarding two future acquisitions of elderly care facilities. The company also bought back shares in 2025 corresponding to 6% of total shares outstanding. That is further reinforcing stability.

"Annual 5% growth in income from property management is a non-negotiable target. According to the financial targets, the company's LTV should be 45% on average during the five-year period ending in 2030. The company is not quite there yet, mainly because property valuations have not yet fully recovered since the interest shock that occurred a few years ago.

"That is probably the only parameter that we cannot affect, but one that we know will come back. So we are not worried. Nevertheless, combined with good access to capital, this makes the acquisition situation attractive," says Hanna, "It's time to step on the gas, but in a wise way."

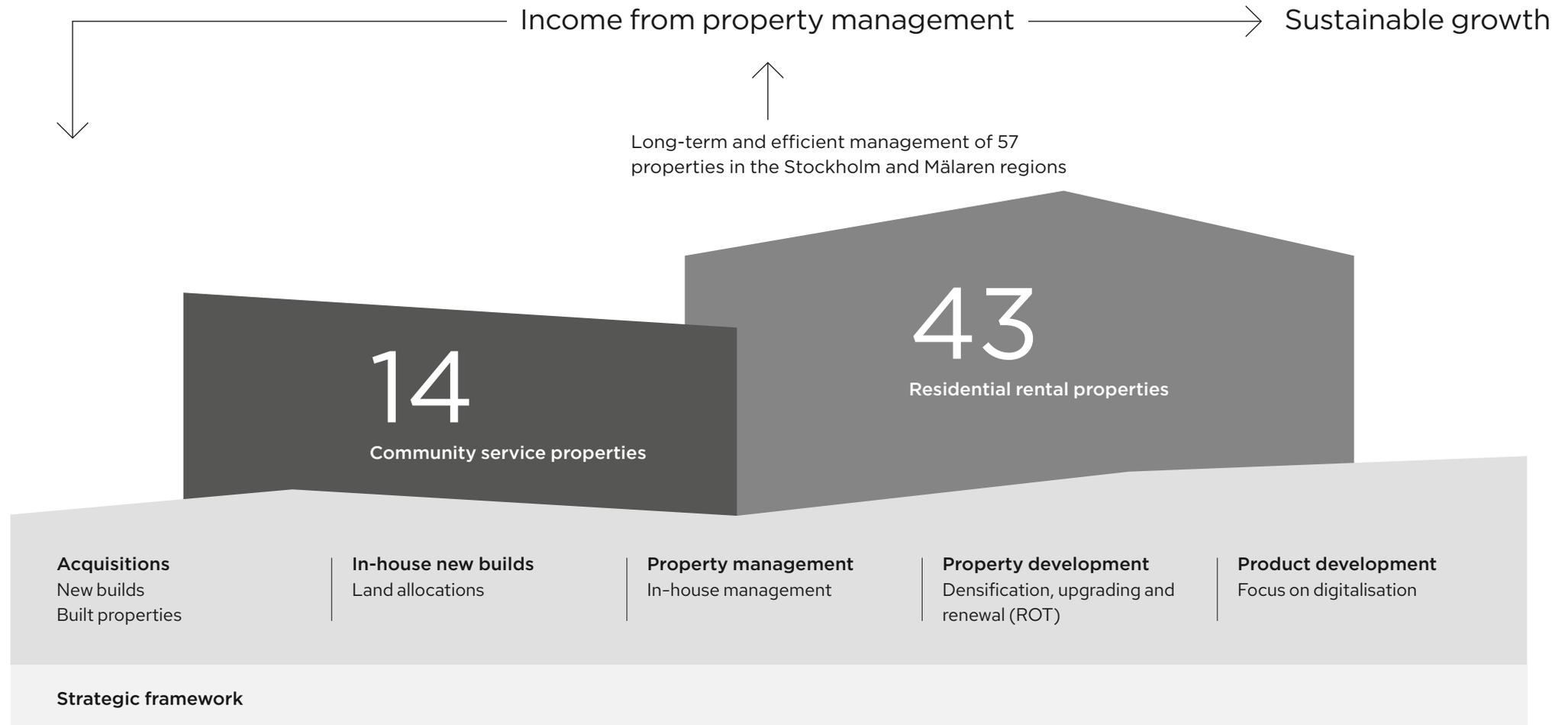
Key figures critical to property management

"Further integrating property-related key figures into property management is high on the priority list. The idea is to increasingly embed the financial values into the 'dashboard' that the property technicians use, where they can see outcomes for operating costs, fault reports, energy consumption and a great deal else in real time.

"The accounting systems have been digital for a long time, of course, but now we are figuring out what we can incorporate in the property management system that is relevant and facilitates a complete picture of a property. And to do this in a smart, immediately understandable way," says Hanna.

"We are currently pushing hard to achieve 100% green financing and I predict we will get there before 2030, which is the target."

Our value-add business model



Digitalisation that works. Invisibly.



A black and white photograph of Ulrika Thorildsson, a woman with short hair and glasses, wearing a dark blazer over a dark shirt. She is standing in front of a dense background of leaves and roses. A white line starts from the top left, goes down to a hexagonal shape, and then continues down to the text box.

Ulrika Thorildsson

Role: Head of IT and Digital Transformation.
With Heba since: 2019.
Previous employers: Micasa Fastigheter AB,
Svenska Bostäder, Ericsson.
Education: Operations Engineer KTH.
Born: 1968

At Heba, digitalisation doesn't make a lot of noise. It is seldom noticed on the surface, but has huge day-to-day impact. The company has been working diligently for several years to stay on the leading edge of digitalisation, where the ambition has been that the tech should provide powerful support to the business, rather than serve its own purposes.



"Digital technology can give us as much information as we want. But the quantity is not the point, the structure is. The crux is to work in a new way, where data is entered systematically and uniformly into our system. The results are stunning. We gain real-time control over our properties and can take the right decisions at the right time. It is both efficient and sustainable," says Ulrika Thorildsson, Head of IT and Digital Transformation at Heba.

Data-supported and proactive property management

For Heba, digitalisation is an enabler for more proactive, efficient and sustainable property ownership. With data structure and quality assured and with continuous further development, entirely new conditions for property management are being created.

"We gain real-time control over our properties and can take the right decisions at the right time. It is both efficient and sustainable"

"Sensors and video monitoring trigger alarms when there is an anomaly and facilitate early action. This might involve anything from abnormal temperature changes to water leaks or energy use that is not following the expected pattern. By detecting these kinds of signals in time, we can take action before problems ensue," says Ulrika Thorildsson.

"The result is properties that are maintained more preventatively, use less energy and contribute to the green transition while making building operation more secure and less vulnerable."

A new approach

"Digitalisation has also changed how Heba works on a day-to-day basis. Technicians and property managers see the anomalies in real time and can act swiftly. The cohesive, integrated picture of each property makes long-term operational planning possible, covering everything from regularly scheduled lift service to planned renovations and future lettings.

"The well-structured information makes it possible to systematise all property management. For Heba, that means better control, lower operating costs and a more efficient organisation. For tenants, this ultimately leads to more secure, more modern and more sustainable housing."

AI as decision support - not decision-maker

"As a next step, Heba has also incorporated artificial intelligence to support the work. But always with a clear-cut aim: AI should be a complement, not a replacement for human expertise.

"We humans have the capacity to evaluate, interpret and read between the lines. AI is good at managing large quantities of facts and identifying patterns. Together, that adds up to powerful support," says Ulrika.

"AI is used for purposes including analysing data, detecting anomalies and predicting maintenance needs before they lead to operational downtime. Small changes in behaviour can be a sign of wear-and-tear, inefficiency or an impending fault, but the final decisions are always made by a human.

"The digitalisation journey is never-ending. We are continuing to develop our methods with the same target: the tech should support the business, not impinge on it or take up space. To put it simply, digitalisation should be there, but not be seen," says Ulrika.

The building of tomorrow. Now, if you please!



Digital pioneers in the property industry

Heba has built up a digital infrastructure to track and control properties in real time. We call it smart management.

Smart management

- 1. Structural capital** – We collect and quality assure property data in a digital twin of each property. The information is up to date, cohesive and provides common decision input.
- 2. Preventative action** – We perform regular checks, walkthroughs and certifications to prevent faults and ensure that the properties meet applicable standards.
- 3. Data analysis** – We analyse operational and issue data to detect recurring problems and identify differences between properties. This helps us prioritise the right initiatives.
- 4. Early warnings** – Supported by sensors and monitoring of operating and issue data, we detect anomalies at an early stage and can correct them before they lead to serious problems.

The four components of the work are interconnected and reinforce each other. Three components have already been implemented and the fourth is in progress – taking advantage of the intelligence embedded in the properties' technical systems.

Nowadays, many technical systems and equipment, such as ventilation systems, lifts and washing machines, feature embedded intelligence. They can send signals when something is not working as it should. Instead of detecting faults after the fact, we are given early warnings and can act before the problem grows.

Our entire digital infrastructure is reinforced when systems and technology give us ongoing feedback in this way. Knowledge is spread faster, actions can be initiated in good time and we gain better control

over the properties. Heba is breaking away from the traditional and is at the forefront of the development of more proactive property management. We hope others follow our lead.

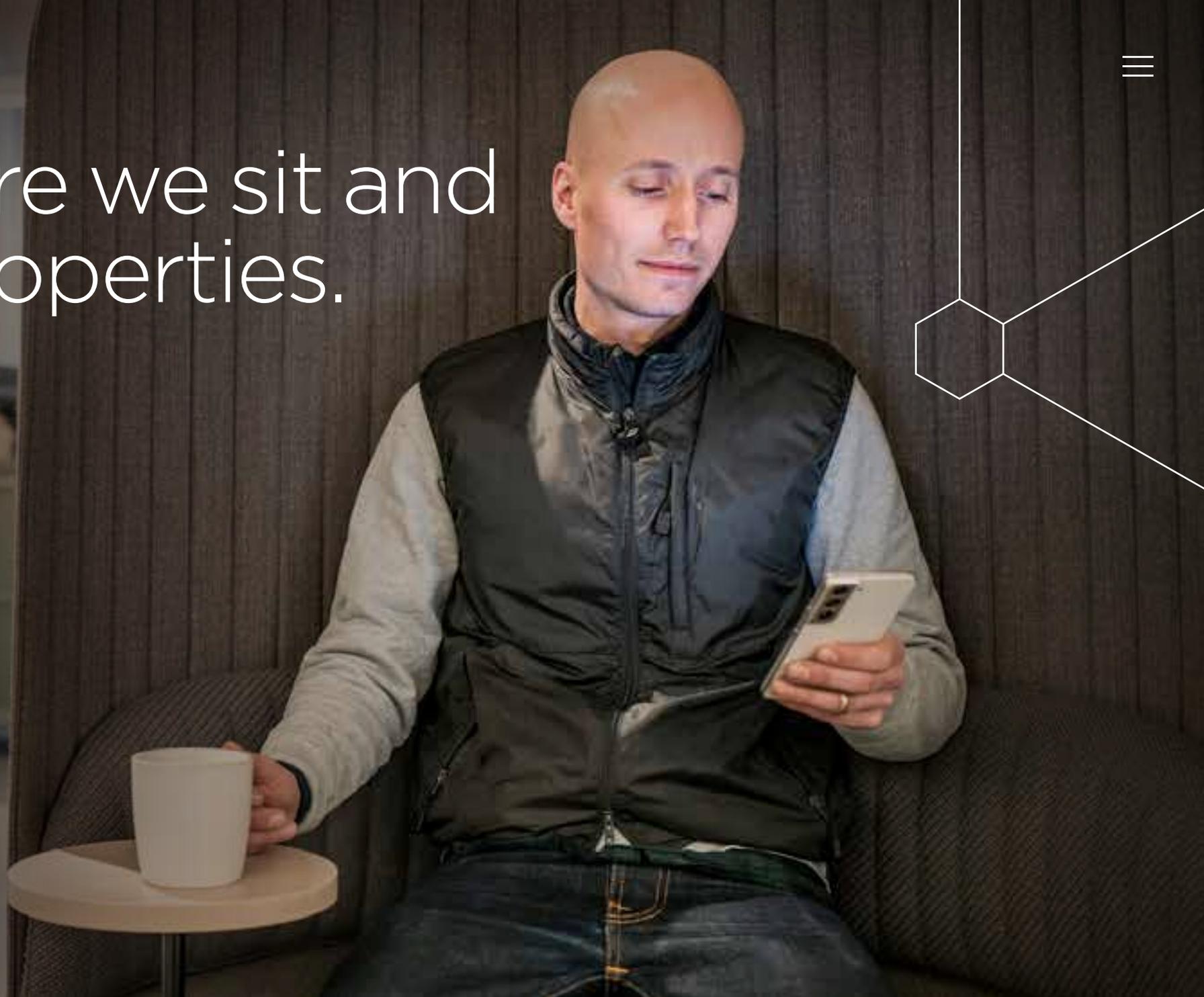


This is where we sit and manage properties.

The digital infrastructure enables technicians to handle more properties. They can all look at every property as a team in real time, instead of having one technician and one property manager looking at one building. We are updating our methods and that requires us to work uniformly. When we all do the same thing, the digital structure becomes even more powerful.

We become efficient through foresight and planning. Instead of jumping in the car and driving to the property for troubleshooting, we identify the problem first and know what we need to do before we leave. This is particularly useful when it comes to properties at some distance away.

The technicians moved into the Heba head office in 2025 to implement a more flexible and less vulnerable organisation. When data are accessible to everyone in real time, knowledge transfer is effortless and we can cover for each other. Smart management!





Introduction

**Global environment,
targets and strategy**

Sustainability

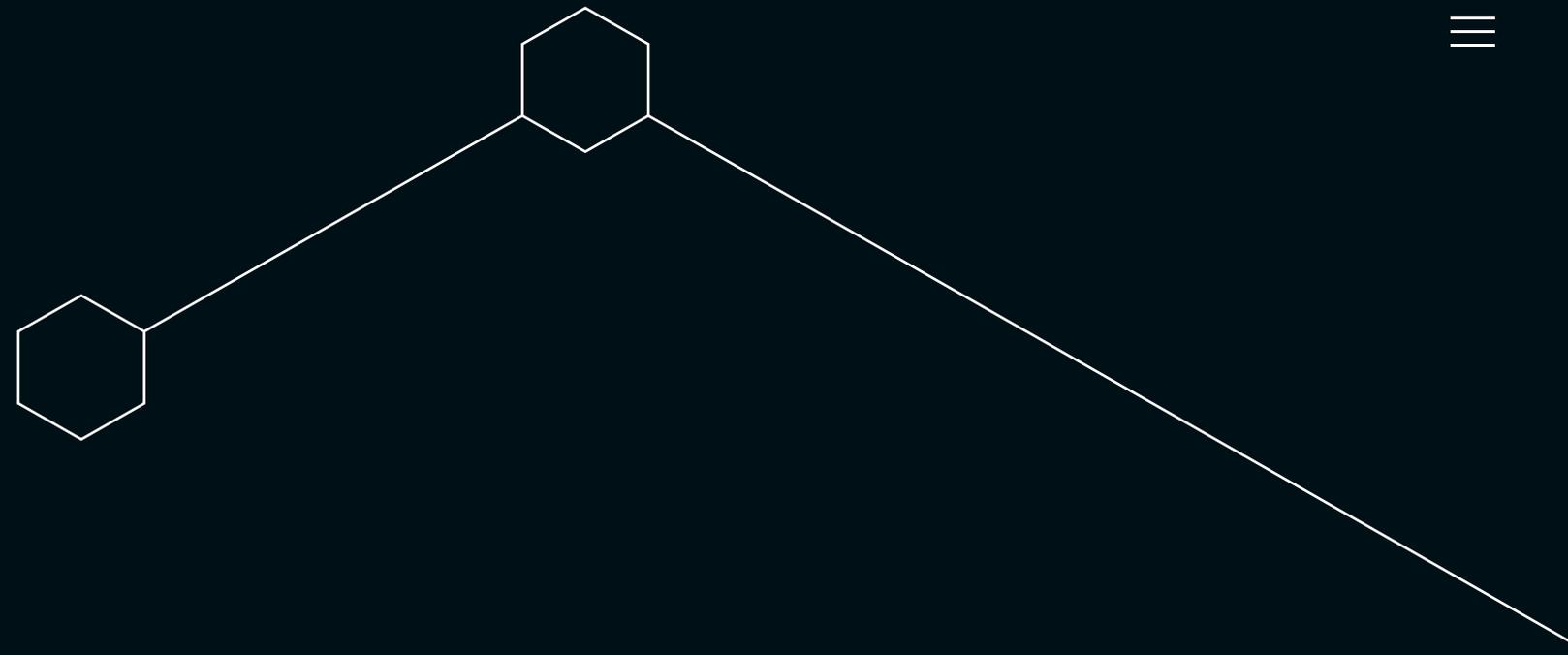
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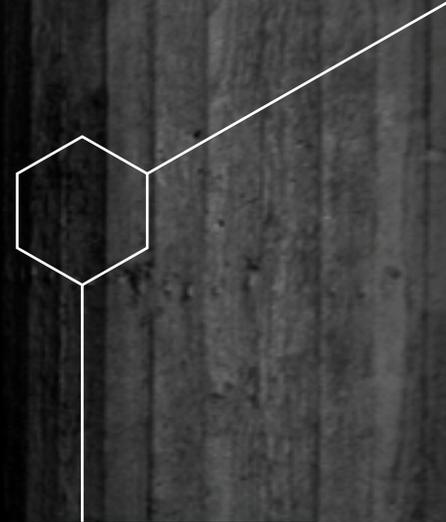
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Sustainability

A lot of companies are putting the brakes on ESG. We are accelerating.

For many companies, ESG has been a side issue in the larger context of the business. At Heba, sustainability has long been embedded in virtually everything: Every component and every action, no matter how small. Heba is now picking up the pace by incorporating digital technology as an ESG tool. And we are the first property company in the world to invest in carbon removal.



Jonas Schneider

Role at Heba: Interim Head of Sustainability
With Heba since: August 2025
Previous employers: CEO Familjebostäder,
CEO Stadsholmen, Deputy CEO Stockholms
Stadshus AB and Deputy CEO Svenska
Bostäder
Education: MS Political Science
Born: 1967

“Companies in the EU were given a bit of breathing room in 2025 with less stringent sustainability regulations. But it is getting harder for the planet to breathe. Instead of putting the brakes on its ambitions, Heba is accelerating its sustainability programme.

“As we see it, we shouldn’t merely dive in and take action when it is absolutely necessary or when we can. We are building continuity and consciously incorporating the sustainability aspect in everything we do, every single day. And so we are implementing new methodology and a systematic approach around this,” says Jonas Schneider, Interim Head of Sustainability.

He gives an interesting example. “A property company typically has complete understanding of a property on two occasions: When it is bought and when it is sold. In those contexts, the property’s amenity standards, maintenance, consumption, certifications, costs and revenues and a great deal else are carefully reviewed. What Heba is doing now is feeding all of this data into a ‘digital twin’, a digital copy of the property, and then we keep all the values up to date. This way the company has rock-solid understanding of every individual property, 24/7/365.

“Everyone at Heba can use all of this at any time to literally call the shots, optimise and adjust. We gain incredible statistics with long time series that make it possible for us to prioritise and plan maintenance in completely different dimensions than we could before. That saves resources and optimises operations. I’d say that digitalisation has become of the most powerful sustainability tools we have,” says Jonas Schneider.

Internal certification far superior

“Heba has now begun using statistics and comparisons to certify its properties. But we are not using any of the certifications commonly used in the industry, which Heba does not believe uphold an appropriate standard. Instead, we rely on our internally developed HållFast certification system, which contains more than 50 sustainability metrics focused on climate, the environment and energy. All properties were certified in operation according to the HållFast standard in 2025. Internal certification also provides a way to ensure that the right values are incorporated into the rigorous CSRD reporting that Heba is committed to, even though EU regulations do not require it.

“CSRD is going to make it easier for us to maintain control ‘upstream and downstream.’ Upstream covers all suppliers and contractors that deliver to Heba, and the company requires them to also be sustainable. Heba makes sure of that by various means, including by using and requiring suppliers to sign the Suppliers’ Code of Conduct prepared by the Swedish Property Federation.

“The Code of Conduct is not merely a document they have to sign. We visit them on-site and go through every item in the Code together so that they can guarantee that they will comply with our ESG requirements and the Code. We take this very seriously. Downstream involves stakeholders including our tenants, all of whom should have a sustainable lease, a target we intend to meet by 2030. Sustainable leases cover everything from recycling and green electricity to a strict non-smoking policy within and immediately surrounding the building,” says Jonas.

Global pioneer

“In 2025, Heba became the first property company in the world to sign a carbon removal contract. The carbon will be captured in the Stockholm Exergi plant currently being built at Värtahamnen in Stockholm. Pellets with bound carbon dioxide made from forestry residues are incinerated at the plant. The carbon released in combustion is captured and transported to Norway, then shipped out to sea for final storage deep in the sub-water sedimentary bedrock. When the process is complete, the result is a minus value that compensates for the company’s carbon emissions produced by use of district heating or in new builds and renovations.

“This is the future. But it is not a matter of buying our way out of the situation, it is about managing the residual carbon left around 2030 after we have done everything else possible. We have to keep thinking innovatively, further develop and improve in every area. Successfully achieving climate-neutrality will be based on slashing our energy use from 80 kWh/m² (in 2024) to 40 by 2030. Energy use at year-end 2025 was 67 kWh/m². By 2030 the emissions from construction activities are to be reduced by half. In parallel, all of Heba is to grow in line with our financial targets. So, there are a lot tough challenges in our sustainability programme, but we are taking them on without a moment’s hesitation,” says Jonas.



Development driven by ambitious ESG targets

Sustainability is reflected in everything Heba does. It is our way of taking responsibility for the environment and the world we live in, here and now and for the generations to come. Future-proofing the business is intertwined with successful enterprise. Stringent ESG targets and the transition based on CSRD reporting are helping us prioritise. That makes it easy to track outcomes and steer the road ahead. We need knowledge and digitalisation to succeed.

The strategy covers three areas: the environment, social sustainability and an organisation in which all parts are grounded in the economic perspective of sustainable growth.



Environment

ESG targets 2025–2030	Outcome 2025
Climate-neutral property management by 2030	Ongoing
Entire organisation climate neutral by 2045	Ongoing
Reduced energy use: from 80 kWh/m ² in 2024 to 40 kWh/m ² in 2030.	67 kWh/ m ²
Energy-efficient properties: 100% of properties classified at Energy Class C or better by 2030	70%
Green financing: 100% green financing by 2030	63%
Green equity: Heba stock designated green by 2030	Achieved
Reduced emissions in construction processes: 100% of new builds started from 2025 must have halved emissions from the construction phase based on Boverket's current values. 100% of construction waste must be sorted and enable recycling.	Ongoing
Sustainable property management: 100% of properties environmentally certified in operation during 2025 and assessed for climate risk.	Achieved
Contribute to societal energy transition 100% of parking spaces equipped with EV charging points by 2030.	30%

Action to mitigate our climate impact

Reduced climate impact

Heba is taking a long-term approach to reducing climate impact related to management of existing properties and new builds. Improving energy efficiency is a high priority and the target is annual energy use of 40/kWh/m² by 2030. At minimum, the properties must meet the standards for Energy Class C and energy performance for new builds must be 20% lower than required under current building regulations. Energy-efficient technology, digital monitoring and investments in systems including geothermal heating and solar panels contribute to energy use reduction.

Lower emissions in construction and property management

The majority of Heba's climate emissions are related to new builds. Heba's approach to reducing emissions is to minimise, improve and exert influence throughout the construction process. As of 2025, Heba will cut emissions during the construction phase in half for all new builds started, based on Boverket's reference values. Through our proprietary Hebahuset concept, we use materials and products that are both sustainable and have a lower climate impact, while the waste hierarchy serves as a guiding principle. All construction waste is sorted for recycling.

Outcome 2025

Energy use

67 kWh/m²

Reduction of total emissions compared to 2024

-15%

Emissions from property management have been halved since 2018, primarily by reducing energy use and switching to electric company cars and service vehicles.

Environmentally certified and sustainably operated buildings

For new builds, Heba provides environmental certification in accordance with the Nordic Swan Ecolabel, Miljöbyggnad Silver or an equivalent level. To ensure sustainable operation, Heba has also developed its own HållFast certification process, which is integrated into the company's environmental and quality management systems. All properties in the portfolio were certified according to the HållFast standard in 2025.

Sustainable leases and transportation

Through its sustainable leases, Heba encourages tenants to choose fossil-free electricity and to recycle their waste. The share of sustainable leases is steadily increasing and the target is for all leases to be sustainable by 2030. The share of sustainable leases was 53% in December 2025. Heba is also promoting the transition to fossil-free transportation by using electric service vehicles and expanding the charging infrastructure. The target is for all parking spaces to offer EV charging by 2030. The share was 30% in 2025.

Renewable energy and negative emissions

All electricity that Heba purchases is origin-labelled and renewable. The company has also signed an agreement on green district heating. As a supplemental step towards long-term net zero emissions, Heba was the first property company in the world to commit to carbon removal by signing a 15-year carbon removal contract with Stockholm Exergi. The contract will take effect in 2029 when the plant in Värtahamnen, Stockholm, is complete.

Climate adaptation and climate risks

Heba assesses climate risks in the property portfolio and new builds on an ongoing basis to future-proof the business. The assessment covers risks related to issues including higher water levels and rising temperatures and is the basis for preventative measures that are integrated in property planning. Climate risks are linked to financial impacts and are reported annually.

Biodiversity

Heba is working to preserve and strengthen biodiversity through property management and new builds. Studies are carried out in planning and building processes to protect biodiversity and greenness factors are monitored in property management to facilitate intrinsic ecological value. Heba is also contributing to protecting life below water as a main sponsor of the City of Stockholm's release of salmon and sea trout into waterways in and around the city.

Resource efficiency and circular flows

Heba is working systematically to reduce resource use and waste, guided by the waste hierarchy. Waste produced in connection with renovations and new builds is minimised through good planning, follow-up and increased use of recycled materials. The property management organisation creates good conditions for tenants to recycle by providing well-equipped and safe waste sorting rooms and ongoing communication.

Outcome 2025

Share of sustainable leases

53%

Share of EV-equipped parking spaces

30%

Social sustainability

ESG targets 2025–2030	Outcome 2025
Security: Security index in Heba's residential properties of 80 or better	87.9
Tenant satisfaction: Service index on par with or above average for private housing companies in metropolitan areas	85.3
Sustainable leases: 100% sustainable leases by 2030, including recycling, green electricity contracts and contributing to smoke-free properties.	53%
Social responsibility: At least 10 apartments per year are provided for people experiencing structural homelessness, with a focus on vulnerable women and children	8
Supplier compliance with the Code of Conduct: Starting in 2025, significant suppliers will be audited based on the Swedish Property Federation's Code of Conduct (20% per year).	Achieved

Action to provide homes to more people

Homes for all phases of life

Heba is promoting social sustainability by offering homes to people at various phases of life. Youth housing provides an opportunity for young people to get their first home of their own, while community service properties make safe and secure elderly care facilities available to older people. Heba's internal

apartment exchange queue gives tenants the opportunity to stay on within our portfolio even when their life situation changes Heba has lowered the minimum income requirement to qualify for a lease to the Swedish Enforcement Authority's 'normal amount', which makes it possible for more people to enter the housing market.



Action for safe and secure housing

Outcome latest CSI, 2025

Service index, % satisfied tenants

85.3% (85.7)

Security index, %

87.9% (87.4)

Safe housing and outdoor environments

Security is a fundamental condition of happiness. Heba works systematically to create safe, secure and well-kept neighbourhoods through maintaining order, ongoing maintenance and preventative safety measures. These efforts are carried out in partnership with the police and other stakeholders and include technology aimed at improving security, such as CCTV monitoring where justified.

Tenant satisfaction

Heba regularly follows up the resident experience by means of a tenant survey conducted every other year. Record-high scores were achieved in several areas in the 2025 survey. Security 87.9 (87.4), attractiveness 91.2 (91.2), product quality (81.4 (80.8) and service 85.3 (85.7). The results confirm the positive impact of Heba's long-term property management and security promotion efforts.



Customer-focused organisation

Customer-focused and accessible property management is a central aspect of Heba's approach. Most of the management teams moved into the head office during the year to meet the need to be able to cover for each other and ensure high quality across the entire portfolio. Digitalisation has given the company real-time control over the properties and the information is accessible to all employees. A high level of knowledge about the properties and residents creates favourable conditions for long-term relationships, good dialogue and effective solutions. The organisation is designed to ensure continuity, flexibility and a high level of service in residential and community service properties.



Action for ethical responsibility

Ethics, anti-corruption and human rights

Heba has zero tolerance for corruption and violations of human rights. The work is governed by an internal Code of Conduct and ESG policy that clarifies the responsibilities of and expectations on employees and suppliers. All employees undergo annual training in the Code of Conduct, with a focus on anti-corruption. An external whistleblowing function provides for anonymous reporting of suspected irregularities. No whistleblowing cases were reported in 2025.

Suppliers' Code of Conduct

Heba applies the industry-wide Suppliers' Code of Conduct issued by the Swedish Property Federation to assure ethical and sustainable business practices in the supplier pipeline. Significant suppliers must and have ratified the Code of Conduct. Compliance and the purpose are regularly followed up in face-to-face meetings with representatives of Heba.

Action for equality

Supporting organisations that make a difference

Heba supports initiatives that promote equity and social inclusion. Housing has been provided during the year to people experiencing structural homelessness, with particular focus on women and children, as well as people who have fled the war in Ukraine. The company also supports organisations working to prevent violence and exclusion and promote access to sport for women and girls. Through targeted partnerships, Heba is contributing to a more gender-equal, equitable and inclusive society.

Organisation

ESG targets 2025–2030	Outcome 2025
Attractive employer: Focus on employee satisfaction, professional development and equal opportunity.	Ongoing
Employee Net Promoter Score (eNPS): eNPS on par with the industry average.	4.2
Training: 30 training hours per employee per year	28 hours
Gender balance: Women/Men: 50/50 ±10%. Female/Male managers: 50/50 ±10%	Achieved
Employee turnover: Maximum 10%	22%
Sickness absence: 2–4%	2%
Diversity: The company's needs from the perspective of equal opportunity, diversity, gender and age are considered in connection with every recruitment.	Ongoing

Action for well-being and engagement

Employees who thrive and flourish

Heba must be a fair and attractive employer, providing a workplace where people enjoy their jobs, are happy and have opportunities for career and personal development. Each and every one of us at Heba is involved in shaping the future. An open and inclusive company culture, straightforward values and short decision paths generate dedication and engagement. Every aspect of the business is run sustainably, with focus on a good working environment and equitable terms of employment. All employees are given the same career development opportunities and equal pay for equal work. Heba is working actively to improve gender equality by expanding recruitment to roles that have been traditionally male- or female-dominated.

Professional development and monitoring

Heba invests in employees' career and professional development in order to ensure access to the right skills and sustain job satisfaction. All employees are given annual performance reviews and have individual skills development plans. In addition, Heba offers an internal training programme focused on business-critical aspects including leadership, working environment, regulatory compliance and ESG. Skills development strengthens the company's long-term capabilities as well as each employee's professional development.



Action for a safe and secure workplace

A safe and healthy working environment

Heba works systematically and preventatively to create a working environment that is physically and psychosocially safe and secure. The goals are to minimise the risk of accidents, incidents and ill-health and promote job satisfaction and efficiency. The company has collective agreements and offers occupational health services, wellness services and fitness and wellness allowances.

All employees undergo fundamental working environment training, including management of hot work and high-risk situations. Employees in roles that expose them to risk undergo advanced training in areas such as hot work, electrical work, fire risk and CPR.



Action for equal opportunity and diversity

Equal opportunity and diversity

Heba welcomes differences and considers diversity a strength that promotes improvement and innovative capacity. Recruitment and skills development are based on clear-cut skills requirements, aimed at creating a balanced and inclusive organisation. Heba actively promotes equal opportunity and gender equality by recruiting both women and men to roles traditionally dominated by one gender. The board of directors is composed of three women and two men and the executive management team includes five women and three men.

Employee engagement

Heba offers a share savings programme to all employees to strengthen employee engagement and empowerment. Employee health and well-being are monitored through an employee satisfaction survey conducted every other year. In the 2025 survey, the eNPS was 4.2 (4.1) and 88% of employees said they would recommend Heba as an employer.

Outcome latest eNPS, 2025

Employee Net Promoter Score (eNPS), scale 1-5

4.2 (4.1)

Recommend Heba as an employer, %

88%

Heba's contributions to the UN SDGs

Agenda 2030 is a universal agenda that includes 17 Sustainable Development Goals to strengthen the social, economic and environmental dimensions of sustainable development. The SDGs are aimed at eradicating poverty, injustice and inequalities and overcoming the climate crisis by 2030. We are working actively to contribute to the UN SDGs with focus on the goals that are most relevant to our business. Heba has analysed and identified the following eight goals as the most material to the organisation and those where we can make the greatest contribution:



3. Good Health and Well-Being

Heba's employees are offered health checks and we encourage fitness and wellness. We create initiatives to improve well-being and prevent stress-related disorders. The neighbourhoods surrounding our properties shall be safe and secure. Heba partners with organisations that support vulnerable groups in society and arrange housing for at-risk women.

5. Gender Equality

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

7. Affordable and Clean Energy

Heba is harnessing the power of digitalisation to maintain control of the properties in real time. Smart management delivers proactive measures that are both sustainable and efficient. All properties shall maintain Energy Class C or better. Operational optimisation, completed renovation programmes and investments in the current portfolio are reducing energy use. In addition, the company is increasing the share of renewable energy.

8. Decent Work and Economic Growth

Heba is committed to equal treatment and all employees are covered by collective agreements. We work to minimise the risk of occupational injury and promote a safe and secure working environment. Heba's business contributes to an efficient housing market and makes it possible for people to get homes of their own and contribute to economic growth.

11. Sustainable Cities and Communities

Through our renovation programme, Heba maintains a long-term ownership and conservation perspective that focuses on sustainability. We create the conditions for our tenants to live sustainably and work actively with social sustainability. We develop housing for young people and community service properties in which people with special needs are provided suitable homes.

12. Responsible Consumption and Production

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

13. Climate Action

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

15. Life on Land

Heba is the main sponsor of the City of Stockholm's release of salmon and sea trout to waterways in and around the city. This is how we contribute to vibrant wildlife and biodiversity conservation in the region. We consider greenness factors as well as other aspects in connection with new builds and property management.



Introduction

Global environment, targets and strategy

Sustainability

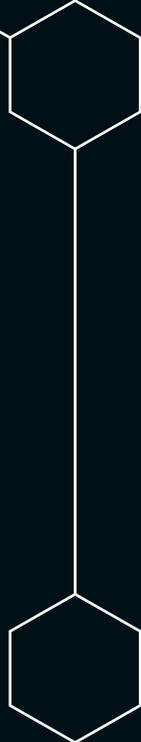
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Operations

Who needs a castle
in the air when you
have your own
lovely apartment?

Capella 2
Location: Tullinge
No. apts 155
Housing type: Youth housing
Construction year 2018

Our properties

Heba has a modern property portfolio in attractive locations in the Stockholm and Mälaren regions. We are a long-term and experienced property owner that develops, owns and manages residential rental properties and community service properties with a focus on elderly care facilities. In-house property management ensures cost efficiency and customer focus. Heba provides tenants with safe, secure and sustainable homes to enjoy during the various phases of their lives. Harnessing the power of digitalisation gives us real-time control of properties and equips us to act sustainably and efficiently. We live by our core values – close at hand, dedicated and safe.

Total lettable space, m², at year-end 2025

262,000 (263,400)

Residential units

3,092 (3,110)

Share of total lettable space

72%

Apartments in elderly care

825 (825)

Share of total lettable space

22%

Non-residential units

118 (117)

Share of total lettable space

6%

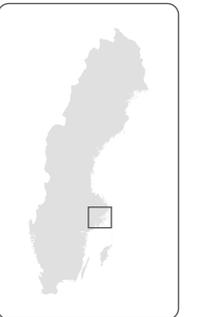
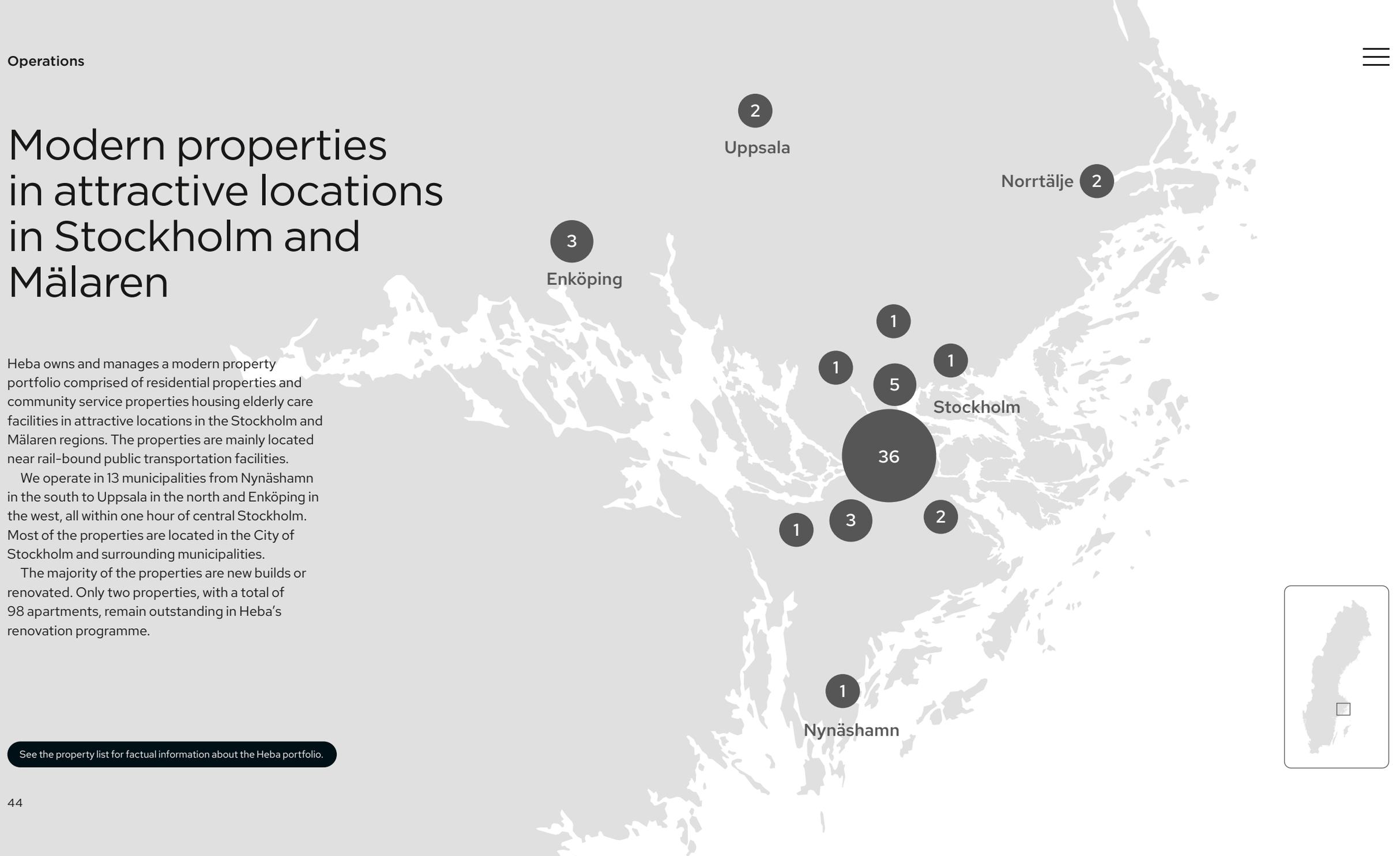
Modern properties in attractive locations in Stockholm and Mälaren

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

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

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

See the property list for factual information about the Heba portfolio.





Sonfjället 1, Norra Djurgårdsstaden

Our residential properties are in the following locations in the Stockholm and Mälaren regions.

Residential rental properties

- Enköping
- Huddinge
- Lidingö
- Norrtälje
- Nynäshamn
- Salem
- Sollentuna
- Stockholm
- Täby
- Uppsala
- Vallentuna
- Österåker

New builds

- Axelsberg
- Farsta
- Hägersten
- Nynäshamn
- Skarpnäck
- Skärholmen

Youth housing

- Hökarängen
- Tullinge

[Read more, external link](#)

Residential properties

You will find our properties in prime locations with good public transportation links and no more than a one-hour commute to Stockholm. We build anew, we remodel and we adapt our total offering to ensure that we are always a good, present and sustainable landlord.

It is a real struggle for young people nowadays to enter the housing market. To ease their way, Heba offers youth housing for people aged 18–25.



Årstadalsskolan, Liljeholmen



Community service properties

Tärnö 1, Farsta

Årstadalsskolan 5, Liljeholmen

Krusmyntan 1, Tyresö.

Krusmyntan 2, Tyresö.

Vinfatet 6, Sollentuna

Fuxen 2, Täby

Parken 6, Salem

Svänghjulet 4, Täby

Österåker Näs 7:7, Österåker

Vallentuna Åby 1:167, Vallentuna

Alen 3 Vårdboende, Norrtälje

Äppelträdgården 1, Täby

Gränby 10:6, Uppsala

Enköping Romberga, Enköping

[Read more, external link](#)

Community service properties oriented towards elderly care facilities

Heba is investing in new-build elderly care facilities to meet the growing demand and to offer modern amenity standards for senior housing. We own 14 community service properties, all of which were built after 2010, and an additional two are in production.

The community service properties have been leased for 15–20 years to established private providers and local authorities, such as Attendo, Stockholms Sjukhem, Vardaga, Frösunda omsorg, the Municipality of Salem and the City of Stockholm.

Property development

Property development is a mainstay of Heba's strategy for long-term and sustainable growth. By means of project development and a definitive master builder strategy, Heba develops residential and community service properties that promote stable cash flows, controlled risk and long-term value creation.

Sustainability is integrated at every link of the development chain and covers climate consideration, resource efficiency, safe and secure neighbourhoods and good governance.

Growth is achieved through new builds via building rights and land allocations as well as acquisitions of residential properties and elderly care facilities. Heba's own new build projects give the company the capacity to achieve higher return on invested capital while ensuring that the properties meet Heba's requirements for sustainability, design and management. Heba's portfolio is modern and only a few apartments remain to be completed in the long-term renovation programme.

Building for the long term and low climate impact

Heba's new builds are defined by carefully planned projects in terms of finances, management and executability at a high level of market adaptation and high ESG ambitions. The buildings must be durable, promote efficient property management and deliver

low energy use. The experience gained through Heba's digitalisation process within property management is applied immediately to new builds. With its internally developed Hebahuset concept, the company is also equipped to quality-assure residential projects and facilitate a low climate footprint during the production phase.

Market and location

Locations and apartment designs are adjusted to market conditions in order to ensure financially sustainable projects. The geographical location is carefully analysed before any investment is made. Heba seeks out micro-locations where the market can bear the rents required for favourable cost-benefit outcomes. In its distribution of apartment types, the company aims for a mix of unit sizes, from studios to spacious four-bedroom apartments, all with efficient floor plans. Large apartments are currently in high demand, which Heba has been taking into consideration for new builds for a long time. Pleasant, functional apartments near public transport links are a must to attract tenants.

JVs – strategic partnerships that facilitate growth

Strategic partnerships and joint venture projects are a key component of the Heba growth model. By

entering projects in a later stage of the planning process, often when the detailed development plan has gained legal force and execution has been secured, Heba can mitigate risk and reach revenue-generating phases sooner. The partnerships give Heba the capacity to grow, despite having a relatively small organisation, and create value in trustful partnerships. The projects include various forms of tenure and property types in the Stockholm region.

Elderly care facilities – providing stability in the portfolio

Heba owns and manages a modern portfolio of residential properties and community service properties with focus on elderly care facilities in attractive locations in the Stockholm and Mälaren regions. The combination of residential units and elderly care facilities promotes a balanced portfolio that delivers stable revenues. The community service properties account for about 30% of NOI.

Investments and new-build portfolio

The total investment volume in 2025 was SEK 277m. Heba acquired a new-build elderly care facility in Norrtälje during the year. The company also entered into a joint venture with Peab to develop the Villa Primus elderly care facility on Lilla Essingen in Stockholm. A property for which future renovations

Number of new build apartments in Heba's portfolio at year-end 2025

1,590

Heba's total investment in 2025, SEKm

277

will be required was sold during the year for conversion to commonhold.

New-build properties generally have lower operating costs and higher yields than older properties. At year-end 2025, Heba's new build portfolio comprised about 1,590 apartments. About 424 of these are being run in-house and are at various stages from detailed development planning to production. 1,000 apartments within residential rental and commonhold projects are being run in a JV with Åke Sundvall Byggnads AB. 166 apartments in elderly care facilities are being run in a JV with Peab.

The right projects in the right locations. That is when Heba invests.

New builds are essential to growth. And the conditions for financially sustainable investments in the right locations are now falling into place.



Henrik Fernström

Role at Heba: Head of Property Development

With Heba since: 2017.

Previous employers: CA Fastigheter AB, Locum AB.

Education: BSc Engineering, Uppsala University

Born: 1984.

“The ‘cost shock’ in recent years has made many property companies wary of new builds. The causes were sky-high inflation and high interest rates, contracting costs that shot up by 25% and lower property values. But the conditions are beginning to change and a lot of curves, including that for rent pricing, are now pointing in the right direction. We are starting to see a favourable situation for companies committed to a long-term approach and conceptual thinking. But you have to find locations where the market can bear the rent required to achieve a reasonable return on investment.”

JVs for shorter take-off distance

Henrik Fernström, Head of Property Development, tells us about the Villa Primus project on Lilla Essingen as an example of how Heba is generating growth.

“We started a joint venture, a JV, with Peab, which is going to build Villa Primus. The property will comprise 160 residential units for elderly care and a few service housing units. It will all be complete in 2028 and we already have a 20-year lease signed, sealed and delivered with the Ambea Group, a major care provider that was involved in planning the design. We are coming in at the execution stage and thus avoiding the protracted detailed development planning process. We will receive return on the investment sooner, which gives us the capacity to grow even though our organisation is relatively small.”

In terms of the market, Heba is making carefully planned and long-term investments in elderly care facilities. According to forecasts, the 80+ population in Stockholm is going to increase by 50% over the next five years. When it comes to geographical location, it is a unique proposition to establish a new-build property for an elderly care facility in central Stockholm, which is the case with Villa Primus.

Market and location are critical

“When it comes to new builds, market and location are key. Before the economic slump, you could build residential rental properties in locations that are challenging these days. The cost of money was low, which pushed up property values and encouraged very aggressive project estimates. The market is in a new place now and has begun to recover. The new-build rents now required mean that location and the product are critical factors. This involves, for example, having an apartment mix for which there is market demand. For many years now, Heba has been working with a more balanced mix of units, from studios to four-bedrooms, and demand for larger apartments is rising. Beyond that, we also need sustainable properties in terms of property management and financial metrics, and last but certainly not least, from an environmental perspective. Inviting, functional apartments close to public transport links, services and recreational spaces are a must to attract tenants.

“AI shortens lead-times, which cuts our costs and makes it possible to quickly and easily test various concepts.”

That is where we are heading.”

Competition for building rights is increasing in a market where location tips the balance.

“Heba’s digitalisation also has impact here. Heba is on the leading edge of digitalisation in property management, but a lot is about to happen within new builds, too. AI is being used to compile analyses and design concepts for new builds at early stage to identify potential and feasible project ideas. AI shortens lead-times, which cuts our costs and makes it possible to quickly and easily test various concepts,” says Henrik Fernström.

Projects

Heba develops properties in attractive locations in the Stockholm and Mälaren regions – either under the company’s own management, with partners or jointly with external suppliers. In 2025, Heba’s project portfolio comprised 1,590 apartments located in various geographical areas. Of these, 1,166 have been developed jointly with partners.

Källberga Nynäshamn

Källberga is a brand new community surrounded by green spaces in the municipality of Nynäshamn that, when fully developed, will include 800 homes surrounding a village centre with businesses, public services, shops and a school. This is development on a small scale set in a beautiful landscape and expressing a new and exciting concept that focuses on ecological and social sustainability. Heba is currently building 128 rental apartments in the Smedjan project in Källberga. Construction started in autumn 2024 with completion planned in 2026–2027. Letting will commence in spring 2026. The project is Heba’s first establishment in Nynäshamn, in an attractive location close to central Nynäshamn and within commuting distance of Stockholm.



Investments

Property	Location	No. of apts	Property type	Transfer of ownership	Construction start	Completion year	Cumulative investment (SEKm)	Estimated investment (SEKm)	Estimated NOI (SEKm)
Sparven 3–5	Norrtälje	60	Elderly care facility	Autumn 2026	2025	2026	0	230	11.2
Källberga (Sittesta 2:48, 2:49 and 2:53)	Nynäshamn	128	Residential rental	Nov 2022	2024	2026	283	450	17.1
Skridskon	Västertorp	48	Residential rental		2025	2027	0	160	7.6
Spöksonaten	Axelsberg	49	Residential rental		2026	2028	0	170	8.1
Stora Sköndal	Sköndal	150	Residential rental		2027	2028	0	550	25.5
Villa Primus	Lilla Essingen	166	Elderly care facility	Dec 2025	2025	2028	0	830	37.3
Tärnö	Farsta	139	Residential rental		2028	2029	0	430	19.0
Total		740					283	2,820	125.8



Skridskon, Västertorp

Skridskon, Västertorp

In Västertorp, Heba has pursued a detailed development plan on an existing property to enable new builds of 48 apartments on its own land. The detailed development plan has gained legal force and production began in late 2025. The new property will be located next to the high street in Västertorp, close to services, shops and the metro. We are building attractive homes here in a sustainable property that will be environmentally certified according to the Nordic Swan Ecolabel.

Filipstadsbacken, Farsta

Heba was granted a land allocation in 2022 for three environmentally certified properties next to Heba's existing Tärnö property. The detailed development planning process is being run jointly with Familjebostäder, Byggvesta and Nordr. The plan allows for around 500 new homes, a pre-school and a mobility centre. The location is excellent, with nearby access to the metro and commuter train as well as lovely parks. The ambition for Heba's part of the detailed development plan is to build around 140 rental apartments.



Spöksonaten, Axelsberg

Sparven, Norrtälje

Heba signed an agreement with Credentia in 2025 to acquire a new-build elderly care facility centrally located in Norrtälje. Construction is in progress and transfer of ownership is planned for autumn 2026. The property will house 60 elderly care apartments. The property has been fully let and the 15-year lease with Attendo will run through the end of 2041. Designated Sparven 3, 4 and 5, the property is located in the Norrtälje city centre, 600 metres from the bus station and near shops and services. The elderly care facility is being developed by Credentia and built with a high sustainability profile at the Miljöbyggnad Silver certification level according to the Sweden Green Building Council, with solar panels, FTX (ventilation/heat recovery systems) and reused windows.

Spöksonaten, Axelsberg

Heba was granted a land allocation in 2022 for a new property with 85 apartments next to Heba's existing Spöksonaten property. The location is outstanding, featuring good transport links and public services in an area of natural beauty near Lake Mälaren. The project consists of two buildings, for which resident parking will be provided through existing parking spaces in one of Heba's properties. The project is at the detailed development planning stage. The property will be environmentally certified and the ambition is to reduce the climate footprint during construction.

Partnership projects



Villa Primus, Lilla Essingen

Heba is committed to creating value for shareholders and society through trustful partnerships. The partnership with Åke Sundvall Byggnads AB in a joint venture entity (50/50) continued in 2025 and Heba entered into a new partnership agreement (50/50) with Peab. The partnership projects include a variety of tenure types and properties of various natures in Stockholm.

Peab

Villa Primus, Lilla Essingen

Heba entered into a joint venture agreement with Peab in 2025 to develop the Villa Primus elderly care facility on Lilla Essingen in Stockholm. The project comprises 160 residential units in the elderly care facility, a six-bed service housing unit and a small commercial unit on the ground floor. Construction is expected to be complete in 2028. The goal is for Heba to acquire the finished property upon project completion. A 20-year lease has been signed with the Ambea Group for both the elderly care facility and the service housing unit. The elderly care facility has been developed by Peab and is being built with a high sustainability profile at the Miljöbyggnad Silver 4.0 certification level according to the Sweden Green Building Council.

Åke Sundvall

Stora Sköndal

A new district is taking shape in Stora Sköndal in southern Stockholm. Heba and Åke Sundvall will collaborate in a joint venture to operate and own a project of approximately 600 homes in the new city district. Around 260 of these homes are rental apartments and 340 are commonhold apartments. The project is part of phase 2 of the development of Framtidens Stora Sköndal, which covers a total of around 1,400 homes. The detailed development plan is expected to gain legal force in the first half of 2026. When Stora Sköndal is completed around 2035, the district will have around 4,500 homes and 1,500 workplaces. The district is designed based on an idea of social sustainability with a focus on inclusion, variety and proximity to green spaces and water. It will be a city district built for human encounters and community, with varied architecture, a strong focus on environmental sustainability and use of new technology to enhance quality of life. The project is fully aligned with Heba's vision to be the best in Sweden at creating safe and attractive homes and communities.

Partnerships

Property	Location	No. of apts	Property type	Acquisitions	Construction start	Completion year	Estimated investment, SEK ¹⁾
Värbergstoppen	Värberg	300	Residential rental	Oct 2020	Q2 2021	2024/2025	800
Stora Sköndal	Sköndal	260 340	Residential rental apartments Commonhold apartments	Nov 2020			2,000
Skärgårdsskogen	Skarpnäck	100	Commonhold apartments	Sep 2021			250
Stockholm Primus 2	Lilla Essingen	166	Elderly care facility	Dec 2025	Q3 2025	2028	830
Total		1,166					3,880

¹⁾ Heba's share is 50%.

Risks

Strategic risks

Risk	Management
<p>Property valuation The market value of property fluctuates depending on factors including the general economy and interest rates. Changes in market yield requirements have significant impact on earnings.</p>	<p>In order to obtain a fair market value, two thirds of the property portfolio are internally valued and one third is externally valued at the close of each quarter. All properties owned by the Group are externally valued at year end. Properties undergoing renovation and project properties in early phases are always valued internally.</p>
<p>Brand A strong brand is characterised by awareness, clarity and consistency recognised among employees and by the market. A strong brand helps the company to meet its business objectives. If the brand were to be associated with undesirable characteristics, there is a risk of adverse impact on Heba's growth.</p>	<p>We work continuously to communicate the company's overall message through various channels, both internally and externally. Proactive efforts related to the company culture include our Code of Conduct, by which every employee is guided. We are continuously refining our channels to keep up with the times and ensure accessibility. We are proactive in dealing with potentially sensitive issues that could damage the brand.</p>

Heba is a stable company with a low risk profile, maintained through factors including a high equity ratio, long-term ownership perspective, residential and community service properties with low vacancy rates, focus on the core business and efficient in-house property management. Some of the risk areas that could have impact on the business are presented below.

Risk	Management
<p>Digitalisation We recognise the need for a stream of innovations and novel technologies that can improve and streamline our day-to-day work. Meeting the needs and expectations of our stakeholders is essential to the success of our business. If we fail to keep up with digital advances, we may struggle to attract the workforce of the future.</p>	<p>We have a vision for the future scenario to which we aspire. We are organising operations towards digitalised everyday property management and view digitalisation an unquestioned mainstay of the work of all employees. We invest resources in business intelligence and draw inspiration from the industry. We execute pilot projects to evaluate systems and technologies in operation.</p>
<p>Growth One of Heba's strategic objectives is to continue to grow in the Stockholm and Mälaren regions. This requires land allocations for new builds, deep understanding of the market, the right rent levels and effective partnerships. One persistent risk is that local authorities will fail to meet the needs for elderly care facilities as the population continues to age. New housing is part of the company's mission.</p>	<p>A common approach with close and transparent dialogue with our partners ensures that we are working towards the same ends and promotes skills transfer. We are working together to create opportunities to win land allocation tenders and achieve the right rent levels. We are engaged in ongoing communication with other stakeholders concerning the need for elderly care facilities.</p>

Operational risks

Risk	Management
<p>Rental income 73% of Heba’s rental income is derived from residential tenants. The Stockholm and Mälaren regions account for all the Group’s rental income. As the rent level relates to the negotiated utility rent, these rent negotiations have material impact on Heba’s revenues.</p>	<p>Heba is working towards more consistent rent-setting that better reflects the values and preferences of our tenants. Heba’s strategy is to operate in attractive locations where there is a high demand for rental housing, which will make it possible to improve the rent level in the long term. Efficient in-house letting reduces the risk of vacancies. With a portfolio of soon-to-be fully renovated or new build properties with renegotiated rents, rental income is increasing.</p>
<p>Vacancies At year-end 2025, Heba owned 14 community service properties and is otherwise a purely residential company with a homogeneous property portfolio. A high vacancy rate for residential properties would thus have adverse impact on Heba’s results of operations.</p>	<p>Demand for residential rental properties in the Stockholm region is very high and expected to remain so for the foreseeable future. Heba’s vacancy rate remains very low at 0.11% for residential and 0.31% for non-residential units. The community service properties are leased for 15–20 years to municipalities and established private providers of elderly care.</p>
<p>Property costs Alongside increased water tariffs, heating costs are Heba’s single largest operating cost item. The majority of the property portfolio is connected to the district heating network. Heating costs represent about 11% of total operating costs. These costs can vary substantially from year to year depending on weather conditions and energy prices.</p>	<p>The heating systems in most of Heba’s properties are very modern and all have remotely monitored DH substations. Heba is working non-stop to reduce energy use in its properties by means including efficient energy investments and optimisation of technical systems. The company is also installing alternative energy sources, such as solar systems combined with geothermal heating. A total of 13 properties are heated mainly with geothermal heat pumps.</p>

Financial risks

Risk	Management
<p>Financing costs Increased financing costs represent the risk of adverse impact on the company’s financial position as a result of changed market conditions, such as rising market rates or deteriorating capital market conditions. Heba’s exposure to the credit market amounted to SEK 6,474.2m at year-end 2025, corresponding to an LTV ratio of 46.2% of the market value of the properties.</p>	<p>Heba’s finance policy governs how financial risks must be managed and sets limits, as well as determining which financial instruments can be used. Heba is actively working to reduce the company’s interest rate risk and to create a laddered maturity structure in the debt portfolio. This is done through interest rate hedging in the derivatives market, the use of diversified financing sources and by increasing the company’s green financing. Senior management, the Finance Committee and the board of directors monitor the situation on an ongoing basis. The cost of capital is 2.7%, the fixed interest duration is 2.3 years and the interest coverage ratio is a multiple of 2.2. Heba has a long-term issuer credit rating of BBB, Stable Outlook by Nordic Credit Rating.</p>
<p>New regulations and control mechanisms More comprehensive sustainability regulations with stricter standards for energy performance, climate statements, reporting, and potential taxes, fees and other restrictions could impact the company’s financial capacity to maintain its property holdings. Changes in legislation or government requirements could entail higher investment costs and higher operating costs for Heba, as well as require adaptations to existing properties and ongoing projects, which could have impact on profitability and cash flow.</p>	<p>Heba is managing this risk by means of ongoing monitoring of legislation and control mechanisms, early adaptation of technical solutions and project requirements and integration of regulatory requirements in ROI calculation and business planning. Heba is collaborating with industry and energy suppliers to mitigate uncertainty and enable cost-effective solutions. Through actions including energy efficiency improvements, climate adaptation and long-term financial planning, including green financing, Heba is assessed as having strong capacity to manage increased requirements and mitigate adverse financial impact.</p>



Geopolitical risks

Risk	Management
<p>Increased costs The business environment is characterised by war in the immediate area, trade conflicts, energy supply and increased security policy tensions. Heba’s exposure to direct geopolitical risks has been assessed as limited. The financial market, construction costs and IT security have indirect impact on results of operations and investment conditions.</p>	<p>Heba’s business model, which is based on long-term ownership of residential properties, low vacancy rates and stable cash flows, entails relatively limited direct exposure. The company monitors external developments and takes preventative action to manage inflation expectations and central bank interest rate decisions, increased construction and production costs and energy prices. See also Financial risks above.</p>
<p>IT and cyber security The security policy situation entails increased risk for cyber attacks against vital social functions and the property infrastructure. This could occur through hacking, denials of service and privacy incidents. For Heba, it more specifically involves impacts on various property systems, including those that could lead to costly operational downtime.</p>	<p>Heba is working actively and systematically to reinforce IT and cyber security through monitoring of property systems, continuous security updates and employee training. Emergency response, incident and recovery plans have been prepared to ensure continuity in the event of operational disruptions.</p>
<p>Emergencies and preparedness Heba is indirectly affected by new requirements for civil preparedness. Emergency shelters, backup power and robust property operation are all components of physical risk management. The risk of direct physical impact has been assessed as low, but preparedness requirements could entail increased costs and investments.</p>	<p>Based on a recent inventory, Heba has determined that existing emergency shelters meet official requirements and are ready to be used if needed. The emergency shelters are inspected and have been approved by the Swedish Civil Defence and Resilience Agency. The company has invested in cooling systems at elderly care facilities to ensure that residents will be able to withstand protracted heat waves.</p>

Sustainability risks

Risk	Management
<p>Employees Employees are the company’s most important asset. Heba aims to ensure that our people feel well and enjoy their jobs. If Heba were to lose its attractiveness as an employer and thus experience difficulties in recruiting, retaining and developing employees, it could have serious adverse impact on the business.</p>	<p>Heba’s Code of Conduct is based on the company’s core values and provides clear guidelines for business conduct. Every employee has an individual training plan to equip them to grow along with the company. The plan is followed up as part of the annual performance review. Heba has had an internal training programme aimed at ensuring skills development since 2022. Employee surveys are conducted every two years and identify areas for improvement. The 2025 eNPS score was 4.2 (4.1) on a scale of 1–5. A new survey will be carried out in 2026.</p>
<p>Customer satisfaction Heba should be close at hand and available to tenants. Being a Heba tenant means having a safe, secure and pleasant home and getting help when you need it. Widespread dissatisfaction would damage the Heba brand and lead to high tenant turnover.</p>	<p>Heba endeavours to be available and close at hand to ensure that tenants feel safe in their homes and receive prompt feedback and assistance when needed. Initiatives such as safety walkthroughs are carried out in partnership with tenants and promote environmental engagement. Heba conducts customer satisfaction surveys every two years, or six months after completion of a renovation project or new build. All properties with a security index below 80% have a documented action plan. The security index for the 2025 survey was 87.9% (87.4). The service index was 85.3% (85.7). A new survey will be carried out in 2027.</p>
<p>Human rights, anti-corruption and supplier risks Heba’s operations involve numerous entities and subcontractors, particularly in the context of new build projects. Abuses, such as human rights violations and potential bankruptcies of suppliers in the value chain, can have material impacts on individuals, in addition to disrupting Heba’s operations.</p>	<p>Heba’s ESG policy is both the foundation of and assurance that the company’s business is conducted responsibly. All employees are trained annually in the company’s Code of Conduct as well as anti-corruption and the ESG policy. Heba applies the Swedish Property Federation’s Code of Conduct for Suppliers and conducts audits to ensure that all suppliers and subcontractors act ethically. There is a whistleblowing function managed by a third party to detect irregularities.</p>



Sustainability risks, cont.

Risk	Management
<p>Environmental risks associated with new builds When Heba builds a new building, the construction process and the building itself must be adapted to the climate and environmental needs of the future, which must be assured. Thorough understanding of how the company’s new builds impact the climate is essential for the company to be able to meet current and future requirements.</p>	<p>All new builds must be environmentally certified according to Miljöbyggnad Silver or another level assessed as equivalent and energy use must be 20% below that required under current Boverket Building Regulations. Materials used must be selected from a sustainability perspective and approved according to Byggsvarubedömningen or based on the internal Heba standard that specifies approved products. From 2025, the climate impact of the construction process for each new project must be halved compared to the current reference value developed by Boverket. An external environmental controller must audit Heba’s compliance with the environmental programme and the requirements set for each project. The company must act and address the gaps and opportunities that arise by fostering understanding of the nature of indirect climate impacts.</p>
<p>Environmental risks linked to the renovation programme The few properties in Heba’s portfolio that have yet to be renovated are 50–70 years old and require action to maintain proper function. The company needs to renovate for the future. Heba must consider how materials and methods used today might turn out to be inadequate in the future. Otherwise, there is risk that the buildings will fail to meet future energy requirements or the needs and preferences of stakeholders.</p>	<p>When Heba renovates buildings, it pays off old environmental debts. As with new builds, there is an external environmental controller and an environmental programme throughout the project to quality-assure the work. Before each renovation, a reuse inventory is taken to minimise waste and save resources. Heba analyses and sorts generated waste for recycling and tracks outcomes in quarterly reports. The target is that all materials that <i>can</i> be recycled <i>are in fact</i> recycled. Any new products in the buildings are either approved according to Byggsvarubedömningen or comply with the Heba standard. Heba is taking action to improve energy performance such as window replacements, additional insulation and replacement of ventilation units. Every decisions should be taken with the climate impact of the products in mind.</p>

Risk	Management
<p>Environmental risks associated with property management Everyday property management involves situations that can affect people and the environment in various ways. Heba needs to be aware of how the company assesses and manages environmental risks that arise in the day-to-day work of property management teams.</p>	<p>Efforts related to procedures and self-assessment are followed up annually by means of Heba’s HållFast certification of properties in operation. Each property has its own management plan that includes a survey of embedded environmental debt. The largest cost item in property management is energy use, which is controlled remotely to optimise energy performance. Heba is making it easier for residents to recycle waste. As well, we are investigating how we can, as a property owner, create incentives to recycle even more, especially plastics. Each year, Heba aims to launch two projects involving the installation of renewable energy sources, such as geothermal heating combined with solar panels.</p>
<p>Risks linked to climate change Climate change brings risks linked to higher carbon emissions and environmental impact in the property business. Temperature changes can lead to higher energy requirements for heating and cooling, thus increasing emissions unless energy efficiency is improved and renewable energy solutions implemented. Increased precipitation and elevated water levels entail physical risks to properties, such as floods and moisture damage, which can have impact on building operation, value and usability.</p>	<p>The property portfolio is analysed annually based on various climate scenarios, using the County Administrative Board’s map data for climate adaptation and data from the Swedish Meteorological and Hydrological Institute (SMHI) and the Swedish Civil Defence and Resilience Agency. Near-term and long-term physical climate risks are assessed to ensure that the right adaptations are planned and implemented in time. ESG targets and climate-related matters are reflected in the strategic work and day-to-day work and are integrated into the business, for example with actions in the property plan. Near-term and long-term analyses are performed and targets set and monitored by management and the board at least once every quarter. See further data in the table on page 57.</p>

Climate change

Risk	Category	Model and metric	Financial impact	
Transition risks	Increased energy costs	Costs	Total energy use (heating, cooling and common electricity) expressed in GWh, SEKm per year.	Energy use in 2025 totalled 21 GWh, corresponding to a cost of SEK 36.8m.
		Costs	Change in energy costs due to increase in energy prices by SEK 0.50/kWh. Calculation based on 2025 energy use and SEKm/year.	A price increase of SEK 0.50/kWh would increase energy costs by SEK 11m.
		Assets/ Liabilities	Investments linked to reducing energy use and increasing the share of renewable energy.	Heba invested SEK 20m in renewable energy systems in 2025. For the buildings with renewable energy systems it is estimated there will be annual savings of 60%.
	Increased costs linked to regulations, taxation or emissions	Costs	Increased costs for carbon offsetting, based on 2025 offsets of Scope 1 and Scope 2 emissions.	If the price of carbon offsetting is SEK 1,500/tonne, it would correspond to a cost of SEK 326,000.
		Costs	Increased costs for building materials if carbon offsets are added to the purchase price. Climate impact of building materials in 2024. (No emissions in 2025 available as a basis)	If the price of carbon offsetting is SEK 1,500/tonne, the cost of the climate impact of construction products will correspond to around SEK 600,000.
	Increased water costs	Costs	Total water consumption in 2025, where there is an assumed increase in the price of water of 50% per m ³ /year.	Water consumption in 2025 totalled 335,000 m ³ , representing a cost of SEK 14.9m. The price increase would increase water costs by SEK 7m.

Risk	Category	Model and metric	Financial impact	
Physical risks	Properties will be submerged due to rising sea levels	Assets	Properties located in areas where sea levels are expected to rise. Expressed in terms of loss of revenue SEKm/year. Share of rental income based on outcomes in 2025.	Outcome of analysis of the entire portfolio. Four properties have been identified for which there is risk of severely elevated water levels. Equivalent to annual revenues of SEK 84m, 14% of total rental income in 2025.
	A hotter climate increases energy demand linked to refrigerants	Assets/ Liabilities	The need for refrigerants is increasing, which entails an initial investment for installation and an annual increase in energy costs.	One of our elderly care facilities has an identified need for refrigerant, corresponding to an investment of SEK 1.5m and increased energy costs of SEK 20,000/year.
	Increased rainfall results in properties becoming temporarily unusable	Revenue	Loss of revenue from vacant residential and non-residential units.	Based on the analysis of the portfolio, there is an elevated risk in one property. The loss of revenue from vacating the building is estimated at SEK 1.6m.
		Costs	Repair costs increase, due to increased water volumes.	Based on the analysis of the portfolio, there is an elevated risk in one property. The cost of repair is estimated at SEK 8m.

Valuation of the property portfolio

The valuation of properties in Heba’s property portfolio as at 31 December 2025 has been carried out by authorised property valuers from Savills Sweden AB and Novier Property Advisors AB.

Transactions market

Heba’s property portfolio is mainly located in the Greater Stockholm area. In 2025, the transaction volume for residential properties in Greater Stockholm was approximately SEK 20.3bn, an increase of around 80% YoY. The average for the last ten years is approximately SEK 22.3bn. Over the past five years, the volume of residential property has ranged from SEK 12.5–69.3bn, representing 22–38% of total transaction volume in the sector. There has been intense interest in the segment and supply has struggled for several years to keep up with investor demand.

However, in 2022 and 2023, the residential property transaction market slowed down significantly due to higher costs and interest rates and general uncertainty about future external business conditions. Increasing transaction volumes in the past two years are a clear indication that the market is now recovering and entering a more normalised state. While significant geopolitical uncertainty persists, financing opportunities and conditions have stabilised and improved significantly.

The Greater Stockholm area’s share of the total residential property transaction volume in Sweden

was around 49% in 2025. This is slightly higher than in 2024, when the share was around 47%, but also higher than the average share for the area over the past decade, which is around 37%. Almost 60% of 2025 transaction volume in the Greater Stockholm area refers to new builds. The share has grown compared to the two preceding years, when the new build share was at a level of 30–35%. We are also seeing higher interest among foreign investors in residential properties in the Greater Stockholm area. The share of foreign buyers has risen from around 30% in 2023 to around 57% in 2025.

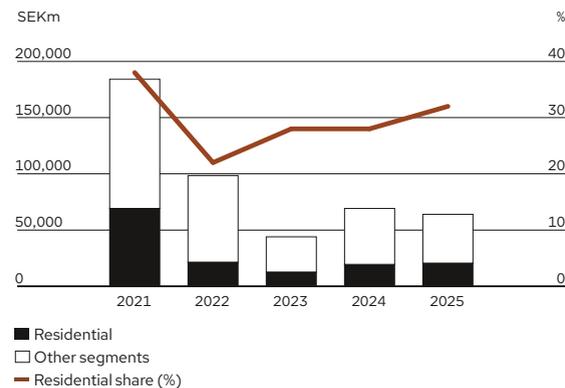
Prices are high in the commonhold apartment market and people are seeking to influence their own housing budgets and immediate environs. These factors are incentivising renters to form commonhold housing associations (CHA) and buy the properties in which they live. Acquisition decisions by CHA differ from those of other investors because rather than looking at a market yield, their main concern is the cost of housing and the price per m².

In the Greater Stockholm area, CHA accounted for around SEK 2.8bn, or 14%, of the segment’s total volume of SEK 20.3bn in 2025. The share is twice

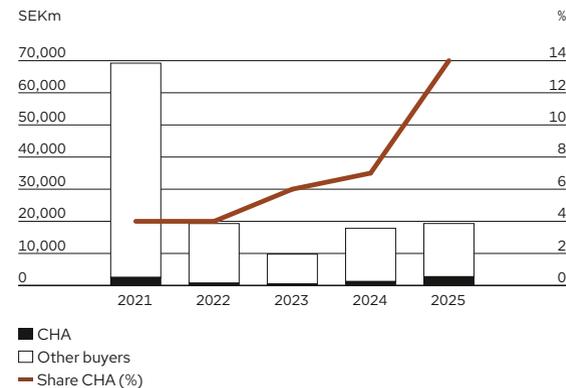
what it was in 2024, but remains low from a historical perspective. Over the last decade, the share has varied between 4–48% with an average of around 14%. The trend of a decreasing share of transaction volume for commonhold conversion deals in Greater Stockholm appears to have reversed in recent years.

The secondary market for commonhold apartments stabilised in the past two years and prices rose in the Stockholm area by around 7% in 2024, but only 0.7% in 2025. Notably, prices fell by 1.2% in December 2025. At around SEK 2.8bn, the 2025 transaction volume for conversion deals was twice

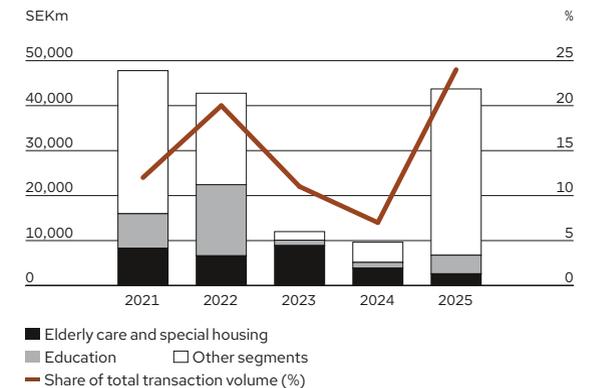
Transaction volume Greater Stockholm



Transaction volume Greater Stockholm
Residential properties – by type of buyer



Transaction volume community service properties Sweden





Gråalen 1, Norrtälje.

the 2024 volume. Volume also doubled between 2023 and 2024. However, it is clear that deals are being made at new and lower levels compared to the situation a few years ago. This should probably be interpreted to mean that the new interest rate situation and rules on amortisation requirements, combined with a more uncertain price trend on the secondary market, are limiting what CHA are prepared to pay in conversion processes. Conditions are currently somewhat more stable as regards inflation and interest rate forecasts, and lower amortisation requirements have been announced. These factors are making it easier to achieve the necessary majority vote among renters to carry out conversions. In the light of this, Savills believes that, at present, the value of residential property, even in attractive conversion locations, can be affected by the willingness of investors to pay as well as the payment capacity of CHA.

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

Transaction volumes in the segment have grown steadily for several years, driven by prevailing market conditions and the segment's favourable risk profile. There was a marked increase in volume at around SEK 48bn in 2021 and SEK 43bn in 2022, before falling back in the last two years. Transaction volume amounted to around SEK 12bn in 2023 and decreased further in 2024 to around SEK 9.6bn.

Two major structural deals totalling around SEK 7.8bn accounted for more than half the 2023 volume. A major structural deal in which PPI bought a large portfolio of community service properties from SBB also had huge impact on transaction volume in 2025. The total scope of the deal is SEK 32bn in property value including about SEK 22.3bn in Sweden.

The Greater Stockholm area's share in 2025 corresponded to about 33% of the segment's total transaction volume including the PPI deal. This is lower than in the previous year when the share was around 42% and lower than the average share for the Greater Stockholm area over the last five-year period, which is around 37%. Only a handful of straightforward transactions involving elderly care facilities were recorded in 2025, most of them outside the Stockholm area. Savills estimates the yield requirement for attractive properties with elderly care facilities in the Greater Stockholm area at around 4.0–4.5%.

Market value

Retained by Heba, Savills Sweden AB has valued 23 properties and Novier Property Advisors AB has valued 35 properties in the Group's property portfolio. The purpose of the valuations was to assess the market value of each property as at the reporting date, 31 December 2025. At year-end, all investment properties except one project property in an early stage, were externally valued. Two properties were valued by both valuation firms and are reported at the average of the two valuations. One project property in Källberga, Nynäshamn, and one additional investment property are reported at internally assessed values as at the reporting date.

Market value refers to the most likely price at the valuation date at which a buyer and a seller are prepared to enter into an arm's length transaction. This is after the property has been marketed in an open market, where the parties have acted knowledgeably, with insight and without coercion.

Valuation basis

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

For non-residential units, the revenue data consist of closing rent, area, contract term, indexation and any supplements and discounts per non-residential unit. For residential properties, it includes information by property on the closing rent, type of apartment, area, specified rent supplements and rent

discounts. Information on vacant space has also been provided.

The cost base consists of historical consumption and maintenance costs at the property level as well as major planned or recently completed investments and maintenance work. For some costs, Heba has also provided the budget for the year following. Information on current assessed taxation values was obtained from Heba and the official property register.

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

Valuation method

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

Discounted cash flow (DCF) is the principal valuation method applied to the individual valuations. This includes calculation of the present value of estimated future NOI and investment requirements. The calculation takes the property's actual rent and cost levels, vacancies, etc., into account, which are later compared to and, if required, adjusted against market levels and the valuer's outlook on future developments. The value is derived as the sum of the present value of each



Fregatten 4–5, Lidingö.

year’s NOI and investments during the forecast period, as well as the present value of the property’s residual value at the end of the forecast period. As a rule, the present value of the residual value and the present value of estimated NOI are calculated using a discount rate estimated by adjusting the valuer’s estimated yield requirement for inflation. The yield requirement is assessed by studying sales of comparable properties in combination with analyses of the commonhold housing market and understanding of market actors.

Forecast periods of 5–15 years have been used in the valuation of Heba’s properties. The valuations do not consider the tax situations of individual properties.

Assumptions

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

- The inflation rate has been estimated by the valuation firms at 1.5% and 2.0% respectively for 2026 and 2% per year for the remainder of the forecast period.
- The rent increase for 2026 was known for the majority of residential properties when the valuations were performed. The valuers obtained information from Heba concerning properties for which the rent increase was known. For properties for which the rent increase was unknown at the time of valuation, the valuers estimated rent increases on par with other known agreements in the locality. For the following years, it was assumed that rents will track inflation. For properties with multi-year agreements for residential properties (“self-assessed rent”), the valuers have made their own assessment of the rent trend.

- For non-residential units, future rent projections were based on current leases. Rents at the end of the current lease term are adjusted to the estimated market rent. The valuers have assessed vacant non-residential units at a reasonable market rent.
- The long-term economic vacancy rate has been assessed at 1.2% on average and varies between 0.1% and 5.0% within the portfolio.

The discount rate and yield requirement are based on analyses of completed transactions, as well as individual assessments of the level of risk and the market position of the property. The external valuations use a discount rate ranging from 3.7% to 6.9%, with an average of 5.6%, and a yield requirement ranging from 1.7% to 4.8%, with an average of 3.6%. The initial yield requirement, which entails the first year’s NOI divided by the set market value, varies between 1.3% and 5.0% with an average of 3.6%.

Market value

At year-end, all investment properties except one project property in an early stage, were externally valued. Two properties were valued by both valuation firms and are reported at the average of the two valuations. One project property in Källberga, Nynäshamn, and one additional investment property are reported at internally assessed values as at the reporting date. The market value of the properties was SEK 14,003,241 thousand as at 31 December 2025 according to valuations performed, as compared to SEK 13,589,186 at year-end 2024.



Skidföret 1 Västerorp.

Sensitivity analysis

Parameter	Unit	Number	Change in value of residential properties		Change in value of community service properties	
			SEK 000s	%	SEK 000s	%
Discount rate	% points	0.5	-513,506	-4.9%	-179,954	-5.6%
Discount rate	% points	-0.5	559,604	5.3%	196,376	6.1%
Yield requirement	% points	0.5	-1,196,709	-11.4%	-275,442	-8.6%
Yield requirement	% points	-0.5	1,687,557	16.1%	344,793	10.7%
Rental value	%	2	263,217	2.5%	60,649	1.9%
Rental value	%	-2	-257,205	-2.5%	-63,649	-2.0%
Operating and maintenance costs	%	10	-290,868	-2.8%	-37,694	-1.2%
Operating and maintenance costs	%	-10	298,872	2.9%	32,694	1.0%

The Heba share

As at 31 December 2025, share capital amounted to SEK 34,400,000 divided among 15,564,722 Class A shares and 149,555,278 Class B shares. Heba's stock has been listed on Nasdaq Stockholm Nordic Mid Cap since 13 June 1994.

Pre-emption clause and conversion clause

Heba's Articles of Association contain a pre-emption clause regarding the company's Class A shares, essentially meaning that if A shares are transferred to a party that does not already own A shares, the shares must be offered to current owners of A shares. If the offered A shares are not claimed, the shares are automatically converted into B shares. The Articles of Association also contain a conversion clause, by which A shares must be converted to B shares at the request of the holder of such shares.

Ownership structure

The number of shareholders in Heba at year-end was 5,117. The ten largest shareholders represented 57% of equity, i.e., the share of equity, and 67% of voting rights. Institutional ownership amounted to 9.61% of equity and 5.20% of voting rights. Foreign shareholders accounted for 7.48% of equity and 4.05% of voting rights.

Dividend policy

Heba's target is to distribute dividends of at least 50% of income from property management, adjusted for tax. However, the company's investment and consolidation needs, financial position in general and the material impact of non-recurring items on the results of operations must also be taken into account when determining the dividend.

The board of directors is proposing a dividend of SEK 0.55 per share for the 2025 annual reporting period. The dividend corresponds to a dividend yield of about 1.8% based on the share price as at 31 December 2025. If the AGM endorses the board proposal, the dividend is expected to be paid on 30 April 2026 based on the record date of 27 April 2025.

EPRA NRV (Net Reinstatement Value)

NAV per share is estimated at SEK 50.05 (47.02). Deferred tax has not been considered in the calculation in view of the possibility of selling property in a tax-efficient manner.

Share buyback

The 2025 AGM mandated the board of directors to acquire a maximum of 10% of the shares in the company during the period prior to the next AGM. As at 31 December, the company's total holding of treasury shares was 9,907,200, corresponding to 6.00% of registered shares outstanding.

Ten largest shareholders 31 December 2025:

	No. Class A shares	No. Class B shares	Total	Share of equity %	Share of voting rights %
IC Industricentralen Holding AB		16,499,990	16,499,990	9.99	5.41
Ericsson, Charlotte	1,998,320	8,767,049	10,765,369	6.52	9.42
Vogel, Johan	1,866,240	8,358,130	10,224,370	6.19	8.85
Vogel, Anna	1,866,240	8,180,992	10,047,232	6.08	8.80
Heba Fastighets Aktiefbolag		9,907,200	9,907,200	6.00	3.25
Holmbergh, Christina	1,848,320	7,819,608	9,667,928	5.86	8.62
Eriksson, Anders	1,828,320	6,626,988	8,455,308	5.12	8.16
Härnblad, Birgitta	2,065,640	6,059,936	8,125,576	4.92	8.75
Ericsson, Ulf		6,290,000	6,290,000	3.81	2.06
Sundström, Maria	635,680	2,887,000	3,522,680	2.13	3.03
Georgsson, Charlotta	635,680	2,857,320	3,493,000	2.12	3.02
Andersson, Rolf H		3,421,500	3,421,500	2.07	1.12
Spiltan Aktiefond Stabil		2,821,449	2,821,449	1.71	0.92
Danielsson, Steve	619,360	1,934,196	2,553,556	1.55	2.66
Eriksson, Eric Victor		2,378,980	2,378,980	1.44	0.78
Handelsbanken Fonder		2,091,206	2,091,206	1.27	0.69
Avanza Pension		1,747,795	1,747,795	1.06	0.57
Livförsäkringsbolaget Skandia, ömsesidigt		1,667,788	1,667,788	1.01	0.55
Osterholm, Denise	317,840	1,195,160	1,513,000	0.92	1.43
Anttila, Linda	317,840	1,195,160	1,513,000	0.92	1.43
Total, largest shareholders	13,999,480	102,707,447	116,706,927	70.68	79.52
Total, other shareholders	1,565,242	46,847,831	48,413,073	29.32	20.48
Total	15,564,722	149,555,278	165,120,000	100.00	100.00

Distribution of shares 31 December 2025

	No. of share-holders	% of equity	No. of shares	% of equity
1-500	2,959	57.83	338,844	0.21
501-1,000	554	10.83	435,403	0.26
1,001-2,000	445	8.70	678,739	0.41
2,001-5,000	510	9.97	1,801,916	1.09
5,001-10,000	215	4.20	1,649,699	1.00
10,001-20,000	147	2.87	2,142,848	1.30
20,001-50,000	108	2.11	3,572,798	2.16
50,001-100,000	67	1.31	4,840,058	2.93
100,001-500,000	78	1.52	16,559,659	10.03
500,001-1,000,000	9	0.18	6,405,744	3.88
1,000,001-5,000,000	16	0.31	32,492,476	19.68
5,000,001-10,000,000	5	0.10	42,446,012	25.71
10,000,001-	4	0.08	47,536,961	28.79
Holding unknown	-	-	4,218,843	2.56
Total	5,117	100.00	165,120,000	100.00

Per share data

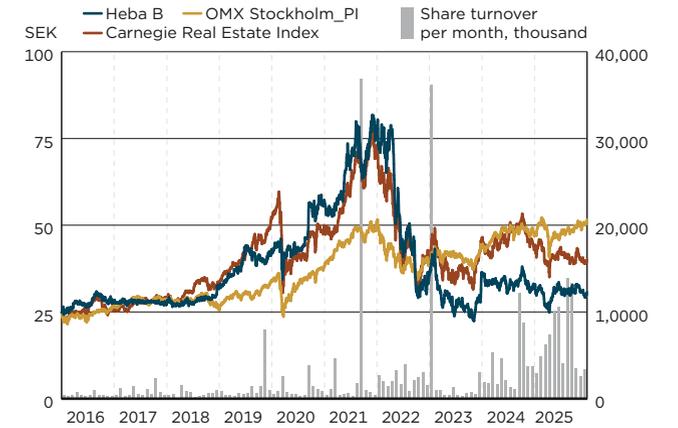
Amounts in SEK/share	2025	2024	2023	2022	2021
Profit or loss before tax	2.35	0.86	-6.32	-0.84	10.74
Profit or loss after tax	1.80	0.60	-4.31	-0.82	8.94
Cash flow	1.35	1.30	1.43	1.19	1.41
Shareholders' equity	40.87	39.07	38.99	43.75	45.38
Carrying amount, properties	90.22	82.30	77.36	95.19	88.87
Dividend (2025 proposal)	0.55	0.52	0.52	0.45	0.80
Share price as at 31 December	30.70	32.75	35.45	36.30	78.80
P/E ratio I	13.1	38.1	-5.6	-43.2	7.3
P/E ratio II	17.1	54.6	-8.2	-44.3	8.8
Total return, %	-4.7	-6.1	-1.1	-52.9	38.8

Share capital development

	No. of new shares	Total shares	Increase in share capital, SEK	Total share capital, SEK
1993		1,620,000		16,200,000
1994 Split 4:1		6,480,000		16,200,000
1994 New issue	400,000	6,880,000	1,000,000	17,200,000
1999 Funding issue	6,880,000	13,760,000	17,200,000	34,400,000
2008 Split 3:1	27,520,000	41,280,000		34,400,000
2019 Split 2:1	41,280,000	82,560,000		34,400,000
2022 Split 2:1	82,560,000	165,120,000		34,400,000

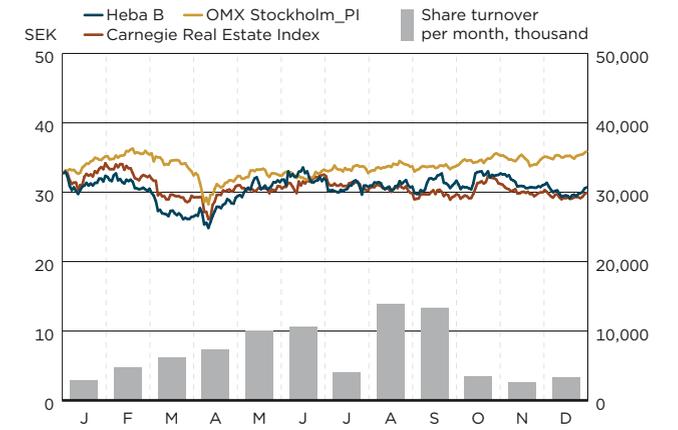
Share performance

Heba B, 1 January 2015-31 December 2025



Source: Allfunds Tech Solutions

Heba B, 1 January-31 December 2025



Source: Allfunds Tech Solutions

Capital structure and financing

Financial position

Heba is committed to maintaining its financial strength, stable cash flows and high credit rating. The company is actively engaged with improving the debt maturity structure, meaning that fixed-interest durations and derivatives purchases must be optimised with regard to expected developments in interest rates, risk and cash flow. In addition, favourable loan terms and rational loan management must be achieved. Heba's finance policy governs how financial risks must be managed and sets limits, as well as determines which financial instruments can be used. Senior management, the Finance Committee and the board of directors continuously monitor the company's financial situation.

Capital structure

As at 31 December 2024, Heba's assets amounted to SEK 14,541.9m (14,166.4), financed partly through equity of SEK 6,343.7m (6,450.5) and partly through debt of SEK 8,198.2m (7,715.9) including interest-bearing liabilities of SEK 6,474.2m (6,076.9). Heba consistently maintains its good financial position, with a high equity ratio and low LTV ratio.

Credit rating BBB Stable Outlook

Nordic Credit Rating conducted an annual review of Heba's credit rating in Q1 2025. The outcome was that Heba's rating was upgraded to BBB Stable Outlook.

Loan structure

Interest-bearing liabilities consist of traditional bank loans combined with interest rate derivatives, commercial paper and bonds. Heba has established a commercial paper programme with a distributable amount framework of SEK 4,000m. As at year-end 2025, interest-bearing liabilities amounted to SEK 6,474.2m (6,076.9), corresponding to 46.2% (44.7) of the market value of the properties.

The average interest rate as at 31 December was 2.67% (2.81). The loans are divided between four of the largest banks in Sweden, with which Heba has built solid and trustful relationships. In order to limit interest rate risks, the variable rate on underlying loans has been fixed by means of interest rate derivatives. Heba had contracted interest rate swaps totalling SEK 3,400.0m (3,400.0) as at the end of the annual reporting period. Outstanding commercial paper amounts to SEK 1,040m (523). Heba always has liquidity or unused credit commitments to cover outstanding commercial paper upon maturity.

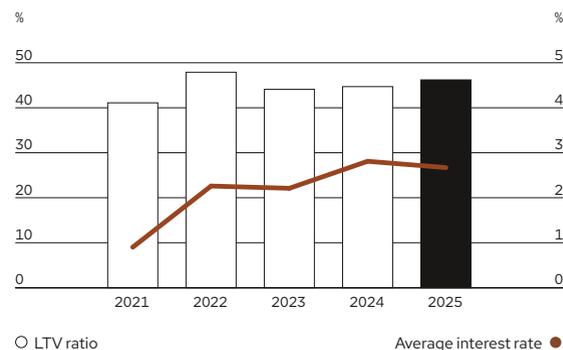
Heba has no foreign currency loans.

The loan structure and average interest rates of Heba's property loans as at 31 December 2025 are shown in the tables on page 65.

LTV ratio

The LTV ratio was 46.2% (44.7) and the net LTV ratio was 46.1% (44.5) at year-end. The board of directors of Heba has set that the loan-to-value ratio for the period 2025–2030 should not exceed an average of 45% and should never exceed 50%.

LTV ratio and average interest rate



Bond programme

Heba established an MTN (Medium Term Notes) programme in January 2021 with a distributable amount framework of SEK 2,000m. In January 2022, Heba expanded the existing bond 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 ESG strategies and targets. The framework was prepared in partnership with Handelsbanken and was reviewed by Morningstar Sustainalytics, 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".

Capital structure

SEKm	2025	2024
Non-interest-bearing liabilities	269.5	268.4
Interest-bearing liabilities	6,474.2	6,076.9
Deferred tax liabilities	1,454.5	1,367.6
Tax liability	-	3.1
Shareholders' equity	6,343.7	6,450.5
Total equity and liabilities	14,541.9	14,166.4

Fixed interest rate structure 31 Dec 2025

Maturity	Volume (SEKm)	Avg. interest rate (%)	Share (%)
< 1 year	2,567.0	3.84	40
1-2 years	750.0	1.76	12
2-3 years	500.0	2.01	7
3-4 years	1,100.0	2.06	17
4-5 years	630.0	1.57	10
5-6 years	580.0	1.97	9
6-7 years	347.2	2.59	5
7-8 years	-	-	-
8-9 years	-	-	-
9-10 years	-	-	-
Total	6,474.2	2.70	100

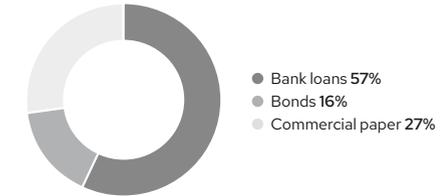
The table shows all agreed rates for the respective maturities via loans and interest rate derivatives. The table includes interest rate derivatives with future start dates; consequently, the average interest rate may differ from the rate that Heba is currently paying. The average rate for period 1 includes 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. The average fixed rate duration is 2.3 years (3.1).

Cash conversion cycle structure 31 Dec 2025

Maturity	Credit agreement (SEKm)	Used (SEKm)
Commercial paper programme	4,000.0	1,040.0
< 1 year	590.0	450.0
1-2 years	1,610.0	810.0
2-3 years	2,338.9	1,238.9
3-4 years	936.3	936.3
4-5 years	1,138.0	1,138.0
5-6 years	330.0	330.0
6-7 years	531.0	531.0
7-8 years	-	-
8-9 years	-	-
9-10 years	-	-
Total	11,474.2	6,474.2

The average cash conversion cycle is 3.2 years (3.3).

Financing



Interest-bearing liabilities SEK 6,474.2m (6,076.9). LTV ratio 46.2% (44.7).

Share of secured borrowing in relation to total property values





Introduction

**Global environment,
targets and strategy**

Sustainability

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Corporate governance

New Board Chair

Jan Berg takes the gavel. He likes what he sees.

For Jan Berg, there was never any doubt. Becoming the new chair of the board of directors of Heba was a great honour and a resounding vote of confidence.

"I was delighted and honoured to be asked to take the gavel in such a venerable and well-managed company as Heba. I have been impressed by how Heba combines constant optimisation of operations with an industry-leading focus on digitalisation, ESG and growth through development and acquisitions," says Jan.



Outside of Heba, Jan Berg is a lawyer and partner at Foyen, a commercial law firm where he specialises in corporate governance and transactions, mainly in the property industry. Shareholders at the 2025 AGM entrusted him to take on the chairship after having served as board secretary since 2013.

“I know the company inside-out and have followed it at close range for more than a decade. I like it. The combination of long-term, goal-oriented optimisation of the company’s operations, finances and transactions combined with stunningly prescient and expansive initiatives is incredibly exciting. Digitalisation is one such example,” says Jan.

More action, less talk

“As I see it, Heba has come a very long way in the areas of ESG and digitalisation. A lot of companies maintain a high profile on these matters, but in my experience Heba is unique in how it implements ESG matters and has embedded them throughout the organisation. Things are really happening here. And Heba is doing it the Heba way, through patient optimisation and a long-term approach, with muscle and quality,” says Jan.

The board has complex matters under its purview: growth, efficiency, customer satisfaction and ESG, just to name a few. And everything is constantly being shaped and reshaped by a business environment that is changing faster all the time, one in which we are seeing new life patterns in terms of housing and employment alongside economic fluctuations. But Jan is utterly confident in Heba’s stable business with properties located in the right geographies, efficient property management and a highly efficient organisation. Good management and a strong culture further reinforce stability.

Muscle and hard work

“Our strong finances also make us resilient. But we must never allow ourselves to merely tread water. We are now taking the company to the next level. We will use our stability as the basis for going on the offensive in the right situation, taking strategic initiatives and making smart acquisitions. We have to strike a balance and this is where the board comes in as a committed, knowledgeable and diligent force. I can’t tell you how much I enjoy this job.”



Corporate governance statement

Corporate governance refers to the decision systems through which shareholders, directly or indirectly, govern the company. Good corporate governance is a mainstay of a listed company with multiple stakeholder groups and is aimed at ensuring that relevant interests are considered and satisfied to the greatest possible extent, sustainably and responsibly.

Heba's governing bodies stand in a hierarchical relationship to each other and consist of the general meeting, the board of directors and the CEO.



¹⁾ The board of directors carries out the duties normally under the purview of audit and compensation committees.

Heba Fastighets AB (publ) is a Swedish limited company whose Class B shares are listed on Nasdaq Stockholm AB, Nordic Midcap. Heba applies the Swedish Code of Corporate Governance (the Code). The corporate governance statement is presented in compliance with the Swedish Annual Accounts Act and the Code and provides a report on corporate governance at Heba during the 2025 annual reporting period.

Corporate governance at Heba is based on external and internal regulations. External regulations include laws and ordinances, including the Swedish Companies Act and Annual Accounts Act, the Code, Nasdaq Stockholm Issuer Rules and IFRS standards. Internal regulations include the Articles of Association, the Board Charter, Instructions to the CEO and various policies.

During the period, Heba has complied in every respect with Nasdaq Rules for Issuers and generally accepted principles in the securities market and there have been no deviations from the Code. The corporate governance statement has been reviewed by Heba's auditor, as stated on page 72.

Articles of Association

Heba's Articles of Association state that the company is public and shall have its registered office in Stockholm. The object of the company's business is

to build, own, manage, purchase and sell properties, either independently or through wholly or partly owned companies, and to conduct activities compatible therewith.

Heba's shares are divided into two classes: A and B. Each A share carries ten votes and each B share carries one vote. The Articles of Association contain a pre-emption clause regarding the company's Class A shares. The primary import is that if A shares are transferred to someone who is not a previous holder of A shares, the shares (subject to certain exceptions set out in the Articles of Association) must be offered to current holders of A shares. If the offered A shares are not claimed, the shares are automatically converted to B shares.

The Articles of Association also contain a conversion clause that gives holders of A shares the right to convert their shares to Class B upon request.

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

Shareholders

As at 31 December 2025, Heba's share capital amounted to SEK 34,400,000 divided between 149,555,278 B shares carrying one vote each and 15,564,722 A shares carrying 10 votes each. The total number of shares is 165,120,000. The quotient value per share is SEK 0.20833.

Based on the conversion clause in the Articles of Association, owners of Class A shares elected to convert 16,918 A shares to Class B during the year.

The company bought back a total of 9,907,200 B shares during the year and owned 6% of equity and 3.25% of voting rights as at 31 December 2025.

Heba had 5,117 shareholders as at year-end 2025. The shares of equity held by the largest shareholders are shown on page 62 of the printed Annual Report. Institutions accounted for 9.61% of equity and 5.72% of voting rights.

No individual shareholder in Heba holds, directly or indirectly, shares representing one tenth or more of total voting rights in the company.

Annual General Meeting

The general meeting is the company's supreme governing body where shareholders are afforded the opportunity to take decisions in matters pertaining to the company. Notice of general meetings shall be made by means of an advertisement in *Post- och Inrikes Tidningar* and publication of the notice on Heba's website. That notice has been issued shall be advertised in *Svenska Dagbladet*. General meetings shall be held in Stockholm, but the Articles of Association permit the board of directors of Heba to decide that shareholders may exercise their voting rights by post prior to a general meeting. Annual general meetings shall be held once a year within six months of the end of the previous annual reporting period. Decisions shall be taken by the AGM on matters including adoption of the annual accounts, allocation of the company's profit or treatment of loss

and discharge of liability of directors and the CEO. The AGM shall furthermore elect directors, appoint auditors and decide whether or not to establish a nomination committee.

Heba's 2025 AGM was held 24 April 2025. Jan Berg, a lawyer, was elected chair of the meeting. Shareholders entitled to vote at the AGM represented about 69% of voting rights and 62% of equity for all shares in the company. Each shareholder entitled to vote may vote at general meetings for the full number of shares represented without restriction.

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

The 2025 AGM addressed business customary for general meetings, including resolutions to set the dividend at SEK 0.52/share; to establish a new share savings programme (LTI 2025) for all employees of the company according to the same principles as the previous year's share savings programme; to authorise the board of directors to decide during the period prior to the next AGM (2026) to acquire treasury shares corresponding to no more than 10% of all shares outstanding at any given time; and to authorise the board during the period prior to the next AGM (2026) to issue Class B shares corresponding to no more than 5% of authorised share capital, either with or without waiver of shareholders' pre-emption rights.

Nomination Committee

The Heba Nomination Committee's remit is to prepare and submit a proposal to the AGM on the number of directors, board composition, auditors, chair

of the AGM, board chair and directors' and auditors' fees. The Nomination Committee shall also prepare proposed instructions for appointment and composition of the Nomination Committee. Shareholders in Heba are invited to submit suggestions and opinions regarding the aforementioned matters.

The 2025 AGM decided to appoint a Nomination Committee composed of Jan Berg (also nominated as Board Chair), Charlotte Ericsson, Lennart Karlsson and Rolf Andersson. The AGM resolved in favour of the Nomination Committee's proposal and the Nomination Committee thereafter appointed Charlotte Ericsson as the Committee Chair.

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

Board of directors

The board of directors has overall responsibility for Heba's strategy, organisation and management. In addition, the board is responsible for safeguarding the interests of shareholders and the company and for ensuring regulatory compliance. The board is also responsible for setting the Group's long-term targets, strategy and budget.

The board adopts a charter each year, which describes matters including the board's duties, procedures, allocation of tasks within the board, business addressed at ordinary meetings throughout the year and principles for financial reporting to the board.

The CEO and CFO of the company attend board meetings other than those meetings/parts of meetings held in the absence of management. Minutes are recorded by the board secretary, who is a lawyer with a legal firm in Stockholm.

In accordance with the Articles of Association, the board of directors shall be composed of no fewer than three and no more than seven directors and no more than three alternates. Shareholders elect directors at the AGM for a term ending at the close of the next AGM. The current board of directors of Heba is composed of five directors elected by the 2025 AGM for a term ending at the close of the 2026 AGM. The CEO does not serve as a director.

The directors have long and varied experience in areas of activity relevant to the company and its business. The directors represent financial, property, property management, legal and accounting expertise. All directors have experience serving on the boards of listed companies. New directors are given an introduction to the company and its operations and, if necessary, undergo relevant training for directors of listed companies, including training provided by Nasdaq regarding its rules and regulations. The directors are presented on page 73 of the printed Annual Report and on the company's website. All directors are independent of the company and of major shareholders.

In 2025, the board held 21 meetings, including one statutory meeting and one meeting to address mainly strategic matters. Of the 21 meetings, ten were held per capsulam (by correspondence). All directors were present at all meetings except for one director who was absent on one occasion.

The company's auditor attended two board meetings, at one of which the board met with the auditor in the absence of the CEO or other management.

In addition to board meetings, there has also been regular communications among directors. The board of directors has assessed its work and that of the CEO in order to streamline and improve the work of the board of directors. All directors and the CEO responded to questions and provided feedback in private discussions with the Board Chair on matters including the board's methods, composition, prepared documentation ahead of meetings, reports and presentations at meetings and the division of roles between the Chair and the CEO. The results of the assessment have been discussed by the board as a whole and presented to the Nomination Committee.

The board has adopted a Board Charter, instructions to the CEO and instructions specifying the allocation of tasks between the board and the CEO. In order to minimise the risk of disruptions in day-to-day operations and ensure redundancy (the "back-up function"), the company has contracted with an external supplier for IT operations.

The work of the board of directors has included consideration of proposals for interim reports, year-end reports and annual reports. The year-end report

for 2024 was published on 5 February 2025 and interim reports in 2025 were published on 23 April, 9 July and 22 October. The board of directors has also taken a stance on investments related to new properties and investments in the existing portfolio. Also during the year, the board monitored financial targets, ESG targets and growth targets set the previous year and applicable to the 2025–2030 period.

Compensation Committee

The board of directors of Heba has not appointed a separate compensation committee and the duties that are normally the remit of a compensation committee are performed by the board as a whole. The entire board is thus responsible for preparing decisions on matters pertaining to compensation guidelines, compensation and other terms of employment for key management personnel, for assessing the need for variable compensation programmes for KMP, and for monitoring and assessing application of the guidelines for compensation to KMP presented to the general meeting for decision, and regarding compensation structures and levels within the company.

Audit Committee

The board of directors of Heba has not appointed a separate audit committee and the duties that are normally the remit of an audit committee are performed by the board as a whole. The company's auditor attends two board meetings per year. Meetings are also held with the auditor in the absence of management.

Prior to the 2026 AGM, the board of directors has recommended re-election of the current auditor, Ernst & Young AB.

Chief Executive Officer

The CEO is responsible for the day-to-day management of the company, in observance of the guidelines and instructions adopted by the board of directors and set out in the instructions for the allocation of tasks between the board of directors and the CEO. The CEO presents reports to the board of directors.

The CEO is presented on page 75 of the printed Annual Report and on the company's website. Compensation to the CEO is specified in Note 8 on page 125 of the printed Annual Report.

Auditor

The AGM held 24 April 2025 appointed Ernst & Young AB as the auditor for a term ending at the close of the 2026 AGM. In conjunction with the AGM, Ernst & Young AB appointed Katrine Söderberg as auditor in charge (Katrine Söderberg succeeded authorised public accountant Fredric Hävrén). The auditor has no engagements with other companies that affect her independence as auditor of Heba.

Audit fees are specified in Note 10 on page 126 of the printed Annual Report.

Board of directors' report on internal controls of financial reporting

The board is responsible for ensuring effective internal controls of financial reporting.

The company's internal controls are based on the control environment by which Heba is governed. The Board Charter and Instructions to the CEO adopted by the board of directors, as well as instructions specifying the allocation of tasks between the board of directors and the CEO and other key management functions, are aimed at ensuring clear allocation of responsibility for effective management of business risks. The board of directors has established policies and guidelines for internal control procedures including the finance policy, investment guidelines and financial reporting guidelines. Group management is responsible for the internal controls and procedures required to manage material risks in day-to-day management, such as decision procedures, payment authorisation rules, reporting instructions and the employee handbook. Furthermore, Group management is responsible for preparing guidelines for various KMP and other employees to help them better understand the importance of their respective roles in maintaining good internal control. Management reports to the board of directors on the internal control procedures applicable to financial reporting and their effectiveness at least once a year.

Heba has charted its material business processes for purposes including identifying and minimising risks in financial reporting. The valuation of investment properties has been identified as an area of

higher risk because anomalies in these aspects can have material impact on the Group's results of operations and financial position. In response, particular emphasis has been placed on controls of these aspects. Independent external consultants value one third of the company's properties at the close of each quarter and the entire property portfolio at the end of the annual reporting period. This means that each property is externally valued twice per calendar year.

Financial reporting policies and guidelines are updated and communicated to relevant employees on an ongoing basis. Heba's organisation is characterised by short decision paths, which make it easier for the board of directors and Group management to obtain essential information from employees. External disclosure guidelines are in place to ensure that the company provides accurate information to

the market. The company keeps a log of who accesses sensitive information, such as unpublished financial reports.

Monitoring is continuous at both the individual property level and Group level. The company's auditor in charge reports her audit findings and assessment of internal control to the board of directors and Group management. The auditor meets with the board of directors at least twice a year. Interim reports are reviewed by the auditor, who also issues a separate audit report published together with the interim reports.

As internal controls have been assessed as appropriate for an organisation of Heba's size, the board of directors and Group management have determined that a separate internal audit function is not required. The decision is reviewed annually.

Stockholm, February 2026

Auditor's report on the corporate governance statement

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

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2025 on pages 69-75 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on

Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

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

Stockholm the day indicated by our electronic signature

Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant

This is a translation from the Swedish original.

Board of directors

JOHAN VOGEL

Director since 2018
Täby, born 1974

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

Other board service:

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

Education: Estate agent.

Shareholding in Heba Fastighets AB:

1,866,240 A shares, 8,358,130 B shares (including Sjönära).

Independent of the company and major shareholders.

BIRGITTA LEIJON

Director since 2024
Bromma, born 1961

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

Other board service:

Director, Colony Real Estate AB

Education: MSc Engineering KTH, Surveying.

Shareholding in Heba Fastighets AB: 0

Independent of the company and major shareholders.

LENA HEDLUND

Director since 2008
Danderyd, born 1961

Current position: Head of Communications Länsförsäkringar AB, (Retirement in 2026)

Previous positions: Head of Communications Alecta, Head of Communications SBAB Bank, Head of Corporate Marketing SBAB Bank.

Other board service:

Chair of Cleova Consulting AB and Stubboda Bostad AB.

Education: MBA, Civil Engineer.

Shareholding in Heba Fastighets AB:

55,000 B shares.

Independent of the company and major shareholders.

CHRISTINA HOLMBERGH

Director since 2005
Lidingö, born 1967

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

Other board service:

Director, Lansen Förvaltnings AB, director, LFE Fastighets AB.

Education: Bachelor of Law.

Shareholding in Heba Fastighets AB:

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

Independent of the company and major shareholders.

JAN BERG

Board Chair since 2025.
Nacka, born 1974

Current position: Partner, Foyen Advokatfirman KB.

Previous positions: Partner, Advokatfirman Lindahl, partner, Bird & Bird LLP, partner Advokatfirman Glimstedt, chief legal counsel, Telia.

Other board service: Kopparbergs Bryggeri AB.

Education: Bachelor of Law, MBA.

Shareholding in Heba Fastighets AB: 0

Independent of the company and major shareholders.

Management



HANNA FRANZÉN
CFO

PATRIK EMANUELSSON
CEO



TED ÖRNEBORN
Property Manager

ANDRÉA UGGLÁ
Programme Manager

ULRIKA THORILDSSON
Head of IT and Digital Transformation



SANNA MANITSKI
Head of Sustainability

JONAS SCHNEIDER
Interim Head of Sustainability

EVA WASE
Head of Communications

HENRIK FERNSTRÖM
Property Development Manager

Management

HANNA FRANZÉN

CFO
Born 1977
With Heba since: 2019
Previous employment:
Magnolia Bostad, Kungsleden,
GE Real Estate.
Education: MBA.
Shareholding in Heba Fastighets AB:
1,500 B shares

PATRIK EMANUELSSON

CEO
Born 1966
With Heba since: 2017
Previous employment:
Deputy CEO Svenska Bostäder,
CEO Locum, CEO Micasa Fastigheter.
Board service: Director, Fastighets AB
Trianon.
Education: Studies at the Military Academy
and IHM.
Shareholding in Heba Fastighets AB:
52,400 B shares

TED ÖRNEBORN

Property Manager
Born 1972
With Heba since 2007, current role
since 2025
Previous employment:
Primula Byggnads AB, NCC.
Board service: Heimdall
Fastighetsförvaltning AB.
Education: Property manager,
financial reporting, leadership training
IFL Master Class.
Shareholding in Heba Fastighets AB:
1,547 B shares

ANDRÉA UGGLA

Transformation Programme Manager
Born 1993
With Heba since: 2021
Previous employment:
Slättö Förvaltning AB, Unibail
Rodamco Westfield
Education: MSc, Real Estate and
Construction.
Shareholding in Heba Fastighets AB:
1,634 B shares

ULRIKA THORILDSSON

Head of IT and Digital Transformation
Born 1968
With Heba since: 2019
Previous employment:
Micasa Fastigheter AB, Svenska
Bostäder, Ericsson.
Previous management positions:
Property Manager, Operations
Manager, Business Area Manager.
Education: Operations Engineer.
Shareholding in Heba Fastighets AB:
1,600 B shares

SANNA MANITSKI

Head of Sustainability
Born 1993
With Heba since: 2020
Previous employment:
Ernst & Young
Education: Real Estate and Finance, KTH
Shareholding in Heba Fastighets AB:
2,305 B shares

JONAS SCHNEIDER

Interim Head of Sustainability
(August–December 2025)
Born 1967
Previous employment:
CEO Familjehem, CEO Stadsholmen,
Deputy CEO Stockholms
Stadshus AB and Deputy CEO Svenska
Bostäder.
Education: MS Political Science
Shareholding in Heba Fastighets AB: 0

EVA WASE

Head of Communications
Born 1969
With Heba since: 2020
Previous employment:
Ludvig & Co, Stockholm City
Executive Office, Micasa Fastigheter
AB, Stockholm Visitors Board AB.
Education: Journalist
Shareholding in Heba Fastighets AB:
1,400 B shares

HENRIK FERNSTRÖM

Property Development Manager
Born 1984
With Heba since: 2017
Previous employment:
CA Fastigheter AB, Locum AB.
Previous management positions:
Project Manager New Södertälje
Sjukhus, Locum.
Education: Construction Engineer.
Shareholding in Heba Fastighets AB:
2,200 B shares

AUDITOR (NOT PICTURED)

Ernst & Young AB, elected 2011
Auditor in charge:
Katrine Söderberg, born 1981
Authorised Public Accountant
Ernst & Young AB



Introduction

**Global environment,
targets and strategy**

Sustainability

Operations

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Other disclosures

Reports

Management report

The board of directors and the CEO of Heba Fastighets AB (publ), CRN 556057-3981, hereby submit the Annual Report and consolidated financial statements for the 2025 annual reporting period.

Business and organisation

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

The Group's property portfolio at the end of 2025 comprised 57 (58) properties, of which 42 (43) residential properties and 14 (14) community service properties used for LSS (special housing) and elderly care facilities. One of the 57 properties listed above is a project property.

Total lettable space is 262,000 m² (263,400) including 3,092 (3,110) residential units and 118 (117) non-residential units. The average residential rent is SEK 2,122 (2,032) per m². The vacancy rate for residential and non-residential units remains very low at 0.11% for residential and 0.31% for non-residential at the end of the reporting period.

Property administration and maintenance are performed in-house. Head office is located in its own property on Södermalm in Stockholm and maintenance is managed from the head office and one customer-facing office.

Employees

Specific information on the average number of employees, salaries and other compensation is provided in Note 8.

Revenue and profit

Rental income increased to SEK 605.4m (561.8). Property costs amounted to SEK 166.0m (158.0). Income from property management increased to SEK 221.6m (215.5). The growth is primarily due to higher rental income derived from acquisitions closed in 2024. The loss on disposals of property was SEK -0.2m (-7.2). The unrealised change in value was SEK 190.0m (37.9) for investment properties and SEK -25.7m (-44.5) for interest rate derivatives. Profit before tax was SEK 376.9m (142.4), corresponding to SEK 2.35 per share (0.86) and profit after tax was SEK 288.5m (98.7) or SEK 1.80 per share (0.60).

Investments and disposals

Heba closed an agreement in April 2025 with Credential Exploatering 7 AB, a company in the Credentia Group, to acquire an elderly care facility in Norrtälje. The facility comprises 60 apartments. Transfer of ownership is planned for autumn 2026 when Heba will acquire all shares in the company. The agreed property value corresponds to SEK 230m and production began in Q2 2025.

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 construction began in Q3 for completion in 2026. Costs incurred amount to SEK 282.8m,

including 192.2m in 2025. The estimated investment has risen to SEK 450m due to the increase in lettable space for the project and the increase in costs since 2021.

Other new investments amount to SEK 15.2m (10.4). SEK 69.6m (80.0) was invested in value-add measures in other properties during the period. The total investment in investment properties during the period was SEK 277.0m (888.1). SEK 8.0m (11.4) was invested in other non-current assets during the period.

Heba closed an agreement in December 2025 with VBT Utvecklings AB to acquire the Viggholmen 1 property. The deal was executed as a corporate transaction in which Heba acquired the shares and thus, indirectly, the property. Ownership was transferred in January 2026. Heba exited one property in December 2025 in conjunction with conversion to a commonhold apartment association. The deal was executed as a corporate transaction in which Heba sold the shares and thus, indirectly, the property.

Partnerships

Heba and Åke Sundvall Byggnads AB have run a rental property project in Vårberg through a partnership agreement. The rental property project comprising 300 apartments was distributed between two buildings. Construction of the project began in Q2 2021. Under the agreement, the parties each owned 50% of the project. The total investment was approximately SEK 800m and the project was completed in 2024 and 2025. A contract with Svenska Bostäder on the sale of the first property was signed in February 2024. The deal was executed as a corporate transaction in which Svenska Bostäder acquired the shares, and thus, indirectly, the property, in September 2024. As regards the second

property, Viggsholmen 1, a contract of sale was signed with a company in the Heba Group in December 2025. This deal was also executed as a corporate transaction in which Heba acquired the shares and, indirectly, the property. Exit took place in late January 2026.

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

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

Heba and Peab closed an agreement in June 2025 to build an elderly care facility of 166 apartments on Lilla Essingen, Stockholm. Under the agreement, the parties each own 50% of the project and Heba took ownership of its share of the company in December 2025. The project began production in Q3 2025 and the total investment is estimated at about SEK 830m.

Financial position

Cash and cash equivalents amounted to SEK 17.2m (36.5). Equity amounted to SEK 6,343.7m (6,450.5), corresponding to an equity ratio of 43.6% (45.5).

Cash flow from operating activities after changes in working capital amounted to SEK 216.5m (214.2). Interest bearing liabilities increased to SEK 6,474.2m (6,076.9). Of that amount SEK 0.0m (0.0) is the used portion of an overdraft facility of SEK 140.0m (132.0) and SEK 1,983.0m (1,497.1) 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 1,040m (523) at the end of the reporting period. Heba always has sufficient liquidity or unused credit commitments to cover outstanding commercial paper upon maturity.

At the end of the reporting period, the average interest rate was 2.67% (2.81). Unused credit commitments amount to SEK 2,040.0m (2,032.0), including the unused portion of the overdraft facility of SEK 140.0m (132.0).

There are no liabilities denominated in foreign currencies.

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

Collateral pledged for interest-bearing liabilities amounted to SEK 3,849.2m (4,302.3). The parent company has issued guarantee commitments for credit facilities of SEK 277m in relation to a residential project in Vårberg.

Environment

Heba must be at the forefront and committed to following developments in order to reduce its emissions. A gradual review of various environmental aspects of the properties is in progress, including selection of materials, energy use (district heating/geothermal heating and electricity), waste management, water consumption and environmentally hazardous substances, as well as climate-proofing properties against future weather conditions.

More information about Heba's sustainability programme is provided on pages 29–40 and in the Sustainability Report on pages 81–109. Heba's sustainability report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), adopted by the European Commission in July 2023. The Sustainability Report also constitutes Heba's statutory sustainability report in accordance with the older wording of the Annual Accounts Act that applied before 1 July 2024.

Events after the end of the annual reporting period

Ownership of Viggsholmen 1 was transferred to Heba on 31 January.

Outlook

Heba intends to continue growing in the Stockholm and Mälaren regions. This will be achieved by actions including developing and refining the existing property portfolio and the in-house project portfolio. Growth can also be generated through land allocations or acquisitions of residential rental properties and elderly care facilities.

Parent company

Rental income in the parent company amounted to SEK 246.1m (237.1) and profit before appropriations and tax was SEK 244.6m (91.5).

Property valuation

The market value of the properties was SEK 14,003.2m as at 31 December 2025 according to valuations performed, as compared to SEK 13,589.2m at year-end 2024. All of the Group's properties, excluding properties undergoing renovation and project properties in the early stages, have been valued externally – half by Savills Sweden AB and half by Novier Property Advisors AB. Properties undergoing renovation and project properties in early phases have been valued internally. All properties are categorised at Level 3 of the fair value hierarchy according to IFRS 13, meaning that the value is based on analysis of each property's status and rental/market situation.

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, excluding project properties in early phases. Two properties were valued by both valuation firms and are reported at the average of the two valuations. As of the balance sheet date, one project property in Källberga, Nynäshamn, and one additional investment property are reported at internally assessed values.

Discounted cash flow (DCF) is the principal valuation method applied, where an estimated future net operating income is calculated over a forecast period of five to fifteen years that takes into account the present value of an assessed market value at the end of the forecast period. Yield requirements are individual per property depending on analysis of executed transactions and the market position of the properties. Comparison and analysis of completed property transactions in each sub-market were also performed. The average yield requirements for externally valued properties are 4.4% (4.5) for community service properties and 3.3% (3.3) for residential properties. The total average yield requirement for externally valued properties is 3.6% (3.6). The total valuation uplift was 1.4% (0.3) during the period of January–December. See Note 18 for more information.

Risks and uncertainties

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 Heba properties are located in the Stockholm and Mälaren regions in attractive locations where demand is high. A 1% change in residential rental income corresponds to approximately SEK 4.1m.

Heating is Heba's single largest operating cost item. The majority of the property portfolio is connected to the district heating network. A total of 13 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. A 1% change in heating costs corresponds to approximately SEK 0.2m.

All properties, excluding properties undergoing renovation and project properties in the early stages, are valued at fair value by an external valuer at the end of each year. In Q1, Q2 and Q3, a rolling external valuation is made of one third of the portfolio and the remaining two thirds are valued internally. Changes in value are reported quarterly in the statement of comprehensive income. A 1% change in residential rental income corresponds to approximately SEK 140m.

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

Guidelines for key management personnel (KMP) compensation

The 2025 AGM adopted the following guidelines for KMP compensation:

Compensation to the board chair and directors shall be decided by the Annual General Meeting.

Compensation to the CEO and other KMP may consist of fixed monthly base salary, variable pay, other benefits and pension. Total individual compensation shall be market-based. To the extent variable pay applies, such compensation shall be related to measurable targets such as financial performance, shall be paid in cash and shall be capped at no more than half of fixed annual salary.

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

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

In addition to salary during the notice period, which shall not exceed twelve months, severance pay, not exceeding the equivalent of twelve months' fixed salary, may be payable in the event of termination of employment by the company (the notice periods and rules for severance pay currently agreed with the CEO are specified in Note 8).

That stated about compensation under these guidelines shall apply in its entirety to all compensation regardless of whether compensation is received from the parent company or another company in the Group.

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

The compensation report for Heba Fastighets AB is published on the company's website, hebastast.se.

The board of directors proposes the following guidelines for KMP compensation to the 2026 Annual General Meeting.

Heba's business strategy is to own, develop and manage residential properties and community service properties in the Stockholm and Mälaren regions in a long-term and sustainable manner. The guidelines and, indirectly, the forms of compensation specified in the guidelines, are intended to create appropriate incentives to adhere to the strategy and to ensure that the company can retain and recruit employees with the right skills and experience.

The board of directors as a whole performs the duties that are normally under the purview of a compensation committee. The CEO reports at board meetings but does not serve as a director. The CEO and other KMP are not present when matters pertaining to compensation are discussed.

The board of directors shall prepare proposals for guidelines for salaries and other KMP compensation at least every four years and present the proposal for approval by the Annual General Meeting. The guidelines shall remain in force until new guidelines are approved by the Annual General Meeting. The guidelines shall apply to employment contracts signed after the Annual General Meeting and any amendments to existing employment contracts made after the Annual General Meeting. The guidelines do not cover compensation decided by the Annual General Meeting, including directors' fees and long-term share-based incentive programmes.

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

The evaluation of KMP compensation covers the company's financial performance, effectiveness of economic and financial reporting, the company's sustainability work, customer relationships and conditions for employees. The evaluation is based on financial performance reports, the board's communications with the auditor when the CEO is

not present, oversight of material sustainability metrics and customer/employee surveys.

The board of directors decides the CEO's salary, which shall be market-based, with consideration of the company's size and operations. The CEO decides the salaries of other KMP in consultation with the Board Chair. The board of directors is authorised to depart partially or entirely from these guidelines in individual cases if there are special reasons for doing so and the departure is necessary to satisfy long-term interests, promote sustainability and safeguard the company's financial viability.

Compensation to the CEO and other KMP may consist of fixed monthly base salary, other benefits and pensions. The CEO shall also be provided health insurance. In addition – and independently of these guidelines – the general meeting may decide on, for example, share-based and share price-related compensation.

Pensions may be paid either as defined benefit or defined contribution pensions with a retirement age between 60 and 65. Pensions may be linked to the ITP plan. Other benefits may include the right to a company car for private use, health insurance and other allowances and, where they exist, shall constitute a limited share of total compensation. No variable pay shall be distributed. Total compensation to each individual shall be market-based.

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

The company does not currently have any variable or share-based compensation (other than long-term share-based incentive programmes, which are decided by the Annual General Meeting and not governed by these guidelines). Should it become necessary to introduce such forms of compensation, the board of directors shall prepare proposals for criteria to be applied to such compensation and present the proposals to the Annual General Meeting for approval.

If a director performs work for Heba in addition to board service, the board may authorise payment of a reasonable fee for such work. In such cases, compensation shall be paid on running account.

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

The Heba share

Share capital amounts to SEK 34,400 thousand, divided between 15,564,722 A shares and 149,555,278 B shares. Class A shares carry ten votes and Class B shares carry one vote.

Heba's Articles of Association contain a pre-emption clause regarding the company's Class A shares, essentially meaning that if A shares are transferred to a party that does not already own A shares, the shares must be offered to current owners of A shares. If the A shares are not claimed, the shares shall automatically be converted to B shares.

The Articles of Association also contain a conversion clause, by which A shares shall be converted to B shares at the request of the holder of such shares.

All shares are fully paid-in.

The number of outstanding Heba shares amounts to 155,212,800 (165,110,600). As at 31 December 2025, the company held 9,907,200 treasury shares, corresponding to 6.00% of registered shares outstanding.

Heba's target is to distribute annual dividends equal to at least 50% of income from property management, adjusted for tax. However, the company's investment and consolidation needs, financial position in general and the material impact of non-recurring items on the results of operations must also be taken into account when determining the dividend. The board of directors is proposing a dividend of SEK 0.55 per share for the 2025 financial year.

Capital management

Heba is financially strong with properties valued at significantly higher amounts than loans outstanding.

Heba will safeguard its financial strength, stable cash flows and high credit rating. The company will actively work to improve the structure of its borrowings, meaning that fixed-interest durations and the purchase of derivatives must be optimised with regard to expected developments in interest rates, risk and cash flow, while favourable loan terms and rational loan management are achieved.

Financing is arranged through equity, bank overdrafts, bank loans, commercial paper and bonds. Equity totalled SEK 6,343.7m (6,450.5) and interest-bearing loans, bonds and commercial paper amounted to SEK 6,474.2m (6,076.9). The equity ratio at the end of the year was 43.6% (45.5).

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

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General disclosures

ESRS 2 – General disclosures

Sustainability is an integrated component of Heba's business plan and strategy. There is no question that the company should create long-term value for tenants, investors and the rest of society by providing secure and sustainable housing.

The Sustainability Report is one aspect of Heba's commitment to operate climate-neutral property management by 2030 and a fully climate-neutral organisation by 2045.

The company has chosen a phased approach by which climate targets, investments, actions and governance are built up in pace with more stable conditions in the value chain. This has been assessed as providing a robust and reliable basis for long-term transition.

General basis for sustainability statements

BP-1 General basis for preparation of the sustainability statement

Heba's Sustainability Report was prepared in compliance with European Sustainability Reporting Standards (ESRS) adopted by the European Commission in July 2023. The regulatory framework constitutes the overarching basis for the report's structure, scope, materiality assessments, and presentation. The Sustainability Report also constitutes Heba's statutory sustainability report in accordance with the older wording of the Annual Accounts Act that applied before 1 July 2024.

The report refers to and includes both the company's own activities in Scope 1–2 and relevant parts of the value chain in Scope 3. Upstream includes suppliers and contractors through the Heba Code of Conduct (Fastighetsägarnas) and climate calculations for building materials, waste and transportation. Downstream includes tenants' electricity consumption, transportation and waste in relevant Scope 3 categories. Heba applies these principles to all disclosures and indicates where exemptions, estimates, or phase-in provisions have been applied. A more detailed description of how data and statistics have been handled, what is based on estimates, and how reliability has been assessed is provided in the following section, BP-2. For certain material areas, percentage-based estimates are presented in the table on page 83.

Reporting covers the entire Group in accordance with the same consolidation principles applied to the financial statements. Overall reporting is thus aligned with international frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). Heba has not omitted any information relating to intellectual property rights, know-how, or the results of innovation. The company has also not omitted any information relating to forthcoming developments or matters under negotiation that would otherwise be exempt from disclosure requirements.

The Sustainability Report was prepared in accordance with ESRS 1 General requirements, which constitutes the overall framework of the report's structure, boundaries, materiality assessment and presentation. Heba applies these requirements to all disclosures and indicates whether exceptions, estimates or phase-in provisions have been applied.

Heba applies the phase-in provisions allowed in ESRS, but the company also voluntarily reports e.g. Scope 3 emissions with a view to creating a cohesive reporting line over time. The areas covered by phasing-in are specified in the IRO-2 Disclosure Requirement Index, ESRS 2 Appendix B, page 107.

The double materiality assessment (DMA), which is the basis for the report structure, was performed in compliance with ESRS 1 and 2 and governs which thematic standards are relevant and business-critical.

BP-2 Disclosures in relation to specific circumstances

The application of time horizons, the estimations made, measurement uncertainty and comparative figures, etc., are specified in this section.

Heba is affected by rapidly changing sustainability legislation including CSRD and the EU Taxonomy. Although the EU Parliament and the Council have adopted the "Stop-the-clock" directive with a two years' longer phasing-in period for reporting, Heba has chosen, proactively and as of this year, to implement structures for data collection, transparency and risk management, which strengthens the company's competitiveness and long-term value creation.

Heba is not subject to reporting requirements under the EU Taxonomy Regulation for the 2025 annual reporting period, as the company is not formally covered by the scope of the CSRD under the Swedish Annual Accounts Act. Heba has determined that the conditions for accurate and reliable Taxonomy reporting are not yet fully established, including with regard to access to verifiable underlying data, classification methodology and coordination with financial reporting. However, the company's investor report, *Green Financing*, which will be produced during the year, is aligned with the minimum requirements of the EU Taxonomy Regulation.

Application of time horizons

In its reporting, the company uses three time horizons: short-, medium- and long-term which forms the basis for all analyses across the different ESRS standards.

For the short term (0–5 years), operational and financial transition risks dominate, particularly in scenarios where global heating is limited to 1.5–2 °C. These may relate to energy prices, interest rates and supplier requirements.

In the medium term (5–10 years), both transition risks and physical risks are affected. These may include strategic and structural risks such as renovation and investment needs, as well as opportunities linked to energy optimisation and efficiency improvements.

In the long term (10–50 years), physical risks become more prominent. Examples include heat waves, extreme precipitation and changes in legal requirements and regulations.

Heba has also used these time horizons in the completion of the DMA. In so doing, the company can identify what has already been addressed in action plans and risk-minimised in the short- and medium-terms. Materialities that may arise in the long term have been identified in the process.

Value chain and uncertainties

Estimates are used to the extent necessary. No disclosures have been omitted for reasons of business confidentiality during the reporting year, but certain information is not disclosed for reasons of privacy.

Heba mainly uses available primary data. Where complete primary data is not yet available, standardised values and industry standards are used (Swedish EPA, IVL, Boverket, etc.). The ambition is to eventually replace standardised values with reliable supplier and project data.

At present, it is not possible to determine with complete certainty the share of the quantitative data points in this report that are based on estimates or standardised data. Standardised values mainly apply within Scope 3 for the categories of tenant-related electricity consumption and waste.

For Scope 3, calculations are based on supplier reporting for building materials and waste. Emissions templates have been developed in accordance with the GHG Protocol and Boverket’s climate database.

Heba believes that the estimates provide a fair picture of actual conditions, as the standardised values are based on industry standards and verified emissions factors. As Heba obtains data on actual values, the company will phase out the standardised calculations. Uncertainties and assumptions are reviewed annually and are included in Heba’s internal control and quality management process.

Energy statistics and waste intensity are based on operating statistics per property. The company is replacing standard data in other areas as more specific and verified project data is produced from its own measurement systems and supplier reports.

The scope of estimates, assessment of reliability and planned improvements in data quality are shown in the table on this page.

Comparability with previous years, changes in approach, etc.

This is Heba’s first reporting year in accordance with CSRD and ESRS. As previous years’ reporting has been based on GRI and a voluntary structure, certain indicators are not fully comparable. No material errors in previous periods have been identified

Estimates and judgements in the Sustainability Report

Area/Indicator	Type of estimation and assessed share	Sources/methods	Assessment of reliability	Potential for improvement
Tenants’ electricity consumption	Standardised based on property type and floor area. Estimation above approx. 55%	Energy/network grid operators	Medium – variation among properties	That all network grid operators issue statistics
Energy consumption	Verified meter values, less than 10% estimation	Operational monitoring systems	High	Continued digitalisation of measurement data
Waste	Waste reports, standardised values when statistics are deficient, estimation approx. 35%	Waste management contractors, local authorities	Medium – variation among entities	Increased collection data

during the year. The methods and limits now applied in the materiality assessment have not been used in previous reporting.

Against this background, the company has not made any direct recalculations of previous metrics according to the ESRS format. Where relevant, reference points or trend data from previous reports are provided. Heba continues to monitor indicators according to ESRS with the aim of ensuring consistent and comparable reporting over time. In the event of future changes, comparative figures will be adjusted accordingly.

Through the DMA, Heba has identified which parts of the ESRS are material to its operations. The assessment covers both the impact on people and the environment as well as financial risks and opportunities. The following is a summary of the areas deemed most relevant in this reporting cycle.

Assessment of material ESRS standards and phasing-in

Heba reports in full in accordance with ESRS 2, E1 and G1, and for E5 based on the assessment that waste has been identified as material, meaning that the E5 area is considered “partially material.” The same applies to S4, where safety in one’s own home has been assessed as material, meaning that the S4 area is considered “partially material.”

Several environmental and social standards are subject to the phase-in provisions for companies with fewer than 750 employees. A summary is provided in Appendix IRO-2 Disclosure Requirement Index, Appendix B, page 107. The phase-in provisions apply to E4, S1, S2, S3 and S4.

The company has assessed the areas E2 and E3 as non-material based on the nature of its operations and therefore does not report on these. The standards covered by the reporting are described below. A more detailed review is provided in SBM-3 Material and non-material topics and related ESRS standards, page 87.

E-standards (environment)

ESRS E1 – Climate change Climate change is the most important area. Heba has set a target of climate-neutral property management by 2030 and fully climate-neutral operations by 2045.

The company reports Scope 1–3 emissions, energy consumption, actions and financial impacts in accordance with the standard’s datapoints. Heba has developed a strategy for climate transition that forms the basis for a future transition plan.

ESRS E5 – Resource use and circular economy is covered by the phasing-in provisions. The specific part concerning waste management (E5-5) is considered material. Heba reports the volumes of waste generated and the share that is reused, recycled, recovered for energy or landfilled. The rest of the standard is covered by the phasing-in provisions.

S-standards (social)

ESRS S1 – Own workforce is covered by the phasing-in provisions. Heba reports on the minimum requirements in accordance with ESRS 2 section 17 and provides specific information about its own workforce in the Annual Report, Note 8, page 125.

ESRS S4 – Consumers and end-users is covered by the phasing-in provisions. The specific part concerning safety in the home within the property is considered material. The company has sustainability and quality policies that impact tenants and monitors customer satisfaction through CSI measurements. The rest of the standard is covered by the phasing-in provisions.

For the various sub-areas, Heba reports governing policies, processes and targets under each standard. The Governance section below reports material sustainability-related policies.

Heba assesses that application of the phasing-in provisions does not affect the reliability of the overview, but enables a gradual deepening of reporting while maintaining transparency.

G-standards (governance)

ESRS G1 – Responsible Business Conduct. Heba’s reporting complies with the regulations except the section on lobbying, which is not applicable and that payment practices are not considered material.

Governance

GOV-1 The role of the administrative, supervisory and management bodies

Heba Fastighets AB is a Swedish limited company listed on Nasdaq Stockholm AB, Nordic Midcap. Heba's stock has been classified as green equity by Nasdaq Green Equity Designation. Heba applies the Swedish Code of Corporate Governance (the Code). In addition to the Code, the rules provided in the Swedish Annual Accounts Act for corporate governance reporting and sustainability reporting in accordance with CSRD also apply.

Heba has established procedures to ensure that its sustainability programme complies with applicable laws and internal guidelines. Sustainability governance is part of the company's management system, which is certified according to ISO 9001 and ISO 14001. Risk management and regulatory compliance are integrated into the annual business planning process and quarterly reports to the board of directors.

Through this structure, the internal organisation combined with the audit body, Heba ensures systematic monitoring and control of sustainability efforts and that such work is performed in line with external requirements and internal targets.

Board and management accountability for sustainability matters

Heba's governing bodies stand in a hierarchical relationship to each other and consist of the general meeting, the board of directors and the chief executive officer. The board of directors has ultimate responsibility for Heba's organisation and management. Matters covered in the board charter include the general duties of the board of directors, its working methods and principles for financial reporting. In 2024, the board decided to establish new long-term ESG targets for the period of 2025–2030, including climate-neutral property management by 2030. The board confirmed and adopted the targets this year.

The Sustainability Report covers Heba's entire value chain, where suppliers and partners are required to comply with the company's environmental and social guidelines. The company applies digitalised methods to ensure effective and transparent governance and oversight. Sustainability is included in the decision-making process for major investments, development projects and strategic choices.

To ensure robust and structured sustainability reporting, Heba has integrated the Task Force on Climate-Related Financial Disclosures (TCFD) into its climate reporting. This means that Heba reports climate-related risks and opportunities according to a standardised methodology for transparency towards investors and stakeholders. Through these standards, the company ensures systematic quality and environmental improvements and that its operations adhere to international guidelines for sustainable property management

Heba has introduced a structured risk management process linked to both physical and transition-related climate change, as well as regulatory and social sustainability aspects. By combining TCFD reporting, ISO-certified management systems and digital tools, the company can ensure traceable and transparent sustainability governance.

Methods and organisation

Sustainability is a strategy and is integrated into the decision-making model for the company's business planning. The board of directors sets the company's sustainability and climate targets annually as part of the business plan and follows up on these as part of the company's overall management of objectives.

The board receives regular reports from the CEO and management on the company's impact, risks, opportunities and target achievement. If necessary, the board decides on adjustments to priorities, resources or actions. The oversight is linked to material IROs and reported as part of the board's risk and business oversight.

Board of directors

Directors and the board chair are elected by the Annual General Meeting, which is the supreme governing body. The board is Heba's highest executive body and is responsible for overall strategy, sustainability work and long-term value creation. Sustainability is an integral part of Heba's business model, and the board of directors ensures that sustainability aspects are taken into account in the company's strategic decisions and risk management. The basic structure consists of the board charter, instructions to the CEO, delegation rules and policy framework.

The board addresses sustainability matters and takes decisions regarding the following.

- Setting and monitoring ESG targets in areas such as energy efficiency, climate-neutral property management and social responsibility.
- Risk management linked to climate and sustainability-related risks, including physical climate risks and regulatory requirements.
- Green investments and sustainable financing, such as the issuance of green bonds, commercial paper and sustainability-linked loans.
- Reporting in accordance with CSRD and EU Taxonomy alignment to ensure transparency and regulatory compliance.

Executive management

The CEO and management lead operational sustainability work and ensure implementation throughout the organisation. Jointly with the rest of the management team, the head of sustainability is responsible for developing and coordinating the company's sustainability programme and monitoring key metrics.

This takes place in close collaboration with property management, project development and finance to ensure that the sustainability perspective imbues all company operations.

Reporting and monitoring

Heba has established processes to ensure that the board receives relevant and reliable information about the company's impacts, risks, opportunities and target achievement. Operational responsibility is delegated to the CEO, to whom the department heads report. Reporting takes place regularly and in connection with the annual Sustainability Report and the Annual Report.

Sustainability data is collected and quality-assured within the framework of Heba's ISO-certified management system and supplemented with external audits. Reporting includes key metrics, results of the materiality assessment and updates related to the company's strategic ESG targets. The controls are integrated with e.g., accounting (financial reporting), risk processes, internal control, purchasing/procurement and ISO audits.

The information is used as a basis for the board's strategic decisions and in assessments of investments, risks and priorities. The processes are continuously developed to ensure high quality and transparency in sustainability governance.

Information provided to administrative, management and supervisory bodies

Information and decision input is based on Heba's DMA and includes updates on legal requirements, risks and regulatory changes. An annual Sustainability Report is presented in conjunction with the Annual Report, providing the board and stakeholders a cohesive overview of progress.

Material policies

Governing policies form the basis of the company's information and reporting structure. The board of directors establishes and follows up on the policies annually. The most important policies are summarised below.

Sustainability-related policies and procedures

Policies	Adopted by	Shareholders	E1	S1	G1
Code of Conduct	Board of Directors	CEO		x	x
Suppliers' Code of Conduct	Board of Directors	CEO	x	x	x
Working environment policy	Board of Directors	CEO		x	
ESG policy	Board of Directors	CEO	x	x	x
Equal opportunity and diversity policy	Board of Directors	CEO		x	
Finance policy	Board of Directors	CEO			x
Whistleblowing procedure	Board of Directors	CEO			x
Privacy	Board of Directors	CEO			x
Instructions related to investigation of victimisation/harassment	Board of Directors	CEO		x	
Guidance in relation to complaints of victimisation/harassment	Board of Directors	CEO		x	

Board composition

Heba's board of directors is composed of five directors and is gender-balanced. See the table below. In terms of age, the board represents a broad range of experience, and several directors have long-term experience in the property industry. Board composition is designed to support Heba's long-term objectives and core values, where sustainable growth is an integral part of decision-making. There is no employee representation on the board, but the company cooperates with the workforce based on other structures (the Swedish Co-determination in the Workplace Act, etc.).

Board composition	
Indicator	Number
Directors	5
Women	3
Men	2
Age distribution	51-64
Areas of expertise	Law, property management, communications, estate agency, banking and finance.
Independent directors	5

Management composition

Heba's regular management team consists of eight individuals. At the end of 2025, the distribution was five women and three men, which is gender-balanced by definition. The team is led by the CEO and includes managers for property management, project development, accounting/finance, sustainability, programmes, IT/digitalisation and communication. The age distribution in management reflects a broad base of experience.

Composition of the management team

Indicator	Number
Individuals	8
Women	5
Men	3
Under 35	2
35-60	6
Areas of expertise	Property management, project development, accounting/finance, sustainability, IT/digitalisation, communication and leadership.

The composition of the board and management reflects a broad base of expertise and experience in areas including property management, law, communication, finance, IT and sustainability.

To ensure that the board and management have relevant expertise in sustainability matters, training and updates are provided on an ongoing basis. This ensures that policies and governance documents adopted by the board are also implemented correctly and appropriately within the organisation. Employees also participate in mandatory training in sustainability matters, which strengthens the ability to integrate sustainability into all parts of the business. As necessary, the company seeks advice from external experts, auditors and consultants.

GOV-2 Information on material impacts, risks and opportunities (IROs)

Information and decision input

Sustainability work is integrated into Heba's business model and influences decisions related to property management, new builds and investments. Every major investment decision is analysed based on environmental and social aspects to ensure that Heba's property portfolio is developed in accordance with the company's climate targets and sustainability ambitions.

The board is informed about Heba's material impacts, risks and opportunities (IROs). This information is primarily provided by the CEO and is based on the company's materiality assessment, risk assessments and target monitoring. The input is used in strategic decisions and ongoing risk management. See also GOV-1, Reporting and oversight, page 84.

The board monitors significant IRO areas such as climate change (IRO 1) and governance-related risks related to business conduct and regulatory compliance (G1). Oversight is carried out using key metrics linked to targets, non-conformance management and internal audits based on ISO management systems. The board receives a summary of target outcomes and significant non-conformances. The CEO decides on corrective actions.

The board integrates sustainability-related impacts, risks and opportunities into its oversight of Heba's strategy and decisions on major investments and projects. In these decisions, various factors are weighed against each other, such as cost, climate impact, business opportunities and long-term value creation, which means that the board of directors balances e.g. financial and sustainability-related impacts. IROs are considered in the investment process through sustainability assessments in decision input (e.g. climate impact/energy performance, risk classification and regulatory compliance) and in the annual risk process within the ISO-certified management systems.

GOV-3 Integration of sustainability-related outcomes in incentive schemes

Heba does not distribute compensation in the form of incentive schemes (bonuses, profit sharing or performance-based schemes) to directors, management or employ-

ees that is directly linked to specific ESG targets; see also the Management report on page 77. The company offers a general share savings programme to all employees, see Note 8 to the financial statements, page 126. The information is consistent with the company's financial reporting in the Annual Report, and the compensation report for Heba is published on the company's website, hebafast.se.

GOV-4 Statement on due diligence

Heba has a structured process in place to systematically ensure that the company identifies, assesses and manages potential adverse impacts of its operations, both internally and in the value chain. This work covers environmental, social and governance (ESG) risks and is an integral part of Heba's business strategy and risk management.

The following table provides an overview of how Heba's due diligence process relating to sustainability matters is reflected in the Sustainability Report. The overview is based on existing governance processes and disclosure requirements in accordance with ESRS.

Due diligence

Steps in due diligence	Operationalisation	Reference
Policy and governance	The board adopts the ESG policy and Code of Conduct and determines allocation of responsibilities	GOV-1, G1-1
Identify IROs	DMA, risk assessment in ISO system	ESRS 2 IRO-1, GOV-2
Integrate and take action	Targets, action plans and specifications for projects and property management	E1-3, E1-4, E5-3, G1-3
Oversight	KPIs, management systems, board reporting	GOV-2, ESRS 2 MDR-M
Communications	Sustainability Report, stakeholder engagement	ESRS 2 SBM-2, GOV-2
Complaints and action	Whistleblower system, internal investigation	G1-1

GOV-5 Risk management and internal control over sustainability reporting

Heba has established processes for risk management and internal control that ensure that sustainability-related risks are identified, assessed, managed and followed up in a structured and reliable manner. The processes are integrated into the company's overall governance, business model and internal control systems and form part of its regular operational management.

Risk management and due diligence

Sustainability-related risks and impacts are identified and assessed annually as part of Heba's overall risk process and DMA. This work covers both operations and the value chain and includes climate-related risks (physical and transition risks), social risks and risks related to corporate governance and compliance.

Risk assessment is carried out according to an established methodology based on probability and impact. Identified risks are prioritised and managed through governing documents, internal procedures and operational measures, e.g., in project management, procurement, working environment and supplier monitoring. Requirements for compliance with Heba's Code of Conduct apply to all significant suppliers and business partners.

Due diligence is integrated into these processes and is designed in largely in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Risk and impact assessments are taken into account in major investments, procurement and project development.

Roles and responsibilities

The board of directors has overall responsibility for risk management and internal control of sustainability reporting and regularly monitors developments through reports from the CEO and management. The board of directors also acts as the audit committee.

Internal control over sustainability reporting

Sustainability reporting is covered by Heba's internal control structure and is handled within the company's certified management system in accordance with ISO 9001/14001. Internal control is applied according to a model based on the "three lines of defence". Operations are responsible for data collection and risk management in their day-to-day work. Specialist functions, such as sustainability and finance, follow up and assure quality. Independent review is carried out through internal and external audits.

Follow-up and reporting

Identified sustainability risks and shortcomings in internal control are monitored on an ongoing basis and used to develop policies, procedures and training initiatives. Matters related to risks and control are reported regularly to the board, which ensures transparency, reliability and continuous improvement in sustainability reporting.

Strategy

SBM-1 Strategy, business model and value chain

Heba's Sustainable Growth Strategy

For several years, Heba's strategy for achieving its vision of safe and attractive housing and communities has been based on sustainable growth that takes into account the economy, the climate and social impact. The company offers rental apartments for young adults, families and the elderly, as well as, to a lesser extent, premises for commercial purposes. In addition, the company owns a number of elderly care facilities. Our most important customers are long-term tenants in the Stockholm region, where our operations are concentrated in locations including Stockholm, Huddinge and Haninge. The company also owns properties in Enköping, Uppsala, Norrtälje and Nynäshamn. Heba's business model is based on developing, owning and managing residential properties from a long-term perspective.

According to ESRS methodology, the business model can be described in four steps, the first of which consists of resources, i.e., capital, land, construction projects and energy. The second step in the model is execution, which involves new builds, property management and property development.

Based on this, a result is obtained, i.e., residential and commercial units. The fourth and long-term step concerns the impacts achieved by creating social value through safe and attractive communities, environmental benefits through climate-neutral properties, and economic value through stable cash flows and long-term returns.

The strategy is closely linked to the material sustainability matters identified in Heba's DMA. Investments in energy efficiency and renewable energy reduce climate impact, social initiatives contribute to safety, security and well-being in residential areas, and active customer engagement strengthens both customer satisfaction and Heba's long-term value creation.

To create a corporate culture in which all employees can unambiguously participate and contribute to the vision, the company has established and obtained support for several long-term financial targets that extend from 2025 to 2030. The company's main objective is to create long-term growth with sustainable profitability, where property management is to be climate neutral by 2030 and the entire organisation by 2045. If the intended impact is not achieved when executing various strategies, it should be possible to adjust initiatives and actions during the period.

To achieve continuous value growth, the company focuses on what matters most: customers, employees and partners. The company has high overall customer ratings and employee satisfaction indices, which provide a strong foundation for continuing to develop the business in a sustainable direction, with a vision of being the best in Sweden at creating safe and attractive housing and communities.

Achieving these targets requires systematic day-to-day efforts in property management, where every action decision must be based on contributing to the long-term

targets. The company gathers all employees together several times a year to review how the work is progressing and reinforce support for the long-term strategy.

Significance of the value chain to the business model

Heba's value chain encompasses planning, development, construction, management, acquisition and sale of residential and community service properties. The value chain includes upstream partnerships as well as internal operations and downstream relationships. Material sustainability risks and opportunities are integrated into each phase.

Upstream includes capital supply via banks and the bond market, land holdings and collaborations with building contractors, materials suppliers and energy companies. This involves, e.g., the climate impact of building materials, contractors' working conditions and suppliers' environmental performance. These resources are crucial to the development and management of the property portfolio.

The business consists of property management, new builds, renovation and modernisation. New builds are carried out in close collaboration with local authorities and construction companies, while property management includes operation, maintenance, energy optimisation and social initiatives. Renovation and modernisation aim to reduce climate impact and increase the value of the portfolio.

The downstream value chain consists mainly of the company's tenants – young people, families and the elderly – as well as the local communities where Heba operates. Investors and bondholders are also key stakeholders, as they facilitate green financing solutions. These stakeholders influence strategic decisions and are part of Heba's long-term value creation. Mitigating climate impact may require us to encourage our tenants to change their environmental behaviour as well as creating favourable conditions for socially secure housing and neighbourhoods.

This holistic approach ensures that Heba's business model is resilient to sustainability-related risks and creates value over time for our shareholders and society.

SBM-2 Interests and views of stakeholders

Heba engages with stakeholders including tenants, local authorities and industry organisations in order to identify the most material sustainability matters. The results show that matters such as energy efficiency, safe and secure homes and neighbourhoods, climate adaptation and green financing solutions are central concerns. In addition, stakeholders recognise the opportunities offered by digitalisation and AI. These aspects have been integrated into the strategy to ensure long-term value creation and resilience.

With regard to customers/tenants, the company creates long-term relationships by building and creating safe and attractive communities, including through environmentally certified properties, but also through sustainable leases that encourage every tenant to make a positive contribution to the climate.

The company addresses our workforce by creating a culture with a shared understanding of how we achieve sustainable business benefit, enabling all employees to make the right decisions in property management and projects.

Job satisfaction breeds commitment.

The global environment is essential for capitalising on the opportunities offered by digitalisation and AI. Heba ensures that our suppliers also promote the transition of working methods in order to streamline operations.

These matters and perspectives have been integrated into Heba's strategy and business model, the target of climate-neutral property management by 2030, investments in safety and security in residential areas, the development of sustainable leases and the issuance of green bonds. The results of engagement are reflected in a high customer satisfaction index, strong employee engagement and greater demand among investors for green and sustainable financing solutions.

Stakeholder views have had a direct impact on Heba's DMA, on the definition of these matters as material impacts, risks and opportunities, and thus on Heba's strategy and business model.

Tenants' demands for safe and attractive neighbourhoods have led to the prioritisation within the property management strategy of actions that promote safety and security.

The focus of local authorities and industry organisations on energy efficiency and climate adaptation has been integrated into the target of maximum energy consumption of 40 kWh/m² by 2030 and the requirement that new builds must be environmentally certified.

The workforce's expectations of commitment and participation have strengthened Heba's internal sustainability culture through training and regular sustainability dialogues.

Heba has engaged in dialogue to identify the expectations and requirements of investors, lenders and industry organisations. The focus of financial materiality has been on analysing capital access, refinancing costs and investor demand for green bonds and commercial paper. Consequential materiality has focused on capital allocation to projects that contribute to energy efficiency, climate adaptation and social sustainability. As a result, Heba issues green bonds, commercial paper and offers sustainability-linked loans as an integral part of its financing strategy, which strengthens both its adaptability and long-term competitiveness.

In this way, stakeholder views have shaped both strategic targets and further development of the business model.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Heba adapts its strategy to different time horizons in order to manage climate change. In the short term (0–5 years), the focus is on energy efficiency, transition to renewable energy, sustainable and green leases, and climate assurance of new builds. In the medium term (5–10 years), there is an increased focus on the company's investments in climate adaptation of existing properties, as well as regulatory provisions such as the F-Gas Directive on refrigerants for heating and cooling. During this period, the company's residual emissions will be managed through negative emissions linked to climate-neutral district heating and future purchase of negative emissions. In the long term (10–50 years), the focus is on securing a climate-safe existing portfolio and new build portfolio. Another key aspect is integrating future technical innovations to cope with extreme weather events and long-term climate change.

A resilience assessment of Heba's strategy has been carried out against the IPCC's climate scenarios (RCP). The company has chosen RCP 2.6 (1.5–2 °C) for the shorter term and RCP 6.0/8.5 (3–5 °C) for the longer term. In the short term, transition risks that interact with expanded and stricter legal requirements and increased transparency requirements dominate. In the medium term, in addition to transition risks, physical risks also have an impact through changed financing requirements and rising costs for remodelling and new builds. In the long term, physical risks are most material, for example through increased precipitation, flooding and higher temperatures that increase the need for cooling.

Heba manages these risks through a combination of emissions reductions, climate adaptation, energy efficiency improvements and systematic investments in its property portfolio. Heba is integrating climate adaptation into its business strategy by gradually climate-proofing its portfolio, developing a resilient and sustainable property portfolio and, in the long term, setting requirements for building materials. This strengthens the company's long-term competitiveness, reduces risk exposure and ensures that Heba's strategy is robust in all respects and compatible with the Paris Agreement, EU climate objectives and the company's own ambitions for climate neutrality.

In addition to climate-related risks and opportunities, Heba has identified social and governance-related factors as material risks. These include safety security in neighbourhoods, relationships with suppliers and investor expectations regarding green financing solutions.

These IROs impact Heba's business model through revenue streams (rental income linked to customer satisfaction and attractiveness), costs (energy efficiency, climate adaptation and maintenance), assets and liabilities (property values, refinancing) and access to capital through green bonds and commercial paper. From an impact

perspective, they concern both the environment (climate impact, resource use) and people (safety and security, social inclusion, working conditions in the supply chain).

These matters are addressed through policies, targets and actions: climate-neutral management by 2030, green leases, supplier requirements, investments in energy efficiency and systematic safety and security efforts. These matters have been identified through Heba's DMA, in which stakeholder engagement with tenants, investors, local authorities and employees has been an essential aspect.

Future risks include stricter regulatory requirements, rising financing costs, increased climate adaptation needs and rapid technological advances in building materials and digitalisation. Consequently, Heba's strategy must be gradually adapted to the existing uncertainties in order to ensure a resilient property portfolio and long-term value creation.

Expected long-term financial impacts are not quantified at present, as the company is using the option of phasing in this part. The company plans to be able to produce such calculations from 2027.

Material and non-material matters related to ESRS.

Heba reports in full compliance with ESRS 2, E1 and G1 and in partial compliance with E5 (waste) and S4 (safety and security). Other environmental and social standards are covered by the phasing-in provisions for companies with fewer than 750 employees. A summary is provided in the IRO-2 Index of Disclosure Requirements, Appendix B, page 107.

With regard to pollution (E2), the company does not conduct any industrial activities or activities that require a permit under the Swedish Environmental Code and emits no direct discharges to land, air or water. The main environmental impact may arise indirectly through construction and renovation projects, management of hazardous waste and the use of chemicals in operations and maintenance.

The area of Water and Marine Resources (E3) relates to Heba's residential property operations, which are not water-intensive. Heba has no process water and does not conduct any operations that affect marine environments. The company's water consumption is low and consists almost exclusively of household consumption, which is regulated via municipal water and sewage services. No material risks, impacts or financial impacts have been identified.

The area therefore does not meet the criteria for materiality according to ESRS 1 and ESRS 2.

The assessment regarding Biodiversity (E4) is based on factors including that the business mainly consists of property management in already developed urban environments.

Furthermore, Heba does not engage in any agricultural, forestry, or marine activities, does not own any properties within Natura 2000 areas or nature reserves, and the identified risks are assessed as having a low financial impact in the short and medium terms.

Heba reports on the minimum requirements in the area of Own workforce (S1) and basic data on employees is reported in the Annual Report in Note 8, page 125.

Workers in the value chain (S2) is not currently considered a material area from a financial perspective, although there are potential adverse impacts and increased risks in certain supplier categories (particularly construction and contracting).

The assessment that Affected communities (S3) is not material is based on the fact that Heba's operations are conducted in existing urban environments with low direct environmental or social impact outside the immediate vicinity of the properties.

Heba does not report any policies, targets, actions or indicators for these specific areas. However, the areas are monitored annually and the DMA may be reviewed if conditions change. Any risks are managed through applicable environmental legislation, construction processes and Heba's quality management system.

Management of material impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities, including methodology and stakeholder engagement

This section describes the process for identifying material impacts, risks and opportunities, as well as the information that Heba has included in its sustainability statement as a result of the DMA.

Heba has engaged in dialogue with stakeholders including investors, tenants, local authorities and industry organisations, investors, lenders, suppliers and national authorities to identify the most material sustainability matters. Heba also seeks out external expertise (e.g. climate/RCP data, valuation/risk support, audit/advisory support). The results of engagement are used to identify areas for improvement and ensure that Heba's work meets the needs and expectations of its stakeholders.

The results are integrated into the sustainability programme. In addition, impacts, risks and opportunities in property management and construction are assessed. See also SBM-2 Heba's stakeholders, page 86.

Heba applies the principle of double materiality in accordance with ESRS. A DMA, including resilience assessment, was first conducted in 2024 and was repeated in 2025 ahead of the coming financial year. This means that the company assesses both consequential materiality – the impact our operations have on the outside world – and financial materiality – how external sustainability factors could impact Heba's operations financially. The DMA process is integrated with the company's overall risk management and governance.

The identification of material sustainability matters is based on the company's existing governance systems, such as its business plan, ISO 9001/14001 and internal risk assessments.

The matters included are based on engagement with internal and external stakeholders and horizon scanning. The results are structured in four matrices: two for consequential impact (positive and negative) and two for financial impact (risks and opportunities).

Each sustainability aspect is assessed based on parameters such as scale, scope, reversibility, probability and time horizon. Quantitative limits are applied:

- For consequential adverse impacts: material if the score is ≥ 18 .
- For consequential positive impacts: material if the score is ≥ 12 .
- For financial impacts (risk/opportunity): material if the score is ≥ 9 .

These limits have been developed with the support of expert assessments, industry practices and relevant regulatory frameworks. The results of the assessment form the basis for the information included in sustainability reporting in accordance with ESRS, as well as the strategic priorities set in Heba's business planning.

At Heba, the DMA is based on a process that combines external analysis, sustainability targets and stakeholder engagement. The basis for this includes analysis of industry standards, regulatory requirements, Heba's internal sustainability targets and input from tenant surveys and engagement with local authorities and investors.

The final boundary is set using a prioritisation matrix in which factors are assessed based on their severity and probability of impact, as well as the extent to which they have financial impact.

Matters that exceed an internally set limit are prioritised, such as environmental impacts that risk undermining the ability to achieve the 2030 climate target, or social issues relating to access to housing.

The assessment has also taken into account Heba's geographical exposure in the Stockholm region, where risks of flooding, extreme precipitation and heat waves could have impact on the long-term value of the properties. Relationships in the value chain – particularly with suppliers and tenants – have been in focus to ensure that both environmental and social risks are identified.

In this process, Heba has chosen to consider experience-based risks even in cases when the company does not have verified facts due to shortcomings in input data upstream and downstream from suppliers and customers. By taking these into account, the company can gradually address the areas of operation that need more input data over time, with the aim of incorporating this into the overall strategy and future transition plan.

Outcome of the process

The company has not identified any property components or business-related activities that are incompatible with or require insurmountable efforts in the long term to transition to climate neutrality. Heba's climate scenarios have been used to assess future operating costs, investment needs and financial exposure to climate-related risks. The scenarios are therefore consistent with the key assumptions used in property valuations, investment plans and asset impairment testing. The assessment shows that the identified climate-related risks do not require any material adjustments to financial assumptions for 2025 and later.

Heba's assessment identified both positive and adverse impacts. The latter mainly include increased costs and risks linked to climate change, regulatory requirements and the supply chain, while the positive impacts include strengthened competitiveness through energy efficiency, increased customer satisfaction through safe and secure neighbourhoods and improved access to capital through green financing solutions.

Heba's assessments also distinguish between actual impacts, such as current energy consumption and the climate impact of building materials, and potential impacts, such as future risks of flooding or changed financing conditions. These are assessed consistently for the different time intervals according to SBM-3, page 87.

Overall, the process, which began with stakeholder engagement, has made it possible to identify which sustainability matters are essential and how these should be integrated into Heba's transition strategy. The outcome has been validated by management and approved by the board.

By using systematic analyses of environmental data and supplier requirements in its operations, RCP scenarios in both SBM-3 and IRO-1, and by integrating the TCFD recommendations into its reporting, the company has assessed that the strategy is sustainable and resilient against various future climate conditions, and that the company can identify and manage the most material risks and opportunities in the short, medium and long terms. The assessment is based on both engagement and quantitative data.

Index of disclosure requirements

IRO-2 Datapoints that derive from other EU legislation

Heba is covered by phasing-in provisions. The areas covered are reported in IRO-2 Index of Disclosure Requirements, Appendix B, page 107. Handling of report information is also described in this section.

In addition, Heba reports datapoints derived from other EU regulations, see the appendix on page 109.

Environmental disclosures

ESRS E1: Climate change

Governance

GOV-3 Integration of sustainability-related performance in incentive schemes

Heba has no incentive schemes linked to specific sustainability targets, see GOV-3 page 85.

Strategy

E1-1 Transition plan for climate change mitigation

Heba has adopted a climate transition strategy based on a science-based commitment to contribute to a fossil-free and climate-adapted society. The strategy encompasses both climate change mitigation and climate change adaptation and is integrated into the company's business model, investment strategy, property management and governance. The strategy forms the basis for the development of a formal and external transition plan to apply from 2027 onwards.

The targets are set in line with the established 1.5 °C scenario under the Paris Agreement and follow sector-specific transition pathways for the construction and real estate sector according to Science Based Targets initiative (SBTi). Heba ensures that both targets and methodology are based on current emissions data and recognised reference scenarios, and that comparisons are made with relevant sector pathways to confirm compatibility with the EU's climate targets and climate neutrality by 2050.

The strategy is based on the assumption that Heba's climate impact mainly arises from energy consumption, construction production and the supply chain. To address this, energy efficiency, electrification, the choice of climate-smart building materials, environmental certification and exerting influence by imposing requirements on suppliers are combined. The strategy is aligned with EU climate objectives and the Paris Agreement and has been validated within the framework of SBTi.

GHG emission reduction targets

Heba's climate impact can be quantified through GHG emissions in Scope 1-3. The largest emissions arise during the construction phase and in Scope 3. A more limited share can be attributed to district heating, operations and energy consumption in Scope 2. Scope 1 climate emissions are close to zero. To operationalise the transition, Heba has set ambitious targets for all emission categories, see section E1-4 Targets related to climate change mitigation and adaptation, page 92.

The prioritized actions – energy efficiency, electrification, climate-smart building materials, and supplier requirements – are directed at the emission sources that account for the largest share of Heba's climate footprint. The work on sustainable lease agreements is motivated, among other things, by the volume of emissions generated by tenants' waste. In this way, all targets and actions in the transition strategy directly interact with the reduction of actual GHG emissions across the value chain. With regard to residual emissions, Heba has entered into a long-term carbon removal contract with Stockholm Exergi. See also E1-7 GHG removals, page 99.

Key actions on the road to climate neutrality

Heba's strategy for achieving these targets is to focus on the following actions:

- Energy efficiency improvements in the existing portfolio through renovations, optimised control and digital solutions.
- Use climate-improved district heating for heating, supplemented by the expansion of geothermal heating and, in the long term, mitigate climate change through carbon removal.
- Climate optimisation in new builds by mitigating the climate impact of building materials; reducing the quantities of materials used; increasing reuse, recycling, and circular solutions.
- Reduce tenants' waste generation and electricity consumption through the introduction of sustainable lease agreements.
- Active collaboration with suppliers and contractors to mitigate climate impact across the value chain.

Investments, financing and the Taxonomy

Heba's investment and operating plans are designed in line with the criteria in the EU Taxonomy Regulations (2020/852 and 2021/2139) to ensure that the company's economic activities gradually become fully compatible with EU climate objectives. They are also part of the company's Business Plan for 2025-2030. Although the company is not reporting on the Taxonomy this year, see BP-2 page 82, the investments meet the criteria for achieving energy performance and emission reductions and are therefore considered to contribute significantly to climate change mitigation.

A more detailed account of investments that contribute to the climate transition is provided in the company's Investor Report Green Financing 2025. The report, which will be presented during the second quarter, describes in greater detail the framework for investments that qualify for green financing. See also E1-3 Financing of climate actions, page 92.

Potential lock-in effects in carbon-intensive assets

Heba has certain locked-in emissions that are difficult for an individual undertaking to fully eliminate in the short term. Life cycle emissions from building materials (concrete, steel), parts of the district heating mix, and limited influence over suppliers' climate performance mean that parts of Scope 2 and 3 cannot be reduced faster than technological progress and market transition allow. These factors may temporarily slow the rate of emissions reductions and, all else being equal, may affect the achievement of targets for 2030-2045. Heba is monitoring developments and adjusting its actions as new climate solutions are established in the industry.

The company does not engage in any activities involving fossil fuels, coal or oil extraction, refineries, or other activities that are incompatible with the EU Taxonomy Regulation or climate targets according to the Paris Agreement. Instead, Heba's strategy and investments are focused on energy-efficient and climate-smart buildings that promote climate objectives.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The methodology for assessing material impacts, risks, and opportunities and their interaction with strategy and the business model is presented for all ESRs standards under SBM-3, page 87.

Heba's resilience analysis covers the entire business, including existing properties, ongoing projects, and planned new builds, as well as the most significant parts of the value chain, such as construction contractors, energy suppliers and other suppliers.

The assumptions are based on industry data (Swedish National Board of Housing, Building and Planning ("Boverket"), Swedish Environmental Research Institute ("IVL") and internal operating and energy statistics. The results have been integrated into the company's risk and investment process.

The analysis was conducted in several stages. Initially, climate-related risks and opportunities were identified. These were then tested against the three climate scenarios, with a focus on energy prices, extreme weather events and legal requirements. In the next stage, the impact on operating and investment costs, property values and financing terms was estimated. Finally, the strategy and the target of climate neutrality by 2045 were tested against each scenario.

The results show that the strategy is robust against RCP 2.6 and 4.5. Increased energy prices and climate-related damage pose the greatest financial risks in the medium term, while increased requirements for carbon reduction in building materials are the main transition risk. The RCP 8.5 scenario may lead to increased maintenance and insurance costs, as well as higher capital requirements for new projects. These risks are managed through energy efficiency improvements, green financing solutions and climate adaptation actions in the construction and property management phases.

Management of material impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In order to assess how various development paths for the climate and climate transition could affect the company's strategy, investments, and resilience, Heba has conducted a scenario analysis. The work is based on guidance from the TCFD and ESRs, with three main scenarios as described below. See also BP-2, page 82.

Climate emission scenarios

A). Low emissions scenario (RCP 2.6 / SSP1-1.9 - 1.5 °C target)

This scenario assumes that global heating will be limited to 1.5 °C in line with the Paris Agreement. For Heba, this means a rapid transition to renewable energy, electrification of operations and transportation, and high standards for climate-neutral building materials. In this scenario, investment costs increase in the short term, while the company takes actions that lead to lower operating costs and better access to green financing.

B). Medium scenario (RCP 4.5 / SSP2 - middle of the road)

If emission reductions are slower, climate change is expected to lead to more extreme weather events, while the transition requirements persist but are delayed. For Heba, this means increased costs for climate adaptation, e.g., flood protection, measures against heat stress (cooling needs), and the risk of higher energy prices.

C). High emissions scenario (RCP 6.0-8.5 / SSP5 - business-as-usual)

Continued high emissions will significantly increase physical risks. For Heba, this would affect the value and operation of its properties, particularly in areas at risk of heavy rainfall or heat stress. The company believes that its climate adaptation strategy, including requirements for Energy Class C or better, climate risk inventory and increased robustness in new builds, will also reduce vulnerability in this scenario.

Physical risks in own operations and the value chain

The most material physical risks to Heba's own operations are heavy rainfall, flooding, and heat stress, which can affect operations, indoor climate and property values. Risks are managed through local stormwater solutions, climate-adapted material choices and inventory of critical infrastructure.

In the value chain, this mainly affects construction suppliers and operators linked to the materials side. Extreme weather events can affect delivery reliability and materials prices. Heba counteracts this through dialogue concerning climate risk management prior to signing long-term supplier agreements.

The risk analysis shows that even in a scenario with significantly increased heat stress (RCP 8.5), the identified risks are manageable through planned adaptation actions and preventative investments. Heba's current strategy and goals are designed to be robust in all scenarios, but are particularly adapted to the RCP 2.6 scenario. The scenarios are used in investment calculations, project risk assessments and monitoring E1-4 targets, page 92.

Connectivity between climate scenarios and assumptions made in the financial statements

Heba uses climate scenarios to identify physical and transition-related risks over different time horizons. These scenarios are consistent with and relate to the key climate-related assumptions made in the financial statements in the Annual Report. The status and development of the company's climate targets are reported in E1-4 Progress and tracking, page 93.

E1-2 Policies related to climate change mitigation and adaptation

Heba has adopted a number of policies that govern how the company identifies, assesses and manages material impacts, risks, and opportunities related to climate change mitigation and adaptation. The policies cover both climate change mitigation and adaptation, as well as energy efficiency, renewable energy and other climate-related areas.

The policies apply without exception to the entire business and are established by the board of directors. They are integrated into Heba's ISO-certified management system and are reviewed annually. The policies are available internally via the intranet and are communicated externally to suppliers by means including the Suppliers' Code of Conduct and procurement documents.

Risks and opportunities addressed by the policies

As part of Heba's work with double materiality analysis (DMA), the company has conducted a structured review of climate-related risks and opportunities. The analysis covers both transition-related risks and physical climate risks and opportunities, and has been conducted in line with Heba's existing risk management system and based on the recommendations of the ESRs and TCFD.

The transition-related risks are assessed to have an impact on Heba's business model and investments in both the short and medium terms. For example, new and stricter climate requirements in legislation and regulations, such as energy classifications and climate declarations, mean that the company needs to future-proof its properties and projects. Furthermore, investors and lenders are increasing their demands in terms of climate data, transparency and sustainable forms of financing. In the long term, this may affect access to capital and cost levels, especially if Heba is unable to meet green financing criteria.

Physical climate risks are expected to affect the property portfolio primarily over longer time horizons. Increased precipitation and heavy rainfall may lead to flooding risks in certain areas, while higher temperatures may increase the need for cooling, which affects energy consumption.

Heba has identified several business opportunities linked to the climate transition. Increased demand for climate-smart housing and energy-efficient buildings creates opportunities to attract tenants and strengthen the company's brand. By being at the forefront in terms of internal environmental certification, energy efficiency improvements and green financing, Heba has the opportunity to reach investors with a focus on sustainability and thus ensure competitive financing terms. In addition, technological innovations in energy optimisation, EV charging, and digital property control provide opportunities for more efficient operations and reduced emissions.

Climate-related policies

The ESG policy provides a central framework for Heba's environmental, social and economic responsibility. The policy clearly states that the company shall, from investments and procurement to day-to-day property management and new builds, minimise its climate impact through energy efficiency improvements, conversion to renewable energy sources and climate-smart solutions in operations and construction.

Heba applies a Supplier's Code of Conduct, which requires suppliers to work systematically with sustainability, including emission reductions and responsible use of resources in their own value chain. The Code is an important aspect of Heba's work to reduce Scope 3 emissions.

The working environment policy and the equal opportunity and diversity policy indirectly contribute to Heba's climate work by creating an organisation in which sustainability is imbued in the working environment and skills provision. Furthermore, the risk policy and DMA processes govern how climate-related risks are identified, assessed and managed at the strategic level.

The quality policy complements Heba's other governing documents by ensuring that climate and ESG aspects are integrated into quality management and improvement. The policy reinforces Heba's efforts with climate mitigation, climate adaptation and energy efficiency in accordance with ISO 9001 certification.

Heba's policies are implemented in the management systems and are followed up within the framework of ISO 14001 certification. All policies are updated annually and communicated internally. Compliance is ensured through regular tracking in operations and the results form the basis for prioritisations in the climate roadmap.

Heba has thus adopted policies for all material sustainability aspects. Certain areas, such as biodiversity and the circular economy, are under development. For these areas, project-based guidelines are being used for the time being. Regarding standards for which action plans have not yet been fully implemented, preparatory work will be carried out in the coming years with the aim of incorporating actions relevant and material to the business from 2027 onwards.

Climate-related policies are shown in the table below. A complete policy overview is presented in the appendix on page 109.

Summary of climate-related policies

Policies	Purpose and application	Interaction with IROs
ESG policy	Framework for the company's environmental, social and economic responsibility. Guides decisions regarding investment, operations and new builds. Most recently adopted June 2025.	Direct interaction with E1-4 (Policies and targets related to climate change mitigation and adaptation). Supports IRO-1 (identifying material impacts, risks and opportunities) and IRO-2 (interaction with strategy and risks). Covers the areas of climate mitigation (E1-1, E1-6), etc.
Quality policy	Ensures the delivery of high-quality housing and services with long-term sustainability. Focus on systematic improvements, committed employees and satisfied tenants. Environmental and ESG aspects are integrated into all processes by means of quality control. Most recently adopted June 2025.	Interaction with E1-3 (actions) and E1-5 (energy efficiency). Contributes to reduced climate impact in operations and construction through better choices of materials and reduced waste (IRO-1). Supports climate adaptation (E1-4) by means including robust buildings and quality requirements.
Code of Conduct	Sets requirements for suppliers regarding emission reductions, resource use and social responsibility. Most recently adopted December 2025.	Interaction with E1-6 (Scope 3) and E1-7 (carbon removal and carbon offsets). Reduces Scope 3 emissions and risks in the supply chain. Supports climate mitigation and climate adaptation through requirements for sustainability work along the value chain (IRO-1). Also G1-1.
Equal opportunity and diversity policy; Working environment policy	Promote a sustainable working environment and inclusive culture. Last adopted June 2025 and June 2025.	Interaction with S1 (own workforce) and indirect interaction with E1-3 (actions and resources) and IRO-2 (opportunities). Through strengthened skills provision and innovation, the policy promotes the organisation's ability to implement the climate transition.

E1-3 Actions and resources in relation to climate change policies

Heba is implementing a number of key actions to mitigate climate change and increase the resilience of its property portfolio to climate change. No material adverse impacts requiring action have been identified. The actions described are aimed at achieving the company's climate targets. The time horizons applied (short/medium/long-term) follow the definitions presented in SBM-3, page 87.

Actions to mitigate climate change

In property management, energy efficiency and the transition to renewable energy are priority areas. Heba works with demand-controlled ventilation, upgrading lighting to LED, optimising heating systems and installation of digital control and monitoring systems. All properties undergo energy mapping and individual action plans are drawn up based on energy performance in accordance with an established energy plan. For several years now, Heba has been purchasing 100% renewable electricity for its entire property portfolio.

Climate targets are integrated into project activities by assessing all new build and remodelling projects based on climate impact, energy performance, environmental certification and circularity principles. The requirements are gradually being incorporated into the company's project procedures and investment calculations. New build projects are required to have climate-optimised designs, energy-efficient solutions, and environmental certification (e.g., Miljöbyggnad or the Nordic Swan Eco-label). Since 2025, the ambition has been for all new build projects to halve their climate impact during the construction phase compared to Boverket's reference level. Heba also works with building logistics plans and requirements for building contractors to reduce transportation-related emissions and construction waste.

Actions for climate change adaptation

In the area of climate change adaptation, actions are being successively implemented to climate-proof buildings. For example, stormwater management, roof drainage and moisture protection are taken into account in all new build and remodelling projects. Heba has also inventoried climate risks in its existing portfolio, with the results being used as a basis for future maintenance and investment plans.

Boundaries and areas for improvement

To achieve its climate neutrality and climate change adaptation targets, Heba has defined a number of concrete actions that are being implemented on an ongoing basis in both property management and new builds. These actions are based on Heba's climate targets and are an integral part of the company's business plan, investment process and operating procedures.

Value chain and suppliers (Scope 3)

Heba works actively to reduce its climate impact along the value chain through structured collaboration with suppliers and contractors. A central part of this effort is the Suppliers’ Code of Conduct, which includes requirements for systematic sustainability work including emission reductions, energy efficiency and resource-efficient use of materials. All key suppliers must sign the Code, and compliance is monitored on an ongoing basis and in connection with procurement.

Requirements are also set in project design, where the climate impact of building materials, transportation and energy consumption at the building site is considered. Heba is taking action to promote suppliers with high sustainability ambitions and clear climate targets by means of dialogue, monitoring and sophisticated forms of collaboration.

Residential and commercial tenants

To reduce the climate impact of residential tenants, Heba has implemented “sustainable lease”. These agreements include a commitment from the tenant to sort waste at source, sign a contract for green electricity, and maintain a smoke-free lifestyle.

For commercial premises and their tenants, the company has developed “green leases”, which regulate the parties’ joint responsibility for energy use, waste management, and environmental improvement actions.

In addition, Heba develops and ensures energy-efficient technologies in common areas, the measurement and monitoring of energy use in premises, and information initiatives aimed at promoting sustainable behaviour.

EV charging infrastructure is being installed in the company’s parking facilities. The target is to have EV charging points in all car parks by 2030.

Financing of climate action

Heba’s climate work is supported by its framework for green and sustainability-linked financing, which it has had for several years, and which covers bonds, commercial paper and bank loans. The ambition is for all external financing to be green by 2030.

A more detailed account of investments that contribute to the climate transition is provided in the company’s Investor Report Green Financing 2025, which will be presented during the second quarter. The report describes in greater detail the framework for investments that qualify for green financing.

Heba continuously carries out investments in its property portfolio with the aim of reducing climate impact and improving the energy efficiency of buildings. These measures are primarily implemented within the framework of the company’s ordinary investment and property management activities and are therefore reported within the relevant items in the Group’s financial statements, mainly under investments in investment properties (CapEx) and operating and maintenance costs (OpEx).

Against this background, no separate CapEx or OpEx items specifically linked to climate measures are reported in this year’s sustainability report. Heba has not

adopted any formal transition plan in the sense referred to in ESRS E1-1. The company’s investments and resources described in the Annual Report are to be regarded as the company’s operational implementation of climate targets and risk management.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

Governance of climate targets

Heba has set quantifiable and outcome-oriented climate targets that cover both climate change mitigation and adaptation. The targets are integrated into the company’s business plan, investment process and operational governance and form the core of Heba’s transition towards climate neutrality.

The two main targets are:

- Climate-neutral property management by 2030, and
- Entire organisation climate-neutral by 2045.

The targets cover all significant emissions within Scope 1, 2, and 3 according to the GHG Protocol and applicable guidelines from the Swedish Environmental Protection Agency (“EPA”), IVL, Boverket and ESRS. The targets cover the company’s own operations, the supply chain and new builds. Heba’s climate targets are central to the company’s transition strategy and cover direct and indirect emissions as well as adaptation to a changing climate.

The company’s climate targets are set in line with the Paris Agreement’s 1.5-degree target and are higher than the EU’s climate neutrality target for 2050. They have been designed based on Science Based Targets initiative (SBTi) and sector-specific transition paths for the construction and real estate sector. The targets are gross targets – any negative emissions and carbon credits are reported separately and are not used to reduce reported emissions when tracking the targets.

The climate targets are integrated into the 2025–2030 business plan, have been approved by the board of directors and are tracked on an ongoing basis by management and the board. Dialogues with various stakeholders form the basis for and have influenced the formulation of the targets.

Main climate targets

Heba’s two main climate targets are as follows.

- Scope 1 and 2 – Emissions from vehicles and purchased energy in existing properties.
- Scope 3 – Emissions from new builds (construction phase), contractors and materials, waste, transportation, employee commuting and relevant tenant-related emissions.

The climate targets are quantified using indicators such as energy consumption (kWh/m²), emissions intensity (kg CO₂e/m²), and the share of green financing and EPC-rated buildings.

Heba’s climate targets and emission pathways are based on the scenarios and assumptions presented in IRO-1 Climate emission scenarios, page 88.

Base year and updates

Heba’s base year for climate-related targets and emission calculations is 2018, when it was set in accordance with SBTi, which has been assessed as representative of the company’s activities, emissions structure and climate impact and constitutes a reliable reference point for measuring future emissions reductions. Several targets do not require baseline values as they are set to cover 100%.

The base year will be reviewed after 2030 and every five years thereafter, or earlier if there are significant changes to operations, calculation methods or system boundaries. When updates are made, changes in methods, system boundaries, or data quality will be documented and explained to ensure comparability over time.

Data quality has been verified by comparison with energy statistics, supplier invoices and previous environmental reporting. Adjustments have been made for weather variations (e.g., Sveby normal year) and temporary operational disruptions.

Targets for each scope

Heba’s GHG emissions reduction targets are quantified in absolute and/or relative terms and cover all relevant GHG (CO₂, CH₄, N₂O, and relevant F-gases). The distribution of emissions and targets per scope is based on the company’s climate statistics.

Scope 1 and 2 – climate-neutral property management by 2030:

- Reduce total energy consumption from 75 kWh/m² to 40 kWh/m².
- Ensure that 100% of the property portfolio has a minimum rating of Energy Class C.
- From 2029, the company will purchase carbon removal as a complementary measure.

Scope 3 – climate-neutral organisation by 2045:

- From 2025, all new build projects that starts must have at least 50% lower climate emissions during the construction phase compared with Boverket’s current reference value (currently 2023)
- All construction waste must be sorted at source to enable recycling.

Other climate-related targets: energy, adaptation and financing

In addition to the emissions targets, Heba has set targets for climate adaptation and financing that support the climate transition, as shown below. The targets interact with specific indicators and are monitored annually through the management system. Actual and target-related emissions levels are reported separately in the table under E1-6, page 97.

Climate adaptation

- All properties must undergo climate risk assessment with regard to heat, heavy rainfall and flooding by 2025.
- Climate risk results shall be integrated into maintenance and investment plans.
- 100% of all existing properties must be certified by 2025 (HållFast).

Green financing and labelling

- Heba's shares were designated green equity in 2025 and the green equity designation will be verified and renewed annually.
- 100% of external financing shall be green by 2030 (bonds, commercial paper and loans).

Electrification and EV charging infrastructure

- Charging points at 100% of parking spaces by 2030.

Suppliers and value chain

- 100% of significant suppliers shall be audited based on the Code of Conduct by 2028.

Interactions between activities, targets, and expected emission reductions

Heba's emission reduction activities interact directly with the company's targets. Expected emission reductions have been calculated correctly for the action areas, which indicates how they contribute to target achievement. All values refer to estimated effects in tCO₂e based on 2024 levels within Scope 1-3 and known emissions factors from the Swedish EPA. Scope 1 emissions are close to 0 as the entire company's vehicle fleet consists of electric vehicles.

The following table showing expected target achievement presents examples of actions and how they can be expected to contribute directly or indirectly to achievement of the climate targets. Investment in self-generated solar power, for example, does not lead to emissions reductions because the power replaces renewable electricity.

In total, these actions are assessed as leading to an overall reduction potential through which Heba will meet the general emissions-related targets by 2030 and 2045. The results are monitored annually through energy data, climate calculations and project reports, and are integrated into the company's investment plan.

Expected target achievement through activities

Activity/area	Emissions reduction (t CO ₂ e) 2025	Expected emission reduction (tCO ₂ e) 2026	Interaction with target	Expected impact/outcome by 2030
Energy efficiency improvements in the existing portfolio; transition to 100% renewable energy, etc.	389	21	Climate-neutral property management by 2030 (Scope 1-2)	Reduced energy performance from 75 to 40 kWh/m ² (-47%). Heating with environmental reporting and geothermal conversion.
Climate adaptation and resilience – stormwater management, moisture protection, climate risk assessment	Indirect	Indirect	E1-1 and E1-4	100% of the portfolio has been climate risk-assessed with linked action plans where relevant.
Supplier requirements and climate calculations – Code of Conduct, materials data, procurement	Indirect	Indirect	Scope 3 (value chain)	Successive reduction of climate impact in construction and operational phases. Statistical input not available.
Green financing and labelling – 100% green financing by 2030	Indirect	Indirect	All targets	Economic incentive; steer resource allocation towards emission-reducing projects.

Climate target outcomes and status

Area	Base year	2024	2025	Target 2030	Target 2045	Comments
Scope 1 (direct emissions, tCO ₂ e)	2018	1	0	0	0	Electrification of vehicle fleet 100%
Scope 2 (market-based, tCO ₂ e)	2018	571	188	0	Net zero	Renewable electricity 100%
Scope 3 (material categories, tCO ₂ e)	2021	789	967	-50% ref. to Boverket	Net zero	No completed projects/acquisitions during the year
Energy efficiency (kWh/m ²)	2024	75	67	40	-	27% reduction since 2021
Renewable energy (% of total)	2024	89	94	100	100	Agreements with energy suppliers
New builds (emissions in construction phase)	2025	0	0	-50% ref. to Boverket	Net zero	No completed projects during the year
Climate risk assessment (% of portfolio)	2022	100	100	100	In progress	Basis for climate change adaptation
Green financing (% of total)	2023	-	63	100	In progress	Steer investments towards climate benefit
EV charging infrastructure (% of total)	2023	26	30	100	In progress	Aligned with electrification plan
Environmental certification of buildings (% of total)	2025	26	100	100	In progress	Review according to Heba's HållFast model

Any adjustments to targets or measurement methods may be made in the event of early target achievement, acquisitions, sales, method updates, or data corrections.

Progress and tracking

In addition to energy and emissions-related targets, the targets also include that all properties must be operationally certified and climate risk-assessed. This work aims to increase the resilience of the property portfolio and form the basis for climate adaptation actions.

E1-5 Energy consumption and mix

Heba’s economic activities take place in a sector classified as climate-intensive according to ESRS – property management and new builds. Energy consumption is thus a key indicator in climate management. Heba’s total energy consumption includes all energy supplied for property and business operations, including purchased electricity, district heating and self-generated solar energy – see table below. Energy consumption is continuously monitored on a daily basis and is reported annually according to total consumption, origin (renewable or fossil) and in relation to net revenue (energy intensity). Heba does not use energy from nuclear sources.

Energy data are followed up against the climate targets and are covered by an annual audit. No additional external review of the relevant area has been carried out beyond the auditors’ review of the sustainability report.

Energy consumption and mix are key indicators in climate management. In order to meet the requirements, the share of renewable energy is expressly reported for each category. Location-based shows climate impact based on the average energy mix in Sweden, while market-based considers Heba’s active choice of origin-labelled energy. This clarifies both the actual system impact and the company’s climate ambitions by means of procurement and self-generation.

Total energy consumption and mix

Energy consumption and mix		2024	2025
(1)	Fuel consumption from coal and coal products (MWh)	-	0
(2)	Fuel consumption from crude oil and petroleum products (MWh)	-	0
(3)	Fuel consumption from natural gas (MWh)	-	0
(4)	Fuel consumption from other fossil sources (MWh)	-	0
(5)	Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	-	359
(6)	Total fossil energy consumption (MWh) (sum of lines 1 to 5)	-	359
Other fossil sources in total energy consumption (%)		0	0
(7)	Consumption from nuclear sources (MWh)	0	0
Share of total consumption from nuclear sources (%)		0	0
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
(9)	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	-	19,583
(10)	Consumption of self-generated non-fuel renewable energy (MWh)	-	223
(11)	Total renewable energy consumption (MWh) (sum of lines 8 to 10)	21,007	19,806
Share of renewable sources in total energy consumption (%)		89	94
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)		23,603	20,165

The total energy consumption of 20,165 MWh stated in previous table is excluding the share of 905 MWh that the district heating suppliers report as neither renewable nor fossil-based.

Ahead of 2025, Heba signed an additional agreement with Stockholm Exergi aimed at reducing the climate footprint of purchased district heating. Heba will obtain an allocated district heating supply based on a renewable energy mix with low emissions figures. Calculations of market-based emissions are based on 2025 environmental values regarding the supply from Stockholm Exergi because they have material impact on emissions and the previous year’s statistics for remaining energy suppliers.

Energy performance/efficiency

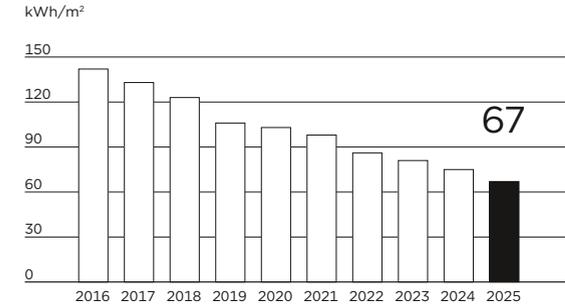
Energy efficiency is one of the cornerstones of Heba’s climate work and is a key indicator for achieving the target of climate-neutral property management by 2030. Heba tracks developments annually using the energy performance indicator in kWh/m² A-temp, degree-day corrected, which covers electricity and district heating in property management operations.

In 2025, energy performance amounted to 67 kWh/m² (2024: 75 kWh/m²), which represents an improvement of 37% compared with 2021, when energy consumption amounted to 92 kWh/m². This development is the result of structured and expansive energy efficiency efforts that have been integrated into both operations and maintenance.

The work has included optimisation of technical installations such as heating and ventilation systems, demand-controlled lighting and improved monitoring. Another important aspect has been renovations, including replacement of windows, additional insulation and installation of heat recovery systems, which as a whole have had significant effect on energy consumption in the existing portfolio.

Heba’s target of reducing energy performance to a maximum of 40 kWh/m² by 2030 represents more than a 50% reduction compared with the base year 2021, reflecting the company’s high ambitions in terms of climate and resource efficiency.

Energy consumption



Share of renewable energy

Heba monitors and reports the share of energy from renewable sources in its total energy consumption. The renewable share includes both purchased electricity and district heating with documented guarantees of origin, as well as self-generated solar energy from solar cell installations on its properties. The table below shows the share of renewable energy for the 2025 annual reporting period.

For several years now, Heba has been purchasing 100% renewable electricity through guarantees of origin. An increasing share of district heating comes from renewable sources and the demand is partially met through self-generation of solar power. The target is to achieve 100% renewable energy consumption throughout the business, which Heba believes will be possible by 2030. The strategy for achieving this target includes increased self-generation of solar power, continued efficiency improvements to reduce demand, and exerting influence on and setting requirements for district heating suppliers.

Share of renewable energy

Energy source	Quantity (kWh) 2024	Quantity (kWh) 2025	Renewable share (%) 2025	Comments
Purchased electricity	7,646,135	7,835,890	100	Guarantees of origin for the entire volume
Purchased district heating	15,720,311	13,011,197	90	Share based on supplier mix
Self-generated solar power	199,018	223,321	100	Distributed across buildings with plants
Total renewable energy	21,006,991	19,805,929	100	An 11% decrease compared with the previous year
Total energy consumption	23,603,360	21,070,412	94	Weighted share (2024: 89%)

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Method and assumptions

GHG emissions (Scope 1–3) are calculated in accordance with the GHG Protocol’s operational control principle. Emissions are calculated using both location-based and market-based methodologies, which provide complementary perspectives on emission levels. Guidance from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard is used for allocation between scope and category. The method has been chosen to ensure transparency, comparability and verifiability, and is used consistently between years to enable tracking against established climate targets.

Scope 1

Scope 1 covers direct emissions from service and utility vehicles in operational activities, where the entire vehicle fleet is electrified, backup power and refrigerants, calculated using the Swedish EPA’s emissions factors (petrol, diesel, ethanol). Heba has no other sources of emissions within Scope 1, such as boilers, stationary combustion, or gas installations. Heba’s Scope 1 emissions thus total close to 0 tCO₂e for 2025.

Against this background, the majority of the company’s climate work focuses on actions related to Scope 2 and 3. Emissions are reported in full according to ESRS, without adjustment for carbon offsets, in accordance with the gross accounting principle. Heba is not covered by general emissions trading schemes, i.e. the share is 0%.

Scope 2

Scope 2 emissions include indirect GHG emissions from purchased electricity, district heating and district cooling for Heba’s own operations and properties. For district heating, supplier-specific metrics are used where available, otherwise national averages are used. Assumed emissions factors:

- Electricity mix 0.037 kg CO₂e/kWh, according to Boverket.
- District heating 0.072 kg CO₂e/kWh, according to the Swedish EPA.
- Renewable electricity with guarantee of origin 0 kg CO₂e/kWh, according to GHG market-based.

The location-based emissions level is based on the average emissions factor for the Swedish electricity mix and district heating mix according to the Swedish EPA’s emissions factors. This method is used to show the actual climate impact from the geographical energy market in which Heba operates.

The market-based emissions level is based on supplier-specific information and guarantees of origin for purchased electricity and district heating. All electricity purchased by Heba is certified as 100% renewable, which means that market-based emissions amount to 0 tCO₂e.

The dual reporting is used to create transparency and comparability over time, both internally and between actors. Location-based reporting provides an objective picture of the climate impact on the national energy market, while market-based reporting shows the effect of the company’s active choice to purchase renewable energy.

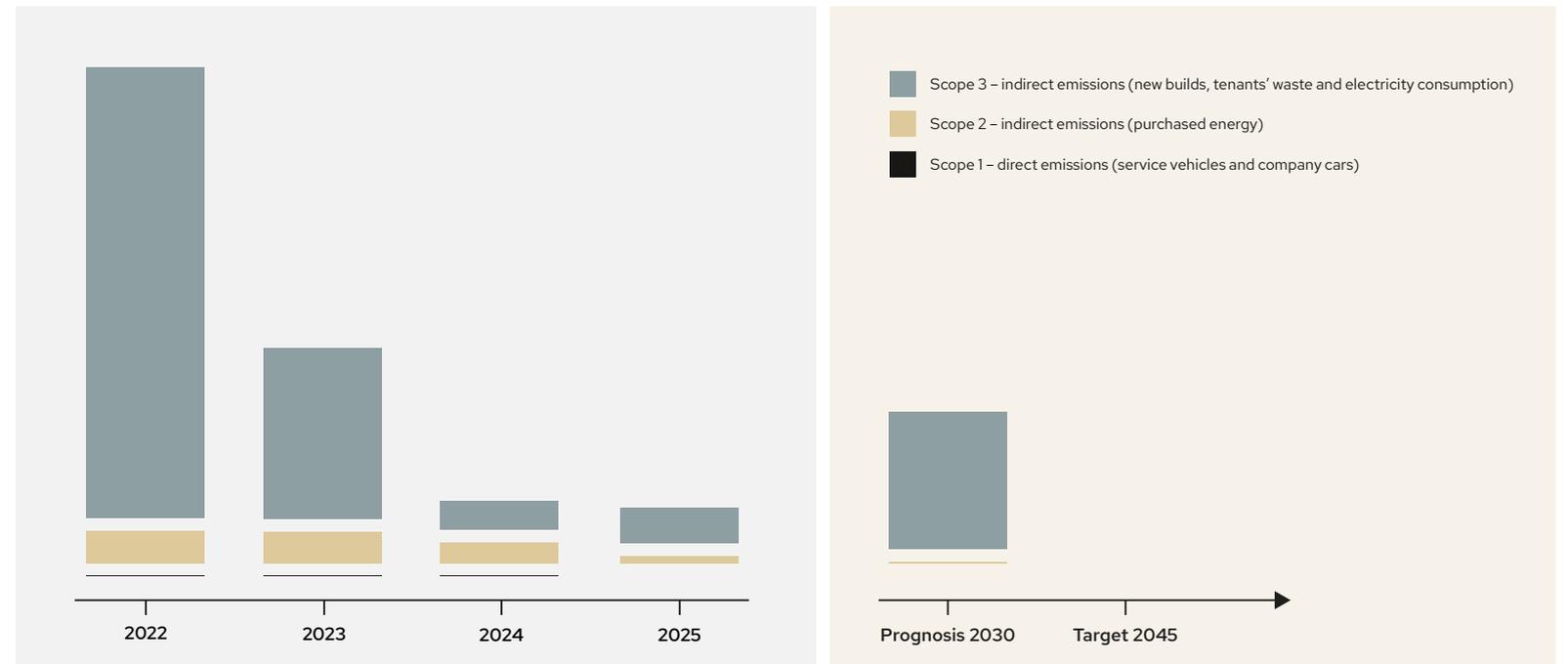
The methodology provides high data quality (level 1 according to the GHG Protocol classification) and makes it possible to monitor progress towards the target of climate-neutral property management by 2030. The method has been consistently applied in recent years and quality assurance is provided through supplier certificates.

Heba follows the principle of reporting gross emissions within Scope 2, which are low as district heating is based on a renewable energy mix, according to an agreement with Stockholm Exergi, which accounts for approximately 50% of the company’s current supply. Emissions are fully climate offset through Gold Standard-certified carbon credits. These emissions and future complementary measure involving carbon removal through BECCS technology are reported in section E1-7, page 98–99.

Scope 3

Scope 3 includes building materials, construction work, waste, and tenants’ electricity consumption. Standard values are calculated by multiplying activity data (e.g., kWh, litres, or tonnes of material) by specific emissions factors based on data from the Swedish EPA, IVL, and Boverket for building materials, waste, transportation and tenants’ energy consumption.

For building materials, environmental product declarations (EPDs) are used when available, otherwise standardised values from industry databases are used. The GHG Protocol’s established methodology ensures comparability with industry standards and facilitates external audits. The use of national and supplier-specific factors increases data quality and relevance for Swedish conditions. Emissions factors and assumptions are updated annually and reviewed by the sustainability department. Changes in calculation methodology are documented and explained for each reporting year.





Data quality is assessed as high for Scope 1 and 2 (primary data) and medium for Scope 3 (partially standardised data). The calculations are based on existing supplier data and industry standards. Total GHG emissions are shown in the table on page 97.

Data quality and primary data (Scope 3)

In 2025, Heba has not completed or implemented any project acquisitions that impact emissions from construction activities. Of total Scope 3 emissions, approximately 50–75% is calculated based on primary data from suppliers and contractors, mainly relating to construction materials, transportation and waste. The remaining is based on secondary data or industry templates (e.g., from IVL’s climate database and Boverket’s climate data), see table page 83. The ambition is for at least 75% of Scope 3 data to be based on available primary data from 2027.

Boundaries and excluded categories (Scope 3)

Heba’s voluntary Scope 3 reporting covers the emissions categories assessed as material based on the company’s business model as a property owner and manager – see table on page 97.

Data for Scope 3, category 4) Upstream transportation and distribution, is presented in the table based on Stockholm Exergi’s reporting on the emissions generated by their operations in connection with their production and delivery to Heba in 2025. Other upstream transportation related to suppliers and property management contractors lacks available data.

The categories in the table that are considered material but for which data is not available for the period are explained as follows. Categories 1) and 2), Purchased goods and capital goods, lack data because no projects were completed during 2025. Regarding category 15) Investments, this does not apply to Heba, as the company has no investments through joint ventures or similar arrangements to report for 2025.

The remaining Scope 3 categories are considered not material or not applicable, which includes the following categories. Category 3) Fuel-related activities does not apply to Heba. Category 6) Business travel occurs only to a limited extent. Heba applies the phase-in provisions for companies with fewer than 750 employees under ESRS and intends to progressively further develop Scope 3 reporting as data quality and system support improve.

Category 8) Leasing does not occur. Category 9) Transportation related to tenants lacks available data. Regarding category 10), the company does not engage in the processing of sold products. The same applies to category 12), as Heba does not perform end-of-life treatment of sold products. Category 13): the company does not lease assets downstream. Category 14): the company has no franchise agreements. Finally, cloud and data centre services have been excluded from reporting (no material impact).

Heba applies the phasing-in rules according to ESRS and intends to gradually develop Scope 3 reporting in pace with improved data quality and system support.

The calculation bases differ as follows.

- Building materials (densification, upgrading and renewal): climate calculated using standard values per m² of completed surface area.
- Construction waste: multiplied by IVL’s factor for mixed waste for incineration (0.3 kg CO₂e/kg).
- Employee commuting: survey responses using calculation tools from the Swedish EPA, adjusted with emissions factors for transportation.
- Tenants’ residual and unsorted waste: weight-based method from waste management contractor, multiplied by emissions factor from IVL (0.2–0.3 kg CO₂e/kg).
- Tenants’ electricity consumption: based mainly on a standard calculation based on limited data from electricity network owners on total consumption per property. Adjusted for Heba’s Sustainable Leases; emissions factor from Boverket for the Swedish electricity mix (0.037 kg CO₂e/kWh).

Emissions are based on a combination of actual data (supplier declarations, measured volumes) and standardised assumptions. Data quality is classified as level 2 (medium) according to the GHG Protocol, with the ambition of eventually increasing to level 1 through expanded use of project-specific climate data and digital collection.

The calculations have been performed using consistent methodology in recent years and are quality-assured by the sustainability manager and external auditors. No major changes in methodology have been made between years, which ensures comparability over time.

The areas are reviewed annually in connection with the materiality analysis. Heba has determined that the excluded categories may affect the overall emissions profile, but the extent of this is currently unclear as contractors and others are subject to relief rules regarding reporting emissions, etc.

No significant events or changes in conditions affecting Heba’s GHG emissions have occurred between the reporting date and the preparation of this sustainability report. Heba took possession of a property at the end of January 2026 (Viggholmen) that does not affect the 2025 Sustainability Report. The company has therefore not identified any non-conformances or adjustments in the reported emissions data for the period.



GHG emissions Scope 1, 2 and 3

	Development				Year for sub-targets and targets			
	Base year	2024	2025	2025/2024 (%)	2026	2030	2045	Annual target in % /Base year
Scope 1 GHG emissions								
Gross GHG emissions Scope 1 (tCO ₂ e)	2018	1	0	0	0	0	0	0
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		0	0	0	0	0	0	0
Scope 2 GHG emissions								
Gross location-based GHG emissions Scope 2 (tCO ₂ e)	2018	1,170	1,019	-13	N/A	N/A	N/A	N/A
Gross market-based GHG emissions Scope 2 (tCO ₂ e)	2018	571	188	-67 ¹⁾	134	39	0	-91
Scope 3 – material GHG emissions								
Total indirect gross emissions Scope 3 (tCO ₂ e)	2021	789	967	23	6,569	3,702	351	-
1 Purchased goods and services (material: building materials, etc.)	2021	406	-	-	-	-	-	-
2 Capital goods (material: new builds, remodels, installations)	-	0	0	-	5,722	3,240	-	-76
3 Fuel and energy-related activities (not material: not included in Scope 1 or 2)	-	-	-	-	-	-	-	-
4 Transportation and distribution in earlier stage (partially material: district heating)	2021	-	67	-	60	40	0	-
5 Waste generated in operations (partially material)	2021	191	712	273 ²⁾	641	420	350	-
6 Business travel (not material: air, train, car, etc.)	-	-	-	-	-	-	-	-
7 Employee commuting (partially material: car, public transport, bicycle)	2021	9	4	-56 ³⁾	4	2	1	-
8 Assets leased in previous phases (not applicable)	-	-	-	-	-	-	-	-
9 Transportation in later stages (not applicable)	-	-	-	-	-	-	-	-
10 Processing of sold products (not applicable)	-	-	-	-	-	-	-	-
11 Use of sold products (material: tenants' electricity and heating)	2021	183	184	1	142	0	0	-100
12 Final treatment of sold products (not applicable: demolition, reuse, etc.)	-	-	-	-	-	-	-	-
13 Assets leased at a later stage (not applicable)	-	-	-	-	-	-	-	-
14 Assets leased at a later stage (not applicable)	-	-	-	-	-	-	-	-
15 Investments (not material: JVs, subsidiaries, project companies)	2021	-	-	-	-	-	-	-
Total GHG emissions								
Total location-based GHG emissions (tCO ₂ e)	2021	1,959	1,986	1	7,486	4,302	351	-
Total market-based GHG emissions (tCO ₂ e)	2021	1,361	1,155	-15	6,703	3,741	351	-

¹⁾ The 67% reduction of market-based Scope 2 emissions is attributable mainly to a contract with Stockholm Exergi on climate-neutral district heating, which also has impact on the total emissions reduction.

²⁾ The 273% increase in Scope 3 emissions from waste generated in operations is due to that only the solid waste category was included in previous years' reporting, while other categories that were enabled for recycling but were nevertheless incinerated are now included.

³⁾ The 56% reduction of Scope 3 emissions from employee commuting is explained primarily by retirements of employees who formerly commuted long distances.

GHG emissions intensity

Emissions intensity is monitored annually to provide a relative indicator of the company’s climate work in relation to growth. Heba expects emissions intensity to vary over time, particularly during major investment cycles referring to new builds. The long-term target is to reduce this ratio even during periods of growth.

Location-based and market-based emissions intensity

Heba reports emission intensity using two methods. The first location-based method is based on national average emissions factors for electricity and district heating mix. The second market-based method is based on supplier-specific emissions factors and agreed share of renewable energy.

Methodology and technical conditions for climate reporting

Heba’s reporting of GHG emissions, energy consumption and climate targets is based on the GHG Protocol’s operational control model and applicable guidelines from the Swedish EPA, IVL, Boverket and ESRS.

Emissions calculation and data quality

- Scope 1 is calculated based on actual energy data, invoices and fuel consumption.
- Scope 2 is reported according to location-based and market-based methods.
- Scope 3 is based on standard values, project data, or supplier-specific information depending on the category (e.g., construction materials, waste, tenants).
- Emissions factors are obtained from the Swedish EPA, IVL and Boverket.

Reporting policies

- All emissions are reported gross, in accordance with ESRS principles
- Carbon offsets are reported separately in section E1-7, page 99.
- Degree day correction is used to ensure comparability in energy performance
- Emissions intensity is calculated as tCO₂e per SEK million in net revenue.

Verification and improvement

- Data for Scope 1 and 2 is high quality and based on actual sources.
- Scope 3 is being developed gradually with the aim of reducing uncertainty and increasing the share of actual project and supplier data.
- Reporting is integrated into Heba’s management system and is monitored on an ongoing basis by the management team through the sustainability manager.

Emissions intensity

Heba’s emission intensity is reported in the table below. The indicator is calculated as total GHG emissions (188 tCO₂e) divided by net revenue (SEK 605.4 million), in accordance with the GHG Protocol guidelines. Net revenue is derived from the financial statement in the Annual Report, page 110.

Emissions intensity (tCO₂e per SEK million in net revenue)

GHG intensity per net revenue	2024	2025	% N / N-1
Total location-based GHG emissions per net revenue (tCO ₂ e/SEK million)	2.08	1.68	-19
Total market-based GHG emissions per net revenue (tCO ₂ e/SEK million)	1.02	0.31	-69

For the 2025 annual reporting period, Heba’s emission intensity (total location-based emissions/net revenue) amounted to 1.68 tCO₂e per SEK million in net revenue, which is a decrease compared to the previous year (2.08 tonnes/SEK million in 2024).

The difference is mainly explained by the change in Scope 3 emissions, as a result of new builds combined with reduced electricity consumption by tenants. At the same time, net revenue amounted to SEK 605.4 million (SEK 561.8 million in the previous year).

Energy intensity per net revenue is shown in the table below. The indicator is calculated as total energy consumption divided by net revenue (SEK million).

Energy intensity per net revenue

Energy intensity per net revenue	2024	2025	% N / N-1
Total energy consumption per net revenue from operations in sectors with high climate impact (MWh/SEK million)	42	33	-21

Biogenic emissions and energy carriers

Heba mainly uses district heating and electricity in its operations. Biogenic emissions arise mainly from the combustion of bio-based fuels in district heating supplies and from the biological decomposition of wood-based building materials in the value chain.

Biogenic emissions have a different climate impact over time than fossil emissions and are therefore tracked separately for transparency and comparability, according to the GHG Protocol.

Data obtained by Heba is quantified for these emissions based on emissions factors from district heating suppliers and standard values in IVL’s climate database.

Biogenic emissions Scope 1–3 (tCO₂e)

Scope	Emissions (tCO ₂ e)	Comments
Scope 1	0	Direct emissions from own operations, mainly vehicles and equipment
Scope 2 – location	805	Indirect emissions from purchased energy based on average energy mix
Scope 2 – market	79	Indirect emissions based on origin-labelled electricity and agreements (district heating 79, electricity 0).
Scope 3	N/A	Indirect emissions in the value chain, mainly new builds, materials, waste and transportation
Total 1–3	N/A	Total Scope 1, Scope 2 (market-based) and Scope 3

Heba does not have its own plants for biomass combustion and therefore does not generate any biogenic emissions in its own operations. The biogenic emissions reported relate to suppliers’ district heating production and are included in their reported fuel mix. Biogenic emissions are addressed in the company’s climate targets by Heba prioritising energy efficiency, fossil-free heating and successively increasing the share of electricity and heat production from solar energy and other renewable sources.

Emissions offsets

Heba offsets emissions within Scope 1 and Scope 2, calculated using the location-based method. Total emissions are shown in the table GHG emissions Scope 1, 2, and 3 in section E1-6 on page 97. The emission-offset components are reported in the top table on page 99. Climate offsets are achieved through certified climate credits according to the Gold Standard and through carbon removal.

The emission offset components are presented in the table below. Climate compensation is carried out through certified carbon credits in accordance with the Gold Standard and through future carbon removal. None of the carbon credits currently used by Heba are subject to corresponding adjustment under Article 6 of the Paris Agreement, meaning that the host country does not make any adjustment to its national emissions reporting.

The offsets relate to projects with verified climate benefit and often also with added social value. Heba does not use offsets to adjust reported emission levels, but reports this separately in E1-7, in accordance with the “reduction first” principle. The focus remains on direct emission reductions within the company’s control.

Heba has entered into an agreement with Stockholm Exergi regarding future carbon removal, which is also described in section E1-7. The aim is to eventually be able to manage the residual of Heba’s total emissions that are not considered possible to eliminate through internal actions.

Emissions offset components 2025

Offset component	Scope	Volume (tCO ₂ e)	Mechanism	Certification	Status
Climate offsets (annual)	Scope 1 + 2	188	Climate credits	Gold Standard	Implemented
Negative emissions (future)	Hard-to-abate Scope 2 and 3 emissions	1,000/year for 15 years	BECCS	Stockholm Exergi	Contract signed for 2029–2034

E1-7 GHG removals, storage and mitigation

Heba's climate targets include managing residual emissions, i.e., emissions that cannot be eliminated with available technology, primarily linked to building materials and the supply chain.

Heba follows the principle that climate neutrality should primarily be achieved through actual emission reductions and only thereafter through certified removals for remaining emissions.

To achieve these targets, Heba has entered into a long-term agreement with Stockholm Exergi in the development of BECCS (Bio Energy Carbon Capture and Storage) technology. The agreement covers climate-neutral district heating and certified negative emissions corresponding to approximately 1,000 tCO₂e per year from 2029 and 15 years forward. The distribution between Scope 2 and 3 is calculated each year based on factors such as the purchase volume of heat and the seller's emissions factors for heating and cooling (fuel mix, etc.).

The captured biogenic carbon dioxide will be permanently stored in geological formations on the seabed off the coast of Norway. The parties' ambition is for the achievement of the target to be recognised by the relevant standardisation bodies in order to achieve the objective, primarily SBTi, but also GHGP and ISO if required.

Once the plant is operational, the carbon removal, minus emissions, will be certified as removal-type carbon credits in accordance with the EU's proposed certification framework for carbon removal. Heba intends to use only credits that meet recognised quality standards (e.g. CDR EU Framework or Gold Standard) and that are issued within the European Union.

Reporting of emission reductions and carbon credits

Heba's total emission reductions mainly consist of its own actions within the company's own operations and value chain (Scope 1–3). As Scope 1 emissions are close to 0, Scope 2 and 3 currently account for the total potential reduction. In absolute terms, the residual emissions will be handled when certified negative emissions are realised from 2029. The following table presents the removal of greenhouse gases achieved through Heba's carbon credits.

Greenhouse gas removals through carbon credits

Carbon credits cancelled	2025	2024
Total (ton CO ₂ e)	217 ¹⁾	571
Share from removal projects (%)	0	0
Share from reduction projects (%)	100	100
Share from removal projects (%)	0	0
Recognised quality standard (%)	Gold Standard	Gold Standard
Share from projects within the EU (%)	0	0
Share of credits subject to corresponding adjustments (%)	0	0

¹⁾ The volume purchased exceeds the reported emissions by 188.

GHG removals and actual emission reductions

Heba's climate work includes both emission reductions within property management and projects that contribute to carbon removal in the value chain.

The company does not currently use any external carbon credits or offset projects outside the value chain, apart from the strategy described above and its collaboration with Stockholm Exergi. The company is monitoring the continued development of certified removal mechanisms in accordance with upcoming EU regulations.

Methodology and handling of residual emissions

Heba defines residual emissions as those emissions that remain after all technically and economically feasible measures to reduce emissions within Scope 1–3 have been implemented. These emissions are primarily identified in building materials (concrete, steel), transportation in the supply chain and some energy consumption in the existing property portfolio.

The calculation of residual emissions is based on Heba's strategy and follows the GHG Protocol and guidance in the SBTi Net Zero Standard. Emissions are quantified annually as the difference between Heba's total estimated emissions and the actions that lead to verified reductions.

Management of residual emissions takes place in two stages. In the first stage, plans are made for continued emission reductions through energy efficiency, circular materials flows and technological advances. In the second stage, residual emissions are neutralised through, e.g., certified GHG removals within the framework of the collaboration with Stockholm Exergi and BECCS technology.

Heba intends to neutralise residual emissions only when verified and traceable negative emissions are available, in accordance with the EU's upcoming Carbon Removal Certification Framework (CRCF). The method and scope of neutralisation will be updated annually as new technology and data become available.

E1-8 Internal carbon pricing

Heba does not currently apply internal carbon pricing. The company has not introduced internal shadow prices, internal trading, or carbon budgets as instruments in decision-making processes. Heba is monitoring developments in methods and applications in the sector and may evaluate the introduction of internal pricing as a complement to other climate governance tools in the future.

ESRS E5: Resource use and circular economy

Management of material impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The methodology for assessing material impacts, risks, and opportunities and their interaction with strategy and business model is presented for all ESRS under SBM-3, page 87.

Heba has also conducted stakeholder dialogues with investors, tenants, municipalities and industry organisations in order to identify the most material sustainability issues, which is described in SBM-2, page 86.

The impacts, risks and opportunities reported under ESRS E5 have been identified within the framework of the overall materiality assessment described in section IRO-1, page 88. For the area of resource use and the circular economy, the analysis has focused in particular on material use and waste flows in construction and renovation projects, as well as waste management in day-to-day property management.

The analysis covers both Heba's own operations and relevant parts of the value chain, primarily suppliers and contractors within construction, installation and waste management services. The assessment is based on internal data on waste volumes and material use, experience from completed projects, and dialogues with contractors, suppliers, municipal waste management actors and other industry stakeholders.

Relevant regulations and industry initiatives within the construction and real estate sector have also been considered in the assessment, including increasing requirements for resource efficiency, waste sorting and material recycling in construction projects.

The most relevant impacts – apart from the waste generated by tenants – are considered to arise in connection with construction and renovation projects, where material use and construction waste are generated. Identified risks include, among other things, increasing regulatory requirements regarding waste management and material traceability, as well as limited access to detailed data on material and waste flows within the value chain.

Opportunities are primarily considered to be linked to increased resource efficiency, improved waste sorting and greater reuse of construction materials, which may contribute to reduced environmental impact and lower costs over time.

ESRS E5 has been assessed as partially material for Heba. The materiality refers to waste management in property management and construction projects.

Other sub-areas within the standard have been assessed as non-material and are therefore not covered by further reporting. The assessment is based on the fact that the business mainly consists of property management in already developed urban environments. Heba does not engage in any agricultural, forestry, or marine activities, does not own any properties within Natura 2000 areas or nature reserves, and the identified risks are assessed as having a low financial impact in the short and medium terms.

The reporting that the company nevertheless discloses on a voluntary basis, for example under E5-4 Resource inflows, has been included by Heba on the basis that there may be interest within the industry in gaining insight into the company's approach.

E5-1 Policies related to resource use and circular economy

A number of policies govern this area, including the company's Sustainability Policy, Quality Policy, Code of Conduct, and the Climate Transition Strategy, which together cover the entire business. Heba does not have a separate policy specifically aimed at waste management. The matter is addressed within the framework of the company's overall ESG policy, quality policy and climate transition strategy. See also Policy Overview and links to IROs, appendix page 109.

Heba's work on resource use and waste is governed by the company's Sustainability Policy and is implemented through the company's environmental management system, which is based on ISO 14001. The environmental management system includes procedures for resource-efficient material choices in projects, waste management in property management and construction projects, reuse, and monitoring of material and waste flows.

The policy and its associated procedures are applied in day-to-day operations and in collaboration with contractors and suppliers within construction and property management activities. Relevant stakeholders, such as contractors, suppliers and waste management actors, are involved in the implementation through procurement requirements, supplier dialogues and cooperation regarding waste management and material selection.

E5-2 Actions and resources

Heba works to minimise waste and increase reuse and recycling, in line with circular principles and applicable legal requirements.

Monthly monitoring of waste statistics will be introduced in future reporting years. A higher degree of quantification of material flows in construction projects is planned from 2026 onwards and as more reliable data within the value chain becomes available.

Heba uses digital waste statistics, requirements for reuse in renovations and rebuilds, sorting of waste at source and training in circular principles. These matters are tracked within the environmental management system. The Code of Conduct and the policies mentioned are communicated internally and to relevant suppliers/contractors via agreements and procedures.

Heba's work to reduce resource use and waste is primarily carried out within the framework of its ordinary property management and project activities. At an early stage, the sustainability department is involved to ensure the processes related to data collection and related matters.

Concrete measures include, among other things, improved waste sorting in the properties, where Heba has long complied with upcoming legislative changes regarding property-close waste collection. Other activities may include cooperation with contractors on waste management in construction and renovation projects, as well as providing information to tenants on source separation. These measures are implemented within existing organisational functions and form part of the company's day-to-day operations.

Heba has not identified any separate investments (CapEx) or specific operating expenses (OpEx) that have been allocated specifically to measures related to resource use and waste. Costs related to waste management, sorting solutions and monitoring are included in the company's ordinary operating and project costs and are reported within the respective cost items in the financial statements.

At present, the company has no planned specific future investments or budgeted operating expenses directly linked to action plans in the area of resource use and waste. Any future initiatives will be managed within the framework of the company's ordinary investment and budgeting processes. Heba's business model is resilient through long-term ownership and a life cycle focus based on all time horizons, as reported in SBM-3, page 87. The basic assumptions are that the regulations are stable and that the reuse market will become more mature.



Metrics and targets

E5-3 Targets related to resource use and circular economy

Waste from construction and demolition projects must be 100% sorted for reuse or recycling. In future projects, all construction materials used in new builds must be approved according to Byggvarubedömningen ("Building Materials Assessment"). The targets operationalise policy requirements for waste minimisation and selection of resource-efficient materials. The targets are based on industry practice for construction and demolition waste and scientific evidence is not specifically assessed.

Heba is working to systematise and deepen the analysis of data collection relating to building materials in new builds and property management. This includes refining the measurement of the share of reused materials in new build projects under Heba's management and the waste sorting ratio in existing properties.

E5-4 Resource inflows

Heba's efforts with resource efficiency and circularity are supported by the internal Hebahuset concept, which is used to identify, monitor and reduce resource use in new build projects. The concept has been developed to support requirements by proposing actions to reduce the climate impact of new builds and thus the entire life cycle. Requirements are set in our own construction projects for sorting/reuse.

All new build and major renovation projects are monitored and will be evaluated based on sustainability indicators for resource use. This includes, e.g., the share of reused or recycled materials in construction projects, the share of sorted construction waste, the volume of hazardous waste per m² GFA during demolition and remodels and the share of building materials with an environmental product declaration (EPD). Actions prioritise prevention/reuse over energy recovery and landfill deposits (the waste hierarchy).

To enable systematic follow-up, a developed and systematised data collection routine procedure linked to construction projects and property management regarding waste and reuse, etc., will be implemented in 2026. Efforts are carried out cooperatively with building and waste management contractors. Data collection is being integrated into Heba's ISO management system and will form the basis for quantitative key metrics from 2026 onwards.

The aim is to gradually increase the reuse of building materials and reduce the amount of virgin resources in new builds, in line with the EU's circular economy strategy and ESRS requirements. In addition, household waste collection data will form the basis for analysis and potential actions and information initiatives aimed at tenants.

E5-5 Resource outflows – waste

Waste is the sub-area that Heba reports on within the standard when it is deemed necessary. Waste data is based on statistics from contractors and waste receipts. Data will be collected monthly starting in 2026. The data currently refer mainly to operational waste (tenants). Waste streams from construction and renovation projects are also relevant for the company. Emissions factors are used per industry practice and standard values according to Avfall Sverige's average for the country. The degree of standardisation for the waste volume is estimated at 35%. Data quality is assessed as medium and will improve as standardised data collection is introduced from 2026 and contractors provide more specific and accurate waste data.

Waste 2025 (kg)

Total non-hazardous waste diverted from disposal	615,081
Of which diverted from disposal through recycling	459,128
Of which diverted from disposal through preparation for reuse	-
Of which diverted from disposal through other recovery operations	364,431
Total non-hazardous waste diverted from disposal	933,591
Of which treated through landfill	460
Of which treated through incineration	909,852
Of which treated through other disposal operations	15,900
Total hazardous waste	2,940
Of which diverted from disposal through recycling	2,940
Total amount of waste	1,551,612

As shown in the table above, the total amount of non-recycled (non-hazardous) waste disposed of, that is, waste that is not materially recycled or reused, amounts to 933,591 kg, corresponding to approximately 60% of the total waste volume.

During the year, Heba expanded its collection of textiles, as shown on the table below.

Textile collection (kg)

	2025	2024	2023
Total textile volume	49,916	39,304	17,000

Social disclosures

ESRS S1: Own workforce

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The methodology for assessing material impacts etc. is presented for all ESRS under SBM-3, page 87.

Heba is subject to the phasing-in rules and provides information about its employees, etc. in the Annual Report, Note 8, page 125. However, the area S1 Own workforce, employees, has been assessed as material and the company must therefore, in accordance with ESRS 1 Appendix C and ESRS 2 section 17, provide general disclosures about related policies, actions and targets, etc., which is done below.

Management of material impacts, risks and opportunities

Heba operates in a knowledge- and service-intensive industry. Execution of the business plan depends on a high level of expertise in property management, project development and sustainability governance.

Heba has targets related to the working environment, skills development, leadership and employeeship. The targets are mainly qualitative and are followed up through employee surveys and HR processes. The work is governed by means including the company's Code of Conduct, working environment policy, equal opportunity and equal treatment policy, and other guidelines related to HR.

Actions include annual performance appraisals, training initiatives, systematic working environment efforts, collaboration with union representatives and access to a whistleblower function. Monitoring is conducted through sickness absence, employee turnover, training initiatives and the results of employee surveys.

ESRS S4: Consumers and end users

Strategy

SBM-2 Interests and views of stakeholders

Heba operates in an industry where the relationship with tenants is essential to the business model. The company's impact on end users occurs through the management of rental properties and day-to-day service provision. Service and the living environment, both external and internal, affect health, safety and well-being.

The reporting is based on Heba's role as a property owner and manager of rental properties and elderly care facilities where the "end users" covered by the standard's definition are the company's tenants – both private individuals, commercial tenants and providers conducting activities in elderly care facilities.

Heba's activities contribute to many positive impacts. The most material of these are:

- Access to safe and energy-efficient housing
- Access to public services and sustainable transportation
- Long-term and responsible property management

Potential adverse impacts include noise, operational disruptions, temporary inconveniences during renovation or construction and risks related to the indoor environment and water quality.

Heba complies with environmental legislation and has procedures in place for systematic checks, fault reporting, and tenant dialogue, which sharply limit the risk of adverse impacts.

The assessment also includes impacts related to personal data processing and digital services (GDPR), as well as the risk of discrimination or lack of access in the supply of housing and services. These are assessed as low.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The methodology for assessing material impacts etc. is presented for all ESRS under SBM-3, page 87.

S4 Consumers and end-users has been assessed as partially material to Heba. The materiality refers to tenants' safety and security in their homes and is monitored through the security index.

In other respects, Heba is covered by the phasing-in rules for this standard and reports voluntarily and qualitatively on other disclosure items based on existing data and processes.

Management of material impacts, risks and opportunities

S4-1 Policies related to consumers and end-users

The company's ESG policy, quality and environmental management systems and the Code of Conduct govern how the company must act and its responsibility towards tenants.

Heba shall offer tenants good service. To do so, we must take the time to understand tenants' preferences and act with respect and understanding. When interacting with tenants, we shall be well informed about the customer's situation in order to arrive at appropriate solutions. All tenants are important and deserve to be treated well. Heba shall always do its utmost to provide tenants with good service.

Only those who need access to customer-related information in order to perform their duties should have access to such information. Heba complies with the GDPR and has established procedures for data protection, access control and information security in collaboration with digital service providers. These policies ensure that tenants' personal data is handled with respect for their human rights, in line with UNGP and OECD guidelines.

Heba considers fault reports and complaints from tenants to be valuable information. Feedback and statistics form the basis for improvement work within the company. Heba's focus is on accepting and handling fault reports and complaints from tenants in a friendly manner and with high priority.

The CEO has overall responsibility, the head of property management and property managers have operational responsibility and the customer service department provides support in following up issues.

S4-2 Processes for engaging with tenants

Heba identifies risks and opportunities through daily interactions between property management personnel and tenants, or via customer service. Tenant surveys are an important tool, Customer Satisfaction Index surveys (CSI), see S4-5. The company conducts and communicates structured and systematic risk inspections of indoor environments, ventilation, water and safety.

Fault reports are followed up in digital systems, reported and analysed on a weekly basis. Heba engages in dialogue with local authorities and municipal and private operators of elderly care facilities. Any shortcomings are analysed and lead to improvement plans in operations and property development.

S4-3 Channels for submitting fault reports and raising concerns

The due diligence process includes identification of risks related to health, safety and discrimination. At Heba, there is zero tolerance for any form of discrimination based on grounds including ethnic origin, nationality, beliefs, sexual orientation, gender and age.

Furthermore, due diligence is ensured through interval-controlled service, maintenance, and inspections. If action is required, measures are taken by the property management organisation either in-house or through contractors with which the company has signed agreements.

Fault reports and complaints are primarily received via customer service (telephone, email, web portal), which all tenants are informed about. Above all, Heba works with a focus on preventative property management, where faults and shortcomings are meant to be detected early through inspections of the property portfolio or through various alarms in the property systems.

If any serious issues arise, these are reported to the line manager and, depending on the nature of the incident, the whistleblower function may be used. All fault reports and complaints are documented and followed up until action has been taken.

S4-4 Actions related to material risks and opportunities

Material risks

The risks that tenants may encounter or be exposed to relate to the indoor environment, e.g. ventilation, moisture, radon, and temperature/thermal comfort. In addition, tenants' health and safety may be affected by slip hazards, lighting and deficiencies in fire protection.

Drinking water supplied by municipal entities via the municipal water and sewage network is checked regularly in accordance with the law. Heba's responsibility is limited to pipes and installations within the property and the company can shut off the main pipes at short notice if necessary.

Material opportunities

Heba's tenants currently experience a high sense of safety and security. Safety and security in the housing environment are mainly ensured through preventative efforts focused on walkthroughs, swift correction of faults, maintenance, lighting, perimeter protection, etc.

The opportunities and positive impacts identified by Heba are that investments in energy-optimising actions reduce long-term operating costs and improve the indoor climate. The selection of materials used in new builds can also affect the indoor climate and temperature in the apartments.

Physical security actions in buildings and outdoor environments create safer and more pleasant living environments. Complemented by social initiatives, these activities strengthen the local community.

There is continued potential to further develop operations using digitalisation and IT as tools. In the area of safety and security, efforts are based on continuing preventative actions and extensive use of technical solutions in property management. The company also sees positive impacts and opportunities in investing in e.g. CCTV monitoring in the properties' common areas as a supplementary security action.

Metrics and targets

S4-5 Targets and indicators

Heba's targets and indicators are monitored annually within the framework of the company's ordinary business management processes. The Customer Satisfaction Index (NKI) and its related sub-indices are measured through recurring tenant surveys using the same basic methodology and questionnaire over time, enabling comparisons between reporting periods as well as with the industry.

During the phasing-in period, Heba reports both qualitative key figures and quantitative data, which will be further developed in the future.

Any changes in definitions, targets or measurement methods are documented as part of the monitoring process and disclosed in the reporting when such changes affect comparability between years. During the reporting period, no material changes in methodology or definitions affecting comparability have been identified.

The company measures tenants' assessments of the company through the Customer Satisfaction Index (CSI). For 2025, the Service sub-index was 85.3. The target is for the index to be at or above the average for housing companies in major cities.

Heba's Security index, which is a key indicator, is 87.9. This is the highest score since measurement according to this model began over ten years ago. The value can be compared with the industry average of 82.4 and 83.2 for Stockholm. The target is for the Security index not to fall below 80 in any property. The few properties with values below the target have a documented action plan.

Other examples of targets that Heba has set with the aim of ensuring that tenants perceive Heba as a reliable landlord include ensuring that 100% of fault reports should have been communicated back to the tenant within 48 hours.

The tenant perspective is taken into account through CSI results and regular dialogues. The results of the survey form the basis for the targets and activities decided upon by management.

Overall assessment and maturity level

Processes, policies, and procedures for fault reports and complaints are established. The next step is to structure data collection so that additional essential quantitative indicators can be reported in future years. Heba assesses that this reporting meets all disclosure requirements based on current conditions and forms the basis for full ESRs compliance in future years.

Governance disclosures

ESRS G1: Business conduct

Governance

GOV-1 The role of the administrative, supervisory and management bodies

The board of directors and management of Heba are responsible for business conduct and good corporate governance and this is exercised within the company's overall governance and control structure. The responsibilities, roles, and monitoring of the board and management in relation to ESG and business conduct issues are described in GOV-1, page 84.

Business conduct principles, including requirements for compliance and responsible action, are governed by Heba's internal and external Codes of Conduct and associated policies, which cover both the company's own operations and significant business partners. These matters are monitored by means of the company's regular governance, risk and internal control processes. See GOV-1, page 84, and GOV-5, page 85.

Management of material impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The methodology for assessing material impacts, etc. is presented for all ESRS under SBM-3, page 87. This section also relates to GOV-1, page 84.

G1-1 Business conduct policies and corporate culture

The board of directors has overall responsibility for governing and monitoring business conduct and regulatory compliance, including the Code of Conduct, anti-corruption efforts and the whistleblower function. Monitoring takes place within the framework of day-to-day work and the company's risk process, where issues such as bribery, conflicts of interest and market abuse are taken into account.

Heba has adopted a number of policies that govern the ESG programme and aim to prevent, mitigate and remedy actual and potential impacts, as well as manage risks and opportunities identified in the DMA. The policy documents cover the entire organisation and, where relevant, also upstream suppliers and downstream relationships with tenants and local communities. The policy documents are updated annually and as needed. They are published on Heba's intranet. The finance policy may indirectly affect access to green financing, but does not in itself govern ESG matters and is therefore not covered by the ESRS requirements for ESG policies. The material policies can be found in the appendix Policy overview & interactions with IROs, page 109.

Roles and responsibilities within the organisation

The CEO is responsible for implementing board decisions in practice and leads ESG work through the management team, where each functional manager is responsible for their area. The head of sustainability coordinates and ensures that risks and opportunities within material IROs are analysed and form the basis for reporting to the CEO and board.

To ensure full impact in the long term, governance covers the entire value chain – from energy consumption and materials selection in construction projects to suppliers' sustainability work and tenants' climate impact. Heba's governance model is integrated into the ISO-certified management systems and follows up on procedures and proposes improvements with the aim of quality-assuring the business. See also Gov-1 Methods and organisation, page 84.

Corporate culture for commitment, consideration and professionalism

Heba's board and management are actively working to establish and develop a corporate culture characterised by a long-term approach, transparency, and responsibility. The culture is based on the company's core values – commitment, consideration, and professionalism – and is a central aspect of Heba's ESG work.

Heba promotes an ESG-oriented culture through training, leadership and employee development linked to ESG targets. The aim is to ensure that Heba's values and leadership support the company's long-term objectives, the essential IRO areas and a sustainable business model.

Ethics and compliance

Through its Code of Conduct, Heba has established mechanisms to prevent irregularities, corruption, or other violations of the law. Matters relating to bribery, bias, conflicts of interest, and ethical conduct are regulated in the company's Code of Conduct. These governing documents apply to all employees and significant suppliers and are supplemented by internal procedures for whistleblowing, internal control and monitoring. Heba therefore considers that the company meets the ESRS G1 requirements regarding the governance of business conduct and compliance.

All employees receive annual training in the Code of Conduct, which covers anti-corruption. Heba has a procedure and a system in place whereby persons with access to inside information are logged both for ongoing insider issues, such as upcoming publications of quarterly reports and other situations where insider-related information is handled. Heba shall comply with laws and regulations relating to bribes, gifts, and entertainment at all stages and the company repudiates all forms of corruption.

Whistleblower function

A whistleblower function is available via an external platform where reports can be made anonymously. Employees should initially approach their line manager or their manager’s manager. If this is not possible, the whistleblower service can be used. Cases are received by an external party that is independent of the company’s management. Cases shall be handled promptly in accordance with an established procedure that includes receipt, investigation, documentation and reporting to a committee that includes the board chair.

Heba complies with Swedish legislation on the protection of persons who report misconduct and therefore has procedures in place to ensure that reporting can be done safely and that whistleblowers are protected from reprisals. Cases are investigated promptly, independently and objectively. Where necessary, conflicts of interest are handled by ensuring that the persons concerned do not participate in the investigation and an external party is engaged to conduct the investigation or review.

G1-2 Management of relationships with suppliers

Heba strives to maintain good, long-term relationships with its suppliers through clear payment procedures and timely payments.

The company’s standard terms for supplier invoices are payment 30 days net after the invoice date. Heba does not have any arrangements with longer payment terms. Payment flows are managed centrally by the finance department. Deviations from standard payment terms are extremely rare and must be approved by the CFO.

Special consideration is given to small and medium-sized suppliers. If necessary, payments can be prioritised or terms adjusted to avoid negative impact on their liquidity. If, for example, the company receives an invoice with a 10-day net payment term, it will be paid within that time frame. Heba believes that timely payments are part of responsible business conduct and a way to support sustainable supplier relationships throughout the value chain.

The company has no systematic cases of late payments and works continuously with process improvements and digital invoice management to ensure high payment reliability. Heba also has a system that automatically scans supplier payments and indicates if the supplier is insolvent, is not authorised for F-tax, or if there has been a double payment, etc.

Monitoring and control of suppliers

All of the company’s significant contract suppliers must sign the Swedish Property Federation’s Code of Conduct, which is a requirement formulated by Heba in Administrative Regulations (AB04) regarding contracted construction projects. The Code of Conduct contains requirements regarding working conditions, human rights and environmental impact. The requirements include the following:

- Environmental requirements – energy efficiency, emissions reductions and selection of materials
- Social requirements – working conditions, diversity and human rights
- Business conduct – zero tolerance for corruption and bribery.

To ensure compliance, a structured process has been developed that involves the following:

- Audit of 20% of the most significant suppliers each year.
- Contractual requirements for sustainability reporting from suppliers, based on the Code of Conduct.
- Requirements for action in the event of non-compliance.

G1-3 Prevention and detection of corruption and bribery

Heba has a zero-tolerance policy towards irregularities, corruption, bribery, and other forms of unethical behaviour. The company works preventatively including by means of the internal Code of Conduct, which covers ethics and business conduct. Heba reviews the Code once a year as part of training for all employees. The Code of Conduct is particularly important for the management team and employees with purchasing or supplier contacts, which mainly occurs in administration and project development. Heba monitors participation in the training to ensure that 100% of employees have read and understood the information, which is accomplished by having all employees sign the code.

Possible violations can also be identified through internal controls and financial reconciliations within the various operations. If necessary, internal investigations or external audits can be initiated. All employees are required to report any suspected unethical behaviour, and there is a whistleblower function through which informers can remain anonymous. This structure ensures that issues relating to integrity and compliance are handled systematically and transparently.

As part of its efforts to maintain high ethical standards and ensure that Heba continues to enjoy a good reputation among the general public and in the capital market, Heba’s board of directors adopted an insider policy during the year. The policy summarises and explains the provisions on market abuse that persons working at Heba must comply with, including employees and directors.

The following procedures have been established to prevent and manage suspected cases:

- Training and awareness: All employees undergo training in the Code of Conduct, including anti-corruption, bias and conflicts of interest. The training is mandatory for all employees.
- The board receives updates annually and as needed on the Code of Conduct, insider rules, and whistleblowing within the framework of the work of the board and management.
- Whistleblower function: external and anonymous channel for reporting suspected irregularities. Cases are handled according to established procedures by an independent function and reported to a committee including the board chair.
- Internal audit and risk assessment: corruption risks are considered in the annual risk analysis performed within Heba’s ISO-certified management system.
- Audit of suppliers: A percentage of the most important contract suppliers is monitored annually on the basis of the signed Code of Conduct.

Heba has determined that existing processes, internal controls, and whistleblower functions provide a high degree of assurance for detecting and managing corruption risks. Heba has an integrated internal control system that also covers sustainability-related risks. See also Gov-5, page 85.

The company continuously monitors developments within the ESRS and the Swedish Code of Corporate Governance and will, if necessary, further formalise procedures or expand its control environment. Through these cohesive actions, Heba fulfils this disclosure requirement and ensures structured and transparent governance of matters relating to business conduct and regulatory compliance.

Actions and resourcess

Heba's work to prevent corruption and irregularities is carried out within the framework of the company's ordinary governance and control functions. The work is implemented within existing organisational structures and forms part of the company's regular business management processes.

Heba has not identified any separate investments (CapEx) or specific operating expenses (OpEx) that have been allocated specifically to measures aimed at preventing corruption and irregularities. Costs related to training, monitoring and governance are included in the company's ordinary administrative expenses.

The company has not planned any specific future investments or budgeted operating expenses related to action plans in this area. Any future initiatives to strengthen the work against corruption and irregularities will be managed within the framework of the company's ordinary operational and budgeting processes.

Reporting process

Heba has established procedures to ensure that ESG outcomes are reported to the management and board of directors. Reporting is based on the collection and analysis of relevant key figures, status in relation to targets, and assessments of material impacts, risks, and opportunities (IROs). See also Gov-1 Reporting and tracking, page 84.

Metrics and targets

G1-4 Confirmed incidents of corruption or bribery

Heba has not identified any confirmed cases of corruption or bribery and no legal proceedings, fines, or sanctions have been directed at the company.

The company handles incoming cases through established processes for internal control, whistleblowing and reporting procedures in accordance with the ISO management system. No incidents have been recorded that, after investigation, have been assessed as corruption or bribery.

An incident refers to a case that, after investigation, has been assessed as constituting corruption or bribery under applicable law and/or the company's Code of Conduct. The information is based on the company's internal control, financial reconciliations, HR and regulatory compliance, and log/case management from the whistleblower function. No confirmed incidents, judgments, or fines have been identified during the reporting period.

G1-5 Political influence and lobbying activities

Heba does not engage in lobbying and does not make any direct or indirect financial or political contributions, i.e., G1-5 is not applicable.

G1-6 Payment practices

Companies are required to disclose information on payment practices, particularly with regard to late payments to small and medium-sized enterprises (SMEs). Heba itself is a medium-sized enterprise.

Heba does not consider this area to be material, and payment practices are monitored within the framework of the company's internal governance and control. No external validation of the measurement of indicators has been carried out. The disclosure requirement under ESRS 2 MDR-M §77b is therefore considered not applicable.

Heba aims to minimise the number of late payments, provided that invoices are correctly issued and that the 30-day payment term also applies in relation to Heba. See above for further information on payment practices in G1-2 Management of relationships with suppliers.

Appendices

IRO-2 Index of disclosure requirements, ESRS 2 Appendix B

Based on the results of the materiality analysis, the table below shows the ESRS disclosure requirements that have been taken into account in the preparation of the Sustainability Report and where they are addressed.

Determination of all report information

In general, the information reported by Heba is based on the company's DMA (IRO-1). Matters assessed as material from both a consistency and financial perspective are reported in greater detail. Such parts that are based on legal requirements and internal

assessments may also be included even though not assessed as material according to the DMA. Non-material matters are commented on briefly or excluded with an explanation.

ESRS-standard	DR	Disclosure	Phase in	Material	Partially material	Not material	N/A	Page ref	Comment
ESRS 2 General disclosures	BP-1	General basis for preparation of the sustainability statement		X				82	
	BP-2	Disclosures in relation to specific circumstances		X				82	
	GOV-1	The role of the administrative, supervisory and management bodies		X				84	
	GOV-2	Information on material impacts, risks and opportunities (IROs)		X				85	
	GOV-3	Integration of sustainability-related outcomes in incentive schemes		X				85	
	GOV-4	Statement on due diligence		X				85	
	GOV-5	Risk management and internal control related to sustainability		X				85	
	SBM-1	Strategy, business model and value chain		X				86	
	SBM-2	Interests and views of stakeholders		X				86	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		X				87	
ESRS E1 Climate change	IRO-1	Description of the processes to identify and assess material climate-related impact, risks and opportunities, including methodology and stakeholder engagement		X				88	
	IRO-2	Disclosure Requirement Index (ESRS 2 Appendix B)		X				88, 107	
	GOV-3	Integration of sustainability-related performance in incentive schemes					X	89	
	E1-1	Transition plan for climate change mitigation		X				89	
	SBM-3	Material impacts, risks and opportunities and their relationship to strategy and business model		X				90	
	IRO-1	Description of the process to identify and assess material climate-related impacts, risks and opportunities		X				90	
	E1-2	Policies for climate change mitigation and adaptation		X				90	
	E1-3	Actions and resources related to climate change policies		X				91	
	E1-4	Targets for climate change mitigation and adaptation		X				92	
	E1-5	Energy consumption and energy mix		X				94	
	E1-6	Gross Scope 1, 2 and 3 and Total GHG emissions		X				95	The undertaking reports total greenhouse gas emissions including Scope 3 emissions even though the disclosure may be omitted under the ESRS phase-in provisions.



ESRS-standard	DR	Disclosure	Phase in	Material	Partially material	Not material	N/A	Page ref	Comment
	E1-7	GHG removals, storage and mitigation		X				99	
	E1-8	Internal carbon pricing		X				99	
ESRS E2 Pollution	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				X		87	See section Material and non-material topics.
ESRS E3 Water and marine resources	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				X		87	See section Material and non-material topics.
ESRS E4 Biodiversity	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	X					87	Subject to ESRS phase-in provisions; the disclosure requirements may be omitted.
ESRS E5 Resource use and circular economy	IRO-1	Description of the process to identify and assess material climate-related impacts, risks and opportunities			X			100	The undertaking reports E5-1-E5-5 as E5-5 has been assessed as material.
	E5-1	Policies related to resource use and circular economy			X			100	See above.
	E5-2	Actions and resources			X			100	See above.
	E5-3	Targets related to resource use and circular economy			X			101	See above.
	E5-4	Resource inflows			X			101	See above.
	E5-5	Resource outflows – waste			X			101	Waste volumes are the element within ESRS E5 assessed as material.
ESRS S1 Own workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	X					102, 125	Subject to ESRS phase-in provisions; the undertaking reports certain baseline disclosures.
ESRS S2 Workers in value chain	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	X					87	See section Material and non-material topics.
ESRS S3 Affected communities	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	X					87	See section Material and non-material topics.
ESRS S4 Consumers and end users	SBM-2	Interests and views of stakeholders			X			102	Subject to ESRS phase-in provisions; the disclosure requirements may be omitted. However, the undertaking reports S4-1-S4-5 as safety within S4-5 has been assessed as material.
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			X			102	See above.
	S4-1	Policies related to consumers and end-users			X			102	See above.
	S4-2	Processes for engagement with tenants			X			103	See above.
	S4-3	Channels for submitting fault reports and raising concerns			X			103	See above.
	S4-4	Actions related to material risks and opportunities			X			103	See above.
	S4-5	Targets and indicators			X			103	Safety is the element within ESRS S4 assessed as material.
ESRS G1 Business conduct	GOV-1	"The role of the administrative, supervisory and management bodies"		X				104	
	IRO-1	Description of the process to identify and assess material climate-related impacts, risks and opportunities		X				104	
	G1-1	Business conduct policies and corporate culture		X				104	
	G1-2	Management of relationships with suppliers		X				105	
	G1-3	Prevention and detection of corruption and bribery		X				105	
	G1-4	Confirmed incidents of corruption or bribery		X				106	
	G1-5	Political engagement and lobbying activities					X	106	
	G1-6	Payment practices				X		106	
ESRS 2 Appendices	IRO-2	Disclosure Requirement Index, Appendix B		X				107	
	IRO-2 (EU)	Data points derived from other EU legislation		X				109	
		Policy overview and links to IROs		X				109	

Datapoints derived from other EU legislation

In accordance with ESRS 2 IRO-2 sections 55–57, this summary of datapoints in the Sustainability Report that originate from or are related to other EU legislation is presented. The table aims to ensure transparency and traceability between ESRS reporting and applicable requirements under other EU law.

EU regulations/legal acts	Specific article/requirement	Type of datapoint	Reference in the report	Remarks
EU Taxonomy Regulation (EU) 2020/852.	Art. 8 and Delegated Regulation (EU) 2021/2178.	Revenue, operating and maintenance costs and capital expenditure.	Not reported in the 2025 Sustainability Report.	Taxonomy points and criteria for EU green and sustainability-linked financing are reported in the Investor Report and Annual Report.
SFDR (EU) 2019/2088.	Annex I – PAI indicators (indirectly applicable).	Climate and environmental indicators, e.g., emissions, energy, exposure to fossil fuels.	ESRS E1 Climate change, ESRS E5-5 Waste, and ESRS 2 Risk management.	Heba is not directly covered by SFDR but provides relevant datapoints to investors.
Swedish Annual Accounts Act (ÅRL).	Chapter 6, sections 10–12.	Corporate governance disclosures and ESG information.	ESRS GOV and Corporate Governance in the 2025 Annual Report.	Disclosures are coordinated with ESRS 2 GOV.
CSRD (Directive (EU) 2022/2464).	Art. 19a / 29a.	Sustainability reporting according to ESRS.	Entire Sustainability Report.	The ESRS report complies with CSRD reporting requirements.
EU ETS (Directive 2003/87/EC)	–	Disclosure of emissions trading.	Not applicable.	Heba's operations are not covered by the EU ETS.
EED / RED.	–	Energy-related reporting requirements.	ESRS E1-5 Energy consumption and mix.	Reported according to ESRS, not as separate EED reporting.

Policy overview & interactions with IROs

Policies/governing documents	Purpose and content	Material IROs	ESRS
ESG policy	Sets out overall principles for the environment, social sustainability, business conduct and climate. Governs targets, risk management and priorities. ISO 14001 cert.	Climate impact, energy consumption, social impact, risks in the value chain, corporate governance.	ESRS E1, E2–E5, S1–S4, G1
Quality policy	Satisfied tenants, sustainable and efficient working methods and an efficient organisation. ISO 9001 certification.	Indirectly addresses ESG matters through governance and control systems.	ESRS S1, S2, S4, G1
Code of Conduct for employees	Zero tolerance for corruption, discrimination and victimisation. Governs business conduct and the working environment.	Business conduct, working environment, human rights, social risks and complaints.	ESRS S1, S2, S4, G1
Suppliers' Code of Conduct	Requirements for working conditions, human rights, the environment, and anti-corruption in the value chain.	Supplier dependencies, social risks, working conditions in the value chain, climate and environmental requirements.	ESRS S2, E1, E5, G1
Working environment policy	Governs Heba's systematic working environment efforts, risk assessments, safety inspections and accident reporting.	Working environment, health and safety, social risks, employee security.	ESRS S1
Equal opportunity and diversity policy	Ensures equal opportunities, combats discrimination and guides diversity efforts.	Social impact, skills supply, working environment, HR-related risks.	ESRS S1
Whistleblowing procedure	Ensures reporting of incidents, irregularities and anomalies.	Anti-corruption, ethics, social impact, supplier risks.	ESRS G1-3, S1, S2
Insider policy	Ensures correct and ethical handling of market-sensitive information.	Compliance, business conduct, information security, corporate governance.	ESRS G1-1, G1-2, G1-3, G1-5
Finance policy	Management of financial risks, loan structure and financing. Relevant in the long term for green bonds.	Climate-related financial risks and opportunities.	ESRS E1-9, G1



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Consolidated statement of comprehensive income

Amounts in SEK 000s	Note	2025	2024
Rental income	4, 5, 6	605,448	561,761
Property costs			
Operating costs	7, 8	-157,609	-150,649
Maintenance costs		-3,135	-2,307
Property tax		-5,276	-5,054
Net operating income (NOI)		439,428	403,751
Central administration	8, 10	-42,248	-38,922
Profit or loss from investments in jointly controlled entities	20	-15,394	-49,939
– Of which change in value		-8,805	-41,310
Financial income	12	14,117	25,203
Interest expenses	13	-178,795	-162,051
Interest expenses, leases	9	-4,318	-3,823
Profit including changes in value in jointly controlled entities		212,792	174,219
– Of which income from property management		221,597	215,522
Impairment, financial assets	22	-	-18,000
Gain or loss from disposals of property	11	-246	-7,156
Change in value, investment properties	14	190,012	37,853
Change in value, interest rate derivatives	3, 14	-25,679	-44,469
Profit or loss before tax		376,879	142,447
Tax on profit for the year	16	-88,356	-43,772
Profit or loss for the year		288,523	98,675
Other comprehensive income		-	-
Total comprehensive income		288,523	98,675
As there are no minority interests, total comprehensive income is entirely attributable to owners of the parent. There is no dilutive effect, as there are no potential shares.			
Earnings per share after tax, SEK		1.80	0.60
Dividend per share (2025 proposal), SEK		0.55	0.52
Total dividend (2025 proposal), SEK 000s		90,816	85,858
Shares outstanding at the end of the period, 000s		155,213	165,111
Average shares outstanding, 000s		160,468	165,104

Comments, consolidated statement of comprehensive income

Rental income

The Group's rental income is derived from properties in the Stockholm and Mälaren regions. Rental value is distributed as follows:

	2025	SEK/m ²	2024	SEK/m ²
Residential	408,110		394,716	
Non-residential	186,329		156,700	
Garages and parking spaces	15,950		15,032	
Unlet, internal contracts, etc.	-4,941		-4,687	
Total rental income	605,448	2,300	561,761	2,182

Residential rental value has increased by 3% YoY. The change is attributable to property acquisitions closed in 2024.

Approximately 67% of Heba's rental income is derived from residential tenants. Non-residential rental value has increased by 19% YoY. Unlet corresponds to approximately 0.8% of rental value.

Operating costs

Total operating costs were SEK 157,609 thousand (150,649) as shown below:

	2025	SEK/m ²	2024	SEK/m ²
Heating costs	18,091	69	19,926	77
Property administration	50,658	192	43,625	169
Other operating costs ¹⁾	88,860	338	87,098	338
Total operating costs	157,609	599	150,649	585

¹⁾ Other operating costs include costs of SEK 1,268 thousand (1,029) for losses on rent receivables.

Property tax

Property taxes, including property charges, amounted to SEK 5,276 thousand (5,054). The property charge for residential properties is SEK 1,724 (1,630) per apartment but is capped at 0.3% of the assessed value. New builds are exempt from property charges for the first 15 years. For non-residential property, the property tax levy is 1.0% on the portion of assessed value that relates to non-residential units.

Ground rents

Total ground rents amounted to SEK 4,318 thousand (3,823) and are accounted for as interest expenses, leasing. Of the company's 57 (58) properties, 44 (45) are freehold and 13 (13) are leasehold. For further information, see Note 9 Right-of-use assets and lease liabilities.

Central administration

Central administration refers to common costs that are not directly attributable to the properties. The amount of SEK 42,248 thousand (38,922) includes the executive management function, company costs (annual report, stock exchange costs, board, etc.).

Net financial income (-expenses)

Net financial expenses increased by SEK 27,830 thousand to SEK -164,678 thousand (-136,848). The change is mainly due to increased borrowing.

Capitalised interest expenses relating to ongoing new build and renovation projects amounted to SEK 4,191 thousand (223). Details of Heba's borrowings and interest costs are provided in Note 3.

Income from property management

Income from property management increased by 3% YoY to SEK 221,597 thousand (215,522).

Change in value, investment properties

The total valuation uplift in 2025 was 1.4% (0.3).

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

Comparison and analysis of completed property transactions in each sub-market were also performed. The average yield requirements for externally valued properties were 4.4% (4.5) for community service properties and 3.3% (3.3) for residential properties. The total average yield requirement for all externally valued properties is 3.6% (3.6). See also the information concerning market valuation on pages 60–61 and Note 18.

Change in value, interest rate derivatives

The change in value of interest rate derivatives was SEK -25,679 thousand (-44,469). The derivatives portfolio remains overvalued as a result of higher market interest rates. Information on Heba's derivative instruments is provided in Note 3.

Profit or loss before tax

Profit before tax was SEK 376,879 thousand (142,447). The change is primarily explained by the change in the value of investment property. It should be noted that changes in the value of investment property do not affect cash flow.

Tax on profit for the year

Total tax on the profit for the year amounted to SEK -88,356 thousand (-43,772). Total tax comprises current tax and deferred tax. Current tax refers to tax paid and was SEK -1,368 thousand (-2,462).

The tax rate applied by Heba is 20.6%.

Consolidated statement of financial position

Amounts in SEK 000s	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure	17	8,405	9,809
		8,405	9,809
<i>Property, plant and equipment</i>			
Investment properties	18	14,003,241	13,589,186
Right-of-use assets, ground leases	9	152,722	143,917
Furniture, fixtures and equipment	19	13,657	10,356
		14,169,620	13,743,459
<i>Financial assets</i>			
Investments in jointly controlled entities	20	100,956	1,027
Receivables from associates and joint ventures	21	152,042	244,774
Other non-current securities holdings	22	73	73
Other non-current liabilities	23	23,510	31,179
Derivatives	3	29,304	54,983
		305,885	332,036
Total non-current assets		14,483,910	14,085,304
Current assets			
Rent receivables	26	755	2,619
Other receivables	27	11,429	16,091
Prepaid expenses and accrued income	28	28,582	25,916
		40,766	44,626
Cash and cash equivalents	29	17,236	36,469
		17,236	36,469
Total current assets		58,002	81,095
TOTAL ASSETS		14,541,912	14,166,399

Amounts in SEK 000s	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	30	34,400	34,400
Other capital contributions		6,880	6,880
Retained earnings including profit for the year		6,302,415	6,409,217
Total equity attributable to owners of the parent		6,343,695	6,450,497
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	32	4,984,259	4,352,913
Lease liability	33	152,722	143,917
Deferred tax liabilities	9	1,454,544	1,367,556
Liabilities from investments in associates and joint ventures	35	-	8,250
Total non-current liabilities	21	6,591,525	5,872,636
<i>Current liabilities</i>			
Accounts payable	32	10,616	16,520
Current interest-bearing liabilities	33	1,489,967	1,724,000
Tax liability		-	3,108
Other liabilities	34	5,458	3,984
Accrued expenses and prepaid income	36	100,651	95,654
Total current liabilities		1,606,692	1,843,266
TOTAL EQUITY AND LIABILITIES		14,541,912	14,166,399

Comments on the consolidated statement of financial position

Investment properties

Changes in the carrying amount of investment properties:

	2025	2024
Carrying amount as at 1 January	13,589,186	12,773,245
Acquisitions and new builds	207,449	809,252
Investments in existing properties	69,594	78,837
Disposals	-53,000	-110,000
Change in value	190,012	37,852
Carrying amount as at 31 December	14,003,241	13,589,186

Property investments during the year totalled SEK 277,043 thousand (888,089), of which SEK 207,449 thousand (809,252) related to acquisitions and investments in ongoing new build projects and SEK 69,594 thousand (78,837) to investments in existing properties.

Investment in the existing property portfolio relates mainly to renovations.

Property portfolio by location:

Location	31 Dec 2025	SEK/m ²
Central city	1,801,234	69,225
Stockholm Immediate suburbs	3,720,907	52,785
Northwest	1,002,083	48,328
Northeast	4,533,706	53,657
Southwest	2,290,986	48,503
Southeast	654,325	48,937
Total	14,003,241	54,583

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

Shareholders' equity

Shareholders' equity amounted to SEK 6,343,695 thousand (6,450,497) following total comprehensive income of SEK 288,523 thousand (98,675) less the dividend paid in 2025 of SEK 85,858 thousand (85,854) and less the buyback of treasury shares of SEK 309,605 thousand. The shareholders' equity corresponds to SEK 40.87/share (39.07). The equity ratio was 43.6% (45.5) and the LTV ratio was 46.2% (44.7).

Interest-bearing liabilities

Interest-bearing liabilities increased to SEK 6,474,226 thousand (6,076,913) of which SEK 0 thousand (0) comprises the used portion of an overdraft facility of SEK 140,000 thousand (131,975). A total of SEK 1,982,992 thousand (1,497,117) accrues interest at a variable rate. The average cash conversion cycle was 3.2 years (3.3). The share of borrowings maturing in the next 12 months is 23% (28). Investments linked to projects have been financed with proceeds from company and property sales, bank loans and capital market financing. A detailed specification of Heba's financing is provided in Note 3.

Deferred tax liabilities

Deferred tax liabilities increased to SEK 1,454,544 thousand (1,367,556). Deferred tax liabilities are recognised at their nominal amount (20.6%) and calculated based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Changes in deferred tax liabilities do not affect cash flow.

Consolidated statement of changes in equity

Amounts in SEK 000s	Note	Share capital	Other capital contributions	Retained earnings	Total equity attributable to owners of the parent	Shareholders' equity
Group	30					
Opening equity, 1 Jan 2024		34,400	6,880	6,396,188	6,437,468	6,437,468
Comprehensive income for the year		-	-	98,675	98,675	98,675
Transactions with owners						
Share reissuance		-	-	208	208	208
Dividend		-	-	-85,854	-85,854	-85,854
Closing equity, 31 Dec 2024		34,400	6,880	6,409,217	6,450,497	6,450,497
Opening equity, 1 Jan 2025		34,400	6,880	6,409,217	6,450,497	6,450,497
Comprehensive income for the year		0	0	288,523	288,523	288,523
Transactions with owners						
Share reissuance		0	0	138	138	138
Share buyback				-309,605	-309,605	-309,605
Dividend		0	0	-85,858	-85,858	-85,858
Closing equity, 31 Dec 2025		34,400	6,880	6,302,415	6,343,695	6,343,695

Consolidated statement of cash flows

Amounts in SEK 000s	Note	2025	2024
OPERATING ACTIVITIES			
Profit or loss before tax		376,879	142,447
Adjustment for non-cash items			
Less share of profit or loss in jointly controlled entities		15,394	49,939
Depreciation and amortisation of assets		4,680	3,804
Impairments of assets		-	18,000
Changes in value		-164,333	6,616
Other profit and loss items not affecting liquidity	39	-19,117	-3,188
Tax paid		-2,055	-529
Cash flow from operating activities before changes in working capital		211,447	217,089
Change in current receivables		4,467	-15,105
Change in current liabilities		567	12,208
Cash flow from operating activities		216,481	214,192
INVESTMENT ACTIVITIES			
Investments in investment properties	18	-295,852	-900,456
Investments in financial assets		-150	-360
Other investments		-7,954	-9,021
Sales of investment properties		83,000	104,797
Change in non-current receivables		25,000	3,419
Dividends received from associates		0	13,512
Investments in associates		-43,919	-
Disposals of other non-current assets		2,310	631
Cash flow from (-used in) investing activities		237,564	-787,478
FINANCING ACTIVITIES			
Borrowings	33	2,698,000	1,093,000
Repayment of loans	33	-2,300,688	-644,563
Share buyback		-309,605	-
Dividend paid		-85,858	-85,854
Cash flow from (-used in) financing activities		1,850	362,583
Cash flow for the year		-19,233	-210,703
Cash and cash equivalents at the beginning of the year		36,469	247,172
Cash and cash equivalents at the end of the year		17,236	36,469

Interest received, SEK 1,391 thousand (21,643). Interest paid, SEK -187,811 thousand (-161,849).

Parent company income statement

Amounts in SEK 000s	Note	2025	2024
Rental income	6	246,090	237,127
Property costs			
Operating costs	7, 8	-97,093	-90,275
Maintenance costs		-3,782	-3,170
Property tax		-3,348	-3,383
Ground rents	9	-3,091	-2,530
Net operating income		138,775	137,769
Depreciation and amortisation		-26,083	-26,233
Gross profit		112,692	111,536
Central administration	8, 10	-42,009	-38,387
Gain or loss from disposals of property	11	-16,530	-8,791
Operating profit		54,153	64,358
Financial income	12	332,894	132,018
Interest expenses	13	-116,737	-60,431
Change in value of derivative instruments	14	-25,679	-44,469
		190,478	27,118
Profit or loss after net financial income/expenses		244,631	91,476
Appropriations	15	-48,934	43,076
Tax on profit for the year	16	5,001	-13,345
Profit or loss for the year		200,698	121,207

Parent company statement of comprehensive income

Amounts in SEK 000s	2025	2024
Profit or loss for the year	200,698	121,207
Other comprehensive income	-	-
Total comprehensive income	200,698	121,207

Parent company balance sheet

SEK 000s	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure	17	8,405	9,809
		8,405	9,809
<i>Property, plant and equipment</i>			
Investment properties	18	2,363,771	2,358,019
Furniture, fixtures and equipment	19	11,556	7,843
		2,375,326	2,365,862
<i>Financial assets</i>			
Shares in subsidiaries	24	116,117	38,567
Derivatives	3	29,304	54,983
Receivables from Group companies	25	4,136,086	3,636,021
Receivables from associates and joint ventures	21	13,190	10,420
Other non-current liabilities		150	-
		4,294,847	3,739,991
Total non-current assets		6,678,578	6,115,662
Current assets			
<i>Current receivables</i>			
Rent receivables	26	369	1,603
Receivables from Group companies	27	217,663	118,100
Other receivables	27	4,179	2,951
Prepaid expenses and accrued income	28	17,264	13,893
		239,476	136,547
Cash and cash equivalents	29	16,717	30,059
		16,717	30,059
Total current assets		256,192	166,606
TOTAL ASSETS		6,934,771	6,282,268

SEK 000s	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital		34,400	34,400
Statutory reserve		6,880	6,880
		41,280	41,280
<i>Non-restricted equity</i>			
Retained earnings		1,768,110	2,042,228
Profit for the year		200,698	121,207
		1,968,809	2,163,436
Total equity		2,010,089	2,204,716
Untaxed reserves	31	3,475	2,505
Provisions			
Deferred tax liabilities	35	212,735	217,735
Total provisions		216,210	217,735
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	33	2,654,634	2,161,947
Liabilities to Group companies	25	609,360	712,152
Total non-current liabilities		3,263,994	2,874,099
<i>Current liabilities</i>			
Trade payables		6,854	4,159
Current interest-bearing liabilities	33	1,279,750	938,000
Other liabilities	34	116,338	5,530
Accrued expenses and prepaid income	36	41,535	35,524
Total current liabilities		1,444,478	983,213
TOTAL EQUITY AND LIABILITIES		6,934,771	6,282,268

Parent company statement of changes in equity

Amounts in SEK 000s	Note	Share capital	Statutory reserve	Retained earnings	Total Shareholders' equity
Parent company	30				
Shareholders' equity 31 Dec 2023		34,400	6,880	2,127,874	2,169,154
Profit for the year				121,207	121,207
Transactions with owners					
Share reissuance				208	208
Dividend				-85,854	-85,854
Shareholders' equity 31 Dec 2024		34,400	6,880	2,163,435	2,204,715
Profit for the year				200,698	200,698
Transactions with owners					
Share reissuance				138	138
Share buyback				-309,605	-309,605
Dividend				-85,858	-85,858
Shareholders' equity 31 Dec 2025		34,400	6,880	1,968,808	2,010,089

Parent company statement of cash flows

Amounts in SEK 000s	Note	2025	2024
OPERATING ACTIVITIES			
Profit or loss before tax		195,698	134,553
Amortisation, depreciation and impairments of assets		-36,148	68,831
Changes in value		25,679	44,469
Other profit and loss items not affecting liquidity	39	-96,003	-110,425
Tax paid		-	-
Cash flow from operating activities before changes in working capital		89,225	137,428
Change in current receivables		117,637	22,273
Change in current liabilities		8,887	-84,873
Cash flow from operating activities		215,749	74,828
INVESTMENT ACTIVITIES			
Investment in land and buildings	18	-53,846	-49,669
Investments in financial assets/subsidiaries		-11,200	-
Other investments		-7,954	-6,303
Change in non-current receivables		-	6,152
Change in non-current receivables, Group companies		-494,584	-568,767
Sales of investment properties		0	-
Disposals of other non-current assets		2,310	631
Cash flow from (-used in) investing activities		-565,274	-617,956
FINANCING ACTIVITIES			
Borrowings	33	2,548,000	883,000
Repayment of loans	33	-1,713,563	-541,063
Change in non-current liabilities, Group companies		-102,792	70,648
Dividend paid		-85,858	-85,854
Share buyback		-309,605	-
Cash flow from (-used in) financing activities		336,182	326,731
Cash flow for the year		-13,342	-216,396
Cash and cash equivalents at the beginning of the year		30,059	246,555
Cash and cash equivalents at the end of the year		16,717	30,059

Notes

Note 1 General information

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

Heba's business to own and manage residential rental and community service properties, primarily in the Stockholm area.

The consolidated financial statements for the 2025 annual reporting period, which coincides with the calendar year, were approved for publication by the board of directors on 18 March 2026 and will ultimately be adopted by the Annual General Meeting on 23 April 2026.

Accounting and valuation policies

The consolidated financial statements have been prepared in accordance with EU-endorsed IFRS accounting standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as at 31 December 2025. The Group also applies the Swedish Corporate Reporting Board's Recommendation RFR 1 Supplementary Accounting Rules for Groups, which specifies the additions to IFRS disclosures required under the Swedish Annual Accounts Act. Other new and amended standards approved by the EU and interpretations issued by the IFRS Interpretations Committee are not currently expected to have a material impact on the Group's or the parent company's financial position or results of operations.

Changed accounting policies

New or revised existing standards effective from 1 January 2025 have not had material impact on the consolidated financial statements.

New and amended standards not yet applied by the Group

As of 2027, Heba will be subject to the adopted amendments to IFRS 18 Presentation and Disclosures in Financial Statements, which supersedes IAS 1. IFRS 18 imposes new requirements in matters including presentation of the income statement. At the same date, amendments to IAS 7 will be implemented, by which several of the options currently permitted in the presentation of the statement of cash flows will be eliminated. Heba began implementing IFRS 18 during the year to ensure full compliance with the new accounting standards. Other new and amended standards and interpretations approved by the EU are not presently expected to have a material impact on Heba's financial position or results of operations.

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

Line items in the annual accounts have been measured at cost, except for investment properties and certain financial instruments, which have been measured at fair value. The financial statements were prepared on a going concern basis. Non-current assets and non-current liabilities comprise amounts expected to be recovered or due more than 1 year after the reporting date. Current assets and current liabilities comprise amounts expected to be recovered or due more than 1 year after the reporting date.

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

Joint arrangements are classified as joint ventures. Joint ventures are companies in which Heba, together with another party, has a contractually agreed joint controlling influence over the business. A joint venture entitles the joint owners to the net assets of the investment. Joint ventures are accounted for using the equity method, which means that a net item, including any goodwill, is recognised in the statement of financial position under *Investments in jointly controlled entities*. In the statement of comprehensive income, the share of profit or loss is recognised under *Profit or loss from investments in jointly controlled entities*. Joint ventures accounted for using the equity method are initially measured at cost.

Note 2 Accounting policies

2.1 Significant estimates and assumptions for accounting purposes

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

2.2 Consolidation

Subsidiaries

In addition to the parent company, the consolidated accounts, which have been prepared using the acquisition method, include the wholly owned subsidiaries Heba Förvaltnings AB, Heba Stockholm AB, Heba Hyresrätten AB, Heba Bostads AB, Heba Hyreshus AB, Heba Hyresfastigheter AB, Heba Bostadsfastigheter AB, Heba Hyreslägenheter AB, Heba Fastighetsutveckling AB, Heba Fastighetsutveckling Söderort AB, Heba Förvaltning 10 AB, Heba Förvaltning 11 AB, Heba Förvaltning 12 AB, Heba Equity AB and Heba Foxtrot AB, and associated wholly owned subsidiaries. Intra-group sales, gains, losses and transactions are eliminated in the consolidated accounts. Acquisitions are consolidated from the date on which control is obtained and disposals are consolidated up to the date when control is lost. Business acquisitions can be classified as either business combinations or asset acquisitions. Business acquisitions where the main asset is one or more real properties without any major property management or administration are usually classified as asset acquisitions. Business acquisitions have been classified as asset acquisitions, which means that no deferred tax attributable to the acquisition is recognised.

Associates and joint ventures

Associates and joint ventures are accounted for using the equity method and include companies in which the Group exercises significant influence, but not control, which exists when the stake amounts to no less than 20% and no more than 50% of voting rights and where ownership is part of a lasting relationship. Under the equity method,

investments in associates and joint ventures are initially recognised at cost on the consolidated statement of financial position. The carrying amount is subsequently increased or decreased to recognise the Group's share of profit or loss in associates and joint ventures after the acquisition date. The Group's share of profit or loss is included in consolidated profit or loss. Dividends from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its stake in that associate or joint venture (including all non-current receivables that are effectively that part of the Group's net investment), the Group recognises no further losses unless it has assumed obligations on behalf of the associate or joint venture. Unrealised gains on transactions between the Group and associates and joint ventures are eliminated to the extent of the Group's stake in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides an indication of impairment of the asset being transferred.

2.3 Revenue

Rental income is recognised on a straight-line basis over the lease term. Prepayments of rent are recognised as deferred income. Revenue from the sale of property is recognised on the closing date unless the risks and rewards of ownership of the property were transferred to the buyer at an earlier date. Dividends received are recognised as financial income. Interest income and interest subsidies are recognised in profit or loss in the period to which they relate.

2.3.1 Profit or loss from jointly controlled entities and joint ventures

The following describes the policies applied to associates and joint ventures engaged in residential property development of commonhold apartments, where Heba subsequently recognises its share of profit or loss in the statement of comprehensive income under the line item Profit or loss from investments in associates and joint ventures. In connection with property development of commonhold apartments, revenue is generated from the sale of commonhold apartments to home buyers, who are usually private individuals. Sale and purchase agreements for commonhold apartments are made with customers on an ongoing basis, usually beginning before construction starts. Heba has identified a distinct performance obligation in the agreements: sale of commonhold apartments. The transaction price is fixed in its entirety. Revenue is recognised when the customer has obtained control of the commonhold

apartment, in that the customer can use or benefit from the product, whereupon control is deemed to have been transferred. Heba has determined that control of the commonhold apartment passes to the customer on the date the commonhold apartment buyer gains access to the property. This usually takes place over a short period of time once the residential property has been completed.

2.4 Leasing

Leases are classified as either finance or operating leases for lessors. Leases in which all the risks and rewards of ownership are substantially transferred to the lessor are classified as operating leases.

With regard to assets and liabilities attributable to all leases where Heba is the lessee, with some exceptions, IFRS 16 Leases is applied, which means that they are recognised on the statement of financial position as right-of-use assets. In its capacity as a lessee, Heba has identified ground leases as the most significant. Under IFRS 16, ground leases are considered perpetual leases and are recognised at fair value and will therefore not be amortised. The value of the right-of-use asset persists until the next renegotiation of the relevant ground rent. The lease liability is not amortised, but the value remains unchanged until the relevant ground rent is renegotiated. Heba continuously analyses the valuation of the lease liability based on changes or additional leases. Short-term and low-value leases are recognised as an expense on a straight-line basis over the term of the lease, in accordance with permitted practical exceptions.

2.5 Capitalised expenditure

Capitalised expenditure on computer software acquired, developed and modified on behalf of the Group is recognised at cost less amortisation and any impairment losses.

Systematic amortisation is based on the estimated useful life of the asset and is taken against the cost of the asset at a rate of 10% per year.

2.6 Investment properties

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

Investment properties are recognised at fair value as at the reporting date. Fair value is determined by assessing the market value of each individual valuation object. Discounted cash flow (DCF) is the principal valuation method applied. An estimated future net operating income is calculated over a period of five to fifteen years that

takes into account the present value of an assessed market value at the end of the forecast period. Yield requirements are individual per property depending on analysis of completed transactions and the market position of the property. All properties, excluding properties under renovation and project properties in the early stages, are valued at fair value by an external valuer at the end of the year. Heba has engaged Savills Sweden AB and Novier Property Advisors AB, independent consultancies with authorised property valuers, as external property valuers. In Q1, Q2 and Q3, a rolling external valuation is made of one third of the portfolio and the remaining two thirds are valued internally. Changes in value are recognised quarterly in the consolidated statement of comprehensive income, net of investments made during the quarter.

Value-add expenditure is capitalised. Regular maintenance, repairs and replacement of minor parts are recognised as expenses in the period in which they are incurred. Interest expenses relating to major new builds, extensions or remodels are capitalised.

Gain or loss on disposals of property consists of the difference between the selling price and fair value according to the most recent quarterly accounts, less investments made during the quarter and direct transaction costs.

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

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

2.7 Equipment

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

Systematic depreciation is based on the estimated useful life of the asset and is taken against the cost of the asset at a rate of 20% per year.

2.8 Impairment of non-financial assets

An impairment loss is recognised when the carrying amount exceeds the recoverable amount. Each asset is individually assessed.

2.9 Financial instruments

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

Fair value measurement of financial instruments

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

Amortised cost

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

Offsetting of financial assets and liabilities

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

2.9.1 Cash and cash equivalents

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

2.9.2 Rent receivables

Rent receivables are classified as financial assets and are accordingly recognised at amortised cost. As the expected term of the rent receivable is short, it is recognised at the amount expected to be received without discounting, using the amortised cost method. Impairment losses on rent receivables are recognised as operating costs.

2.9.3 Derivative instruments

Swap contracts in which variable interest rates are swapped for fixed rates have not been hedged. Changes in value are therefore recognised in the statement of comprehensive income. 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.

2.9.4 Trade payables

Trade payables are categorised as financial assets and accordingly recognised at amortised cost. As the expected term of trade payables is short, the liability is recognised at its nominal amount without discounting.

2.9.5 Other financial liabilities

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

2.10 Segment reporting

Heba's 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 according to Note 4 is consistent with internal reporting to management. The segment accounts are consolidated according to the same principles as the consolidated accounts.

2.11 Pensions

Retirement and family pension benefits for employees are covered by insurance with Alecta. According to the opinion issued by the Swedish Corporate Reporting Board, UFR 10, this is a multi-employer defined benefit plan. For the 2025 annual reporting period, Alecta has not been able to produce the values that make it possible to account for this plan as a defined benefit plan. The pension plan under ITP, which is secured through insurance with Alecta, is therefore accounted for as a defined contribution plan. As at 31 December 2024, Alecta's collective consolidation level was 167% (162).

2.12 Tax

Total tax consists of current tax and deferred tax. Current tax is tax payable or receivable for the current year. Adjustments of current tax attributable to earlier periods are also included in current tax. Deferred tax is calculated using the balance sheet liability method on the basis of temporary differences between the carrying amounts and tax bases of assets and liabilities. Untaxed reserves, including deferred tax liabilities, are recognised in the parent company. In the consolidated accounts, however, untaxed reserves are split between deferred tax liabilities and equity. Deferred tax liabilities are recognised at the nominal amount of the difference between the carrying amount and the taxable value of the properties and are included in the statement of financial position/balance sheet. The change in deferred tax for the year is recognised in the statement of comprehensive income/income statement.

2.13 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

2.14 Parent company accounting policies

The annual accounts for the parent company has been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Corporate Reporting Board's Recommendation RFR 2 Accounting for Legal Entities and opinions issued by the Swedish Corporate Reporting Board. RFR 2 requires the parent company to apply all EU-approved IFRS accounting standards and opinions to the annual accounts for the legal entity as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation. The Recommendation specifies the exceptions and additions to be made to IFRS Accounting Standards. Under IFRS 9, derivative instruments are also recognised at fair value in the legal entity. No hedge accounting is applied and changes in value are recognised in the statement of comprehensive income. The differences between consolidated and parent company accounting policies are as follows:

2.14.1 Investment properties

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

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

Systematic depreciation is based on the estimated useful life of the asset and is taken against the cost as follows: buildings 1%, capitalised amenity improvements in apartments and common areas, 3%. For tax purposes, the maximum allowable depreciation is deducted.

2.14.2 Equipment

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

2.14.3 Shares in subsidiaries

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

2.14.4 Group contributions

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

2.14.5 Leasing

The parent company does not apply IFRS 16 but uses the exemption in RFR 2 and recognises lease payments from any leases it may have as expenses on a straight-line basis over the term of the lease. The cost of leases relating to ground leases and the cost of other leases are recognised in operating profit or loss. Thus, any right-of-use assets and lease liabilities are not recognised in the balance sheet. The parent company is a lessor in respect of rental agreements, see Note 2.3, and a lessee in respect of ground rents, see Note 9. There are also a few leases of minor value, where the parent company is the lessee, which refer primarily to office equipment.

Note 3 Financial risk management and derivative instruments

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

Interest rate risk

Heba had a relatively low LTV ratio of 46.2% at year-end. However, the Group is exposed to interest rate risk due to interest-bearing borrowings. Interest rate risk refers to the risk of adverse impact on the Group's financial performance and cash flows due to changes in the market interest rate. How quickly a persistent change in interest levels affects consolidated net financial income depends on the fixed interest duration of borrowings.

In order to mitigate the effects of interest rate changes, SEK 810.0m has been fixed for 2 years and SEK 4,174.3m for 3 years or longer. The average interest rate for total borrowings was 2.67% (2.81) at year-end. The average fixed interest duration was 2.3 years (3.1). A change in the market interest rate of one percentage point would have an impact on profit of SEK 64.7m for 2025.

Of the interest-bearing liabilities of SEK 6,474.2m (6,076.9), SEK 1,983.0m (1,497.1) and overdraft facilities of SEK 0m (0) accrue interest at variable rates. Heba has established a commercial paper programme with a distributable amount framework of SEK 4,000m. Heba had outstanding commercial paper of SEK 1,040m (523) at the end of the year. Heba always has unused credit commitments to cover outstanding commercial paper. Unused credit commitments amounted to SEK 2,040.0m (2,032.0) at year-end, including the unused portion of the overdraft facility of SEK 140.0m (132.0).

The fixed interest rate structure and average interest rates as at 31 December 2025 are shown on the table to the right.

Fixed interest rate structure 31 Dec 2025

Maturity	Volume, SEKm	Average interest rate %	Share %
< 1 year	2,567.0	3.84	40
1-2 years	750.0	1.76	12
2-3 years	500.0	2.01	7
3-4 years	1,100.0	2.06	17
4-5 years	630.0	1.57	10
5-6 years	580.0	1.97	9
6-7 years	347.2	2.59	5
7-8 years	-	-	-
8-9 years	-	-	-
9-10 years	-	-	-
Total	6,474.2	2.70	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.

Financial derivative instruments

In order to limit interest rate risks, the rate has been fixed using interest rate derivatives (interest rate swaps). In total, Heba has contracted interest rate swaps totalling SEK 3,400.0m (3,400.0), of which SEK 100m relates to interest rate swaps with future start dates in 2026. As at 31 December 2024, the fair value of the derivatives amounted to SEK 29.3m (55.0).

Interest rate derivatives are measured at fair value in the statement of financial position. Fair value has been calculated based on quoted prices in official markets or according to generally accepted calculation methods and 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. Under the swap contracts, variable interest rates on underlying loans are swapped for fixed interest rates. Hedge accounting is not applied and changes in value are recognised in the statement of comprehensive income.

Refinancing and liquidity risk

Refinancing and liquidity risk refers to the risk of higher costs and limited funding opportunities when loans are rolled over and the risk that payment obligations cannot be met due to insufficient liquidity. Heba minimises risk through good profitability and a minimum equity ratio of 40%. Loans are raised only from highly rated lenders and the maturity structure of the loan debt is managed. Interest-bearing liabilities as at 31 December 2025 amounted to SEK 6,474.2m (6,076.9), of which SEK 0m (0) is the used portion of the overdraft facility of SEK 140.0m (132.0).

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

Cash conversion cycle structure 31 Dec 2025

Maturity	Credit agreement SEKm	Used, SEKm
Commercial paper programme	4,000.0	1,040.0
< 1 year	590.0	450.0
1-2 years	1,610.0	810.0
2-3 years	2,338.9	1,238.9
3-4 years	936.3	936.3
4-5 years	1,138.0	1,138.0
5-6 years	330.0	330.0
6-7 years	531.0	531.0
7-8 years	-	-
8-9 years	-	-
9-10 years	-	-
Total	11,474.2	6,474.2

Fair value does not deviate significantly from the nominal value. For non-current interest-bearing liabilities, the deficit amounts to SEK 22.7m (47.7).

Cash flows projected as at 31 Dec 2025 (amounts in SEKm)

Year	Maturing loans	Interest on loans	Interest rate derivatives	Total
2026	1,490.0	154.6	0.3	1,644.9
2027	810.0	132.3	2.3	944.6
2028	1,238.9	93.6	2.2	1,334.7
2029	936.4	66.2	0.7	1,003.3
2030	1,138.0	27.7	0.9	1,166.7
2031	330.0	19.1	0.8	349.9
2032	531.0	6.4	-	537.3
2033	-	-	-	-
2034	-	-	-	-
Total	6,474.2	499.9	7.3	6,981.4

When calculating interest on loans, an unchanged Stibor rate has been assumed during the credit term. The cash flow for interest rate derivatives consists of a fixed paid component less a variable paid/retained component. When calculating the variable component, the Stibor rate on the reporting date has been used over the entire term of the derivative.

Credit and counterparty risk

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

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

Impairments

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

	Group		Parent company	
	2025	2024	2025	2024
Rent receivables	4,598	5,604	2,505	3,281
Expected credit losses	-3,842	-2,985	-2,136	-1,678
Total rent receivables	755	2,619	369	1,603

Note 4 Segment reporting

Group 2025	Central city	Stockholm Immediate suburbs	Northwest	Northeast	Southwest	Southeast	Total Group
Rental income	61,754	159,506	49,040	207,100	108,397	19,651	605,448
Property costs							
Operating costs	-17,079	-46,939	-11,983	-48,959	-28,510	-4,139	-157,609
Maintenance costs	-443	-859	-539	-705	-531	-57	-3,135
Property tax	-1,492	-1,228	0	-1,172	-1,334	-51	-5,276
Net operating income (NOI)	42,740	110,479	36,518	156,264	78,022	15,404	439,428
Change in value							
Property, unrealised	15,026	71,953	2,992	40,022	61,990	-1,970	190,012
Profit	57,766	182,432	39,510	196,286	140,012	13,434	629,440
Assets							
Investment properties	1,801,234	3,720,907	1,002,083	4,533,706	2,290,986	654,325	14,003,241
Right-of-use assets, ground leases	63,653	89,069	-	-	-	-	152,722
Financial assets	-	126,516	-	-	25,526	-	152,042
Other non-current assets ¹⁾	2,256	6,003	1,746	7,289	4,131	638	22,063
Other current receivables ¹⁾	4,169	11,091	3,227	13,468	7,631	1,179	40,766
Unallocated assets	-	-	-	-	-	-	171,078
Total assets	1,871,312	3,953,586	1,007,056	4,554,463	2,328,274	656,142	14,541,912
Current non-interest-bearing liabilities							
Distributed liabilities ¹⁾	11,938	31,759	9,239	38,565	21,849	3,375	116,725
Total current non-interest-bearing liabilities	11,938	31,759	9,239	38,565	21,849	3,375	116,725
Investments	12,003	40,970	193,964	13,723	11,256	5,127	277,043

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

Consolidated net operating income (NOI) as above coincides with recognised NOI in the statement of comprehensive income. The difference between NOI of SEK 439,428 thousand (403,751) and profit before tax of SEK 367,879 thousand (142,447) consists of central administration, SEK -42,248 thousand (-38,922); interest expense, leases, SEK -4,318 thousand (-3,823); net financial expenses, SEK -164,677 thousand (-136,847); impairments, financial assets, SEK 0 thousand (-18,000); loss from disposals of property, SEK -246 thousand (-7,156); investments in associates and joint ventures, SEK -15,394 thousand (49,939); and unrealised changes in value, SEK 164,333 thousand (-16,616).

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

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

January–December 2025 SEKm	Residential properties	Community service properties	Group
Rental income	444.9	160.6	605.4
Property costs	-137.2	-28.8	-166.0
Net operating income (NOI)	307.7	131.7	439.4
Investment properties, carrying amount	10,791.8	3,211.4	14,003.2

January–December 2024 SEKm	Residential properties	Community service properties	Group
Rental income	427.5	134.3	561.8
Property costs	-133.1	-24.9	-158.0
Net operating income (NOI)	294.4	109.4	403.8
Investment properties, carrying amount	10,428.3	3,160.9	13,589.2

Note 5 Rental income

31 Dec 2025 Contract maturity structure	No. of contracts	Contract value	Share of value
Commercial, maturity			
2026	235	2,519	0%
2027	24	7,951	1%
2028	27	4,228	1%
2029	15	14,580	2%
Other ¹⁾	22	149,687	25%
Total non-residential units	323	178,965	30%
Vacant non-residential units	17	1,620	0%
Internal contracts	15	3,866	1%
Remodelling projects	1	109	0%
Residential	3,092	398,383	67%
Garages and parking spaces	1,371	16,058	3%
Total	4,819	599,001	100%

¹⁾ The majority refers to the contract value of leases with tenants as follows: 15-year lease (ends 31 Dec 2030) with Vardaga Silverhemmet AB for elderly care facilities in Täby; 15-year lease (ends 21 Apr 2031) with Vardaga AB for elderly care facilities in Farsta; 15-year lease (ends 30 Nov 2031) with Norlandia Äldreomsorg AB for elderly care facilities in Sollentuna; 15-year lease (ends 30 Jan 2032) with Förenade Care AB in Uppsala; 15-year lease (ends 31 Dec 2032) with Vardaga Opalen AB for elderly care facilities in Tyresö; 16-year lease (ends 30 Sep 2034) with Vardaga AB for elderly care facilities in Enköping; 15-year lease (ends 14 Apr 2036) with Vardaga Nytida Omsorg for elderly care facilities in Österåker; 15-year lease (ends 3 May 2036) with Humana Omsorg for elderly care facilities in Vallentuna; 20-year lease (ends 28 Feb 2037) with the Municipality of Stockholm for a special housing facility in Stockholm; 15-year lease (ends 30 Apr 2037) with Attendo Sverige AB for elderly care facilities in Norrtälje; 15-year lease (ends 31 May 2038) with Vardaga Opalen AB for elderly care facilities in Tyresö; 20-year lease (ends 4 Apr 2039) with the Municipality of Salem for elderly care facilities in Salem; and a 20-year lease (ends 31 Oct 2040) with Stiftelsen Stockholms Sjukhem for elderly care facilities in Täby.

The single largest contract with the single largest tenant accounts for slightly less than 3% of the Group's total rental income.

Note 6 Rental income by contract group

	Group		Parent company	
	2025	2024	2025	2024
Residential	408,110	394,716	192,565	187,041
Non-residential, other	28,879	25,353	17,510	18,744
Non-residential, community service properties	157,450	131,347	-	-
Garages and parking spaces	15,950	15,032	9,041	8,408
Intra-group services	-	-	31,480	28,844
Other revenue	-	-	934	443
Unlet, internal contracts, etc.	-4,941	-4,687	-5,440	-6,353
Total	605,448	561,761	246,090	237,127

Note 7 Operating costs

	Group		Parent company	
	2025	2024	2025	2024
Heating costs	18,091	19,926	8,843	9,965
Property maintenance	78,306	76,097	36,548	36,113
Property administration	50,658	43,625	45,682	38,237
Other operating costs	10,554	11,002	6,020	5,960
Total	157,609	150,649	97,093	90,275

Note 8 Employees and employee benefits

	Group		Parent company	
	2025	2024	2025	2024
Number of employees				
Average number of employees	41	42	41	42
Of whom women	21	21	21	21

Salaries, other compensation and social security costs have been expensed as follows:

	Group		Parent company	
	2025	2024	2025	2024
Salaries and other compensation	36,546	35,326	36,546	35,326
Social insurance costs	20,174	19,095	20,174	19,095
(of which pension costs)	8,234	7,753	8,234	7,753

ITP premiums charged for the year, excluding premiums for the CEO, amount to SEK 3,025 thousand (2,864). See also Note 2.11 regarding specification of the ITP plan with Alecta. Of pension costs for the Group and the parent company, SEK 1,264 thousand (1,213) refers to the CEO and SEK 2,112 thousand (1,688) to other key management personnel.

The board of directors of Heba is composed 5 (5) directors. Other KMP totalled 8 (6) during the year.

Salaries and other compensation distributed among directors, etc., and other employees have been expensed as follows:

	Group		Parent company	
	2025	2024	2025	2024
Board Chair	571	540	571	540
Directors	960	960	960	960
CEO	4,560	4,277	4,560	4,277
Other KMP, 8 individuals (6)	7,299	5,941	7,299	5,941
Other employees, 41 (42)	23,156	23,608	23,156	23,608
Total	36,546	35,326	36,546	35,326

Chair and other directors

As decided by the Annual General Meeting, directors' fees amounted to SEK 1,531 thousand (1,500), of which SEK 470 thousand (540) was paid to the former Board Chair, Lennart Karlsson, and SEK 101 thousand (0) was paid to the current Board Chair, Jan Berg. Directors' fees of SEK 240 thousand (240) each were paid to directors Lena Hedlund, Christina Holmbergh, Birgitta Leijon and Johan Vogel. No other benefits are provided or variable compensation paid to directors.

The fees are paid half-yearly in arrears, with 50% in December and 50% after the following year's Annual General Meeting. There are no separate fees paid for committee service.

Chief Executive Officer

Salary and other taxable benefits totalling SEK 4,646 thousand were paid to CEO Patrik Emanuelsson. No variable compensation has been paid. Taxable benefits in addition to salary to the CEO totalled SEK 159 thousand (170). Pension contributions and health insurance for the CEO are paid at 28% of fixed monthly salary. The age of retirement is 65 and the pension cost in 2025 totalled SEK 1,264 thousand (1,161).

The period of notice of resignation by the CEO is 6 months and the period of notice of termination by the company is 12 months. If employment is terminated by the company, the CEO is entitled to severance pay equal to six months' cash salary. The CEO is not entitled to severance pay upon voluntary resignation. The board of directors decides on the CEO's salary and other terms of employment.

Other key management personnel

Taxable benefits in addition to salary totalling SEK 552 thousand (498) have been paid to eight other KMP. Defined benefit pension premiums are paid according to the ITP plan. The retirement age is 65 and the pension cost in 2025 totalled SEK 1,727 thousand (1,408). The defined contribution pension cost in 2025 totalled SEK 385 thousand (259).

Share-based payments

Long-term incentive programme – LTI 2021

The programme covered all employees within the Heba Group during the vesting period of 30 September 2021–30 September 2025. Participation required a personal investment in the company’s shares. Each share held (maximum 200) carried a savings share right for which the employee receives one share in the company against no monetary consideration provided that the vesting conditions of the LTI programme are met. 4,400 (6,600) shares were delivered to 22 (32) participants in 2025.

Gender balance among KMP

Group and parent company	2025	2024
Percentage female		
Board of directors	60%	60%
Key management personnel	63%	69%

Sickness absence

Group and parent company	2025	2024
Total sickness absence	2%	2%
– sickness absence, women	2%	2%
– sickness absence, men	2%	3%
– employees –29	16%	4%
– employees 30–49	2%	3%
– employees 50+	2%	2%

Training and development

Indicator	Women	Men	Total 2025 (2024)
Training programme, offered (h)	168 (168)	160 (168)	328 (336)
Completed (h)	120 (120)	133 (160)	253 (280)
Individual training (h)	631 (175)	279 (124)	910 (299)
Average (h) per employee/year	36 (14)	21 (14)	28 (14)
Percentage performance appraisals	95 (90%)	100 (100%)	98 (95%)
Percentage training, Code of Conduct	94 (89%)	95 (100%)	94 (95%)

Note 9 Right-of-use assets and lease liabilities

	Group	
	2025	2024
Opening balance, 1 January 2023	143,917	126,284
Change for the year	8,805	17,632
Total	152,722	143,917

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

Maturity structure of lease liabilities

	Group		Parent company	
	2025	2024	2025	2024
Maturity date 1 year	–	–	–	–
Maturity date 2–5 years	744	1,042	–	297
Maturity date after 5 years	3,838	3,276	3,355	2,794
Sold properties	–	0	–	0
Total	4,582	4,318	3,355	3,091

Note 10 Central administration

The costs of central administration include costs for key management personnel, the board of directors, data, marketing, stock exchange costs, financial statements, audit fees and depreciation of office equipment.

Compensation paid to Group auditors is specified below:

	Group		Parent company	
	2025	2024	2025	2024
The audit engagement	2,703	2,577	2,703	2,577
Other services	530	244	530	244
Total	3,233	2,821	3,233	2,821

The audit engagement refers to the statutory audit of the annual and consolidated accounts and accounting records, as well as audits and other reviews performed in accordance with an agreement or contract. This includes other tasks under the purview of the company’s auditor, as well as advice or other assistance arising from observations made during such an audit, or the performance of such other tasks. All other services are classified as other assignments.

Note 11 Gain or loss from disposals of property

	Group		Parent company	
	2025	2024	2025	2024
Gain or loss on disposals of property	–246	–7,156	–16,530	–8,791
Total	–246	–7,156	–16,530	–8,791

Note 12 Financial income

	Group		Parent company	
	2025	2024	2025	2024
Dividends from shares in subsidiaries	-	-	155,000	75,000
Dividend perpetual fire insurance	814	795	814	795
Interest income	1,381	4,448	512	2,692
Interest income, associates	11,922	19,960	2,770	4,197
Interest income, Group companies	-	-	107,298	88,333
Total	14,117	25,203	266,394	171,018

Note 13 Interest expenses

	Group		Parent company	
	2025	2024	2025	2024
Interest expenses, credit institutions	182,885	162,178	100,171	33,879
Capitalised interest expenses	-4,191	-223	-	-223
Interest expenses, subsidiaries	-	-	16,532	26,757
Other interest expenses	100	95	34	18
Total	178,795	162,051	116,737	60,431

Note 14 Changes in value

Investment properties

The total change in value during the year amounted to SEK 190,012 thousand (37,853), corresponding to 1.4% (0.3). As at the reporting date, all investment properties, excluding properties currently undergoing renovation and project properties in early phases, were valued externally – half by Savills Sweden AB and half by Novier Real Estate AB. At the year-end, all investment properties, with the exception of one project property in an early stage, were externally valued. Two properties were valued by both valuation firms and are reported at the average of the two valuations. One project property in Källberga, Nynäshamn, and one additional investment property are reported at internally assessed values as at the reporting date. The recognised fair value of these properties is the average of these valuations. All 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. Discounted cash flow (DCF) is the principal valuation method applied. An estimated future net operating income is calculated over a period of five to fifteen years that takes into account the present value of an assessed market value at the end of the forecast period. Yield requirements are individual per property depending on analysis of completed 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 for externally valued properties were 4.4% (4.5) for community service properties and 3.3% (3.3) for residential properties. The total average yield requirement for externally valued properties is 3.6% (3.6). Yield requirements have been assessed as virtually unchanged in the most recent quarter. The general consensus is that value growth for residential properties was unchanged in the most recent quarter. Yield requirements for community service properties housing elderly care facilities have also been assessed as unchanged and value growth in this category was unchanged or slightly positive in the most recent quarter. For more information see also pages 60–61 and Note 18.

Interest rate derivatives

The change in value of interest rate derivatives was SEK -25,679 thousand (-44,469). The derivatives portfolio remains overvalued as a result of higher market interest rates.

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

Note 15 Appropriations

	Parent company	
	2025	2024
Excess depreciation of equipment	970	211
Group contribution	47,964	42,865
Total	48,934	43,076

Note 16 Tax

	Group		Parent company	
	2025	2024	2025	2024
Current tax				
Tax expense for the year	-1,368	-928	-	-
Tax attributable to previous years	-	-1,534	-	-
Deferred tax				
Untaxed reserves in Group companies	-651	-721	-	-
Financial instruments	5,290	9,161	5,290	9,161
LCFW	-26,691	-10,293	-986	-21,753
Difference between the carrying amount and tax values of the properties	-64,936	-39,456	697	-753
Total	-88,356	43,772	5,001	-13,345
Recognised profit before tax	376,879	142,447	195,698	134,553
Tax at current rate, 20.6%	-77,637	-29,344	-40,314	-27,718
Tax attributable to previous years	-	-1,534	-	-
Tax effect of interest deduction limitation	-20,146	-7,324	-	15,808
Tax-free anticipated dividends on shares in subsidiaries	-	-	31,930	15,450
Tax effect of impairments/reversed impairments of shares in subsidiaries	-	-	13,699	-8,034
Tax effect of investments in associates	-3,180	-10,288	-	-
Reversal of deferred tax upon sale	9,499	16,428	-	-
Change in temporary difference, investment properties	2,869	747	-	-
Tax effect of unrecognised taxable income	-	-8,648	-	-8,648
Tax effect of non-taxable income	1,054	221	172	208
Tax effect of non-deductible expenses	-491	-4,225	-391	-311
Other tax adjustments	-324	195	-95	-101
Total	-88,356	-43,772	5,001	-13,345
Effective tax rate	23.4%	30.7%	-2.6%	9.9%

Note 17 Capitalised expenditure

	Group		Parent company	
	2025	2024	2025	2024
Cost, opening balance	18,154	12,447	18,154	12,447
Investments	-	5,707	-	5,707
Cost, closing balance	18,154	18,154	18,154	18,154
Accumulated amortisation, opening balance	-8,345	-7,115	-8,345	-7,115
Amortisation for the year	-1,404	-1,230	-1,404	-1,230
Accumulated amortisation, closing balance	-9,749	-8,345	-9,749	-8,345
Planned residual value, closing balance	8,405	9,809	8,405	9,809

Capitalised expenditure relates mainly to IT costs where Heba has acquired software that was developed and modified on behalf of the Group.

Note 18 Investment properties

	Group	
	2025	2024
Investment properties		
Opening balance	13,589,186	12,773,245
Investments	277,043	888,089
Disposals	-53,000	-110,000
Unrealised change in value	190,012	37,852
Closing balance	14,003,241	13,589,186
Taxable values		
Buildings	4,467,725	4,236,213
Land	2,021,263	2,357,129
Of which ground leases	-440,091	-523,779
Total	6,048,897	6,069,563

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

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

The property portfolio consists of residential properties and elderly care facilities in the Stockholm and Mälaren regions. Half of the properties were built in the 1940s, 1950s and 1960s. More than 90% of the portfolio consists of either new build properties or properties renovated to "as new" condition. Renovations have been executed at a high rate over the past ten years and Heba now has only 98 apartments left to be renovated, of which 20 will be renovated in 2026.

Capitalised interest expenses during the year amount to SEK 4,191 thousand (223).

Climate-related risks

In the long term and generally, physical risks are the most material, for example through increased precipitation, flooding and higher temperatures that increase the need for cooling. Heba manages these risks through a combination of emissions reductions, climate adaptation, energy efficiency improvements and systematic investments in its property portfolio. Heba is integrating climate adaptation into its business strategy by gradually climate-proofing its holdings, developing a resilient and sustainable property portfolio and, in the long term, setting requirements for building materials.

Over the past several years, Heba has realigned operations based on technical solutions, project specifications and integration of regulatory requirements in investment calculations and business planning. Through actions including energy efficiency

improvements, climate adaptation and long-term financial planning, including green financing, Heba is assessed as having strong capacity to manage more stringent requirements and limit adverse financial impact. Heba has ensured the long-term value of the properties by implementing systematic, proactive and executed preventative maintenance based on actions including climate risk assessments and maintenance plans.

Even if more serious risks were realised, Heba does not see any need for increased investments. It has been determined that long-term property value will not be adversely impacted by climate-related risks, as the status of the properties is good across the board and possible investments have already been discounted within the framework of completed property valuations. This strengthens the company's strategy and long-term competitiveness, reduces risk exposure and ensures that Heba's property portfolio contributes to achieving the company's financial targets and ESG targets. The business is robust from all perspectives in accordance with the Paris Agreement, EU climate objectives and Heba's own ambitions for climate neutrality.

Material commitments

The Group has no material commitments to report.

Property valuation

56 properties have been externally valued by Savills Sweden AB or Novier Real Estate AB, both of which are independent consulting firms with authorised property valuers. At the year-end, all investment properties, with the exception of one project property in an early stage, were externally valued. Two properties were valued by both valuation firms and are reported at the average of the two valuations. As of the balance sheet date, one project property in Källberga, Nynäshamn, and one additional investment property are reported at internally assessed values. The purpose of the valuation is to assess the market value of the various valuation objects. Market value means the most likely price in a normal sale of the valuation object on the open market.

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

Discounted cash flow (DCF) is the principal valuation method applied to each property, which involves calculating the present value of estimated future NOI income and investments. The present value of an estimated residual value at the end of the forecast period is added to this. A five- to fifteen-year forecast period has been applied to most valuations. Comparison and analysis of completed real estate transactions in each sub-market were also performed.

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

- The inflation rate for 2026 has been estimated at 1.5% and 2.0% respectively and has been assumed at 2.0% per year for the remainder of the forecast period.
- The rent increase for 2026 was known for the majority of residential properties when the valuation was made and Heba provided this information to the valuers. For properties for which the rent increase was unknown, the valuers estimated rent increases on par with other known agreements in the area. For the following years, it is assumed that rents will track inflation. For properties with multi-year agreements for residential properties, known as "self-assessed rents", the valuers have made their own assessment of the rent trend. For non-residential units, future rent development has been based on current contracts. Rents at the end of the current term are adjusted to estimated market rents. The valuers have assessed vacant non-residential units at a reasonable market rent.
- The long-term economic vacancy rate has been assessed at 1.2% on average and varies between 0.1% and 5.0% within the portfolio.
- The discount rate and yield requirement are based on analysis of completed transactions, as well as individual assessments of the level of risk and the market position of the property. The valuations use a discount rate ranging from 3.7% to 6.9%, with an average of 5.6% and a yield requirement of 1.7% to 4.8%, with an average of 3.6%.

Heba's business includes management of a homogeneous property portfolio.

No material differences in terms of risks and opportunities are deemed to exist. All properties are classified at Level 3 according to IFRS 13. See also Note 2.10 Segment reporting.

Yield requirements, valuation uplifts and carrying amounts excluding ongoing projects are distributed as follows:

Area	Property yield (%)	Valuation uplift (%)	Area (m ²)	Carrying amount (SEK/m ²)
Central city	1.7-4.2	0.8	26,790	67,200
Stockholm Immediate suburbs	2.7-4.4	2.0	71,272	52,200
Northwest	3.5-4.8	-0.2	20,735	48,300
Northeast	3.0-4.7	1.4	86,546	52,400
Southwest	3.8-4.3	1.8	49,032	46,700
Southeast	4.4	0.7	7,575	48,900
Total	1.7-4.8	1.4	261,950	52,400

Sensitivity analysis

Parameter	Unit	Number	Change in value residential properties		Change in value community service properties	
			SEK 000s	%	SEK 000s	%
Discount rate	% points	0.5	-513,506	-4.9	-179,954	-5.6
Discount rate	% points	-0.5	559,604	5.3	196,376	6.1
Yield requirement	% points	0.5	-1,196,709	-11.4	-275,442	-8.6
Yield requirement	% points	-0.5	1,687,557	16.1	344,793	10.7
Rental value	%	2	263,217	2.5	60,649	1.9
Rental value	%	-2	-257,205	-2.5	-63,649	-2.0
Operating and maintenance costs	%	10	-290,868	-2.8	-37,694	-1.2
Operating and maintenance costs	%	-10	298,872	2.9	32,694	1.0

Yield requirements, discount rates, long-term vacancy rates and operation and maintenance are distributed among our categories as follows:

Category	Property yield (%)	Discount rate (%)	Long-term vacancy rate (%)	Operation and maintenance (SEK/m ²)
Residential properties	1,7-4,4	3,7-6,3	0,1-1,6	376-635
Community service properties	4,2-4,8	6,2-6,9	2,0-5,0	190-455
Average	3,6	5,6	1,2	427

	Parent company	
	2025	2024
Buildings		
Cost, opening balance	2,573,900	2,573,468
Investments	56,691	47,820
Reclassifications	-2,884	-11,083
Disposals	-24,847	-36,306
Cost, closing balance	2,602,860	2,573,900
Accumulated depreciation, opening balance	-266,763	-246,800
Disposals	2,021	5,075
Depreciation for the year	-25,045	-25,038
Accumulated depreciation on the closing date	-289,788	-266,763
Total buildings	2,313,072	2,307,136
Land		
Cost, opening balance	50,882	51,359
Investments	38	1,849
Disposals	-222	-2,325
Cost on the closing date	50,698	50,882
Planned value, closing balance	2,363,771	2,358,019
Taxable values		
Buildings	2,212,941	2,021,984
Land	1,433,112	1,647,880
Of which ground leases	-313,491	-379,321
Total	3,332,562	3,290,543

Investment properties in the parent company are considered inventory assets for tax purposes. Capitalised interest expenses during the year amount to SEK 0 thousand (223).

Note 19 Equipment

	Group		Parent company	
	2025	2024	2025	2024
Cost, opening balance	19,011	15,153	15,980	14,840
Investments	7,954	5,659	7,954	2,941
Sales and disposals	-6,654	-1,801	-6,654	-1,801
Cost, closing balance	20,311	19,011	17,280	15,980
Accumulated depreciation, opening balance	-8,655	-7,683	-8,137	-7,370
Sales and disposals	5,278	1,602	5,278	1,602
Depreciation for the year	-3276	-2,574	-2,865	-2,369
Accumulated depreciation, closing balance	-6,653	-8,655	-5,724	-8,137
Planned residual value, closing balance	13,657	10,356	11,556	7,843

Depreciation of equipment has been allocated as follows:

	Group		Parent company	
	2025	2024	2025	2024
Operating costs	2,130	1,821	1,719	1,616
Central administration	1,146	753	1,146	753
Total	3,276	2,574	2,865	2,369

Note 20 Investments in associates and joint ventures

Company	CRN and registered office	Equity share %	Carrying amount 2025
ÅSF 2 AB	556952-8382, Stockholm	50.0	24
VBT Utvecklings AB	559273-5160, Stockholm	50.0	57,020
Big Valley AB	559274-0244, Stockholm	50.0	82
Fastighets AB Archipelwald	559307-3736, Stockholm	50.0	14
Villa Primus AB	559522-6860, Stockholm	50.0	43,816
Total	Total		100,956

	Group	
	2025	2024
Carrying amount as at 1 Jan	1,027	14,296
Acquisitions	50	0
Additions	115,330	50,920
Dividends	-45	-14,250
Share of profit or loss of associates for the year	-15,394	-49,939
Disposals	-13	-
Value as at 31 Dec	100,956	1,027

Summary of financial position of associates 31 Dec 2025

Balance sheet

	ÅSF 2 AB	VBT Utvecklings AB	Big Valley AB	Fastighets AB Archipelwald	Villa Primus AB
Non-current assets	25	114,073	126,352	33	87,853
Current assets	-	6,028	-	-	381
Cash and cash equivalents	47	11	19	25	-
Shareholders' equity	46	118,097	163	29	87,938
Liabilities	26	2,015	126,208	29	296

Income statement

	ÅSF 2 AB	VBT Utvecklings AB	Big Valley AB	Fastighets AB Archipelwald	Villa Primus AB
Operating costs	-2	-4,050	-30	-30	-87
Profit or loss from investments in Group companies	-180	-15,561	-	-	-1,219
Interest income	-	-	421	-	-
Interest expenses	-	-340	-5,130	-	-4
Profit or loss for the year	-182	-19,951	-4,739	-30	-1,310

Note 21 Receivables from associates and joint ventures

Receivables from associates and joint ventures	Group		Parent company	
	2025	2024	2025	2024
Non-current receivables				
Joint Venture project Bredäng, Panorama	21	111	-	-
Joint Venture project, Vårbergstoppen	25,505	112,921	13,190	10,420
Joint Venture project, Skarpnäck	29	20	-	-
Joint Venture project, Big Valley	126,208	123,473	-	-
Joint Venture project, Villa Primus	279	-	-	-
Total	152,042	236,525	13,190	10,420

The receivables accrue interest at market rates. The receivable from the Vårbergstoppen joint venture project was reduced by SEK 8,250 thousand in 2024 due to a debt to a company within the project.

Maturity structure of non-current receivables	Group		Parent company	
	2025	2024	2025	2024
Maturity date 1-5 years	25,834	113,052	13,190	10,420
Maturity date > 5 years	126,208	123,473	-	-
Total	152,042	236,525	13,190	10,420

Non-current receivables are measured at amortised cost.

Note 22 Other non-current securities holdings

	2025	2024
Carrying amount as at 1 Jan	73	18,073
Impairments	-	-18,000
Carrying amount as at 31 Dec	73	73

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

Note 23 Other non-current receivables

	2025	2024
Other non-current receivables	23,510	31,179
Total	23,510	31,179

Non-current receivables are measured at amortised cost. The amount includes down payments for property acquisitions.

	2025	2024
Opening balance	31,179	31,638
Incoming	23,150	360
Outgoing	-30,819	-819
Closing balance	23,510	31,179

Note 24 Shares in subsidiaries

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

Directly owned subsidiaries	CRN/Reg. office/Business	No. of shares	Equity (%)	Carrying amount	Shareholders' equity
Heba Förvaltnings AB	556601-0657, Stockholm	1,000	100	270	113,074
Heba Stockholm AB	556793-0374, Stockholm	1,000	100	7,090	54,066
Heba Hyresrätten AB	556861-6121, Stockholm	500	100	6,600	21,754
Heba Bostads AB	559067-9543, Stockholm	500	100	50	3,419
Heba Hyreshus AB	559099-4207, Stockholm	500	100	6,212	5,211
Heba Hyresfastigheter AB	559152-9358, Stockholm	500	100	5,710	5,915
Heba Bostadsfastigheter AB	559183-3727, Stockholm	500	100	50	1,167
Heba Hyreslägenheter AB	559183-3610, Stockholm	500	100	6,635	9,411
Heba Fastighetsutveckling AB	559239-0115, Stockholm	500	100	25	15,109
Heba Fastighetsutveckling Söderort AB	559272-3570, Stockholm	500	100	150	10,033
Heba Förvaltning 10 AB	559325-3973, Stockholm	500	100	81,550	15,562
Heba Förvaltning 11 AB	559336-6064, Stockholm	500	100	650	8,817
Heba Equity AB	559345-5776, Stockholm	500	100	550	545
Heba Foxtrot AB	559408-0854, Stockholm	25,000	100	25	18,212
Heba Förvaltning 12 AB	559498-0541, Stockholm	500	100	550	46,504
Total				116,117	328,799

Subsidiary sub-groups	CRN/Reg. office/Business	No. of shares	Equity (%)	Carrying amount	Shareholders' Equity
Heba Hägernäs Strand AB	556694-1786, Stockholm	1,000	100	7,221	2,300
Heba Liljeholmsplan AB	556675-5509, Stockholm	1,000	100	586	16,453
Heba Huddinge AB	556988-2508, Stockholm	500	100	50	178,606
Heba Råcksta AB	556847-7730, Stockholm	500	100	28,003	132
Heba Farsta AB	556866-2794, Stockholm	500	100	129,096	20,777
Heba Enhagen AB	556896-7466, Stockholm	50,000	100	43,289	7,713
Heba Viby AB	556987-6260, Stockholm	500	100	64,232	17,495
Heba Flemingsberg AB	556950-2163, Stockholm	500	100	58,660	30,791
Heba Enköping Ilian AB	559334-6595, Stockholm	25,000	100	23,243	887
Heba Romberga Enköping AB	559194-9036, Stockholm	500	100	47,413	9,379
Heba Tullinge AB	559075-2753, Stockholm	50,000	100	18,999	8,108
Heba Årstaberget	556829-1016, Stockholm	1,000	100	3,798	3,209
Heba Tibble AB	556877-6024, Stockholm	500	100	104,556	9,441
Heba Salem AB	556957-5763, Stockholm	4,000	100	96,009	6,442
Heba Hökarängen Ungdomsbostäder AB	559159-9898, Stockholm	50,000	100	6,729	9,761
Heba Norr 1 AB	559090-6607, Stockholm	50,000	100	34,576	1,305
Heba Norrtälje AB	559041-8504, Stockholm	50,000	100	54,243	5,364
Heba Silverdal AB	559160-5943, Stockholm	500	100	20,667	8,686
Heba Norr 2 AB	559142-6407, Stockholm	1,000	100	8,194	673
Heba Täby Park AB	559107-8372, Stockholm	500	100	63,921	13,440
Heba Österåker AB	556951-8003, Stockholm	50,000	100	16,206	2,815
Heba Gråalen 1 AB	559041-8538, Stockholm	50,000	100	5,654	16,610
Heba Vallentuna Blå AB	559152-8939, Stockholm	50,000	100	77,501	66
Heba Liljefors Torg AB	556802-9747, Stockholm	5,000	100	268,948	6,165
Heba Sittesta Gul AB	559323-7687, Stockholm	25,000	100	2,229	1,894
Heba Sittesta Vit AB	559332-6001, Stockholm	25,000	100	799	548
Heba Sittesta Röd AB	559332-6027, Stockholm	25,000	100	1,670	1,229
Heba Gränby Bostad AB	559461-4231, Stockholm	50,000	100	300	2,554
Heba Tyresö AB	556963-0246, Stockholm	50,000	100	208,869	11,280
Heba Äppelträdgården 1 AB	559137-8517, Stockholm	50,000	100	94,674	4,732
Heba Enköping Idun AB	556712-4986, Stockholm	100,000	100	142,035	6,323
Heba Sittesta Förvaltning AB	559484-4101, Stockholm	500	100	250	30
Heba Close to Home Coworking AB	559262-8472, Stockholm	1,000	100	1,250	3,250
Heba Förvaltning 121 AB	559516-0895, Stockholm	500	100	50	50
Total				1,633,920	408,507

Note 25 Non-current receivables and liabilities from/to Group companies

	Parent company	
	2025	2024
Receivables as at 1 Jan	3,636,021	2,943,332
Amortisation	-235,937	-342,314
New lending	736,001	1,035,003
Total	4,136,086	3,636,021

	Parent company	
	2025	2024
Liabilities as at 1 Jan	712,152	1,267,582
Amortisation	-218,353	-640,251
New borrowings	115,561	84,821
Total	609,360	712,152

Specification of receivables from Group companies

	Parent company	
	2025	2024
HEBA Bostads AB	29,455	28,676
HEBA Bostadsfastigheter AB	69,665	24,962
HEBA Close to Home Coworking AB	5,595	4,405
HEBA Enköping Ilian AB	12,252	12,863
HEBA Romberga Enköping AB	211,096	221,128
HEBA Equity AB	549	332
HEBA Tibble AB	77,883	-
HEBA Salem AB	53,015	-
HEBA Fastighetsutveckling AB	54,362	77,181
HEBA Fastighetsutveckling i Söderort AB	127,196	123,800
HEBA Flemingsberg	259,440	263,276
HEBA Foxtrot AB	-	12,462
HEBA Förvaltnings AB	36,941	35,964
HEBA Förvaltning 10 AB	495,986	488,497
Heba Förvaltning 11 AB	65,764	-
HEBA Gråalen 1 AB	251,710	2,736
HEBA Hyresfastigheter AB	136,999	133,425
HEBA Hyreshus AB	184,146	179,272
HEBA Hyreslägenheter AB	860,124	842,587
HEBA Hyresrätten AB	309,335	301,147
HEBA Hökarängen Ungdomsbostäder AB	106,535	111,325
HEBA Norr 1 AB	47,847	46,581
HEBA Norr 2 AB	4,045	3,938
HEBA Silverdal AB	133,018	138,056
HEBA Stockholm AB	114,038	110,985
HEBA Tullinge AB	21,797	27,844
HEBA Tyresö AB	104,756	113,890
HEBA Täby Park AB	101,829	114,894
HEBA Österåker AB	43,619	191,722
HEBA Sittesta Förvaltning AB	160	-
HEBA Sittesta Gul AB	112,491	12,389
HEBA Sittesta Vit AB	28,578	3,213
HEBA Sittesta Röd AB	75,860	8,471
	4,136,086	3,636,021

Specification of liabilities to Group companies

	Parent company	
	2025	2024
HEBA Enhagen AB	35,203	32,230
HEBA Enköping Idun AB	10,671	2,806
HEBA Farsta AB	59,279	54,254
HEBA Foxtrot AB	18,187	-
HEBA Förvaltning 11 AB	-	12,185
HEBA Gränby Bostad	4,965	2,428
HEBA Huddinge AB	71,293	85,702
HEBA Hägernäs Strand AB	25,441	25,460
HEBA Liljeholmsplan AB	80,878	79,364
HEBA Liljefors Torg AB	36,416	39,176
HEBA Norrtälje AB	32,461	10,169
HEBA Råcksta AB	11,506	11,866
HEBA Salem AB	-	93,846
HEBA Tibble AB	-	94,773
HEBA Förvaltning 12 AB	23,404	-
HEBA Vallentuna Blå AB	158,672	152,460
HEBA Viby AB	15,861	10,592
HEBA Årstaberget AB	3,445	3,301
HEBA Äppelträdgården 1 AB	21,678	1,540
	609,360	712,152

Receivables and liabilities from/to Group companies accrue interest at market rates.

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

Note 26 Rent receivables

	Group		Parent company	
	2025	2024	2025	2024
Rent receivables	4,598	5,604	2,505	3,281
Unsecured receivables				
Reserves as at 1 Jan	2,985	2,201	1,678	1,369
Reserves for the year	1,163	932	743	420
Release of reserves	-148	-121	-148	-85
Recognised losses	-157	-27	-137	-27
Reserves as at 31 Dec	3,842	2,985	2,136	1,678
Total	755	2,619	369	1,603

Maturity structure of rent receivables

	Group		Parent company	
	2025	2024	2025	2024
Amount past due	4,122	3,232	2,165	1,709
Of which 0–90 days past due	572	276	418	43
Of which 90–180 days past due	256	162	148	9
Of which 180 days past due	3,294	2,795	1,599	1,657
Expected credit loss allowance	-3,842	-2,985	-2,136	-1,678
Total	280	247	30	31

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

Note 27 Other receivables

	Group		Parent company	
	2025	2024	2025	2024
Tax assets	1,025	2,040	1,366	1,247
VAT recoverable	815	1,000	815	1,000
Other receivables	9,589	13,052	1,998	705
Receivables, Group companies	-	-	217,663	118,100
Total	11,429	16,091	221,842	121,052

Note 28 Prepaid expenses and accrued income

	Group		Parent company	
	2025	2024	2025	2024
Accrued revenues	8,831	9,624	-	119
Prepaid interest expenses	13,647	10,267	11,480	7,868
Prepaid ground rents	-	-	820	761
Prepaid other expenses	6,104	6,025	4,964	5,145
Total	28,582	25,916	17,264	13,893

Note 29 Cash and cash equivalents

Cash and cash equivalents amount to SEK 17,236 thousand (36,469) in the Group and SEK 16,717 thousand (30,059) in the parent company and consist of bank balances as at the reporting date. Credit balances are reported at nominal value.

Note 30 Shareholders' equity

Share capital	Number, 000s	SEK 000s	Votes per share	Total votes, 000s
Class A	15,582	3,246	10	155,816
Class B	149,539	31,154	1	149,539
Total	165,120	34,400		305,355

Heba Fastighets AB owned 9,907,200 (9,400) B shares at year-end. Total shares outstanding were 155,212,800 (165,110,600). Weighted shares outstanding for the period of 1 Jan 2025–31 Dec 2025 totalled 160,468,094 (165,104,397). Earnings per share were SEK 1.80 (0.60) for the Group and SEK 1.25 (0.73) for the parent company.

The board of directors and the CEO have proposed that the profits of SEK 1,968,809 thousand at the disposal of the AGM be allocated as follows: SEK 0.55 per share distributed to shareholders for a total dividend of SEK 85,367 thousand. SEK 1,883,442 thousand retained.

Note 31 Untaxed reserves

	Parent company	
	2025	2024
Excess depreciation on equipment	3,475	2,505
Total	3,475	2,505

Note 32 Liabilities

	Group		Parent company	
	2025	2024	2025	2024
Interest-bearing liabilities due within 1 year	1,489,967	1,724,000	1,279,750	938,000
(of which overdraft facilities)	(0)	(0)	(0)	(0)
Other non-interest-bearing liabilities due within 1 year	116,725	124,408	164,727	45,213
Interest-bearing liabilities due within 1-5 years	4,123,275	2,351,367	2,432,400	1,457,150
Interest-bearing liabilities due later than 5 years	860,984	2,001,547	222,234	704,797
Other non-interest-bearing liabilities due later than 5 years	-	-	-	-
Total excluding deferred tax liabilities, leases and interest rate derivatives	6,590,951	6,201,321	4,099,111	3,145,160

See also Note 3 Financial risk management and financial derivative instruments regarding interest-bearing liabilities.

Note 33 Interest-bearing liabilities

	Group		Parent company	
	2025	2024	2025	2024
Opening balance	6,076,913	5,628,476	3,099,947	2,758,009
Change in long-term property loans	131,346	-563,596	-7,313	-67,563
Change in short-term property loans	-571,033	441,033	4,750	-161,500
Change in commercial paper	517,000	473,000	517,000	473,000
Change in bonds	320,000	98,000	320,000	98,000
Change in overdraft facilities	-	-	-	-
Closing balance	6,474,226	6,076,913	3,934,384	3,099,947

The overdraft facility amounts to SEK 140,000 thousand (131,975). See also Note 3 Financial risk management and financial derivative instruments regarding interest-bearing liabilities. Some of the company's loan agreements with banks contain so-called covenants. Covenants are measured at the group level, where the loan-to-value ratio may not exceed 60 percent and the interest-to-value ratio may not fall below 1.25-1.5 times. In addition, there are requirements that the loan-to-value ratio for pledged properties may not exceed 70-75 percent. At the end of the year, all covenants were fulfilled.

Note 34 Other liabilities

	Group		Parent company	
	2025	2024	2025	2024
Employee withholding tax and social security contributions	2,298	2,413	2,298	2,413
VAT	1,259	-997	1,648	797
Liabilities to Group companies	-	-	110,909	236
Other items	1,901	2,568	1,484	2,084
Total	5,458	3,984	116,338	5,530

Note 35 Deferred tax liabilities

	Group		Parent company	
	2025	2024	2025	2024
Tax related to:				
Untaxed reserves in Group companies				
Opening balance	1,280	560		
Change in statement of comprehensive income	651	720		
Closing balance	1,931	1,280		
Financial instruments				
Opening balance	11,326	20,487	11,326	20,487
Change in statement of comprehensive income	-5,289	-9,161	-5,289	-9,161
Closing balance	6,037	11,326	6,037	11,326
LCFW				
Opening balance	-26,690	-36,983	-986	-22,739
Change in statement of comprehensive income	26,690	10,293	986	21,753
Closing balance	0	-26,690	0	-986
Difference between carrying amount and tax values of the properties				
Opening balance	1,626,459	1,580,558	207,395	206,642
Change in statement of comprehensive income	64,936	39,458	-697	753
Sales via companies	-	-		
Acquisitions via companies	-	6,443		
Closing balance	1,691,395	1,626,459	206,698	207,395
Less asset acquisition companies				
Opening balance	-244,819	-238,376		
Sales for the year	-	-		
Acquisitions for the year	-	-6,443		
Closing balance	-244,819	-244,819		
Total closing balance	1,454,544	1,367,556	212,735	217,735

All tax losses carried forward (TLCF) are included in the reported tax asset. LCFW consist of losses from previous years. The losses, which are not time-limited, are carried forward to next year and used by offsetting against future taxable profits. In 2025, all deficits have been utilized.

Note 36 Accrued expenses and deferred income

	Group		Parent company	
	2025	2024	2025	2024
Accrued payroll costs	6,779	6,731	6,779	6,731
Accrued interest	8,236	9,742	6,346	3,064
Dormant stamp duty	11,943	11,943	-	-
Prepaid rental income	59,387	54,277	17,952	17,439
Accrued operating costs, electricity, heating, water/sewage	5,230	5,627	2,336	2,535
Other accrued costs and deferred income	9,076	7,334	8,122	5,755
Total	100,651	95,654	41,535	35,524

Note 37 Collateral pledged for interest-bearing liabilities and contingent liabilities

	Group		Parent company	
	2025	2024	2025	2024
Property mortgages	3,849,223	4,302,348	1,273,006	1,273,006
Surety bonds for subsidiaries			1,296,592	1,733,717
Total	3,849,223	4,302,348	2,569,598	3,006,723
(of which mortgages on ground leases)	(915,400)	(781,325)	(450,000)	(315,925)

In addition to the above, the parent company has a guarantee commitment for credit facilities of SEK 277 million regarding a housing project in Vårbergstoppen within a collaboration project with Åke Sundvall Byggnads AB.

Note 38 Financial assets and liabilities

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

	Financial assets measured at amortised cost		Financial liabilities and assets measured at fair value through profit or loss		Financial liabilities and assets measured at amortised cost	
	2025	2024	2025	2024	2025	2024
Receivables						
Derivative instruments			29,304	54,983		
Rent receivables	755	2,619				
Other receivables	11,429	16,091				
Prepaid expenses and accrued income	28,582	25,916				
Cash and cash equivalents	17,236	36,469				
Liabilities						
Non-current liabilities					-5,006,354	-4,398,496
Derivatives						
Trade payables					-10,616	-16,520
Other liabilities					-1,490,465	-1,726,875
Accrued expenses and prepaid income					-100,651	-95,654
Total	58,002	81,095	29,304	54,983	-6,608,085	-6,237,544

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

For current and non-current interest-bearing liabilities, the deficit amounts to SEK 22.7m. The calculation is based on discounted future cash flows.

Not 39 Transactions with related parties

Services between group companies and related parties are charged according to market pricing on commercial terms. During the year, the Heba Group purchased legal services from Advokatfirman Lindahl, in which the Chairman of the Board, Jan Berg, is a partner, for an amount of SEK 4.5 million including VAT.

Note 40 Supplementary cash flow disclosures

	Group		Parent company	
	2025	2024	2025	2024
Depreciation, amortisation and impairments			-	770
Profit from the sale of vehicles	-934	-432	-934	-432
Loss on disposals of property			16,530	8,791
Unpaid interest income	-15,241	-3,560	-6,382	-603
Appropriations			48,934	-43,076
Anticipated dividends			-155,000	-75,000
Other non-cash items	-2,942	804	849	-876
Total	-19,117	-3,188	-96,003	-110,425

Note 41 Proposed allocation of profit

The board of directors submits the following proposal for the allocation of profits to the Annual General Meeting. Further information about the board's reasoned statement is provided below.

Amounts in the parent company at the disposal of the AGM:

Retained earnings	SEK	1,768,110,484
Profit for the year	SEK	200,698,498
	SEK	1,968,808,982

The board of directors and the CEO propose that profits be allocated as follows:

Dividend of SEK 0.55 per share distributed to shareholders	SEK	85,367,040
Retained	SEK	1,883,441,942
	SEK	1,968,808,982

Reasoned statement of the board of directors concerning the proposed dividend

The proposed dividend amounts to SEK 85,367 thousand and represents 48.5% of consolidated profit after estimated tax but before changes in value and non-recurring items. The board of directors' established dividend policy is that dividends, over the long term, shall correspond to 50% of consolidated profit after estimated tax but before changes in value and non-recurring items. However, in determining the dividend, the company's consolidation needs, investment needs, financial position in general and the material impact of non-recurring items on results of operations shall also be considered.

The Group and the parent company have good access to liquidity reserves and after the proposed dividend, the equity ratio is 43.3% for the Group and 28.1% for the parent company. According to the finance policy, the Group's equity ratio must not fall below 40%.

Taking into account liquidity requirements, the budget presented, investment plans and the capacity to raise long-term loans, the board of directors has determined that there is no indication that Group and parent company would not retain sufficient capital in relation to the nature, scope and risks of the business following distribution of the proposed dividend. The board of directors therefore considers the proposed dividend justifiable in accordance with Chapter 17, Section 3 of the Companies Act.

Note 42 Events after the reporting date

Ownership of Viggholmen 1 was transferred to Heba on 31 January.

Proposed allocation of profit

Amounts in the parent company at the disposal of the AGM:

Retained earnings	SEK	1,768,110,484
Profit for the year	SEK	200,698,498
	SEK	1,968,808,982

The board of directors and the CEO propose that profits be allocated as follows:

Dividend of SEK 0.55 per share distributed to shareholders	SEK	85,367,040
Retained	SEK	1,883,441,942
	SEK	1,968,808,982

Reasoned statement of the board of directors concerning the proposed dividend

The proposed dividend amounts to SEK 85.4m and represents 48.5% of consolidated profit after estimated tax but before changes in value and non-recurring items. The board of directors' established dividend policy is that dividends, over the long term, shall correspond to 50% of consolidated profit after estimated tax but before changes in value and non-recurring items. However, in determining the dividend, the company's consolidation needs, investment needs, financial position in general and the material impact of non-recurring items on results of operations shall also be considered.

The Group and the parent company have good access to liquidity reserves and after the proposed dividend, the equity ratio is 43.3% for the Group and 28.1% for the parent company. According to the finance policy, the Group's equity ratio must not fall below 40%.

Taking into account liquidity requirements, the budget presented, investment plans and the capacity to raise long-term loans, the board of directors has determined that there is no indication that Group and parent company would not retain sufficient capital in relation to the nature, scope and risks of the business following distribution of the proposed dividend. The board of directors therefore considers the proposed dividend justifiable in accordance with Chapter 17, Section 3 of the Companies Act.

Certification and signature of the annual report

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

Group's and the company's financial position and results of operations and the management reports for the Group and the company give a true and fair view of the development of the Group's and the company's operations, financial position and results of operations and describe the significant risks and uncertainties faced by the companies included in the Group. The board of directors has approved publication of the statutory Sustainability Report, which covers the areas of Heba Fastighets AB's Annual Report whose contents are listed on page 81–109.

The content of this annual report was determined on March 18, 2026

Stockholm, 18 March 2026

Jan Berg
Board Chair

Birgitta Leijon
Director

Lena Hedlund
Director

Christina Holmbergh
Director

Johan Vogel
Director

Patrik Emanuelsson
Chief Executive Officer

Our audit report was submitted 19 March 2026,

Ernst & Young AB

Katrine Söderberg
Authorised Public Accountant

Auditor's report

This is a translation from the Swedish original.

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Heba Fastighets AB (publ) except for the statutory sustainability report on pages 81–109 for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 76–139 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 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 statutory sustainability report on pages 81–109. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Key Audit Matters

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

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

Valuation of investment properties

Description

The fair value of investment properties in the Group as at 31 December 2025 amounted to SEK 14 003,2 million and the change in value to SEK 190 million. Investment properties are the most significant item in the consolidated balance sheet. The valuations are based on the discounted cash flow method, which means that future cash flows are forecasted. The properties' yield is assessed on the basis of each property's unique risk and transactions made in the market for objects of a similar nature. Due to the high degree of assumptions and assessments that take place in connection with the valuation of investment properties, we consider this area as a key audit matter in the audit. A description of the principles of the investment properties is provided in the section on significant estimates and assumptions for accounting purposes in note 2.1, Investment properties in note 2.6, and note 18 Investment properties.

How our audit addressed this key audit matter

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–68, 81–109 and 145–150. The other information also includes the remuneration report and was obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Heba Fastighets AB (publ) for the year 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 Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the ESEF report

Opinion

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of

the annual and consolidated accounts. The procedures selected depend on the 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 Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 81-109, 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.

My (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.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Heba Fastighets AB by the general meeting of the shareholders on the 24 April 2025 and has been the company's auditor since the 5 May 2011.

Stockholm the day indicated by our electronic signature

Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant

Auditor's limited assurance report on Heba Fastighets AB's sustainability report

This is a translation from the Swedish original.

To Heba Fastighets AB (publ), corporate identity number 556057-3981

Conclusion

We have been appointed by the Board of Directors and the Managing Director to conduct a limited assurance engagement of the sustainability report of Heba Fastighets AB for the financial year 2025. The sustainability report is included on page 81-109 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability report is not, in all material respects, prepared in accordance with the applicable parts of ESRS (European Sustainability Reporting Standards), as well as the company's own accounting and calculation principles.

The information in the sustainability statement regarding the previous financial year has in some cases been subject to a review in accordance with ISAE 3000 (revised) *Assurance engagements other than audits and reviews of historical financial information* and the review report was submitted on March 20th, 2025. Other comparative figures in the sustainability statement have not been subject to review.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Our responsibility under this standard is further described in the section Auditor's responsibility.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the sustainability report in accordance with the applicable criteria, as described on page 82 of the sustainability report. The applicable criteria consist of the relevant parts of ESRS (European Sustainability Reporting Standards), as well as the company's own accounting and calculation principles. This responsibility also includes such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a sustainability report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the sustainability report based on our review. The limited assurance engagement has been conducted in accordance with ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain limited assurance that the sustainability report is prepared in accordance with the criteria described in the section Responsibilities of the Board of Directors and the Managing Director.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such

assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Heba Fastighets AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance engagement involves performing procedures to obtain evidence to support the sustainability report. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability report, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability report, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, performing analytical review, and conducting other review procedures.

The review procedures primarily include:

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

The review procedures primarily include:

- Conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process in page 88 in the sustainability statement.

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the board and management of Heba Fastighets AB must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Heba Fastighets AB. Actual outcomes are likely to differ as expected often do not occur as anticipated.

Stockholm on the date indicated by our electronic signature

Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant

Marianne Förander
Specialist member of FAR



Introduction

**Global environment,
targets and strategy**

Sustainability

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Other disclosures

Five years in review

Amounts in SEKm	2025	2024	2023	2022	2021
INCOME STATEMENTS					
Rental income	605	562	566	510	450
Operation and maintenance expenses	-161	-153	-157	-142	-131
Property tax	-5	-5	-6	-7	-6
Net operating income (NOI)	439	404	402	361	313
Central administration costs	-42	-39	-37	-38	-37
Profit or loss from jointly controlled entities	-15	-50	36	-1	-1
Financial income	14	25	34	25	19
Financial expenses	-179	-162	-177	-104	-60
Interest expenses, leases	-4	-4	-4	-5	-5
Income from property management including change in value	213	174	255	238	229
Of which Income from property management	222	216	271	238	229
Impairments, financial assets	-	-18	-	-	-
Gain or loss from disposals of property	0	-7	-75	-	-2
Change in value, investment properties	190	38	-1,085	-603	1,491
Change in value, interest rate derivatives	-26	-45	-128	227	56
Profit or loss before tax	377	142	-1,044	-138	1,774
Tax	-88	-43	332	2	-299
Profit or loss for the year	289	99	-712	-136	1,475
BALANCE SHEETS					
Assets					
Investment properties	14,003	13,589	12,773	15,718	14,673
Right-of-use assets, ground leases	153	144	126	157	158
Other non-current assets	328	351	452	698	471
Current assets	41	45	27	82	55
Cash and cash equivalents	17	37	247	101	159
Total assets	14,542	14,166	13,625	16,756	15,516
Equity and liabilities					
Shareholders' equity	6,344	6,451	6,438	7,225	7,493
Lease liability	153	144	126	157	158
Interest rate derivatives	-	-	-	-	-
Deferred tax liabilities	1,455	1,368	1,326	1,709	1,710
Interest-bearing liabilities	6,474	6,077	5,628	7,535	6,025
Non-interest-bearing liabilities	117	126	107	130	130
Total equity and liabilities	14,542	14,166	13,625	16,756	15,516

Amount in SEKm	2025	2024	2023	2022	2021
KEY PERFORMANCE INDICATORS (KPIs)					
Property-related key figures					
Lettable time-weighted area, 000s m ²	263	257	285	283	261
Property yield, %	3.2	3.0	3.2	2.3	2.2
Rental income per m ² , SEK	2,300	2,182	1,987	1,802	1,726
Maintenance costs per m ² , SEK	12	9	12	13	19
Carrying amount per m ² , SEK	53,458	51,599	50,068	51,344	53,767
Financial key figures					
Cash flow, SEKm	216.5	214.2	252.1	196.6	232.7
Investments, SEKm	285.0	899.5	327.4	1,648.4	1,404.6
NOI margin, % ¹⁾	72.6	71.9	71.1	70.9	69.6
Property management margin, % ¹⁾	36.6	38.4	47.9	46.7	50.9
Interest coverage ratio, multiplier ¹⁾	2.2	2.3	2.5	3.3	4.8
Average interest rate on property loans, % ¹⁾	2.7	2.8	2.2	2.3	0.9
Debt/equity ratio, multiplier ¹⁾ 0.9	1.0	0.9	0.9	1.0	0.8
LTV ratio ¹⁾	46.2	44.7	44.1	47.9	41.1
Net LTV ratio ¹⁾	46.1	44.5	42.1	47.3	36.8
Equity ratio, % ¹⁾	43.6	45.5	47.2	43.1	48.3
Return on equity, % ¹⁾	4.5	1.5	-10.4	-1.9	21.7
Return on total assets, % ¹⁾	3.9	2.2	-5.7	-0.2	13.0
Per share data					
Profit or loss after tax, SEK ¹⁾	1.80	0.60	-4.31	-0.82	17.87
Cash flow, SEK ¹⁾	1.35	1.30	1.43	1.19	1.41
Shareholders' equity, SEK ¹⁾	40.87	39.07	38.99	43.75	45.38
EPRA NRV (Net Reinstatement Value, SEK ¹⁾	50.05	47.02	46.42	52.73	55.73
EPRA EPS, SEK ¹⁾	1.37	1.29	1.64	1.44	1.38
Share price, SEK	30.7	32.75	35.45	36.30	78.80
Carrying amount, properties, SEK ¹⁾	90.22	82.30	77.36	95.19	88.86
Shares outstanding at the end of the period, 000s	155,213	165,111	165,104	165,120	165,120
Average shares outstanding, 000s	160,468	165,104	165,117	165,120	165,120

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

Definitions

Property yield

Net operating income in relation to the carrying amount of properties at the end of the period.

Income from property management

Profit before tax with reversal of realised and unrealised changes in value.

Cash flow

Income from property management less tax paid, adjusted for non-cash items and after changes in working capital.

NOI margin¹⁾

NOI in relation to rental income.

Property management margin¹⁾

Income from property management in relation to rental income.

Interest coverage ratio¹⁾

Income from property management plus interest expenses in relation to interest expenses.

Average interest rate on property loans¹⁾

Average interest rate for property loans on the reporting date.

Debt/equity ratio¹⁾

Interest-bearing liabilities in relation to visible equity.

LTV ratio¹⁾

Interest-bearing liabilities in relation to the carrying amount of the properties.

Net LTV ratio¹⁾

Interest-bearing liabilities including lease liabilities and declared dividend less cash and cash equivalents in relation to the carrying amount of properties at the end of the period.

Equity ratio¹⁾

Visible equity in relation to total assets.

Return on equity¹⁾

Profit after tax in relation to average visible equity.

Return on total assets¹⁾

Profit or loss before tax excluding items affecting comparability plus interest expenses in relation to average total assets.

Per share data

Profit after tax

Profit or loss for the year in relation to average shares outstanding during the period.

Cash flow¹⁾

Cash flow from operating activities in relation to average shares outstanding during the period.

Shareholders' equity¹⁾

Shareholders' equity in relation to shares outstanding at the end of the period.

EPRA NRV (Net Reinstatement Value, a long-term NAV metric)¹⁾

Shareholders' equity with reversal of interest rate derivatives and deferred tax liabilities in relation to shares outstanding at the end of the period.

EPRA EPS¹⁾

Income from property management less current tax in relation to average number of shares outstanding during the period.

Carrying amount, properties¹⁾

Carrying amount of properties in relation to shares outstanding at the end of the period.

Definitions of share data, pages 66–67

P/E ratio I

Share price divided by earnings per share before tax.

P/E ratio II

Share price divided by earnings per share after tax.

Total return

Share price performance and dividends paid during the year divided by the share price at the beginning of the year.

¹⁾ Heba complies with ESMA Guidelines on Alternative Performance Measures (APMs) of 3 July 2016. The guidelines cover financial performance measures that are not defined under IFRS. The guidelines aim to make APMs more understandable, reliable and comparable, thereby promoting their usefulness. Calculations of APMs are available on Heba's website, hebafast.se.

Property list

Property name	Residential					Non-residential			Garage/parking spaces		Total		Taxable value	Ground lease
	Construction year	Number	Of which new or remodelled	Area, m ²	Annual rent, SEK 000s	Number	Area, m ²	Annual rent, SEK 000s	Number	Annual rent, SEK 000s	Area, m ²	Annual rent, SEK 000s	Total, SEK 000s	Leasehold/Freehold
Central city														
Draken 24 Timmermansg. 29–31, Södermalm	1967	78	14	6,274	10,076	5	1,999.00	3,444	61	1,626	8,273	15,146	290,000	F
Höken 30 Åsögatan 124, Södermalm	1934	26	6	1,866	3,028	2	610.00	1,565	0	0	2,476	4,593	98,200	F
Veken 8 Åsögatan 180, Södermalm	1960/2020	17	17	1,640	3,212	1	423.00	1,591	10	300	2,063	5,103	111,200	F
Bonden Mindre 8 Skånegatan 71, Södermalm	1940/1985	20	20	1,340	2,536	4	271.00	906	0	0	1,611	3,442	71,016	F
Sonfjället 1 Bobergsgatan 55–57, 59A–C, 61–65, 61X, Husarvikstorget 4–8, Norra Djurgårdsstaden	2016	72	72	4,885	13,168	17	817.40	2,158	37	940	5,702	16,266	314,000	L
Stubinen 3 Nybohovsbacken 34–36, Liljeholmen	2010	72	72	6,064	13,776	10	25.20	29	0	0	6,089	13,805	258,000	L
Total city centre		285	201	22,069	45,796	39	4,146	9,693	108	2,866	26,215	58,355	1,142,416	
Stockholm Immediate suburbs														
Bisvärmen 6 Olaus Magnus väg 6, Johanneshov	1943/2013	52	52	2,611	5,959	6	54	114	21	284	2,665	6,357	67,437	F
Bisvärmen 7 Olaus Magnus väg 8, Johanneshov	1943/2012	51	51	2,443	5,639	7	113	196	14	236	2,556	6,072	101,025	F
Bisvärmen 4 Olaus Magnus väg 10, Johanneshov	1943/2012	51	51	2,501	5,708	4	129	256	25	383	2,630	6,347	102,545	F
Bisvärmen 5 Olaus Magnus väg 12, Johanneshov	1943/2013	49	49	2,387	5,441	7	256	515	13	174	2,643	6,130	138,443	F
Pennteckningen 5 Gullmarsvägen 4, Johanneshov	1946/2023	40	40	2,679	5,479	17	271	487	5	73	2,950	6,038	120,611	F
Arabesken 1 Skulptörvägen 7, Johanneshov	1944/2023	37	37	1,598	3,756	4	11	148	0	0	1,609	3,904	74,153	F
Fontänen 1 Skulptörvägen 11, Johanneshov	1944/2010	37	37	1,769	3,974	0	0	0	5	66	1,769	4,040	69,000	F
Borrsvängen 14 Gubbängsvägen 107A–B, 109A–D, Gubbängen	2016	57	57	4,078	9,245	0	0	0	43	363	4,078	9,608	140,714	L
Borrsvängen 8 Gubbängsvägen 97–105, Gubbängen	1947/2020	34	34	2,188	4,443	3	43	35	0	0	2,231	4,478	67,254	L
Gradsågen 3 Dörrvägen 12–14, Gubbängen	1947/2022	13	13	815	1,623	5	79	102	0	0	894	1,725	25,999	L
Ryggsågen 2 Dörrvägen 18–20, Gubbängen	1947/2022	13	13	814	1,615	0	0	0	0	0	814	1,615	24,600	L
Ryggsågen 3 Dörrvägen 22–28, Gubbängen	1947/2021	26	26	1,660	3,231	6	51	42	1	7	1,711	3,280	48,800	L
Spöksonaten 1 Gösta Ekmans väg 31–33, Hägersten	1969/2023	53	53	4,370	8,132	6	791	479	28	260	5,161	8,871	142,194	F
Skidföret 1 Glidgränd 1–13, Västertorp	1949/2018	53	53	2,969	6,045	0	0	0	23	166	2,969	6,211	116,000	F
Skridskon 1 Lugntorpsvägen 45–57, Västertorp	1950/2017	58	58	3,366	6,669	2	152	235	16	127	3,518	7,031	126,908	F
Lackträden 8 Korpmsossevägen 63–69/Nitvägen 23–25, Västberga	1944/2015/2016	42	42	1,818	4,135	11	258	254	8	66	2,076	4,455	74,880	L
Lejongapet 46 Tegelbruksvägen 25–35, Midsommarkransen	1944/1988	58	0	3,614	6,282	9	272	485	20	204	3,886	6,971	129,885	F
Sötmandeln 2 Sirapsvägen 28, Hökarängen	2019	84	84	3,118	8,844	0	0	0	0	0	3,118	8,844	119,600	L
Pennväsaren 2 Lyckslevägen 90–116, Vällingby	1954/2016/2017/2019	96	96	5,912	11,593	23	502	423	18	160	6,414	12,176	155,342	L
Agnes Cecilia 1 Tappvägen 17–19, Emils Gata 1–7, Tummelis Gata 6–22, Bagar Bengtssons Gata 4–6, Bromma	2013	85	85	6,154	13,364	5	197	552	55	770	6,351	14,686	241,319	L
Vattenfallet 6 Råcksta Gårdsväg 19, Vällingby	2011/2012	77	77	5,431	11,848	0	0	0	50	371	5,431	12,219	177,000	L
Total Stockholm Immediate suburbs		1,066	1,008	62,295	133,024	115	3,177	4,324	345	3,709	65,472	141,057	2,263,709	

Other



Property name	Construction year	Residential				Non-residential			Garage/parking spaces		Total		Taxable value	Ground lease
		Number	Of which new or remodelled	Area, m ²	Annual rent, SEK 000s	Number	Area, m ²	Annual rent, SEK 000s	Number	Annual rent, SEK 000s	Area, m ²	Annual rent, SEK 000s	Total, SEK 000s	Leasehold/ Freehold
Southwest														
Rådsbacken 12 Rådsvägen 6–16/ Rådsstigen 3–5, Huddinge	1957/1972/2024	385	385	24,061	46,856	25	2,716	1,517	324	2,654	26,777	51,028	494,000	F
Generatorm 7 Björnkullavägen 6–12, 6A, 10A–B, Ebba Bååts Torg 11–15, 19B, 21–29, Huddinge	2017	184	184	11,503	26,096	57	1,753	4,598	86	1,261	13,256	31,955	381,800	F
Capella 2 Solskensvägen 21–23, Tullinge	2018	155	155	5,276	14,981	44	73	125	54	475	5,349	15,580	174,245	F
Total Southwest 724		724	724	40,839	87,933	126	4,543	6,240	464	4,390	45,382	98,563	1,050,045	
Northeast														
Galeasen 4 Farkostvägen 2, Lidingö	1955/2021	24	24	1,917	3,696	11	231	361	7	90	2,148	4,147	61,720	F
Regattan 3 Bodalsvägen 11–19, Lidingö	1954/2022	52	52	2,666	5,904	5	141	128	9	126	2,807	6,158	103,703	F
Fregatten 4 Fregattvägen 9, Lidingö	1961/2014	73	73	5,409	9,822	10	73	70	0	0	5,482	9,893	149,424	F
Fregatten 5 Fregattvägen 11–15, Lidingö	1960/2015	72	72	7,549	12,661	9	175	148	40	432	7,724	13,241	214,150	F
Styrmanen 1 Bodalsvägen 49–83, Lidingö	2007	87	87	5,673	11,656	5	2,730	1,384	165	2,234	8,403	15,275	221,062	F
Markan 6 Flygvilleslingan 5, 12, 18–20, Täby	2010	52	52	2,848	6,410	0	0	0	56	263	2,848	6,672	93,600	F
Opalen 2 Boulevarden 35,37,39,41, Trångsgatan 3,5,7, Trångsgatan 1A–H, Martingalgatan 2, 4, Täby	2020	142	142	9,527	21,548	11	192	2,035	63	1,048	9,719	24,631	357,214	F
Murklan 1 Johannesbergsvägen 64–118/Vetenskapsvägen 2A–8E, Sollentuna	2020	52	52	3,854	8,487	0	0	0	24	252	3,854	8,739	132,400	F
Alen 3 Pilgatan 7,9 A–C, Sjöfartsgatan 12, Skutgatan 13 A–D, Norrtälje	2022	84	84	3,901	9,526	2	290	598	0	0	4,191	10,124	128,498	F
Gråalen 1 Vegagatan 14 A–E, Hamnvägen 1, 3A–D, Skutgatan 10, 12 A–D, Norrtälje	2021	143	143	8,048	18,698	3	515	879	0	0	8,563	19,577	249,701	F
Total Northeast 781		781	781	51,391	108,408	56	4,348	5,604	364	4,445	55,739	118,456	1,711,472	
Northwest														
Enköping Romberga 23:58 Eiravägen 4–6, Nannavägen 4–6, Vanadisvägen 6, Enköping	2022	156	156	7,473	15,218	0	0	0	80	583	7,473	15,802	162,000	F
St Ilian 9:3 Sankt Larsgatan 2 D, Enköping	2021	33	33	2,036	3,701	0	0	0	2	17	2,036	3,717	47,000	F
Gränby 10:7 Liljefors Torg 6, Uppsala	2022	47	47	1,654	4,302	0	0	0	8	48	1,654	4,350	55,200	F
Total Northwest 236		236	236	11,163	23,221	0	0	0	90	648	11,163	23,869	264,200	
Community service properties														
Tärnö 1 ¹⁾ Brattforsgatan 25A–C, Farsta	2016					1	5,800	16,031		0	5,800	16,031	0	L
Årstadalsskolan 5 ¹⁾ Sturehillsvägen 28–30, Liljeholmen	2010					1	575	1,756		0	575	1,756	0	L
Krusmyntan 1 ¹⁾ Basilikagränd 1, Tyresö	2017					2	4,675	13,093		0	4,675	13,093	0	F
Krusmyntan 2 ¹⁾ Basilikagränd 3, Tyresö	2007					1	2,900	6,480		0	2,900	6,480	0	F
Vinfatet 6 ¹⁾ Böljevägen 20, Sollentuna	2016					1	4,010	10,640		0	4,010	10,640	0	F
Fuxen 2 ¹⁾ Kemistvägen 7–9, Täby	2015					2	4,247	11,089		0	4,247	11,089	0	F
Parken 6 ¹⁾ Söderby torg allé 20, Salem	2015					1	3,650	8,942		0	3,650	8,942	0	F
Svänghjulet 4 ¹⁾ Enhagsslingan 7, Täby	2014					1	3,998	10,889		0	3,998	10,889	0	F
Österåker Näs 7:7 ¹⁾ Näs, Österåker	2020					2	4,787	13,718		0	4,787	13,718	0	F
Vallentuna Åby 1:167 ¹⁾ Åby Allé, Vallentuna	2020					1	3,915	11,352		0	3,915	11,352	0	F
Alen 3 Vårdboende ¹⁾ Skutgatan 15, Norrtälje	2022					1	5,915	16,865		0	5,915	16,865	0	F
Äppelträdgården 1 ¹⁾ Dora Lamms gata 11, Täby	2020					3	3,935	12,742		0	3,935	12,742	0	F
Gränby 10:6 ¹⁾ Liljefors Torg 4, Uppsala	2012					2	5,472	13,576		0	5,472	13,576	0	F
Enköping Romberga 23:54 ¹⁾ Idunvägen 2, Frejas allé 2, Enköping	2018					1	4,100	11,524		0	4,100	11,524	0	F
Total community service properties						20	57,979	158,699		0	57,979	158,699	0	
TOTAL		3,092	2,950	187,757	398,383	356	74,191	184,559	1,371	16,058	261,950	599,001	6,431,842	

Annual rents are based on closing rents for the month of December, annualised. The foregoing list does not include the Källberga Nynäshamn project property.

¹⁾ Special unit, taxable value has not yet been assigned.

Annual General Meeting

2026 Annual General Meeting of shareholders in Heba Fastighets AB (publ)

Time: Thursday 23 April at 16.00

Place: Bio Fågel Blå, Skeppargatan 61, Stockholm

Registration

Anyone wishing to attend the meeting in person or by proxy must:

First, be registered as a shareholder in the share register maintained by Euroclear Sweden AB on Wednesday, 15 April 2026.

Secondly, must notify the company of their attendance by 17 April 2026

By email: GeneralMeetingService@euroclear.com,

By post: Heba Fastighets AB, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden

Or by telephone: +46 (0) 8-402 91 33.

Nominee-registered shares

To be eligible to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to registering for the meeting, also register the shares in their own name so that the shareholder is included in the presentation of the share register as of the record date of Wednesday, 15 April 2026. Re-registration can be temporary (voting rights registration) and must be requested from the nominee in accordance with the nominee's procedures and advance notice requirements. Voting rights registrations by the nominee no later than Friday 17 April 2026 will be included in the preparation of the share register.

Information on the resolutions adopted by the General Meeting on Thursday 23 April 2026, after the close of the General Meeting:

Information may be requested by

Telephone +46(0)8-442 44 40

Email info@hebafast.se

Financial calendar

Interim Report January–March 2026

22 APR 2026

The board of directors proposes distribution of a dividend to shareholders of SEK 0.55 per share. The proposed record date for the dividend is 27 April 2026.

27 APR 2026

If the Annual General Meeting approves the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on 30 April 2026.

30 APR 2026

Interim Report January–June 2026

9 JUL 2026

Interim Report January–September 2026

21 OCT 2026

Year-end Report 2026

Feb 2027

Annual Report 2026

MAR 2027



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Photography: Johan Bergmark, Johan Eldrot, Christian Gustavsson, Fredrik Hjerling, Karl Nordlund, Getty Images and Shutterstock.
Printing: Multiply, 2026.



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